

Transparency Guidelines for Engagement and Voting in Institutional Investment Pilot Version

These draft guidelines have been compiled by a group of members and affiliates of the UK Social Investment Forum (UKSIF) and the European Social Investment Forum (Eurosif). The idea for producing these guidelines originated from UK-based Eurosif members, and funding has been provided by the European Commission for the duration of the development phase of the project.

For the purpose of the guidelines, active shareholding is taken to encompass voting and engagement with investee companies across social, ethical, environmental (SEE) and corporate governance (CG) issues.

These transparency guidelines are intended to provide a consistent framework for fund managers to disclose their approach to engagement and voting, which should in turn help pension fund trustees and their consultants assess fund managers in this increasingly important area of their activities.

The pilot version of the guidelines was developed over a period of four months through a series of workshops and discussions with a working group of fund manager representatives from specialist corporate governance and responsible investing teams.

The guidelines are currently numbered to facilitate feedback and editing at the end of the pilot. During the pilot, guidance and definitions of the key terms will be written.

Basic Information

Respondents are invited to provide basic contextual information.

Fund manager: _____

Total assets under management: _____

Contact details and email address: _____

The calendar year covered by this report: _____

1. Policy

Respondents are invited to provide information about their organisation's engagement and voting policy.

1.1. Overall Policy

- 1.1.1. State if you have an overall policy on engagement and voting encompassing corporate governance, social, ethical, and environmental issues. Where can this be found?
- 1.1.2. State what corporate governance, social, ethical, and environmental issues are covered by your policy.
- 1.1.3. Describe what your rationale is for pursuing an engagement and voting policy.
- 1.1.4. State what national, international codes and standards are referenced in your policy.
- 1.1.5. State what proportion of your assets, your engagement and voting policy covers.
- 1.1.6. Using the table below please indicate the main voting and engagement approaches you use (where applicable).

		Asset Class			
		Equities	Bonds	Property	Private Equity
Geography	Home Country (please specify)				
	Rest of Europe				
	US				
	Other geographic regions (please specify)				

1.2. Client-specific Policies

- 1.2.1. State how you implement client-specific engagement and voting policies, if you do at all.
- 1.2.2. Describe how the conflicts between client-specific policies and your general engagement and voting policies are managed.

2. Inputs

Respondents should provide information on the human and other resources used to implement their engagement and voting policy.

2.1. Internal Resources

- 2.1.1. Please provide an organisation chart which includes the engagement and voting sections of your team.
- 2.1.2. State who within the organisation has overall responsibility for your engagement and voting policy. (Please provide name and position).
- 2.1.3. State how many people (full time equivalents) are dedicated to engagement and voting. (Note: This should exclude time spent on sales and marketing activities).
- 2.1.4. Please describe what the relevant experience is of these staff. (Notes: 1. indicate roles and responsibilities, including any specific SRI screened fund responsibilities; 2. include staff biographies /mini CV).
- 2.1.5. Please list, other than those already mentioned, anyone else responsible for implementing your engagement and voting policy. Please provide details and how it is done.

2.2. External Resources

- 2.2.1. Please describe any external research used to support engagement and voting.
- 2.2.2. Please describe any external expertise used to support engagement and voting.
- 2.2.3. Please describe the third party's responsibilities if you delegate any of your voting activities.
- 2.2.4. Please describe the third party's responsibilities if you delegate any of your engagement activities.

3. Procedures

Respondents should describe the procedures used to implement the engagement and voting policy.

- 3.1. Please list the procedures for engagement and voting and provide a brief description of each.
- 3.2. Describe how your engagement and voting objectives are set and prioritised.
- 3.3. Describe how engagement and research influence your a) voting decisions and b) investment decisions.
- 3.4. Please state how you collaborate with other organisations in engagement and voting, if at all.
- 3.5. Describe your procedure(s) for dealing with conflicts of interest.
- 3.6. Describe your audit and assurance procedures for engagement and voting.

4. Outputs

Respondents should provide information on their voting and engagement activity over the reporting period.

4.1. Voting

4.1.1. Using the table below provide information on your voting activity under the overall engagement and voting policy.

Calendar year covered	
Total number of resolutions voted on	
Proportion of resolutions voted for management (%)	
Proportion of resolutions against management (%)	
Proportion of resolutions abstained (%)	
Total number of companies voted on	
Number of companies voted against management	

4.1.2. Please indicate where detailed information for abstentions and votes cast against management, and where votes have been cast in conflict with your engagement and voting policy can be found.

4.2. Company Engagement

4.2.1. Please state your engagement priorities for the calendar year.

4.2.2. Please list how many requests for change you have made and on what subjects or issues, during the reporting period.

4.2.3. State how many engagement communications have been made. Please indicate what proportion of these were face-to-face meetings and where can extra information be found.

4.3. Outcomes

4.3.1. Please describe how you measure the effectiveness of your engagement and voting policy and its activities, if any.

4.3.2. If appropriate, please provide examples where you have observed improvements in company practice that relate to your engagement and voting objectives.

5. Disclosure and Reporting

Respondents should describe their engagement and voting disclosure to clients and other stakeholders.

5.1 Using the table below please show how frequently you report in these areas (quarterly / half yearly / annually / not at all / on demand):

	Recipient	
	Client & Agents	Public
Details of all votes cast (or your voting recommendations)		
For abstentions or votes against management, details of the reasons for your decision		
Details of your engagement activity with companies		
Your views or policy positions on specific issues of corporate governance or corporate responsibility		

5.2 Please state if your reports are verified and please describe the verification process (including who does it).