

## Voting Policy (“Policy”)

### 1 Introduction

- 1.1 The Wales Pension Partnership (“WPP”) is the pooling arrangement for the assets of the eight Welsh Local Government Pension Scheme funds (“Constituent Authorities”).
- 1.2 The investment arrangements of WPP are overseen by a Joint Governance Committee (“JGC”) and supported by an Officer Working Group (“OWG”) and implemented through a range of sub-funds. Responsibility for the scrutiny of voting practices is delegated to the WPP Responsible Investment Sub-Group (“RI Sub-Group”).
- 1.3 This document sets out the WPP’s policy on proxy voting in respect of all assets invested within the WPP sub-funds. This policy has been developed by the WPP in consultation with the Constituent Authorities and taking advice from its advisers and appointed Voting and Engagement Provider (“V&E Provider”).
- 1.4 WPP has appointed Robeco as its V&E Provider. The role of the V&E Provider is to:
  - Provide input to the WPP on the development of a suitable voting policy;
  - Work with the WPP to understand the WPP’s and Constituent Authorities’ priority themes for voting and engagement and ensure that these are reflected in the work undertaken by Robeco on behalf of the WPP;
  - Undertake proxy voting on all shares held within WPP sub-funds;
  - Undertake engagement with companies held within WPP sub-funds to achieve the engagement objectives on behalf of WPP;
  - Report quarterly on voting undertaken on behalf of WPP;
  - Discuss with the RI Sub-Group and other parties the voting and engagement activity undertaken on behalf of the WPP.

### 2 Voting policy

- 2.1 The WPP recognises that Robeco maintains a house voting policy (“Robeco House Voting Policy”). The WPP further recognises that Robeco reviews and updates this Robeco House Voting Policy on a periodic basis to ensure that it represents prevailing best practice.
- 2.2 The WPP has reviewed Robeco’s [house voting policy](#) and believes that the principles embedded in the Robeco House Voting Policy appropriately reflect the objectives of the WPP. The WPP has therefore instructed Robeco to vote all shares held in WPP Sub-Funds in line with the Robeco House Voting Policy.
- 2.3 The WPP is a member of the Local Authority Pension Fund Forum (LAPFF). Where the LAPFF issues voting alerts, the WPP has instructed Robeco to consider the substance of the voting alert before casting votes on behalf of the WPP although Robeco retains responsibility for the final decision on any vote and WPP’s expectation is that the voting policy will be followed. Where a vote cast is out of line with the LAPFF voting alert, the WPP requires Robeco to provide an explanation of the difference.

### **3 Voting Priorities**

- 3.1 The WPP will maintain a set of 'Voting Priorities' covering topics which are particularly relevant to the WPP's beliefs and objectives. The purpose of setting Voting Priorities is twofold:
- to ensure the WPP can more readily scrutinise voting activity carried out on its behalf, and
  - to ensure that the issues of concern to WPP have been fully communicated to its V&E Provider.
- 3.2 The WPP will consult with the Constituent Authorities on an annual basis to consider emerging themes that should be reflected in the WPP's Voting Priorities. Such themes will also contribute to the development of engagement priorities.
- 3.3 The WPP will make the V&E Provider aware of its Voting Priorities. The WPP will use the Voting Priorities on an ongoing basis to scrutinise the activity of the V&E Provider, to ensure that voting outcomes remain in line with expectations and identify any potential areas of concern.
- 3.4 The WPP will report votes on Voting Priorities on an annual basis within its Stewardship report.

### **4 Review of voting policy**

- 4.1 This policy will be formally reviewed by the OWG on an annual basis and, if necessary, changes to the policy will be taken to the JGC for approval.
- 4.2 WPP recognises that Robeco's House Voting Policy is reviewed and updated on a periodic basis. The WPP RI Sub-Group will review any changes to the House Voting Policy and will report any material areas of concern to the OWG and JGC..
- 4.2.1 In the event that there are no material areas of concern, the WPP RI Sub-Group will instruct Robeco to apply the updated house policy with immediate effect.
- 4.2.2 In the event that there are areas of material concern, the WPP RI Sub-Group will instruct Robeco to maintain the prevailing house voting policy. The WPP will then engage with Robeco and determine what action may be taken.
- 4.3 Where WPP identifies any WPP specific area of interest through its engagement with Constituent Authorities, the RI Sub-Group will consider and agree whether such issue should be raised with Robeco. Where such issue is agreed, WPP will set out its position to Robeco and request that such issue be reflected in the ongoing development of the Robeco House Voting Policy.

## **5 Monitoring/Reporting of voting activity**

- 5.1 The WPP Sub-Group is responsible for the oversight and monitoring of voting carried out by the V&E provider, and if required, to challenge Robeco to understand the Voting activity it has undertaken on WPP's behalf.
- 5.2 WPP will receive a report on all voting activity, including details of any votes which have not been cast and explanations where votes have not been cast in accordance with the agreed principles on a quarterly basis. WPP will discuss any issues of concern with its V&E Provider, or other delegates as necessary.
- 5.3 The WPP will report on voting activities each quarter to each of the Constituent Authorities.

## **6 Further Information**

- 6.1 If you require any further details on the Voting Policy please contact [WalesPensionPartnership@carmarthenshire.gov.uk](mailto:WalesPensionPartnership@carmarthenshire.gov.uk) and refer to the WPP website.

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