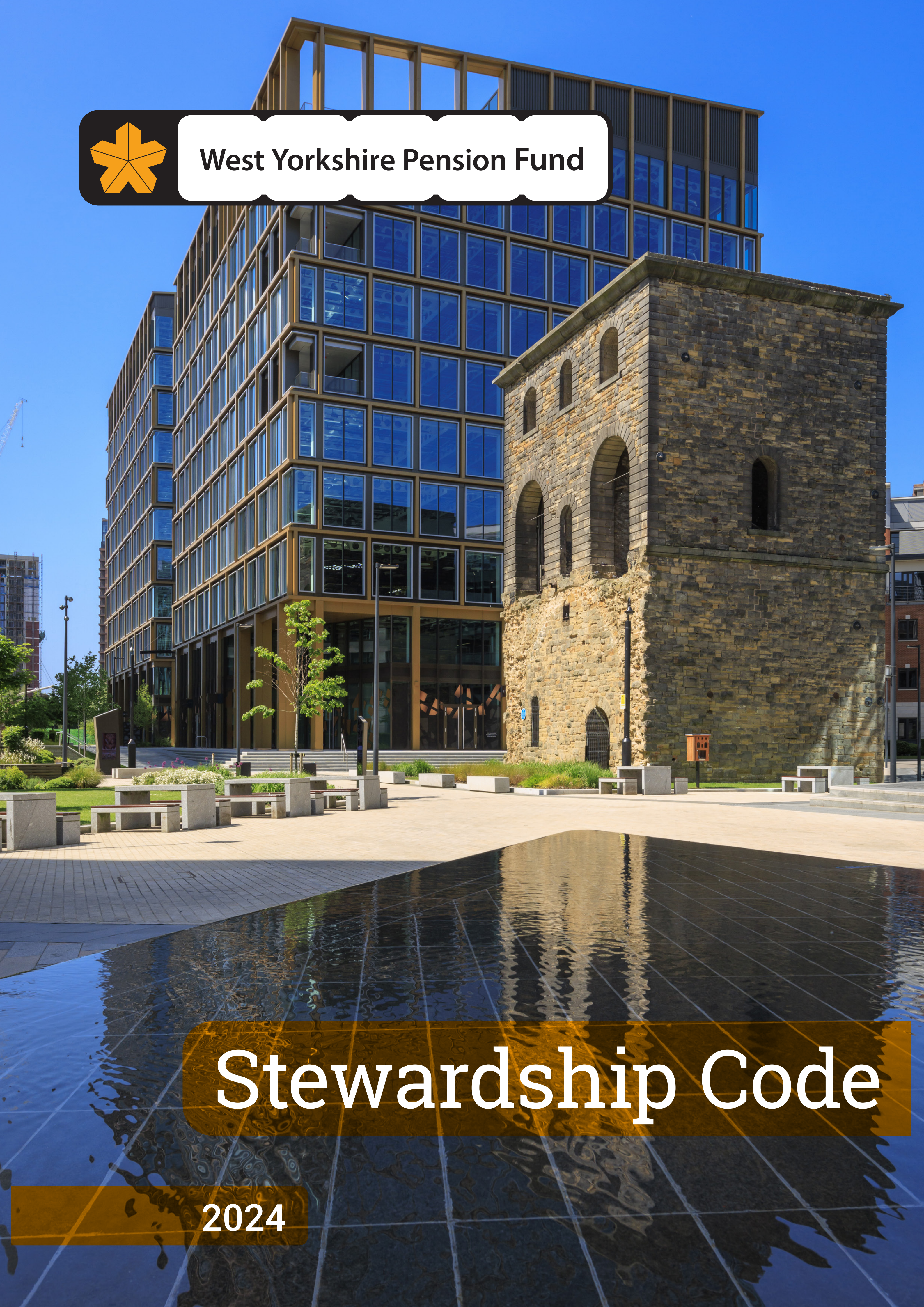


West Yorkshire Pension Fund

Stewardship Code

2024

Introduction

Stewardship, the idea that investors actively engage with and provide oversight to companies in which they invest, is well established in the UK. In 2019, the Financial Reporting Council (FRC), which has the purpose of maintaining exacting standards of corporate governance, reporting and audit, overhauled the UK Stewardship Code (the 'Code') by which asset owners and managers must abide. The Code now comprises of twelve principles, see Table 1, which should be adhered to on an 'apply-and-explain' basis, that is, an investor must align their approaches to the Code's principles and explain how it has done so.

As a Local Government Pension Scheme (LGPS), West Yorkshire Pension Fund (WYPF) is required to be a signatory to the Code under the terms of the 2016 LGPS Regulations.

Signatories to the Code are required to report annually on their stewardship policies, processes, activities, and outcomes for a 12-month reporting period. WYPF became a signatory to the revised Stewardship Code in September 2022 and is submitting this document to maintain its status. Large parts of the original document have been retained and the document only substantively varies where we have provided updated examples of our stewardship work in the twelve months ending in March 2024.

TABLE 1: THE TWELVE PRINCIPLES OF THE STEWARDSHIP CODE

Purpose and governance	
Principle 1	Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.
Principle 2	Signatories' governance, resources, and incentives support stewardship.
Principle 3	Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.
Principle 4	Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.
Principle 5	Signatories review their policies, assure their processes, and assess the effectiveness of their activities.
Investment approach	
Principle 6	Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.
Principle 7	Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.
Principle 8	Signatories monitor and hold to account managers and/or service providers.
Engagement	
Principle 9	Signatories engage with issuers to maintain or enhance the value of assets.
Principle 10	Signatories, where necessary, participate in collaborative engagement to influence issuers.
Principle 11	Signatories, where necessary, escalate stewardship activities to influence issuers.
Exercising rights and responsibilities	
Principle 12	Signatories actively exercise their rights and responsibilities

PRINCIPLE 1

Purpose and Beliefs

WYPF is one of the largest of the 86 Local Government Pension Scheme (LGPS) in England and Wales that together comprise the biggest public pension fund in the UK and one of the largest funded defined benefit programs in the world with assets of c£350bn and more than six million members.

As of 31 December 2023, WYPF had 320k members and 416 active employers across the UK. Our largest employers are the five West Yorkshire Councils: Bradford, Calderdale, Kirklees, Leeds, and Wakefield. In total, within our Shared Service administration arrangements (providing benefits administration for three other LGPS funds and over twenty regional firefighter pension schemes) we serve 503,488 members and over 950 active employers. City of Bradford Metropolitan District Council (CBMDC) became the administering authority of WYPF in 1986.

The **purpose of WYPF** is to invest the contributions received from local government employers, employees, and other designated entities, to generate a financial return sufficient to pay the pensions of our members.

The **aims of the fund** are to:

- Enable employer contribution rates to be kept as stable as possible and at reasonable cost, whilst maintaining the solvency of the fund.
- Manage employers' pension liabilities effectively and ensure that sufficient resources are available to meet such liabilities as they fall due.
- Maximise the returns from investments within reasonable risk parameters.

The Fund's principles, culture and beliefs reflect WYPF's **unique set of circumstances**:

- As an LGPS, WYPF is subject to a variety of legislation, regulation, and guidance.
- WYPF is a Defined Benefit scheme and is open to new members.
- WYPF recognises a fiduciary duty to its Fund members and scheme Employers.
- Distinct from many LGPS funds, WYPF manages the majority of its assets internally using an in-house team of investment specialists within the framework of the Northern LGPS pooling arrangements. This approach has produced strong investment returns while keeping costs low and has also permitted the investment team to develop profound long-term working relationships with investee companies.

Our unique characteristics, in conjunction with the influences of our administering authority, and WYPF's investment team, have led WYPF to develop a strong culture reflecting the following shared **investment beliefs**:

- WYPF is inherently long-term in its attitude to risk and return to reflect the duration of the liabilities of the fund.
- The Fund invests in a diverse range of instruments including UK and international equity; sovereign and corporate bonds; private equity and credit; infrastructure; real estate; and alternatives.
- WYPF believes in actively managing the fund and chooses to do this via an in-house investment team, with the majority of the assets of the fund directly invested in securities. In those instances when the fund does not believe it can secure internal resources to manage specialised investments directly, it will seek external expertise, either through the Northern LGPS pool, or third-party managers.
- The Fund recognises the importance of being a responsible asset owner and believes assets' specific Environmental, Social and Governance (ESG) characteristics will determine their long-term sustainability. WYPF is a signatory of the UK Stewardship Code.

WYPF also has the following shared **governance beliefs** to support the investment strategy. These include:

- WYPF aims to be at the forefront of best practice for LGPS funds: this means striving to ensure compliance with the appropriate legislation and statutory guidance, as well as acting in the spirit of wider relevant guidelines and best practice guidance for pensions and investments.
- WYPF clearly articulates its objectives and how it intends to achieve those objectives through business planning, and continually measures and monitors success.
- All staff and committee members charged with financial administration, decision-making or investment oversight of WYPF should be fully equipped with the knowledge and skills to discharge the dues and responsibilities allocated to them.
- WYPF is committed to communicating with its stakeholders and other interested parties in a clear and transparent manner.

Under the terms of the 2016 LGPS Investment Regulations, WYPF is obliged to publish an Investment Strategy Statement (ISS) describing our investment approach including our attitude to Responsible Investments. The **document** is published on the fund's website. The ISS was most recently revised in 1Q 2024.

A core component of our investment process is stewardship: that is, we commit to be appropriately informed about the investments we make, engaged with the managements of the companies we invest in, and use our voting rights appropriately and consistently.

TABLE 2: WYPF'S ESG PRINCIPLES

Principle #1	WYPF recognises that Environmental, Social and Governance (ESG) factors can profoundly impact an individual company's long-term sustainability.
Principle #2	WYPF does not believe that there is a trade-off between the investment performance of a financial asset and investing in a company that is behaving in a responsible and sustainable manner.
Principle #3	WYPF chooses to be an informed and active manager.
Principle #4	WYPF recognises its stewardship responsibilities through engagement and voting.
Principle #5	Positive Engagement for Change: as owners of companies, we have the power to change the behaviour of managements who we consider our agents.

WYPF has adopted five principles that seek to define our approach to Environmental, Social and Governance (ESG) factors into its investment process, see Table 2. We assess how we implement these principles in a **Responsible Investment Policy Document** which we publish on our website. The report seeks to both explain our approach to our members and establish expectations for investee companies and service providers. We will review our ESG principles over time considering our progress as an asset owner, industry developments and the evolution of best practice.

The approach by which WYPF integrates its investment beliefs, strategy and culture into specific action is through the **business plan**, which is published on WYPF's website. The annual plan is submitted for approval at the first JAG meeting of the municipal year (Principle 2). The biannual JAG meetings are the principal forum to assess the progress toward the agreed business goals, the suitability of our resources and processes to ensure that they remain 'fit-for-purpose.' (See Principle 2). While the ultimate judgment of the effectiveness of WYPF's purpose and beliefs is inherently long-term, achievements in 2023 include:

- We have continued to deliver on our primary goal of achieving an adequate financial return to fund our members' pensions at a stable and affordable cost to employers. In the twelve months to March 2024 the fund increased in value by 7.3% to £19.2bn. As of March 31, 2022, WYPF's actuary estimated the funding level (i.e. the ratio of assets to liabilities) to be 108.5%, a surplus of £1.4bn. This represented an improvement on the 2019 valuation that indicated a surplus of £866.1mn and a funding ratio of 106.4%.
- We have been active stewards of our assets both through our voting actions and our engagements, which are published on our website. We look to expand this solid foundation and continue to build-out our activities. Notably, we have increased the number of collaborations in which we participate in 2023, see Table 15 (Principle 10.)

PRINCIPLE 2

Governance, resources and incentives

Signatories' governance, resources, and incentives support stewardship

LGPS scheme regulations were defined under the Superannuation Act 1972, the Pensions Act 2004, the Public Service Pension Schemes Act 2013 and the 2016 LGPS Regulations. Changes to scheme rules can only be amended with the approval of Parliament.

Each LGPS fund has its own governance arrangements, which are the responsibility of the administering authority (typically a local authority) to each fund. The governance arrangements of the fund and relationship with the administering authority, CBMDC, are detailed in the fund's **Governance Compliance Statement**.

The Governance Compliance Statement has been prepared in accordance with the Local Government Pension Scheme Regulations 2013 (Regulation 55) and its predecessor, Regulation 31 of the Local Government Pension Scheme Regulations 2008. The governance structure is designed to deliver effective oversight through strong stakeholder representation and engagement, clear division of responsibilities, effective reporting, and transparency. Its effectiveness is assessed through an examination of outcomes; to date, the experience has been positive as WYPF has performed well against its business plan objectives (described in Principle 1).

The key motivation for integrating stewardship into the investment process is WYPF's governance structure. CBMDC delegates all its relevant functions to its Governance and Audit Committee that in turn uses three vehicles, see Table 3, for overseeing WYPF:

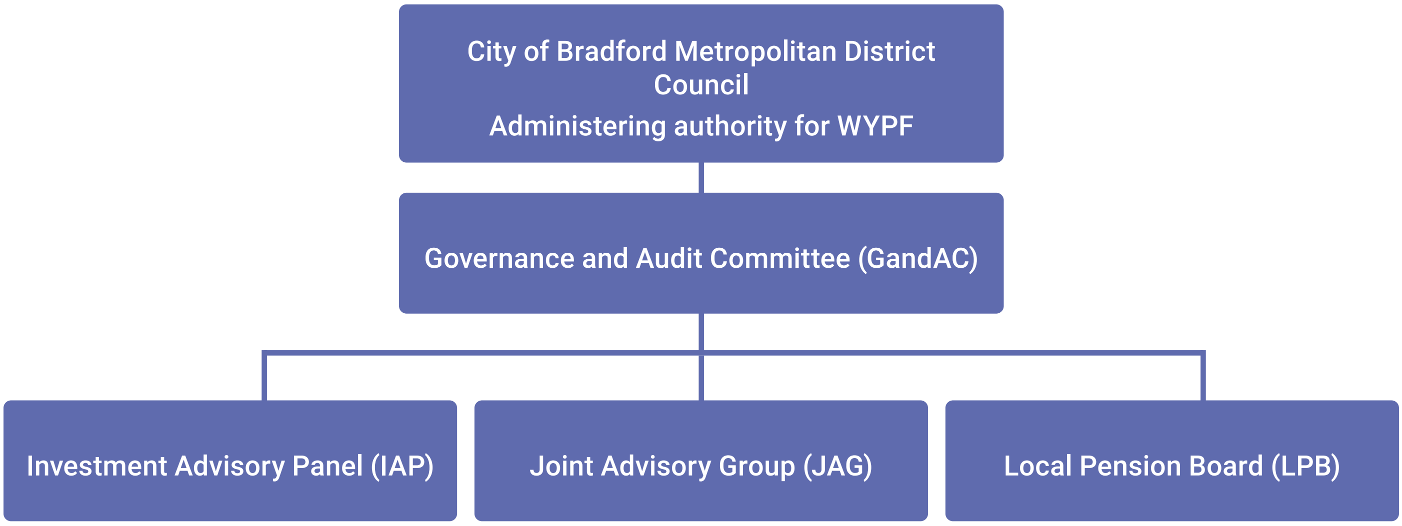
- The **Joint Advisory Group (JAG)** has overall responsibility of establishing and implementing an appropriate funding plan as well as overseeing and monitoring its administration. The JAG meets at least biannually.
- The **Investment Advisory Panel (IAP)** has overall responsibility for establishing and implementing a suitable investment strategy as well as overseeing and monitoring the management of WYPF's investment portfolio and investment activity. The IAP includes elected members from each of the five West Yorkshire metropolitan authorities, plus three independent advisers, trades union representatives, active and retired member representatives, the Managing Director of WYPF and (on a rotating basis) the Director of Finance from one of the five West Yorkshire authorities. The IAP is supported by the in-house investment team, led by the Chief Investment Officer (CIO). The IAP meets at least quarterly.
- The **Local Pension Board** (LPB) seeks to ensure the effective and efficient governance and administration of WYPF including compliance with relevant legislation and regulation. Local Pension Boards must contain an equal number of employer and scheme member representatives. WYPF's Pension Board has been established with four employer and four member representatives. The aim of the board is to provide scrutiny of WYPF's decision-making process and provide input from the perspective of scheme members and employers. The LPB meets at least quarterly. It is not a decision-making body.

The business plan is a high-level document that describes the objectives and ambitions of the organisation. It forms the basis of all strategic decisions and describes how WYPF intends to implement its plan and how it is governed. In recognition that the strategic challenges facing WYPF will not necessarily coincide with our usual 12-month accounting cycle in January 2022 WYPF adopted a rolling a five-year business plan covering the period up to 2026/7. The most recent review of the business plan occurred in January 2024 covering the period up to 2028/29.

The Managing Director (MD) of WYPF has day-to-day control of all aspects of implementing the business plan. The Fund's CIO assists the MD in managing the investment management functions of WYPF. The CIO's role is to oversee asset allocation, portfolio performance, and the investment process including ESG matters.

WYPF manages its listed equity, fixed income, and some property assets directly, while its in-house private markets team invests in externally managed funds for some private equity and infrastructure, hedge funds, private credit, and other property. WYPF makes further infrastructure and private equity investments via its pool, the Northern LGPS.

TABLE 3: WYPF'S CORPORATE GOVERNANCE FRAMEWORK



In 2023 WYPF appointed DTZ Advisors to run a direct UK property mandate. The objective of the mandate is to help WYPF grow its direct portfolio in a cost-effective manner. The focus will be on low-risk properties with sustainable income yield. The aim of making direct investments is to reduce ongoing fees and enhance control, including ESG oversight, enabling long-term investment throughout market cycles.

The 2016 LGPS Investment Regulations sought to encourage individual LGPS funds to pool investments to reduce costs and facilitate further investment into infrastructure assets. WYPF, in partnership with Merseyside LGPS and Greater Manchester LGPS, formed Northern LGPS (NLGPS) (formerly the Northern Pool LGPS) an LGPS Pool to provide investment services to its members.

The Northern LGPS Pool is not a standalone legal entity. It is a Local Government Joint Committee structure supported administratively by a Host Authority (currently Tameside MBC), which provides all administrative resources and facilities that may be necessary, such as clerking services for the Joint Committee meetings. The Pool is governed by an inter-authority agreement signed by the three constituent Administering Authorities. The agreement sets out the terms of reference for the Northern LGPS Joint Committee, which is the decision-making body for the Pool. The Joint Committee has been appointed under S102 of the Local Government Act 1972, with delegated authority from the Full Council of each Administering Authority to exercise specific functions in relation to the pooling of pension fund assets.

NLGPS has established two vehicles to make collective investments in alternative asset classes. These vehicles are:

- In April 2015, GMPF and the London Pensions Fund Authority formed a joint venture to invest directly in infrastructure assets, with a focus on the UK. The joint venture was structured as a limited liability partnership and was named GLIL Infrastructure LLP (GLIL). As part of the Local Government Pension Scheme (LGPS) pooling discussions, West Yorkshire, Merseyside, and Lancashire County Council pension funds joined GLIL in December 2016. In March 2018 GLIL was re-structured as an open-ended fund to facilitate potential new members; which include Nest, one of the UK's biggest Defined Contribution Pension Schemes. Additional commitments made by new and existing members means GLIL now has committed capital of £3.6 billion, of which over £2.4bn is from the Northern LGPS funds. One of the key motivating factors in forming GLIL was to enhance governance over assets with the portfolio.
- Northern LGPS established the Northern Private Equity Pool in May 2018; an investment joint venture structured as an English Limited Partnership. The partnership operates as a single legal entity through which the three Northern LGPS funds can invest collectively and collaboratively in private equity assets. The Northern Private Equity Pool draws on the combined expertise and experience of the internal teams at each of the respective Northern LGPS funds, and the administration capabilities of Northern LGPS's pool-wide external custodian. The combined scale and resources of the Northern Private Equity Pool enables the partner funds to invest in private equity through lower cost implementation approaches than have been the case historically. Investment pace since inception has been consistent with targets, with over £2.8bn committed by March 2023.

As of March 2024, WYPF had £664mn invested in GLIL and £469mn at NPEP, 3.5% and 2.5% of total assets, respectively.

In March 2024, the fund's administering body, CBMDC, alongside Internal Audit colleagues at the administering bodies of MPF (Wirral) and GMPF (Tameside) undertook a review of the Governance Arrangements surrounding the Northern LGPS Investment Pool.

In December 2022, WYPF won the ‘Good Governance Award’ at the annual LAPF Investments Awards. The award recognises the importance of Governance for members of the LGPS and how governance has been integrated into our processes to ensure all parties involved in the management of WYPF are aligned with our long-term objectives. This includes governance of shared and external services, transparency, and the management and mitigation of risks.

The Independent Advisors that sit on the IAP prepare an annual report on the governance effectiveness of the IAP. Their report, which was submitted to the April 2023 IAP meeting, concluded ‘*the fund is in good shape as a result of the work undertaken by the members and officers of the fund. With new leadership in place the fund can look forwards to the future with confidence.*’ The report noted progress on fund reporting and recruitment, issues that had been flagged in their 2022 report, and an ongoing review of the fund’s governance.

To refocus the remit of the three governance committees the fund hired an external advisor, Muse Advisory, which presented its conclusions to the July 2023 JAG meeting. The reported concluded that: ‘*The Fund appears to be well run in general and working effectively to fulfil its objectives,*’ noting:

- There is a high-quality staff in place, with all members of the governing bodies feeling well supported by the officers, and that the officers are easily contactable.
- The appointments of a separate MD and CIO within the last eighteen months, splitting a key role previously covered by one person into two, has proved beneficial. There have been proactive changes/ improvements made, with more planned to come through as soon as possible.
- There was good reporting on the fund’s administration and operations, including on benefit statements delivery, GMP rectification, and data improvement plans in place and being followed.
- All members of the fund’s governing bodies behave professionally and engage well during the meetings.

Muse did highlight areas requiring further attention:

- The LPB can be used more effectively, making the most of this requirement, rather than just adding another body to the fund’s governance.
- The IAP and JAG have large, unwieldly memberships. Member attendance at meetings was irregular, with some individuals finding it difficult to commit sufficient time.
- The roles and responsibilities of members within each group appeared unclear at times, and there has been leakage of topics between the separate IAP and JAG, partly due to the overlapping membership.

Muse will be working with WYPF officers and the Head of Governance of CBMDC to implement improvements to governance arrangements in 2024.

Where management is undertaken in-house, ESG factors will be considered as part of the usual assessment process both before and after investment decisions are made. It is the responsibility of the individual investment team members to consider ESG factors when assessing the suitability of any given investment for WYPF. ESG considerations apply to both equity and other asset classes.

WYPF staff are employed by CBMDC and are subject to the council’s policies, including an annual performance review. The appraisal of investment staff considers how effectively they execute their responsibilities. Since we consider stewardship to be a core part of our investment process employees that disregarded stewardship would be failing to perform satisfactorily. Persistent failure to achieve satisfactory performance reviews may lead to sanction, including dismissal. WYPF does not pay employees incentives in the form of bonuses.

The investment team is encouraged to keep abreast of ESG matters. Ongoing development is undertaken in a variety of ways, including taking courses, attending seminars and conferences, meetings with research providers, interaction with professional bodies, engaging with regulators as well as the sharing of ideas and processes within the team.

For externally managed funds, due diligence is conducted during the selection process for investment managers including a thorough review of the manager’s approach to ESG. This is monitored throughout the term of the investment.

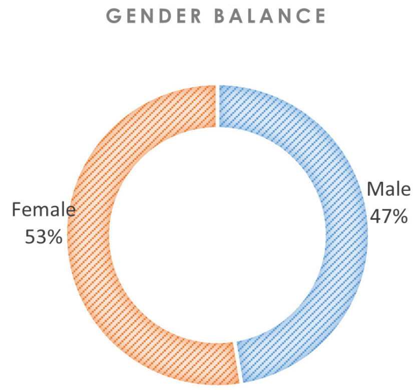
NLGPS exercises its Responsible Investment obligations independently to that of WYPF. The governance structure for NLGPS consists of an oversight board made up primarily of representatives of the participating Funds’ pension committees, including WYPF, which defines key strategic objectives including ESG matters, and provides scrutiny to the executive body of officers who make the investment management decisions. ESG considerations are one of twelve items on the Due Diligence checklist that needs to be completed prior to an investment being made. Providers are ranked A-E on specific criteria and an aggregate score determines if investments proceed.

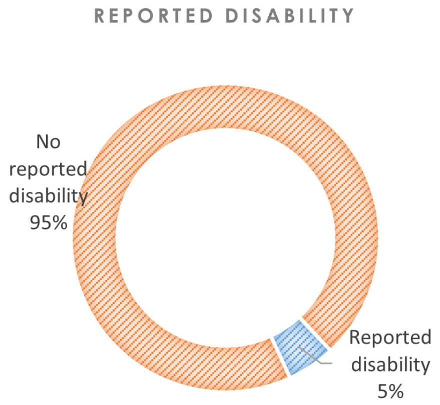
A key element of WYPF's governance arrangements is ensuring both Panel Members and Investment staff are appropriately trained. New skills and knowledge help maintain a strong culture of good governance. Accordingly:

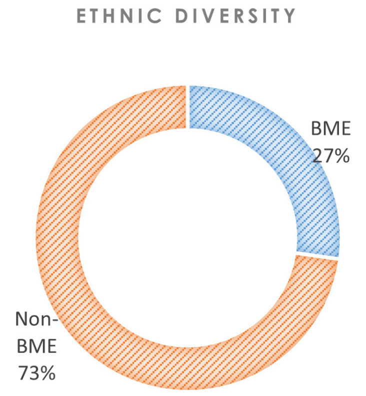
- The agenda of every LPB meeting contains information on upcoming industry events and training opportunities. Officers arrange specific in-house training events for IAG, LPB and JAG members to attend during the year. In addition, all LPB members are required to undertake The Pensions Regulator Toolkit training (7 Modules) and Hymans learning Academy training (6 modules), both of which are an online learning programmes aimed at trustees of occupational pension schemes. Additionally, all Board Members were asked to complete an additional TPR Toolkit training module regarding pension frauds. This has enabled WYPF to sign up to the TPR scams pledge, joining 500 other UK pension schemes in protecting scheme members against pension scammers.
- IAP members are also encouraged to attend relevant conferences, seminars, and investor meetings. During 2023 members attended a number of events including: the LAPFF, LGA and PLSA Annual Conferences.
- Investment Officer Training. Investment staff are encouraged to seek specialist financial training including the CFA's Climate Investing and ESG programs. WYPF officers, as employees of the CBMDC, are additionally required to complete a variety of mandatory council training. During 2023 officers undertook a wide variety of online courses on subjects including diversity, fraud, fire-awareness, and online security, as well as Fund specific training on frauds, market valuations and climate change.

WYPF as an employer seeks to be appropriately diverse to represent the demographics of the region where we are based and the client base that we serve, see Table 4. WYPF does not publish a gender pay gap. In 2021, CBMDC the council adopted a **new diversity plan** to promote equality in the region.

TABLE 4: WYPF DEI DATA AS OF MARCH 1ST, 2024







WYPF has risen to the challenge of better reporting standards stemming from regulatory demands and increased client interest including to our approach to ESG matters. We recognise that good Stewardship is an iterative process and we are keen to measure and refine our approach to improve our outcomes (Principle 5). We remain mindful of future regulatory developments, for example we keenly await the results of DLUHC's consultation exercises on both climate reporting and Pooling.

PRINCIPLE 3

Conflicts of interest

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first

A conflict of interest may arise when an individual has a responsibility or duty to WYPF, and, at the same time, has a separate personal interest (financial or otherwise) in relation to that matter. An interest could also arise due to a family member or close colleague having a specific responsibility or interest in a matter.

The **Conflicts of Interest Policy** details how actual and potential conflicts of interest are identified and managed by those involved in the management and governance of WYPF whether directly or in an advisory capacity.

WYPF requires all employees and suppliers to comply with the letter and spirit of its Conflicts of Interest Policy. Specifically, individuals employed by WYPF or those sitting on the IAP, LPB or JAG agree that they must:

- Acknowledge any potential conflict of interest they may have.
- Be open with the Administering Authority on any conflicts of interest they may have.
- Adopt practical solutions to managing those conflicts.
- Plan and agree with the Administering Authority how they will manage any conflicts of interest which may arise in future.

Potential conflicts of interest could include:

- Improper inducements from suppliers, including gifts and entertainment.
- The use of inside information to make personal trading gains.
- An incentive to favour the interest of one stakeholder(s) over the interests of another stakeholder(s).
- An outside business interest where benefits may accrue from being party to an investee company.
- Political interference in WYPF's investment approach.

The policy aims to ensure individuals do not act improperly or create a perception that they may have acted improperly. It is an aid to good governance, encouraging transparency and minimising the risk of any matter prejudicing decision making or management of WYPF.

In addition, individuals to whom this policy applies may also be required to adhere to other requirements in relation to conflicts of interest. These includes:

- JAG, IAP and LPB members who are required to adhere to the CBMDC **Members' Code of Conduct**
- Employees who are required to adhere to the CBMDC **Employees' Code of Conduct**
- WYPF requires advisers, suppliers and other parties providing advice and services to WYPF to have appropriate conflict of interest policies in place. This includes, but is not limited to actuaries, investment consultants, independent advisers, benefits consultants, third party administrators, fund managers, brokers, lawyers, custodians and AVC providers.

At the commencement of any JAG/ IAP/LPB meeting where pension fund matters are to be discussed, the Chair will ask all those present who are covered by this Policy to declare any new potential conflicts. These will be recorded in WYPF's Register of Conflicts of Interest, the latest version of which will be made available by the MD to the Chair.

A Compliance Manual governs conflicts of interest for the Internal Investment Managers. Managers must report all personal share dealings to the Managing Director, WYPF on an ad hoc basis when dealing is conducted. Further disclosures are made in writing to the MD, WYPF on a six-monthly basis, which confirm total personal share dealing conducted over the period. The MD, WYPF retains these disclosures and makes his own disclosures to the Director of Finance of CBMDC.

In practice, conflicts of interest are rare and in the twelve-month period there were no actual or potential conflicts identified.

PRINCIPLE 4

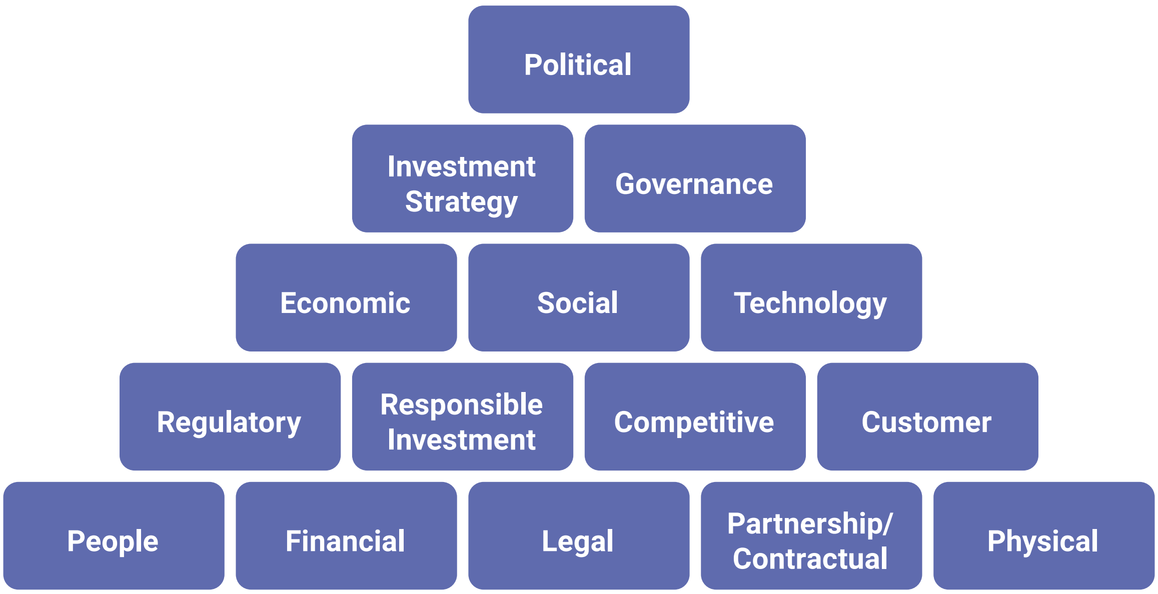
Identification and response to market-wide and systemic risks

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system

A strong understanding of the potential risks, their likelihood and potential impact on the organisation is an essential element of WYPF's business plan (Principle 1.) Risks can broadly be classed as those facing us as an organisation or as an investor and should be eliminated, reduced, or controlled as far as possible. To achieve this WYPF ensures that risk management is integral to the governance and management of the investments at both the strategic and operational levels. The aim is to integrate risk awareness and management into both the fund's processes and the culture to help ensure that WYPF's investment objectives are met. Policies will be subject to regular review to reflect risk assessments (Principle 5).

WYPF has an Investment Risk Management Policy to effectively mitigate risks which may otherwise impact on achieving its objectives. Core to this policy is the development and maintenance of comprehensive risk registers, setting out of responsibilities for the management and escalation of risks, and responsibility for the regular review and updating of Policy and Strategy. The risk management process is a continuous cycle of identifying, analysing, controlling, and monitoring to ensure the Risk Management Policy is up to-date and relevant (Principle 5). As an organisation we face numerous potential challenges including those indicated in Table 5.

TABLE 5: POTENTIAL RISKS FACING THE FUND



Principal sources for the identification of risks are: WYPF officers, DLUHC guidance, The Pensions Regulator's Guidance, LGPS Scheme Advisory Board guidance, CIPFA Guidance, External Investment and Actuarial advice and Performance Reviews. Senior management attempts to quantify these risks by Impact (negligible, marginal, critical or catastrophic) and Likelihood (Almost impossible, very low, low, significant, high or very high.)

In the most recent review undertaken in July 2023, 50 potential risks had been identified and assessed. The risks identified have been rated, 32 of these above their acceptable tolerance level, 18 below the tolerance line. The risks that were considered the highest were ranked 'Catastrophic' for Impact and 'Significant' for Likelihood were:

- 'WYPF is unable to recruit and retain experienced staff.'
- 'Provision of IT services and equipment from CBMDC.'

For those risks judged to be unacceptably high, Management Action Plans (MAPs) are designed to frame the risk management actions that are required to reduce the likelihood of an event occurring, lessen its impact or both. MAPs also include targets and critical success factors to allow the management action to be monitored.

As investors seeking a return higher than the prevailing yield on UK gilts, we understand the need to both embrace and control investment risk. We consider market-wide and systematic risks as those broad-based issues likely to impact the value of our portfolio across a range of investments. These risks include economic factors, such as inflation, interest rates or GDP growth, political concerns, including irresponsible macro management, to broader challenges including climate change and pandemics (such as COVID-19.) While we accept market risk in the expectation of better returns we attempt to mitigate the financial impact by diversifying our investments across a broad array of non-correlated assets.

Specific asset allocation within the portfolio is considered at the quarterly meeting of the IAP when the merits and risks of individual asset classes and geographic exposures is decided.

Portfolio Managers conduct risk assessments on economies, markets, and companies. Macro trends and risk assessment form an integral part of discussions with the investment team as well as the IAP (as described in Principle 2.)

Portfolio managers will also make assessments on the importance of these factors when considering individual investments. These factors will be considered alongside company specific risks, business models, investment cases, relative valuation and ESG risks prior to investment. Factors are monitored through a variety of means including the reading of the financial press, broker research, online data providers, internal discussions, and meetings with industry specialists.

ESG factors can either be sector or company specific. Many Environmental and Social factors are considered at the industry level since specific characteristics are shared. Conversely, Governance factors are usually considered at the company level but can be considered market factors if broad trends or themes emerge across a swathe of companies.

As a defined benefit pension scheme, WYPF has a very long liability profile. For this reason, we must be long-term in our assessment of investment opportunities and risks over a multi-decade horizon. WYPF will seek to understand the relevant investment risks and opportunities that it faces building on existing in-house knowledge and experience as well as sourcing specialised third party investment expertise.

In addition to in-house efforts, examples of which are indicated in Table 6, WYPF has supported the Local Authority Pension Fund Forum's (LAPFF) participation in a variety of policy engagements. Recent examples of such participation have included:

- LAPFF provided input to several proposed amendments to the CA100+ benchmark including, for example, a proposed new indicator for providers of climate solutions.
- LAPFF has started to engage with UK water utilities seeking to announce credible plans to minimise the release of raw sewage.

The degree to which WYPF has been able to appropriately identify, monitor and mitigate risks will be reflected in its long-term performance, which continues to rank well vs appropriate benchmarks (Principle 6) as well as meeting those objectives defined in the business plan.

Following changes to their funding models, a number of Local Authorities have experienced financial difficulties and had issued 'Section 114' notices to declare shortfalls in their budgets. As a consequence the funding costs and availability for the Local Authorities has become challenging. Recognising the difficulties, in 1Q2024 WYPF committed £100m towards the inter-authority lending market to help overcome the 'credit crisis' facing councils.

TABLE 6: IDENTIFICATION OF AND RESPONSE TO IDENTIFICATION AND MITIGATION OF SYSTEMIC AND NON-SYSTEMIC RISK, EXAMPLES 2023

WYPF joined the CDP's 2023 Disclosure Campaign	
Reason	The CDP is a not-for-profit charity that runs a global disclosure system for investors focused on corporate disclosure of non-financial data. We believe it is important that investors support the CDP in its mission.
Objective	CDP asks for the assistance of institutions to encourage companies in which they invest to report their Carbon, Forest and Water data. WYPF wrote to ten corporates urging their participation.
Outcome	The number of companies reporting to the CDP continues to increase. The CDP reported that companies targeted in the campaign were 2.3x more likely to report than those not included. We will be participating in the 2024 campaign.
Via Northern LGPS, WYPF wrote to the Department for Levelling Up, Housing and Communities (DLUHC) to offer suggestions on Pooling initiatives	
Reason	In July 2023 DLUHC published a consultation document on a package of proposed reforms regarding the investments of the LGPS.
Objective	Northern LGPS made several suggestions including that the key consideration of pooling should be the alignment of approaches of the underlying funds rather than focus solely on total AuM.
Outcome	The government has reviewed feedback and is proceeding with the proposed reforms.
We wrote to the Financial Conduct Authority (FCA) to voice our concerns regarding changes to the UK listing regime	
Reason	In December 2023, the FCA published a new Consultation Document that proposes significant changes to the UK listing regime. The rational was that by easing standards the UK market would become a more attractive listing destination for international companies.
Objective	We fundamentally disagreed with this assessment and signed a letter written by the International Corporate Governance Network (ICGN) making the case for maintaining robust investor protection and high corporate governance standards in the UK.
Outcome	The FCA will publish a second tranche of draft rules later in 2024 as part of the consultation process.

PRINCIPLE 5

Signatories review their policies

Signatories review their policies, assure their processes, and assess the effectiveness of their activities

Policy Review. WYPF's policies and procedures are the mechanism by which it implements its business plan. Local authority pension funds have a statutory responsibility to prepare and publish a number of policy statements including: An Investment Strategy Statement, Pensions Administration Strategy, Funding Strategy Statement, and a Governance Compliance Statement. These statements are published on WYPF's **website**. The policies and procedures work within the established governance framework and are subject to scrutiny via the annual business plan, internal and external methods of assurance, including IAP/JAG meetings (Principle 1.) Policies will be subject to regular review to reflect risk assessments (Principle 4.)

Amendments can be proposed throughout the year. Proposed amendments will be considered by the MD and discussed at next appropriate meeting (either the IAP for Investments, or the JAG for administrative/ funding policies). To ensure that our Policies remain 'fit-for-purpose' we commit to improve our approach on an ongoing basis. We will use our membership of leading trade groups (listed in Principle 10) to enhance our understanding of Responsible Investing and Stewardship policy. We will also look to review the reporting undertaken by other LGPS funds, Pools, Investment Managers, and other participants to benchmark our efforts.

TABLE 7: POLICIES THAT WERE REVIEWED

Strategic Asset Allocation (SAA)	The July 2023 IAP approved a revision to the SAA that contained two significant changes: 1. A reduction in weighting of public equities to 60% from 65%. The 5% reduction in the benchmark weight will be reallocated to Private Equity and Infrastructure (+1%), Fixed Income (+1%) and Alternatives (+3%); A detailed plan will be produced to move £240m a year (totalling £1.2bn over 5 years) into alternatives. 2. A reduction in exposure to UK equities to geographically re-balance the equity portfolio to reflect substantial changes that have occurred in global markets since the last rebalancing in 2013. The following geographic benchmark exposures were adopted: UK 18% (-17% pp), North America 18% (+10% pp), Other developed 18% (+1% pp) and Emerging Markets 6% (+1% pp).
Review Investment Strategy Statement (ISS)	The ISS is expected to be reviewed annually and updated at least every three years following completion of the actuarial valuation. A revised ISS was presented at the January 2024 IAP and was subsequently sent out to consultation with scheme members and employers. Amongst several revisions, the new ISS overhauled the fund's benchmarks.
Voting review	Concurrent to the ISS review the fund revised its voting policy.

A review of any changes proposed to the LGPS Investment Regulations is part of WYPF's business plan (see Principle 1). We await two significant pieces of regulation / recommendations in 2024:

- DLUHC's proposed reforms regarding LGPS investments and Pooling.
- The Scheme Advisory Board's (SAB) consultation into Good Governance.

At an operational level WYPF uses a Quality Management System developed and implemented in accordance with the requirements of ISO 9001: 2015 to ensure that WYPF provides quality LGPS administration to employers, members, and beneficiaries.

We will seek to continually improve the effectiveness of the quality management system and our service by reviewing the needs and expectations of our customers and our quality policy through regular Management Reviews. The Quality Systems Manager (QSM) is responsible for identifying any quality problems and initiating the necessary action that will correct and prevent them from recurring. The QSM is also responsible for verifying that any change in method is satisfactorily implemented and effective.

Reporting. WYPF produces several reports annually to satisfy regulatory requirements and to provide information to our members and other stakeholders. The reports can be found on WYPF's website. WYPF maintains a communications policy to help ensure that reporting is fair, balanced and understandable. Its key aims include:

- Communicate the scheme regulations and procedures in a clear and easy to understand style and help scheme members understand their pension, the benefits, and options it provides.
- Use plain English for all our communications with stakeholders.
- Identify and use the most appropriate communication method to take account of stakeholders' diverse needs (Principle 6.)
- Use technologies to provide convenient, up to date and timely information to stakeholders.
- Provide timely and sufficient information to scheme members, allowing access through the channel of their choice, so members can make informed decisions about their benefits.

Assurance. Our approach to assurance is defined by the governance framework, laws, and business plan (Principle 1.) The work of WYPF is subject to both internal and external scrutiny:

- **Business level**. Under the Council's Financial Regulations, the MD has day to day responsibility for the management of WYPF. Section 70 of the Pensions Act 2004 requires that those tasked with managing or overseeing schemes have a duty to report to The Pensions Regulator instances where schemes have materially breached their legal duties to their members. WYPF has a Breach of Duty reporting procedure describing the appropriate steps that need to be taken. In 2021 owing to an operational problem with our external vendor, WYPF was unable to pay AVCs in a timely manner resulting in a breach of duty. Consistent with the requirements of our policy an officer of WYPF self-reported this issue to The Pensions Regulator along with the proposed remedial action.
- **Compliance and Risk**. CBMDC (see Principle 2) has established three bodies to assist and support the Governance and Audit Committee in overseeing WYPF: the LPB, JAG and IAP. The performance of these bodies is reviewed annually by the Corporate Governance and Audit Committee which publishes an annual governance compliance statement (GCS) that sets out how they comply with the governance requirements for LGPS funds.

A key element of this approach is the annual reporting of the external investment advisors. In their 2022 review, published in WYPF's annual report, the advisors made three specific recommendations: refocus the remit of the three governance committees, address recruitment and retention issues and improve training for IAP members. In their 2023 annual review the external advisors raised no further issues and recognised the progress made in acting on the previous year's recommendations. (Principle 2.)

Internal Assurance. The internal audit function for the WYPF is conducted by CBMDC; each year an agreed number of planned audits are performed on financial systems and procedures across the organisation. The Internal Audit function provides independent assurance on the effectiveness of WYPF's processes. No material deficiencies were identified by the internal auditors. The Chief Financial Officer at CBMDC, as the Council's Section 151 Officer, has responsibility for signing WYPF's year-end accounts.

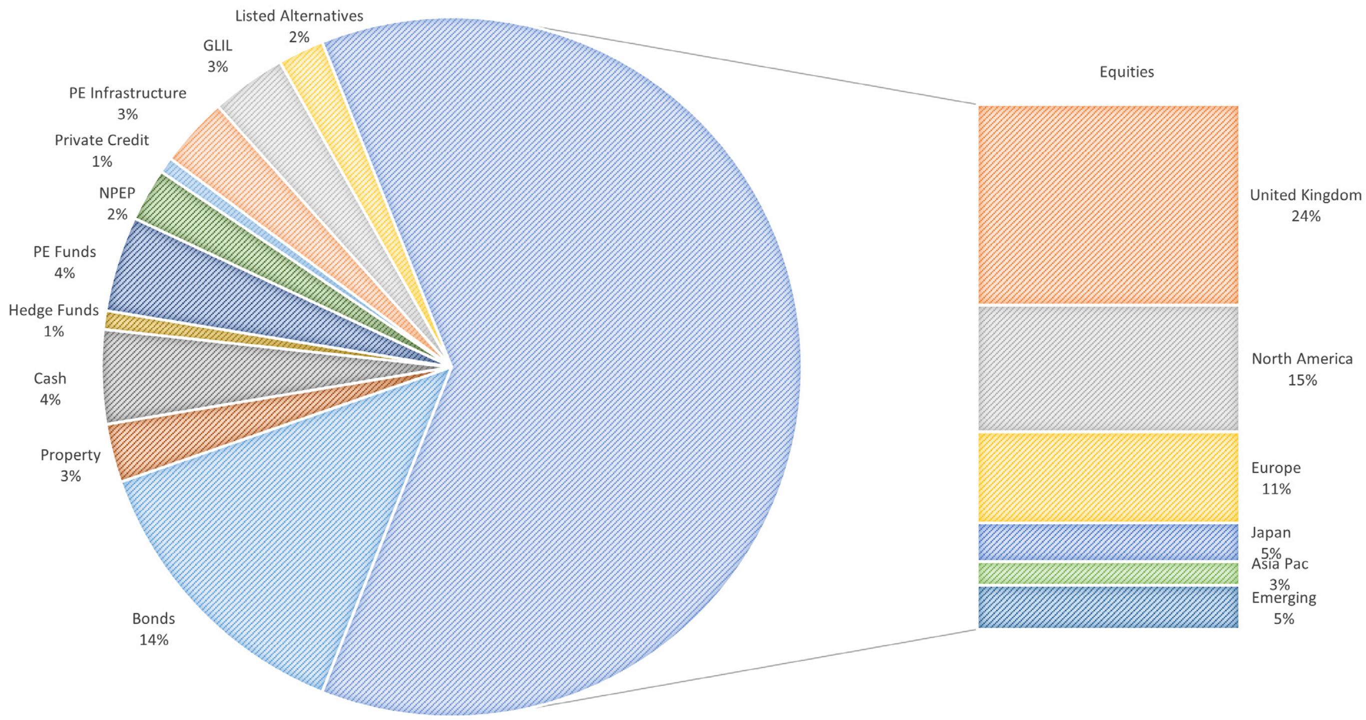
External Audit. WYPF accounts are audited by Mazars. In Mazars' opinion, the Pension Fund financial statements are consistent with the audited financial statements of the CBMDC for the year ended 31 March 2023 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

PRINCIPLE 6

Client and beneficiary needs

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them

TABLE 8: ASSET ALLOCATION



WYPF is one of the largest LGPS funds with assets under management of c£19bn as of March 31st, 2024.

As a defined benefit scheme our members receive pension benefits commensurate to their pensionable earnings, any additional personal contributions made, their length of service and age at retirement. Prior to April 2014 pensions were based on final career salaries and members who started their employment prior to this date will receive benefits based on their final pensionable pay in respect of their service prior to April 2014. Benefits payable under the LGPS are guaranteed by statute and thereby the pension promise is secure.

The ability of WYPF to meet its liabilities is independently reviewed by an actuary every three years (Principle 1). In the event of an anticipated deficit, further employer contributions would be required as set out in the Funding Strategy Statement. Maintaining employer contributions at a broadly constant level is a primary aim of WYPF. While members do not own the underlying assets of WYPF and it is not they, but their employers and ultimately the taxpayer, who are exposed to investment performance risk, we recognise a fiduciary duty to members and employers.

Employer relationships are managed by the Employer Relations Team (ERT) which is made up of an Employer Relations Manager, six Employer Pension Fund Representatives (EPFRs), and two Employer Support Officers. Each employer is allocated an EPFR, who becomes their direct point of contact with WYPF. To build and maintain productive working relationships with scheme employers, EPFRs deliver training, support, and consultancy services. For the largest employers, WYPF run quarterly meetings to give employers a forum to provide feedback and receive important messages from us, which contributes to building effective working relationships.

The scope, frequency, and manner of interaction with employers and members is established in the communications policy (Principle 5). WYPF publishes information that it believes relevant and useful to our stakeholders in a variety of specifically tailored ways:

General/joint member and employer disclosures

- **Statutory reporting** – WYPF makes available its Annual Report, ISS, Funding Strategy Statement and Responsible Investment Documents via its website.
- **Supplementary disclosure** – WYPF produces a TCFD statement, assessing how WYPF is managing the threat of climate change, and a Stewardship Code filing, explaining our approach to responsible investing.
- **Committee meetings** – members are represented on the IAP/JAG meetings (Principle 2) both via trade union and two direct member representatives, one each for active and retired members.
- **Annual meetings for both members and employers.** WYPF held its nineteenth annual meetings for Fund members and employers in October 2023. The members' meeting was held online with a recording being made available on our website. We invite members to submit questions ahead of the AGM held in October via our quarterly newsletter which are answered in person by the Panel Chair at the meeting.
- As a public body WYPF is subject to the **Freedom of Information Act**; interested parties can request recorded information that we hold as an organisation, subject to several restrictions.

Member communication

- **All members have access to My Pension** – an online self-service facility that allows active members to: securely view their pension record; view documents relating to their pension including their statutory annual pension statement; update contact and death grant nomination details; My Pension also provides the opportunity to run retirement estimates on a self-service basis.
- In March 2023 WYPF launched a programme of **online member events** to help members understand the scheme and encourage them to engage and understand their annual pension statement.
- The WYPF website has a variety of online materials including factsheets, videos, newsletters and guides. WYPF works with financial planning companies to provide online and in person preretirement courses to assist members in planning for their retirement.
- **Direct member approaches** – over the course of the year we have received incoming correspondence pertaining to climate change, fossil fuels, the Occupied Territories, nuclear energy, and investments in Russia.
- We also use **newsletters and social media** to highlight stories that we believe may be of interest to our members.

Employer targeted communication

Employer meetings – WYPF's ERT consult directly with employers in the scheme – see above.

- **Employer communications** – WYPF uses a blog, Pension Matters, as the primary way of communicating with employers; this creates a feed of useful articles for employers. WYPF issues a monthly roundup of all the articles published via the blog in a newsletter format to all our employer contacts. WYPF will issue relevant and bespoke email communications when necessary.
- **Employer Self Service** – all employers have access to our Employer Portal which allows them to view some information on their scheme members' records as well as allowing employers to complete forms quickly, easily and securely online. All employers have access to a work tray that is used to facilitate queries about the production of the annual pension statements; this allows employers to self-serve using the portal to clear queries.
- **Employer webinars**. Each quarter the ERT deliver a series of webinars around a 'theme' based on the priorities for the employer in the coming weeks/ months. Training is delivered by experienced EPFRs and the webinars last between 30 and 45 minutes with the opportunity for delegates to interact and ask questions on the specific topic. Mostly webinars are recorded and hosted on the website so employers can catch up on demand if they are unable to attend the live sessions.
- Employers also have access to our Help Centre which contains a host of written guidance that they refer to in order to build, maintain and develop their knowledge including new employer guides, various factsheets as well as a full administration guide. We communicate to employers details of external training courses/resources that may be useful to assist with their roles and responsibilities.

To ensure we are meeting the expectations of our stakeholders and to evaluate the effectiveness of our communications we issue an electronic feedback survey for all the activity that is delivered to customers. The survey provides us with both a satisfaction score as well as qualitative feedback. We review all feedback to ensure the needs of our customers are being met and make developments where necessary to future activities. We also use internal feedback (service centre) to direct our employer activity, this tends to be collected through discussion/internal meetings/ formal QIR process. Additionally the Communications team issue an employer survey annually which collects feedback for all areas of WYPF.

WYPF receives a small number of requests from campaigners requesting we divest from fossil fuel companies. WYPF has recognised climate change as an existential threat to the planet and has made a commitment to cut the carbon emissions of WYPF to net zero by 2050. The current agreed position of the IAP is that our transition to Net Zero will happen not through divestment but through helping those companies in which we are currently invested adjust to the new realities of climate change. We believe that our power to influence companies is derived exclusively from our economic interest: as fractional owners of companies, managements are our agents and we have the ability to remove managers through voting if they fail to act. Conversely, there is no realistic roadmap of how divestment leads to better corporate behaviour. The nature of the stock market is that if we sell someone else must buy and all we have done is 'pass the buck' to the next investor who may prove less diligent than ourselves in scrutinising management behaviour. Divestment is therefore both a missed opportunity to enact real change and an abdication of responsibility.

To demonstrate its desire not to finance new fossil fuel developments, but retaining our ability to try and hold these companies to account in October 2023 the IAP approved a resolution that the fund would not make any new investments in listed Oil, Gas and Coal companies.

TABLE 9: TAKING ACCOUNT OF MEMBERS' VIEWS

Considering member preferences	
Reason	Raising a member's concern regarding our investments in fossil fuel companies, a member of the IAP asked us to reconsider our policy on divestment.
Objective	In an attempt to assuage the concern we hired an external consultant to investigate to relative merits of engagement vs divestment.
Outcome	The study is currently being undertaken and the findings will be presented at the October 2024 Panel meeting.

PRINCIPLE 7

Integration

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues to fulfil their responsibilities

Our approach to the integration of stewardship into our investment activities is outlined in our investment principle #1: WYPF recognises that Environmental, Social and Governance (ESG) factors can profoundly impact an individual company's long-term sustainability.

We use a range of public and private sources to identify pertinent ESG factors at the company level and assess the potential impact in terms of severity and likelihood, choosing to focus on those material risks to the portfolio. We base these assessments on SASB Standards (Sustainability Accounting Standards Board) prepared by the International Sustainability Standards Board (ISSB) of the IFRS Foundation a non-profit organisation dedicated to improving ESG accounting standards. The **Standards** highlight potential ESG materiality by sector.

We seek to integrate ESG scores into our investment and monitoring process and will use suitable measures, such as Bloomberg ESG data, where appropriate. We understand that the availability of useful ESG data is most developed for equity assets and less well advanced for other assets. Recognising the shortcomings of the reliability and availability of data we also assess ESG factors in a qualitative manner. We recognise that Fixed Income investments are distinct since we are a creditor, rather than the owner, of a company. Nevertheless, screening Fixed Income assets for ESG factors is important since higher ESG scores are often consistent with better creditworthiness.

Our portfolio has the greatest exposure to equities in the UK, US, and Europe that in combination account for 50% of the fund. This asset allocation informs our choices on which subjects and companies that we choose to engage. This prioritisation to reflect materiality is consistent with our fiduciary duties.

WYPF's internal fund managers have the responsibility to select specific investments within asset classes and geographies (see Principle 2). Investment staff are encouraged to consider a broad range of factors when making investment decisions including a thorough understanding of a company's business model, growth opportunities, risk factors, financial forecasts, and relative valuations. This assessment will include a review of pertinent material ESG factors and may be undertaken by the investment manager, or with the assistance of third-party research or alongside the Responsible Investment Engagement Manager.

As a long-term investor typically, we have a multi-year investment horizon consistent with the duration of our liabilities. As a responsible investor we are committed to actively monitoring our existing portfolio holdings to ensure our investment case remains intact.

Typically fund managers will meet with the companies with which we have significant holdings at least annually as well as acquaint themselves with company results and broker research. This oversight includes a review of ESG factors. Should ESG considerations become concerning fund managers may choose to launch an engagement (Principle 9.)

Those investments with the greatest material ESG exposure for the fund are added to a 'watch-list' that will be the focus of further scrutiny. For 2023 the list included all outstanding equity positions of £75mn of more, or any company in the Climate Action 100+ list where we had an investment of £25mn or more.

In addition, WYPF has hired **Pensions Investment Research Company** (PIRC) to monitor and provide guidance on corporate governance issues relating to the companies in which WYPF has a shareholding.

We use external managers in assets where we do not consider ourselves to have the relevant expertise including infrastructure, private equity, and hedge funds. External managers were selected based on the strength of expertise, track record, cost, ESG capabilities and general investment suitability. To help assess external managers our standard request for proposal document (RFP) includes a section requiring managers to describe their approach to ESG matters.

In evaluating ESG integration, managers were assessed on several factors including:

- Commitments or affiliations to recognised bodies (e.g. UN PRI or Stewardship Code.)
- The resources available for ESG integration, and the extent of that integration in the portfolio.
- The ability to report a variety of metrics (e.g. Carbon Emissions.)

- Demonstrable evidence of ESG integration including an examination of the policies, processes, and governance in place as well as examples of such integration.

It is important to recognise that several asset classes in which we invest using external managers have less well-developed standards of stewardship than listed equity and the scope for effective engagement is lower (Principle 9).

In October 2023, a special session of the IAP was organised with representatives of Pensions for Purpose, an external consultant, to consider responsible investment beliefs based on the **United Nations Sustainability Development Goals** (SDG.) The workshop used the SDG as a framework for the IAP to consider key areas of focus from a risk and opportunity investment perspective. The top five areas of SDGs interest (in order of voting) were:

1. Affordable and Clean Energy (SDG 7)
2. Sustainable Cities and Communities (SDG 11)
3. Climate Action (SDG 13)
4. Industry, Innovation, and Infrastructure (SDG 9)
5. Decent Work and Economic Growth (SDG 8)

Recognising the strong relationship between the SDGs, the IAP noted these five SDGs could be addressed within the following three themes:

- *Theme One: Investment in climate solutions to help meet the fund's 2050 net zero target.* Climate Action (13) and the need to take urgent action to combat and address its impacts is a systemic risk, whereas Affordable and Clean Energy (7) represents an opportunity to invest and mitigate against the worst impacts of climate change.
- *Theme Two: Sustainable Cities and Communities.* This includes investment in sustainable and affordable transport, building energy efficient homes, retro fitting existing housing stock and developments (upwards) on brown field sites. This theme could consider the opportunity for place-based investing in West Yorkshire.
- *Theme Three: Economic growth driving decent work.* Greater investment in innovation and infrastructure to address today's challenges. In turn this helps create better job opportunities.

How to implement these beliefs into the new Strategic Asset Allocation Framework is under consideration.

PRINCIPLE 8

Monitoring

Signatories monitor and hold to account managers and/or service providers

In the normal course of business WYPF uses the services of several key suppliers. Supplier relationships are regularly reviewed in the ordinary course of business and benchmarked for Key Performance Indicators (KPI) and value for money. KPIs will vary depending on the product type but frequently include the accuracy and availability of data or advice, the responsiveness of the vendor and overall quality of service received.

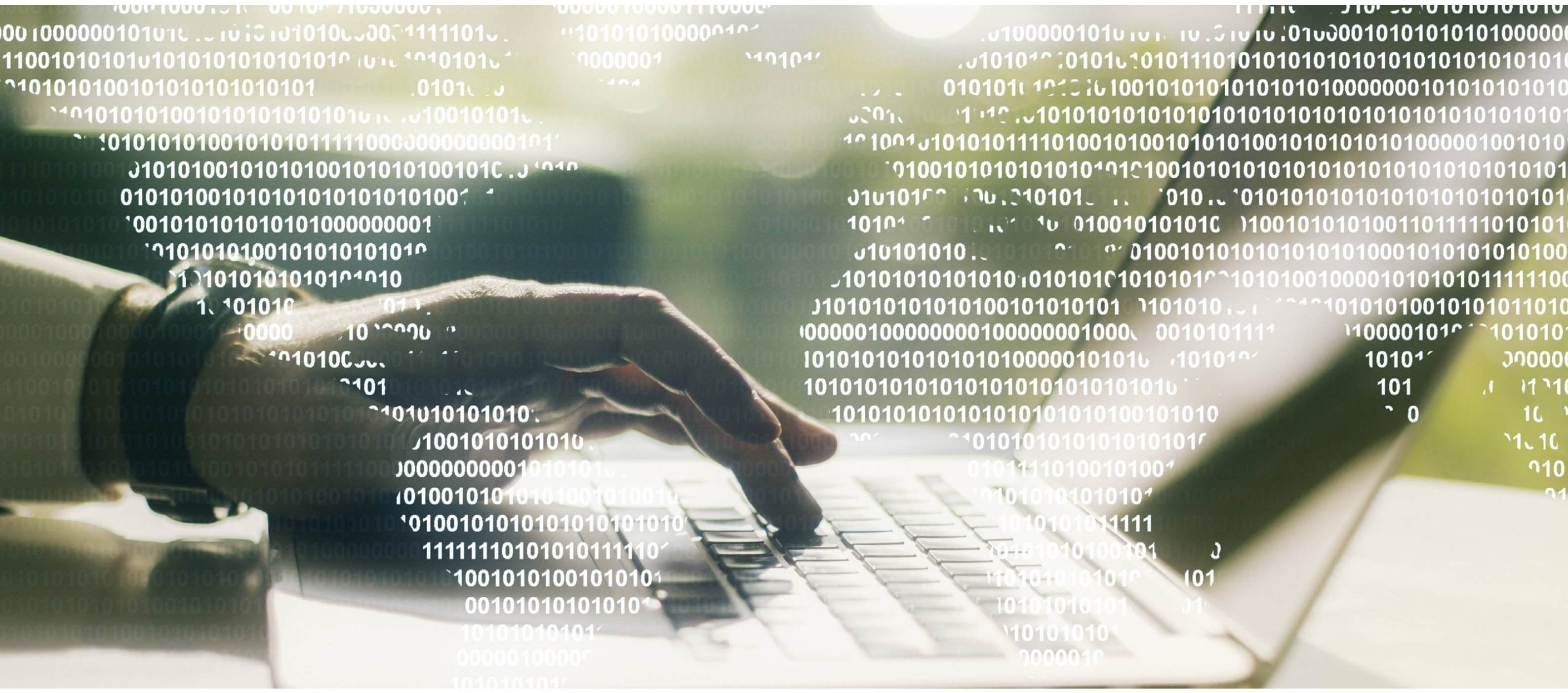
WYPF believes that effective scrutiny of its third party managers is a vital element of its stewardship efforts.

We use the services of several specialist investment advisors for property, infrastructure, private equity, and hedge fund investments. The specific approach taken to Stewardship is unique to the individual provider and is reviewed as a matter of course during the selection process and is monitored throughout the life of the asset (Principle 7). We monitor our third party fund managers by scrutinising individual manager's quarterly reports containing updates of performance and portfolio construction, which is compared to the agreed underlying strategy, underlying fund activity as well as any areas of manager-specific, non-market-related concern. Such assessments will inform future decisions as to whether to commit to future funds raised by a particular manager, as well as our existing risk management approach. WYPF investment staff are in regular contact with third party managers to review periodic reporting and updates received.

In the case of those investments undertaken via the NLGPS's private equity vehicle NPEP, officers use a monitoring template for each discrete fund to collate information on a variety of potential risks including:

- High staff turnover and impact on culture.
- A reliance on a key deal lead.
- Sector style drift and unaccompanied expertise.
- Narrow sourcing capability.
- Investing in a competitive marketplace.
- Size style drift into a more competitive marketplace.
- Reduced ability to buy at below market entry multiples.
- Less attractive investment structures.
- Slow capital deployment and enhanced J-curve effect.
- Narrow exit route reliance.
- Lack of realisations.

Based on the assessments of the above factors,



individual funds will be deemed as having: Red (some risk present), Amber (some evidence of risk emerging) or Green (Little to no risk present.) In the most recent exercise period, all funds were ranked Green with little to no risk present.

In the case of our infrastructure investments, WYPF has representation on the executive and investment committees of GLIL providing for an extra level of scrutiny.

Where we identify a deficiency, we will endeavour to rectify through direct engagement with the service provider. Given our commitment to improve our climate reporting we will be working with our 3rd Party asset managers to improve their level of disclosure, particularly regarding climate data.

We hired Trucost to provide WYPF a Carbon Footprint of its portfolio. This information will be incorporated into a new TCFD report that will report on the material risks posed by climate change. Trucost was chosen after a thorough review of alternative providers. We have been satisfied with the quality of the work provided by Trucost although recognise the analysis only provides coverage for our listed investments not alternatives, we are hoping to find a solution to this issue in due course.

We have retained the services of Pensions Investment Research Company (PIRC) to provide us with Corporate Governance and Proxy Voting advice. Important KPIs for this service include: the soundness and consistency of its advice and the timeliness of its service. PIRC provides us with a quarterly report summarising our voting history enabling us to cross check whether our voting wishes have been acted upon.

TABLE 10: EXAMPLES OF ENGAGEMENT WITH SUPPLIERS

We engaged with an external fund manager to investigate if it was diluting its ESG standards	
Reason	Owing to significant political pressure in its domestic market one of our fund managers announced its intention to leave the Climate Action 100+.
Objective	We wanted to understand how the company had reached this decision and if our funds were continuing to be managed with consideration to ESG matters.
Outcome	We learnt the decision to quit reflected new wording adopted by the CA100+ that was potentially at odds with the fund's fiduciary duties as defined in the US. The portfolio manager continues to support the CA100+ through its international arm and maintain a strong oversight of ESG matters.
We joined a legal action against the managers of a real estate investment trust in which we had invested	
Reason	HOME REIT was founded with the objective of investing in social housing. Its share price collapsed in 2022 when it became clear much of the portfolio was uninhabitable and many tenants did not qualify for 'exempt accommodation' status.
Objective	We believe that the company management attempted to mislead investors regarding to the value of its assets and viability of its business model. We have joined a legal action to recover losses incurred.
Outcome	The legal suit is ongoing.

PRINCIPLE 9

Signatories engage with issuers to maintain or enhance the value of assets

Our approach to engagement is outlined in our investment principle #4: WYPF recognises its stewardship responsibilities through engagement and voting

Our approach to responsible investing (see Principle 7) is defined by the combination of: our ESG choices, our engagement activities, and our voting decisions.

As part of its regular process to identify, scrutinise and monitor investments, the investment team will have significant contact with investee companies; in the twelve months to March 2024, the team participated in more than six hundred meetings with companies. We would not necessarily consider such dialogue as engagement. Rather, we define engagement more narrowly and to occur when the following conditions are met:

- We believe we have identified a material failure in a company's approach to strategy or ESG and have identified and quantified a preferred outcome. For matters of ESG we typically chose to engage for three general reasons:
    - An acute failure of ESG standards or egregious wrongdoing.
    - A chronic concern regarding an individual company's ESG profile.
    - A thematic basis where we are keen to understand how an individual theme may influence a market segment more broadly.
- We have decided the most appropriate point of engagement whether investor relations/ sustainability for ESG matters, C-level management for matters of strategy or the Chair in the case of governance concerns.
- We have defined a realistic engagement pathway and suitable KPIs to track progress toward our goal. We use LAPFF's scoring criteria for assessing progress on engagements indicated in Table 17.
- We will be realistic regarding the progress of engagements recognising when we need to escalate.
- We commit to remain open minded about an engagement and will attempt to understand the views of the management. Importantly, we will consider what is in the best interests of the company, rather than solely our self-interest as investors.
- We therefore consider engagement to be a two-way enterprise in that we seek to both inform investee companies of our expectations and understand their thinking on specific topics.
- We further recognise that engagement is a process rather than a one-off action and improved behaviours may take months or even years to achieve. We do, however, expect management to embark in dialogue and act in good faith. We set ourselves realistic time limits and short-, medium – and long-term objectives targets for our engagements.

Typically, an engagement will entail a one-on-one meeting or conference call between a company's investor relations department or a dedicated member of their ESG team and WYPF's ESG manager and relevant fund manager. After the meeting WYPF will write up the notes from the meeting and decide whether they consider the company's responses to be satisfactory. If this is not the case WYPF may decide to escalate the issue (Principle 11.)

To date our stewardship efforts have been focused on our equity positions and not on other asset classes. This reflects both the strong bias of WYPF toward equity (at c62% of total assets) and the belief that our ability to influence companies is strongest as a fractional owner of the business. We note our Stewardship approach to different asset classes in Table 11 but recognise the need to improve stewardship in alternative asset classes.

TABLE 11: APPROACH TO STEWARDSHIP BY ASSET CLASS

Asset Class and % of Benchmark	Approach to Stewardship
Public Equity	Management undertaken in house
62%	Long standing relationships with company managements and boards
	Integration of ESG factors into assessment prior to investing and on an ongoing basis
	Stewardship undertaken via voting and engagement
	Engagement undertaken via LAPFF, unilaterally and by collaboration
Bonds	Management undertaken in house
14%	Care taken to understand ESG issues prior to investment
	Engagement undertaken wherever possible recognising these opportunities may be limited
	Taking opportunity to vote where possible
Private Equity	Management undertaken by third party managers
7%	Assessment of managers prior to investment and on an ongoing basis, seeking to integrate ESG metrics into this process
	Need to collaborate with managers to design appropriate disclosure framework
Infrastructure	Management undertaken by third party managers and GLIL
7%	Assessment of managers prior to investment and on an ongoing basis, seeking to integrate ESG metrics into this process
	Need to collaborate with managers to design an appropriate disclosure framework
	In instance of GLIL investing we have strong oversight given our board presence
Property	Majority of management undertaken by third party managers
3%	Assessment of managers prior to investment and on an ongoing basis, seeking to integrate ESG metrics into this process
	We are working with managers to improve access to data particularly in respect to energy efficiency, carbon emissions and engagement with tenants.
Other	Cash 4%, Hedge Fund 1%, Listed alternatives 2%

Our Stewardship activities comprise of two elements: voting and engagement. While the outcome of our voting is directly measurable – a resolution passes or does not (although even failing resolutions can flag issues to management) – quantifying stewardship results is more difficult for two reasons:

- The Post Hoc fallacy: any action occurring after an event is not necessarily caused by the event.
- It is exceptionally difficult to isolate the impact of individual engagements, even for the largest investors, because the market is extremely fragmented and there are many people doing similar work.

Nevertheless, we believe our participation is helping deliver positive outcomes.

TABLE 12: SIGNATORIES ENGAGE WITH ISSUERS, EXAMPLES 2023

Our ESG manager held meetings with 25+ of our most important holdings, defined as investments greater that £75mn or CA100+ member companies with holdings greater than £25mn.	
Reason	Our commitment to be responsible investors obliges us to take an active interest in the companies in which we invest.
Objective	We both seek to better understand the ESG challenges companies face and inform them of our expectations of behaviour.
Outcome	Meetings proved useful in strengthening our relationship with investee companies and help our understanding of these businesses.
In June 2023 we wrote to the managements of Grafton and Next to explain why they did not receive support for their resolutions at the recent AGM.	
Reason	The managements of two of our investee companies Grafton and Next were obliged under UK listing rules to consult with significant shareholders, including WYPF, as company resolutions at their AGMs had been rejected by more than 20% of votes cast.
Objective	In each case we voted against the re-elect of their Mike Roney, who is the Chair of both companies, which we believe is contrary to best practice.
Outcome	Mr. Roney advised the Grafton's Board he would not seek re-election and will step down from the Board at the conclusion of the Company's AGM in May 2024.

TABLE 13: THIRD PARTIES ENGAGE ON OUR BEHALF, 2023 EXAMPLES

GLIL collaborated with another investor to engage with Hornsea, an investee company, to push for harmonisation of its ESG reporting.	
Reason	GLIL asked that the company report to industry standards including TCFD, SFDR and EU Taxonomy. GLIL joined the group to further develop the company's approach to ESG reporting and track progression toward targets and community initiatives that through the project-co.
Objective	Improvements to reporting to shareholders and at board level so that performance can be managed.
Outcome	Hornsea has made a commitment to adopt the proposed policy.
Jupiter reports on engagement with Godfrey Phillips India (GPI) to promoting governance best practice.	
Reason	GPI sought to obtain approval for a related party transaction with Philip Morris with respect to trade in goods related to normal business process.
Objective	Protect minority interests. Jupiter voted against because the way the authority was structured could be interpreted as allowing for auto-renewal. Given Jupiter's focus on corporate governance, it thought this added unnecessary governance risk, and would have preferred a structure whereby shareholders have annual recourse to opine and vote on matters.
Outcome	The motion was defeated because the two largest shareholders (Modi with 30% and Philip Morris 25%) were not permitted to vote as they were not independent of the said transactions. Notwithstanding, further engagement in January 2024, GPI held an EGM to introduce employee share schemes that Jupiter subsequently voted against, believing not to be the best interest of minority investors. The engagement with the company is ongoing.

Blackrock reports on its work with Deliveroo an online food delivery company.	
Reason	At the time of the IPO in '21 Blackrock had not invested given concerns regarding irrational competitive behaviour, the shareholding structure and valuation
Objective	Following a period of share price weakness Blackrock revisited the story in 2023. Upon review, it was apparent that the industry was beginning to behave rationally, withdrawing from unprofitable areas, and focusing on driving profitability in areas where they can achieve scale. Moreover, Will Shu, the founder relinquished his golden share which had given him 20x the voting rights of ordinary shareholders in 2024, which Blackrock felt was a positive move and was in the best interest of shareholders.
Outcome	Better financial performance and improved governance encouraged Blackrock to start a position in 2023.

Blackrock reports on its engagement with Morgan Sindall a small-cap British construction firm.	
Reason	There was investor pushback for the 24% increase in the CEO's pay following 32.6% of investors voting against the company's 2022 remuneration report.
Objective	Blackrock concluded that the pay increase was not unreasonable given: 1. The CEO's pay was bottom quartile relative to the peer group. 2. The proposed increase was part of succession planning, with management recognising that to attract high quality candidates to the role in the event of the CEO retiring, the pay disconnect relative to the peer group would need to be addressed.
Outcome	Blackrock's view of the management team is that they are exceptionally well aligned with shareholders. The CEO owns c.7.5% of the company and therefore enhancing shareholder value, would be worth far more that his entire LTIP grant. Blackrock were therefore happy to vote in favour of the remuneration proposal as they believe it is in long term shareholder interests.

PRINCIPLE 10

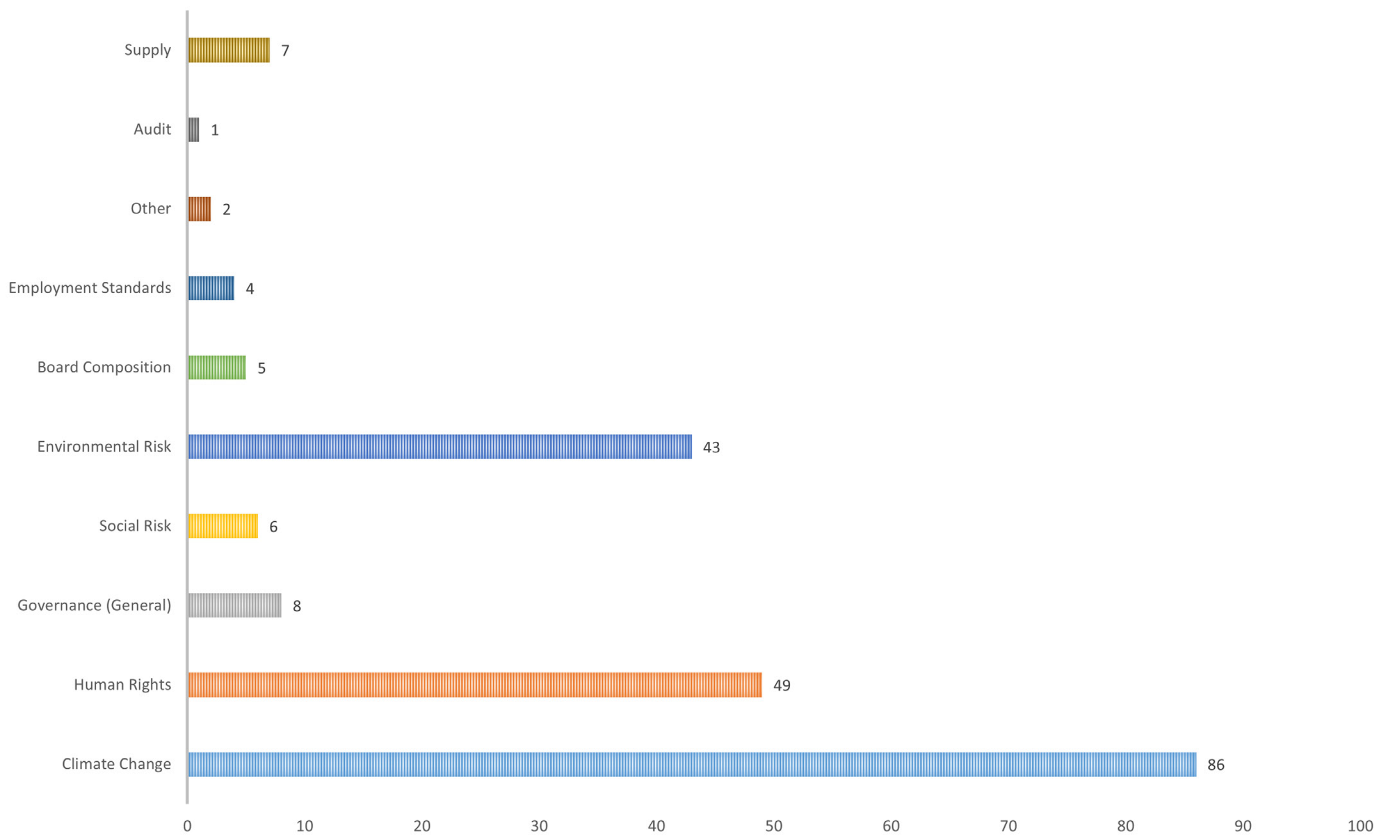
Collaborative engagement

Signatories, where necessary, participate in collaborative engagement to influence issuers

We have chosen to align our stewardship initiatives with a small number of like-minded investors when we consider it will be beneficial to our members. We review such partnerships frequently to ensure efficacy, efficiency and focus is maintained.

WYPF is a member of the Local Authority Pension Fund Forum (LAPFF). This is an association of 87 LGPS funds plus six LGPS pools, which conducts engagement work on WYPF's behalf. This approach was chosen as a more efficient method of engagement. Our experience with LAPFF has been a positive one: we share a similar investment outlook and challenges to other LGPS funds that LAPFF represents, believe their scale (at £350bn, seventeen times our own) is a considerable benefit and have a successful and close experience in working together.

TABLE 14: LAPFF ENGAGEMENT BY TOPIC 2023



LAPFF chooses companies for engagement based on aggregate holdings of its members as well as holdings that pose issues of concern for members. LAPFF engages with companies on a broad range of topics via letters, meetings with boards, attendance at AGMs, and arranging the filing of shareholder resolutions or legal action if appropriate. LAPFF also monitors how effective their engagement has been and reports this to members on a quarterly basis. In the year to March 2024 WYPF engaged via LAPFF with 211 companies on 221 individual engagements.

In addition to LAPFF, WYPF has chosen to enter collective engagements organised by specialised interest groups our other asset managers that have specific insight into the ESG issues facing a specific sector. Examples of these partnerships are given in Table 15.

TABLE 15: COLLABORATIVE ENGAGEMENT, EXAMPLE 2023

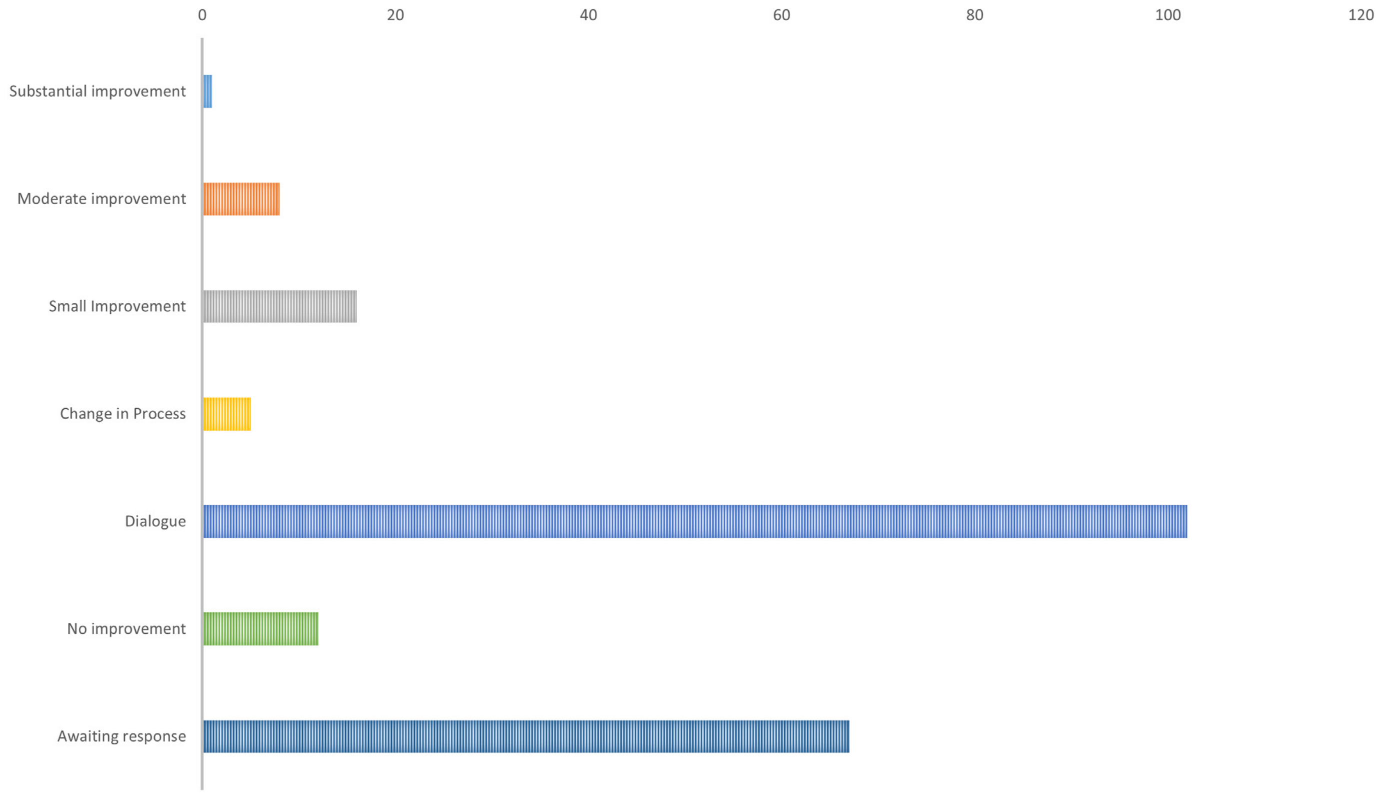
WYPF has participated in a FAIRR Engagement: 'Creating a Stink: Mismanagement of Manure Drives Pollution and Biodiversity risk' for the past two years.	
Reason	By weight, the amount of livestock manure produced annually exceeds all other types of waste, including landfill and plastic. The mismanagement of manure is a considerable problem and contributes to nutrient pollution hotspots damaging biodiversity as well as significant CO_2 emissions.
Objective	FAIRR targeted ten of the largest agribusiness companies to improve disclosure and planning to ensure adequate planning and control of manure. WYPF was the co-lead on UK meat producer Cranswick.
Outcome	The results of the first phase of the project were published in June 23. The ten pork and poultry producers assessed by FAIRR perform poorly against risk assessment, value chain coverage, action plan, and nutrient circularity KPIs, indicating little work has been done in measuring the risk and putting in place tangible action plans to address animal manure and wastes. The results of phase 2 of the engagement will be published in June 2024.
WYPF co-signed letters written by ShareAction in February 2023 urging banks to curtail lending to fund new fossil fuel investments.	
Reason	In December 2022 HSBC made a commitment to cease funding new oil fields. ShareAction subsequently launched an engagement with five large European banks, including BNP Paribas, to request they make the same commitment.
Objective	In our meetings with oil companies we have indicated we prefer to see incremental investment to be directed towards renewable energy, rather than new oil fields. Supporting ShareAction's engagement is an additional lever in ensuring the energy transition.
Outcome	In May 2023 BNP Paribas committed to stop dedicated financing for the development of new oil and gas fields.
We co-filed a resolution at the Equinor AGM	
Reason	Frustration at Equinor's equivocation regarding its Paris Agreement commitment, particularly since the company announced it will delay output reductions from 2030 to 2035.
Objective	The escalation composes two elements: 1. Request a meeting with the Norwegian Ministry of Finance (which is majority owner of the company) to discuss whether the company is compliant with its commitment. 2. File a resolution to request an update on its strategy and capital expenditure plan. Specifically the updated plan should explain how new oil and gas developments are consistent with the Paris Agreement goals.
Outcome	At the AGM the resolution was supported by 32% of the free-float of the company, but unfortunately not by the majority owner – the government of Norway. We will continue to press the company for an explanation.

While most of our third party investments are made in alternative investments with less well-established standards of governance, we expect fund managers to seek collaborative engagement when it would be the most effective and efficient approach consistent with their stewardship responsibilities. Several of our Private Equity managers made a commitment to the **ESG Data Convergence Project** with an objective of streamlining the private equity industry's historically fragmented approach to collecting and reporting ESG data and create a critical mass of meaningful, performance-based and comparable ESG data from private companies.

TABLE 16: SELECTED INVESTOR BODIES WE HAVE SUPPORTED IN 2023

Organisation/Initiative	Use and Outcome
Institutional Investors Group on Climate Change (IIGCC) https://www.iigcc.org A body enabling the investment community to drive towards a net zero carbon future.	We use the IIGCC's Paris Aligned Asset Owners Framework to implement our Net Zero plan. We find the IIGCC's thought leadership in climate of particular interest.
The 30% Club https://30percentclub.org/ Is a shareholder initiative aimed at promoting broader representative of women and minorities in board and executive positions.	Since its 2010 launch, when women accounted for less than 12% of UK boards, the initiative has been instrumental in increasing female participation in senior roles. While 40% of FTSE350 boards are now female, change at the executive level has been slower.
Climate Action 100+ https://www.climateaction100.org Is an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.	We use CA100+ research as the basis for selecting companies for dialogue on climate topics. We seek to support their engagement efforts.
ShareAction https://shareaction.org/ Is an NGO working to mobilise global investors to use their influence to drive up labour standards, tackle climate change, protect the natural world, and improve people's health.	ShareAction has led several shareholder campaigns which we have supported including European banks' financing of fossil fuels and their Good Work Coalition focussed on companies Ethnicity Pay Gap / Living wages.
Transition Pathway Initiative (TPI) https://www.transitionpathwayinitiative.org Is a powerful tool that assesses how seriously companies are taking the threat of climate change and how realistic individual companies' carbon reduction commitments are.	We are using the TPI's assessments of Management and Carbon Performance to gauge the progress made by companies in our Net Zero plan.
CDP https://www.cdp.net/en Is a shareholder group that runs a global data base for investors, companies, cities, states, and regions to manage their environmental impacts.	CDP has led the push for enhanced disclosure on carbon, water and forestry impacts that form the basis for impact assessments.
Local Authority Pension Fund Forum (LAPFF) https://lapfforum.org/ Promoting the highest standards of corporate governance and corporate responsibility for the LGPS	LAPFF produces research and conducts engagements likely to be of interest to WYPF.

TABLE 17: LAPFF ENGAGEMENT OUTCOME



PRINCIPLE 11

Escalation

Signatories, where necessary, escalate stewardship activities to influence issuers

Our approach to escalation is defined by our Principle #5: Positive Engagement for Change

The nature of our escalation depends on the specific set of circumstances but could include one or a variety of the following options:

- If management proves unresponsive, we may decide to approach the board chair or NEDs.
- We may choose to vote against or abstain from supporting management proposals or vote against the re-election of specific directors. We believe in holding individual directors to account on areas for which they have lead responsibility.
- Ordinarily most engagements are conducted privately but on occasion it may make sense to release a press statement to publicly air an issue we believe to be in the public interest.
- We can join collaborative actions with other shareholders (Principle 10).
- We can submit or support shareholder resolutions at company meetings.
- We may want to undertake legal action including participation in Class Actions.
- We can consider divesting our shares. We view this very much as a last resort as we consider our power to influence companies is derived from our economic interest: if we sell our shares, we abdicate our responsibility.

We recognise that Stewardship and Engagement are most advanced in European and UK equity markets and less well developed in other geographies and asset classes. A recognition of this situation influences where and under what circumstances we choose to escalate and with which partners. To date many of the escalations undertaken by WYPF have been in the UK equity space to which WYPF is heavily weighted. We believe that considerations of materiality are important when considering our engagements and escalations (Principle 7 and 9). Nevertheless, we would look to engage in different geographies and asset classes if we believed the risk to be material.

Most commonly we have escalated through voting against specific resolutions or directors at AGMs, see Principle 12.

TABLE 18: ESCALATION, EXAMPLES IN 2023

We voted in favour of a shareholder resolution brought by Follow This an advocacy group at the Shell AGM in May 2024 demanding that the company align its energy transition plan with the goals of the Paris Agreement	
Reason	While we had previously been supportive of the company's climate policy, Shell's new CEO had diluted some of the company's climate ambitions to prioritize medium-term cash-flow. Similarly, Shell moderated its target to cut the net carbon intensity of the energy products to a 15–20% reduction by 2030, compared to its previous target of 20%. We were disappointed that Shell would unilaterally weaken its goals at a crucial moment for Climate Change.
Objective	We decided to vote against management's advisory vote on the Energy Transition Strategy at Shell's 2024 AGM and support a resolution proposed by environmental pressure group Follow This.
Outcome	Shell's advisory vote was supported by 78% of shareholders while the Follow This resolution received 19% support. Since more than 20% of shareholders rejected the company's vote, management must now consult further with shareholders to address climate concerns, vindicating our approach.

WYPF co-filed a resolution at the Barclays AGM regarding their financing of oil and gas activities. This marks the escalation of an engagement cited in Principle 10 organised by ShareAction with 19 other institutional investors participating.	
Reason	While the bank had a fossil fuel lending policy in place it had not been revised since 2020 and lagged many of its European peers in scope and ambition
Objective	Given as much as 90% of global oil and gas production is undertaken by State owned or unlisted entities, targeting the financing of fossil fuel companies is considered an effective tool to manage climate risks. The use of a resolution was considered appropriate given the long-standing nature of the ShareAction engagement and the urgency of the ask as Barclays was revising its climate policy. Recognising the weight of investor opinion, the bank's CEO was actively involved in the engagement and receptive.
Outcome	In January 2024, Barclays published a comprehensive update of its oil and gas policy restricting direct financing for new oil and gas projects and of pure play upstream companies. The bank also will assess the transition readiness of clients as a condition of further financing. Given the bank's progress, the group agreed to withdraw their resolution as we believed this would allow us to make further progress in our negotiations.

PRINCIPLE 12

Rights and responsibilities

Signatories actively exercise their rights and responsibilities

Our Rights and Responsibilities as investors are acknowledged in Principle #4: WYPF recognises its stewardship responsibilities through engagement and voting.

As owners of capital, we take our voting responsibilities seriously and exercise them in a way consistent with our publicly disclosed objectives and policy positions. Wherever practical WYPF votes on resolutions put to the annual and extraordinary general meetings of all companies in which it has a shareholding. We have retained the services of PIRC as our proxy advisor to assist us formulating and implementing our **voting policy**. Our voting policy is posted on WYPF's website as are details of WYPF's **voting activities**. We seek to revise our voting policy whenever appropriate in line with industry developments and the evolution of best practice (Principle 5.)

In the UK, an AGM must be held within five months of the end of a company's financial year end meaning companies with December year ends will generally publish annual reports in March and hold AGMs in April or May. Managements, or their representatives, usually will endeavour to contact us ahead of votes to provide assurance or test investor sentiment on resolutions. As votes near our proxy advisor will assess proposed resolutions and advise us accordingly. In recent years, several shareholder advocacy groups have emerged. Some have done excellent work typically filing single issue resolutions. We would highlight: As You Sow, Follow This, and ShareAction as exemplars whose resolutions we have supported on occasion.

As a rule, we try to be supportive of managements but will appropriately scrutinise proposals to ensure decisions are taken in the long-term interests of the companies we invest in.

In line with our commitment to transparency and democratic accountability, we ensure that our voting aligns with our engagement. Should we decide to abstain, in the instance of minor infractions, or vote against board proposals will we seek to communicate this information with management prior to the vote.

PIRC is our proxy advisor and was selected largely because its voting policies were closely aligned to that of LAPFF (who PIRC acts as secretariat/advisor to), of which WYPF is a member. Under the terms of our contract, we permit PIRC to directly access our portfolio holdings through our custodian Northern Trust who then vote through the ProxyExchange platform. We can monitor proposed resolutions and voting recommendations through PIRC's client platform.

Given most assets are internally managed and our commitment to be a responsible investor it is incumbent on investment staff to be familiar with upcoming resolutions for companies within the portfolio and the voting decision rests with the individual managers. Historically, we have closely followed PIRC's guidance but are not obliged to do so and our Investment Management team has the ultimate decision of how we vote. If we choose to vote contrary to PIRC's recommendations, Investment Managers will record the rationale for the variance along with the voting instruction. In the year to March 2024, we voted against PIRC guidance on ten separate occasions. Table 20 uses the Diageo AGM as an example of how our opinion may vary both management and that of PIRC.

In the twelve months ending March 2024, WYPF voted on 18,805 resolutions at 1,332 separate Annual or Extraordinary general meetings world-wide. While we commit to voting all our shares, we failed to do so on 76 occasions most commonly because we did not receive the ballot in a timely manner for emerging market stocks.

WYPF conducts securities lending to increase the investment return of the portfolio. Given that the underlying voting rights of stock are held by the borrower, rather than the lender, we may choose to recall any shares out on loan prior to a company vote.

As bondholders we do not have the same rights as shareholders, for example, we are not permitted vote at company AGMs, and only have leverage over companies to press for ESG topics during the underwriting process or when credit terms are reassessed. During 2023 we did not have the opportunity to engage the issuers of any of our fixed income holdings. However, should the situation arise, we will assess proposed amendments on their merits to decide whether they are fair and reasonable and in the best interests of an issuer and its stakeholders.

In the case of third-party mandates in alternative assets we, as a rule, do not exercise voting rights directly. We do however expect managers to be responsible investors, have appropriate ESG policies in place (Principle 7) and vote accordingly.

As per our Business Plan (Principle 1) our voting activity is reviewed at our quarterly IAP meetings.

TABLE 19: RIGHTS AND RESPONSIBILITIES, EXAMPLES OF DIAGEO AGM SEPTEMBER 2023

Resolution	Rationale
1. Receiving Annual report; **6. Reappointment of CEO**	We voted in favour of both management resolutions contrary to PIRC guidance as we were supportive of the company's sustainability policy.
2. Remuneration report; **3. Remuneration policy;** **4. Long term Incentive Plan;** **9. Re-appointment of Susan Kilsby (chair of remuneration)**	We voted in favour of management resolutions contrary to PIRC guidance believing that the incentive plans were appropriate.
7. Re-appointment of Javier Ferrán as a director	We abstained contrary to management guidance agreeing with PIRC that the Company's Chair should not also be chair of a second listed company
15. Re-Appointment of Ireena Vittal as a director	We abstained agreeing with PIRC that Diageo didn't disclosed any evidence of engagement with shareholders after Ms Vittal received 10% objection to her re-appointment at the 2022 AGM.
16. Appointment of Auditor	We voted with management against PIRC's advice. We do not believe Diageo's AGM is the appropriate forum to address PIRC's long-standing issues with UK auditing.
21. Authority to purchase own ordinary shares	We voted with management against PIRC's advice. We disagree with PIRC's assessment of buy-backs.

TABLE 20: VOTING OUTCOMES 2023

Type	Total Votes	Support	Oppose/ Abstain	Common reasons for opposing
All Employee Schemes	97	49%	51%	
Annual Reports	2,204	44%	56%	Poor disclosure (especially of sustainability policies), failure to abide to guidelines, lack of detail regarding accountability
Articles of Association	545	88%	12%	
Auditors	1,211	50%	50%	We support the rotation of auditors every 5 years; high non-audit earnings
Corporate Actions	104	88%	13%	Insufficient justification
Corporate Donation	141	84%	16%	Excessive amounts
Debt and Loans	97	40%	60%	
Directors	8,614	73%	27%	Combined CEO/ Chair roles, tenure of non-exes more than 9 years, Chairs to be considered independent at time of hire, votes against heads of committees where failings identified
Dividend	781	97%	3%	Dividends more than earnings
Executive Pay Schemes	240	13%	87%	Excessive pay, insufficient disclosure of basis of pay, variable compensation more than 200% of base, LTIP may be excessively high or insufficiently long-term, CEO pay greater than 20x average employee
Miscellaneous	925	87%	13%	n/a
NED Fees	424	63%	37%	Excessive compensation
Non-Voting	576	1%	99%	n/a
Say on Pay	123	2%	98%	Excessive compensation
Share Capital Restructure	120	83%	18%	Insufficient justification
Share Issue Cancellation	2,110	40%	60%	Insufficient justification
Shareholder Resolutions	410	79%	21%	
	18,722	63%	37%	

West Yorkshire Pension Fund

Stewardship Code 2024