

## ***United Reformed Church – Wessex Synod: Stewardship Code***

*29 January 2015*

On behalf of the Wessex Synod of the United Reformed Church, The United Reformed Church (Wessex) Trust Ltd (WESSEX) welcomes the Stewardship Code and its underlying principles. First published in 2010 by the Financial Reporting Council the UK Stewardship Code aims to enhance the quality of engagement between asset managers and companies to help improve long-term risk-adjusted returns to shareholders. As a responsible investor **WESSEX** takes seriously its role as an owner of the companies in whom our investment managers invest on our behalf. Whilst the Stewardship Code only applies to UK listed companies, where possible, **WESSEX** seeks for its response to be applied to all of its investment assets regardless of asset type or geography.

**Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.**

**WESSEX** is a responsible investor. We do not manage our investments in-house but seek to select investment managers who are committed to both the integration of environmental, social and governance factors into their investment process and conduct active stewardship with the companies they invest in on our behalf.

We expect our investment managers to routinely monitor and vote at the AGMs of the companies in whom they invest on our behalf. We also expect our investment managers to escalate engagement where there are concerns with regard to an investee company's performance, strategy, governance or the management of environmental or social risk. As per the Charity Commission's guidance **WESSEX** encourages our investment managers to engage with investee companies on issues that further our underlying values. When, over time, engagement is not successful we expect our investment managers to consider divestment.

**Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.**

**WESSEX** operates a conflict of interest policy in line with Charity Commission guidance.

**Principle 3: Institutional investors should monitor their investee companies.**

Because **WESSEX** does not manage our investments in-house we have delegated responsibility for monitoring investee companies on a day to day basis to our investment managers. **WESSEX's** Trustees regularly meet

our investment managers to monitor their investment decision making and assess how they are discharging their stewardship responsibilities on our behalf.

**Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.**

**WESSEX** has delegated its responsibility for stewardship to its investment managers whom we expect to have a clear procedure for escalation should concerns arise. To monitor their activity we expect our investment managers to report their stewardship priorities to us on a periodical basis. **WESSEX** also expects its investment managers to reconsider investment in companies who, after a period of time, are not responding to engagement. **WESSEX** is ready to change an investment manager if not satisfied with that manager's approach to stewardship.

**Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.**

**WESSEX** recognises the value of collective engagement. As such we encourage our investment managers to seek to act collectively with likeminded investors whenever appropriate. We are also members of the Church Investors Group and support collaborative engagement initiatives with likeminded asset owners conducted through, and by, the Group on our behalf.

**Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.**

**WESSEX** believes that voting forms an integral part of the routine monitoring of investee companies. We delegate our voting responsibilities to our investment managers whom we expect to vote all of our holdings where practical to do so in a manner that reflects both our position as a responsible investor and our underlying mission where practical to do so. **WESSEX** will routinely monitor our investment managers' policy and activity in this area.

**Principle 7: Institutional investors should report periodically on their stewardship and voting activities.**

**WESSEX** expects its investment managers to report on their adherence to the Stewardship Code at least once a year. Where possible the **WESSEX** website will provide links to the website reports of our investment managers on their stewardship and voting activity.