



INVESTOR FORUM PUBLISHES REVIEW OF 2019 ACTIVITIES

Working collectively to escalate material issues

(London, 29 January 2020)

The Investor Forum today publishes its Review of 2019 Activities (view [here](#)) and reports continued success in collective engagement with UK companies. The Forum now has 50 Members, with over £18.5 trillion assets under management, who collectively own over 33% of the FTSE All-share.

Highlights from the 2019 Review include:

- 10 engagements with UK companies and a total of 32 since inception
- 3 important thematic projects, including an initiative on marine plastic pollution
- 4 white papers, which provide practical insights to enhance stewardship activity
- 8 new Members, including 1 asset owner, 1 international and 6 domestic investors

Collective engagement with companies is the Forum's key focus:

- The Forum completed 6 engagements with:
FirstGroup plc, GVC Holdings plc, Imperial Brands plc, Inmarsat plc, Safestore plc and Vodafone plc
- At the end of 2019 the Forum was working on four live situations

Priorities for 2020

There is an inescapable sense that the business agenda has changed and that there is a vital need for investors to respond. Society and regulators are asking questions, many of which call for urgent responses and radical changes in approach. As the pressure for a change in behaviour increases, not least from those outside the corporate world, the focus must be on creating solutions.

As investors consider their response to the Stewardship Code 2020, they will need to re-evaluate their stewardship capabilities. The Forum believes that investors must identify and focus on material issues, and use their stewardship activities to encourage and, where necessary, drive changes in behaviour that will create sustainable long-term value. This must be the key objective for investors and for Boards, and it is the only objective which can unite investors, companies and the whole of society. We must not lose sight of this amidst all the reform.

Simon Fraser, Chairman of the Investor Forum said:

"Stewardship and sustainable investing are key areas of focus for asset managers today. The purpose and objectives of the Investor Forum, laid out at our inception in 2014, are therefore even more relevant now than they were then. The Forum's collective engagement platform helps shareholders engage with companies and can meaningfully increase the impact of their stewardship activities."

Andy Griffiths, Executive Director of the Investor Forum said:

"The Investor Forum provides a unique stewardship capability. We work collectively to escalate material issues with the boards of UK companies and the track record shows that the approach delivers change. Our focus on outcomes makes us a vital resource for investors seeking to meet the challenges set by the Stewardship Code 2020."



2019 Review Highlights

Collective Engagement

The Investor Forum's practical experience shows the value of the investment community working collectively and the important need to focus on targeted objectives. The Collective Engagement Framework provides a safe, efficient, economic and, above all, effective way for investors to escalate concerns and work with Boards to deliver meaningful change.

2019 saw continued impact from collective engagement. The Collective Engagement Dashboard again shows the wide range of considerations addressed, confirming the need for a bespoke strategy and clear objectives in each case. During 2019, it was notable that corporate governance, and particularly leadership and succession, were dominant themes in every engagement. Most likely, this reflected the impact of the new Corporate Governance code and, specifically, the stricter focus on Director tenure.

Stewardship Code 2020

In this year's Annual Review, the Forum has reviewed the implications of the Stewardship Code 2020 and provided practical insights to help investors focus on activities and outcomes as the new Code demands. The Forum has proposed a framework which identifies critical success factors and offers practical guidance on how to deliver effective engagement. Given its practical focus, the Forum will continue to develop and share practical insights to contribute to the promotion of well-functioning markets.

Stewardship Projects

The Forum worked with investors on three important thematic issues in 2019:

- Setting Standards to address Marine Plastic Pollution
- Four Dialogues – a framework to understand the dialogue between investors and companies
- Working practices in the construction sector

By far the most innovative of these is the work on Marine Plastic Pollution, which will see investors co-sponsor a process to fast track production of a British Standard, which will tackle the issue of plastic pellet waste.

Board Appointments

During 2019, the Investor Forum welcomed Anne Marie Fleurbaaj and Luba Nikulina to the Board. Each brings considerable experience of working with asset owners at a time when there is a significant shift in focus to consider responsible investment and sustainable investment mandates.



NOTES TO EDITORS:

- The Investor Forum is an independent, not for profit organisation founded in October 2014. At the end of 2019, 50 organisations had become Members, including asset managers, insurance companies, pension funds, and endowments.
 - Members have ~£18.5trn in Global assets under management, and £784bn invested in UK equities, which represents ~33% of the FTSE All-Share market cap.
 - The purpose of the Investor Forum is to position stewardship at the heart of investment decision making by facilitating dialogue, creating long-term solutions and enhancing value.
 - The Investor Forum has built a unique public record of 32 comprehensive collective engagements with Chairs of UK-listed companies since its inception, covering issues from succession and governance to the direction and execution of strategy.
 - The executive team comprises senior investment professionals with international experience in board positions, portfolio manager, asset owner, governance and investment banking sales and research roles.
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