



THE INVESTOR FORUM

Purpose & Objectives

Purpose:

- Position stewardship at the heart of investment decision making by facilitating dialogue, creating long-term solutions and enhancing value

Objectives:

- Make the case for long-term investment approaches
- Facilitate collective engagement with UK-listed companies

Membership

- **52 Members (asset owners and asset managers):** 37 UK institutions, 15 international firms, representing approximately 33% of FTSE All-Share market capitalisation

Investor Forum team

- 8 members of the Executive team, with 20+ years buy side investment experience. 2 with complementary capital market experience
- 14 person Board – investors, chairs, academics, industry experts

Legal Framework

- Published the Collective Engagement Framework (October 2016. Updated: September 2019)
- 4 firm panel (Davis Polk, Hogan Lovells, Macfarlanes, Skadden) provide pro bono legal input

Engagements since inception (Jan 2015 – October 2020)

- Members have proposed 66 companies for collective engagement:
- **We have engaged with the Boards of 40 companies**
- Range of market cap: AIM-listed to FTSE 100
- Range of participants: 2 – 25
- Market cap of company represented: 7% - 50%

S-360 projects - Facilitating Dialogue

- Virtual Four O'clock Forums (2020):
 - Capital Raising
 - Accounting policies and effective audit
 - Voting transparency
- Engage the Engagers (2020)
- Expert speaker Forums (2020): Philip Augar, Sir Donald Brydon, John Kay, Marty Lipton
- Marine plastic engagement with standards bodies (2018) and marine plastic pollution (2019). BSI launch investor co-sponsored PAS to address plastic pollution (2020)
- ADR voting practices (2018)
- The Four Dialogues (2019)
- UK Banks Stewardship Summit (2019)
- Industry working practices: Apparel (2017), Food Retail (2018) and Construction (2019)
- BankingFutures dialogue with Leaders' Quest, Meteos and UK Finance (2015-17)

Facilitate dialogue | Create long-term solutions | Enhance value



2020: The Year of Material Issues

In 2020, shareholders increasingly incorporated explicit views on the impact of variables such as culture, human capital management and environmental issues when deriving and testing a long-term investment thesis, alongside the more traditional considerations of strategy, executive ability and capital allocation.

Confidence in leadership and oversight is critical to the management of a wide range of stakeholder perspectives and the delivery of outcomes that generate sustainable long-term value. It is not surprising that the focus on effective governance should remain a core focus for investors.

Case Study	Material Issue	Engagement Focus	Outcome
Aviva	Strategic Direction	Strategic focus and Group structure	Chair succession which resulted in a strategic reset
Barclays	Environment	Climate commitments, catalysed by shareholder resolution	Ambitious commitments made with shareholder support
Boohoo Group	Social Issues	Working practice issues within supply chain	Tangible new commitment to reform supply chain and significant enhancements to Governance structures
Burford	Board Effectiveness	Strengthening governance practices	Additional direct engagement by the CEO reassured investors
Pearson	Executive Succession	Need to accelerate the appointment of a new, external CEO	Highly regarded external CEO appointed
Playtech	Chair Succession	Need for Chair succession plans to be implemented	Interim Chair appointed
Royal Mail	Board Effectiveness	Board skills and priorities	Comprehensive refreshment reassured investors
Ryanair	Shareholder Rights	Auto-proxy voting of ADRs	Timely disclosure of auto-proxy impact with results of AGM
Snam	International Best Practice	Global investor input into Italian company succession process	Prompt disclosure of Chair credentials to better inform voting decisions
SSP Group	Capital Allocation	Recycling cash from AGM approved dividend	IF proposed solution to retain cash within business

The issues addressed in the engagements in 2020 serve to demonstrate the effectiveness of the model as a means of escalating investor concerns across an increasingly broad range of material issues.