



REDINGTON 

 Hackney

STEWARDSHIP CODE TIMELINE FOR SUBMISSION

June 2023

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UK PENSION STEWARDSHIP – BACKGROUND

"Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Stewardship activities include monitoring assets and service providers, engaging issuers and holding them to account on material issues, and publicly reporting on the outcomes of these activities."

The UK Stewardship Code 2020, Financial Reporting Council

The above is the definition given to stewardship by the Financial Reporting Council in the 2020 iteration of the Stewardship Code, with the first Code having been published in 2010 and revised in 2012 . The [UK Stewardship Code 2020](#) sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them.

The Code applies to:

- Asset owners** such as pension schemes, insurers, foundations, endowments, local government pension pools and sovereign wealth funds.
- Asset managers** who manage assets on behalf of UK clients or invest in UK assets.
- Service providers** such as investment consultants, proxy advisors, data and research providers that support asset owners and asset managers to exercise their stewardship responsibilities.

Timeframe for submissions 2023/24

For asset owners submitting for the first time, i.e. Hackney Pension Fund, the next submission deadline is 31 May 2024

STEWARDSHIP CODE – PRINCIPLES

The principles provide a helpful guide for adopting effective stewardship practices. We split the twelve principles into three groups below:

1. **Policy foundations** – ensuring the right policies and governance processes are in place to facilitate good stewardship – ‘**WHO?**’;
2. **Integration** – integrating stewardship policies into the investment process, including regular assessment of asset managers/service providers – ‘**HOW?**’;
3. **Engagement delivery** – how engagement is put into practice, and the resultant change that has been achieved – ‘**WHAT?**’.

		Substantive requirements
1	Purpose, beliefs, strategy and culture enable stewardship	More depth of cultural expectation, requires detail of investment beliefs
2	Governance, resources and incentives support stewardship	Senior management buy-in, link of governance and process with effective stewardship, details of resourcing and structure
3	Conflicts: policy and application to stewardship	Disclosure of instances of actual or potential conflict, stewardship-specific
5	Regulatory review policies and assess effectiveness	Extends need for self-review and assessment; reporting to be fair, balances and understandable
6	Take account of client/beneficiary needs, communicate activities and outcomes	Required to specify time-horizon for investment approach; greater focus on outcomes
7	Stewardship integrated into investment decisions	Details of integration approach and resources; refers to climate change; disclose differences between funds, asset classes, geographies
8	Monitor service providers	How quality of service providers is regularly assessed; better delivery sought over time
9	Engagement	Disclose how engagements are prioritised, outline precise objectives of engagement, outcomes
10	Collaborative engagement	Disclose method(s) of collaboration, examples of collective engagement, outcomes
11	Escalation	Disclose how engagements are prioritised, outline precise objectives of engagement, outcomes
12	Exercise rights (voting)	Voting and use of proxy advisers, including monitoring and oversight
4	Respond to market-wide and systemic risk, promote positive system	Identify and respond to market and systemic risk; how worked with other investors or industry initiatives to address; how aligned investments

INDICATIVE TIMELINE FOR LB HACKNEY PENSION FUND STEWARDSHIP CODE SUBMISSION

Activity	Suggested Timing
Focused Responsible Investment Survey to identify and capture Fund’s responsible investment beliefs and develop key engagement themes	June – July 2023
Feedback from survey; consideration of Stewardship Code requirements; and workstreams for Responsible Investment Working Group (RIWG) – September Pensions Committee	20 September 2023
Identifying gap analysis of Stewardship Code requirements; establishment of an engagement framework and regular stewardship reporting to Pensions Committee; consideration of enhancements to current approach	September – November 2023
Proposals to meet the Stewardship Code reporting requirements with ongoing monitoring to be approved by Pensions Committee	28 November 2023
Capturing current stewardship work, drafting Stewardship Code submission	November 2023 – February 2024
Draft Stewardship Code for approval by Pensions Committee	26 March 2024
Stewardship Code reporting and application	April 2024
FRC notification of acceptance of submission or rationale for rejection	Late summer 2024
Ongoing stewardship activities reported to Pensions Committee quarterly	2024/2025
Annual review and approval of Stewardship Code submission by Pensions Committee to maintain signatory status	April 2025 and annually thereafter

DISCLAIMER

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