

7th February 2017

AGM voting intentions outlined by Church Investors

The Church Investors Group (CIG), representing combined investment assets of approximately £ 17 billion, has written to all FTSE 350 constituent companies to inform them of the voting policy it will apply at all Annual General Meetings in 2017.

The letter, sent to company secretaries at the start of February, outlines the CIG's proactive stance on issues including executive pay, gender diversity, climate change, and wider corporate governance best practice.

It forms part of a wider initiative that brings together the UK's largest church investors to increase their impact by adopting a common voting policy.

The Reverend Canon Edward Carter, Chair of the Church Investors Group, said *"As responsible investors, members of the Church Investors Group have long used their voting rights to promote the best standards of corporate governance at investee companies. Our members are committed to playing an active and productive role in advocating for improved governance at this important time of reform"*.

The letter reminded companies that the CIG will continue to place a strong emphasis on assessing whether their approach to executive remuneration adequately incentivises the development of sustainable shareholder returns or if pay rewards could be considered to be excessive.

Stephen Beer, Chief Investment Officer of the Central Finance Board of the Methodist Church, said *"Church investors have long sought to address excessive executive pay. Through the letter we have reminded companies of our concerns and asked for further information about how internal pay differentials are monitored and incorporated into executive pay policies."*

Adam Matthews, Head of Engagement for the Church Commissioners and Church of England Pensions Board, said *"This year promises to be an important year for issues of executive remuneration and climate change. Last year saw a number of high profile votes going against board recommendations and we expect this issue to continue to be high on shareholders agenda in the 2017 voting season. It is vital that companies exercise judgement when recommending executive remuneration packages to shareholders."*

"On climate change we will continue to look to support resolutions that seek greater financial disclosure of the risks posed by the transition to a low carbon economy. We are keen that companies can continue to provide the necessary disclosure to enable asset owners to assess this key risk as well as understand how companies are reflecting climate change commitments in executive remuneration."

The full voting policy is available on the CIG website at www.churchinvestorsgroup.org.uk.

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Notes for editors

About the Church Investors Group

The Church Investors Group represents institutional investors from many mainstream Church denominations and church related charities. Its aims are to encourage the formulation of investment policies based on Christian ethical principles, to encourage responsible business practice through engagement with company managements and to share information and views on ethical matters related to investment.

The CIG has 59 members, predominantly drawn from the UK and Ireland. Combined investment assets exceed £17bn.

About the Church Investors Group Proxy Voting Initiative

As responsible investors members of the CIG seek to promote best practice standards of corporate governance at investee companies. Exercising ownership rights by voting at company AGMs is an important part of many of our members' collective approach. Consequently, CIG members have developed a common voting policy administered by proxy voting agency ISS on a global basis. Members currently implementing the policy include the Church Commissioners for England, the CBF Church of England Investment Funds, The Church of England Pension Board, the Central Finance Board of the Methodist Church, and the United Reformed Church Ministers Pensions Trust.

During 2016 the CIG initiative did not support 64% of Remuneration Reports and 55% of Remuneration Policies as proposed by FTSE 350 constituent companies.

About the Letter

The CIG letter was sent on the 1st February to the Company Secretaries of all FTSE 350 constituent companies with the exception of Investment Trusts or companies who are commonly restricted from investment, on ethical grounds, by our members.

Contact Details:

Mark Arena
Church of England – Financial Communications
mark.arena@churchofengland.org
+44 (0)207 898 1221 Direct Line

Chris Le Marquand
Church of England – Financial Communications
chris.lemarquand@churchofengland.org
+44 (0)207 898 1682 Direct Line