This information is for investment professional only and should not be relied upon by private investors.
coal projects, and were delighted when the bank announced in September it would stop financing new coal fired power stations globally.

Site visits provide important opportunities to learn more about manufacturing processes. Scapa (Amity UK) is a global supplier of bonding solutions, manufacturing adhesive based products for the healthcare and industrial markets. A visit to their production site in Wiltshire provided a fascinating insight into the company’s strong investment in research and development, and how the company’s advanced products in wound care and consumer bandages are improving the lives of thousands of patients.

In Amsterdam we visited the Renewi (Amity UK) anaerobic digestion plant which turns 120,000 tonnes of organic liquid food waste into heat, electricity and nutrient rich compost. The resultant energy is used to power nearly 10,000 homes.

PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

We are delighted to have maintained our A+ score for strategy & governance in the 2018 PRI survey assessment and achieved ‘A’ scores across all of our major asset classes. Our submission to the PRI and the Assessment are published on the Edentree website.

COLLABORATIVE ENGAGEMENT

During the quarter we participated in various collaborative investor initiatives. We joined other investors in writing to the Roundtable on Sustainable Palm Oil (RSPO) regarding the review and strengthening of its principles, and joined a FAIRR (Farm Animal Investment Risk & return) coalition calling on Brazil to cease deforestation in the Cerrado biome which covers 20% of Brazil’s landmass and which is seeing exponential soy expansion to the detriment of the areas rich ecology.

We joined Alphabet (Google) (Amity International) on its first quarterly ESG call with investors where data centre efficiency and the company’s carbon neutrality were discussed. In providing feedback, we called for more transparency on workforce data and encouraged the company to participate in the Workforce Disclosure Initiative (WDI). We separately wrote to four other companies encouraging them to participate in the WDI survey including Carrefour (Amity European) and National Grid (Amity Balanced, Global Equity, International and UK).

VOTING AND STEWARDSHIP

The third quarter marks the conclusion of the UK proxy voting season. We voted at 57 UK company meetings, comprising 724 resolutions. We voted to oppose or abstain 45 resolutions (6%), the majority against remuneration (42%) and the re-election of Board directors (20%). We continue to find it challenging to support pay packages in the FTSE100 owing to excessive pay-outs and poor links to performance. During the quarter we opposed remuneration at, among others, Royal Mail Group (Amity UK, Balanced) National Grid Group, Tate & Lyle (Amity Balanced, Sterling Bond), Vodafone Group (Amity Balanced, Sterling Bond, UK) and DS Smith (Amity UK).

During the quarter we provided feedback to N Brown Group (Amity Balanced and UK) on remuneration and indicated to Royal Mail Group that we would not support remuneration proposals; the company subsequently saw its remuneration report voted down by shareholders.

Diversity is fully integrated into our UK (and overseas) voting policies and we publish each quarter a record of FTSE100 diversity. Of 14 FTSE100 companies voted in the third quarter, 43% have met the Hampton-Alexander target of at least 33% of women on Boards by 2020, which represents commendable progress among the UK’s largest companies held in our portfolios.

Overseas, our strategic partner Glass Lewis & Co. votes all proxies in markets other than the UK, voting against poor corporate governance board structures or where unlimited powers are ascribed to the Board to the detriment of
shareholders. The third quarter saw Glass Lewis vote at 18 meetings comprising 125 resolutions in eight markets. They opposed/ abstained 20% of resolutions, mostly against the re-election of directors (48%).

Our Global Corporate Governance Voting Reports are online at www.edentreeim.com

GROWING THE TEAM

We are delighted to have welcomed Jon Mowll to EdenTree’s Responsible Investment Team, who will be our lead on social issues. Jon joins us from Infospectrum Ltd, where he was Commodities and Trade Finance Analyst, specialising in analysing ESG issues in commodity supply chains.

Jon is a graduate in History from Cambridge, is IMC qualified, and has a Post Graduate Certificate in Sustainability from the Cambridge Institute of Sustainability Leadership.

RECOGNITION

We are delighted to have been named for the 10th successive year ‘Best Ethical Investment Provider’ in the Moneyfacts Investment Life & Pensions Awards 2018 in a highly competitive category that included nine other Fund houses.

This is testament to our commitment to be the best ethical and responsible investment provider for clients, and a huge vote of confidence from all our supporters who nominated and voted for us. Thank you.
THE EDENTREE RI TEAM

Neville White
Head of SRI Policy and Research

Esmé van Herwijnen
Responsible Investment Analyst

Jon Mowll
Responsible Investment Analyst

We have a specialist in-house Responsible Investment (RI) team who carry out thematic and stock-specific research to identify ethically responsible investment ideas for our range of Amity Funds. Headed up by Neville White, Head of SRI Policy & Research, and supported by Responsible Investment Analysts Esmé van Herwijnen and Jon Mowll, the team is also responsible for creating an on-going dialogue with companies, allowing us to engage on a wide variety of ethical and socially responsible investment concerns. Our ethical and responsible investment process is overseen by an independent Amity Panel that meets three times a year, and comprises industry and business experts, appointed for their specialist knowledge.

For any further information please contact us on 0800 011 3821 or at ifa@edentreeim.com

Please note that the value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations, you may not get back the amount originally invested. Past performance is not necessarily a guide to future returns. EdenTree Investment Management Limited (EdenTree) Reg. No. 2519319. This company is registered in England at Beaufort House, Brunswick Road, Gloucester, GL1 1JZ, United Kingdom. EdenTree is authorised and regulated by the Financial Conduct Authority and is a member of the Investment Association. Firm Reference Number 527473.