

## **AMNT REVEALS FIRST ASSET MANAGER TO APPLY RED LINE VOTING**

WHEB will be the first asset manager to adopt the Red Line voting principles developed by the Association of Member Nominated Trustees (AMNT) to give trustees more power.

The Red Line Voting programme is an initiative launched last year to give pension scheme more tools to influence the companies they invest in, and has a set of voting rules covering a range of environmental, social and governance (ESG) issues.

Speaking at the AMNT's annual general meeting (AGM), WHEB managing partner George Latham said the firm would apply the principles to its UK listed holdings and would trial them during the coming voting season.

He said fund managers that did not listen to shareholders were a concern and the "comply or explain" aspect of the initiative should make it much easier for fund managers to apply the Red Line principles.

"There is a real problem in the fund management industry in that fund managers are not really under a great deal of pressure to build, improve or integrate a really constructive approach to stewardship," he said. "In my experience the voting and governance function is usually a totally separate one from the investment function [within asset managers]."

"Over the years as we have spoken to pension fund trustees the key challenge they have in implementing a strategy around [ESG] themes or responsible investment and stewardship, has always been one of resources.

"Even some quite large schemes often have very limited resources and amounts of time to address what might be quite technically difficult issues. To have something like the Red Lines initiative to take off the shelf is incredibly useful. It is something we would like to see succeed."

WHEB will examine the application of Red Lines to its business over the next voting season and report on the impact to its external governance committee meeting in June, Latham added.

Fund managers would find it harder to ignore Red Line voting, he said.

"That conversation can change and it is something the fund manager has to take into account," Latham continued. "It is not: 'we have received a letter from your governance team'. No it is: 'you have voted against my re-election. You have voted against our chairman at our AGM and that puts more pressure on the fund manager.'"

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