

### **Appendix 3**

#### **Comparison of Responsible Investment Activity Quarter ending 30 September 2010 Core Equity Fund Managers and the Local Authority Pension Fund Forum (LAPFF)**

<b>Fidelity</b>	<b>Capital International</b>	<b>LAPFF</b>
<b>Environmental Issues</b>		
Fidelity have been discussing with Barratt Developments and Taylor Wimpey how they will respond to proposed minimum standards for the energy performance of buildings.	During the quarter Capital met with cement and concrete supplier Holcim to discuss how it is reducing the carbon intensity of its products to make it one of the most environmentally focused in the industry. Although improvements have been made in Holcim's safety record, the number of fatalities is still high and so plans to address this were also discussed.	LAPFF has joined 259 other investors in signing a statement calling on governments and policy makers to take immediate action on climate change. The statement references the "Stem Report" which states that it expects GDP to reduce by around 20% by 2050 as a result of climate change.
<b>Governance / Remuneration Issues</b>		
During the quarter Fidelity met with HSBC to discuss their management succession process. A meeting took place with Vodafone concerning the composition of the Board and Fidelity met with Tesco to discuss their remuneration structure.	Capital met with Lloyds Banking Group following the news its Chief Executive would retire in 2011. They discussed the process for appointment and how the level of remuneration would be set.	During the quarter the LAPFF issued a response to the Auditing Practices Board's consultation driven by questions raised about auditing practices in the light of the financial crisis. This is a follow up to a meeting the LAPFF had with the FSA raising concerns about auditing practices.
<b>Other Engagement activity</b>		
Further discussions have taken place with Vedanta concerning the Amnesty International reports of environmental damage and dislocation of indigenous people in it's Indian mining operations. The	Capital hosted a meeting for European telecommunications companies in their offices to encourage a debate between shareholders and companies. Issues debated include dividends, the	The LAPFF continued it's engagement with National Express concerning complaints lodged with the National Labour Relations Board concerning anti union practices and management misconduct at it's US

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company are now under greater scrutiny and Fidelity will continue to monitor the situation.	frequency of contact and information flows.	subsidiary Durham School Services.
<b>Other Issues</b>		
During the quarter Fidelity appointed to a newly created post - Head of Environmental, Social and Governance activity. This will provide more of a focus on this area of activity.	None	None