

Geo Adams Group Pension fund

Engagement Policy Implementation Statement for the year ending 30 June 2022

Introduction

The Trustees of the Geo Adams Group Pension Fund (the 'Fund') have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustees, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 30 June 2022. This statement also describes the voting behaviour by, or on behalf of, the Trustees.

The Trustees, in conjunction with their investment consultant, appoint their investment managers to meet specific policies. They expect that their investment managers make decisions based on assessments about the financial (and non-financial performance) of underlying investments, including environmental, social and governance ('ESG') factors, and that they engage with issuers of debt or equity to improve their performance (and thereby the Fund's performance) over an appropriate time horizon.

The Trustees have decided not to take non-financial matters into account when considering their policy objectives.

Stewardship - monitoring and engagement

The Trustees recognise that the investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustees detailing their voting activity.

The Trustees also delegate responsibility for engaging and monitoring investee companies to the investment managers and expect the investment managers to use their discretion to maximise financial returns for members and others over the long term.

As all the investments are held in pooled vehicles, the Trustees do not envisage being directly involved with peer-to-peer engagement in investee companies.

Investment manager engagement policies

The Fund's investment managers are expected to have developed and publicly disclosed an engagement policy. Those policies, amongst other things, provide the Trustees with information on how the investment managers engage in dialogue with the companies in which they invest and how they exercise voting rights. They also provide details on the investment approaches taken by the investment managers when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental, and corporate governance aspects.

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A link to the investment managers' engagement policies or suitable alternatives are provided in the Appendix.

The policies are publicly available on the investment managers' websites.

The latest available information provided by the investment managers (for mandates that contain public equities or bonds) is as follows:

Engagement	UK ESG Screened Index Equity Sub-Fund	All World ESG Screened Index Equity Sub-Fund	North America ESG Screened Index Equity Sub-Fund	Europe ex UK ESG Screened Index Equity Sub-Fund	Japan ESG Screened Index Equity Sub-Fund	Asia Pacific ex Japan ESG Screened Index Equity Sub-Fund	Emerging Markets ESG Screened Index Equity Sub-Fund	Columbia Threadneedle LDI Counterparties
Year	01/01/2021 – 31/12/2021	01/04/2021 – 31/03/2022	01/04/2021 – 31/03/2022	01/04/2021 – 31/03/2022	01/04/2021 – 31/03/2022	01/04/2021 – 31/03/2022	01/04/2021 – 31/03/2022	01/07/2021 – 30/06/2022
Engagement definition	Their Asset Stewardship Team has developed their Issuer Engagement Protocol to increase the transparency of their engagement philosophy, approach and processes. This Protocol is designed to communicate the objectives of their engagement activities and to facilitate a better understanding of their preferred terms of engagement with their investee companies.							
Number of companies engaged with over the year	SSGA have not populated the industry standard templates for voting and engagement.							5
Number of engagements over the year	SSGA have not populated the industry standard templates for voting and engagement.							16

Please note, the Fund invested in the UK ESG Screened Index Equity Sub-Fund, North America ESG Screened Index Equity Sub-Fund, Europe ex UK ESG Screened Index Equity Sub-Fund, Japan ESG Screened Index Equity Sub-Fund, Asia Pacific ex Japan ESG Screened Index Equity Sub-Fund and Emerging Markets ESG Screened Index Equity Sub-Fund in November 2020. The Fund disinvested from these funds in February 2022 and invested in the All World ESG Screened Index Equity Sub-Fund at this time.

Exercising rights and responsibilities

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The investment managers publish online the overall voting records of the firm on a regular basis.

The investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustees do not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Trustees consider the proportion of votes cast, and the proportion of votes against management to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by SSgA is as follows:

	UK ESG Screened Index Equity Sub-Fund	All World ESG Screened Index Equity Sub-Fund	North America ESG Screened Index Equity Sub-Fund	Europe ex UK ESG Screened Index Equity Sub-Fund	Japan ESG Screened Index Equity Sub-Fund	Asia Pacific ex Japan ESG Screened Index Equity Sub-Fund	Emerging Markets ESG Screened Index Equity Sub-Fund
Year	01/07/2021 – 30/06/2022	01/07/2021 – 30/06/2022	01/07/2021 – 30/06/2022	01/07/2021 – 30/06/2022	01/07/2021 – 30/06/2022	01/07/2021 – 30/06/2022	01/07/2021 – 30/06/2022
Number of meetings eligible to vote at	728	6,083	643	501	495	459	3,787
Number of resolutions eligible to vote on	10,344	61,772	8,094	8,932	6,143	3,302	32,223
Proportion of votes cast	100%	98.2%	99.4%	99.1%	100%	100%	97.0%
Proportion of votes for management	92.8%	86.3%	90.5%	89.2%	92.7%	83.4%	82.9%
Proportion of votes against management	7.3%	13.7%	10.0%	10.8%	7.3%	16.6%	17.1%
Proportion of resolutions abstained from voting on	0.2%	1.8%	0.5%	0.7%	0.0%	0.8%	2.9%

Please note, the Fund invested in the UK ESG Screened Index Equity Sub-Fund, North America ESG Screened Index Equity Sub-Fund, Europe ex UK ESG Screened Index Equity Sub-Fund, Japan ESG Screened Index Equity Sub-Fund, Asia Pacific ex Japan ESG Screened Index Equity Sub-Fund and Emerging Markets ESG Screened Index Equity Sub-Fund in November 2020. The Fund disinvested from these funds in February 2022 and invested in the All World ESG Screened Index Equity Sub-Fund at this time.

No equivalent information is available for the Columbia Threadneedle LDI and Sterling Liquidity Funds in which the Fund invests.

Trustees' assessment

The Trustees have undertaken a review of the investment managers' engagement policies including their policies in relation to financially material considerations.

The Trustees have considered the ESG ratings for the investment managers provided by the investment consultant, which includes consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

If the investment manager has received a relatively low rating from the investment consultant or from other external rating providers, the Trustees will consider whether to engage with the investment manager.

The Trustees have reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and have found them to be acceptable at the current time.

The Trustees recognise that engagement and voting policies, practices and reporting will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

The link to the Engagement Policies for the investment managers can be found here:

Investment managers	Engagement policy (or suitable alternative)
State Street Global Advisors	https://www.ssga.com/library-content/pdfs/global/esg-investment-statement.pdf
Columbia Threadneedle	https://docs.columbiathreadneedle.com/documents/en_responsible_investment_policy.pdf?inline=true

Information on the most significant votes for each of the funds containing public equities is shown below.

UK ESG Screened Index Equity Sub-Fund	Vote 1	Vote 2	Vote 3
Company name	Royal Dutch Shell Plc	Shell Plc	BP Plc
Date of Vote	24 May 2022	24 May 2022	12 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	7.61%	7.61%	3.52%
Summary of the resolution	GHG Emissions	GHG Emissions	GHG Emissions
How the fund manager voted	Against	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	They do not publicly communicate their vote in advance.		
Rationale for the voting decision	This proposal does not merit support as the company's disclosure and/or practices pertaining to GHG emissions are reasonable.		
Outcome of the vote	N/A		
Implications of the outcome	Where appropriate they will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is assessed to be "most significant"	SH – Environmental Proposal		

North America ESG Screened Index Equity Sub-Fund	Vote 1	Vote 2	Vote 3
Company name	Apple Inc.	Microsoft Corporation	Amazon.com, Inc.
Date of Vote	4 March 2022	30 November 2021	25 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.70%	5.96%	2.83%
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Miscellaneous Proposal – Environmental & Social	Facility Safety

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How the fund manager voted	Against	Against	Abstain
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	They do not publicly communicate their vote in advance.		
Rationale for the voting decision	This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company.	This proposal does not merit support as the company's disclosure and/or practices pertaining to the item are reasonable.	SSGA is abstaining on the proposal as the company's disclosure and/or practices related to facility safety are broadly in line with market standard but could be enhanced.
Outcome of the vote	N/A	N/A	N/A
Implications of the outcome	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.		
Criteria on which the vote is assessed to be "most significant"	Compensation	SH – E&S Proposal	SH – E&S Proposal

Europe ex UK ESG Screened Index Equity Sub-Fund	Vote 1	Vote 2	Vote 3
Company name	LVMH Moet Hennessy Louis Vuitton SE	LVMH Moet Hennessy Louis Vuitton SE	L'Oreal SA
Date of Vote	21 April 2022	21 April 2022	21 April 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.28%	2.28%	1.27%
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Approve Remuneration Policy	Advisory Vote to Ratify Named Executive Officers' Compensation
How the fund manager voted	Against	Against	Abstain
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	They do not publicly communicate their vote in advance.		
Rationale for the voting decision	This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company.		
Outcome of the vote	N/A	N/A	N/A
Implications of the outcome	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.		
Criteria on which the vote is assessed to be "most significant"	Compensation	Compensation	Compensation

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Japan ESG Screened Index Equity Sub-Fund	Vote 1	Vote 2	Vote 3
Company name	Shin-Etsu Chemical Co., Ltd.	Sumitomo Mitsui Financial Group, Inc.	Sumitomo Mitsui Financial Group, Inc.
Date of Vote	29 June 2022	29 June 2022	29 June 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.26%	1.10%	1.10%
Summary of the resolution	Elect Director	Report on Climate Change	GHG Emissions
How the fund manager voted	Against	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	They do not publicly communicate their vote in advance.		
Rationale for the voting decision	They are voting against the nominee due to the lack of gender diversity on the board and the company has not engaged in successful dialogue on SSGA's board gender diversity program for three consecutive years.	This proposal does not merit support as the company's disclosure and/or practices related to climate change are reasonable.	This proposal does not merit support as the company's disclosure and/or practices related to GHG emissions are reasonable.
Outcome of the vote	N/A	N/A	N/A
Implications of the outcome	Where appropriate they will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is assessed to be "most significant"	Director Election	SH – Environmental Proposal	SH – Environmental Proposal

Asia Pacific ex Japan ESG Screened Index Equity Sub-Fund	Vote 1	Vote 2	Vote 3
Company name	Commonwealth Bank of Australia	CSL Limited	National Australia Bank Limited
Date of Vote	13 October 2021	12 October 2021	17 December 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.05%	3.24%	2.23%
Summary of the resolution	Report on Climate Change	Advisory Vote to Ratify Named Executive Officer's Compensation	Report on Climate Change
How the fund manager voted	Against	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	They do not publicly communicate their vote in advance.		
Rationale for the voting decision	This item does not merit support due to concerns with the terms of the proposal.	This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company.	This proposal does not merit support as the company's disclosure and/or practices related to climate change are reasonable.

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Outcome of the vote	N/A	N/A	N/A
Implications of the outcome	Where appropriate they will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is assessed to be "most significant"	SH – Environmental Proposal	Compensation	SH – Environmental Proposal

All World ESG Screened Index Equity Sub-Fund	Vote 1	Vote 2	Vote 3
Company name	Apple Inc.	Microsoft Corporation	Amazon.com, Inc.
Date of Vote	4 March 2022	30 November 2021	25 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.21%	3.72%	1.75%
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Miscellaneous Proposal – Environmental & Social	Facility Safety
How the fund manager voted	Against	Against	Abstain
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	They do not publicly communicate their vote in advance.		
Rationale for the voting decision	This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company.	This proposal does not merit support as the company's disclosure and/or practices pertaining to the item are reasonable.	SSGA is abstaining on the proposal as the company's disclosure and/or practices related to facility safety are broadly in line with market standard but could be enhanced.
Outcome of the vote	N/A	N/A	N/A
Implications of the outcome	Where appropriate they will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is assessed to be "most significant"	Compensation	SH – E&S Proposal	SH – E&S Proposal

Emerging Markets ESG Screened Index Equity Sub-Fund	Vote 1	Vote 2	Vote 3
Company name	Meituan	Naspers Ltd.	Naspers Ltd.
Date of Vote	18 May 2022	25 August 2021	25 August 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.76%	0.52%	0.52%
Summary of the resolution	Elect Director	Advisory Vote to Ratify Named Executive Officers' Compensation	Approve Remuneration Policy

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How the fund manager voted	Against	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	They do not publicly communicate their vote in advance.		
Rationale for the voting decision	They are voting against the nominee due to the lack of gender diversity on the board.	This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company.	This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company.
Outcome of the vote	N/A	N/A	N/A
Implications of the outcome	Where appropriate they will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is assessed to be "most significant"	Director Election	Compensation	Compensation

Information on the most significant engagement case studies for each of the funds containing public equities or bonds is shown below.

SSGA	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	Box, Inc.	Pfizer Inc.	Rio Tinto Plc
Topic	Board Leadership / Board Accountability	United States / Healthcare	Remuneration / Social Responsibility
Rationale	No engagement history with Box prior to the contest.	In April 2021, Pfizer Inc. received a shareholder proposal asking the company to provide a report analysing the congruence of political and electioneering expenditures against the company's publicly stated corporate values and policies.	In 2021, they engaged with the Chair of the Board and the Senior Independent Director of Rio Tinto to express our concerns over the exit package of the former CEO who had stepped down over the destruction of an aboriginal heritage site in Juukan Gorge in Western Australia as part of an iron ore mine expansion. Even though the Remuneration Committee applied a malus provision to the former CEO's 2020 long-term incentive award, reducing the vesting outcome by £1 million, and the forfeiting of his 2020 bonus, in our view the exit package (circa £27 million) is still excessive given the gravity of the events at Juukan Gorge in 2020. They believe that there is a case for a more robust application of the malus provisions for unvested awards granted from 2018 onwards.

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<p>What the investment manager has done</p>	<p>Consistent with their approach to protecting long-term shareholder interests in this proxy contest, their team conducted multiple engagements with members of the Box board and management team, as well as the dissident nominees. At the September 2021 EGM, Box Inc. withheld their support from the Chair of the Nominating & Governance Committee to signal their expectation that the company would take meaningful steps in adopting leading governance practices and foster a stronger culture of regular shareholder engagement moving forward. They also shared their expectation that in any significant decisions on capital allocation and long-term strategy, particularly those with voting implications, long-term shareholder voice is solicited for consideration.</p>	<p>They engaged with the Pfizer management team in 2021 in order to discuss its 2021 AGM proxy, including the Report on Political Contributions and Expenditures proposal. During the engagement, they expressed their view that participation in the political process can present risks to companies, and they expect enhanced disclosure of the alignment of political contributions to the company's stated values or positions. While the company had not disclosed the information requested in the shareholder proposal, they abstained on the proposal due to their productive engagement with the company and understanding that Pfizer would enhance its political participation disclosures. They had a follow-up engagement with the company to check on its responsiveness to their vote and the previous engagement. During the call, Pfizer stated that it will enhance its political participation disclosures in response to the submitted shareholder proposal.</p>	<p>As no action was taken by the Remuneration Committee to address our concerns, they voted against the company's nonbinding remuneration report resolution.</p>
<p>Outcomes and next steps</p>	<p>They supported management on all other items. The Box board achieved majority support in the shareholder vote and committed to remaining focused on delivering shareholder value while strengthening their company's governance practices and prioritising shareholder voice in their oversight processes. As a result of the company's renewed commitment to adopt enhanced corporate governance practices and to bring transparency to investors, the company has elevated its R-Factor score.</p>	<p>The Report on Political Contributions and Expenditures proposal ultimately failed, although it received a high level (47%) of shareholder support. In December 2021, Pfizer responded to their request to enhance its political participation disclosure and for the first time published a report analysing the incongruencies between its political positions and those of its industry associations.</p>	<p>The remuneration report was subsequently rejected at the company's AGMs in London and Sydney with more than 60% of the votes cast against this proposal.</p>