

# **GEO ADAMS GROUP PENSION FUND**

## **IMPLEMENTATION STATEMENT**

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### **Engagement Policy Implementation Statement for the year ending 30 June 2025**

#### **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 2025. 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 acknowledge that the concept of stewardship may be less applicable to some of their assets, particularly for short-term money market instruments, gilt and liability-driven investments. As such the Fund's investments in these asset classes are not covered by this engagement policy implementation statement.

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.

## **IMPLEMENTATION STATEMENT (continued)**

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The Trustees seek to appoint managers that have strong stewardship policies and processes 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. Details of the signatory status of each investment manager is shown below:

<b>Investment manager</b>	<b>UN PRI Signatory</b>	<b>UK Stewardship Code Signatory</b>
State Street Global Advisors Limited	Yes	Yes

The Trustees review each investment manager prior to appointment and monitor them on an ongoing basis through the regular review of the manager's voting and engagement policies, their investment consultant's ESG rating, and a review of each manager's voting and engagement behaviour.

The Trustees have not set out their own stewardship priorities but follow those of the investment manager.

The Trustees will engage with the manager should they consider the manager's voting and engagement policy to be inadequate or if the voting and engagement undertaken is not aligned with the manager's own policies, or if the manager's policies diverge significantly from any stewardship policies identified by the Trustees from time to time.

If the Trustees find the manager's policies or behaviour unacceptable, they may agree an alternative mandate with the manager or decide to review or replace the manager.

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.

## **IMPLEMENTATION STATEMENT (continued)**

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### **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.

Links to the investment managers' engagement policies or suitable alternatives are provided in the Appendix. The policies are publicly available on the investment managers' websites.

### **Exercising rights and responsibilities**

Given the Fund currently only uses pooled funds to invest in a range of gilts, corporate bonds and cash funds, there are no voting rights for the Trustees to monitor.

### **Trustees' assessment**

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.

## IMPLEMENTATION STATEMENT (continued)

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### 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	<a href="https://www.ssga.com/library-content/pdfs/esg-investment-statement.pdf">https://www.ssga.com/library-content/pdfs/esg-investment-statement.pdf</a> <a href="https://www.ssga.com/uk/en_gb/about-us/what-we-do/asset-stewardship">https://www.ssga.com/uk/en_gb/about-us/what-we-do/asset-stewardship</a>

SSGA has not provided us with their most significant engagements; however, they have provided the below examples of their engagement activity over the 2024 calendar year (latest available) for funds containing bonds at a firm level.

Information on the most significant engagement case studies for funds containing public equities at a firm level is shown below:

SSGA	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	Adecco Group AG	Amazon.com Inc.	Tokio Marine Holdings
Topic	Board Oversight, Executive Compensation	Disclosure, Human Rights, Emerging Technologies	Shareholder Protection, Board Oversight, Risk Management, Cross-shareholdings
Rationale	At its 2023 AGM, Adecco Group AG received 43% dissent on its remuneration report vote. Following this result, Adecco sought to engage with shareholders to understand their perspectives on remuneration matters.	Since 2021, SSgA have had discussions with Amazon.com, Inc. (Amazon) about its approach to identifying and managing risks related to emerging technologies, including the board's oversight of these risks.	SSgA had held several engagements with Tokio Marine Holdings ("Tokio Marine") over the past few years focusing on board oversight of long-term strategy, capital efficiency, and cross-shareholdings. Notably in 2022, they engaged with the company in our campaign on cross-shareholdings and sought to learn more about its approach to effectively deploying and allocating capital and strategic decision-making related to cross-shareholdings.
What the investment manager has done	At this engagement following the 2023 annual general meeting, Adecco shared the key driver	Over the past three years, SSgA supported shareholder proposals asking the company to identify human rights	During SSgA's 2022 engagement, they also discussed how the board oversees risk management and

	<p>for the dissent on their remuneration report — the lack of timely disclosure around a one-off award made to executives. While SSgA supported the 2023 remuneration report vote following disclosure of additional information, they took the opportunity to share their perspectives on best practices with respect to executive remuneration. This included their views on the practice of permitting vesting for below median relative Total Shareholder Return (rTSR) performance in the long-term incentive (LTI).</p>	<p>risks related to customers' use of its products, as they believed that shareholders would benefit from additional transparency on this topic. They engaged with the company in advance of the 2024 AGM to discuss a number of shareholder proposals on the proxy, including three proposals related to the human rights impacts of Amazon's technologies.</p>	<p>governance around cross-shareholdings and manages potential conflict of interests. While the company had recently announced a ¥300 billion reduction in cross-shareholdings over three years, SSgA believed there was inadequate clarity on targets, timelines, and what the company considered an optimal structure. In 2023, the company enhanced its disclosure and announced plans to accelerate the pace of reduction and provided a specific timebound target. As the amount of exposure was still significant, SSgA continued to engage the company in 2024. During this period, they aimed to better understand how the board is overseeing risks that have materialized on allegations of collusion, exemplified by cross-shareholdings exposures. In the wake of a price-fixing scandal, the Financial Services Agency ("FSA") issued business improvement orders to several non-life insurers. This includes addressing cross-shareholdings with a view to improving governance, business practices, and competition within the sector.</p>
Outcomes and next steps	In a follow up engagement in 2024,	The company enhanced its	SSgA voted against two director election

	<p>Adecco shared changes to its LTI. Adecco no longer permitted vesting for below median rTSR performance in its LTI plan. SSgA noted Adecco's commitment to improvement in remuneration practices. SSgA will remain engaged with the company to understand their approach to governance topics including remuneration.</p>	<p>disclosures to include more details on its risk management approach related to the use of its products. The company now discloses that the board's Nominating and Corporate Governance Committee reviews two of its key products for potential risks and misuse that could arise from these technologies, as well as the company's actions to mitigate potential risks. During their pre-AGM engagement, the company also described the acceptable use policy for its cloud server business and its efforts to investigate potential violations of the policy. SSgA also learned about Amazon's collaboration with industry partners and policymakers to advance the responsible and secure use of AI. Amazon has also published a Responsible AI Policy for its cloud business. At the company's 2024 annual meeting SSgA voted against the two shareholder proposals that asked Amazon to assess its due diligence in identifying human rights risks related to customers' use of its products and services and another shareholder proposal requesting that the company establish a</p>	<p>management resolutions in 2024 on the basis of board oversight concerns. Nevertheless, they are encouraged by the responsiveness of the company in providing enhanced disclosures and continuing to evaluate their business-related equities exposures, as well as the recent announcements of a business improvement plan and further planned reductions.</p>
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		board committee on Artificial Intelligence. SSgA believes that Amazon discloses adequate information on these topics at this time.	
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