

Implementation Statement, covering the Scheme Year from 1 April 2024 to 31 March 2025

The Trustee of the GEAPS Pension Scheme (the “Scheme”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles (“SIP”) during the Scheme Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, Trustee (including the most significant votes cast by Trustee or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the [guidance](#) on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions (“DWP’s guidance”) in June 2022.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Scheme Year. The SIP can be viewed by following the link below:

<https://www.geapsensionscheme.com/>

The voting and engagement policy, as outlined in the SIP states that: “The Trustee recognises its responsibilities as owners of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee has delegated to its investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks and ESG considerations. The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers’ general policies on stewardship, as reported to the Trustee from time to time, taking into account the long-term financial interests of the beneficiaries. The Trustee and Fiduciary Manager have limited influence over managers’ stewardship practices where assets are held in pooled funds, but encourage managers to improve their practices where appropriate.”

The Trustee has, in its opinion, followed the Scheme’s voting and engagement policies during the Scheme Year, by continuing to delegate to its Fiduciary Manager, State Street Global Advisors (“SSGA”), and the underlying investment managers, the exercise of voting rights and engagement activities in relation to investments where applicable, as well as seeking to appoint managers that have strong stewardship policies and processes. The following Sections provide detail and commentary about how and the extent to which they have done this. SSGA’s implementation of the Scheme’s SIP is overseen by the Trustee’s strategic investment consultant, Lane Clark & Peacock (“LCP”).

The Trustee maintains a Responsible Investment (“RI”) policy, which sets out the Trustee’s expressed beliefs and objectives relating to Environment, Social and Governance (“ESG”) factors, including climate change including climate change, asset stewardship, and consideration of non-financial matters. This policy was last reviewed in September 2024.

The Trustee has, in its opinion, followed all of the policies in the Scheme’s SIP during the Scheme Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Voting and engagement

As part of its role in the selection and ongoing review of the investment managers, SSGA incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement.

SSGA produces a bespoke annual ESG report for the Trustee, outlining the RI scores for all of the Scheme’s underlying managers and providing examples of engagements. In addition, every manager is asked to state its ESG philosophy and is subsequently assigned an ESG rating by SSGA.

SSGA uses ‘R-Factor’, a proprietary RI scoring mechanism, to guide its engagement efforts with each manager. R-Factor scores draw on multiple data sources and leverage off widely accepted materiality frameworks from the Sustainability Accounting Standards Board (“SASB”) and corporate governance codes to generate an ESG score

for listed companies. Through SSGA's R-Factor scores, companies with low scores can be regularly monitored and engaged with via the investment managers.

SSGA monitors each investment manager's engagement with individual companies, as well as engaging directly with appointed investment managers who own companies with low R-Factor scores. As part of investment due diligence, SSGA assesses the ESG policies and distinct practices of its investment partners and direct investments, leveraging industry standards and techniques to evaluate ESG data across asset classes to evaluate financially material factors for the investment portfolios. SSGA does not take into account stewardship directly when deciding whether to retain investment managers.

All scores and engagement activities are reported to the Trustee in SSGA's annual ESG report. SSGA did not engage with any of the Scheme's managers over the Scheme Year. Shortly after the Scheme Year-end, SSGA engaged with Insight and BlackRock, two of the Scheme's fixed income managers, over their debt holdings in Northern Powergrid and Berkshire Hathaway Finance Corp. SSGA was satisfied with the responses received from the two managers.

Following the introduction of DWP's guidance, the Trustee agreed to set stewardship priorities to focus engagement with their investment managers on specific ESG factors. The Trustee discussed and agreed the stewardship priorities for the Scheme in March 2023, which are: Climate change, Human rights and Corporate transparency. The Trustee has communicated these priorities with the Fiduciary Manager.

The Trustee is conscious that RI, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Scheme Year

Over the Scheme Year, all of the Scheme's assets were held in pooled funds or segregated mandates, with voting rights delegated to SSGA, and by extension the underlying investment managers. Therefore, the Trustee does not have the ability to direct how votes are exercised and did not use any proxy voting services during the year.

The Scheme did not invest in any funds holding listed equities during the Scheme Year. For most of the Scheme's holdings in asset classes other than listed equity, SSGA has advised that voting is generally not applicable, as voting rights are typically associated with equity investments. In addition, SSGA has confirmed that the Scheme's other managers did not have any voting opportunities during the year.