

# Engagement Policy Implementation Statement (“EPIS”)

## GE Capital Pension Scheme (the “Scheme”) Scheme Year End – 31 March 2024

The purpose of the EPIS is for us, the Trustee of the GE Capital Pension Scheme, to explain what we have done during the year ending 31 March 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

### Our conclusion

**Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.**

In our view, most of the Scheme’s material investment managers were able to disclose adequate evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf and in line with our voting expectations.

We delegate the management of the Scheme’s assets to our fiduciary manager, State Street Global Advisers (“SSGA”), and we are comfortable with the management and the monitoring of ESG integration and stewardship of the underlying managers that has been carried out on our behalf.

## How voting and engagement policies have been followed

The Scheme is invested mostly in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers, which is in line with our policy. We reviewed the stewardship activity of the material investment managers carried out over the Scheme year and in our view, most of the investment managers were able to provide adequate evidence of voting and engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our fiduciary manager, State Street, and investment adviser, Aon Investments Limited ("Aon").

Each year, we review the voting and engagement policies of the Scheme's investment managers to ensure they align with our own policies for the Scheme and help us to achieve them.

The Scheme's stewardship policy can be found in the SIP, which can be accessed [here](https://www.mygepension.com/documents) [https://www.mygepension.com/documents].

## Our Engagement Action Plan

State Street as our fiduciary manager will continue to engage with our investment managers to get a better understanding of their voting and engagement practices, and how these help us fulfil our Responsible Investment policies. We will also encourage our managers to improve the quality and completeness of their reporting on voting and engagement.

## Our fiduciary manager's engagement activity

We delegate the management of the Scheme's defined benefit assets to our fiduciary manager, State Street Global Advisers ("SSGA"). SSGA manages the Scheme's assets in a range of funds which can include multi-asset, multi-manager and liability matching funds. SSGA selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to SSGA. We receive annual reports on stewardship activity carried out by our fiduciary manager via the Trustees of the Common Investment Fund. These reports include voting and engagement information. We believe SSGA is using its resources to effectively influence positive outcomes in the funds in which it invests.

### What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

*Source: UN PRI*

### What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

## Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

### Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 31 March 2024.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
<b>Arrowstreet Global Equity Fund</b>	8,878	97.6%	9.7%	1.2%
<b>WCM Investment Management Global Growth Equity Fund</b>	414	100.0%	7.0%	0.0%

Source: Managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast and are distinct from a non-vote.

### Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's managers use proxy voting advisers.

Managers	Description of use of proxy voting advisers (in the managers' own words)
<b>Arrowstreet</b>	We engage a third party service provider to provide proxy-voting services for client accounts (including Arrowstreet Sponsored Funds), including vote analysis, execution, reporting and certain recordkeeping services. Environmental, social and corporate governance (ESG) principles are taken into account in the service provider's standard proxy voting policies. In addition, we make available enhanced ESG specific proxy voting services upon request. Proxy voting services are monitored periodically by our Client Operations team.
<b>WCM Investment Management</b>	We use Glass Lewis for our proxy voting, we use Broadridge Proxy Edge to cast our votes.

Source: Managers

### Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

### Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

## Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix.

## Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
<b>Arrowstreet Global Equity Fund</b>	<i>Not provided</i>		<i>Not provided</i>
<b>WCM Investment Management Global Growth Equity Fund</b>	<i>Not provided</i>		<i>Not provided</i>
<b>Insight Investment Management UK Corporate Long Maturities Bond Fund</b>	142	2,628	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity) Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying) Governance - Board effectiveness - Independence or Oversight, Remuneration Strategy, Financial and Reporting - Capital allocation, Financial performance, Strategy/purpose, Risk management (e.g. operational risks, cyber/information security, product risks)
<b>BlackRock Fixed Interest Bond Fund</b>	105	3,742	Environment - Climate Risk Management, Other company impacts on the environment. Social - Human Capital Management, Social Risks and Opportunities Governance - Corporate Strategy, Business Oversight/Risk Management, Board Composition and Effectiveness, Sustainability Reporting
<b>Orchard Street Index Linked Property Fund</b>	45	1,900	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity) Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Financial performance, Strategy/purpose, Risk management (e.g. operational risks, cyber/information security, product risks)

Source: Managers.

## Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- Arrowstreet and WCM Investment Management did not provide any engagement information requested. Both managers also provided limited information on the significant voting examples – no details were provided on implications of the vote, outcome of the vote and how significant votes are determined.
- BlackRock provided some of the engagement information requested which is encouraging but not in the ICSWG industry standard template.

This report does not include commentary on the Scheme's investment in gilts and cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

## Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's managers. We consider a significant vote to be one which the managers consider significant. Managers use a wide variety of criteria to determine what they consider a significant vote, which is outlined in the example below in the managers' own words.

<b>Arrowstreet Global Equity Fund</b>	<b>Company name</b>	Darden Restaurants, Inc.
	<b>Date of vote</b>	25 Aug 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	1.9
	<b>Summary of the resolution</b>	Adopt GHG emissions reduction targets aligned with the Paris Agreement Goal
	<b>How you voted</b>	For
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	<i>Not provided</i>
	<b>Rationale for the voting decision</b>	A vote FOR this proposal is warranted, as setting greenhouse gas emission reduction targets would help the company better align with its peers and address risks related to climate change.
	<b>Outcome of the vote</b>	<i>Not provided</i>
	<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	<i>Not provided</i>
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	<i>Not provided</i>
<b>WCM Investment Management Global Growth Equity Fund</b>	<b>Company name</b>	Amazon
	<b>Date of vote</b>	24 May 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	2.5
	<b>Summary of the resolution</b>	Shareholder proposal request additional reporting on freedom of association
	<b>How you voted</b>	For
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	<i>Not provided</i>
	<b>Rationale for the voting decision</b>	We voted against Glass Lewis and for management as we were suspect of collective bargaining. We support treating employees well and creating a rewarding culture. The culture work we have done on Amazon suggests their culture strategy alignment works for their business model. It is generally a work-hard environment, with passionate

	people, for good reward. We believe Amazon was a leader in rewarding the hard work. The company proactively raised the pay at Amazon prior to any moves in minimum wage and prior to almost every other large employer in the market. They typically pay well above minimum wage.
<b>Outcome of the vote</b>	<i>Not provided</i>
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	<i>Not provided</i>
<b>On which criteria have you assessed this vote to be "most significant"?</b>	<i>Not provided</i>

Source: Managers