

# **CGG Services (UK) Limited Pension Scheme**

**Implementation Statement**

**Covering 1 January 2024 to 31 December 2024**

**Dated February 2025**

## Introduction

This document is designed to be used in conjunction with the Statement of Investment Principles (SIP) to quantify to what extent the principles laid out have been followed and implemented. This Implementation Statement will be based on the CGG Services (UK) Limited Pension Scheme (the “Scheme”) Statement of Investment Principles updated in December 2024. The Trustees are comfortable that the SIP has been followed effectively throughout the last year.

As the Scheme is DB-only, this Implementation Statement will focus on engagement and voting about the stated beliefs.

## Changes to beliefs over the last year

There were no changes made to the Trustees’ beliefs over the year.

## Ability to use voting rights

The Scheme exclusively invests in pooled funds. This means the Trustees do not directly have voting rights on the assets held. The Trustees, therefore, rely on their investment managers to use their voting rights in accordance with the Trustees’ beliefs. The Trustees are aware that their ability to influence the managers is limited. However, the Trustees consider the beliefs of the managers when making decisions around the hiring and retention of investment managers. The Trustees provide their beliefs to the investment managers for review, as well as collecting the beliefs and voting activities of the managers. This ensures the Trustees’ views remain aligned with those of their investment managers. The Trustees have not identified any conflicts at this time.

## Engagement record

The Trustees have collected voting records from their investment managers for the year ending 31<sup>st</sup> December 2024, which have been summarised in the tables below. For both managers the most significant votes have been selected based on a combination of size of exposure as well as significant themes of votes. The Trustees are satisfied that their investment managers are active users of their voting rights. Where a manager does not invest in equities, there are no voting rights and we have recorded the voting statistics as “Not applicable”.

## Main Strategy

Investment Manager	Voting statistics	
BNY Newton - Real Return Fund	<b>Total # of meetings</b>	<b>72</b>
	# resolutions: eligible to vote	1035
	% resolutions voted on	99.2%
	% resolutions voted in favour of management	94.4%
	% resolutions voted against management	5.6%
	% resolutions Abstained from voting	0%
	% meetings voted against management at least once	35%
	% meetings voted against proxy advisor at least once	4.9%
CTI	Not applicable: The funds do not invest in equities	n/a
Janus Henderson	Not applicable: The fund does not invest in equities	n/a
LGIM Corporate Bonds	Not applicable: The fund does not invest in equities	n/a

Investment Manager	Voting statistics	
LGIM Future World Equity	<b>Total # of meetings</b>	<b>5516</b>
	# resolutions: eligible to vote	55469
	% resolutions voted on	99.79%
	% resolutions voted in favour of management	80.96%
	% resolutions voted against management	18.16%
	% resolutions Abstained from voting	0.88%
	% meetings voted against management at least once	59.71%
	% meetings voted against proxy advisor at least once	9.95%
Loomis Sayles	Not applicable: The fund does not invest in equities	n/a
Schroder	Not applicable: The fund does not invest in equities	n/a

## AVCs

Investment Manager	Voting statistics	
LGIM North America Equity Index Fund	<b>Total # of meetings</b>	<b>628</b>
	# resolutions: eligible to vote	8318
	% resolutions voted on	99.06%
	% resolutions voted in favour of management	63.76%
	% resolutions voted against management	35.67%
	% resolutions Abstained from voting	0.57%
	% meetings voted against management at least once	98.09%
	% meetings voted against proxy advisor at least once	30.32%
LGIM Global Equity Fixed Weights (60:40) Index Fund (charges included)	<b>Total # of meetings</b>	<b>2971</b>
	# resolutions: eligible to vote	37861
	% resolutions voted on	99.73%
	% resolutions voted in favour of management	81.91%
	% resolutions voted against management	17.83%
	% resolutions Abstained from voting	0.26%
	% meetings voted against management at least once	69.26%
	% meetings voted against proxy advisor at least once	13.12%
LGIM UK Equity Index Fund (charges included)	<b>Total # of meetings</b>	<b>722</b>
	# resolutions: eligible to vote	10188
	% resolutions voted on	100.00%
	% resolutions voted in favour of management	93.96%
	% resolutions voted against management	6.01%
	% resolutions Abstained from voting	0.03%
	% meetings voted against management at least once	40.30%
	% meetings voted against proxy advisor at least once	5.15%

Investment Manager	Voting statistics	
<b>LGIM</b> <b>Asia Pacific (ex Japan)</b> <b>Developed Equity Index Fund</b> <b>(chgs inc.)</b>	<b>Total # of meetings</b>	<b>448</b>
	# resolutions: eligible to vote	3246
	% resolutions voted on	100.00%
	% resolutions voted in favour of management	74.89%
	% resolutions voted against management	24.95%
	% resolutions Abstained from voting	0.15%
	% meetings voted against management at least once	73.44%
	% meetings voted against proxy advisor at least once	14.82%
<b>LGIM</b> <b>Europe (ex UK) Equity Index</b> <b>Fund (charges included)</b>	<b>Total # of meetings</b>	<b>504</b>
	# resolutions: eligible to vote	8700
	% resolutions voted on	99.70%
	% resolutions voted in favour of management	81.51%
	% resolutions voted against management	18.02%
	% resolutions Abstained from voting	0.47%
	% meetings voted against management at least once	80.32%
	% meetings voted against proxy advisor at least once	9.12%
<b>LGIM</b> <b>FTSE4Good UK Equity Index</b> <b>Fund (charges included)</b>	<b>Total # of meetings</b>	<b>260</b>
	# resolutions: eligible to vote	4499
	% resolutions voted on	100.00%
	% resolutions voted in favour of management	94.29%
	% resolutions voted against management	5.65%
	% resolutions Abstained from voting	0.07%
	% meetings voted against management at least once	40.00%
	% meetings voted against proxy advisor at least once	4.91%

## Manager Voting Behaviour

The Trustees have also collated significant votes from the Fund Managers exercising voting rights in the calendar year of 2024. Having reviewed these significant votes, the Trustees are comfortable that their investment managers are acting in line with their beliefs as laid out in the approved Statement of Investment.

The following pages explain in detail how the Fund Manager engaged with the investee companies and why they consider their voting significant for the Trustees.

## LGIM's Voting Policies

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

### **BNY Newton's Policies**

As an active manager, we are keen to ensure that the decisions surrounding the exercise of ownership rights are aligned with our investment thesis as well as with our clients' expectations.

Stewardship activities are fundamental to the investment solutions we provide our clients. We believe the value of our clients' portfolios can be enhanced by the application of good stewardship. This is achieved by engagement with investee companies and through the considered exercise of voting rights. We consider the activities to be an integral and important part of our investment process. For this reason, we prefer to retain discretion in relation to exercising our clients' voting rights and have established policies and procedures to ensure the exercise of global voting rights. Our approach has been designed as an investment-led approach that is aligned with our wider investment activities. Our long-term approach to investing aligns well with our stewardship intentions by seeking to understand and influence the long-term sustainability of the investments and investment landscape and, ultimately, the long-term investment requirements for which our clients are seeking solutions and which are a key reason why they entrust the Newton Investment Management Group (Newton)\* to manage their assets.

Identifying our clients' requirements and expectations is achieved at the outset of our relationship by way of initial discussions and formal provisions within investment management agreements. Regular meetings and ad-hoc requests from clients and their advisors provide us with additional insights. In addition, we often deliver presentations and training to clients on a variety of aspects of stewardship, which we believe helps support their expectations of their investment managers and also helps them to evolve their own position in relation to stewardship matters.

In a practical sense, our understanding of clients' stewardship expectations allows us to articulate clearly and explicitly in engagement meetings with companies the importance that the ultimate beneficiaries place on particular issues.

### **Significant Votes**

On the following pages we list the ten most significant votes made on behalf of the scheme. We have selected five votes from each of the two funds containing equity as these represent the majority weight of assets.

## LGIM

Company name	Microsoft Corporation	Apple Inc.	Amazon.com, Inc.	Tesla, Inc.	Alphabet Inc.
<b>Date of vote</b>	2024-12-10	2024-02-28	2024-05-22	2024-06-13	2024-06-07
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	4.87%	4.50%	1.82%	0.66%	1.08%
<b>Summary of the resolution</b>	Resolution 9: Report on AI Data Sourcing Accountability	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Resolution 6: Report on Customer Due Diligence	Resolution 2: Advisory Vote to Ratify Named Executive Officers' Compensation	Resolution 1d: Elect Director John L. Hennessy
<b>How you voted</b>	For	Against	For	Against	Against
<b>Rationale for the voting decision</b>	Shareholder Resolution - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its	Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	Shareholder Resolution “ Human Rights: A vote in favour is applied as enhanced transparency over material risks to human rights is key to understanding the company’s functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.	Remuneration - Quantum - One-off Awards: A vote against is applied as LGIM believes that the approved remuneration policy should be sufficient to retain and motivate executives. A vote AGAINST this proposal is warranted. While most NEOs received modest or no compensation for FY23, one executive was granted an outsized, time-based stock option award upon his promotion, the magnitude and design for which are not adequately explained.	Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

Company name	Microsoft Corporation	Apple Inc.	Amazon.com, Inc.	Tesla, Inc.	Alphabet Inc.
	large language models			The grant does not require the achievement of pre-set performance criteria in order to vest and the value is considered to be excessive.	Shareholder rights: A vote against is applied because LGIM supports the equitable structure of one-share-one-vote. We expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.
<b>Outcome of the vote</b>	Fail	Fail	N/A	Pass	Pass
<b>On which criteria have you assessed this vote to be "most significant"?</b>	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.	Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant as one of the largest companies and employers not only within its sector but in the world, we believe that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. LGIM voted in favour of this proposal last year and continue to support this request, as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for their products (RING doorbells and Rekognition) and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic. Despite this, Amazon's coverage and reporting of risks falls short of our baseline expectations surrounding AI. In particular, we would welcome additional information on the internal education of AI and AI-related risks.	High Profile meeting: This resolution is considered significant as it pertains to one of our key stewardship 'sub-themes', executive pay.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. Thematic - One Share One Vote: LGIM considers this vote to be significant as LGIM supports the principle of one share one vote.

## BNY Votes

Company name	AstraZeneca PLC		The Goldman Sachs Group, Inc.		AstraZeneca PLC	Shell Plc	Amazon.com, Inc.
Date of vote	11-Apr-24		24-Apr-24		11-Apr-24	21-May-24	22-May-24
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.01%		0.90%		1.01%	1.76%	1.39%
Summary of the resolution	Approve Report	Remuneration	Report on Lobbying Payments and Policy		Amend Performance Share Plan 2020	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Commission a Third Party Audit on Working Conditions
How you voted	FOR		FOR		FOR	AGAINST	FOR
Rationale for the voting decision	We decided to support the CEO pay package based on the CEO's proven track record of creating significant value for shareholders and turning around a company once considered beyond recovery. For many years, he has been compensated below global peers in the industry, despite his accomplishments, and has also hinted at possibly leaving previously. At this juncture, where execution is critical, we want to avoid any potential disruptions that a change in leadership might bring. Our decision to support CEO pay		We supported a shareholder proposal asking for a report on lobbying payments and policy as we felt additional information on the bank's direct and indirect lobbying activities will help shareholders better assess risks and opportunities.		We decided to support the CEO pay package based on the CEO's proven track record of creating significant value for shareholders and turning around a company once considered beyond recovery. For many years, he has been compensated below global peers in the industry, despite his accomplishments, and has also hinted at possibly leaving previously. At this juncture, where execution is critical, we want to avoid any potential disruptions that a change in leadership might bring. Our decision to support CEO pay	We did not support a shareholder proposal for a report on GHG (greenhouse gas) emission-reduction targets aligned with the Paris Agreement as we believed the company has disclosed enough information for shareholders to assess the related risks. Moreover, the company has disclosed a partial Scope 3 target which is considered an appropriate response to the proponent's asks.	We voted for the shareholder proposal requesting a third-party audit on working conditions as we do consider it to add value for shareholders at this stage.



Company name	AstraZeneca PLC	The Goldman Sachs Group, Inc.	AstraZeneca PLC	Shell Plc	Amazon.com, Inc.
	aligns with our broader investment case for AZ, as we believe under Pascal's leadership, the company is well-positioned to continue executing on its strategic initiatives and delivering value to shareholders.		aligns with our broader investment case for AZ, as we believe under Pascal's leadership, the company is well-positioned to continue executing on its strategic initiatives and delivering value to shareholders.		
<b>Outcome of the vote</b>	95.3% For	39.1% FOR	65.3% For	81.4% AGAINST	31% FOR
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	The level of support behind this vote signifies shareholder confidence in executive leadership at this juncture. It also brings the company closer to global peers regarding executive pay. We will continue to monitor performance to ensure it aligns with our interests as shareholders.	This is the second consecutive AGM we have supported this proposal. Even after significant support at the 2023 AGM, gaps still persist with respect to the bank's disclosures around its lobbying payments. Greater transparency around the bank's direct and indirect lobbying activities would be helpful for shareholders to assess if there are any risks that could arise due to these activities. We will continue to voice our views through our voting.	The level of support behind this vote signifies shareholder confidence in executive leadership at this juncture. It also brings the company closer to global peers regarding executive pay. We will continue to monitor performance to ensure it aligns with our interests as shareholders.	While we do find some merits to the proponent's asks and legitimate concerns, aligning Scope 3 targets at Shell to a 1.5 degree scenario would mean a significant loss of customers to competitors. Such a decision is best in the hands of management, and the disclosure of a partial Scope 3 target shows some responsiveness from the company to our concerns, tackling mainly the emissions it directly has control of. Shareholders have signalled a significant buy-in to management's strategy	We consider the issue of working conditions material to the company, and the conclusion of an audit would help the board understand potential shortcomings and respond adequately to shareholder concerns. Moreover, this will support our engagement efforts with the company
<b>On which criteria have you assessed this vote to be "most significant"?</b>	We deem this vote as significant due to its strategic importance, impact on shareholder value, risk of leadership disruption, industry benchmarking, and strong shareholder support. It aligns with our investment case, emphasizing the need to retain and compensate effective leadership.	We determined this vote as significant owing to the rarity of a shareholder proposal receiving significant support.	We deem this vote as significant due to its strategic importance, impact on shareholder value, risk of leadership disruption, industry benchmarking, and strong shareholder support. It aligns with our investment case, emphasizing the need to retain and compensate effective leadership.	As a significant GHG emitter, it is critical for Shell to have a credible transition plan	The issue of working conditions is a material risk to understand and reign in for the company. It is also an engagement topic.