



Ford Salaried Contributory Pension Fund

The participating schemes outline a number of objectives and policies in their individual SIPs. The policies on stewardship for the participating schemes include an expectation that investment managers, where appropriate, engage with companies to protect and enhance the value of assets and an instruction to those managers to consider whether companies are managed in the long-term interest of their shareholders, while also having regard for the environment and society as a whole. In the opinion of the trustee, the investment managers have followed the policies regarding voting rights and engagement activities.

As part of the ongoing engagement and review process of investment managers, the Trustee and the Investment Advisor have developed an annual schedule to receive presentations directly from those managers. Generally, under this schedule, the Trustee will receive formal presentations from all such managers over a two-year period. For the twelve months ended 31 March 2022, the Trustee received presentations from four fixed income managers, one fund of hedge fund manager and one real estate manager. Each meeting covered a variety of topics, including performance, market conditions, engagement, and non-financial considerations, such as ESG. The managers were asked to describe how ESG and stewardship considerations were incorporated into investment decisions, provide examples, and answer any questions. The Investment Advisor also conducted formal reviews with each investment manager and received reports and had informal discussions with managers regarding ESG and stewardship considerations throughout the year.

The Trustee has elected to use a passive mandate that seeks to replicate a broad, global index for its public equity exposure. As a passive mandate, equity holdings are generally considered to be held for the long term. The Trustee believes this aligns well with the instruction to consider whether companies are being managed in the long-term interest of their shareholders, while also having regard for the environment and society as a whole.

The investment manager formulates voting guidelines that are passed to an institutional voting agent, while retaining the right to vote on key resolutions. The equity manager uses a proprietary, ESG scoring system in developing proxy voting and engagement guidelines. Major changes to voting guidelines involved voting against management in areas of board independence, board gender diversity and directors with multiple mandates. The equity manager also engaged with companies identified as laggards by their scoring system and voted against directors where engagement was ineffective.

A significant vote is defined as a votable proposal that was voted opposite of company management recommendation. There were 6,126 votes against a management recommendation of for and 87 votes for versus a management recommendation of against.

A summary on all voteable proposals for the period follows.

Salary	Vote Instruction					
	For	Against	Abstain	Withhold	Do Not Vote	Total
Management Recommendation						
For	44,518	6,126	120	501	247	51,512
Against	87	452	19	1	14	573
None	223	241	549	-	177	1,190
Total	44,828	6,819	688	502	438	53,275