

# Engagement Policy Implementation Statement (“EPIS”)

## British Airways Holidays Limited Retirement Benefit Scheme

Scheme Year End – 31 March 2025

The purpose of the EPIS is for us, the Trustees of the The British Airways Holidays Limited Retirement Benefit Scheme (the “Scheme”), to explain what we have done during the year ending 31 March 2025 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, the Scheme’s material investment manager, Russell Investment Group (“Russell IG”), was able to disclose good evidence of voting and engagement activity, and the activities completed by our manager aligns with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

## How voting and engagement policies have been followed

The Scheme is invested in a fund of funds arrangement managed by Russell IG, and so the responsibility for voting and engagement is delegated to the Scheme's investment manager, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the investment manager carried out over the Scheme year and in our view, Russell IG was able to disclose good evidence of voting and engagement activity. More information on the stewardship activity carried out by the Scheme's investment manager 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 Russell. In particular, we received bi-annual Environment Social Governance ("ESG") updates for the equity and fixed income constituents of the Scheme's portfolio from Russell, outlining the ESG Risk rating and Carbon footprint of the underlying managers relative to their benchmark.

During the year, we received training on ESG and stewardship topics, and agreed our policies in relation to these.

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:  
<https://pensioninformation.aon.com/baholidays>

## 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 and 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*

## 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 manager to responsibly exercise their voting rights.

### Voting statistics

The table below shows the voting statistics for the Scheme's material fund with voting rights for the year to 31 March 2025.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Russell IG – Multi-Asset Growth Fund	13,547	95.0%	7.0%	0.0%

Source: Russell IG. 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 manager uses proxy voting advisers.

Manager	Description of use of proxy voting adviser (in the manager's own words)
Russell IG	Russell Investments has documented Proxy Voting Policies and Procedures and maintains and develops custom Proxy Voting Guidelines. The Proxy Voting Committee and Proxy Voting Guideline Subcommittee meet regularly to ensure that our Proxy Voting Guidelines are aligned with current best practices regarding voting on ESG issues. An external service provider, Glass Lewis, serves as our proxy administrator and is responsible for applying our custom Guidelines when executing proxy votes.

Source: Russell IG

### Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment manager to provide a selection of what it considers to be the most significant votes in relation to the Scheme's fund. An example of a significant vote can be found in the appendix.

### 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.

## Our manager's 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 manager. The manager has provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
Russell IG – Multi-Asset Growth Fund	384	600	Environment - Climate Change; Natural Resource Use/Impact Social - Human Capital Management; Inequality Governance - Remuneration; Board Effectiveness - Diversity; Leadership - Chair/CEO Strategy, Financial & Reporting - Reporting

Source: Russell IG

## Data limitations

This report does not include commentary on certain asset classes such as liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the 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 is an example of a significant vote provided by the Scheme’s manager. We consider a significant vote to be one which the manager considers significant. Investment managers use a wide variety of criteria to determine what they consider a significant vote; the Scheme’s manager has provided its criteria in the example below.

<b>Russell IG – Multi-Asset Growth Fund</b>	<b>Company name</b>	Woodside Energy Group Ltd
	<b>Date of vote</b>	24 April 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.3
	<b>Summary of the resolution</b>	Approval of Climate Transition Action Plan and 2023 Progress Report
	<b>How you voted?</b>	Votes against resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
	<b>Rationale for the voting decision</b>	Section I.1 Say-on-Climate proposals will be referred for a case-by-case vote.
	<b>Outcome of the vote</b>	Fail
	<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>	This proposal was referred to the Active Ownership Committee for further review, per our guidelines. The Committee voted to against proposal, along with over 58% of the vote. The Company put forward a Say-on-Climate proposal once before, at its 2022 AGM. That proposal faced major shareholder dissent, but narrowly passed. While acknowledging that the company has made some improvements to disclosure since the 2022 vote, that progress has not been material enough to address shareholders’ concerns. The Company lacks disclosure concerning how it engages with and responds to shareholder concerns around climate risk management.
	<b>On which criteria have you assessed this vote to be most significant?</b>	Top Holding, Vote Against Management, Controversial Outcome

Source: Russell IG