STEWARDSHIP AND ENGAGEMENT IMPLEMENTATION STATEMENT:

1 April 2024 to 31 March 2025

Introduction

On 6 June 2019, the UK Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations (the “Regulations”). The Regulations require that the Trustees of the Thomson Pension Fund (the “Trustees”) outline how the stewardship, voting and engagement policies set out in their Statement of Investment Principles (“SIP”) have been followed over the course of the year under review.

This Statement has been prepared by the Trustees with the assistance of their appointed Fiduciary Manager and is for the year ending 31 March 2025.

The Trustees’ Stewardship and Engagement policies are included in the SIP which is available on request.

Last review of the key policies regarding stewardship and engagement

Policies regarding stewardship, voting and engagement were last reviewed as part of a wider review of the SIP in August 2023. The Trustee confirmed that the policies remained suitable and in the best interests of members. No material changes were made.

During the year, the Trustees have received presentations from their appointed Fiduciary Manager in relation to how the votes are carried out on their behalf and more generally on how Environmental, Social and Governance (“ESG”) factors are integrated into the Fiduciary Manager’s investment philosophy and by association the underlying specialist managers used in the portfolio.

Voting behaviour

Under the Fiduciary Management arrangement in place the Trustees have delegated proxy voting and engagement decisions to the Fiduciary Manager. The Fiduciary Manager has a robust and well-established set of guidelines to follow when voting on the Trustees’ behalf which are reviewed and updated on an annual basis. It has provided the Trustees with both a copy of the Proxy Voting Guidelines and the most recent Active Ownership Report. The Fiduciary Manager instructs Glass Lewis, a specialist proxy voting firm, to execute the votes in-line with the agreed guidelines and where Glass Lewis cannot apply this policy the votes are referred to Russell Investments Active Ownership Committee.

A total of 13,547 votes were placed on securities held in the Fund’s Growth portfolio over the period under review. A summary of the voting activity carried out on behalf of the Trustees is set out below.

Key statistics

	Management Proposals	Shareholder Proposals	Total Proposals
With Management	11,586	401	**11,987**
Against Management	639	202	**841**
Votes without Management Recommendation	16	17	**33**
Take No Action	671	15	**686**
Unvoted	0	0	**0**
Totals	**12,912**	**635**	**13,547**

The decision to “Take No Action” was driven by:

- Shareblocking markets: As per the Fiduciary Managers standing instructions, if a meeting belongs to a Shareblocking market such as Switzerland, then the ballots are automatically set to Take No Action.
- This rule is applicable at the meeting and the ballot level as well. Sometimes if a meeting or a ballot is share-blocked then either the entire meeting or a ballot gets automatic “Take No Action.”
- And lastly, for the contested meetings, one of the two voting cards is set to “Take No Action” (the card which is not voted).

Votes broken out by category

Topic	Number of Votes
Environmental	140 (includes climate risk issues)
Social	220
Governance	12,501

Note: This table excludes “Take No Action” votes.

Most significant votes

The Fiduciary Manager defines significant votes as ones that meet, at least, one of the following criteria:

- Votes against management proposals where the level of dissent from shareholders is 20% or higher, in line with the UK Corporate Governance Code.
- Votes supporting shareholder proposals when management is recommending against, and the level of support is 40% or higher, suggesting that the proposal nearly passed.
- Votes that directly affect shareholder equity holding or value. For example, merger and acquisitions.

In addition, the Fiduciary Manager will consider votes that are aligned with the its stewardship priorities with regards to environmental, social and governance matters, as defined by the voting policy.

To ensure a wide variety of the placed votes is reflected, the summary of the most significant votes below has been split into Environmental, Social or Corporate Governance categories Furthermore, the votes are selected on the basis of having high weight in the Fund. Any reference to we and/or us in the following examples refers to the Fiduciary Manager’s views and / or approach followed when voting on behalf of the Trustees.

As at 31 March 2025, the Fund was 11.2% invested in the Multi Asset Growth Strategy Fund (MAGS), which in turn held 56.9% in equities. At the same date, the Fund was 1.5% of the total MAGS Fund.

This statement does not include the fixed income funds, as the voting only covers equity engagements. **The following size of holdings are references to the approximate weight of the company as a proportion of the MAGS Fund.**

Environmental votes

Lockheed Martin Corp.	
Shareholder Proposal Regarding Report on Aligning Value Chain GHG Reductions with Paris Agreement	
Date	02/05/24
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.24%
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Rejected
Criteria for selection as significant vote:	Vote Against Management, Controversial Outcome, Environmental Shareholder Proposal
Rationale	
The Active Ownership Committee voted to support this proposal, along with nearly 32% of shareholders. The proposal requested that the Company set emissions reduction targets for its full value chain. The Company discloses its greenhouse gas (GHG) emissions and sets targets for Scope 1, 2, and limited aspects of Scope 3 emissions, primarily focused on business travel. At the time of the vote, the committee had concerns that proposed regulations by the Biden Administration would necessitate the adoption of more comprehensive Scope 3 targets, as such, support for this proposal would have mitigated the Company's exposure to regulatory risk.	

Huntington Ingalls Industries Inc	
Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement	
Date	01/05/24
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.23%
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Rejected
Criteria for selection as significant vote:	Top Holding, Vote Against Management, Controversial Outcome, Environmental Shareholder Proposal
Rationale	
Russell Investments voted to support this proposal, along with nearly 28% of the vote. The Company has committed to a 30% reduction in Scope 1 and 2 emissions, but the timeline for achieving this target is unclear. The Company lags peers regarding targets, however, it has disclosed ambitions to develop a roadmap for the strategy. Given the Company might face requirements to set more ambitious reduction targets resulting from anticipated regulatory requirements in the near future, the precatory request could encourage the company to develop and further disclose its climate-risk strategy.	

Woodside Energy Group Ltd	
Approval of Climate Transition Action Plan and 2023 Progress Report	
Date	24/04/24
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.29%
Mgmt. Rec.	For
How the vote was cast	Against
Vote Outcome	Rejected
Criteria for selection as significant vote:	Top Holding, Vote Against Management, Controversial Outcome, Environmental Proposal

Rationale

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.

Social votes

CVS Health Corp	
Shareholder Proposal Regarding Third-Party Assessment of Freedom of Association	
Date	16/05/24
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.16%
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Rejected
Criteria for selection as significant vote:	Vote Against Management, Controversial Outcome, Social Shareholder Proposal
Rationale	
Voted in support of the proposal, along with ~23% of the vote. Given recent concerns and controversies related to staffing and other labour-related matters at the Company, shareholders could benefit from the Company disclosing the results of independent assessments. Furthermore, The Company appears to have already undertaken the request of this proposal, via its regular human rights impact assessments with an independent third-party evaluator. Accordingly, this proposal would require the Company to provide disclosure to shareholders concerning this assessment. Given the apparent ease of retrieving the requested data and the potential for improved understanding of risk on behalf of investors, the proposal aligns with the best interests of shareholders.	

Crown Holdings, Inc.	
Shareholder Proposal Regarding Lobbying Report	
Date	02/05/24
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.32%
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Rejected
Criteria for selection as significant vote:	Top Holding, Vote Against Management, Controversial Outcome, Social Shareholder Proposal
Rationale	
This proposal was referred to the Active Ownership Committee for further review, per our guidelines. The Committee voted to support this proposal, along with over 48% of the vote. The Company provides little meaningful disclosure regarding its political contributions and could reasonably provide further detail in a political spending policy, as well as disclose information regarding specific contributions. Increasing these disclosures would bring the Company in line with peers.	

Amazon.com Inc.	
Shareholder Proposal Regarding Report on Working Conditions	
Date	22/05/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.04%
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Rejected
Criteria for selection as significant vote:	Top Holding, Vote Against Management, Controversial Outcome, Social Shareholder Proposal
Rationale	
This proposal was referred to the Active Ownership Committee for further review, per our guidelines. The Committee voted to support this proposal, along with over 31% of the vote. Particularly given the recent claims and interventions by the National Labour Review Board, we have concerns regarding the Company's management of human capital and the protections it affords to workers via its human rights policies. The Company could potentially benefit from an unbiased and independent view of this matter, as it could either provide insight into which areas the company could improve its practices or conversely provide assurance that the Company has acted in a manner consistent with its policies.	

Corporate governance votes

Amphenol Corp.	
Shareholder Proposal Regarding Right to Call Special Meeting	
Date	16/05/24
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.22%
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Rejected
Criteria for selection as significant vote:	Vote Against Management, Controversial Outcome, Governance Shareholder Proposal
Rationale	

We believe, on the Trustees' behalf, that shareholders should have the right to call special meetings, although, in order to prevent possible abuse which might waste company resources, it is good practice to require that a shareholder possess a sizeable minority of shares in order to exercise this right. The appropriate thresholds for share ownership requirements to call a special meeting should be reflective of the company's unique characteristics, including but not limited to: company size, the characteristics of its shareholder base (including both percentage of ownership and type of shareholder), board responsiveness to shareholder concerns, company performance, and any existing opportunities for shareholder action.

In this case, while the Company has in place certain best practice corporate governance provisions, the existing 25% ownership threshold is prohibitive, and lowering that threshold would be appropriate. Russell Investments voted for the proposal, along with approximately 41% of shareholders.

Allstate Corp (The)	
Shareholder Proposal Regarding Independent Chair	
Date	14/05/24
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.32%
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Rejected
Criteria for selection as significant vote:	Top Holding, Controversial Outcome, Governance Shareholder Proposal
Rationale	

We believe, on the Trustees' behalf, that in most cases, it is best practice to require the positions of Chairman and CEO to be held by different persons. Russell Investments, along with approximately 30% of shareholders, supported this proposal. Our guidelines functioned as intended and the rationale was sound.

Meta Platforms Inc	
Shareholder Proposal Regarding Recapitalization	
Date	29/05/24
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.79%
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Rejected
Criteria for selection as significant vote:	Vote Against Management, Controversial Outcome, Governance Shareholder Proposal

Rationale

We believe, on the Trustees' behalf, that the "one-share, one-vote" principle represents best practice, and as a result we will not support the introduction of multiple-class capital structures or the creation of shares with voting rights disparity and will support proposals calling for recapitalization plans which align with the "one-share, one-vote" principle. Public shareholders would have the opportunity to be much better represented if the outcome of matters up for a vote was not largely determined by the controlling shareholder.

Approximately 26% of shareholders supported this proposal.

Engagement activities

Not all investments have voting rights attached to them, however asset owners can engage with the issuers of equity and debt to influence positive change. The Trustees are supportive of engagement with investee companies in this way and has delegated this activity to the Fiduciary Manager.

The Fiduciary Manager aims to engage with companies on overall business strategy, capital allocation, and ESG practices while encouraging appropriate levels of risk mitigation. The Fiduciary Manager's engagement policy is available here and examples of engagement activity are provided below.

Any reference to we, our and/or us in the following examples refers to the Fiduciary Manager's policy, views and activity.

Example 1: Direct Engagement on business ethics with a Japan-based company

Engagement action: Russell Investments engaged with a Japan-based company engaged in the comprehensive electric business. This was a follow up engagement on the quality issues, including tampering with inspections, CEO resignation, and various controversies. Despite corrective measures and quality assurance reforms, doubts persist regarding the company's ability to enhance product governance, evident in ongoing improper inspections and penalisation of executives for product inspection lapses.

Engagement objective: The main objective of the engagement is to encourage the company to provide detailed insights into its actions, strategies, and plans related to quality management, reputational risk, transparency, regulatory compliance, progress on reforms, and internal controls.

Engagement summary:

- The Company has implemented several changes from a governance perspective, namely:
    - Strengthen function and oversight of the Board and its effectiveness to oversee management and strategy.
    - Strengthen key functions including Board Secretariat and Governance Committees.
    - Enhanced composition; outside Chairperson, 50% of Board to be outside directors.
    - External Governance Review Committee informing roadmap for reform.
    - Implementation of annual board member quality reviews conducted by an external third party.
- While we commend the Company's efforts in implementing these governance, culture, and quality changes, we retain serious concerns regarding the lack of timeline for implementation, the absence of milestones, and the broad timeframe for completion (5-10 years).
- From a cultural perspective one of the key changes was the improvement in communication. The Company has implemented a bottom-up engagement channel within the workforce and across business units. An employee survey is also conducted twice a year. The Company has attested that they have already seen positive cultural changes driven by this.
- We have expressed our concern regarding the retention of one director as a board member, given the concerns about his oversight responsibilities during the quality issues. The Company has committed to providing more context and rationale from the nomination committee for his re-appointment in its meeting materials

Engagement outcome: Russell Investments will monitor the company's transformation progress closely next year. If measurable progress isn't evident, we'll consider escalating to proxy voting.

Example 2: Direct Engagement on Climate Change Strategy

Engagement action: Russell Investments engaged with a US-based manufacturer of building materials and composites.

Engagement objective: Russell Investments engaged the Company to further its climate change strategy and reduce risk in a transition economy. Specifically, setting long-term GHG reduction targets (2030-2050), formalising a net-zero commitment in line with peers, expanding its strategy for supply chain decarbonisation, and showing dedicated responsibility at the board level for climate related issues.

Engagement summary: The Company has a business model well suited to grow in a transition economy as they provide materials and composites to builders which help decarbonize homebuilding.

- On **climate targets**: the Company has set a decade-by-decade renewal process for its climate targets. The current strategy ranges from 2020-2030. *The Company set its first GHG reduction target in the early 2000s. Due to the evolving nature of technological innovations, it prefers to take this approach to set realistic and achievable targets.
  - The Company is evaluating a net-zero target and its decarb efforts are aiming towards this goal. The Company hopes to set a net-zero goal in FY24 or FY25 depending on the outcome of scope 3 measurement and targets.
  - The Company has been reducing its scope 1 and scope 2 emissions year-over-year for a positive emissions trajectory.
- **Scope 3 decarbonization** will be a key challenge for the Company which it is looking towards circular economy principles to innovate solutions. The Company's insulation and fibre glass business has seen great improvements in decarbonization which the Company is capitalizing on due to client demand.
  - A key challenge is its roofing segment where it is trialling a recycling plant in the US. Outcome pending.
  - The Company views supply chain decarbonization being driven by its customer base as they want to decarbonize their own supply chain. The Company points out its climate strategy is/ will be commercially viable due to client demand for sustainable products.
- On **climate governance**, the Board works strategically with the Chief Sustainability Officer to set viable strategy around climate change risks and opportunities. The Company does not feel it needs to appoint a committee or specific individual to be responsible for this area as it works to consider all director points-of-view on corporate issues.

Engagement outcome: Russell Investments will continue to engage with the Company as it realizes its decarbonization goals and circular economy programs. While many of its initiatives are well received by clients, the Company needs to overcome technological and economy hurdles to continue to decarbonize its product lines.

Example 3: Direct Engagement on Human Capital Management

Engagement action: Russell Investments engaged for a third-time an Australia-based gaming provider and games publisher. It offers a range of products and services, including electronic gaming machines, casino management systems and digital social games.

Engagement objective: One of the aims of the engagement was to assess and encourage the Company to better disclose its outcomes from responsible gaming initiatives.

Engagement summary: the Company has prioritised its response and programs around responsible gaming with it set to publish KPIs to facilitate measurement of progress (aiming) for EOY2024. The Company will redefine its mission statement and elements of measurability for responsible gaming - noting it’s a challenge to find a metric which can define success of its initiatives.

- The Company clearly stated it will not be aiming for KPIs around reduction of harm but for KPIs focusing on continued improvement of access for responsible play.
- The Company recognises challenge in expanding its programs due to the nature of business lines (either business-to-business or business-to-consumer) making the approach more complicated.
- The Company does see continued governance risks and is working to education the Board on its responsibilities. Other continued risks include expanding regulation risks to ensure limited liability

Engagement outcome: While the Company is transparent in its reporting and clearly considering various ESG risks and opportunities in its strategy, it faces ongoing challenges to its responsible gaming efforts due to regional variations and trial limitations. Therefore, Russell Investments will continue to engage the Company around its responsible gaming practices.

Industry participation

The Trustees encourage the Fund’s Fiduciary Manager to leverage its position through collaborative efforts and partnerships with other industry participants. To this end, the Fiduciary Manager is a signatory to the UK Stewardship Code 2020 and Principles for Responsible Investment (“PRI”). Following a comprehensive review, the Fiduciary Manager made the strategic decision to exit three investor-led collective engagement initiatives—Climate Action 100+ (CA100+), Net Zero Engagement Initiative (NZEI), and Nature Action 100 (NA100)—at the end of 2024. This decision reflects the Fiduciary Manager's commitment to aligning more closely with its clients' evolving priorities by bringing climate and nature risk assessments in-house.

The Fiduciary Manager is committed to delivering effective, high-impact stewardship that drives meaningful sustainability outcomes. As part of its ongoing strategy evolution, the Fiduciary Manager continuously assesses the most efficient ways to engage with investee companies, ensuring alignment with its clients' sustainability priorities and regulatory expectations. A strategic evaluation in 2024 led to increased support for its programme to strengthen in-house resources and capabilities. The sustainable investing landscape has evolved, and it is the Fiduciary Manager's belief that a more independent approach enables it to better serve its clients by aligning with their specific priorities and delivering more targeted outcomes. While the Fiduciary Manager is stepping away from some initiatives, its commitment to collaborative engagement remains robust, with a strategic shift toward more flexible, high-impact collaborations. The Fiduciary Manager maintains membership in other industry initiatives that align more closely with its engagement philosophy, including targeted engagement frameworks such as PRI. Additionally, it continues to engage directly with issuers, through sub-adviser partnerships, and via third-party research firms, ensuring rigorous oversight of sustainability risks.

PRI is a globally recognised proponent of responsible investment, which provides resources and best practices for investors incorporating ESG factors into their investment and ownership decisions. As a signatory to the PRI since 2009, the Fiduciary Manager has a long-standing relationship with the organisation and has completed the annual PRI assessment every year since 2013. The Principles are a set of global best practices that provide a framework for integrating ESG issues into financial analysis, investment decision-making and ownership practices. The Fiduciary Manager is actively involved with the PRI, attending annual conferences and global seminars, and engaging on discussions of interest.

In 2021, the Fiduciary Manager joined the Net Zero Asset Managers Initiative, a group of international asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner. The Fiduciary Manager has committed to a range of actions that are the key components required to accelerate the transition to net zero and achieve emissions reductions in the real economy: Engaging with clients, setting targets for assets managed in line with net zero pathways, corporate engagement and stewardship, and policy advocacy.

Compliance with the policy over the period

As a holder of assets with attached voting rights, the Trustees can exercise these voting rights on behalf of members of the Fund and believe that the best approach is to delegate the execution of their policy to the Fiduciary Manager. The Trustees have received information on the voting activity that has been carried out on their behalf on an annual basis and are comfortable with the decisions taken.

Over the period, the Trustees are pleased to report that they have, in their opinion, adhered to the policies set out in their SIP.

The Trustees are pleased with the progress the Fiduciary Manager has made in this area and will continue to work with them to develop their policies in the future.