

Implementation Statement, covering the Plan Year from 1 January 2022 to 31 December 2022

The Trustees of the Russell Investments Pension Plan (the “Plan”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed their Statement of Investment Principles (“SIP”) during the Plan Year, as well as details of any review of the SIP during the Plan Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-9 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 9 below.

The Trustees of the Plan have two advisers on investment matters, Lane Clark & Peacock (“LCP”) and Russell Investments. Russell Investments are the Plan’s “investment manager adviser” responsible for the ongoing research, selection and monitoring of the Plan’s holdings. LCP, the Plan’s “investment adviser”, provide advice on strategy and governance matters. Throughout the Statement, both will be referred to collectively as “advisers” or where more specifically relating to actions undertaken, the adviser who was responsible shall be noted.

In preparing the Statement, the Trustees have had regard to the [guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions \(“DWP’s guidance”\) in June 2022.](#)

This Statement is based on and uses the same headings as the Plan’s latest SIP which was in place during the Plan Year – dated 12 February 2021. This Statement should be read in conjunction with the latest SIP which can be found [here](#).

1. Introduction

No review of the SIP was undertaken during the Plan Year. The last time the SIP was formally reviewed was the 12 February 2021.

The Trustees have, in their opinion, followed all of the policies in the Plan’s SIP during the Plan Year. The following Sections provide detail and commentary about how and the extent to which the Trustees have done so.

A review of the SIP has taken place following the Plan Year end to incorporate the Trustees’ stewardship priorities, as covered in Section 8 of this Statement. Further information on the changes will be provided in the implementation statement for the 2023 Plan Year.

2. Investment objectives

The Plan is a defined contribution (“DC”) arrangement and therefore the Trustees have made available a range of investment funds for members. Each member is responsible for specifying one or more funds for the investment of their account, having regard to their attitude to the risks involved. If a member chooses to delegate their investment decisions to the Trustees, their account will be invested into the Default, which is managed as a “lifestyle” strategy (i.e. it automatically combines investments in proportions that vary according to the time to retirement age).

As part of the performance and strategy review of the Default in August 2022 the Trustees considered the membership demographics and the variety of ways that members may draw their benefits in retirement from the Plan.

Based on the outcome of this analysis, the Trustees concluded that the Default has been designed to be in the best interests of the majority of the members and reflects the demographics of those members.

The Trustees also provide a range of additional default funds which are reviewed at least every three years and were last reviewed as part of the triennial strategy review. The Trustees concluded that most of the funds had underperformed their respective benchmarks over the periods to 31 March 2022 however they understand the reasons for this and have no material concerns about the management of these funds.

The Trustees have also made available a self-select fund range to members. Take up of the self-select fund range is reasonably high compared to most other DC schemes. Shortly after the Plan year end, in March 2023, the

Trustees began an exercise to identify what would trigger a review of the appropriateness of the Plan's self-select fund range. Further information on the outcome of this review will be provided in the implementation statement for the 2023 Plan Year. However, the Trustees are comfortable that the self-select fund range covered all major assets classes. One of the recommended next steps is for the Trustees to remind members to review their investment holdings and check they are suitable for their risk tolerances and retirement planning.

The Trustees review changes in member choices, behaviour and trends each quarter using administration reports. Over the Plan Year there were no material changes.

3. Investment strategy

The Trustees, with the help of their advisers and in consultation with the sponsoring employer, reviewed the strategy and performance of the default arrangements over the Plan Year. As discussed in Section 2, the Trustees concluded that the default lifestyle strategy arrangement, specifically its default retirement target, has been designed to be in the best interests of the majority of Plan members and reflects the demographics of those members.

However, as a result of rising inflation, the Trustees reviewed the default's cash allocation at retirement, with the aim of protecting members against further inflation without considerably changing the risk and return profile. The Trustees therefore agreed to reduce the cash allocation at retirement by redistributing assets, increasing the allocation to the Russell Global Bonds (Sterling Hedged) Fund and reducing the allocation to the Russell Sterling Liquidity Fund from 20% to 10% at retirement, which will improve the expected return profile of the default and provide better protection against rising inflation than the current strategy. The changes to the default lifestyle strategy are expected to take place in 2023 and further information on the changes implemented will be provided in the implementation statement for the 2023 Plan Year.

As part of this review the Trustees made sure the Plan's Default was adequately and appropriately diversified between different asset classes.

The Trustees review the retirement data provided in the administration reports on a quarterly basis to see how members access their benefits. This was not considered as part of the last strategy review as there was limited data to analyse given the young age profile of the membership.

4. Considerations in setting the investment arrangements

When the Trustees undertook a performance and strategy review of the Default in August 2022, they considered the investment risks set out in Section 4.1 of this Statement. They also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

The Trustees last reviewed their investment beliefs in August 2022 as part of the triennial strategy review, and again after the Plan Year end in March 2023 as part of the self-select fund range review referenced in Section 2. No changes to the investment beliefs were proposed as part of the triennial strategy review.

The Trustees invest for the long term, to provide for the Plan's members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustees therefore seek to appoint managers whose stewardship¹ activities are aligned to the creation of long-term value and the management of long-run systemic risks.

The Plan's advisers monitor the investment managers on an ongoing basis, through regular research meetings. They will inform the Trustees promptly about any significant updates or events they become aware of regarding the Plan's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Plan invests in, or any material change in the level of diversification in the fund.

The Trustees monitor the performance of the Plan's investment managers on a quarterly basis, using a monitoring report prepared by the managers. The report shows the performance of each fund over the quarter, one year, three years and five years. Performance is considered in the context of the manager's benchmark and objectives.

¹ The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

4.1 Policy towards risk

Risks are monitored and discussed on an ongoing basis with the help of the investment adviser. The Trustees maintain a risk register.

The Trustees' policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Plan's investment adviser or information provided to the Trustees by the Plan's investment managers. These include the risk of inadequate returns, credit risk, equity risk, currency risk, collateral adequacy risk and ESG (including climate) risks. The Trustees' implementation of their policy for these risks during the year is summarised below.

With regard to the risk of inadequate returns, the Trustees make use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These are used in the growth phase of the default option and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term. The Trustees monitor the returns of these funds on a quarterly basis.

The performance of the Default was assessed as part of the value for members' assessment as discussed in section 3 and the triennial strategy review carried out in August 2022 and the Trustees are comfortable with the risk vs return prospects for members.

5. Implementation of the investment arrangements

The Trustees have not made any changes to its manager arrangements over the Plan Year.

The Trustees evaluate manager performance over both shorter and longer periods, encourages managers to improve practices and considers alternative arrangements where managers are not meeting performance objectives.

In addition, the Trustees regularly invite the Plan's investment managers, Russell Investments and Legal & General, to present at Trustee meetings. Russell Investments, as the investment manager adviser, report at each Trustee meeting on the performance of both Russell Investments and Legal and General funds.

The Trustees were comfortable with all of their investment manager arrangements over the Plan Year.

The Trustees undertook a value for members' assessment in June 2023 for the Plan Year to 31 December 2022 which assessed a range of factors, including the performance of all funds and the fees payable to managers by members. The assessment showed the fees for the Russell Investments funds were found to be competitive when compared against schemes with similar sizes mandates and for the Legal & General funds, the fees were found to be reasonable. Overall, the Trustees believes the investment managers provide good value for money.

During the Plan Year, the Trustees assessed the investment managers' fees considering LCP's fee survey. Overall, the Trustees believe the investment managers provide reasonable value for money.

6. Realisation of investments

It is the Trustees' policy to invest in funds that offer daily dealing to enable members to readily realise and change their investments. There are two funds that are on a weekly dealing basis, these are; L&G World Emerging Markets Equity Index Fund and L&G UK Fixed Interest – All Stocks Fund. The Trustees have decided to move these into equivalent funds that are daily dealing and this is expected to be completed in H2 2023.

7. Financially material considerations, non-financial matters

As part of their advice on the selection and ongoing review of the investment managers, the Plan's advisers incorporate its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations). From the 6 May 2022, Russell Investments have made various ESG enhancements to the following funds which are used by members of the Plan: The Eurozone Equity Fund, Russell Investments World Equity Fund, Russell Investments World Equity Fund II, Russell Investments Pan European Equity Fund and the Russell Investments Continental European Equity Fund. These funds have been transitioned to investment vehicles compliant with Article 8 of the Sustainable Finance Disclosure Regulation ("SFDR"). An Article 8 Fund under SFDR is defined as "a Fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices."

8. Voting and engagement

The Trustees have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. These policies are explained in section 9 below. However, the Trustees take ownership of the Plan's stewardship by monitoring and engaging with managers and escalating as necessary as detailed below.

As part of their advice on the selection and ongoing review of the investment managers, the Plan's advisers incorporate its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Following the introduction of DWP's guidance, the Trustees agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors. In November 2022, the Trustees discussed and agreed stewardship priorities for the Plan which were: Climate change, Human Capital, and Diversity, Equity & Inclusion.

These priorities were selected because they are key market-wide risks and areas where the Trustees believe that good stewardship and engagement can improve long-term financial outcomes for their Plan's members. The Trustees communicated these priorities to its managers March 2023.

The Trustees regularly invite the Plan's investment managers to present at Trustee meetings, including updating the Trustees on their ESG policies, how they integrate ESG into their investment offerings and recent stewardship activities.

The Trustees are conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustees aim to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

9. Description of voting behaviour during the Plan Year

All of the Trustees' holdings in listed equities are within pooled funds and the Trustees have delegated to its investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the Plan Year. However, the Trustees monitor managers' voting and engagement behaviour on an annual basis and challenges managers where their activity has not been in line with the Trustees' expectations.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance on the Plan's funds that hold equities. We have only included the funds with equity holdings used in the Default strategy and additional default arrangements, as well as self-select funds which hold more than 4% of the Plan's assets under management due to materiality grounds. These are set out as follows (Default and additional default arrangements are in bold):

- **Russell Multi-Asset Growth Strategy**
- **Russell UK Equity Fund**
- **Russell World Equity II (Sterling)**
- **Russell World Equity**
- Russell Emerging Markets Equity
- Russell US Equity Fund
- L&G World ex-UK Equity Index
- L&G UK Equity Index

9.1 Description of the voting processes

For assets with voting rights, the Trustees rely on the voting policies which its managers have in place. The Trustees reviewed LGIM's voting policy in September 2020 and is comfortable that the policies are aligned with the Trustees' views. In addition, given the Trustees' roles within Russell Investments, they are already very familiar with Russell Investments' voting and engagement policies and also consider these to be aligned with the Trustees' beliefs.

Russell Investments

When a client agrees to have their proxies voted by Russell Investments, they are agreeing that all votes will be voted according to Russell Investments custom voting guidelines, a copy of which is provided to the client. Russell Investments do not consult clients in advance of votes.

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 their Proxy Voting Guidelines are aligned with current best practices regarding voting on ESG issues. An external service provider, Glass Lewis, serves as their proxy administrator and is responsible for applying Russell Investments custom Guidelines when executing proxy votes. In cases where the Guidelines specify case-by-case review by the committee, or for any proposal not specifically addressed in the guidelines, Russell Investments internal Proxy Analysts will review available information (including certain research provided by Glass Lewis) and provide a recommendation to the Proxy Voting committee. The committee will then vote on the proposal(s) in question and communicate the decision to Glass Lewis to execute.

In addition to executing Russell Investments' custom guidelines, Glass Lewis provides research on companies and proposals where possible.

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; and
- 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 its stewardship priorities with regards to environmental, social and governance matters, as defined by the engagement policy.

Legal & General Investment Management (“LGIM”)

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 its clients. LGIM's voting policies are reviewed annually and take into account feedback from LGIM's 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 LGIM continue to develop its voting and engagement policies and define strategic priorities in the years ahead. LGIM 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 its 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 their 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's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is purely to augment their own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that LGIM receive from ISS for UK companies when making specific voting decisions.

To ensure LGIM's proxy provider votes in accordance with its position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM consider are minimum best practice standards which they believe all companies globally should observe, irrespective of local regulation or practice.

LGIM retain the ability in all markets to override any vote decisions, which are based on its custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows LGIM to apply a qualitative overlay to their voting judgement. LGIM have strict monitoring controls to ensure their votes are fully and effectively executed in

accordance with their voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure it continues to help its clients in fulfilling their reporting obligations. It also believes public transparency of its voting activity is critical for its clients and interested parties to hold them to account.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where they note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

LGIM provide information on significant votes in the format of detailed case studies in its quarterly ESG impact report and annual active ownership publications. The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. It also provides the rationale for all votes cast against management, including votes of support to shareholder resolutions.

9.2 Summary of voting behaviour over the Plan Year

A summary of voting behaviour over the Plan Year is provided in the table below. The figures in brackets represent the figures for over the year to 31 December 2021 (the previous Plan year).

	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5	Fund 6	Fund 7	Fund 8
Manager name	Russell Investments	Russell Investments	Russell Investments	Russell Investments	Russell Investments	Russell Investments	L&G	L&G
Fund name	Multi-Asset Growth Strategy ("MAGS")	UK Equity Fund	World Equity II (Sterling)	World Equity	Emerging Markets Equity Fund	US Equity Fund	World Ex UK Equity Index	UK Equity Index
Total size of fund at end of reporting period	£617.7m (£992.8m)	£113.9m (£156.8m)	£655.7m (£1,606.1m)	£ 1,229.1m (£2,166.9m)	£873.1m (£1,618.5m)	£131.8m (£169.1m)	£4,296.9m (£6,728.7m)	£13,928.9m (£20,461.0m)
Value of Plan assets at end of reporting period (£) ¹	£18.2m (£20.4m)	£5.8m (£6.6m)	£13.0m (£14.1m)	£6.8m (£7.1m)	£6.4m (£7.9m)	£6.8m (£7.8m)	£5.0m (£5.3m)	£4.6m (£4.5m)
Number of holdings at end of reporting period	905 (N/A)	165 (194)	684 (753)	640 (647)	578 (568)	372 (468)	2,499 (2,462)	561 (572)
Number of meetings eligible to vote	860 (910)	201 (236)	807 (895)	807 (895)	939 (888)	429 (484)	2,973 (2,493)	759 (707)
Number of resolutions eligible to vote	12,387 (12,529)	3,412 (3,927)	10,379 (11,056)	10,379 (11,056)	9,234 (8,323)	5,518 (5,658)	35,672 (29,156)	10,854 (9,923)
% of resolutions voted	95.0% (95.2%)	100.0% (98.0%)	96.0% (96.0%)	96.0% (96.0%)	97.7% (100.0%)	100.0% (100.0%)	99.8% (99.8%)	99.9% (100.0%)
Of the resolutions on which voted, % voted with management	87.9% (88.7%)	92.7% (94.0%)	86.4% (88.0%)	86.4% (88.0%)	80.7% (79.0%)	85.7% (87.0%)	77.6% (78.9%)	94.5% (92.8%)
Of the resolutions on which voted, % voted against management	11.5% (10.4%)	7.3% (6.0%)	12.7% (12.0%)	12.7% (12.0%)	14.2% (21.0%)	14.2% (13.0%)	21.6% (20.2%)	5.5% (7.2%)
Of the resolutions on which voted, % abstained from voting	0.1% (0.3%)	0.1% (0.0%)	0.2% (0.6%)	0.2% (0.6%)	2.2% (2.0%)	0.0% (0.0%)	0.8% (0.9%)	0.0% (0.0%)

Of the meetings in which the manager voted, % with at least one vote against management	70.9% (63.5%)	64.7% (54.0%)	66.4% (61.0%)	66.4% (61.0%)	19.5% (51.0%)	78.3% (68.0%)	77.1% (73.8%)	36.5% (45.7%)
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	6.8% (6.0%)	5.2% (4.0%)	7.1% (6.0%)	7.1% (6.0%)	5.7% (7.0%)	8.4% (7.0%)	15.2% (14.2%)	4.3% (5.5%)

Some figures may not sum to 100% due to rounding.

¹Figures provided by Russell Investments and LGIM as at 31 December 2022.

9.3 Most significant votes over the Plan Year

Commentary on the most significant votes over the Plan Year, from the Plan's asset managers who hold listed equities, is set out below.

The Trustees did not inform its managers which votes it considered to be most significant in advance of those votes. The Trustees have since informed managers of their stewardship priorities and will report on it in next year's Implementation Statement. By informing its managers of its stewardship priorities and through its regular interactions with the managers, the Trustees believe that its managers will understand how it expects them to vote on issues for the companies they invest in on its behalf

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustees did not identify significant voting ahead of the reporting period. Instead, the Trustees have retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested the managers could use the PLSA's criteria² for creating this shortlist.

The Trustees have interpreted "significant votes" to mean those that:

- align with the Trustees' stewardship priorities;
- might have a material impact on future company performance;
- the investment manager believes to represent a significant escalation in engagement;
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor;
- have a high media profile or are seen as being controversial;
- are shareholder resolutions which received material support;
- the subject of the resolution aligned with the investment manager's engagement priorities or key themes; and/or
- the Plan or the sponsoring company may have a particular interest in.

The Trustees have reported on one of these significant votes per fund only as the most significant votes. If members wish to obtain more investment manager voting information, this is available upon request from the Trustees.

Commentary has been provided by Russell Investments and LGIM.

Russell Multi-Asset Growth Strategy

Russell Investments – Amazon Inc - Shareholder Report on Plastic Packaging, May 2022

Relevant stewardship priority: Climate change

How Russell Investments voted (vote cast): Russell Investments voted to support the proposal, against management.

Outcome of the vote: Rejected

Management recommendation: Against resolution

Summary of resolution: Shareholder Report on Plastic Packaging

Rationale for the voting decision and implications of the outcome: This proposal was referred to the Active Ownership Committee for further review, per Russell Investments guidelines. The Committee voted to support this proposal, along with over 48% of the vote. While the company discusses the impact in terms of plastic waste reduction, it does not provide an overall baseline amount of plastic used throughout its supply chain, nor does it provide data that allows investors to assess its progress. Additional disclosures on the company's plastics use would allow shareholders to keep track of the company's commitments and assess progress in terms of waste reduction.

² [Vote reporting template for pension scheme implementation statement – Guidance for Trustees \(plsa.co.uk\)](#). Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.

Approximate size of the mandate's holding at the date of the vote: 0.30%

The reason the Trustees considered this vote to be "most significant": It relates to the Trustees stewardship priorities on climate change.

On which criteria have Russell Investments assessed this vote to be "most significant"?: For various reasons including top holding, vote against management, controversial outcome and environmental shareholder proposal.

Was the vote communicated to the company ahead of the vote: No

Outcome and next steps: The vote to report on plastic packaging was rejected. The Trustees will not be escalating the vote.

Russell UK Equity Fund

Russell Investments – Rio Tinto plc – Approval of Climate Action Plan, April 2022

Relevant stewardship priority: Climate change

How Russell Investments voted (vote cast): Russell Investments voted for the resolution, with management.

Outcome of the vote: Passed

Management recommendation: For resolution

Summary of resolution: Decision on the approval of a Climate Action Plan

Rationale for the voting decision and implications of the outcome: This proposal was referred to the Active Ownership Committee, per Russell Investments guidelines. The committee voted in support of the proposal. Russell Investments uses a custom assessment template for reviewing say-on-climate votes. In this case, the Company's pledge to cut operational emissions by 50% by 2030 is ambitious compared to its peers and could be considered genuinely consistent with a 1.5°C pathway. Furthermore, the Company provides reporting aligned with the TCFD, information concerning its scenario analysis, and has received third-party assurance on its GHG emissions.

Approximate size of the mandate's holding at the date of the vote: 2.71%

The reason the Trustees considered this vote to be "most significant": It relates to the Trustees stewardship priorities on climate change.

On which criteria have Russell Investments assessed this vote to be "most significant"?: Top holding and controversial outcome.

Outcome and next steps: The vote to approve the climate action plan was passed. The Trustees will not be escalating the vote.

Russell World Equity II (Sterling) & Russell World Equity

Johnson & Johnson – Shareholder Proposal Regarding Racial Impact Audit, April 2022

Relevant stewardship priority: Diversity, Equity & Inclusion

How Russell Investments voted (vote cast): Russell Investments voted for the resolution, against management.

Outcome of the vote: Passed

Management recommendation: Against resolution

Summary of resolution: Agree the proposal regarding a racial impact audit.

Rationale for the voting decision and implications of the outcome: This proposal was referred to the Active Ownership Committee, per Russell Investments guidelines. The committee voted in support of the proposal, along with 61% of shareholders. Although the Company and its peers are similarly making efforts to address racial inequality through engagement activities and financial commitments, Russell Investments believe that additional

considerations concerning potential adverse impacts on communities of colour could help mitigate risks. This is especially the case given that the Company is already at reputational risk given its controversies relating to skin lightening products and COVID-19 Vaccine distribution.

Approximate size of the mandate's holding at the date of the vote: 1.15%

The reason the Trustees considered this vote to be "most significant": It relates to the Trustees stewardship priorities on diversity, equity & inclusion.

On which criteria have Russell Investments assessed this vote to be "most significant"?: For various reasons including top holding, vote against management, controversial outcome and social shareholder proposal.

Was the vote communicated to the company ahead of the vote: No

Outcome and next steps: The vote to approve the racial impact audit was passed. The Trustees will not be escalating the vote.

Russell Emerging Markets Equity

Russell Investments – Tencent Holdings Ltd. – Elect LI Dong Sheng, May 2022

Relevant stewardship priority: Diversity, Equity & Inclusion

How Russell Investments voted (vote cast): Russell Investments voted against the resolution and against management.

Outcome of the vote: Passed

Management recommendation: For resolution

Summary of resolution: Decision whether to elect LI Dong Sheng

Rationale for the voting decision and implications of the outcome: The Active Ownership Committee agreed with the factors used by Glass Lewis to determine whether an issuer adheres to good corporate governance practices. In this case, the candidate is responsible for insufficient independence at the board level, including committee memberships.

Approximate size of the Scheme's/ mandate's holding at the date of the vote: 2.32%

The reason the Trustees considered this vote to be "most significant": It relates to the Trustees stewardship priorities on diversity, equity & inclusion.

On which criteria have Russell Investments assessed this vote to be "most significant"?: Top holding and vote against management.

Was the vote communicated to the company ahead of the vote: No

Outcome and next steps: The vote to approve whether to elect LI Dong Sheng was passed. The Trustees will not be escalating the vote.

Russell US Equity

Russell Investments – Amazon Inc. – Shareholder Proposal Regarding Report on Working Conditions, May 2022

Relevant stewardship priority: Human Capital

How Russell Investments voted: Russell Investments voted for the resolution, against management.

Outcome of the vote (vote cast): Rejected

Management recommendation: Against resolution

Summary of resolution: Shareholder proposal regarding report on working conditions

Rationale for the voting decision and implications of the outcome: This proposal was referred to the Active Ownership Committee for further review, per Russell Investments guidelines. The Committee voted to support this proposal, along with over 43% of the vote. The Company is assessed for multiple high level controversies around its labour practices and working conditions. Further disclosing information and auditing its practices would support risk reduction around its human capital management programs which are clearly lacking (as evidenced by the frequent news articles concerning unsafe working conditions).

Approximate size of the Scheme's/ mandate's holding at the date of the vote: 3.13%

The reason the Trustees considered this vote to be "most significant": It relates to the Trustees stewardship priorities on human capital.

On which criteria have Russell Investments assessed this vote to be "most significant"?: For various reasons including top holding, vote against management, controversial outcome and social shareholder proposal.

Was the vote communicated to the company ahead of the vote: No

Outcome and next steps: The vote the shareholder proposal regarding report on working conditions was not passed. The Trustees will not be escalating the vote.

L&G World Ex UK Equity Index

Legal & General Investment Management ("LGIM") – McDonald's Corporation - Report on Public Health Costs of Antibiotic Use and Impact on Diversified Shareholders, May 2022

Relevant stewardship priority: Human Capital

How LGIM voted (vote cast): LGIM voted for the resolution, against management.

Outcome of the vote: Rejected, only 13.2% supported the resolution

Management recommendation: Against resolution

Summary of resolution: Report on Public Health Costs of Antibiotic Use and Impact on Diversified Shareholders

Rationale for the voting decision and implications of the outcome: LGIM voted in favour of the proposal as they believe the proposed report will contribute to informing shareholders and other stakeholders of the negative externalities created by the sustained use of antibiotics in the company's supply chain and its impact on global health, with a particular focus on the systemic implications. Antimicrobial resistance (AMR) continues to be a key focus of the LGIM Investment Stewardship team's engagement strategy. LGIM believe that, without coordinated action today, AMR could prompt the next global health crisis, with a potentially dramatic impact on the planet, people and global GDP. This is unfortunately further substantiated through the recent study published in the Lancet at the beginning of 2022 by the Global Research on AntiMicrobial resistance (GRAM) project: Global burden of bacterial antimicrobial resistance in 2019: a systematic analysis. While LGIM note the company's past efforts to reduce the use of antibiotics in its supply chain for chicken, beef and pork, LGIM believe AMR is a financially material issue for the company and other stakeholders, and that concerted action is needed sooner rather than later. By supporting this proposal, LGIM want to signal to the company's board of directors the importance of this topic and the need for action.

Approximate size of the mandate's holding at the date of the vote: 0.33%

The reason the Trustees considered this vote to be "most significant": It relates to the Trustees stewardship priorities on human capital.

On which criteria have LGIM assessed this vote to be "most significant"?: This vote was significant because LGIM pre-declared its vote intention for this resolution, demonstrating its significance.

Was the vote communicated to the company ahead of the vote: No but LGIM publicly communicates its vote instructions on its website

Outcome and next steps: The vote on public health costs of antibiotic use and impact on diversified shareholders was not passed. The Trustees will not be escalating the vote.

L&G UK Equity Index

Legal & General Investment Management (“LGIM”) – BP plc – Approve Net Zero, From Ambition to Action Report, May 2022

Relevant stewardship priority: Climate change

How LGIM voted (vote cast): LGIM voted for the resolution, with management.

Outcome of the vote: Passed, 88.5% of shareholders supported the resolution.

Management recommendation: For resolution

Summary of resolution: Approve the Net Zero, From Ambition to Action Report

Rationale for the voting decision and implications of the outcome: LGIM voted for this proposal. While LGIM note the inherent challenges in the decarbonisation efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is their view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, LGIM remain committed to continuing its constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.
Approximate size of the Scheme’s/ mandate’s holding at the date of the vote: 3.03%

The reason the Trustees considered this vote to be “most significant”: It relates to the Trustees stewardship priorities on climate change.

On which criteria have LGIM assessed this vote to be "most significant": LGIM considers this vote significant as it is an escalation of its climate-related engagement activity and its public call for high quality and credible transition plans to be subject to a shareholder vote.

Outcome and next steps: The vote on approving the Net Zero, From Ambition to Action Report was passed. The Trustees will not be escalating the vote.