

# STEWARDSHIP AND ENGAGEMENT IMPLEMENTATION STATEMENT:

1 July 2024 to 30 June 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 Amcor Bemis Section of the Amcor Holding 2023 UK Pension Plan (the “Trustee”) 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 Trustee with the assistance of their appointed Fiduciary Manager and is for the year ending 30 June 2025. The engagement activities are an ongoing dialogue between the Fiduciary Manager and the firms being engaged with, which take place over a number of months, as such the activities reported below are for the period 1 July 2024 – 30 June 2025.

The Trustee’s 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 Month Year. The Trustee confirmed that the policies remained suitable and in the best interests of members. No material changes were made.

During the year, the Trustee has 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.

## 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 Trustee is 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 board composition with a global bank

**Engagement action:** Russell Investments engaged with a globally operating bank ahead of its annual general meeting to discuss governance practices, with a particular focus on the company’s continued refusal to separate the Board Chair and CEO roles.

**Engagement objective:** To gain a clearer understanding of the board’s rationale for maintaining a combined Chair/CEO structure and to evaluate whether this approach sufficiently addresses shareholder concerns around concentrated power, succession planning, and risk oversight.

**Engagement summary:** The company stated that their long-tenured CEO will continue to serve as both Board Chair and CEO, supported by a Lead Independent Director who provides additional oversight. The company maintained its view that its current governance structure is appropriate and emphasised that it does not endorse a “one size fits all” approach to board leadership. They also reiterated that it would only revisit the question of separating the roles during the next CEO transition. Despite this explanation, the company did not directly address longstanding investor concerns—particularly around the concentration of authority and the implications for effective risk management at a systemically important institution.

**Engagement outcome:** Given the company’s unwillingness to provide a timeline for reevaluating its board leadership structure and its limited responsiveness to shareholder feedback, Russell Investments will keep the engagement open. At this stage, Russell Investments expects to continue to support shareholder proposals calling for separation of the Board Chair and CEO roles to ensure stronger independent oversight.

### Example 2: Direct Engagement on Climate Change Strategy

**Engagement action:** Russell Investments engaged with a German utilities’ provider on climate change resilience strategy and decarbonisation targets.

**Engagement objective:** Russell Investments engaged the company to understand how it plans to deliver on its net-zero ambition, given that over 95% of its emissions are Scope 3 and largely outside its direct control. We also sought clarity on its decision not to pursue SBTi-validated long-term targets.

**Engagement summary:** The Company reported that Scope 1, 2, and 3 emissions have been reduced by 50%, 24%, and 46% respectively since 2019. Its decarbonisation strategy includes measures such as grid modernisation, electrification solutions, and green energy procurement. However, these initiatives are described qualitatively, without clear disclosure of their expected contribution to emission reductions, related CapEx, or timelines. The company's €43 billion investment plan through 2028 focuses primarily on grid infrastructure, and it does not currently apply a uniform internal carbon price.

The company outlined a decentralised approach, with each business unit responsible for its own carbon plan feeding into group targets. Most capital spending supports grid readiness for renewable energy integration, though near-term impacts on Scope 3 emissions remain limited.

**Engagement outcome:** Russell Investments will continue to engage with the Company as it realizes its decarbonization goals. Future engagement will focus on encouraging the company to provide greater transparency on the drivers of Scope 3 reductions, associated investments, and how it engages customers and policymakers to accelerate progress toward its net-zero goal.

### Example 3: Direct Engagement on AI and responsible digitalisation

**Engagement action:** Russell Investments engaged for the first time with a United States healthcare provider. The company serves the healthcare market as a provider of health benefits for individuals, employers, governments and care providers, as well as those without the benefit of employer sponsored health benefits coverage.

**Engagement objective:** The objective of the engagement is to promote stronger oversight of AI risks, including unintended bias, patient harm, and algorithmic opacity, through transparent governance structures.

**Engagement summary:** The company has established a Responsible AI (RAI) program, supported by a multidisciplinary AI Review Board that provides oversight across business functions. Both internally developed and externally sourced AI tools are subject to the same review standards, reflecting a consistent approach to governance and risk management. Following reforms introduced in 2023, the company implemented enhanced ethical frameworks and instituted continuous performance reviews to monitor AI outcomes over time.

The company highlighted its focus on explainability, fairness, and oversight through the work of its Machine Learning Review Board. However, details regarding specific interventions—such as equity audits, stakeholder engagement, or consultation processes—were not disclosed.

**Engagement outcome:** While the Company demonstrated awareness of various risks relating to its use of AI, it faces ongoing challenges. Russell Investments will continue this engagement, and going forward, we will encourage the company to increase transparency around high-risk AI applications, external stakeholder engagement, and the outcomes of model interventions to further demonstrate responsible digital leadership.

## Industry participation

The Trustees encourage the Plan'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 Trustee can exercise these voting rights on behalf of members of the Plan and believe that the best approach is to delegate the execution of their policy to the Fiduciary Manager. The Trustee has 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 Trustee is pleased to report that they have, in their opinion, adhered to the policies set out in their SIP.

The Trustee is 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.