

STEWARDSHIP AND ENGAGEMENT IMPLEMENTATION STATEMENT:

1 January 2024 to 31 December 2024



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 Royal Institution of Chartered Surveyors Pension & Assurance Scheme (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 December 2024.

The Trustees’ Stewardship and Engagement policies are included in the SIP which is available [here](#).

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 June 2024. The Trustees confirmed that the policies remained suitable and in the best interests of members. No material changes were made.

During the course of 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 13,585 votes were placed on securities held in the Scheme’s Growth portfolio over the period under review. A summary of the voting activity carried out on behalf of the Trustees is set out overleaf.

Key statistics

	Management Proposals	Shareholder Proposals	Total Proposals
With Management	11,636	401	12,037
Against Management	637	201	838
Votes without Management Recommendation	28	27	55
Take No Action	651	4	655
Unvoted	0	0	0
Totals	12,952	633	13,585

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	144 (includes climate risk issues)
Social	220
Governance	12,566

This table excludes Take No Action votes.

Most significant votes

Criteria adopted

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 will consider votes that are aligned with the Fiduciary Manager's 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 Scheme. 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 December 2024, the Royal Institution of Chartered Surveyors Pension & Assurance Scheme was 16.6% invested in the Multi Asset Growth Strategy Fund (MAGS), which in turn held 51.0% in equities. At the same date, the Royal Institution of Chartered Surveyors Pension & Assurance Scheme was 1.7% of the total MAGS Fund.

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

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 against the 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.

Furthermore, as a CA100+ company, Woodside should be held to a higher standard than peers not in the CA100+ list due to its high-emitting status, and the Company has failed to completely meet 9 of 10 benchmark framework indicators.

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 essentially just 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.

Apple Inc*Shareholder Proposal Regarding Report on Use of Artificial Intelligence*

Date	28/02/2024
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Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.85%
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Mgmt. Rec.	Against
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How the vote was cast	For
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Vote outcome	Rejected
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Criteria for selection as significant vote:	Top Holding, Vote Against Management, Controversial Outcome, Social Shareholder Proposal
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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 36% of the vote. While the Company provides a broad range of disclosure related to its use of AI, as well as its human rights, diversity, and privacy policies and practices, it does not explicitly discuss the use of responsible AI practices in a manner that allows shareholders to fully comprehend how the Company is considering these matters. Additional transparency around this nascent issue will allow shareholders better insight into is using and ensuring the ethical application of AI technologies.

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 ~41% of shareholders.

Allstate Corp (The)

Shareholder Proposal Regarding Independent Chair

Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.32%
Date	14/05/24
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 have 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.

Russell 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. The Company also conducts an employee survey twice a year. The Company has 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.

Russell 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. *note 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 decarbonisation 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.

Russell 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 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.
- Challenge in expanding programs due to nature of business lines - either b2b or b2c makes approach more complicated.
- The Company does see continued governance risks to the board 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 Scheme'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”) and a member of Nature Action 100, and the Net Zero Asset Managers Initiative.

The UK Stewardship Code 2020, comprising a set of ‘apply and explain’ Principles, sets high stewardship standards for those investing money on behalf of UK savers and pensioners. The Fiduciary Manager’s latest investment stewardship report can be found [here](#).

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.

Nature Action 100 is a global investor engagement initiative mobilizing institutional investors to establish a common high-level agenda for engagements and a clear set of expectations to drive greater corporate ambition and action to stem nature and biodiversity loss. Investors participating in the initiative are engaging with 100 companies in key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030. The Fiduciary Manager joined Nature Action 100 upon its launch in 2023.

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 are able to exercise these voting rights on behalf of members of the Scheme and believe 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 over the year in this area and will continue to work with them to develop their policies in the future.