

Engagement Policy Implementation Statement (“EPIS”)

Ryder Pension Fund (the “Fund”)

Scheme Year End – 31 December 2022

The purpose of the EPIS is for us, the Trustee of the Ryder Pension Fund, to explain what we have done during the year ending 31 December 2022 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Fund’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, most of the Fund’s material investment managers were able to disclose good evidence of voting and/or engagement activity, that the activities completed by our managers align with our stewardship priorities, and that our voting policy has been implemented effectively in practice.

Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following steps over the next 12 months:

- BlackRock did not provide significant voting examples. The Funds Investment Consultant will reach out to BlackRock to let the manager know our expectations of better disclosures. .

How voting and engagement policies have been followed

The Fund is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Fund's investment managers. We reviewed the stewardship activity of the material investment managers carried out over the Fund year and in our view, most of the investment managers were able to disclose good evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Fund's investment managers can be found in the following sections.

Over the reporting year, we monitored the performance of the Fund's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). In particular, we received quarterly Environment Social Governance ("ESG") ratings from Aon for the funds the Fund is invested in where available.

The Fund's stewardship policy can be found in the SIP here <https://www.ryder.com/en-us/about-us/uk>

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What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Our fiduciary manager's engagement activity

We invest some of the Fund's in Aon Investments Limited ("Aon") Active Global Fixed Income Strategy. This is a fund of funds arrangement, where Aon selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to Aon. Aon's latest annual Stewardship Report shows that Aon is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

In 2021, Aon committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code ("the Code"). The Code is a set of high stewardship standards for asset owners and asset managers. The Code is maintained and assessed by the Financial Reporting Council ("FRC").

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. Understanding and monitoring the stewardship that investment managers practice in relation to the Fund's investments is an important factor in deciding whether a manager remains the right choice for the Fund.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Fund's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for each of the Fund's material funds with voting rights for the year to 31 December 2022.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
LGIM - Balanced Factor Equity Fund	11,634	99.7%	20.3%	0.2%
BlackRock - Aquila Life US Equity Index Fund	7,615	99.0%	3.0%	0.0%
BlackRock - Emerging Markets Equity Index Fund	32,753	97.0%	12.0%	4.0%
BlackRock - Aquila Life European Equity Index Fund	8,937	75.0%	12.0%	1.0%
BlackRock - Aquila Life Japanese Equity Index Fund	6,200	100.0%	2.0%	0.0%

Source: Managers

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Fund's managers use proxy voting advisers.

	Description of use of proxy voting adviser(s)
Legal and General Investment Management ("LGIM")	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 we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
BlackRock	BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Fund's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Fund's funds. A sample of these significant votes can be found in the appendix.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Fund's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm level i.e. is not necessarily specific to the fund invested in by the Fund.

Funds	Number of engagements		Themes engaged on at a firm-level
	Fund specific	Firm level	
LGIM - Balanced Factor Equity Fund	279	Not provided	Climate change, Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety), Inequality, Public health and Remuneration.
BlackRock - Aquila Life US Equity Index Fund	693	Not provided	Climate Risk Management, Remuneration, Board Composition and Effectiveness, Human Capital Management, Business Oversight/Risk Management and Sustainability Reporting.
BlackRock - Emerging Markets Equity Index Fund	450	Not provided	Climate Risk Management, Corporate Strategy, Board Composition and Effectiveness, Business Oversight/Risk Management, Governance Structure, Executive Management.
BlackRock - Aquila Life European Equity Index Fund	425	Not provided	Board Composition and Effectiveness, Remuneration, Climate Risk Management, Corporate Strategy, Human capital management and Business Oversight/Risk Management.
BlackRock - Aquila Life Japanese Equity Index Fund	366	Not provided	Corporate Strategy, Governance Structure, Climate Risk Management, Board Composition and Effectiveness and Human Capital Management.
Aon Active Global Fixed Income Strategy			
Aegon Asset Management - European Asset Backed Securities (ABS) Fund	132	441	Remuneration, Climate change, Reporting (e.g. audit, accounting, sustainability reporting), Human and labour rights (e.g. supply chain rights, community relations) and Board effectiveness - Independence or Oversight.
Schroders plc - International Selection Fund ("ISF") Securitised Credit Fund	Not provided	>2,800	Not provided
BlackRock - Absolute Return Bonds Funds	391	Not provided	Climate Risk Management, Remuneration, Human Capital Management, Board Composition and Effectiveness, Corporate Strategy and Business Oversight/Risk Management.

Source: Managers

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- LGIM did not provide detailed fund level engagement examples.
- Schroders did not provide fund level engagement examples.
- BlackRock did not provide significant voting examples.

This report does not include commentary on the Fund's liability driven investments and/or cash, gilts etc because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Fund’s managers. We consider a significant vote as one which the manager deems to be significant or a vote where more than 15% of votes were cast against management. Managers use a wide variety of criteria to determine what they consider a significant vote.

LGIM - Balanced Factor Equity Fund	Company name	Apple Inc.
	Date of vote	04-Mar-2022
	How the manager voted	For
	Did the manager communicate its intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM (Annual General Meeting) as our engagement is not limited to shareholder meeting topics.
	Summary of the resolution	Report on Civil Rights Audit
	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	~0.6%
	Outcome of the vote	Pass
	Rationale for the voting decision	Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.
	Implications of the outcome	LGIM will continue to engage with our investee companies, publicly advocate its position on this issue and monitor company and market-level progress.
	Criteria on which the vote is considered significant?	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.
BlackRock - Aquila Life US Equity Index Fund	Company name	Intel Corporation
	Date of vote	12-May-2022
	How the manager voted	Against
	Did the manager communicate its intent to the company ahead of the vote?	Not provided
	Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation
	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Not provided
	Outcome of the vote	Fail
	Rationale for the voting decision	Pay is not aligned with performance and peers.
	Implications of the outcome	Not provided
	Criteria on which the vote is considered significant?	Not provided
BlackRock - Emerging Markets Equity Index Fund	Company name	China Tower Corporation Limited
	Date of vote	14-Jan-2022
	How the manager voted	Against
	Did the manager communicate its intent to the company ahead of the vote?	Not provided
	Summary of the resolution	Elect Deng Shiji as Director and Authorize Board to Fix His Remuneration
	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Not provided
	Outcome of the vote	Pass
	Rationale for the voting decision	Vote AGAINST director due to concerns of gender-related diversity at the board level.
	Implications of the outcome	Not provided
	Criteria on which the vote is considered significant?	Not provided

BlackRock - Aquila Life European Equity Index Fund	Company name	TotalEnergies SE
	Date of vote	25-May-2022
	How the manager voted	Against
	Did the manager communicate its intent to the company ahead of the vote?	Not provided
	Summary of the resolution	Elect Agueda Marin as Representative of Employee Shareholders to the Board
	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Not provided
	Outcome of the vote	Fail
	Rationale for the voting decision	Another candidate is better suited to represent employees' interest.
	Implications of the outcome	Not provided
	Criteria on which the vote is considered significant?	Not provided
BlackRock - Aquila Life Japanese Equity Index Fund	Company name	Sumitomo Mitsui Financial Group, Inc.
	Date of vote	29-Jun-2022
	How the manager voted	Against
	Did the manager communicate its intent to the company ahead of the vote?	Not provided
	Summary of the resolution	Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement
	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Not provided
	Outcome of the vote	Fail
	Rationale for the voting decision	AGAINST shareholder proposal as the proposal will not serve shareholder's interest.
	Implications of the outcome	Not provided
	Criteria on which the vote is considered significant?	Not provided

Source: Managers