

IMPLEMENTATION STATEMENT

Engagement Policy Implementation Statement ("EPIS")

Ryder Pension Fund (the "Fund")

Fund Year End – 31 December 2023

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 2023 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, all of the Fund's most material investment managers were able to disclose good evidence of engagement activity, and the activities completed by our managers align with our stewardship expectations.

During the year, the Fund underwent a full buy-in during Q3 2023 where Aviva was selected as the Trustee's preferred provider (insurer) to complete a full liability risk transfer for the Fund. In short, the insurer is Aviva and there remains a small amount of residual assets in the Trustee Bank Account with the intention of investing this in a sterling liquidity fund.

The Fund does not invest in equities and so does not have any voting responsibilities. This report does not include commentary on the Fund's annuity because of the limited materiality of stewardship associated with this asset class.

How voting and engagement policies have been followed

During the Fund's reporting year, the Fund was invested into Aon Investments Limited Adept 2 Fund - Fixed Income Strategy and in BlackRock's Sterling Liquidity Fund, Gilts, and Index-linked Gilts. The responsibility of engagement is delegated to the Fund's investment managers, which is in line with the policies set out in our SIP. 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 adequate evidence of engagement activity. More information on the stewardship activity carried out by the Fund's material investment managers can be found in the following sections of this report.

In Q3 2023, the majority of the Fund assets were invested into an annuity policy underwritten by Aviva (the Insurer), with a small amount of residual assets remaining in the Trustee Bank Account with the intention of investing this in a liquidity fund.

This statement does not disclose stewardship information on the Fund's gilt portfolio held during the year or on their investments in cash and cash-like liquidity vehicles due to the limited materiality of voting and engagement to those asset classes.

Following the purchase of the buy-in policy with Aviva, the responsibility for managing arrangements with underlying investment managers lies with the insurer. This responsibility may include ensuring that arrangements with appointed asset managers are aligned to achieving the long-term objectives of Aviva and the Fund; as well as having appropriate performance, costs (including turnover costs) and remuneration monitoring with respect to the appointed asset managers.

The Trustee believes it has a limited ability to incentivise Aviva to align its investment strategy and decisions with the Trustee's policies in relation to stewardship, corporate governance and responsible investment. However, given the nature of the buy-in policies, the Trustee believes that Aviva are appropriately incentivised to make decisions relating to the medium and long term financial and non-financial factors which may influence performance.

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 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>

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 Environmental Social Governance ("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

Aon Investments Limited's ("AIL") engagement activity

We invest some of the Fund's assets in AIL Adept 2 - 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 investment managers to Aon. We have reviewed Aon's latest annual Stewardship Report and we believe it 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 investment managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the investment 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.

During 2023, Aon continued to work to implement its commitment 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 UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

Our investment 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 investment managers. The investment 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 funds invested in by the Fund.

Funds	Number of engagements		Themes engaged on at a fund/ firm level
	Fund level	Firm level	
AIL SF2 - Aegon ABS	127	528	Environment - Climate Change Governance - Board effectiveness - Diversity; Leadership - Chair/CEO; Remuneration Other - General Disclosure
AIL SF2 - M&G Sustainable TRCI	13	297	Environment - Net Zero/Decarbonisation Social - Diversity and Inclusion; Inequality Governance - Board Composition; Remuneration

Source: Investment managers.

Data limitations

This report does not include commentary on certain asset classes such as securitised debt, liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes.