

Annual Implementation Statement – for scheme year ending 5 April 2025

Ricardo Group Pension Fund

1. Introduction

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustees of the Ricardo Group Pension Fund (“the Fund”) covering the scheme year to 5 April 2025.

The purpose of this statement is to set out:

- Details of how and the extent to which, in the opinion of the Trustees, the Fund’s policy on engagement and voting (as set out in the Statement of Investment Principles (the “SIP”)) has been followed during the year; and
- A description of voting behaviour (including the “most significant” votes made on behalf of the Trustees) and any use of a proxy voter during the year.

The SIP is a document which outlines the Trustees’ policies with respect to various aspects related to investing and managing the Fund’s assets including but not limited to: the Trustees objectives, choice of investments and risks.

The latest version of the SIP can be found online here:

<https://www.ricardo.com/media/jytlxonz/rqpf-sip-august-2023-unsigned.pdf>

This statement reflects the Scheme year 6 April 2024 to 5 April 2025. The SIP linked above reflects the latest version of the SIP which is dated August 2023.

2. Adherence to the SIP – voting and engagement

The Trustees’ policies on voting and engagement, as stated in the SIP are:

- The Trustee recognises its responsibilities as owners of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments.
- The Trustee has delegated to its investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks and ESG considerations.
- The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers’ general policies on stewardship, as provided to the Trustee from time to time, taking into account the long-term financial interests of the beneficiaries. The Trustee seeks to appoint managers that have strong stewardship policies and processes, reflecting where relevant the recommendations of the UK Stewardship Code issued by the Financial Reporting Council, and from time to time the Trustee reviews how these are implemented in practice.
- The Trustee also expects its Fiduciary Manager to review the stewardship policies and practices of the Fund’s underlying managers and to engage with managers to improve those policies and practices where necessary.

As the investment managers of pooled funds, in which the Fund is invested, are generally responsible for exercising voting rights and as the Trustees otherwise delegates responsibility for the exercising of voting rights to the Fund's investment managers, it is the responsibility of the Trustees to monitor, review and engage with investment managers with respect to how they have undertaken these activities.

The same policy applies to corporate engagement with the management of companies the Fund is invested in. Given the investment in pooled funds, the Trustees have delegated corporate engagement to the Fund's investment managers. The Trustees monitors the managers on how they have undertaken these activities.

Over the period, the Trustees have reviewed the quarterly reports from their investment managers which includes information on their Corporate governance and engagement. The Trustees are comfortable with their investment managers approaches to ESG issues.

As outlined in the SIP, the Trustees recognise the UK Stewardship Code 2020 and monitors the Fund's investment managers' adherence to the Code. CTI's 2024 Stewardship report can be found via the links below:

[Columbia Threadneedle Investments - Stewardship Report 2024](#)

The Trustees believe that the Fund's engagement policy as outlined in the SIP has been adhered to over the Scheme year and will continue to monitor the investment managers' stewardship practices on an ongoing basis.

3. Voting information

The Fund is invested in a diverse range of asset classes. However, this document focusses on the equity investments which have voting rights attached.

The Fund's equity holdings as at the end of the year are held in a pooled investment fund and are managed on a passive basis relative to a defined index. Therefore, the voting entitlements in this fund lies with the investment manager.

As set out in the SIP, the Trustees' policy is to delegate the exercising of rights (including voting and stewardship) and the integration of ESG considerations in day-to-day decisions to the Fund's investment managers. This section sets out the voting activities of the Fund's equity investment managers over the year, including details of the investment managers' use of proxy voting.

All fund managers have their own voting policies that determine their approach to voting and the principles they follow when voting on investors' behalf. All investment managers also use voting proxy advisors which aid in their decision-making when voting. Details on the managers voting policies are given in the appendix.

The below table sets out the voting activity of the Fund's equity investment managers, on behalf of the Trustees. Please note however that the information provided relates to the year to 31 December 2024.

Manager and strategy	Portfolio structure	Voting activity
Acadian Asset Management	Fund	<p>Number of meetings eligible to vote at: 477</p> <p>Number of resolutions eligible to vote on: 5,317</p> <p>Percentage of resolutions voted: 100%</p> <p>Percentage of resolutions voted with management: 89.73%</p> <p>Percentage of resolutions voted against management: 10.27%</p> <p>Percentage of resolutions abstained: 0.06%</p> <p>Percentage of resolutions a withheld: 0.47%</p> <p>Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management 56.39%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 0.00%</p>
Los Angeles Capital Management, LLC		<p>Number of meetings eligible to vote at: 336</p> <p>Number of resolutions eligible to vote on: 4,219</p> <p>Percentage of resolutions voted: 100%</p> <p>Percentage of resolutions voted with management: 86%</p> <p>Percentage of resolutions voted against management: 10%</p> <p>Percentage of resolutions abstained: 1%</p> <p>Percentage of resolutions a withheld: 4%</p> <p>Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management 51%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 0.00%</p>
State Street Defensive equity		<p>Number of meetings eligible to vote at: 107</p> <p>Number of resolutions eligible to vote on: 1,548</p> <p>Percentage of resolutions voted: 100%</p> <p>Percentage of resolutions voted with management: 94.83%</p> <p>Percentage of resolutions voted against management: 5.17%</p> <p>Percentage of resolutions abstained: 0.06%</p> <p>Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management 33.64%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 7.43%</p>

State Street World equity		<p>Number of meetings eligible to vote at: 1461</p> <p>Number of resolutions eligible to vote on: 21,093</p> <p>Percentage of resolutions voted: 99.17%</p> <p>Percentage of resolutions voted with management: 92.16%</p> <p>Percentage of resolutions voted against management: 7.84%</p> <p>Percentage of resolutions abstained: 0.12%</p> <p>Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management 50.72%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 6.45%</p>
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Voting statistics are sources from the investment managers

The Trustee has been provided with detailed voting information across the various fund managers. Due to the length of these documents, they have not been incorporated within this document however they are available to share on request.

Appendix 1: Manager voting policies

Use of Proxy voting Services

Acadian Asset Management

Acadian utilises Institutional Shareholder Services (ISS) to research and vote proxies related to accounts that contractually delegated proxy voting responsibility to Acadian. ISS casts these votes on behalf of Acadian and its clients in accordance with a client directed policy which could be ISS standard voting policy, an ISS custom voting policy (ESG as an example), or a client created custom voting policy. Acadian's Operations Team monitors voting on an ongoing basis.

Los Angeles Capital Management, LLC

Los Angeles Capital has retained an unaffiliated third-party, Glass, Lewis & Co., LLC ("Glass Lewis"), to act as an independent proxy voting provider. Glass Lewis provides proxy analysis, voting recommendations and administration, record keeping, and manages other operational and reporting matters of the proxy voting process.

When Los Angeles Capital is given proxy voting authority together with a client's voting policy, the Firm oversees compliance with such policy. When the client elects to use the Firm's standard proxy guidelines, the Firm will vote in accordance with the guidelines approved by the Firm's Proxy Committee. The Committee has approved the use of Glass Lewis' U.S. and Global guidelines, which may be modified from time to time.

Glass Lewis provides for the timely execution of specified proxy votes on the Firm's behalf, which includes complete account set up, vote execution, reporting, recordkeeping, and compliance with ERISA. Los Angeles Capital's responsibility for voting proxies is generally determined by the obligations set forth under each client's Investment Management Agreement, Limited Partnership Agreement, Prospectus, or other legal documentation governing the account. While Los Angeles Capital will accept direction from clients on specific proxy issues for their account, the Firm reserves the right to maintain its standard position on all other client accounts for which the Firm has proxy authority.

State Street Defensive Equity and State Street World equity:

State Street use a variety of third-party service providers to support its stewardship activities. Data and analysis from service providers are used as inputs to help inform State Street's position and assist with prioritisation. However, all voting decisions and engagement activities are undertaken in accordance with State Street's in-house policies and views, ensuring the interests of its clients remain the sole consideration when discharging its stewardship responsibilities. State Street have contracted ISS to assist with managing the voting process at shareholder meetings. State Street use ISS to: (1) act as its proxy voting agent (providing State Street Global Advisors with vote execution and administration services), (2) assist in applying our voting guidelines, (3) provide research and analysis relating to general corporate governance issues and specific proxy items, and (4) provide proxy voting guidelines in limited circumstances. In addition, State Street also have access to Glass Lewis and region specific meeting analysis provided by the Institutional Voting Information Service. Research and data provided by these third parties complement its in-house analysis of companies and individual ballot items. All final voting decisions are based on State Street's proxy voting policies and in-house operational guidelines.

Conflicts of interest

There are no known conflicts. It is the underlying managers who vote and the underlying portfolios are held in the name of the Fund and therefore the underlying managers do not know the names of the clients invested in the Fund.