

Ricardo Group Pension Fund

Implementation Statement for the year ended 5th April 2022

Dated: September 2022

1) Purpose of the Implementation statement

This Implementation Statement (“**Statement**”) provides information on how, and the extent to which, the Trustee of the **Ricardo Group Pension Fund (the “Fund”)** have, in their opinion, followed the Fund’s policy in relation to the exercising of rights (including voting rights) and engagement attached to the Fund’s investments during the year ended 5th April 2022 (the “**Reporting Year**”). In addition, the Statement provides a description of the voting behaviour on behalf of the Trustee (including the most significant votes cast on behalf of the trustees during the Reporting Year).

2) Fund policy on Responsible Investment and Stewardship.

The Fund’s Statement of Investment Principles (“**SIP**”) includes the policy of the Trustee in respect of responsible investment and stewardship. The Trustee developed this policy in conjunction with their investment advisers.

Changes in policy in Reporting Year

There were no changes to the policy in the Reporting Year.

The Fund continues to invest entirely in pooled funds and, as such, delegates responsibility for carrying out voting and engagement activities to the Fund’s fund managers. The Fund’s overall fiduciary manager selects underlying fund managers and reviews the stewardship and engagement activities of the underlying managers at appointment and on an ongoing basis. Each year the Trustee will also receive and review voting and engagement information from the investment managers (via the fiduciary manager), which it will review to ensure alignment with its own policies and use to prepare the Fund’s Implementation Statement.

3) Adherence to policy

Structure of Equity Holdings and other voting rights

The Fund invested entirely in pooled funds and, as such, delegates responsibility for carrying out voting and engagement activities to the Fund’s fund managers. The pooled fund structure means that there is limited scope for the Trustee to influence managers’ voting behaviour.

How voting and engagement policies have been followed in the Reporting Year

Overall, the Trustee reviewed the voting and engagement activities of the managers held during the Reporting Year alongside preparation of the Statement and were satisfied that their policies were reasonable and in line with the Fund’s policies. Therefore, no remedial action was required during the Reporting Year. The fiduciary manager also has responsibility to review the stewardship and engagement policies of a manager upon appointment and on an ongoing basis.

Some managers only report voting and engagement activity annually, some managers reporting periods do not precisely match the Reporting Year.

- Voting activity is typically reported by managers in quarterly periods (unless otherwise stated below) and the Trustee has considered data from 31 March 2021 to 31 March 2022 as representative of the Reporting Year.
- Engagement data is produced quarterly or for bespoke periods by some managers, but for others is only produced annually. The fiduciary manager reviewed all managers historical voting and engagement activities ahead of appointment and on an ongoing basis.

4) Relevant Investments in Reporting Year and voting data

Investment funds within which voting activities were undertaken are listed below.

Funds representing 15% of Fund assets as at 5th April 2022 contained voting rights.

Equity Funds:

- Acadian Global Managed Volatility Fund
- State Street Global ESG Screen Defensive Equity
- State Street World Equity Index Fund
- Acadian Multi Asset Absolute Return Fund

There are no voting rights attached to other assets held by the Fund in the Reporting Year.

Voting Undertaken

Manager	StateStreet	Acadian	StateStreet	Acadian
Fund Name	StateStreet World Index Equity	Acadian Global Managed Volatility Fund	State Street Global ESG Screened Defensive Equity	Acadian Multi Asset Absolute Return Fund
Structure	Pooled Fund	Pooled Fund	Pooled Fund	Pooled Fund
Ability to influence votes	Limited scope to influence	Limited scope to influence	Limited scope to influence	Limited scope to influence
No. of meetings eligible to vote at	1,642	412	126	97
No. of resolutions eligible to vote on	22,260	4,174	1,752	1,254
% of resolutions voted on	99%	90%	100%	84%
% voted with management	90%	84%	93%	87%
% voted against management	10%	15%	7%	8%
% abstain	0%	0%	0%	2%
Were proxy advisory services used	Y	Y	Y	Y

Please note that the sum of “% voted with management”, “% voted against management” and “% abstain” may not sum to 100% because of both rounding and in some instances management do not provide guidance, so cannot vote with or against management.

Nature and extent of proxy advisory services where used

StateStreet use a variety of third-party service providers (Examples include ISS and Glass Lewis) to support their stewardship activities. Data and analysis from service providers are used as inputs to help inform their position and assist with prioritization. However, all voting decisions and engagement activities are undertaken in accordance with StateStreet’s in-house policies and views.

Acadian use an external service provider (Glass Lewis) as their proxy administrator. They are responsible for applying custom guidelines when executing proxy votes. In cases where the guidelines specify case-by-case review by committee, or for any proposal not specifically addressed in the guidelines, internal Proxy Analysts will review available information (including certain research provided by their proxy administrator and provide a recommendation to the Proxy Voting committee. The committee will then vote on the proposal(s) in question and communicate a decision for their proxy administrator to execute.

Significant Votes

Please note that we have more data that can be provided on request for both StateStreet and Acadian regarding significant votes. We include two examples here for illustration.

MANAGER	StateStreet	Acadian
Company name	Alphabet Inc.	Microsoft Corporation
Date of vote	2021-06-02	2021-11-30
Approx. size of fund holding as % of fund	1.29%	2.27%
Summary of resolution	Link Executive Pay to Social Criteria	Shareholder Proposal Regarding Report on Effectiveness of Workplace Sexual Harassment Policies
Vote	Against	For, Against Management
Where voted against, was this communicated to management ahead of vote?	We do not publicly communicate our vote in advance.	No
Rationale for vote	This item does not merit support due to concerns with the terms of the proposal.	Section XIX - Shareholder Proposal related to Environment and Social issues will be referred for a case-by-case vote
Outcome of vote	NOT PROVIDED BY STATESTREET	Passed
Implications of vote	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.	This proposal was referred to the Proxy Voting Committee, per our guidelines. The committee found that, considering that the company provides little current disclosure on its sexual harassment policies and has faced a number of high-profile controversies concerning sexual harassment over the years, support for this proposal is warranted.
Why is this a 'Significant Vote'	SH - E&S Proposal	Top Holding, Vote Against Management, Controversial Outcome, Social Shareholder Proposal

Engagement Undertaken

Manager	PGIM	StateStreet	Twelve Capital	Wellington
Fund(s)	Global High Yield and Global Investment Grade	Global ESG Screened Defensive Equity, World Index Equity	Twelve Cat Bond Fund	Global High Yield Bond Fund
Does the manager perform engagement with companies they have invested in and/or relevant counterparties?	Yes	Yes	Yes, as part of investment analysis discussions with brokers and counterparties	Yes
Number of engagements undertaken on holdings in the fund during reporting period?	24	Manager does not report engagements at a fund level	No, not ESG specifically	450
Categorisation of engagements undertaken on the fund holdings during the reporting period.	HY: 5 environmental, 1 environmental and social, 1 environmental, social and governance, 1 social and governance, 2 governance IG: 4 environmental, 1 governance, 1 environmental & social, 1 social & governance, 3 environmental & social & governance, and 4 environmental & governance.	N/A	N/A	N/A
Number of engagements undertaken at a firm level during reporting period	305	N/A	66	N/A
Categorisation of engagements undertaken at a firm level during the reporting period.	Unfortunately, we are unable to provide a breakdown at the firm level	N/A	N/A	N/A

Example of an engagement undertaken during the reporting period.	A Roundtable for Fixed Income investors to discuss a bank's climate change strategy. Key areas of focus were disclosures on total financed emissions (scope 3), methods of encouraging clients to improve their emissions	We withheld our support from the senior independent board member nominee at Domino's Pizza's 2021 AGM due to the company's failure to meet our expectations related to ESG disclosure relative to its industry peers.	N/A	N/A
Where no fund or firm level data provided (please populate below entries)				
Proportion of client assets				
Period in reporting year (months)	12	12	12	12

Manager	Acadian	BMO	Leadenhall
Fund(s)	Global Managed Volatility Fund, Multi Asset Absolute Return Fund	LDI Funds, Global Low Duration Credit, Sterling Corporate Credit, Absolute Return Bond Fund	Cat Bond Fund
Does the manager perform engagement with companies they have invested in and/or relevant counterparties?	Yes	Yes	Yes

Number of engagements undertaken on holdings in the fund during reporting period?	Manager does not report engagements at a fund level	781 across all holdings	Manager does not report engagements at a fund level
Categorisation of engagements undertaken on the fund holdings during the reporting period.	N/A	on average 50% of engagements have focussed on Environmental Standards, 45% have focussed on corporate governance and 5% have focussed on public health	N/A
Number of engagements undertaken at a firm level during reporting period	Data not yet available for reporting period.	1838 engagements on 911 companies	N/A
Categorisation of engagements undertaken at a firm level during the reporting period.	N/A	10% Public Health, 55% Corporate Governance, 35% Environmental Standards	N/A
Example of an engagement undertaken during the reporting period.	N/A	AbbVie Inc – Call on access to Medicine - We had a call with a Vice President, Corporate Responsibility & Global Philanthropy, and another company representative about AbbVie’s approach to enabling access to medicines and disclosure on this material topic. We began the call by discussing AbbVie’s view on the Access to Medicine Index’s (ATMI) methodology and the positive dialogue which company representatives have recently had with the Access to Medicine Foundation. We strongly encouraged AbbVie to participate in the upcoming data submission process for the ATMI, flagging our	N/A

		concerns that the company's access to medicine initiatives are not accurately reflected in the findings of the 2021 ATMI because the company declined to submit data. For example, we think that AbbVie's approach to access planning for R&D projects deserves more credit. We also discussed the importance of publishing ESG data and – crucially – targets in AbbVie's annual ESG Action Report. We are cautiously optimistic about AbbVie's trajectory and will continue to monitor the company's progress.	
Where no fund or firm level data provided			
Proportion of client assets	4.60%		3.80%
Period in reporting year (months)	12	12	12