

Implementation Statement

Ryland Group Pension Scheme

Scheme year end 31 March 2025

Purpose of this statement

This Implementation Statement has been produced by the Trustee of the Ryland Group Pension Scheme ("the Scheme") to set out the following information over the year to 31 March 2025:

- how the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

In March 2025, the Scheme switched its corporate bond holdings from the M&G Long Dated Corporate Bond Fund to the newly incorporated M&G Long Dated Sterling Credit Fund. The M&G Long Dated Sterling Credit Fund was incorporated to be managed similarly to the M&G Long Dated Corporate Bond Fund. Due to the incorporation date of March 2025, the M&G Long Dated Sterling Credit Fund does not have voting and engagement data. As a result, we have set out voting and engagement data for the M&G Long Dated Corporate Bond Fund throughout this Implementation Statement.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 March 2025 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It has been made available online here: <https://www.sytner.co.uk/statement-of-investment-principles>

The Trustee decided not to set stewardship priorities for the Scheme because the Scheme solely invests through pooled investment vehicles where the Scheme's asset only represents a small proportion of the capital invested in the funds. The Trustee understands that they are constrained by the policies of the managers. Additionally, as at 31 March 2025 the Scheme invests only in fixed income and LDI assets, which have no voting rights attached.

How voting and engagement policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustee believes that their policies on voting and engagement have been met in the following ways:

- At the Scheme year end, the Scheme's investment managers were M&G Investments ("M&G") and Insight Investment ("Insight"). The Trustee considers the performance of the funds held with the investment managers on a regular basis, and any significant developments that arise.

- The Scheme invests entirely in pooled funds, and as such delegates' responsibility for carrying out voting and engagement activities to the Scheme's investment managers.
- Over the period reported in this Implementation Statement, the Trustee has received data on voting and engagement from their investment managers in relation to the funds they manage.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the investment managers are in alignment with the Scheme's ESG and stewardship policies.

The tables provided in the remainder of this Statement provide an indication of the investment managers' overall voting and engagement activities.

Summary

Based on the information received, the Trustee believes that the investment managers have acted in accordance with the Scheme's stewardship policies. The Trustee is supportive of the key stewardship action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the managers hold shares.

**Prepared by the Trustee of the Ryland Group Pension Scheme
July 2025**

Voting Data

Over the year to 31 March 2025, the Scheme held no assets with voting rights attached. The M&G Long Dated Corporate Bond Fund, Insight Short Dated Buy and Maintain Bond Fund and Insight LDI portfolio have no voting rights attached and limited ability to engage with key stakeholders given the nature of the holdings. Therefore, there is no voting data or significant voting information to report. This also means there was no use of proxy voting services over the period.

Engagement data

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's investments in the Insight LDI portfolio due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	M&G	Insight
Fund name	Long Dated Corporate Bond Fund	Short Dated Buy and Maintain Bond Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	5	108
Number of entities engaged on behalf of the holdings in this fund in the year	4	67
Number of engagements undertaken at a firm level in the year	411	939

Source: M&G, Insight.

Examples of engagement activity undertaken over the year to 31 March 2025

M&G Long Dated Corporate Bond Fund

Name of entity engaged: BHP Billiton Finance Ltd

Type of engagement: Fund level

Topic: Environment – net zero commitments and climate transition plans

Rationale for the engagement: To encourage the company to set scope 3 targets, disclose progress on phasing out thermal coal and improve disclosure on capital allocation required to meet targets.

Actions: M&G had a meeting with the Head of Climate Risk and the Vice President of ESG (Investor Relations) to make their expectations known.

Outcomes and next steps: The company has committed to reaching net zero emissions for their scope 1 and scope 2 operational greenhouse gas emissions by 2050. The company has also set a long-term goal, rather than

target of net zero scope 3 greenhouse gas emissions by 2050. Additionally, the company confirmed that it will fully exit thermal coal by 2030, and has published its exit plan for Mt Arthur coal on its public website.

Furthermore, the company took on board M&G's comments around improving disclosure on the capital allocation required to meet its targets. The company has committed \$4bn over the decade to FY2030 to execute its operational decarbonization plans. This incorporates capital expenditure and lease commitments that were previously expected to be classified as capital expenditure. In terms of next steps, M&G will continue to monitor progress.

Insight Short Dated Buy and Maintain Bond Fund

Name of entity engaged: Volkswagen

Type of engagement: Firm level

Topic: Social – human rights

Rationale for the engagement: Insight have engaged with the company on ESG factors several times over recent years due to weak ESG performance. Most pertinent to this engagement, is their previous discussions with the company about a controversy related to a plant operated with a local partner under a joint venture in China. The plant allegedly used the forced labour of ethnic minorities through a coercive state sponsored labour-transfer programme. As a result, the company was flagged by a ratings company as a violation of United Nations Global Compact (UNGC) principles. An audit was conducted, and a summary report was released by the issuer in December 2023 which found no evidence of forced labour. As a result, the external ratings agency subsequently removed the red flag.

The company has since sold the plant in China; however human rights is still an area of concern given the company's supply chain and weak reporting on the topic. The company has a high number of direct suppliers and a fifth of these suppliers are considered to operate in high-risk regions so are further assessed via questionnaires and risk audits. The company also appears to only have a reactive process to putting in measures for indirect suppliers, to respond to risks or breaches. This falls short of Insight's understanding of the EU's Corporate Sustainability Due Diligence Directive (CSDDD). Therefore, Insight wanted to engage with the company again to understand how it plans to evolve its approach for due diligence.

Actions: Insight asked the issuer about how the company is managing its suppliers operating in high-risk regions. The company only highlighted a focus on human rights compliance and awareness that human rights violations are pervasive within its supply chain. Insight also queried whether the issuer would consider including metrics on indirect suppliers within its human rights reporting framework for direct suppliers, which the company responded that it has a dedicated officer and function to conduct deep dives into parts of its supply chain that may be sensitive to human rights violations.

Finally, Insight asked whether the company intends to increase its coverage and assessments of its direct suppliers with self-assessment questionnaires and auditing coverage. The company highlighted it has instituted specific Key Performance Indicators (KPIs) related to responsible and sustainable supply chains. 79% of the company's supply chains are rated positively, representing 79% of its total procurement volume, with a target of greater than 95% by 2040.

Outcomes and next steps: Given the continued concern regarding the company's human rights due diligence practices, Insight have retained their restriction on the company in Insight' Responsible Horizons funds. Insight communicated to the company their view on best practice relating to the human rights issues and will monitor for any updates to the company's approach.