



The Ryanair UK Pension Plan – DC & DB Sections

Implementation Statement

For the year ending 31 December 2020

Introduction

This Implementation Statement (the “Statement”) has been prepared by the Trustee of The Ryanair UK Pension Plan, on behalf of the members of the Defined Contribution Section and Defined Benefits Section of The Ryanair UK Pension Plan (the “Plan”), with input from their Investment Consultants, to demonstrate how the Trustee has acted on the policies within their Statement of Investment Principles (“SIP”).

Each year, the Trustee must produce an Implementation Statement that demonstrates how they have followed certain policies within their SIP over the Plan year. This Implementation Statement covers the Plan year from 1 January 2020 to 31 December 2020.

This Implementation Statement has been prepared in accordance with the Occupational Pension Schemes (Investment and Disclosure) Regulations 2005 Amendments and is in respect of both the Defined Contribution (“DC”) and Defined Benefits (“DB”) investments held by the Plan.

Please note that Plan’s SIP is reference to the Plan’s DC investments only and a separate SIP for the Plan’s DB investments has not been produced to date. To this extent, the DB section below is with respect to the principles set out in the existing SIP.

Trustees of pension schemes are required to provide details of how, and the extent to which, their SIP policies on engagement with investee companies have been followed over the year, including a description of their voting behaviour, the most significant votes cast and any use of a proxy voter on their behalf over the year.

This implementation statement should be read in conjunction with the Plan’s SIP covering the year under review, which gives details of the Plan’s investment policies along with details of the Plan’s governance structure and objectives.

DC Section

The Plan invests in five Self-Select pooled funds all of which are managed by Standard Life (the “Investment Manager”). The Self-Select funds are as follows:

- Standard Life UK Equity Pension Fund
- Standard Life Managed Pension Fund
- Standard Life Stock Exchange Pension Fund
- Standard Life At Retirement (Multi-Asset Universal) Pension Fund (Formerly Annuity Purchase Fund)
- Standard Life Multi-Asset Managed (20-60% Shared) Pension Fund

How the SIP policies were followed over the year

In the opinion of the Trustee, the SIP has been followed throughout the year for the DC Section of The Ryanair UK Pension Plan.

SIP Policies

The Plan’s SIP was updated during the Plan year to include policies on investment manager arrangements, in particular:

The Trustee’s policies on investment objectives and risk (Section 2.1 and 2.2 of the SIP, respectively)

Under the DC Section, the Trustee’s primary investment objectives are:

Policy	Assessment
To offer an appropriate range of alternative self-select investment options for members that wish to make their own investment choices, recognising that members may have different needs and objectives.	An appropriate range of alternative self-select investment options is offered for members that wish to make their own investment choices.
To achieve good member outcomes net of fees and subject to an acceptable level of risk.	Members are responsible for their own choice of investment options. The self-select offering includes a range of passive low-cost index tracker funds.
That the expected volatility of the returns achieved is managed through appropriate diversification of asset types in order to control the level of volatility and risk in the value of members’ pension pots.	The self-select offering includes a range of passive low-cost index tracker funds across multiple asset classes sufficient to put together a well diversified investment portfolio.
<p>Members are responsible for their own choice of investment options. The accumulated value of a member’s pension at retirement can:</p> <ul style="list-style-type: none"> - Be used to purchase an annuity from an insurance company; or - Remain invested offering members scope to withdraw funds as and when they choose (this is known as a flexible income or income drawdown); or - Be withdrawn in total or part upon retirement (although there will be a tax charge on anything above the 25% tax-free limit); or - Be utilised across a combination of some or all of the above. 	There are appropriate options within the self-select offering for members who wish to follow each of the available options at retirement.

Risk in a DC scheme lies with the members themselves. In determining suitable investment choices to members, the Trustee has considered a number of risks, including inflation risk, retirement income risk, investment manager risk, conversion risk and custody risk.

The Trustee’s policies on day-to-day management of the assets (Section 3 of the SIP)

Policy	Assessment
<p>Main Assets</p> <p>The assets of the Plan’s DC Section will be managed by its Platform Provider, Standard Life Assurance Company (“Standard Life”).</p> <p>The Platform Provider may invest in underlying funds run by other investment managers, who are responsible for the management of the underlying funds. The investment managers are responsible for stock selection and the exercise of voting rights.</p>	The Trustee is satisfied with the day-to-day discretionary management of assets by the asset manager, Standard Life, over the year.

<p>Investment Diversification</p> <p>The Trustee is satisfied that the Platform Provider has a range of funds available to cover broad range of asset classes that suit the individual needs.</p> <p>The Trustee is satisfied that the spread of assets and the Investment Manager’s policies on investing in individual securities broadly provides adequate diversification of investments.</p>	<p>The Trustee is satisfied that the policy on investment diversification was followed over the year.</p>
<p>Investment options</p> <p>The Platform Provider has made available a range of funds to suit the individual needs of the Plan’s members. For example, equity funds are available for those members willing to accept a greater level of volatility in pursuit of higher expected retirement savings. Bond and cash funds are offered for those members who are less comfortable with the likely greater volatility of the equity funds.</p> <p>There is no default investment arrangement for members who do not actively make their investment choices. Each member must choose how any contributions they make (or which are made on their behalf) are to be invested. The Plan’s Retirement Age is 65, although members may specify a different Target Retirement Age.</p> <p>The Trustee currently offers one customised lifestyle strategy. This lifestyle strategy automatically invests members in a growth fund (UK equities) for the period up to 7 years from expected retirement at which stage it introduces a multi-assets retirement fund, and at 3 years out from expected retirement it introduces a cash fund. The lifestyle strategy is designed for investors who have yet to decide how they are going to take their retirement income or who want to take flexible income.</p> <p>The Trustee maintains an Investment Implementation Policy Document (IIPD) which contains details of the Plan’s investment arrangements. Details of the arrangements can be found in the IIPD.</p>	<p>The Trustee is satisfied that the the options available to members satisfy the conditions in the SIP.</p>
<p>Expected Return</p> <p>The Trustee expects the long-term return of the investment options that invest predominantly in equities and other growth assets to exceed i) price inflation ii) general salary growth and iii) long term returns on bonds and cash.</p> <p>The investment options which invest predominantly in bonds and lower risk assets are expected to provide returns above cash and/or in line with bonds, but their primary purpose is to lower the volatility of returns experienced and to preserve capital value.</p>	<p>The Trustee is satisfied that the policies on long term expected returns over the year were appropriate.</p>

The Trustee continues to monitor the suitability of the self-select range and alongside the investment consultant, continues to monitor the Investment Manager’s actions and performance.

The Trustee’s policies on ESG considerations and stewardship (Section 4 of the SIP)

The Trustee has set an appropriate monitoring framework to ensure the Plan’s investment manager is regularly reviewed. This is to promote greater transparency in understanding the reasons behind performance trends and key risk exposures, and also engagement activity and compliance with the Trustee’s stated ESG policy. Regular monitoring, with specific reference to ESG factors should incentivise the Plan’s investment manager to assess and improve the medium to long-term performance of investee companies, both financial and non-financial.

The Trustee’s policies on manager arrangements and the Platform Provider (Section 5 of the SIP)

Members’ pension pots in the DC Section are invested entirely in pooled investment funds alongside other investors, and the Trustee does not therefore directly invest in underlying companies or have the ability to engage directly with these companies.

The DC Section offers options for investment to members which include exposure to shares. The Trustee does not directly exercise voting rights as these investments are through pooled funds with many other investors. Voting rights are exercised by Standard Life and Standard Life disclose their voting records publicly on their website, including summaries of their positions for significant shareholder votes. Standard Life apply a consistent voting policy across shares held through pooled funds.

Further detail on the approach taken by Standard Life to exercise voting rights is set out below.

Description of voting behaviour

Over the year Plan was invested in five Self-Select funds where underlying assets included publicly listed equities. These were:

- Standard Life UK Equity Pension Fund
- Standard Life Managed Pension Fund
- Standard Life Stock Exchange Pension Fund
- Standard Life At Retirement (Multi-Asset Universal) Pension Fund (Formerly Annuity Purchase Fund)
- Standard Life Multi-Asset Managed (20-60% Shared) Pension Fund

We have obtained voting information from the Investment Manager on the five Self-Select funds. The Trustee’s voting behaviour over the Plan year for these funds is summarised below.

The following table shows Standard Life’s voting summary covering the Plan’s investment in the Standard Life UK Equity Pension Fund:

Standard Life UK Equity Pension Fund	1 January 2020 – 31 December 2020
Number of resolutions Standard Life was eligible to vote on over the year	2491
Of the eligible resolutions, percentage that Standard Life voted on.	97.2%
Of the resolutions voted, percentage that Standard Life voted with management.	98.4%
Of the resolutions voted, percentage that Standard Life voted against management.	1.7%
Of the resolutions voted, percentage where Standard Life abstained .	0.4%

The following table shows Standard Life's voting summary covering the Plan's investment in the Standard Life Managed Pension Fund:

Standard Life Managed Pension Fund	1 January 2020 – 31 December 2020
Number of resolutions Standard Life was eligible to vote on over the year	5583
Of the eligible resolutions, percentage that Standard Life voted on.	97.2%
Of the resolutions voted, percentage that Standard Life voted with management.	94.3%
Of the resolutions voted, percentage that Standard Life voted against management.	5.7%
Of the resolutions voted, percentage where Standard Life abstained .	2.3%

The following table shows Standard Life's voting summary covering the Plan's investment in the Standard Life Stock Exchange Pension Fund:

Standard Life Stock Exchange Pension Fund	1 January 2020 – 31 December 2020
Number of resolutions Standard Life was eligible to vote on over the year	5502
Of the eligible resolutions, percentage that Standard Life voted on.	98.0%
Of the resolutions voted, percentage that Standard Life voted with management.	94.3%
Of the resolutions voted, percentage that Standard Life voted against management.	5.7%
Of the resolutions voted, percentage where Standard Life abstained .	2.4%

The following table shows Standard Life's voting summary covering the Plan's investment in the Standard Life At Retirement (Multi-Asset Universal) Pension Fund:

Standard Life At Retirement (Multi-Asset Universal) Pension Fund	1 January 2020 – 31 December 2020
Number of resolutions Standard Life was eligible to vote on over the year	6969
Of the eligible resolutions, percentage that Standard Life voted on.	97.3%
Of the resolutions voted, percentage that Standard Life voted with management.	93.6%
Of the resolutions voted, percentage that Standard Life voted against management.	6.4%
Of the resolutions voted, percentage where Standard Life abstained .	2.7%

The following table shows Standard Life’s voting summary covering the Plan’s investment in the Standard Life Multi-Asset Managed (20% -60% Shared) Pension Fund:

Standard Life Multi-Asset Managed (20% -60% Shared) Pension Fund	1 January 2020 – 31 December 2020
Number of resolutions Standard Life was eligible to vote on over the year	6970
Of the eligible resolutions, percentage that Standard Life voted on.	96.5%
Of the resolutions voted, percentage that Standard Life voted with management.	92.2%
Of the resolutions voted, percentage that Standard Life voted against management.	7.8%
Of the resolutions voted, percentage where Standard Life abstained .	2.6%

Standard Life view all votes as significant and votes globally for all shares of which it has voting authority. Standard Life believe companies should adopt best practice in corporate governance and risk management including the management of environmental and social risks as this makes them more likely to achieve sustainable, long-term investment performance. More specifically Standard Life follow the framework below for its voting decisions:

1. “Companies should be run to generate long-term business success”
2. “Companies should maintain and protect investor rights”
3. “Companies should communicate openly and clearly”
4. “Companies should be led and overseen by effective and genuinely independent boards”
5. “Companies need to manage key risks actively and effectively”
6. “Pay structures should be long-term and aligned with the corporate strategy”
7. “Companies should establish and work to maintain an effective and positive corporate culture”

Standard Life votes by proxy as given the scale of its holdings, the Investment Manager cannot be present at all shareholder meetings to cast votes. Standard Life votes by proxy through the Institutional Shareholder Service’s (‘ISS’) electronic voting platform which is guided by the framework above. Standard Life uses ISS to process voting execution and receives recommendations on how to vote but has a customised voting policy that ISS apply and where that is not relevant, Standard Life reviews and decides on all votes.

Analysis of the votes made in respect of each fund predominantly includes voting for ESG factors such as human rights, climate change and corporate structures as well as meaningful reporting and disclosures and voting against remuneration resolutions.

How engagement policies have been followed

The Trustee intends to review a summary of the voting and engagement activity taken on their behalf on an annual basis going forwards. The information published by the Investment Manager on their voting policies has provided the Trustee with comfort that their voting and engagement policies have been followed during the Plan year.

Engagement with investee companies

Exercising voting rights is not the only method of influencing behaviours of investee companies. Non-equity investments such as the Plan’s corporate bond holdings can also include engagement activities, but these investments do not carry voting rights. For example, the Standard Life Annuity Targeting Pension Fund does not have voting or engagement information available as it invests in government bonds.

The Trustee expects the Investment Manager to engage with investee companies on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, corporate governance, social and environmental issues concerning the Trustee’s investments.

Standard Life is committed to exercising responsible ownership and believe that companies adopting improving practices in corporate governance and risk management have the potential to deliver enhanced returns to shareholders. Standard Life's fund managers and analysts meet regularly with management and non-executive directors of the companies invested in.

Extent to which Trustees' policies have been followed during the year

Having reviewed the actions taken by Standard Life on behalf of the Trustee, the Trustee believes that their policies on voting rights (where applicable) and engagement have been implemented appropriately over the year and in line with the Investment Manager's policies. The Trustee will continue to monitor the actions taken on their behalf each year and press for improved information from the Investment Manager (both in quantity and quality of data available).

If the Investment Manager deviates substantially from the Trustee's stated policies, the Trustee will initially discuss this with the relevant manager. If in the opinion of the Trustee the difference between the policies and the investment manager's actions is material, the Trustee will consider terminating the mandate.

DB Section

SIP Policies

The Plan invests in a single pooled fund managed by Aberdeen Standard Investments Limited (“ASI” or “Investment Manager”).

If the Investment Manager deviates substantially from the Trustee’s stated policies, the Trustee will initially discuss this with the relevant manager. If in the opinion of the Trustee the difference between the policies and the investment manager’s actions is material, the Trustee will consider terminating the mandate.

In the SIP revised during the Plan year, the Trustee stated the following policies on the exercise of voting rights and engagement activities related to its investments (the below are partial extracts from the SIP):

- The investment managers regularly publish detailed results of how their stewardship policies are enacted in practice and the Trustee expects the investment managers to provide regular updates on how they exercise those rights, including how often they vote against company proposals.
- The Trustee has delegated the responsibility for the exercise of all rights (including voting rights) attaching to the investments to the investment managers.
- The Trustee acknowledges that certain ESG factors are financially material and may therefore influence the risk and return characteristics of the Plan’s investments and the likelihood that the Plan’s objectives will be achieved. To confirm, no consideration has been given to non-financial considerations, nor has the Plan’s membership been consulted on such issues.
- As part of the selection, retention and realisation of the Plan’s investments, the Trustee, in consultation with their Investment Advisor, have reviewed the ESG and stewardship policies of their investment managers and are comfortable that these policies are consistent with their views.
- The Trustee will keep its investments under review, and should they feel that any investment manager no longer acts in accordance with its views on ESG, the Trustee will take the following steps:
 - engage with the investment manager in the first instance, in an attempt to influence their policies on ESG and stewardship; and
 - if necessary, look to appoint a replacement investment manager or managers that are more closely aligned with the Trustee’s policies and views.
- These statements are made noting that the Plan’s assets are invested in pooled funds and as such, the Trustee is restricted in their ability to directly influence its investment manager on the ESG policies and practices of the companies in which the pooled funds invest.

Description of Equity Voting Behaviour

Over the year the Plan was invested in one mandate where underlying assets included publicly listed equities. This was the Standard Life Managed Pension Fund.

The following table shows ASI’s voting summary covering the Plan’s investment in the Standard Life Managed Pension Fund:

Standard Life Managed Pension Fund	1 January 2020 – 31 December 2020
Number of resolutions ASI was eligible to vote on over the year	6,027
Of the eligible resolutions, percentage that ASI voted on.	97.86%
Of the resolutions voted, percentage that ASI voted with management.	92.52%
Of the resolutions voted, percentage that ASI voted against management.	5.26%

Of the resolutions voted, percentage where ASI abstained .	2.17%
Of the resolutions voted, percentage where ASI withhold .	0.05%

ASI will only consult with clients before voting who have a segregated mandate in place. For ASI's active and passive equity holdings, their voting activity is made available publicly on their website. ASI have no definition classification of 'significant votes', however an analysis of votes reveals that the predominant themes for voting against management were around remuneration practices and performance targets (i.e. rejecting proposed incentive plans and remuneration increases, pushing back on soft performance targets and voting against re-election of directors).

Proxy Voting

The Trustee did not employ a proxy-voting service during the Plan year to 31 December 2020.

ASI votes by proxy as given the scale of its holdings, the Investment Manager cannot be present at all shareholder meetings to cast votes. ASI votes by proxy through the Institutional Shareholder Service's ('ISS') electronic voting platform. ASI uses ISS to process voting execution. ASI receives recommendations on how to vote but has a customised voting policy that ISS apply and where that is not relevant, ASI reviews and decides on all votes.

How engagement policies have been followed

The Trustee intends to review a summary of the voting and engagement activity taken on their behalf on an annual basis going forwards. The information published by the Investment Managers on their voting policies has provided the Trustee with comfort that their voting and engagement policies have been followed during the Plan year.

Engagement with investee companies

Exercising voting rights is not the only method of influencing behaviours of investee companies and was not directly applicable for the Fund's non-equity investments as these investments do not carry voting rights.

The Trustee has requested information on engagement activities on behalf of the Plan's investment in the Standard Life Managed Pension Fund when possible.

Extent to which Trustee's policies have been followed during the year

Having reviewed the actions taken by ASI on behalf of the Trustee, the Trustee believes that their policies on voting rights (where applicable) and engagement have been implemented appropriately over the year and in line with the Investment Managers' policies. The Trustee will continue to monitor the actions taken on their behalf each year and press for improved information from the Investment Managers (both in quantity and quality of data available).

If the Investment Manager deviate substantially from the Trustee's stated policies, the Trustee will initially discuss this with the relevant manager. If in the opinion of the Trustee the difference between the policies and the investment manager's actions is material, the Trustee will consider terminating the mandate.



This document is confidential and it is not to be copied or made available to any other party. Deloitte Total Reward and Benefits Limited does not accept any liability for use of or reliance on the contents of this document by any person save by the intended recipient(s) to the extent agreed in a Deloitte Total Reward and Benefits Limited engagement contract.

If this document contains details of an arrangement that could result in a tax or National Insurance saving, no such conditions of confidentiality apply to the details of that arrangement (for example, for the purpose of discussion with tax authorities).

Deloitte Total Reward and Benefits Limited is registered in England and Wales with registered number 03981512 and its registered office at Hill House, 1 Little New Street, London EC4A 3TR, United Kingdom.

Deloitte Total Reward and Benefits Limited is a subsidiary of Deloitte LLP, the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Deloitte Total Reward and Benefits Limited is authorised and regulated by the Financial Conduct Authority.

© 2021 Deloitte Total Reward and Benefits Limited. All rights reserved.