Millbrook Pension Plan

Implementation Statement, covering 1 January 2025 to 31 December 2025

The Trustee of the Millbrook Pension Plan (the "Plan") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles ("SIP") during the Plan Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

1. Introduction

There were no changes made to the voting and engagement policies in the SIP during the Plan Year. The Trustee has, in its opinion, followed the Plan's voting and engagement policies during the Plan Year.

2. Voting and engagement

The Trustee has delegated to General Motors Investment Management Corporation ("GMIMCo") and its investment managers the exercise of rights attaching to investments, including voting rights, and engagement. Management of these matters has been delegated to GMIMCo, and the investment managers have been delegated responsibility for actually exercising the rights and conducting engagements in respect of the assets of the Plan.

However, the Trustee takes ownership of the Plan's stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the ongoing review of the investment managers, the Plan's investment adviser, LCP, and GMIMCo incorporate their assessments of the nature and effectiveness of managers' approaches to voting and engagement.

The Trustee has set stewardship priorities to focus engagement with their investment managers on specific ESG factors. The Trustee has received training from LCP on understanding the DWP's stewardship guidance and setting stewardship priorities. After discussion, the Trustee agreed to select Climate Change as its priority.

This was selected as a priority because it is one of the ESG factors that the Trustee has formed a good understanding of after a significant amount of training in recent years, and is appropriate given the nature of the assets and sponsoring company. The Trustee's stewardship priorities have been communicated to the investment managers.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Plan Year

The Trustee's holdings in listed equities are held in pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. The Trustee is not able to direct how votes are exercised in pooled funds and the Trustee expects managers to vote in line with their own policies. The Trustee itself has not used proxy voting services over the Plan Year. The Trustee monitors managers' voting and engagement behaviour on an annual basis and challenges where their activity has not been in line with the Trustee's expectations.

In this section, the Trustee has sought to include voting data in line with Pensions UK's guidance, on the Plan's portfolios that hold equities.

The Trustee has obtained the relevant voting data for Section 3 from the Plan's asset manager that holds equities.

In addition, the Trustee contacted the Plan's asset managers that do not hold listed equities, to ask if any of the assets held by the Plan had voting opportunities over the Plan Year. One bond portfolio had two voting opportunities. This has been excluded from this statement on materiality grounds. None of the other portfolios that the Plan invested in over the Plan Year held any assets with voting opportunities.

3.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which its manager has in place.

The Plan is invested in one fund which holds equities. The Trustee asked the manager to provide an overview of its process for deciding how to vote, detail its policies on consulting with clients before voting and to explain how, if at all, it makes use of proxy voting services. The manager's responses are set out below.

Manager 1

The manager does not consult with clients before voting proxies. It outsources proxy voting services to Institutional Shareholder Services (ISS).

The manager engages a third party service provider to provide proxy-voting services for client accounts (including Sponsored Funds), including vote analysis, execution, reporting and certain recordkeeping services. Environmental, social and corporate governance (ESG) principles are taken into account in the service provider's standard proxy voting policies. In addition, it makes available enhanced ESG specific proxy voting services upon request. Proxy voting services are monitored periodically by its Client Operations team.

3.2 Summary of voting behaviour

A summary of voting behaviour over the Plan Year is provided in the table below.

	Fund 1
Total size of fund at end of the Plan Year	£507m
Number of equity holdings at end of the Plan Year	779
Number of meetings eligible to vote	1000
Number of resolutions eligible to vote	11,834
% of resolutions voted	92%
Of the resolutions on which voted, % voted with management	90%
Of the resolutions on which voted, % voted against management	10%
Of the resolutions on which voted, % abstained from voting	1%
Of the meetings in which the manager voted, % with at least one vote against management	41%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor (if applicable)	0%

Figures may not sum exactly due to rounding.

3.3 Most significant votes

Commentary on a selection of the most significant votes over the period for the Plan's manager with listed equity holdings is set out below.

The Trustee did not inform the manager which votes it considered to be most significant in advance of those votes.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. The Trustee has retrospectively selected a shortlist of most significant votes from the manager's list of significant votes (generally comprising a minimum of ten most significant votes). The Trustee suggested the manager could use the Pensions UK's criteria[1] for creating this list. By informing its manager of its stewardship priorities and through its regular interactions with the manager, the Trustee believes that its manager will understand how it is expected to vote on issues for the companies it invest in on the Trustee's behalf.

The Trustee has interpreted "significant votes" to mean those that are:

- aligned with its stewardship priorities (Climate Change);
- potentially materially impactful on future company performance;
- believed by the investment manager to represent a significant escalation in engagement;
- a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor;
- of a high media profile or are seen as being controversial;
- shareholder resolutions which received material support;
- the subject of the resolution aligned with the investment manager's engagement priorities or key themes; and/or
- of particular interest to the Plan or the sponsoring company.

The Trustee has reported on one significant vote per mandate only (for brevity). If members wish to obtain more manager voting information, this may be made available upon request from the Trustee.

Fund 1

Guangzhou Yuexiu Capital Holdings Group Co. Ltd., January 2025

- **Relevant stewardship priority:** n/a
- **Vote cast:** Against
- **Outcome of the vote**: Not available
- **Management recommendation:** For
- **Summary of resolution:** Approve the Estimated Amount of External Guarantees
- **Rationale for the voting decision:** A vote against is warranted because the level of guarantee to be provided to one of its subsidiaries is disproportionate to the level of ownership in the said subsidiary. The company has failed to provide valid justifications in the meeting circular.
- **Was the vote communicated to the company ahead of the vote:** n/a
- **Approximate size of the mandate's holding at the date of the vote:** 0.02%
- **The reason the Trustee considered this vote to be "most significant":** Potentially materially impactful on future company performance.

[1] Vote reporting template for pension scheme implementation statement - Guidance for Trustees. Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.