Implementation Statement for the Year to 31 March 2025

The Motability Defined Benefit Pension Scheme ("the Scheme")

Introduction

In June 2022, the Department of Work and Pensions (DWP) issued guidance for trustees of pension schemes to produce an Implementation Statement to meet pension disclosure requirements.

This Implementation Statement describes the voting and engagement policies of the Trustees of the Motability Defined Benefit Pension Scheme ("the Trustees") along with a summary of voting and engagement behaviour related to the Scheme's investments over the 12-month period to 31 March 2025.

The purpose of this Implementation Statement is to provide evidence that the Scheme continued to follow and act on the principles outlined in the Statement of Investment Principles ('the SIP'). During the Scheme year, the Seventh Edition of the SIP was replaced with the Eighth Edition (dated November 2024).

This report details:

- Actions the Trustee has taken to manage financially material risks and implement the key policies in its SIP;
- The current policy and approach with regards to Environmental, Social and Governance (ESG) factors and the actions taken with managers on managing ESG risks; and
- The extent to which the Trustee has followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in which they invest.

Summary of key actions undertaken over the Scheme reporting year

During the Scheme year there were no material changes to the investment strategy.

However, a new fund, the Columbia Threadneedle Net Zero Low Duration Credit Fund, was funded by a special contribution received from the sponsoring employer.

Implementation Statement

This report demonstrates that the Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Managing Risks

Risk	Definition	Policy	Actions
Interest rates and inflation	This risk of changes to interest rates or inflation affecting the value of the assets in a different way to the value of the liabilities and negatively impacting funding.	To invest in matching assets that move in line with the present value of the Scheme liabilities.	The Scheme is invested in LDI and Gilts-based funds, as well as credit, which aim to hedge a material part of the Scheme's inflation and interest rate risk.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the Liability Driven Investment ("LDI") manager.	The Trustees continue to stress test liquidity as part of the quarterly reporting. Liquidity is maintained in credit, cash and other daily traded funds.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away from any unrewarded risks, where practicable.	The Scheme invested in a multi-asset fund which aims to reduce market volatility by diversifying across different sectors, geographies and asset classes. It also invests in credit and income-based strategies to further diversify sources of return.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors where possible.	The Scheme has credit exposure through a number of funds with different credit strategies.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	To appoint managers who integrate ESG into their investment process, utilise their right to vote and have good reporting on ESG matters.	The Trustees expect the investment managers to make decisions on: • The selection, retention and realisation of investments, taking into account all financially material considerations. • The exercising of rights (including voting, where they are able) attached

			to the investments they make. • Undertaking engagement activities with investee companies and other stakeholders where appropriate. The Trustees undertake training on ESG and Stewardship and do not feel it necessary to set any specific voting priorities at this time.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	To invest in GBP denominated share classes where possible.	The Scheme invested in GBP denominated share classes, save for, save for four illiquid funds in run-off.
Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	These factors may be considered, where relevant, by the Trustees.

Changes to the SIP

The SIP was updated in November 2024.

ESG as a financially material risk

The SIP references the Scheme's policy with respect to ESG as a long-term risk. Details of how the Scheme's ESG policy is implemented is set out in a later section. The ESG policy is as follows:

- The Trustees believe ESG, including climate change, to be an important long-term factor when making investment decisions. It is therefore considered as part of the selection and retention of asset classes and fund managers, using analysis provided by their investment adviser.
- The Trustees believe that climate change is a financially material consideration when investing and engage with their managers on the issue, encouraging them to consider the impact climate change may have on their portfolios. They expect fund managers to, as far as possible, align with the Task Force on Climate-Related Financial Disclosures.
- Non-financially material ESG factors may be considered where it is believed there is a majority membership preference or where the financial impact is unlikely to be detrimental to returns.
- Where there is choice, investment will be in fund managers with a superior ESG approach, as rated by the investment adviser, all else being equal. Fund managers are expected to report on ESG issues and developments.
- The Trustees engage with the Sponsor on their ESG policy and consider any views they may have.

Engagement with the Sponsoring Employer

The ESG policy has been discussed and agreed with the Sponsoring Employer. The Sponsoring Employer also attends Trustee meetings and is kept updated on all material developments in relation to ESG.

The rest of this statement details the Trustees' view of the managers and an evaluation of their stewardship activities.

The following table outlines the areas which the Scheme's investment managers are assessed on when evaluating their ESG policies. The Trustees review the Scheme's ESG policies and arrangements periodically to ensure they remain fit for purpose.

Implementing the Current ESG Policy

Areas for monitoring and engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social and Corporate Governance factors and the exercising of rights.	The Trustees receive information from its investment advisers on the investment managers' approach to engagement.	A manager has not acted in accordance with their policies and frameworks. A manager's policies are not aligned with the Trustees.

Engagement and Voting

Fund Manager	Policies	Engagement and Voting
VT-RM Alternative Income Fund	Responsible Investment Policy - active stewardship integral part of approach, companies that deliver wider societal benefits will be successful. A list of activities they will not invest in, even if the activity is along the supply chain, nor will they invest in companies with a significant negative impact such as gambling. Voting, Engagement & Escalation Policy engagement is key to making a difference.	Engagements: • Environmental: 25* • Social: 25* • Governance: 25 + 40** *Number of DDQs sent out ** one-to-one meetings with board or investment manager.
Ormonde Multi-Asset Fund	The fund has been in wind-down for 24 months. As at the end of the Scheme year, all assets had been sold and the final payment was due to be received in July 2025.	Given the position, engagement has only been on the timing of final payments.
Chenavari Regulatory Capital Fund	The fund makes up less than 0.5% of the portfolio and is in the process of paying back remaining capital.	Given the position, engagement has only been on the sale of the remaining assets.
Harbert III, Harbert IV, Lunar Capital IV, Phoenix V	These are illiquid property and private equity funds that are all in harvest mode.	Given the stage of the funds' lives, engagement has only been on the sale of remaining assets.
Columbia Threadneedle Multi-Asset Fund	Documents are available on their website covering RI policies. Responsible investment | Columbia Threadneedle Investments	CT's primary driver for engagement is to support long-term investment returns by mitigating risk, capitalising on opportunities linked to ESG factors and reducing any material negative impact that their investment decisions could have. An example of a key climate engagement is with Smurfit Westrock, one of the world's largest paper and board packaging companies. Engagement has been on climate and nature-related risks. CT undertook a two-day visit to their site in Columbia where they witnessed improvements in

		biodiversity, which has been a focus for the last two years. Please see below for detail on voting and engagement.
Columbia Threadneedle LDI and Cashflow Matching	Documents are available on their website covering RI policies. Responsible investment | Columbia Threadneedle Investments	For LDI portfolios, CT engage with counterparty banks that provide them with leverage to encourage them to identify and manage ESG risks. Within LDI and cashflow matching, CT record specific outcomes, where objectives for engagement are met, as “milestones”. An example of a significant engagement was with HSBC Bank. CT noted that HSBC became the first UK bank to publish a climate transition report highlighting their decarbonisation strategy and climate risk management. Please see below for more information, noting that CT only report half yearly on LDI engagement.
Columbia Threadneedle Net Zero Low Duration	Documents are available on their website covering RI policies. Responsible investment | Columbia Threadneedle Investments	Within the Net Zero Low Duration fund, CT record specific outcomes, where objectives for engagement are met, as “milestones. An example of engagement is with Volkswagen AG, who announced the sale of sites in Xinjiang, China following NGO reporting links to forced labour. CT had engaged six times on the topic over two years and the sale of the site is considered a good outcome.

Columbia Threadneedle MAF (for the year to 31 March 2025)

Request	Response
How many meetings were you eligible to vote at?	437
How many resolutions were you eligible to vote on?	5818
What % of resolutions did you vote on for which you were eligible?	99.1%
Of the resolutions on which you voted, what % did you vote with management?	91.2%
Of the resolutions on which you voted, what % did you vote against management?	7.6%
Of the resolutions on which you voted, what % did you vote to abstain?	1.2%
In what % of meetings, for which you did vote, did you vote at least once against management?	44.4%

Company Name	Meeting Date	Approximate size of holding as at the date of the vote (as % of portfolio)	Summary of the resolution	How voted	Where you voted against management, did you communicate your intent to the company ahead of the vote?	Rationale for the voting decision (CT perspective)	Outcome of the vote	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	On which criteria have you assessed this vote to be "most significant"?
Alphabet Inc.	2024-06-07	1.0%	Report on Lobbying Payments and Policy	For	No	While we appreciate that the company provides some disclosure around board and management oversight of lobbying activities and information on its policy priorities, we note that the company does not disclose direct lobbying expenses on its website or in a user-friendly format, does not disclose indirect lobbying expenses or expenditures made to organizations that may lobby on its behalf, does not disclose a congruency report for its lobbying, and does not address grassroots lobbying in its policies. It also does not describe specific board and management oversight for its trade association memberships.		Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals
Amazon.com, Inc.	2024-05-22	1.3%	Report on Median and Adjusted Gender/Racial Pay Gaps	For	No	The proposed enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management.	Fail	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals
The Goldman Sachs Group, Inc.	2024-04-24	0.3%	Report on Pay Equity	For	No	The proposed enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management.	Fail	Active stewardship (engagement and voting) continues to form an	Vote against management on certain environmental or social proposals

								integral part of our research and investment process.	
Amazon.com, Inc.	2024-05-22	1.3%	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining	For	No	Shareholders would benefit from increased disclosure through a third-party assessment of the company's commitment to its freedom of association policies and practices to provide assurance regarding the company's claims.	Fail	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals
Amazon.com, Inc.	2024-05-22	1.3%	Report on Customer Due Diligence	For	No	Shareholders would benefit from increased disclosure on the company's approach to customer due diligence. The company faces risks related to human rights in its global operation. Good practices include developing a clear process and narrative on how impacts are monitored and effectively mitigated.	Fail	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals
Amazon.com, Inc.	2024-05-22	1.3%	Commission Third Party Study and Report on Risks Associated with Use of Rekognition	For	No	Shareholders would benefit from increased disclosure on the company's approach to customer due diligence. The company faces risks related to human rights in its global operation. Good practices include developing a clear process and narrative on how impacts are monitored and effectively mitigated.	Fail	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals
Alphabet Inc.	2024-06-07	1.0%	Publish Human Rights Risk Assessment on the AI-Driven	For	No	Shareholders would benefit from further information on how the company plans to mitigate human rights risks related to its targeted advertising practices given the company faces several investigations		Active stewardship (engagement and voting) continues to form an integral part of	Vote against management on certain environmental or social proposals

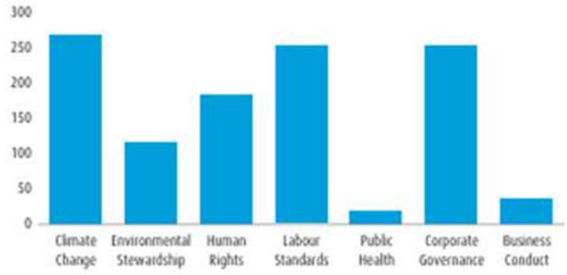
			Targeted Ad Policies			regarding its practices and with rising regulatory risks particularly in the EU.		our research and investment process.	
Meta Platforms, Inc.	2024-05-29	1.0%	Report on Human Rights Impact Assessment of Targeted Advertising	For	No	Shareholders would benefit from further information on how the company plans to mitigate human rights risks related to its targeted advertising practices given the company faces several investigations regarding its practices and with rising regulatory risks particularly in the EU.		Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals
Vertex Pharmaceuticals Incorporated	2024-05-15	0.3%	Report on Median and Adjusted Gender/Racial Pay Gaps	For	No	Shareholders could benefit from the median pay gap statistics that would allow them to compare and measure the progress of the company's diversity and inclusion initiatives.	Fail	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals
Intuitive Surgical, Inc.	2024-04-25	0.3%	Report on Gender/Racial Pay Gap	For	No	Shareholders could benefit from the median pay gap statistics that would allow them to compare and measure the progress of the company's diversity and inclusion initiatives.		Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.	Vote against management on certain environmental or social proposals

Columbia Threadneedle Company Level

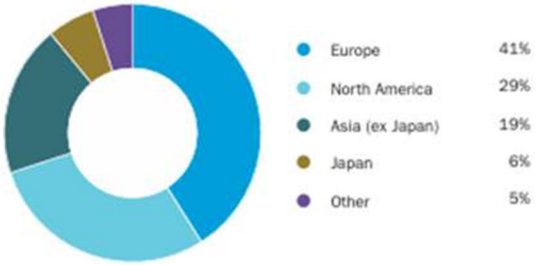
H1 2024

Total engagements	659
Companies engaged	553
Milestones achieved	100
Countries covered	43

Engagement by theme



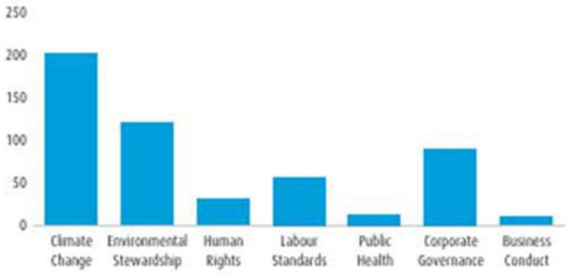
Engagement by geography



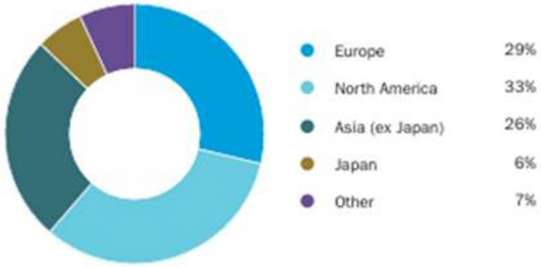
H2 2024

Total engagements	281
Companies engaged	235
Milestones achieved	109
Countries covered	32

Engagement by theme



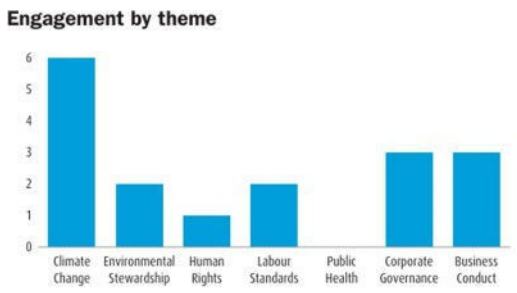
Engagement by geography

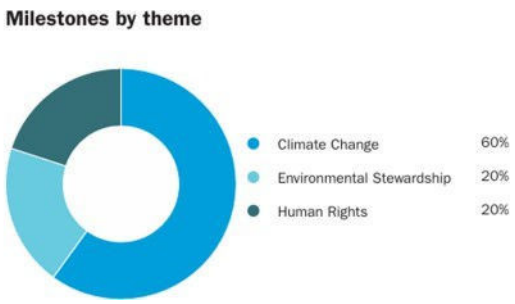


Columbia Threadneedle LDI

H1 2024

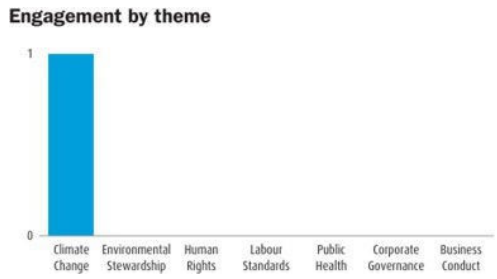
Total Engagements	8
Companies Engaged	5
Milestones Achieved	5
Countries Covered	4





H2 2024

Total Engagements	1
Companies Engaged	1
Milestones Achieved	0
Countries Covered	1

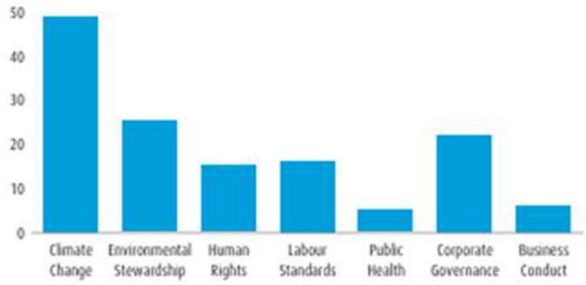


Columbia Threadneedle Net Zero Low Duration

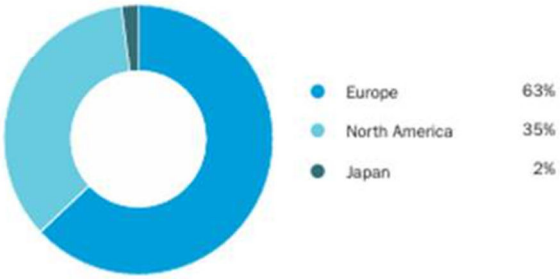
H1 2024

Total engagements	70
Companies Engaged	43
Milestones achieved	10
Countries covered	13

Engagement by theme



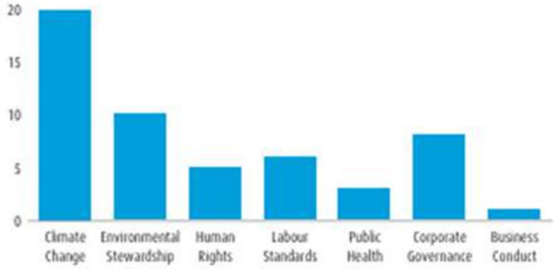
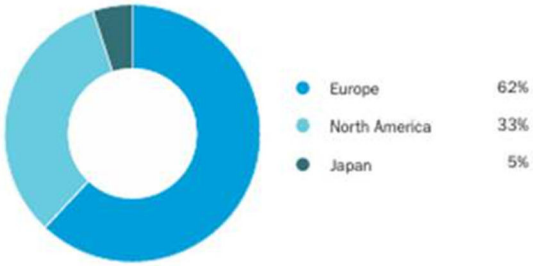
Engagement by geography



H2 2024

Total engagements	28
Companies Engaged	21
Milestones achieved	4
Countries covered	7

Engagement by theme



Engagement by geography