Motorola Pension Scheme (DC Section): Annual Implementation Statement

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ("SIP") produced by the Trustee has been followed during the year to 31 December 2024, including the Trustee's voting and engagement policies. This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

The Implementation Statement is also required to describe the voting behaviour during the 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 Implementation Statement should be read in conjunction with the SIP which can be accessed at Scheme SIP.

The disclosures here relate to the Defined Contribution (DC) Section of the Scheme. The Trustee prepares a separate statement in relation to the Defined Benefit (DB) Section. This Implementation Statement relates to the relevant SIPs in force over the period, namely:

- The SIP dated July 2023, which was in force up to 30 August 2024.
- The SIP dated August 2024, which was in force thereafter.

In relation to investment governance, the Trustee Board meets at least four times per year. During the year covered by this Statement, the Trustee also held three DC-only Trustee meetings to focus solely on DC matters.

The Trustee is supported by an independent DC adviser, who attends Trustee meetings when DC matters are considered. The Trustee's legal adviser and representatives of the administrator also provide support and attend meetings of the Trustee Board and / or the Scheme's Administration and Communication Committee when required.

Stewardship Priorities

The Trustee has set its stewardship priorities as follows:

- Climate change
- Human capital management, including diversity, equity, and inclusion
- Governance and compliance.

These priorities have been set based on their financial materiality as regards long term returns and risks for the DC Section investments. We also note that the priorities are broadly aligned with three of the sponsoring employer's six pillar environmental, social, and governance (ESG) framework.

Review of the SIP

The Trustee reviewed the SIP during the third quarter of 2024, and a final revised SIP was agreed in August 2024. The main change to the SIP was the addition of a policy on investment in illiquid assets, which is a new requirement from the Government. However, the Trustee's investment strategy did not change during the year.

Assessment of how the SIP policies have been followed for the Scheme year

The information provided in the following table highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the policies in the SIP. The SIP is included within the report and accounts and sets out the policies referenced below. **In summary, it is the Trustee's view that the policies in the SIP have been followed during the Scheme year to 31 December 2024.**

Dean Dyson

Signed by the Chair of Trustees for and on behalf of Motorola Solutions Pension Trustees Ltd
Date Signed: 22 July 2025

Motorola Pension Scheme (DC Section): Annual Implementation Statement

Requirement	Relevant Policy in SIP	In the year to 31 December 2024
Securing compliance with the legal requirements about choosing investments.	Section 1.	There were no new investments chosen by the Trustee during the Scheme year. The Scheme's DC investment adviser attended DC Trustee meetings during the year and provided updates on the investments and, where required, appropriateness of the funds used.
Kinds of investments to be held and the balance between different kinds of investments.	Section 3, including disclosures on the default investment strategy.	The default investment arrangements are reviewed triennially, and the last review was concluded in 2023. Details of the review are set out in the Chair's Statement. The review concluded that the default strategy remained appropriate, and therefore no changes have been made to the kinds of investments held, or the balance between different kinds of investments in the default strategy or wider fund range. Therefore, the kinds of investment held in the Scheme and the balance between those investments remain consistent with the SIP. The Scheme's default strategy uses a multi-asset fund and a lifestyle strategy. As part of ongoing governance, the Trustee reviewed the asset allocation of the multi-asset fund on a six-monthly basis, and the performance of the lifestyle strategy, using reports prepared by the DC adviser. The kinds of investments held, and the balance between them, was deemed to be in line with the policies set out in the SIP. The overall Scheme asset allocation was also consistent with the SIP policies. In developing the Trustee's policy on illiquid assets during the year, the Trustee considered whether investment in such assets may be suitable. The Trustee concluded that it is comfortable *indirectly* investing in a small proportion of the default arrangements in these less liquid assets, to gain access to the potential for positive returns and the benefits of diversification. However, the Trustee is also aware of the risks of investment in illiquid assets. These risks include the potential for valuations of illiquid assets to not reflect their true value at a given time, and liquidity constraints (meaning there can be delays in accessing funds); as such the Trustee considers *direct* investment into an illiquid asset fund as not currently appropriate, although this is kept under review.

Motorola Pension Scheme (DC Section): Annual Implementation Statement

Requirement	Relevant Policy in SIP	In the year to 31 December 2024
Risk and return, including the ways in which risks are to be measured and managed, and the expected return on investments.	Section 3, including the references to benchmarks for expected returns.	The Trustee formally reviewed the measurement of key investment risks on a six-monthly basis during the year as part of its investment monitoring process. These reports were provided by the Scheme's DC investment adviser, independently of the underlying investment managers. One of the key risks noted in the SIP relates to inflation, and the risk that DC fund returns fail to keep pace with the cost of living. To monitor this risk, the Trustee reviews the performance of the default investment strategy relative to Consumer Price Inflation (CPI) plus a margin. This helps us to test whether the strategy is adequately mitigating inflation risk over the long term. At a Trustee meeting on 30 September 2024, the Trustee received a presentation from the main DC investment manager, L&G, which included performance and risk analysis, and ESG-related updates. This assisted the Trustee with its assessment of performance risk, investment manager risk, and ESG risks, including climate change. As part of a review of the Scheme's legacy additional voluntary contribution (AVC) policies during the year, the Trustee considered the returns produced by the unit-linked funds managed by one of the AVC providers. The Trustee concluded that these funds did not offer good value for members and that there were performance risks associated with the legacy arrangement. Therefore, the Trustee agreed to transfer these unit-linked funds to the DC Section funds with L&G. This transfer will be completed in 2025 and the Trustee looks forward to communicating with members on their options later this year.
Realisation of investments.	Section 3.	No changes to the liquidity of the funds used by the Scheme were experienced during the year. All DC funds are daily dealt pooled investment vehicles, accessed via insurance contracts. The Trustee receives reports from the administrator each quarter which detail the extent to which core financial transactions have been processed within service level agreements and regulatory timelines. There were no issues experienced with realisation of investments during the period.
Financial and non-financial considerations and how those are taken into account in the selection, retention and realisation of investments.	The Trustee considers the risks in the SIP to be 'financially material'.	There were no updates to this policy during the year but the risks identified and how they are measured and managed formed part of the investment monitoring conducted during the year, as noted above. A key financial risk, which is evolving over time, relates to climate change. The Trustee completed an extensive review of climate change related risks during the year covered by this Statement. This included considering climate metrics for the Scheme's investments (for example, carbon footprint, and the extent to which the companies in the Scheme's investment portfolio have set science-based targets around decarbonisation).

Motorola Pension Scheme (DC Section): Annual Implementation Statement

Requirement	Relevant Policy in SIP	In the year to 31 December 2024
Exercise of rights (including voting rights) attaching to investments and undertaking engagement activities.	Section 3.	The Trustee has delegated voting rights to its investment managers. As the Scheme invests solely in pooled funds, the Trustee requires the investment managers to engage with investee companies on the Trustee's behalf. There has been no change in this policy during the year. However, the Trustee requests and reviews annually voting and engagement activities for the two investment managers to the DC Section. This information is summarised later in this Statement. Voting and engagement activities were also a key part of the agenda when the Trustee met with the investment manager of the default investment strategy at our 30 September 2024 meeting. Topics discussed included stewardship themes and priorities, the manager's voting and engagement activity during the year, and the manager's escalation policies should voting and engagement fail to be effective. The Trustee considered that the investment manager's approach was aligned with the policies stated in the SIP.
How the arrangements incentivise the manager to align its strategy & decisions with Trustee policies.	Section 3.	No changes to policy during the year. The Trustee believes that meeting with the main investment manager to the DC Section annually helps to facilitate a two-way conversation allowing the Trustee to articulate its beliefs and priorities to the manager, thus incentivising alignment.
How the arrangement incentivises the manager to make decisions based on assessment of medium to long-term financial and non-financial performance of an issuer and to engage with issuers to improve their performance in the medium to long-term.	Sections 3.	No changes to policy during the year. The Trustee met with the Scheme's main DC investment manager on 30 September 2024. As part of this meeting, the investment manager explained their decision-making process as regards the funds managed for the Scheme, and the Trustee also received an update on the engagement activity carried out by the manager (further details are provided later in this Statement). The Trustee concluded that the investment manager's approach was consistent with the Scheme's SIP policies.
How the method & time horizon of evaluation of the manager's performance and the remuneration for asset management services are in line with the trustees' policies.	Section 3.	The Trustee reviewed both short and longer term investment performance formally on a six-monthly basis, using reports prepared by the DC adviser. There was also a detailed discussion of manager performance with the main DC investment manager at the 30 September 2024 meeting. The Trustee reviews investment management fees (i.e. remuneration for asset management services) paid by members annually, as part of the preparation of the Chair's Statement and related disclosures regarding value for members. These were deemed to be in line with the SIP policies during the year.

Motorola Pension Scheme (DC Section): Annual Implementation Statement

Requirement	Relevant Policy in SIP	In the year to 31 December 2024
How the Trustees monitor portfolio turnover costs incurred by the manager, and how they define and monitor targeted portfolio turnover or turnover range.	Section 3.	Transaction costs are monitored annually as part of preparation of the annual Chair's Statement which is published on a public website. The Trustee will continue to monitor transaction costs in this way but has not set portfolio turnover targets; the Trustee instead assess performance net of the impact of the costs of turnover.
The duration of the arrangement with the asset manager.	Section 3 and Section 4.	No changes to policy during the year. As noted earlier in this table, the Trustee took the decision to transfer underperforming funds from a legacy AVC provider to the Scheme's main DC funds with L&G. While members will have an option to remain in their existing AVC funds should they wish to (as the Trustee wants to ensure members have options rather than acting on their behalf), this transfer is expected to materially reduce the level of assets with the legacy AVC provider, demonstrating that as stated in the SIP policy, the Trustee "reviews the continuing suitability of the Scheme's investments, including the appointed managers, the range of fund choices and the balance between active and passive management, which may be adjusted from time to time."

Non-financial Matters

As stated in the SIP policy, members' views are not currently taken into account in the selection, retention and realisation of investments, but members have a variety of methods by which they can make views known to the Trustee. No feedback was received during the Scheme year from members as regards investment views.

Manager Selection, Review and Monitoring

The Trustee has put in place six-monthly independent investment performance reporting, provided by the DC investment adviser. These reports include:

- Details of how each fund is delivering against the specific benchmark and target set over both short term and long-term periods.
- Risk metrics for the default strategy, such as volatility and maximum drawdown statistics.
- The investment experience of members in the default investment strategy, in both the growth phase and the de-risking phase. This is assessed against inflation measures to ensure that the strategy delivers real returns in excess of inflation (this being one of the policies associated with the default strategy, as set out in the SIP).
- Monitoring of the de-risking phase of the strategy relative to annuity price movements, as the strategy is designed to meet the needs of members who will buy an annuity with a portion of their Scheme DC benefits at retirement.
- Asset allocation, to assist the Trustee in monitoring the balance between different types of investment in order to ensure this remains in line with the SIP.
- The investment research ratings assigned by the DC investment adviser's research team to each fund. These ratings denote the adviser's research views on the funds, including the prospects for the manager achieving the investment objectives and the extent to which ESG considerations are integrated in the manager's process, portfolio, and in their voting and engagement activities.

ESG, Stewardship (Voting and Engagement) and Climate Change

The Trustee has set its stewardship priorities as follows:

- Climate change
- Human capital management, including diversity, equity, and inclusion
- Governance and compliance.

These priorities have been set based on their financial materiality as regards long term returns and risks for the DC Section investments. We also note that the priorities are broadly aligned with three of the sponsoring employer's six pillar framework.

The SIP includes the Trustee's overall policies on ESG factors, stewardship (voting and engagement) and climate change. The policy sets out the Trustee's beliefs and the processes followed by the Trustee in relation to stewardship. The Trustee has complied with the policies in the SIP on voting and engagement as detailed here.

The Trustee has appointed two DC investment managers, Legal & General Investment Management ("L&G"), and the Prudential Assurance Company Limited ("Prudential"). In respect of the Prudential investments, Prudential have delegated the investment management of the fund used by the Scheme to M&G Investment Management Ltd ("M&G"). During the year, the DC Section continued to invest solely in pooled funds, where stewardship activities are delegated to the investment managers, with Trustee oversight.

The following work was undertaken during the year to 31 December 2024 relating to the implementation of the Trustee's policies on ESG factors, stewardship and climate change:

- The Trustee will consider the investment manager's policies relating to ESG issues for new fund selections or appointments and will seek to obtain ongoing reports from the manager on the

implementation of these policies. The Trustee also considers research ratings (which include ESG considerations) published by Mercer, the Scheme's DC investment adviser, when considering any new investments for the DC Section. No new investment managers or funds were appointed during the year.

- L&G produce quarterly reports which include details of engagement activities. M&G (the underlying investment manager in respect of the Prudential fund used by the Scheme) produce an annual stewardship report with this information.

- For example, engagements noted by L&G during the Scheme year, which are aligned with the Trustee's stewardship priorities, included:
  - Instigating a cycle of engagements with c.100 "dial mover" companies under L&G's Climate Impact Pledge, in 20 "climate critical" sectors. L&G selected these companies for in-depth engagement on account of their scale and influence across their sectors and value chains, and their potential to drive market-wide improvements. In the engagements for the 2024-2025 cycle, L&G are focused on outcome-driven objectives, reflecting the progress over time from commitments and targets to climate transition plans, actions and investments, and to interrelated nature dependencies.
  - At global climate conference COP16, L&G joined over 70 global leaders from across civil society, Indigenous Peoples, business and finance in signing an open letter to Presidents Gustavo Petro (Colombia) and Luiz Inàcio Lula da Silva (Brazil), requesting that they take the following actions:
    i) Strengthen national climate plans to deliver a triple win for people, nature and food security
    ii) Scale up investment for nature and food system transformation
    iii) Support the full and effective participation of farmers, Indigenous Peoples, and local communities across climate, food system and nature policy development, decision-making and monitoring.
  - In June 2024, Hong Kong Exchange and Clearing Ltd published a consultation paper on corporate governance code enhancements. Proposals included improvement of board effectiveness, strengthening board independence, promoting diversity, enhancing risk management and internal control, and enhancing capital management disclosure. L&G participated in this consultation, advocating for changes to "over-boarding" (when one director sits on too many boards, which diminishes their ability to serve an organisation effectively), director training, board diversity and board evaluation. L&G believe that responding to such consultations is an important mechanism for feeding into the improvement of corporate governance standards around the world.
  - L&G launched a campaign on human rights, focused on high-risk sectors including utilities, energy, mining & minerals, apparel and textiles, technology and automotives. L&G wrote to the chairs of a number of companies in these sectors, setting out their human rights expectations. Additionally, L&G asked companies to provide information and feedback about their human rights practices to inform better assessment of risks in this area.

- Engagements noted by M&G (as manager of the Prudential funds used by the Scheme), which are aligned with the Trustee's stewardship priorities, included:
  - Via participation in the European Policy Working Group (EUWG) convened by the Institutional Investors Group on Climate Change (IIGCC), M&G advocate on material topics for investors including sustainable finance regulation, creating incentive structures to direct more capital towards the transition and sectoral policies to support delivery of climate targets. The EUWG convened in Brussels in January 2024. Items raised included progress on the European Green Deal and the Clean Industrial Deal, increasing capital flows to adaptation and resilience finance, and strategies to remain competitive along the decarbonisation journey. M&G was able to contribute on lessons learned from the use of the IIGCC Net Zero Investment Framework as a tool to support investors to assess how portfolios are positioned to achieve net zero including the credibility of transition plans.

  - M&G have established a "Hot 100 list" of companies to engage with, encompassing the 100 companies that account for the majority of its financed carbon emissions. During the year, M&G engaged with 28 of these companies, representing 41% of the Hot 100 financed carbon emissions.

  - During 2024, M&G engaged with 39 companies on the topic of diversity. Engagements within the scope of the programme generally have two main objectives: firstly, to convey M&G's expectations on board gender diversity and subsequently discuss board refreshment and any targets that might be in place to facilitate a more balanced board. M&G will vote against board elections where they believe insufficient progress has been made. In 2024, M&G opposed the election of directors at 17 of the identified laggard companies and also contacted 188 of its FTSE 250 holdings to inform them of the voting stance on ethnic diversity at board level, which will come into effect in 2025.

- The Trustee reviews six-monthly investment reporting, which includes the DC adviser's research ratings. The ratings include ESG factors relevant to each fund, including assessment of the investment manager's stewardship capabilities and their integration of ESG factors in asset portfolios.

- The two DC investment managers are signatories to the UK Stewardship Code and the UN Principles for Responsible Investment. Note that M&G, who Prudential appoint to carry out day-to-day asset management, may themselves appoint other underlying investment managers and will assess the appointed managers' investment processes periodically, including a review of their relevant policies covering engagement, voting and ESG integration.

- To engage with the Scheme's main DC investment manager on ESG matters, the Trustee meets with L&G annually. During the year, this meeting was held on 30 September 2024. At the meeting, L&G discussed their approach to responsible investment, including:
  - Details of L&G six stewardship themes, which are climate (e.g. climate change mitigation and adaptation), nature (e.g. deforestation), people (e.g. diversity, human capital), health (e.g. anti-microbial resistance), digitisation (e.g. cyber security), and governance (e.g. investor rights).
  - An update on the manager's "net zero" emissions roadmap, including the decarbonisation pathway that has been implemented.
  - The results of L&G's 2023-2024 engagement cycle, in terms of number of companies targeted and the number of escalations considered necessary.
  - How the manager uses voting rights to exert influence.
  - Ways in which ESG considerations are integrated in the investment process.
  - Use of screens to identify investments that may present ESG risks. Examples cited included companies in violation of the UN Global Compact, and those where a material component of company revenue derived from coal and oil sands.
  - Details of engagements, and circumstances under which L&G will escalate any concerns.
  - L&G also shared statistics in relation to the number of engagements carried out, and the highlights of voting activity.

Voting Activity

The Trustee has delegated the voting rights attached to the DC assets to the investment managers. Investment managers are expected to provide vote reporting on a regular basis, at least annually. The Trustee does not use the direct services of a proxy voter. Over the last 12 months, the key voting activity on behalf of the Trustee is set out in the following section.

Manager 1 (L&G)

The Trustee has been provided with the voting disclosures relating to the funds made available to members that invest in equities (which have voting rights attached), covering the year to 31 December 2024. These are summarised in the following table.

L&G Funds	World Equity Index	Diversified
Value of Scheme assets in fund	£4,121,608	£5,702,435
No. of underlying equity holdings	2,840	7,317
No. of meetings eligible to vote	2,912	10,851
No. of resolutions eligible to vote	35,761	108,048
% of resolutions voted	100%	100%
% of resolutions voted with management	79%	77%
% of resolutions voted against management	20%	22%
% of resolutions abstained	0%	1%
% of resolutions voted against recommendation of proxy adviser	15%	14%

Source: L&G. Totals may not sum due to rounding.

The following tables set out voting issues that arose within each fund (that hold equities with voting rights), that is considered significant, as it relates to the Trustee's stewardship priorities as noted earlier.

Fund	L&G World Equity Index				
Company	Walmart				
Item	Proposal requesting a Compensation Policy of paying a living wage				
Criteria for assessing as significant	Relates to human capital management, which is one of the Trustee's stewardship priorities.				
Rationale	L&G co-filed this proposal to request that Walmart establish pay policies that are "designed to provide workers with the minimum earnings necessary to meet a family's basic needs, because company compensation practices that fail to provide a living wage are harmful to the economy and therefore to the returns of diversified shareholders". L&G wished to encourage Walmart to establish this policy as they believe that paying a living wage may reduce the potential negative financial impacts that stem from low worker morale, poor health, absenteeism / presenteeism, and high employee turnover. Despite some support from shareholders, the resolution received less than 5% support, indicating a lack of broad consensus among shareholders. L&G will therefore continue to engage with Walmart's management on this issue.				
Date of Vote	5 June 2024	Voting Decision	For	Outcome	Failed

Fund	L&G Diversified				
Company	Shell Plc				
Item	Approval of the Shell Energy Transition Strategy				
Criteria for assessing as significant	Relates to climate change, which is one of the Trustee's stewardship priorities.				
Rationale	L&G voted against management on its proposed Energy Transition Strategy. The manager also chose not to support Shell's management on this topic in the prior year, and we highlight this vote as a good example of how an investment manager will be persistent in raising their concerns over time. L&G acknowledge the progress Shell has made in respect of climate disclosures in recent years, and views positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, and a pledge to not pursue frontier exploration activities beyond 2025. However, in light of revisions made to Shell's climate-related targets, and taking into account the company's ambition to grow its gas and liquefied natural gas business, L&G expect Shell to better demonstrate how these plans are consistent with a transition to net-zero emissions by 2050. L&G want more clarity on the expected lifespan of the assets Shell is looking to develop, the level of flexibility in revising production levels in a range of scenarios, and actions to deliver decarbonisation. Additionally, L&G want to see more transparency around lobbying activities, among other disclosures.				
Date of Vote	21 May 2024	Voting Decision	Against	Outcome	Passed

Manager 2 (Prudential)

The voting and engagement policy of the manager has been made available to the Trustee, including information that applies specifically to the Scheme's investments with Prudential (which are held in a With Profits Fund).

This year, Prudential have also provided fund-specific information on voting along with its overall policies and processes, which are available at Prudential Voting and Engagement. The Trustee is pleased to see the disclosure of fund-specific voting information for the first time this year and summarises this below.

Prudential Fund	With Profits Fund
Value of Scheme assets in fund	£6,228,072
No. of underlying equity holdings	Not disclosed*
No. of meetings eligible to vote	4,291
No. of resolutions eligible to vote	51,817
% of resolutions voted	99%
% of resolutions voted with management	93%
% of resolutions voted against management	7%
% of resolutions abstained	1%
% of resolutions voted against recommendation of the proxy adviser	1%

* Prudential state that the fund holds a number of underlying collective funds and segregated mandates, and an accurate figure for the number of underlying equity holdings is not available.
Source: Prudential. Totals may not sum due to rounding.

Motorola Pension Scheme (DC Section): Annual Implementation Statement

The following table sets out a vote that arose within the fund that is considered significant, as it relates to the Trustee's stewardship priorities as noted earlier.

Fund	Prudential With Profits				
Company	Yangzijiang Shipbuilding (Holdings) Ltd				
Item	Election of director				
Criteria for assessing as significant	Relates to governance, which is one of the Trustee's stewardship priorities.				
Rationale	Yangzijiang Shipbuilding (Holdings) Ltd is an investment holding company mainly engaged in the agency service for shipbuilding and related activities. Prudential opposed the election of a director due to concerns around independence. The independence of directors is considered important, as it helps to ensures that a company's board can act in the best interests of all shareholders, free from undue influence. This independence also facilitates objective decision-making regarding strategy, risk, and executive remuneration, ultimately promoting long-term value creation and sustainable growth. While the vote still passed, voting against management on director elections sends an important signal and can help to drive change over time.				
Date of Vote	27 March 2024	Voting Decision	Against	Outcome	Passed