

# *Implementation Statement, covering the Plan Year from 1 January 2024 to 31 December 2024*

The Trustees of the Grosvenor Pension Plan (the “Plan”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the voting and engagement policies in their Statement of Investment Principles (“SIP”) during the Plan Year. This is provided in Section 1 and 2 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, the Trustees (including the most significant votes cast by the Trustees or on their 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 Trustees have 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.

This Statement should be read in conjunction with the SIP that was in force during the Plan Year, dated 6 July 2023. This can be found on the Grosvenor website here: [Grosvenor-Pension-Plan-Statement-of-Investment-Principles-September-2023.pdf](#).

## **1. Introduction**

No changes were made to the voting and engagement policies in the SIP during the Plan Year. The last time these policies were formally reviewed was at the Trustees’ Investment Sub-Committee (“ISC”) meeting in May 2023, with the SIP subsequently updated in July 2023.

The Trustees have, in its opinion, followed the Plan’s voting and engagement policies during the Plan Year, by continuing to delegate to their investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

Although the SIP itself was not updated during the Plan Year, the Trustees maintain a separate “addendum” to the SIP which sets out further information on the Plan’s investment arrangements. This addendum was updated during the Plan Year to reflect changes to some of the Plan’s investment arrangements. In particular this included changes made related to some of the underlying investment funds that the Plan can invest in, with a key reason for the change being to better align the Plan’s assets with the Trustee’s broader Responsible Investment policies. This is commented on in further detail in Section 2 (Voting and engagement) below.

## **2. Voting and engagement**

The Trustees have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. The investment managers’ policies (for those who hold listed equities) can be found here:

- BlackRock: [BlackRock - policies on voting rights and engagement](#)
- JP Morgan: [JP Morgan - policies on voting rights and engagement](#)

However, the Trustees take ownership of the Plan’s stewardship by monitoring and engaging with the managers and escalating as necessary as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Plan’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to financially material considerations (including climate change and other ESG considerations), voting and engagement.

The Trustees have set a Net Zero Ambition to align the Plan’s assets with net zero greenhouse gas emissions by 2050, to help mitigate climate risk. When selecting and reviewing investment managers and investing in their funds, a key consideration will be whether the Trustees believe the managers are sufficiently aligned with this ambition.

Following the introduction of DWP’s guidance, the Trustees also set Climate Change as its key stewardship priority to focus engagement with their investment managers on this specific ESG factor.

In light of the above the Trustees have decided to switch their passive equities and short dated credit allocations to funds that the Trustees believe have a more enhanced approach to Responsible Investment, including fund-

specific net zero alignment objectives. Specifically, following advice from LCP, the Trustees have agreed to appoint Legal & General Investment Management (“LGIM”) and invest in the following funds:

- LGIM Net Zero Short Dated Global Corporate Bond Fund
- LGIM Low Carbon Transition Developed Markets Equity Index Funds

One of the key reasons for the appointment of the LGIM equity funds is the Trustees more favourable view of LGIM’s approach to stewardship and engagement compared to the Plan’s incumbent equity manager, BlackRock.

The appointment of, and investment in, these funds was implemented in early 2025.

The Trustees are 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 Trustees aim to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

### **3. Description of voting behaviour during the Plan Year**

All of the Trustees’ holdings in listed equities are within pooled funds and the Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the Plan Year.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP’s guidance, on the Plan’s funds that hold material allocations equities as follows:

- BlackRock ACS World Low Carbon Equity Tracker Fund (both unhedged and GBP hedged versions)
- JP Morgan Emerging Markets Fund

In addition to the above, the Trustees contacted the Plan’s asset managers that do not hold listed equities (or listed equities are not a material component of the fund), to ask if any of the assets held by the Plan had voting opportunities over the Plan Year. Commentary provided from these managers is set out in Section 3.4.

#### **3.1 Description of the voting processes**

For assets with voting rights, the Trustees rely on the voting policies which their managers have in place.

##### **BlackRock**

BlackRock’s voting guidelines are market-specific to ensure BlackRock consider a company’s unique circumstances by market, where relevant. BlackRock inform their vote decisions through research and engage as necessary. Their engagement priorities are global in nature and are informed by BlackRock’s observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. BlackRock may also update their regional engagement priorities based on issues that BlackRock believe could impact the long-term sustainable financial performance of companies in those markets.

BlackRock determines which companies to engage directly based on their assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of their engagement being productive. Their voting guidelines are intended to help clients and companies understand their thinking on key governance matters. They are the benchmark against which BlackRock assess a company’s approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock apply their guidelines pragmatically, considering a company’s unique circumstances where relevant. BlackRock inform their vote decisions through research and engage as necessary.

BlackRock’s proxy voting process is led by the BlackRock Investment Stewardship team. Voting decisions are made by members of the team with input from investment colleagues as required, in each case, in accordance with BlackRock’s Global Principles and custom market-specific voting guidelines.

While BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into their vote analysis process. They primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that the investment stewardship analysts can readily identify and prioritise those companies where BlackRock’s own additional research and engagement would be beneficial.

## JP Morgan

JP Morgan investment professionals monitor the corporate actions of the companies held in their clients' portfolios. JP Morgan has developed a Corporate Governance Policy & Voting Guidelines (the "Guidelines") which is intended to assist their investment professionals in determining how to vote on behalf of their clients.

JP Morgan treats every proxy on a case-by-case basis, voting for or against each resolution, or actively withholding our vote as appropriate. JP Morgan's objective is to vote proxies and encourage corporate action that enhances shareholder value and is in the best interest of their clients.

To assist JP Morgan investment professionals with public companies' proxy voting proposals, JP Morgan retains the services of ISS, a proxy voting services advisor. As part of this service, ISS makes recommendations on each board resolution requiring a shareholder vote. While JP Morgan take note of these recommendations, they are not obliged to follow them if they have a contrary view; portfolio managers vote according to JP Morgan's own Guidelines and their own research insights.

### 3.2 Summary of voting behaviour

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

	JP Morgan Emerging Markets Fund	BlackRock ACS World Low Carbon Equity Tracker Fund*
Total size of fund at end of the Plan Year	£22.3bn	£6.5bn
Value of Plan assets at end of the Plan Year (£ / % of total assets)	£9.7m / 2.7%	£61.6m / 17.4%
Number of equity holdings at end of the Plan Year	75	608
Number of meetings eligible to vote	110	836
Number of resolutions eligible to vote	975	12,271
% of resolutions voted	98%	93%
Of the resolutions on which voted, % voted with management	92%	96%
Of the resolutions on which voted, % voted against management	7%	3%
Of the resolutions on which voted, % abstained from voting	1%	0%
Of the meetings in which the manager voted, % with at least one vote against management	30%	21%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	2%	0%

*\*BlackRock voting data reflects the GBP Hedged version of the BlackRock ACS World Low Carbon Equity Tracker Fund. Our understanding is that the voting data for both the unhedged and GBP hedged version of the fund is identical. The value of the Plan assets invested in this fund represents the combined value across the unhedged and GBP hedged versions.*

### 3.3 Most significant votes

Commentary on the most significant votes over the Plan Year, from the Plan's asset managers who hold listed equities, is set out below.

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 Trustees did not identify significant voting ahead of the reporting period.

Instead, the Trustees have retrospectively created a shortlist of most significant votes.

This has been done by first requesting each manager provide a shortlist of votes they consider to be significant, suggesting the managers could use the PLSA's criteria for creating this shortlist. From these shortlists, the Trustees have then used their discretion to choose a selection of "most significant vote" resolutions, aiming to provide a broad range of example resolutions that the Plan's investment managers voted on during the Plan Year. In particular the Trustees have prioritised those resolutions provided by the managers that relate to Climate Change, in line with their decision to set this as the key stewardship priority for the Plan. The Trustees have reported on two / three of these significant votes per fund only as the most significant votes.

Please note that the managers were unable to provide certain voting information, including whether their voting intention was communicated to management ahead of each vote and the size of the holding within the fund. The Trustees will engage with the managers to try and ensure complete voting data is available for inclusion in future statements.

## BlackRock

BlackRock's Investment Stewardship team periodically publish "vote bulletins" setting out detailed explanations of key votes relating to governance, strategic and sustainability issues that BlackRock consider, based on their Global Principles and Engagement Priorities, material to a company's sustainable long-term financial performance. These bulletins are intended to explain each voting decision, including the analysis underpinning it and relevant engagement history when applicable, on certain high-profile proposals at company shareholder meetings. BlackRock make this information public shortly after the shareholder meeting, so clients and others can be aware of its vote determination when it is most relevant to them. The vote bulletins contain explanations of the most significant votes for the purposes of evolving regulatory requirements. Further information on BlackRock's voting can be found [here](#).

### The Walt Disney Company, April 2024

- **Summary of the resolution:** Election of Directors
- **Approx size of holding at the date of vote:** Not provided
- **Company management recommendation:** For items 1A-1L (Management Director Nominees), Against items 1M-1Q (Dissident Director Nominees)
- **Fund manager vote:** For items 1A-1L (Management Director Nominees), Against items 1M-1Q (Dissident Director Nominees)
- **Rationale:** Disney's performance in recent years attracted three shareholder activist campaigns, each with suggestions for strategic change at the company. Two of the shareholders believed that their proposed changes would best be enabled by adding dissident director nominees to Disney's board at its April 2024 annual general meeting (AGM), and each proposed alternative candidates to the company's nominees. BlackRock voted in support of management's recommended slate of directors. In BlackRock's assessment, the Disney board and management have taken steps to restore investor confidence, have been responsive to shareholders and have demonstrated progress in implementing the company's revised strategy. As a result, BlackRock determined that the directors proposed by management are best placed to oversee the implementation of the revised strategy and make any necessary governance changes, rather than the directors proposed by the activist investors.
- **Stewardship priority:** n/a
- **Outcome of vote:** Passed for items 1A-1L, Failed for items 1M-1Q

### The Hershey Company, May 2024

- **Summary of the resolution:** Report on Support for a Circular Economy for Packaging
- **Approx size of holding at the date of vote:** Not provided
- **Company management recommendation:** Against
- **Fund manager vote:** Against
- **Rationale:** In BlackRock's view the company already provides sufficient disclosure / reporting regarding this issue, or is already enhancing its relevant disclosures.
- **Stewardship priority:** Climate Change
- **Outcome of vote:** Failed

### Tesla, Inc, June 2024

- **Summary of the resolution:** Ratify Performance Based Stock Options to Elon Musk
- **Approx size of holding at the date of vote:** Not provided
- **Company management recommendation:** For
- **Fund manager vote:** For
- **Rationale:** BlackRock supported the re-ratification of Mr. Musk's 2018 Performance Award because, although they have concerns regarding the structure and magnitude of the award, they recognise that Mr. Musk and Tesla have achieved all the relevant performance milestones, creating substantial value for shareholders. However, BlackRock intends to provide feedback regarding future executive compensation practices.
- **Stewardship priority:** n/a
- **Outcome of vote:** Passed

### JP Morgan

JP Morgan define "significant" votes where they are a major shareholder in its portfolios, where the vote is likely to be close or contentious or where there may be potential material consequences for clients.

### WEG SA, April 2024

- **Summary of the resolution:** Approve Remuneration of Company's Management
- **Approx size of holding at the date of vote:** Not provided
- **Company management recommendation:** For
- **Fund manager vote:** Against
- **Rationale:** JP Morgan believed a vote against the resolution was warranted given the significant proposed increase in total remuneration cap without sufficient rationale.
- **Stewardship priority:** n/a
- **Outcome of vote:** Passed

### Tencent Holdings Limited, May 2024

- **Summary of the resolution:** Elect Charles St Leger Searle as Director
- **Approx size of holding at the date of vote:** Not provided
- **Company management recommendation:** For
- **Fund manager vote:** Against
- **Rationale:** JP Morgan believes Audit Committees should consist solely of non-executive directors who are independent of management. As a result JP Morgan voted against this resolution.
- **Stewardship priority:** n/a
- **Outcome of vote:** Passed

### 3.4 Votes in relation to assets other than listed equity

The following comments were provided by the Plan's asset managers which don't hold listed equities, but invest in assets that had voting opportunities during the Plan Year:

#### Alcentra

The Plan invests in the Alcentra Strategic Credit Fund II. Given the nature of the asset class (opportunistic credit) the number of occasions of proxy voting will be limited.

However Alcentra may hold voting rights by exception, for example as a consequence of converting debt to equity instruments through a restructuring process. Alcentra have a Responsible Investment policy, and when the fund

has voting responsibility, Alcentra will make every attempt to vote when given an opportunity to do so, after factoring in any conflicts of interest.

Loan and bond investments generally do not confer creditors voting rights unlike for equity holders. Where Alcentra has minority equity interests in deals it frequently isn't asked to vote as the corporate documents are set-up so that the sponsor can pass any shareholder resolutions needed without its participation in any event. Alcentra's rights are also usually limited to certain minority protections. Where Alcentra owns companies they exercise control by including language in the deal documentation requiring the board to seek investor consent for matters that they want to approve as the manager. This is usually done via the Alcentra investor representative on the board (where relevant) rather than having a formal shareholder vote.

Where voting rights exist, Alcentra will utilise these to demonstrate their support for initiatives that benefit their end investors in accordance with a firm-wide commitment to furthering the development of ESG and honouring their position as signatories to bodies such as UN PRI and TCFD.

## **IFM**

The primary focus of the IFM Global Infrastructure Fund ("GIF") is to provide investors with exposure to a diversified portfolio of unlisted infrastructure assets, there are times where an opportunistic hold of a listed entity is an attractive complement to the unlisted portfolio. The acquisition of listed positions is generally motivated by gaining long-term strategic positions, with significant equity ownership, in attractive core infrastructure assets.

With regards to the voting and engagement activities between GIF and the underlying portfolio companies, the underlying holdings of GIF are primarily private equity investments rather than public market listed equities. IFM's influence on such investments is made directly through IFM's Board representation on the underlying portfolio companies rather than through any form of proxy voting.

Currently listed exposures are confined to Atlas Arteria, Vienna Airport and Naturgy Energy, and these assets represent only three of out of a total of 23 portfolio investments as at 31 December 2024.

Even for these listed assets, IFM hold board seats and follow an active ownership style. Consequently, they do not need to vote shares to influence the board.