

# *General Motors (VACPF) Pension Fund*

## *Implementation Statement, covering 1 January 2022 to 31 December 2022*

The Trustee of the General Motors (VACPF) Pension Fund (the “Fund”) is required to produce a yearly statement to set out how, and the extent to which (amongst other things) the Trustee has followed the voting and engagement policies in its Statement of Investment Principles (“SIP”) during the Fund Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Fund Year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Sections 2 and 3 below.

The Statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the guidance published by the Pensions Regulator.

In preparing the Statement, the Trustee has also 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 was one SIP in place during the Fund Year, dated September 2021.

No changes were made to the voting and engagement policies in the SIP in the Fund Year.

The Trustee has, in its opinion, followed the Fund’s voting and engagement policies during the Fund Year, by delegating to its investment managers and General Motors Investment Management Corporation (“GMIMCo”) 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. The Trustee took a number of steps to review the Fund’s existing managers and funds over the Fund Year, as described in Section 2 (Voting and engagement) below.

### **2. Voting and engagement**

The Trustee believes that good stewardship practices, including monitoring and engaging with investee companies, protect and enhance the long-term value of investments. The Trustee has delegated to GMIMCo and its investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons (for example, investment managers and other stakeholders) about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and environmental, social and governance (“ESG”) considerations. 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 Fund.

The Trustee does not monitor or engage directly with issuers or other holders of debt or equity, but it does engage with current and prospective investment managers, including on ESG and stewardship matters. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers’ general policies on stewardship, as provided to the Trustee from time to time, considering the long-term financial interests of the beneficiaries. The Trustee cannot usually directly influence investment managers’ policies on the exercise of ownership rights where assets are held in pooled funds; this is due to the nature of these investments, but it encourages its investment managers to improve their practices where appropriate.

The Trustee has delegated to the investment managers and GMIMCo the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustee takes ownership of the Fund’s stewardship by monitoring and engaging with managers and escalating as necessary as detailed below.

As part of its advice on the ongoing review of the investment managers, the Fund’s investment adviser, Lane Clark & Peacock LLP (‘LCP’), incorporates its assessment of the nature and effectiveness of managers’ approaches to financially material considerations (including climate change and other ESG considerations).

Following the introduction of DWP's guidance, the Trustee agreed to set stewardship priorities to focus engagement with their investment managers on specific ESG factors. Note that there was insufficient scope to set these ahead of December 2022 (during which time the Trustees were focused on dealing with the immediate aftermath of the gilts crisis). The Trustee has received training from LCP to help understand the DWP's June 2022 guidance including around setting stewardship priorities. After discussion, the Trustee agreed to select Climate Change as its priority, as this 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.

GMIMCo and the Fund's investment adviser, LCP, periodically review the Fund's investment managers' responsible investment ("RI") practices on behalf of the Trustee. As part of this, the Trustee reviews the findings of LCP's Responsible Investment Survey which includes its qualitative RI assessments for each manager and suggested areas for engagement. These assessments are based on LCP's ongoing manager research programme.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most members 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 Fund Year**

The Trustee's investments 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 Fund Year. The Trustee monitors managers' voting and engagement behaviour on an annual basis and challenges managers where their activity has not been in line with the Trustee's expectations.

Throughout the Fund Year, the Fund did not invest in any pooled funds that held listed equities.

The Trustee contacted the Fund's other asset managers that do not hold listed equities, to ask if any of the assets held by the Fund had voting opportunities over the Fund Year. These managers confirmed that the funds that the Fund invested in over the Fund Year did not hold assets with material voting opportunities.