

# *General Motors (VML) Pension Plan*

## *Implementation Statement, covering 1 January 2024 to 31 December 2024*

The Trustee of the General Motors (VML) 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**

The voting and engagement policies in the SIP were reviewed and updated during the Plan Year in June 2024 to reflect The Trustee’s response to the DWP’s new guidance on Reporting on Stewardship and Other Topics through the SIP and Implementation Statement which expects trustees to take a more active role in relation to monitoring and engaging with investment managers on stewardship. As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes. The SIP was then subsequently updated again in October 2024 – but no further changes were made to the voting and engagement policies.

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.

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. 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 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 Plan Year**

The Trustee’s holdings in listed equities are held in pooled and segregated 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 for segregated funds 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 we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, on the Plan's portfolios that hold equities as follows:

- the Arrowstreet Global Equity (GBP) Fund;
- the Fidelity GM International Equities Fund;
- the Insight Broad Opportunities Fund;
- the Marathon International Equities Fund;
- the Primecap North American Equities Portfolio;
- the State Street Global Advisors ("SSGA") North America Screened Index Equity Sub-Fund; and
- the SSGA State Street Emerging Markets Screened Enhanced Equity Fund.

The Trustee has sought to obtain the relevant voting data for Section 3 from all the investment managers listed above and has obtained data for all managers with the exception of one manager who did not provide information for Section 3.3. They have said that there are no examples of significant votes cast within its portfolio due to the nature of the underlying holdings with voting opportunities (listed closed-ended investment companies with an independent board responsible for providing overall oversight function acting on behalf of all shareholders).

In addition to the above, 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 one asset with 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 managers have in place.

For funds that hold equities, the Trustee asked its managers to provide an overview of their process for deciding how to vote, detail their policies on consulting with clients before voting and to explain how, if at all, they make use of proxy voting services. The managers' responses are set out below.

#### **Arrowstreet**

"Arrowstreet does not consult with clients before voting proxies. Arrowstreet outsources proxy voting services to Institutional Shareholder Services (ISS).

We engage a third party service provider to provide proxy-voting services for client accounts (including Arrowstreet 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, we make available enhanced ESG specific proxy voting services upon request. Proxy voting services are monitored periodically by our Client Operations team."

#### **Fidelity**

"We do not solicit client feedback ahead of individual voting resolutions. Fidelity (Fidelity as stated throughout this disclosure relates to FMR/FIAM, rather than FIL) has adopted written proxy voting guidelines (the "Guidelines") and established this policy to seek to ensure that proxies are voted in the clients' best interests and that its proxy voting activities adhere to the requirements of Rule 206(4)-6. The Guidelines are applicable to FIAM and its affiliates ("Fidelity"). Where FIAM is delegated proxy voting authority on behalf of its clients, it takes reasonable steps under the circumstances to seek to ensure that proxies are received and voted in the best interest of its clients, which generally means voting proxies with a view to enhancing the long-term economic returns or profitability of the company or to maximize long-term shareholder value.

Fidelity's Proxy Voting Guidelines (the "guidelines") are animated by our core principles; putting our customers' and fund shareholders' long-term interests first and investing in companies that share our approach to creating value over the long-term guides everything we do. In this pursuit, Fidelity invests in the ordinary course of business and not with the intended effect of changing or influencing control of an issuer. Fidelity generally adheres to these guidelines in voting proxies and our Stewardship Principles serve as the foundation for these guidelines. Our evaluation of proxies reflects information from many sources, including management or shareholders of a company presenting a proposal and proxy voting advisory firms. Fidelity maintains the flexibility to vote individual proxies

based on our assessment of each situation, and where following a specific guideline enumerated in this policy in a particular situation could cause a result that conflicts with the principles and philosophy stated above, Fidelity may vote differently than that specific guideline.

Investment Proxy Research (IPR) works with Institutional Shareholder Services (ISS) on a daily basis and conducts recurring meetings with ISS. IPR uses the ISS Proxy Exchange (PX) web based platform for receiving, transmitting and recording electronic proxy voting information. ISS maintains detailed records of IPR's proxy voting activity for internal and external reporting purposes. ISS also provides IPR's annual disclosure of the proxy voting records of the funds for the Form N-PX regulatory filing SEC requirement."

## **Insight**

"Insight does not consult with clients prior to voting on resolutions. However, Insight is committed to voting all proxies where it is deemed appropriate and responsible to do so. Insight takes its responsibility to vote very seriously and votes in the best interest of clients.

Insight retains the services of Minerva Analytics (Minerva) for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva provides research expertise and voting tools through sophisticated proprietary IT systems allowing Insight to take and demonstrate responsibility for voting decisions. Independent corporate governance analysis is drawn from thousands of market, national and international legal and best practice provisions from jurisdictions around the world. Independent and impartial research provides advance notice of voting events and rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote. In addition, please refer to our Proxy Voting Policy, which sets out in detail our approach to voting on resolutions:

<https://www.insightinvestment.com/globalassets/documents/responsible-investment/responsible-investment-reports/proxy-voting-policy-2024.pdf>

We would utilise Minerva to analyse resolutions against Insight-specific voting policy templates to determine the direction of the vote, where applicable."

## **Marathon**

"Marathon considers the ability to influence management as an integral part of the investment management function. Exercising proxy votes on investee companies on behalf of our clients is an instrumental tool in that effort and whilst we are happy to discuss voting with clients the ultimate decision of how we decide to vote rests with the investment team.

Marathon uses the recommendations prepared by Institutional Shareholder Services ("ISS") as the basis for its proxy voting policy but reserves the right to deviate from the ISS recommendation where it is felt Marathon has a better understanding of the specific circumstances surrounding a particular issue. On a daily basis, the responsible team within Portfolio Accounting logs into the ISS portal to review any changes to voting dates and requirements. Marathon portfolio managers must then approve or reject the proposal of ISS. If they reject the proposed voting strategy, valid reasons must be provided. Voting instructions are uploaded into the ISS portal, which is subject to a review by the team supervisor prior to submission. ISS provide a full reporting facility to Marathon detailing voting recommendations and actual votes transmitted to custodians.

As mentioned above, Marathon uses the recommendations prepared by Institutional Shareholder Services ("ISS") as the basis for its proxy voting policy. Please see attached or follow the link to the online portal for further information: <https://www.marathon.co.uk/sustainability/proxy-voting-dashboard/>

## **Primecap Management**

"Where Primecap has authority to vote proxies, we do not consult clients before voting. The exception would be if there was a conflict of interest that could not be mitigated with the process laid out in our proxy policy.

Proxies are voted in accordance with Primecap's policies and procedures, and in the best interests of its clients. Primecap believes the best interests of clients are served by voting proxies in a way that maximizes long-term shareholder value. Therefore, the investment professionals responsible for voting proxies have the discretion to make the best decision given the individual facts and circumstances of each issue. Proxy issues are evaluated on their merits and considered in the context of the analysts' and/or portfolio managers' knowledge of a company, its current management, management's past record, and Primecap's general position on each issue.

Primecap utilizes Glass Lewis primarily for the execution and recordkeeping of the votes. Primecap has adopted its own proxy policy and guidelines that have been input into Glass Lewis' voting system. Primecap does not use the voting policies and guidelines offered by Glass Lewis. Glass Lewis provides recommendations, which Primecap may consider as one of many inputs in its voting processes. All decisions of how to vote proxies are made by Primecap.<sup>1</sup>

### **State Street Global Advisors (“SSGA”)**

“All voting decisions are exercised in accordance with our in-house guidelines or specific client instructions. We have established robust controls and auditing procedures to ensure that votes cast are executed in accordance with our instructions. Transparency on these key issues is vital. With regards to this, we publish a record of our global voting activity on the Asset Stewardship section of our website: [Asset Stewardship Report Library](#)

Particularly, our Stewardship team works closely with our global client relationship teams to maintain an open and constructive dialogue with clients on the delivery of our stewardship activities. This provides an opportunity for clients to understand our approach, to provide feedback on our objectives and priorities, and to hold us accountable for their delivery. In addition, our network of global clients provides invaluable inputs into our Stewardship team’s understanding and analysis of local market trends and specific company events. The combination of local and global perspectives strengthens the Stewardship Team’s ability to promote long-term value for our diverse global client base.

As an investment manager, we have discretionary proxy voting authority over most of our client accounts. We carefully vote these proxies in the manner that will protect and promote the long-term economic value of our client investments.

**Oversight:** Our Stewardship team’s activities are overseen by our ESG Committee who are responsible for reviewing our stewardship strategy, engagement priorities and proxy voting guidelines, and monitors the delivery of voting objectives. In addition, our ESG Committee provides oversight of our Stewardship team, reviews departures from our proxy voting guidelines, and reviews conflicts of interest involving proxy voting.

**Proxy Voting Process:** We enhance the services provided by our in-house resources through third-party service providers. The most notable of these are third-party data providers such as Institutional Shareholder Services (ISS) who are utilised to assist us with managing the voting process at shareholder meetings. In the voting process, we use ISS to help us monitor our voting rights across the asset classes in which we invest. We employ ISS to:

- Act as our proxy voting agent (providing us with vote execution and administration services).
- Assist in applying our voting guidelines.
- Provide research and analysis relating to general corporate governance issues and specific proxy items.
- Provide proxy voting guidelines in limited circumstances.

Our Stewardship team reviews our Proxy Voting Guidelines with ISS on an annual basis or on a case- by-case basis as needed. ISS affects the proxy votes in accordance with our Proxy Voting Guidelines. Voting matters that are nuanced or that require additional analysis are referred to and reviewed by members of our Stewardship team. Members of our Stewardship team evaluate the proxy solicitation to determine how to vote based on facts and circumstances consistent with our Proxy Voting Guidelines, which seek to maximize the value of our client accounts.

As an extra precaution, our Stewardship team will refer significant issues to the ESG Committee for a determination of the proxy vote. In addition, other measures are put in place in terms of when and whether or not to refer a proxy vote to the ESG Committee. For instance, our Stewardship team takes into account whether a material conflict of interest exists between our clients and those of our firm or our affiliates. If such a case occurs, there are detailed guidelines for how to address this concern.

We aim to vote at all shareholder meetings where our clients have given us the authority to vote their shares and where it is feasible to do so.

However, when we deem appropriate, we could refrain from voting at meetings in cases, as listed below, where:

- 1 Power of attorney documentation is required.
- 2 Voting will have a material impact on our ability to trade the security.

- 3 Voting is not permissible due to sanctions affecting a company or individual.
- 4 Issuer-specific special documentation is required or various market or issuer certifications are required.
- 5 Unless a client directs otherwise, State Street Global Advisors will not vote proxies in so- called “share blocking” markets (markets where proxy voters have their securities blocked from trading during the period of the annual meeting).

**State Street Global Advisors Vote Prioritization Process:** We vote at over 20,000 meetings on an annual basis and prioritizes companies for review based on factors including the size of our holdings, past engagement, corporate performance and voting items identified as areas of potential concern. Based on this assessment, we will not only allocate appropriate time and resources to shareholder meetings, but will also assign specific ballot items of interest to ensure maximization of value for our clients.

We use a variety of third-party service providers to support our stewardship activities. Data and analysis from service providers are used as inputs to help inform our position and assist with prioritization. However, all voting decisions and engagement activities are undertaken in accordance with our in-house policies and views, ensuring the interests of our clients remain the sole consideration when discharging our stewardship responsibilities. We have contracted Institutional Shareholder Services (ISS) to assist us with managing the voting process at shareholder meetings. In addition, we also have access to Glass Lewis and region specific meeting analysis provided by the Institutional Voting Information Service. Research and data provided by these third parties complement our in-house analysis of companies and individual ballot items. All final voting decisions are based on our proxy voting policies and in-house operational guidelines.”

### 3.2 Summary of voting behaviour

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

	Fund 1	Fund 2*	Fund 3	Fund 4	Fund 5	Fund 6	Fund 7
Total size of fund at end of the Plan Year	£54m	Nil – <i>fully divested during the Plan Year</i>	£1,300m	£285m	£464m	£2,855m	\$682m
Number of equity holdings at end of the Plan Year	390	99	11	224	738	565	605
Number of meetings eligible to vote	385	12	13	271	711	573	1,047
Number of resolutions eligible to vote	5,886	160	158	3,787	8,341	7,385	9,207
% of resolutions voted	93%	100%	100%	100%	95%	100%	99%
Of the resolutions on which voted, % voted with management	97%	97%	100%	96%	92%	93%	86%
Of the resolutions on which voted, % voted against management	2%	3%	0%	3%	8%	7%	14%
Of the resolutions on which voted, % abstained from voting	0%	1%	0%	0%	1%	0%	5%
Of the meetings in which the manager voted, % with at least one vote against management	17%	42%	0%	22%	38%	47%	46%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor (if applicable)	N/A	N/A	0%	2%	0%	9%	5%

\* Fund 2 figures relate to the period from 1 January 2024 to 14 March 2024, when the mandate was terminated.

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 managers with listed equity holdings is set out below.

The Trustee did not inform its managers 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 each manager's list of significant votes (generally comprising a minimum of ten most significant votes). The Trustee suggested the managers could use the PLSA's criteria<sup>1</sup> for creating this list. By informing its managers of its stewardship priorities and through its regular interactions with the managers, the Trustee believes that its managers will understand how it expects them to vote on issues for the companies they invest in on its behalf.

<sup>1</sup> [Vote reporting template for pension scheme implementation statement – Guidance for Trustees \(plsa.co.uk\)](https://www.plsa.co.uk/guidance-for-trustees/vote-reporting-template-for-pension-scheme-implementation-statement).

Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.

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

**The Toronto-Dominion Bank**, April 2024

- **Relevant stewardship priority:** Climate change
- **Vote cast:** Against
- **Outcome of the vote:** Failed
- **Management recommendation:** Against
- **Summary of resolution:** Advisory Vote on Environmental Policies
- **Rationale for the voting decision:** Escalated to working group, this proposal does not meet our criteria for support
- **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:** Information not provided
- **The reason the Trustee considered this vote to be “most significant”:** This resolution links to the stewardship priority of climate change.

## Fund 2

**Jacobs (J)**, January 2024

- **Relevant stewardship priority:** n/a
- **Vote cast:** Against
- **Outcome of the vote:** Passed
- **Management recommendation:** For
- **Summary of resolution:** Vote for re-election of board members
- **Rationale for the voting decision:** The manager believes Board member Demetriou has made decisions that were not in the best interests of shareholders and should not still be on the Board after his retirement as CEO.
- **Was the vote communicated to the company ahead of the vote:** No

- **Approximate size of the mandate's holding at the date of the vote:** 0.9%
- **The reason the Trustee considered this vote to be “most significant”:** The manager identified this as a significant vote as they are a large shareholder of Jacobs, and because they voted against the recommendation of their proxy advisor on this issue.

#### Fund 3

**Foresight Environmental Assets Limited**, September 2024

- **Relevant stewardship priority:** n/a
- **Vote cast:** Against
- **Outcome of the vote:** Failed
- **Management recommendation:** Against
- **Summary of resolution:** To approve that the Company ceases to continue in its present form
- **Rationale for the voting decision:** Over 2023-24 financial year, the company's shares traded at an average discount of more than 10% to the prevailing NAV/share, leading to a continuation vote to be proposed as per the company's Articles of Association. The manager voted against the resolution for the following reasons - the company aims to provide stable, long-term inflation linked cash flows through exposure to a diversified mix of environmental infrastructure assets across the UK and mainland Europe. Since inception over 10 years, the company has had a consistent record of sustainable and progressive dividends, and an overall conservative approach to power price management. Over the period, the company has continued to take steps to reduce the discount to NAV. As part of this it has disposed certain assets at premium to carrying value, reduced RCF borrowings, allocate capital towards NAV accretive share buybacks and commit to higher potential return generation assets. The company has also been working to improve its marketability amongst investors. We believe that these initiatives could help in reducing the share price discount in the future. As such, the strategy remains valid and attractive from a longer-term perspective.
- **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:** 0.6%
- **The reason the Trustee considered this vote to be “most significant”:** The manager assessed the proposed discontinuation of the company to be significant. While some of the share price weakness can be attributed to non-company specific factors, the company has continued to implement steps which could help in reducing discount to NAV and improve shareholder returns in the future. Additionally, the company has also reduced its fees as part of these measures to improve shareholders returns.

#### Fund 4

**Great Eastern Holdings**, April 2024

- **Relevant stewardship priority:** n/a
- **Vote cast:** Against
- **Outcome of the vote:** Passed
- **Management recommendation:** For
- **Summary of resolution:** Elect Ng Chee Peng as Director, Elect Lee Kok Keng Andrew as Director and Approve Directors' Fees
- **Rationale for the voting decision:** Given a lack of concern for minority shareholders' interests and an inadequate response to proposals by minority shareholders to tabled resolutions at the AGM, Marathon's investment team felt a vote against certain incumbent directors was appropriate, namely Ng Chee Peng, who had been in place for 3 years and Lee Kok Keng, who is formerly chief marketing officer and not

independent as they were claiming him to be. A vote against approving directors' fees was also viewed as appropriate in view of the above, and the fact that a 16% increase was proposed which was considered excessive, particularly in light of the foregoing.

- **Was the vote communicated to the company ahead of the vote:** No
- **Approximate size of the mandate's holding at the date of the vote:** 0.1%
- **The reason the Trustee considered this vote to be “most significant”:** This is a significant vote on the grounds it was a vote against management recommendations and also against its proxy adviser's recommendation.

## Fund 5

**Lennar Corporation**, April 2024

- **Relevant stewardship priority:** Climate change
- **Vote cast:** For
- **Outcome of the vote:** Failed
- **Management recommendation:** Against
- **Summary of resolution:** Report on Climate Change
- **Rationale for the voting decision:** A vote for this proposal is warranted, as additional information on the company's efforts to reduce its carbon footprint and align its operations with Paris Agreement goals would allow investors to better understand how the company is managing its transition to a low carbon economy and climate change-related risks.
- **Was the vote communicated to the company ahead of the vote:** No
- **Approximate size of the mandate's holding at the date of the vote:** Information not provided
- **The reason the Trustee considered this vote to be “most significant”:** This links to the stewardship priority of climate change.

## Fund 6

**Kinder Morgan, Inc.**, May 2024

- **Relevant stewardship priority:** Climate Change
- **Vote cast:** Against
- **Outcome of the vote:** Failed
- **Management recommendation:** Against
- **Summary of resolution:** Disclose GHG Emissions Reductions Targets
- **Rationale for the voting decision:** This proposal does not merit support as the company's climate-related disclosures are reasonable.
- **Was the vote communicated to the company ahead of the vote:** No
- **Approximate size of the mandate's holding at the date of the vote:** 0.1%
- **The reason the Trustee considered this vote to be “most significant”:** This links to the stewardship priority of climate change.

## Fund 7

BIM Birlesik Magazalar AS, June 2024

- **Relevant stewardship priority:** n/a
- **Vote cast:** Against
- **Outcome of the vote:** Information not available
- **Management recommendation:** For
- **Summary of resolution:** Elect Directors and Approve Their Remuneration
- **Rationale for the voting decision:** The manager voted against the nominee due to the lack of gender diversity on the board.
- **Was the vote communicated to the company ahead of the vote:** No
- **Approximate size of the mandate's holding at the date of the vote:** 0.1%
- **The reason the Trustee considered this vote to be “most significant”:** This is a significant vote on the grounds it was a vote against management recommendations