

Implementation Statement

Professional Footballers' Pension Scheme (Income and 2011 Sections)

Purpose of this statement

This implementation statement has been produced by the Trustees of the Professional Footballers' Pension Scheme (Income and 2011 Sections) ("**the Scheme**") to set out the following information over the year to **31 July 2023**:

- how the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year;
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes;
- a summary of any changes to the Statement of Investment Principles (SIP) over the period; and
- a description of how the Trustees' policies, included in their SIP, have been followed over the year.

The voting behaviour is not given over the Scheme year end to 31 July 2023 because investment managers only report on this data quarterly, we have therefore given the information over the year to 30 June 2023.

Investment manager and funds in use

The Scheme's funds are invested via both the Mobius Platform and abrdn Platform. The investment funds used for the Scheme together with the underlying managers as at 31 July 2023 are set out in the table below.

The Trustees offer a default strategy for each of the 2011 Section and Income Sections of the Scheme. Details of these strategies can be found in the SIP of each section which is available online.

<https://www.thepfa.com/players/union-support/pension-scheme>

Any funds that are used within the default strategy, as at the Scheme year end, of the 2011 Section are highlighted **green** in the below table, and any funds used within the default strategy of the Income Section are highlighted **purple**.

Platform	Fund	Underlying constituent funds
Mobius Life	The Footballers' Early Growth Fund	Legal & General Future World UK Equity Fund
		Legal & General Future World Developed (ex UK) Equity Fund
		Legal & General Future World Developed (ex UK) Equity Fund - GBP hedged
		Legal & General Future World Emerging Markets Equity Fund
		Partners Group Generations Fund
	The Footballers' Core Growth Fund	M&G Total Return Credit Investment Fund
		Legal & General Future World UK Equity Fund
		Legal & General Future World Developed (ex UK) Equity Fund
		Legal & General Future World Developed (ex UK) Equity Fund - GBP hedged
		Legal & General Future World Emerging Markets Equity Fund
	The Footballers' Consolidation Fund	Baillie Gifford Multi-Asset Growth Fund
		Legal & General 0 to 5 Year Gilt Index Fund
		Cash Fund
		The Footballers' Foundation Fund
The Footballers' Gilt Fund		Legal & General 0 to 5 Year Gilt Index Fund
The Footballers' Cash Fund	Legal & General Cash Fund	
	Legal & General Future World UK Equity Index Fund	
	Legal & General Future World Developed (ex UK) Equity Index Fund	
	Legal & General Future World Developed (ex UK) Equity Index Fund – GBP hedged	
	Legal & General Future World Emerging Markets Equity Index Fund	
	The Footballers' Equity Fund	
	The Footballers' Shariah Equity Fund	HSBC Islamic Global Equity Index Fund
The Footballers' Diversified Growth Fund	Baillie Gifford Multi-Asset Growth Fund	
Abrdn	Vanguard FTSE UK All Share Equity Index	
	Vanguard FTSE Developed Europe ex UK Equity Index	
	Vanguard Japan Equity Stock Index	
	Vanguard Asia Pacific ex Japan Equity Stock Index	
	Vanguard US Equity Stock Index	
	Vanguard UK Government Bond Index Fund	
	Standard Life Pooled Property Fund	<i>Not applicable</i>
	Standard Life Global Equity (50:50) Fund	
	Standard Life Global Equity (50:50) Tracker Fund	
	Standard Life Global Equity Select (60:40) Fund	
Standard Life SLI Global Equity		
Standard Life North American Equity		
Standard Life Asia Pacific ex Japan Equity		

Standard Life Japanese Equity
Standard Life European Equity
Standard Life UK Equity
Standard Life UK Equity Select
Standard Life Overseas Equity Fund
Standard Life Overseas Equity Tracker Fund
Standard Life Ethical Equity Fund
Standard Life Multi-Asset Managed Fund (20% - 60% Shares)
Standard Life Global Absolute Return Strategies (GARs)
Pension Fund
Standard Life Managed Fund
Standard Life Corporate Bond Fund
Standard Life Index-Linked Bond Fund
Standard Life Long Corporate Bond Fund
Standard Life UK Mixed Bond Fund
Standard Life Long Bond Fund
Standard Life Global Bond Fund
Standard Life UK Gilt Fund
Standard Life Deposit and Treasury Fund
Standard Life Money Market Fund

Trustee policies on voting and engagement

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's investment managers. The Trustees monitor the engagement and voting activities of the managers by receiving ESG reports and training from the Trustees' investment consultant and discussing these at regular Trustee meetings.

The Trustees have reviewed the available voting data from the Scheme's investment managers and investment funds over the year under review. The Trustees are comfortable that the managers are undertaking their voting and engagement in line with the Trustees' policies.

The voting data collated for the Scheme is given in the table on page 7. The voting data shown is for the funds within the Scheme's default investment strategy, for both sections of the Scheme. These funds make up a majority of the Scheme's assets.

Stewardship policy

Following discussion at the July 2023 Trustee meeting, the Trustees have decided against setting specific stewardship priorities, beyond those set by their investment managers, given that the Scheme has a number of stakeholders who are highly influential in their stewardship activities and are better placed to effect positive change through their own initiatives.

The Trustees have a stewardship policy which delegates the responsibility of voting and engagement in respect to their investments to their investment managers. This policy is documented in the Scheme's Statement of Investment Principles (SIP), which is available here: [Statement of Investment Principles](#). Some examples of these priorities are provided below.

Examples of stewardship priorities of Scheme's investment managers

Baillie Gifford & Co

- Prioritisation of long-term value creation
- A constructive and purposeful management board
- Long-term focused remuneration with stretching targets
- Fair treatment of stakeholders
- Sustainable business practices

Vanguard

- Climate risk
- Board and workforce diversity
- Executive pay
- Corporate political activity
- Societal risk

Legal & General Investment Management

- Climate change
- Health
- Diversity
- Remuneration

Standard Life

- Climate change
- Human rights
- Nature
- Controversies linked to the United Nations Global Compact (UNGC) breaches

M&G Investments

- Climate change
- Diversity and Inclusion
- Biodiversity
- Modern slavery

HSBC

- Climate change
 - Human rights
 - Public health
 - Inclusive growth and shared prosperity
 - Biodiversity and nature
 - Trusted technology and data
 - Diversity, equity and inclusion
-

Examples of stewardship priorities of Scheme's investment managers

Partners Group

Partners Group is primarily a private markets investor. Partners Group have recently committed (2023) to the voluntary UK Stewardship Code. Partners Group do support a range of initiatives including participation in the Carbon Disclosure Project, being one of the first private markets investors to sign the UN-backed Principles for Responsible Investment and commitment to the Paris Agreement.

In addition, the Trustees expect their investment managers to be able to evidence their stewardship activity in these areas which the Trustees will monitor at least annually (for example, by considering the voting and engagement activity of the investment managers). The Trustees, with input from their investment consultant, believe they can monitor progress against the managers' stewardship priorities and engage with their asset managers over time.

How the SIP has been followed over the year

In the Trustees' opinion, the Statement of Investment Principles has been followed over the year in the following ways:

Policies on investment strategy

- *To provide a suitable default investment option that is likely to be suitable for a typical member*

The Trustees reviewed both the default strategy and the self-select options in January 2023, and confirmed the suitability. Another high-level review of the Scheme's lifestyling is currently underway.

- *To seek to achieve good member outcomes net of fees and subject to acceptable levels of risk*

The Trustees' advisors regularly monitor the fees and level of risk in the quarterly monitoring report and flag to the Trustees if material changes occur.

- *To maximise member outcomes*

As above, the Trustees have reviewed the investment strategy regularly and this has been focussed on relevant areas for the membership. The Trustees take into account inflation, conversion, retirement income, investment manager, concentration/market, currency and loss of investment risks as part of the strategy review.

- *To ensure that the expected volatility of the returns achieved is managed through appropriate diversification of the use of asset types in order to control the level of volatility and risk in the value of members' pension pots; and*

The Trustees consider and monitor the volatility of the default strategy. Diversification within the strategy is used to mitigate excessive volatility.

- *To reduce the risk of the assets failing to meet projected retirement income levels.*
The Trustees monitor this as part of the quarterly monitoring report.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believe that its policies on voting and engagement have been met in the following ways:

- The Trustees consider the performance of the portfolio and any significant developments on a quarterly basis in the quarterly investment monitoring reports.
- The Trustees review the environmental, social and governance ("ESG") and stewardship considerations of the portfolio. For the DC section, this exercise was last carried out in September 2022. The Trustees were satisfied that the manager's policies were reasonable and that no remedial action was required at that time.
- The Scheme invests entirely in pooled funds. The Trustees delegate responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund managers are in alignment with the Scheme's stewardship policies.

Prepared by the Trustees of Professional Footballers' Pension Scheme (Income and 2011 Sections)

November 2023

Voting Data

The voting data collated for the below funds is given over the year to 30 June 2023.

Platform	Mobius			Abrdn	
Fund name	Footballers' Early Growth Fund*	Footballers' Core Growth Fund	Footballers' Consolidation Fund**	Footballers' Foundation Fund	Vanguard FTSE UK All Share Index
Structure	Pooled: The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.				
Number of company meetings the manager of the fund was eligible to vote at over the year	4,944	4,929	57	10,122	677
Number of resolutions the manager of the fund was eligible to vote on over the year	52,497	52,062	594	103,258	10,387
Percentage of eligible resolutions the manager voted on	99.9%	99.9%	96.3%	99.8%	99.6%
Percentage of resolutions the manager abstained from	0.6%	0.6%	1.1%	0.4%	0.0%
Percentage of resolutions voted <i>with</i> management	81.0%	80.9%	96.5%	77.7%	99.1%
Percentage of resolutions voted <i>against</i> management*	18.4%	18.5%	2.5%	21.9%	0.9%
Percentage of resolutions voted <i>contrary</i> to the recommendation of the proxy advisor	10.8%	10.8%	<i>Data not available</i>	13.2%	0.0%

Source: Legal & General, Baillie Gifford, Partners Group and Vanguard Asset Management.

*Does not include information with regards to the M&G Total Return Credit Investment Fund. This is because there are no voting rights attached to this underlying constituent fund. The Partners Generation Fund data also only includes six months to 30 June 2023 of voting data due to a change in voting systems.

***Does not include information with regards to the Legal & General 0 to 5 Year Gilt Index Fund. This is because there are no voting rights attached to this underlying constituent fund.*

Please note that the figures in the above table may not sum to 100% due to rounding.

There are no voting rights attached to the other assets held by the Scheme's other default investments, which include the Footballers' Gilt Fund, Footballers' Cash Fund and Standard Life Deposit and Treasury Fund. These funds do not hold equities.

Significant votes

The Trustees have delegated to the investment managers to define what a "significant vote" is. Although there are differences in how the different managers define "significant votes" the Trustees are comfortable that these broadly represent those votes which either relate to large holdings within a fund or those which the manager considers to be of particular significance in their ESG engagement efforts

The tables below set out some detailed examples of significant votes for the: Footballers' Early Growth Fund, Footballers' Core Growth Fund, Footballers' Consolidation Fund, Footballers' Foundation Fund and the Vanguard FTSE UK All Share Index.

Footballers' Early Growth Fund

The underlying constituent funds within the Footballers' Early Growth Fund are managed by Legal & General, Partners Group and M&G Investments. Each manager has their own process for determining significant votes, and we have listed some examples that have been provided. We note that not all underlying constituent funds within the Fund will have voting rights attached.

	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	Amazon.com, Inc.	Axia Women's Health
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.6%	1.6%	Information not available
Summary of the resolution	Approve the Shell Energy transition progress	Report on median and adjusted gender/racial pay gaps	As Partners Group control the Board, please see below the ESG efforts of the portfolio company.
How the manager voted	Against	For	Control of board.
Did the manager communicate their	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website, with the	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.	Not applicable as Partners has control of the board

	Vote 1	Vote 2	Vote 3
intent to the company ahead of the vote?	rationale for all votes against management, where applicable.		
Rationale for the voting decision	<p>LGIM acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, LGIM remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.</p>	<p>LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as LGIM believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.</p>	<p>Axia Women's Health has improved its quality of care and clinical outcomes, providing a superior and convenient patient experience, exhibiting a reduction in hospital days per patient to 2.1 days, alongside a 10.9% reduction in c-section rates, and a 67.8 net promoter score.</p>
Outcome of the vote	Passed with 80%	Failed with 29%	<i>Not applicable as Partners has control of the board</i>
Implications of the outcome	<p>LGIM continues to undertake extensive engagement with Shell on its climate transition plans</p>	<p>LGIM will continue to engage with the company and monitor progress.</p>	<p>The company has launched its first sophisticated employee engagement survey with 73% participation and will use the results to craft specific employee engagement initiatives.</p> <p>Furthermore, Axia Women's Health has established a Risk & Audit committee (including cybersecurity), while ensuring ownership and accountability at executive and board level, and establishing a cyber baseline with regular reporting.</p>
Criteria on which the vote is considered "significant"	<p>LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.</p>	<p>LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their client's behalf.</p>	<p>The size of Partners Group's holding in the company.</p>

Source: Legal & General, and Partners Group

Footballers' Core Growth Fund

The underlying constituent funds within the Footballers' Core Growth Fund are managed by Legal & General and Baillie Gifford. Each manager has their own process for determining significant votes, and we have listed some examples that have been provided.

	Vote 1	Vote 2	Vote 3
Company name	Tencent Holdings Limited	Pearson Plc	PRYSMIAN S.P.A.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.5%	0.6%	1.4%
Summary of the resolution	Elect Jacobus Petrus (Koos) Bekker as Director	To approve the remuneration policy	Remuneration review
How the manager voted	Against	Against	Against
Did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.	Yes
Rationale for the voting decision	The company is deemed to not meet minimum standards with regard to climate risk management. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors.	LGIM continue to review and strengthen their executive pay principles to improve pay practices and help companies better align pay with long-term performance. The company consulted with LGIM in advance of the publication of their remuneration policy to propose some changes to executive pay. The changes centred around the fact that their CEO is based in the US and should therefore be compensated in line with US peers. Thus, there was a higher proposed annual bonus opportunity and long-term incentive award. LGIM's main concern was that although the company wants to align the CEO's salary with US peers, they have	Baillie Gifford opposed the resolution due to inappropriate use of discretion to increase vesting outcome of the long-term incentive award. They believe the use of discretion should be carefully evaluated, and used to support and prioritise the long-term prospects of the business. Baillie Gifford are not convinced that this use of discretion meets that bar.

	Vote 1	Vote 2	Vote 3
		<p>elected to use UK practices when it comes to his pension. This would result in a pension provision of 16% of salary, which is more than his US peers typically receive.</p> <p>LGIM voted against the policy because they felt the company should not pick and choose the regions (UK/US) to set executive pay based on which region offers the highest opportunity.</p>	
Outcome of the vote	Passed with 88.4%	Passed with 53.6%	Passed
Implications of the outcome	LGIM will continue to engage with the company and monitor progress.		Baillie Gifford supported the forward-looking remuneration policy at the meeting, and anticipate supporting the remuneration report next year, but will continue to monitor for further use of discretion.
Criteria on which the vote is considered "significant"	<p>LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of their engagement activity.</p>	<p>This resolution is significant because it received greater than 20% opposition.</p>

Source: Legal & General and Baillie Gifford

Footballers' Consolidation Fund

The underlying constituent funds within the Footballers' Consolidation Fund are managed by Baillie Gifford. Baillie Gifford has their own process for determining significant votes, and we have listed some examples that have been provided. We note that not all underlying constituent funds within the Fund will have voting rights attached.

	Vote 1	Vote 2	Vote 3
Company name	Duke Realty Corporation	Prologis Inc.	American Tower Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.9%	0.8%	0.3%
Summary of the resolution	Say on Pay frequency	Remuneration	Appoint/pay auditors
How the manager voted	Against	Against	Against
Did the manager communicate their intent to the company ahead of the vote?	Yes	No	Yes
Rationale for the voting decision	Baillie Gifford opposed the advisory proposal to approve executive compensation to be paid in connection with the company merger due to concerns regarding single trigger provisions and the introduction of excise tax gross-ups in connection with severance payments.	Baillie Gifford opposed executive compensation because they do not believe the performance conditions for the long term incentive plan are sufficiently stretching.	Baillie Gifford opposed the ratification of the auditor because of the length of tenure. They believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.
Outcome of the vote	Failed with 91.6%	Failed	Passed
Implications of the outcome	<p>While Baillie Gifford were supportive of the proposed merger with Prologis, they were uncomfortable with the compensation arrangements planned for Duke Realty NEOs in connection with the merger and therefore opposed this resolution.</p> <p>Baillie Gifford unsuccessfully attempted to engage the company on its approach to compensation at this year's AGM and will continue their efforts to do so going forward.</p>	Baillie Gifford will re-iterate their expectation to the company and monitor the evolution of pay going forward.	<p>Although not a regulatory requirement in the U.S., Baillie Gifford consider it best practice for the auditor to rotate at least every 20 years to maintain independence.</p> <p>Baillie Gifford asked about plans to tender last year but did not receive a response. This year they decided to escalate their voting action to oppose the auditor and will continue to share their expectations with the company.</p>

	Vote 1	Vote 2	Vote 3
Criteria on which the vote is considered "significant"	This resolution is significant because it received greater than 20% opposition.		This resolution is significant because Baillie Gifford opposed the election of auditors.

Source: Baillie Gifford

Footballers' Foundation Fund

The underlying constituent funds within the Footballers' Foundation Fund were managed by Legal & General only. Legal & General has their own process for determining significant votes, and we have listed some examples that have been provided.

	Vote 1	Vote 2	Vote 3
Company name	Toyota Motor Corp.	Public Storage	Crown Castle Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.2%	0.1%	0.1%
Summary of the resolution	Amend articles to report on corporate climate lobbying aligned with Paris Agreement	Report on GHG emissions reduction targets aligned with the Paris Agreement goal	Elect P. Robert Bartolo as director
How the manager voted	For	For	Against
Did the manager communicate their intent to the company ahead of the vote?	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	
Rationale for the voting decision	<p>LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment.</p> <p>LGIM acknowledge the progress that Toyota Motor Corp has made in relation to its climate lobbying</p>	<p>A vote in favour is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.</p>	The company is deemed to not meet minimum standards with regard to climate risk management.

	Vote 1	Vote 2	Vote 3
	<p>disclosure in recent years. However, they believe that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified.</p> <p>Furthermore, LGIM expect Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. They believe the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this.</p>		
Outcome of the vote	Failed with 15.1%	Failed with 34.7%	Passed with 97.9%
Implications of the outcome	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is considered "significant"	LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health. In addition, they expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.	This shareholder resolution is considered significant due to the relatively high level of support received.	LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/

Source: Legal & General

Vanguard FTSE UK All Share Equity Index

Vanguard have communicated that the Fund made no significant votes over the year. We will continue to work with Vanguard to improve reporting capabilities.

Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustees. The table below provides a summary of the engagement activity undertaken by each manager during the year for the relevant funds. The information is given over the year to 30 June 2023.

Manager	Abrdn	Legal & General	Partners Group	M&G Investments	Baillie Gifford
Fund name	Income section default strategy: Vanguard FTSE UK All Share Index	Footballers' Early Growth Fund and Footballers' Core Growth Fund: Legal & General Future World UK Equity Index Fund Legal & General Future World Developed (ex UK) Equity Index Fund Legal & General Future World Developed (ex UK) Equity Index Fund – GBP hedged Legal & General Future World Emerging Markets Equity Index Fund Footballers' Foundation Fund: Legal & General Retirement Income Multi-Asset Fund	Footballers' Early Growth Fund: Partners Group Generations Fund	Footballers' Early Growth Fund: M&G Total Return Credit Investment Fund	Footballers' Core Growth Fund and Footballers' Consolidation Fund: Baillie Gifford Multi-Asset Growth Fund
Does the manager perform engagement on behalf of the holdings of the fund?	Yes	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>	17	<i>Data not provided</i>
Number of engagements undertaken at a firm level in the year	2,484* engagements	1,133 engagements	<i>Data not provided</i>	218	518

*Data provided over the year to 31 December 2022

The Trustees believe there is less scope for engagement in relation to the Abrdn Standard Deposit and Treasury Fund and the LGIM 0 to 5 Year Gilt Index Fund, and therefore there is no information shown above for these funds.

Examples of engagement activity undertaken over the year to 31 July 2023

Manager	Examples of engagement
Legal & General	<p>In 2022, LGIM continued their deforestation engagement campaign with portfolio companies. Having communicated initially with around 300 companies in deforestation-critical sectors, they followed up with direct engagements where requested. For instance, they met with Colgate-Palmolive and Sime Darby Plantation to discuss their deforestation policies and approaches. As communicated in their deforestation policy, they will be sanctioning companies for not meeting their minimum expectations of having a deforestation policy or programme from 2023 onwards. They will continue to work on achieving their milestones as part of the COP26 Commitment on Eliminating Agricultural Commodity Driven Deforestation from Investment Portfolios, which they signed in 2021.</p>
abrdn	<p>abrdn recognised the crucial link between a company's workforce practices and its long-term success. The majority of FTSE100 companies are now accredited payers of the real living wage, but, as yet, not one of the UK's big supermarkets has joined them. Over 2022, abrdn engaged in conversations with a number of large UK supermarkets and the British Retail Consortium (BRC) to discuss efforts the sector was making to ensure employees were being paid the real living wage.</p> <p>abrdn entered into careful engagement with Sainsbury's to discuss this resolution and explore the reasons for the board's opposition to the proposal. At the time, Sainsbury's was already paying the real living wage within London and above the rate outside London, while many of its peers had yet to achieve these rates. After careful consideration, abrdn voted against the resolution proposed by the coalition of investors because we believed that the third-party supplier commitment would punish a supermarket that was leading in this area. abrdn felt comfortable with Sainsbury's total compensation package and the consideration given to wider employment standards. abrdn believe that these engagements helped to unearthed the initiatives the sector is using to ensure fair compensation and satisfied employees.</p>
Partners Group	<p>With Partners Group support, KinderCare Education has conducted a baseline year GHG emissions assessment for Scope 1 and Scope 2 emissions. Data from the assessment helps to inform the company's broader environmental strategy. Initiatives undertaken to improve energy efficiency include a USD 5.1 million investment in 2022, which updated 161 centres with LED lighting. These enhancements have led to the reduction of 12,229 tons of CO2 across the updated centres and brought the total number of centres with LED lighting to 315 out of 1,500 (21% of the total). Meanwhile, following delays to heating, ventilation and air conditioning (HVAC) upgrades in 2022 due to supply chain limitations, older HVAC units will now be replaced with high efficiency units that are up to 40% more efficient. This is significant, as HVAC energy usage is the single largest source of energy consumption within the centres. KinderCare Education also invested to instal centralized energy management systems in 114 centres in 2022. These enhancements led to the reduction of 13,412 tons of CO2 annually and increased the total number of centres with energy management systems installed to 315. Together, all these initiatives brought more than USD 1.8 million in energy savings.</p>

Manager	Examples of engagement
M&G	<p>Newriver REIT PLC</p> <p>During the year, M&G encouraged Newriver REIT PLC to improve diversity & inclusion. Following on from the letter sent at the start of the year outlining M&G's voting policy, M&G encouraged the company to improve diversity and inclusion practices throughout the organisation by increasing board gender diversity and setting and disclosing diversity targets throughout the workforce.</p>
	<p>TOTALENERGIES SE</p> <p>As part of the ongoing Climate Action 100+ collaborative engagement, M&G encouraged Total Energies to take the necessary steps to put them at the top of the CA100+ Net Zero company benchmark.</p>
Baillie Gifford	<p>Baillie Gifford engaged with HICL Infrastructure. Their investment proposition is to deliver long-term, sustainable income from a diversified portfolio of investments in core infrastructure and HICL's Board delegates the day-to-day management of the company to the Investment Manager, InfraRed Capital Partners Limited. InfraRed are clearly driving the fund's sustainability agenda and in 2021, InfraRed joined the Net Zero Asset Managers Initiative and set a net zero emissions target across its entire portfolio by 2050. Baillie Gifford's engagement with the company confirmed that the company are aware that the 'how' is missing in terms of interim targets of how the longer-term ambition will be achieved. In relation to the shorter-term delivery of this climate commitment within the HICL portfolio, Baillie Gifford requested that the board puts more pressure on the manager to focus on the portfolio's high carbon-emitting sector exposure, as well as providing a constructive challenge in relation to the largest individual asset values where HICL has majority ownership.</p>

Source: LGIM, abrdn, Partners Group, M&G, Baillie Gifford

Strategy review

In January 2023, the Trustees undertook a triennial default strategy review. It was concluded that the current default investment strategy was well aligned with the needs of members, and therefore no amendment was needed for the high-level allocation of the default investment strategy. It was also concluded that the underlying funds were still appropriate to their section of the lifestyle journey.

After the Scheme year, in September 2023, the Trustees decided to remove one self-select Fund, the Footballer's Diversified Growth Fund given Barnett Waddingham's specialist Manager Research Team had downgraded their opinion on the Fund. The Trustees also decided to disinvest fully from Baillie Gifford Multi Asset Growth Fund from the default strategy. This affects the Core Growth Fund and Consolidation Fund. This disinvestment is due to take place in 2024 following an overview of the Scheme's default investment strategy.

During the year, the Trustees agreed to move the Income Section and 2011 Section Additional Voluntary Contributions (“AVCs”) to align with the default investment strategy of the 2011 Section. The transfer took place in October 2023.

No changes were implemented to the Scheme’s platform provider during this period.

Over the year, the Trustees implemented a process to streamline the default investment strategies of the two sections.

Scheme governance

Governance arrangements, in terms of the constitution of the Board of Trustees, service level agreements with providers, processing of core financial transactions, costs and charges, and investment arrangements, are detailed in the Chair’s Statement.

The Trustees are responsible for making investment decisions, and seek advice as appropriate from Barnett Waddingham LLP, as the Trustees’ investment consultant.

The Trustees are currently formally reviewing our performance against the objectives (agreed in December 2021) put in place for Barnett Waddingham LLP.

Monitoring of investment managers

The Trustees receive quarterly monitoring reports from their investment consultant which analyse the Scheme’s assets, investment manager performance and performance of the default strategies. This report is discussed at quarterly Trustee meetings and additional investment sub-committee meetings where appropriate.

Non-financially material considerations

The Trustees’ policy is to consider only financially material considerations in setting their default investment strategy, but the Trustees may take non-financially material considerations into account when providing self-select options for members.

Summary

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme’s policies. The Trustees are supportive of the voting and engagement action taken by the applicable investment managers over the period.