

## Implementation Statement

### Professional Footballers’ Pension Scheme (Income and 2011 Sections)

#### Scheme year ended 31 July 2022

This statement sets out the Trustees’ approach and implementation of the Environmental, Social and Governance (“ESG”), engagement and voting policies set out in the Statement of Investment Principles (“SIP”) over the year to 31 July 2022.

The voting behaviour and significant votes detailed within this statement is not given over the Scheme year end to 31 July 2022 because investment managers largely only report this data quarterly, we have therefore given the information over the year to 30 June 2022.

#### 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 2022 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 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	<b>The Footballers’ Early Growth Fund</b>	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
	<b>The Footballers’ Core Growth Fund</b>	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
		Baillie Gifford Multi-Asset Growth Fund
		Baillie Gifford Multi-Asset Growth Fund
	<b>The Footballers' Consolidation Fund</b>	Legal & General 0 to 5 Year Gilt Index Fund
		Cash Fund
	<b>The Footballers' Foundation Fund</b>	Legal & General Retirement Income Multi-Asset Fund
	<b>The Footballers' Gilt Fund</b>	Legal & General 0 to 5 Year Gilt Index Fund
	<b>The Footballers' Cash Fund</b>	Legal & General Cash Fund
		Legal & General Future World UK Equity Index Fund
	The Footballers' Equity 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' Shariah Equity Fund	HSBC Islamic Global Equity Index Fund
	The Footballers' Diversified Growth Fund	Baillie Gifford Multi-Asset Growth Fund
	<b>Vanguard FTSE UK All Share Equity Index</b>	
	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	
	Standard Life Global Equity (50:50) Fund	
	Standard Life Global Equity (50:50) Tracker Fund	
	Standard Life Global Equity Select (60:40) Fund	
Abrdn	Standard Life SLI Global Equity	<i>Not applicable</i>
	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

---

## Voting and engagement policies

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 below. 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.

## Voting Data

The voting data collated for the below funds is given over the year to 30 June 2022.

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
<b>Structure</b>	<b>Pooled:</b> The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.				
<b>Number of company meetings the manager of the fund was eligible to vote at over the year</b>	4,824	4,853	101	10,119	749
<b>Number of resolutions the manager of the fund was eligible to vote on over the year</b>	52,491	52,646	1,164	102,511	10,645
<b>Percentage of eligible resolutions the manager voted on</b>	99.8%	99.5%	83.9%	99.8%	100.0%
<b>Percentage of resolutions the manager abstained from</b>	0.9%	0.9%	0.7%	0.7%	0.0%
<b>Percentage of resolutions voted <i>with</i> management</b>	80.8%	80.8%	96.2%	78.0%	98.8%
<b>Percentage of resolutions voted <i>against</i> management*</b>	18.3%	18.3%	3.1%	21.3%	1.2%
<b>Percentage of resolutions voted contrary to the recommendation of the proxy advisor</b>	11.0%	11.0%	<i>Data not provided</i>	12.5%	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.

\*\*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.

There are no voting rights attached to the other assets held by the Scheme's other default investments, which include the Standard Life Deposit and Treasury Fund. This fund does 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 the 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
<b>Company name</b>	Royal Dutch Shell Plc	ANTA Sports Products Limited	VSB Renewables Platform
<b>Date of vote</b>	24 May 2022	11 May 2022	<i>Information not available</i>
<b>Summary of the resolution</b>	Approve the Shell Energy Transition Progress Update	Elect Ding Shizhong as Director	As Partners Group control the Board, please see below the ESG efforts of the portfolio company.
<b>How the manager voted</b>	LGIM voted against this resolution	LGIM voted against this resolution	Control of board.
<b>Did the manager communicate their intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website, with the rationale for all votes against management, where applicable.		<i>Not applicable as Partners has control of the board</i>
<b>Rationale for the voting decision</b>	A vote against is applied, though not without reservations. LGIM acknowledged the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well	A vote against was applied as LGIM expects the roles of Chair and CEO to be separate. They believe the two roles are substantially different and a division of	"VSB initiated the ""VSB Goes Green Initiative"", which includes several ESG projects aimed at deepening the alignment of business and employees with the climate friendly nature of the company. One of the initiatives

	Vote 1	Vote 2	Vote 3
	as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, they remained concerned over the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	responsibilities ensures there is a proper balance of authority and responsibility on the board. A vote against was also applied as the board did not comprise at least 33% independent directors. A vote against was also applied because LGIM expects the Committee to comprise of independent directors.	include assessing Scope 1 and Scope 2 emissions with the support of an external advisor. VSB aims to reduce its carbon footprint.  The company has also initiated a comprehensive health and safety review to promote the well-being of its employees.
<b>Outcome of the vote</b>	79.9% of shareholders supported the resolution.	95.0% of shareholders supported the resolution	<i>Not applicable as Partners has control of the board</i>
<b>Implications of the outcome</b>	LGIM will continue to engage with Royal Dutch Shell on the issue and will monitor its disclosure for improvement.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	VSB completed a detailed assessment of its IT and cyber security setup across offices with an external consultant. VSB will make the necessary improvements based on the outcome of this engagement.
<b>Criteria on which the vote is considered "significant"</b>	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. They mention that the two roles are substantially different, requiring distinct skills and experiences. Since 2015 they have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020, have voted against all combined board chair/CEO roles.	The size of Partners Group's holding in the company.

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
<b>Company name</b>	Meituan	Standard Chartered Plc	BHP Group Plc
<b>Date of vote</b>	18 May 2022	4 May 2022	14 October 2021
<b>Summary of the resolution</b>	Elect Wang Xing and Mu Rongjun as Director	Approval of Net Zero Pathway	Request for strengthening review of industry associations.
<b>How the manager voted</b>	LGIM voted against this resolution	LGIM voted against this resolution	Baillie Gifford voted for this resolution
<b>Did the manager communicate their intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website, with the rationale for all votes against management, where applicable.		Yes
<b>Rationale for the voting decision</b>	<p>A vote against is applied as LGIM expects a company to have at least one female on the board. A vote against is also applied as LGIM expects the roles of Chair and CEO to be separate. These two roles are substantially different, and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.</p> <p>LGIM voted against the election of Wang Xing and Mu Rongjun. It was warranted given their failure to ensure the company's compliance with relevant rules and regulations. This raises serious concerns on their ability to fulfil fiduciary duties in the company.</p>	<p>While LGIM noted the company's strengthened policies and the disclosure of some interim targets for its financed emissions, they were discouraged that these targets only covered the activity related to three sectors and are therefore concerned about the ability to achieve 1.5C temperature alignment on the proposed pathway.</p> <p>A vote against was therefore 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>	<p>In advance of the AGM Baillie Gifford engaged with the company on a number of climate related and shareholder resolutions. One resolution they engaged on was requesting the company to strengthen its review of industry associations to ensure that it identifies areas of inconsistency with the Paris Agreement. This resolution had been put forward at the 2019 and 2020 AGMs however failed only receiving 27% and 22% support respectively. Previously Baillie Gifford had opposed the resolution as they were comfortable management were making sufficient progress however in 2021 management recommended support for the resolution, and as such they voted in favour.</p>
<b>Outcome of the vote</b>	91.8% of shareholders supported the resolution.	83% of shareholders supported the resolution	98.0% of shareholders supported the resolution.

	Vote 1	Vote 2	Vote 3
<b>Implications of the outcome</b>	LGIM will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM took the decision to disinvest from this company across its Future World range of funds.	Baillie Gifford will continue to engage with the company and monitor progress.
<b>Criteria on which the vote is considered "significant"</b>	LGIM considers this vote to be significant as it is an application of an escalation of their voting policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM also views gender diversity as a financially material issue for clients, with implications for the assets managed on their behalf.	LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.	This resolution is significant because it was submitted by shareholders and received greater than 20% support.

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
<b>Company name</b>	Galaxy Entertainment Group Ltd	Greggs Plc	Lyft, Inc.
<b>Date of vote</b>	12 May 2022	17 May 2022	16 June 2022
<b>Summary of the resolution</b>	Amendment of share capital.	Approval of remuneration report.	Proposal for further reporting on lobbying activities.
<b>How the manager voted</b>	Baillie Gifford voted against the resolution.	Baillie Gifford voted against the resolution.	Baillie Gifford voted for the resolution.
<b>Did the manager communicate their intent to the company ahead of the vote?</b>	No	No	No



	Vote 1	Vote 2	Vote 3
<b>Rationale for the voting decision</b>	Baillie Gifford opposed two resolutions which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.	Baillie Gifford voted against the remuneration report due to concerns over executive pay increases and misalignment of pension rates.	Baillie Gifford supported a shareholder proposal requesting further reporting on lobbying activities as they believe the company can make further improvements in this area.
<b>Outcome of the vote</b>	Passed	Passed	Failed
<b>Implications of the outcome</b>	They have opposed similar resolutions in previous years and will continue to advise the company of their concerns and seek to obtain proposals that they can support.	Following casting a vote, Baillie Gifford reached out to the Company to provide reasons for their opposition on the remuneration report and ask for clarification on pay setting for the CEO. The Company acknowledged their feedback on pensions and pay increases for one executive and explained how the new CEO's salary was set.	In response to the high level of support last year, Lyft had updated its policy on lobbying to add information on board oversight, management governance and a brief trade association policy but it did not meet the oversight and disclosure standard set out by the proponents since it did not provide any information on lobbying expenditures, a list of all trade association memberships and dues or lobbying expenditures made by those associations using Lyft funds. Therefore, Baillie Gifford believed Lyft can go further with disclosures.
<b>Criteria on which the vote is considered "significant"</b>	The resolution is significant because it received greater than 20% opposition.	This resolution is significant because Baillie Gifford opposed remuneration.	The resolution is significant because it received greater than 20% support.

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
<b>Company name</b>	Microsoft Corporation	Prologis, Inc.	Rio Tinto Plc
<b>Date of vote</b>	30 November 2021	4 May 2022	8 April 2022
<b>Summary of the resolution</b>	Elect Director Satya Nadella	Elect Director Hamid R. Moghadam	Approve Climate Action Plan
<b>How the manager voted</b>	LGIM voted against the resolution.	LGIM voted against the resolution.	LGIM voted against the resolution.
<b>Did the manager communicate their intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website, with the rationale for all votes against management, where applicable.		
<b>Rationale for the voting decision</b>	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.	A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	LGIM recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while they acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, they remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.
<b>Outcome of the vote</b>	The resolution passed as 94.7% of shareholders supported it.	The resolution passed as 92.9% of shareholders supported it.	The resolution passed as 84.3% of shareholders supported it.
<b>Implications of the outcome</b>	LGIM will continue to vote against combined Chairs and CEOs and will consider whether vote pre-	LGIM will continue to engage with their investee companies, publicly advocate their position on this	LGIM will continue to monitor the company.

	Vote 1	Vote 2	Vote 3
	declaration would be an appropriate escalation tool.	issue and monitor company and market-level progress.	
<b>Criteria on which the vote is considered "significant"</b>	The vote received media scrutiny and is emblematic of a growing wave of shareholder activism.	LGIM's clients were particularly interested in the outcome of this vote.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.

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 2022.

Manager	Abrdn	Legal & General	Partners Group	M&G Investments	Baillie Gifford
<b>Fund name</b>	<b>Income section default strategy:</b> Vanguard FTSE UK All Share Index	<b>Footballers' Early Growth Fund and Footballers' Core Growth Fund:</b> 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  <b>Footballers' Foundation Fund:</b> Legal & General Retirement Income Multi-Asset Fund	<b>Footballers' Early Growth Fund:</b> Partners Group Generations Fund	<b>Footballers' Early Growth Fund:</b> M&G Total Return Credit Investment Fund	<b>Footballers' Core Growth Fund and Footballers' Consolidation Fund:</b> Baillie Gifford Multi-Asset Growth Fund
<b>Does the manager perform engagement on behalf of the holdings of the fund?</b>	Yes	Yes	Yes	Yes	Yes
<b>Has the manager engaged with companies to influence them in relation to ESG factors in the year?</b>	Yes	Yes	Yes	Yes	Yes
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>	22 engagements	<i>Data not provided</i>
<b>Number of engagements undertaken at a firm level in the year</b>	2,585 engagements	706 engagements	<i>Data not provided</i>	<i>Data not provided</i>	1,323 engagements

*\*Data provided over the year to 31 December 2021*

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.

## Strategy review

During the scheme year to 31 July 2022, three new self-select fund options were made available to members. These include: The Footballers' Equity Fund, Shariah Fund, and Diversified Growth Fund. No changes were implemented to the Scheme's platform provider during this period.

The Trustees also received advice to streamline the default investment strategies of the two sections. This will be implemented during the 2022/23 Scheme year.

## 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 formally reviewed the objectives put in place for Barnett Waddingham LLP in December 2021.

## Statement of Investment Principles

The Statement of Investment Principles was last updated in September 2020 to allow for an update for the Scheme's ESG policies as required under legislation, as well as the update to the 2011 Section default investment strategy.

Prior to this, the SIP was updated in September 2019 to again reflect additional policies on ESG as required under legislation. These new policies are reported on in this Statement. The Trustees consider that the principles set out in the Statement of Investment Principles have been adhered to over the period covered by this Statement.

## 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.

The Trustees had meetings with LGIM and Baillie Gifford during the year under review to discuss the poor performance during 2022. Furthermore, the Trustees also received information with regards to their exposure to Russia and Ukraine assets at the time of the invasion in February 2022. The Scheme's exposure to these assets was minimal.

## Non-financially material considerations

The Trustees' policy is to take into account 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 stewardship policies. The Trustees are supportive of the voting and engagement action taken by the applicable investment managers over the period.

**Prepared by the Trustees of the Professional Footballers' Pension Scheme  
December 2022**