

Implementation Statement, covering the Scheme Year from 1 October 2023 to 30 September 2024 (the “Scheme Year”)

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

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

In preparing the Statement, the Trustees have had regard to the [guidance](#) on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions (“DWP’s guidance”) in June 2022.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Scheme Year. The last time these policies were formally reviewed was 31 March 2023.

The Trustees have, in their opinion, followed the Scheme’s voting and engagement policies during the Scheme Year.

2. Voting and engagement

The Trustees have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. Further information on the managers’ stewardship approaches can be found via the following links for each manager:

- [LGIM](#)
- [Baillie Gifford](#)
- [BlackRock](#)

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

As part of its advice on the selection and ongoing review of the investment managers, the Scheme’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement.

Following the introduction of DWP’s guidance, the Trustees agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors. The Trustees selected Climate Change and Diversity, Equity and Inclusion as their stewardship priorities in December 2022.

The Trustees are conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expect most managers will have areas where they could improve. Therefore, the Trustees aim to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Scheme Year

All of the Trustees’ holdings in listed equities are within pooled funds and the Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees have not used proxy voting services over the Scheme Year. However, the Trustees monitor managers’ voting and engagement behaviour on an annual basis and challenges managers where their activity has not been in line with the Trustees’ expectations.

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

- Legal & General Investment Management ("LGIM"):
 - Low Carbon Transition Global Equity Index Fund
 - Low Carbon Transition Global Equity Index Fund – GBP Hedged
- Baillie Gifford Multi Asset Growth Fund
- BlackRock Dynamic Diversified Growth Fund*

*The Scheme fully disinvested from the BlackRock Dynamic Diversified Growth Fund in May 2024.

The Scheme held a small allocation (c1.5% of Scheme assets) to Partners Group Multi Asset Credit 2014, a private markets fund, of which around 25% of the underlying assets were private equity holdings as at 30 September 2024. Voting opportunities data has not been collected for these holdings on the basis of materiality.

In addition to the above, the Trustees contacted the Scheme's asset managers that do not hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the Scheme Year. None of the other funds that the Scheme invested in over the Scheme Year held any assets with voting opportunities.

3.1 Description of the voting processes

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

3.1.1. LGIM (relevant to all funds the Scheme invests in)

LGIM's voting and engagement activities are driven by ESG professionals and its assessment of the requirements in these areas seeks to achieve the best outcome for all its clients. LGIM's voting policies are reviewed annually and take into account feedback from its clients.

Every year, LGIM holds a yearly stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continue to develop its voting and engagement policies and define strategic priorities in the years ahead. LGIM also takes into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

All decisions are made by LGIM's Investment Stewardship team and in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents, which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company, with the aim of ensuring that its stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and LGIM does not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is purely to augment its own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services to supplement the research reports that LGIM receives from ISS for UK companies when making specific voting decisions.

To ensure LGIM's proxy provider votes in accordance with its position on ESG, LGIM has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM considers are minimum best practice standards which LGIM believes all companies globally should observe, irrespective of local regulation or practice.

LGIM retains the ability in all markets to override any vote decisions, which are based on its custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows LGIM to apply a qualitative overlay to its voting judgement. LGIM has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

3.1.2. Baillie Gifford Multi Asset Growth Fund

All voting decisions are made by Baillie Gifford's Governance & Sustainability team in conjunction with investment managers. Baillie Gifford does not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote, then it will engage with them on this. If a vote is particularly contentious, Baillie Gifford may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

Thoughtful voting of Baillie Gifford's clients' holdings is an integral part of its commitment to stewardship. Baillie Gifford believe that voting should be investment led, because how it votes is an important part of the long-term investment process, which is why its strong preference is to be given this responsibility by its clients. The ability to vote its clients' shares also strengthens its position when engaging with investee companies.

Whilst Baillie Gifford is cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), it does not delegate or outsource any of its stewardship activities or follow or rely upon recommendations when deciding how to vote on its clients' shares. All client voting decisions are made in-house, in line with its in-house policy and not with the proxy voting providers' policies.

3.1.3. BlackRock Dynamic Diversified Growth Fund

BlackRock's approach to corporate governance and stewardship is explained in its Global Principles. These high-level Principles are the framework for its more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Global Principles describe its philosophy on stewardship (including how it monitors and engage with companies), its policy on voting, its integrated approach to stewardship matters and how it deals with conflicts of interest. These apply across relevant asset classes and products as permitted by investment strategies. BlackRock reviews its Global Principles annually and updates them as necessary to reflect in market standards, evolving governance practice and insights gained from engagement over the prior year.

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. BlackRock's voting guidelines are market-specific to ensure it takes into account a company's unique circumstances by market, where relevant. BlackRock informs its vote decisions through research and engage as necessary. BlackRock's engagement priorities are global in nature and are informed by its observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients.

BlackRock may also update regional engagement priorities based on issues that it believes could impact the long-term sustainable financial performance of companies in those markets. BlackRock welcomes discussions with its clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in its Global Principles, BlackRock determines which companies to engage directly based on its assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of engagement being productive.

BlackRock's voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which BlackRock assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock apply guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock informs its vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy itself, but the client would engage a third-party voting execution platform to cast the votes.

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team ("BIS"), which consists of three regional teams – Americas, Asia-Pacific, and Europe, Middle East and Africa – located in seven offices around the world. The relevant analysts with each team will generally determine how to vote at the meetings of the companies it covers. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

3.2 Summary of voting behaviour

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

	LGIM Low Carbon Transition Global Equity Index Fund	LGIM Low Carbon Transition Global Equity Index Fund – GBP Hedged	Baillie Gifford Multi Asset Growth Fund	BlackRock Dynamic Diversified Growth Fund*
Total size of fund at end of the Scheme Year	£5,156m	£1,674m	£401m	£587m
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£1.5m / 7.1%	£1.5m / 7.3%	£1.3m / 6.4%	Nil
Number of equity holdings at end of the Scheme Year	2,822		53	4,338
Number of meetings eligible to vote	4,751		50	533
Number of resolutions eligible to vote	47,586		623	6,758
% of resolutions voted	>99%		95%	94%
Of the resolutions on which voted, % voted with management	79%		95%	94%
Of the resolutions on which voted, % voted against management	20%		3%	5%
Of the resolutions on which voted, % abstained from voting	1%		2%	1%
Of the meetings in which the manager voted, % with at least one vote against management	65%		24%	26%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	11%		N/A	<1%

*The Scheme fully disinvested £1.2m from the BlackRock Dynamic Diversified Growth Fund in May 2024.

BlackRock was unable to provide summary data for the partial period during which the Scheme was invested during the reporting period. Therefore, the summary data provided below reflects voting behaviour for the BlackRock Dynamic Diversified Growth Fund across the full Scheme Year.

3.3 Most significant votes

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

The Trustees did not inform their managers which votes they 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 Trustees did not identify significant voting ahead of the reporting period. Instead, the Trustees have retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested the managers could use the PLSA's criteria for creating this shortlist.

The Trustees have interpreted "significant votes" to mean those that:

- align with the Trustees' stewardship priorities;
- might have a material impact on future company performance;
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor; or
- the subject of the resolution aligned with the investment manager's engagement priorities or key themes.

The Trustees have selected and reported on two of these significant votes per fund. If members wish to obtain more investment manager voting information, this is available upon request from the Trustees.

LGIM Low Carbon Transition Global Equity Index Fund (including GBP Hedged)

Apple Inc., 2 February 2024

- **Summary of resolution:** Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy.
- **Relevant stewardship priority:** Diversity, Equity, and Inclusion
- **Why this vote is considered to be most significant:** LGIM publicly communicates its vote instructions on its website with the 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
- **Company management recommendation:** Against. **Fund manager vote:** Against.
- **Rationale:** Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.
- **Was the vote communicated to the company ahead of the vote:** Yes
- **Outcome of the vote and next steps:** Fail. LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Unilever Plc., 1 May 2024

- **Summary of resolution:** Approve Climate Transition Action Plan
- **Relevant stewardship priority:** Climate Change
- **Why this vote is considered to be most significant:** LGIM is publicly supportive of "Say on Climate" votes. It expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C scenario. Given the high-profile nature of such votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan.
- **Company management recommendation:** For. **Fund manager vote:** For.
- **Rationale:** A vote for the Climate Transition Action Plan was applied by LGIM as it met LGIM's minimum expectations. This included the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, LGIM note that the company has

recently submitted near term 1.5°C aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. LGIM therefore remains supportive of the net zero trajectory of the company at this stage.

- **Was the vote communicated to the company ahead of the vote:** Yes
- **Outcome of the vote and next steps:** Pass. LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Baillie Gifford Multi Asset Growth Fund

American Tower Corporation, 22 May 2024

- **Summary of resolution:** Consider a stockholder proposal, regarding disclosure of racial and gender pay gaps.
- **Relevant stewardship priority:** Diversity, Equity, and Inclusion
- **Why this vote is considered to be most significant:** This resolution is significant because it received greater than 20 per cent opposition.
- **Company management recommendation:** Against. **Fund manager vote:** For.
- **Rationale:** Baillie Gifford supported a shareholder resolution requesting the company report its unadjusted median pay gaps and adjusted pay gaps across race and gender. Baillie Gifford believes this type of data provides valuable insight into pay equity and understand the progress the company is making to address inequity. Baillie Gifford believes the company is lagging other US companies, many of whom provide at least adjusted numbers.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps:** Fail. Following the AGM Baillie Gifford explained its rationale for supporting this resolution. The company acknowledge the significant support the resolution received and in response are assessing their ability to report unadjusted and adjusted pay gaps. This is a promising outcome and Baillie Gifford will monitor progress.

NextEra Energy, Inc., 23 May 2024

- **Summary of resolution:** A shareholder proposal entitled "Climate Lobbying Report" requesting a report on the Company's lobbying and trade association memberships in relation to the Company's emissions goal.
- **Relevant stewardship priority:** Climate Change
- **Why this vote is considered to be most significant:** This resolution is significant because it received greater than 20 per cent opposition.
- **Company management recommendation:** Against. **Fund manager vote:** For.
- **Rationale:** Baillie Gifford supported the resolution on climate lobbying as it believes that clear and transparent support for Paris-aligned goals through lobbying is one-way shareholders look to demonstrate consistency with their climate targets.
- **Was the vote communicated to the company ahead of the vote:** No
- **Outcome of the vote and next steps:** Fail. Baillie Gifford reached out to the Company to explain why it decided to support the resolution. Whilst it welcomed the real zero target set, Baillie Gifford believes that the lobbying reporting could be improved with identification of misalignment between the company's lobbying activities and its Net Zero goal.

BlackRock Dynamic Diversified Growth Fund

National Australia Bank Limited., 15 December 2023

- **Summary of resolution:** Approve Transition Plan Assessments
- **Relevant stewardship priority:** Climate Change
- **Why this vote is considered to be most significant:** Aligned with Trustees' stewardship priorities
- **Company management recommendation:** Against **Fund manager vote:** Against

- **Rationale:** The request was not clearly defined, too prescriptive, not in the purview of shareholders, and unduly constraining on the company. The company already has policies in place to address the request being made by the proposal, or is already enhancing its relevant policies.
- **Was the vote communicated to the company ahead of the vote:** N/A
- **Outcome of the vote and next steps:** Withdrawn.

Dow Inc., 11 April 2024

- **Summary of resolution:** Commission Audited Report on Reduced Plastics Demand
- **Relevant stewardship priority:** Climate Change
- **Why this vote is considered to be most significant:** Aligned with Trustees' stewardship priorities
- **Company management recommendation:** Against **Fund manager vote:** Against
- **Rationale:** Company already has policies in place to address these issues.
- **Was the vote communicated to the company ahead of the vote:** N/A
- **Outcome of the vote and next steps:** Fail.