

Pension Scheme for Administration & Technical Staff in the Arts
31 March 2021
Implementation Statement

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Year Ending 31 March 2021

Glossary

Baillie Gifford	Baillie Gifford & Co Limited
ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
Scheme	Pension Scheme for Administration and Technical Staff in the Arts
Scheme Year	1 April 2020 to 31 March 2021
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

The Trustee has reviewed the extent to which its policy from the SIP relating to the exercise of rights (including voting rights) attaching to the investments was followed over the Scheme Year and this statement confirms the outcome of that review.

In addition, the statement summarises the voting record of the Scheme's investment manager and provides information on the significant votes made in respect of the Trustee's equity holdings. Information is also provided on the how the Scheme's investment manager makes use of the services of proxy voting advisers.

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Relevant Investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in the following funds which included an allocation to equities:

- Baillie Gifford Multi-Asset Growth Fund

The Trustee's Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustee's policy in relation to the exercise of the rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme Year to comply with new legislation which required additional information to be stated about the nature of the arrangements in place with the investment manager. Part of the new wording provided a more detailed explanation of the Trustee's policy relating to the exercise of rights.

A summary of the Trustee's policy is as follows:

- The Trustee believes that good stewardship can help create, and preserve, value for companies and markets as a whole and the Trustee wishes to encourage best practice in terms of stewardship.
- The Trustee invests in pooled investment vehicles and therefore accepts that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment manager's own policies on such matters.
- When selecting a pooled fund, the Trustee considers, amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund.
- When considering the ongoing suitability of an investment manager, the Trustee (in conjunction with its Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustee will normally select investment managers who are signatories to the UNPRI.

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- If it is identified that a fund’s investment manager is not engaging with companies the Trustee may look to replace that fund. However, in the first instance, the Trustee would normally expect its Investment Adviser to raise the Trustee’s concerns with the investment manager.

Has the Policy Been Followed During the Scheme Year?

The Trustee’s opinion is that its policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustee’s belief regarding the importance of good stewardship.
- The Scheme’s invested assets remained invested in pooled funds over the period.
- The Trustee did not select any new funds during the period.
- Whilst the Trustee did not consider the voting records of the investment manager during the Scheme Year, that analysis has now been undertaken. The Trustee, in conjunction with its Investment Adviser, has considered the voting record of the investment manager over the year ending 31 March 2021 as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment managers used by the Scheme are UNPRI signatories.

The Investment Manager’s Voting Record

A summary of the investment manager’s voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against	Did not vote/ abstained
Baillie Gifford	13,677	95%	4%	2%

Notes

Split of votes may not sum to 100% due to rounding.

These voting statistics are based on the manager’s full voting record over the 12 months to 31 March 2021 rather than votes related solely to the funds held by the Scheme.

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Use of Proxy Voting Advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
Baillie Gifford	No Proxy Voting Adviser	All done in-house, Manager aims to participate in all votes

The Investment Manager’s Voting Behaviour

The Trustee has reviewed the voting behaviour of the investment manager by considering the following:

- broad statistics of its voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. “with management” or “against management”);
- the votes it cast in the year to 31 March 2021 on the most contested proposals in eight categories across the UK, the US and Europe;
- the investment manager’s policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustee has also compared the voting behaviour of the investment manager with its peers over the same period.

The Trustee’s key observations are set out below.

Voting in Significant Votes

Based on information provided by the Trustee’s Investment Adviser, the Trustee has identified significant votes in eight separate categories. The Trustee considers votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply “waved through”. In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The most significant votes in each of the eight categories based on shares held by the Scheme’s investment manager are listed in the Appendix. In addition, the Trustee considered the investment manager’s overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

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Description of Voting Behaviour

Baillie Gifford

Baillie Gifford tends to support director proposals, but this is consistent with its active management style – the manager has chosen to invest in companies so it is unsurprising it wishes to support their management.

Although Baillie Gifford tends to support management in director proposals, over the course of the Scheme year the investment manager has demonstrated a willingness to vote in favour of shareholder proposals (which typically means voting against management).

Conclusions

Based on the analysis undertaken, the Trustee has no concerns regarding the voting records of Baillie Gifford.

The Trustee will keep the voting actions of the investment manager under review.

Joanne fairbairn

Date: 18/08/2021

Signed on behalf of the Trustee of the Pension Scheme for Administration and Technical Staff in the Arts

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Significant Votes

The table below records how the Scheme's investment manager voted in the most significant votes identified by the Trustee.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	Baillie Gifford
Audit & Reporting					
SARTORIUS STEDIUM BIOTECH SA	24/06/2020	Approve Auditors' Special Report on Related-Party Transactions	15	85	For
ADIDAS AG	11/08/2020	Ratify KPMG AG as Auditors for Fiscal 2020	90	10	For
Shareholder Capital & Rights					
JUST EAT TAKEAWAY.COM N.V.	14/05/2020	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	60	40	For
TENARIS SA	02/06/2020	Approve Renewal of the Share Capital Authorisation of the Company	77	23	Against
DELIVERY HERO SE	18/06/2020	Approve Creation of EUR 20 Million Pool of Capital without Pre-emptive Rights	80	20	For
Pay & Remuneration					
ACTIVISION BLIZZARD INC	11/06/2020	Advisory Vote on Executive Compensation	57	43	For
INTERTEK GROUP PLC	21/05/2020	Approve Remuneration Policy	56	42	For
NETFLIX INC	04/06/2020	Advisory Vote on Executive Compensation	62	38	For
Constitution of Company, Board & Advisers					
AMAZON.COM INC.	27/05/2020	Right to Call Special Meeting	37	63	For
Merger, Acquisition, Sales & Finance					
DELIVERY HERO SE	18/06/2020	Approve Issuance of Warrants/Bonds with Warrants Attached/Convertible Bonds without Preemptive	78	22	For
THE WEIR GROUP PLC	23/11/2020	Approve Matters Relating to the Disposal by the Company of the Oil & Gas Division	100	0	For
AVEVA GROUP PLC	24/11/2020	Approve Matters Relating to the Acquisition of OSISoft, LLC	100	0	For
Other Company Resolutions					
UBISOFT ENTERTAINMENT SA	02/07/2020	Delegate Powers to the Board to Amend Bylaws to Comply with Legal Changes	80	20	For
JOHN WOOD GROUP PLC	29/06/2020	Meeting Notification-related Proposal	90	10	For
Governance & Other Shareholder Resolutions					
NETFLIX INC	04/06/2020	Shareholder Resolution: Report on Political Contributions	42	58	For
AMAZON.COM INC.	27/05/2020	Shareholder Resolution: Right to Call Special Meetings	37	63	Against
Environmental & Socially Focussed Shareholder Resolutions					
AMAZON.COM INC.	27/05/2020	Shareholder Resolution: Report on Potential Customer Misuse of Certain Technologies	32	67	Against
FACEBOOK, INC.	27/05/2020	Shareholder Resolution: Report on Median Gender/Racial Pay Gap	27	73	Against
BHP GROUP PLC	15/10/2020	Shareholder Resolution: Approve Suspension of Memberships of Industry Associations	21	74	Against
DSV PANALPINA A/S	15/03/2021	Shareholder Resolution: Reporting on Climate-Related Financial Risks and Opportunities	99	0	For

Note

Where the voting record has not been provided at the fund level, the analysis is based on the shares held within the Scheme's pooled funds as at 31 March 2021. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds at the date of the vote.