The Salvation Army Employees' Pension Fund
2025 Implementation Statement

1. Purpose of this Statement

This Statement sets out how, and the extent to which, the Trustees of The Salvation Army Employees' Pension Fund ("the Fund") have implemented the principles set out in the Statement of Investment Principles ("SIP") regarding the exercising of rights attaching to investments and undertaking engagement activities. It has been prepared to comply with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013. In accordance with these requirements this Statement is included as part of the Trustees' annual report and accounts and to be made freely available online.

The first part of this Statement provides an overall review of Trustee actions in relation to voting and engagement, then more detail is provided on voting activities.

This Statement considers the scheme year to 31 March 2025.

2. Background

The Fund is a UK defined benefit arrangement, denominated in Sterling. The Fund is closed to new members and contributions to the AVC section ceased with effect from 1 May 2023. However, AVC benefits built up until 30 April 2023 can remain invested in the AVC Section until benefits are taken. The monies representing AVC are managed separately by unit funds with the AVC investment manager and are used to provide money-purchase benefits.

The Investment Advisory Committee of The Salvation Army ("the IAC") is the investment advisor to the Trustees.

The defined benefit investment managers are Sarasin & Partners LLP ("Sarasin") and Legal & General Investment Management ("LGIM").

The Investment Managers have their engagement and voting monitored against the policies set out in the SIP.

The main portfolio was de-risked to an all gilts strategy during January 2023 that broadly matched the Fund's liabilities. Both Sarasin and LGIM separately implemented the gilts strategy. As such, this report does not give details of their voting and engagement activity as these are not relevant for an all gilts portfolio.

Sarasin managed its proportion of the main portfolio via a segregated mandate.

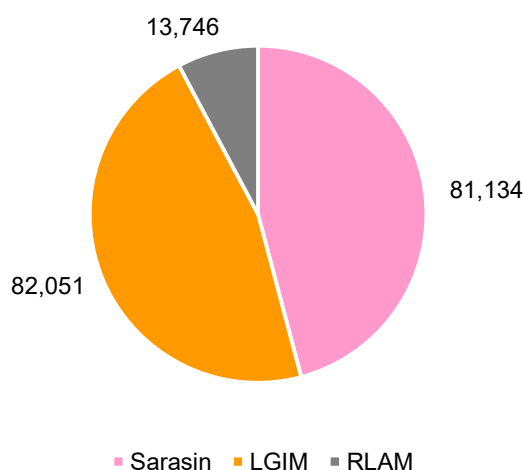LGIM managed its proportion of the main portfolio via investment in pooled funds.

The AVC section investment manager is Royal London Asset Management Limited ("RLAM"). A range of RLAM pooled funds is offered to members.

The chart below outlines the asset split between the Fund's asset managers as at 31 March 2025.

EPF Assets as at 31 March 2025 (£'000s)

- Sarasin - LGIM - RLAM

3.   SIP implementation

The following section reviews the implementation of the SIP polces in relation to voting and engagement over the scheme year.

The following assessment criteria were used to demonstrate the level of performance.

- 🟢 Action completed or objective achieved.
- 🟠 Action or objective partly achieved.
- 🔴 Action not completed or objective not achieved.

3.1   Actions

The table below outlines the relevant actions set out in the SIP and how, and the extent to which, these have been completed.

Action	Assessment	Comment
The Trustees monitor any engagement and voting activity of the investment managers through regular reporting and an annual review.	🟢	The 2025 Engagement Activities Report was produced and considered by the Trustees providing a summary of the investment managers' stewardship activities.

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3.2 Objectives

The below table outlines the objectives set out in the SIP and assesses how, and the extent to which, these have been achieved.

Objective	Assessment	Reasoning
The Trustees expect ownership rights (including voting and engagement rights) to be exercised by the investment managers in order to safeguard sustainable returns in the long-term.	🟢	The 2025 Engagement Activities Report considered the investment managers' voting and engagement behaviour. Relevant extracts from this report are shown in the sections below

4. Voting and engagement activities

The 2025 Engagement Activities Report considered the investment managers' engagement and voting behaviour. A summary of the results of the report is shown below, with extracts from the report shown in the next sections.

Year to 31 March 2025	
Engagement and voting consideration	**RLAM**
Environmental (excluding climate change)	🟢
Social	🟢
Governance	🟢
Climate change	🟢

Alignment with Statement of Investment Principles

🟢 Policy and examples satisfactory

🟠 Policy or examples satisfactory, but not both

🔴 Policy and examples unsatisfactory

RLAM's voting and engagement policies align with those of the SIP.

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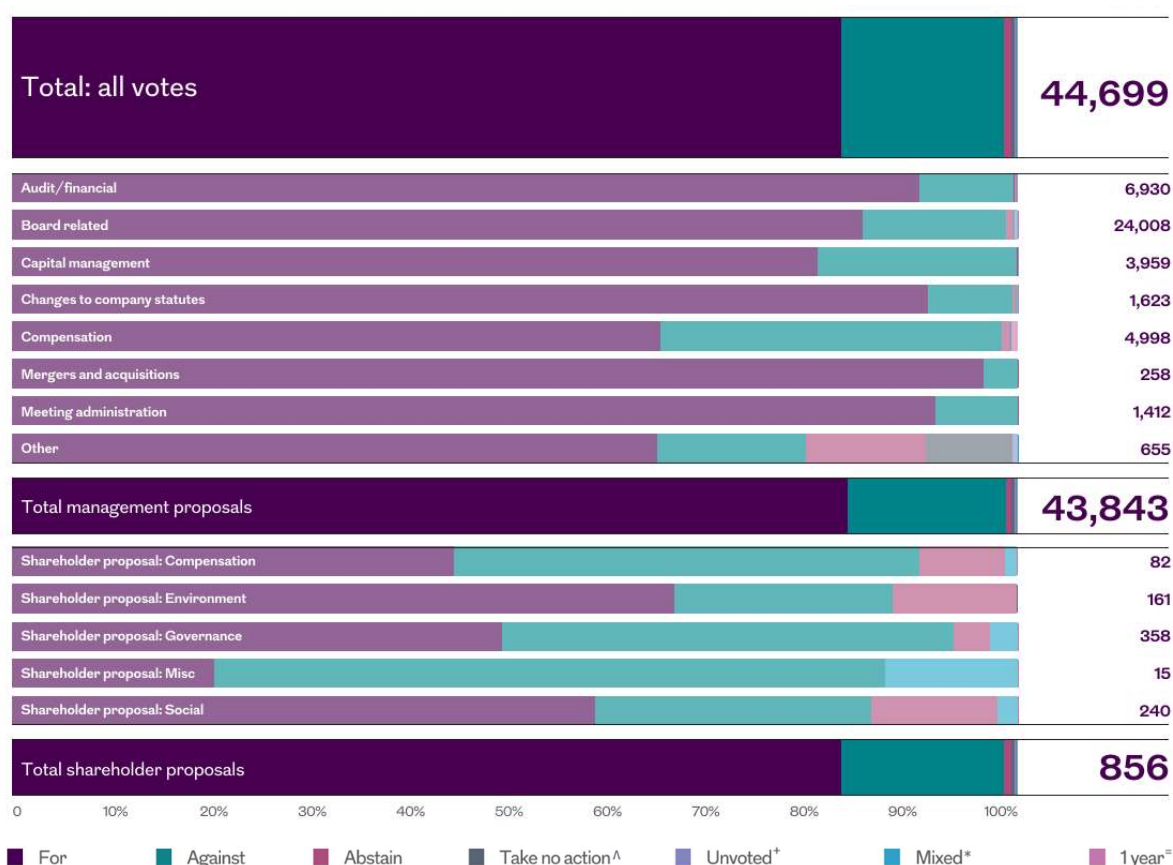
5. RLAM

5.1 Voting policy

RLAM's "Stewardship and responsible investment report 2024" states that it attempts to make use of its voting rights across equity and fixed income holdings to maximise influence and safeguard client interests.

RLAM does not pre-declare its votes. This allows it to be able to incorporate any last minute new information into its voting decisions.

RLAM was ranked 23rd out of 70 investment managers for its ESG voting practices in ShareAction's "Voting Matters 2024" report, with RLAM voting in favour of 84% of the 279 environmental and social shareholder resolutions assessed.

5.2 Voting activity

The following breakdown of RLAM's voting activity for all actively held stock across all assets under management for calendar year 2024 was provided by RLAM.

Category	Votes
Total: all votes	44,699
Audit/financial	6,930
Board related	24,008
Capital management	3,959
Changes to company statutes	1,623
Compensation	4,998
Mergers and acquisitions	258
Meeting administration	1,412
Other	655
Total management proposals	43,843
Shareholder proposal: Compensation	82
Shareholder proposal: Environment	161
Shareholder proposal: Governance	358
Shareholder proposal: Misc	15
Shareholder proposal: Social	240
Total shareholder proposals	856

Legend: For / Against / Abstain / Take no action^ / Unvoted+ / Mixed* / 1 year=

^RLAM endeavour to vote at all meetings other than in markets where voting would result in shareblocking.

+Unvoted resolutions are rare but can occur for example when the number of board candidates exceeds the available seats.

*Mixed votes may include meetings voted by proxy card instead of via the voting platform, client directed voting in segregated accounts or due to the late settlement of trading.

=1 year refers to a vote specific to remuneration in the US. RLAM will vote for remuneration to be put to a vote every year rather than every 2 or 3 years.

5.3   Significant votes cast

The tables below outline the most significant votes cast over the scheme year for each of the ESG factors. The following votes were deemed most significant as they each relate to votes on key financially material ESG matters and where possible relate to funds held in the default option.

5.3.1   Environmental

Company	Date of vote	Summary	RLAM's voting decision and reasoning	Vote outcome	% of holdings at vote date*	Next steps
Amazon.com Inc.	22/05/2024	Shareholder Proposal Regarding Just Transition Reporting	**FOR** – RLAM supports further disclosures on just transition and the development of a plan to address the social impacts of climate transition.	Defeated	1.26%	As part of RLAM's standard procedures a voting engagement letter was sent to the company after the vote detailing the rationale for voting against management. Following this, RLAM would welcome further engagement to discuss climate matters.
National Grid Plc	10/07/2024	Approval of Updated Climate Transition Plan	**ABSTAIN** – Although RLAM were pleased to see that a 1.5°C aligned target for power generation has now been set, the reduction target covering the emissions from sold gas still appeared insufficient for the alignment.	Approved	0.11%	As part of RLAM's standard procedures a voting engagement letter was sent to the company after the vote detailing the rationale for the vote. Following this, RLAM would welcome further engagement to discuss climate matters.

Approximate percentage of total AVC holdings held with RLAM

5.3.2   Social

Company	Date of vote	Summary	RLAM's voting decision and reasoning	Vote outcome	% of holdings at vote date*	Next steps
Microsoft Corporation	10/12/2024	Shareholder Proposal Regarding Report on Risks of AI (Artificial Intelligence) Data Sourcing	**FOR** – RLAM believes that support for this proposal would encourage the company to ensure that its forthcoming planned disclosures are robust and provide a solid context for shareholders to allow them to assess the potential risks to the company from its use of external data in the development of its AI technology.	Defeated	2.56%	As part of RLAM's standard procedures a voting engagement letter was sent to the company after the vote detailing the rationale for voting against management. Following this, RLAM would welcome further engagement to discuss social matters.

Approximate percentage of total AVC holdings held with RLAM

5.3.3   Governance

Company	Date of vote	Summary	RLAM's voting decision and reasoning	Vote outcome	% of holdings at vote date*	Next steps
Visa Inc.	28/01/2025	Advisory Vote on Executive Compensation	**AGAINST** – RLAM has long-standing concerns over the discretionary nature of the bonus plan, which can call into question the link between pay and performance. RLAM would prefer to see longer performance periods for performance share awards.	Approved	1.38%	As part of RLAM's standard procedures a voting engagement letter was sent to the company after the vote detailing the rationale for voting against management. Following this, RLAM would welcome further engagement to discuss governance matters.
Taiwan Semiconductor Manufacturing	04/06/2024	Election of Director	**ABSTAIN** – Lack of attendance, the nominee had attended less than 75% of meetings without a valid excuse.	Approved	1.92%	A voting engagement letter was sent to the company. RLAM would welcome further engagement to discuss governance matters.
Ferguson Enterprise Inc.	05/12/2024	Election of Director	**AGAINST** – RLAM has concerns that a Senior Independent Director or equivalent has not been appointed as the nominee is Chair of the Nomination Committee.	Approved	1.30%	A voting engagement letter was sent to the company. RLAM would welcome further engagement to discuss governance matters.

Approximate percentage of total AVC holdings held with RLAM

6.   Proxy voting services

RLAM uses Glass Lewis' Viewpoint as a voting platform to execute its proxy votes. However, RLAM will use its own voting policy to make the final voting decisions.