

Implementation Statement

Seventh-day Adventist Retirement Plan

Purpose of this statement

This implementation statement has been produced by the Trustees of the Seventh-Day Adventist Retirement Plan ("the Plan") to set out how the Trustees' policies on exercising rights and engagement activities have been followed over the year over the year to 5 April 2024.

The report does not cover the voting activity undertaken by the Plan's investment manager on behalf of the Trustees over the year, because there are no voting rights attached to the underlying assets in the funds the Plan held over the accounting year.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 5 April 2024 describes the Trustees' stewardship policy on engagement activities. It is available online here:

https://adventist.uk/fileadmin/adventist.uk/departments_buc/secretariat/Pensions/SDARP_SIP_Apr_2024.pdf

Given the Plan solely invests through pooled investment vehicles where the Plan's assets only represent a small proportion of the capital invested in the funds, the Trustees only considered the stewardship priorities of the fund manager – Legal & General, and selected their stewardship themes as the stewardship priorities of the Plan, including diversity, climate change, income inequality, and health, etc.

How engagement/stewardship policies have been followed

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

- The Plan invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Plan's fund managers.
- Annually, the Trustees receive and review engagement policies from the asset manager.
- LGIM attended the Trustee meeting on 21 June 2023 and included a discussion on ESG and stewardship as part of their presentation. The Trustees reviewed LGIM's stewardship priorities and adopted them as stewardship priorities of the Plan.

**Prepared by the Trustees of the Seventh-day Adventist Retirement Plan
June 2024**

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by the manager during the year for the relevant funds.

Engagement activities are limited for the Plan's gilt and index-linked gilt funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	Legal and General Investment Management	
Fund name	LPI Income Property Fund	Future World Net Zero Buy and Maintain Fund
Number of entities engaged on behalf of the holdings in this fund in the year	*	71
Number of entities engaged on behalf of the holdings at a firm level in the year	2,006	2,006

*LGIM were unable to provide this information at the time of asking. The Plan fully disinvested from this Fund in December 2023.

**The engagement data for the funds are given for the 12 months to 31 March 2024.

Examples of engagement activity undertaken over the year to 5 April 2024

LGIM

Engagement: APA

APA is Australia's largest energy infrastructure business. Under LGIM's Climate Impact Pledge campaign, they have been engaging with the company directly since 2022; as one of LGIM's selected 'dial mover' companies, they believe it has the scale and influence across its industry and value chain for its actions to have positive reverberations beyond its direct corporate sphere.

In LGIM's engagements with them, in terms of 'red lines' the company was identified as lagging their expectations on climate-related lobbying activities. LGIM expect 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.

As a consequence, when APA Group brought its climate transition plan to a vote, LGIM were unable to support it: although the plan presented Scope 1 and 2 goals for the medium and long term on a path to achieving net zero emissions by 2050, no Scope 3 targets were included. The company noted that these would be finalised no later than 2025. LGIM initiated engagement with the company after this vote, and met with them for the first time in early 2023 as part of LGIM's Climate Impact Pledge engagement, and they have continued to build the relationship, setting out expectations as per their net zero guide, and working with the company to understand the hurdles it faces and the challenges to meeting these expectations.

LGIM were very pleased that, in their meeting in early 2024, APA confirmed that they will include a Scope 3 goal in the 2025 refresh of their Climate Transition Plan, and they outlined their proposed Scope 3 reduction pathway. The company noted that feedback from the 20% of investors, including LGIM, who voted against their proposed

Climate Transition Plan in 2022, had solidified their decision to commit to a Scope 3 target. This demonstrates the effect of LGIM's engagement strategy, fully aligned with their voting policy, to encourage progress towards decarbonisation. LGIM look forward to continuing engagements with the company on their decarbonisation pathway and journey to net zero.