

Implementation Statement

Seventh-day Adventist Retirement Plan

Scheme year ended 31 March 2022

Purpose of this statement

The Implementation Statement has been prepared by the Trustees of the Seventh-day Adventist Retirement Plan ("the Plan") to set out the following information over the year to 31 March 2022:

- How the Trustees' policies on exercising rights (including voting rights) and engagement policies have been followed over the year;
- The voting activity undertaken by the Plan's investment manager on behalf of the Trustees over the year to 31 March 2022, including information regarding the most significant votes.

The voting behaviour is not given over the Plan year end to 5 April because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2022.

How voting and engagement policies have been followed

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

- The Plan invests entirely in pooled funds, and as such the Trustees delegate responsibility for carrying out voting and engagement activities to the Plan's fund manager.
- The Trustees reviewed the stewardship and engagement activities of the current manager at their meeting on 13 October 2021, and were satisfied that their policies were reasonable and no remedial action was required at that time. The current manager also attended the Trustees' meeting on 15 July 2021, and included a discussion on stewardship and voting as part of their presentation.
- Annually, the Trustees receive and review voting information and engagement policies from the asset manager.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund manager are in alignment with the Plan's stewardship policies.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in June 2022 and has been made available online. There were no changes made to the stewardship policy over the year.

**Prepared by the Trustees of the Seventh-day Adventist Retirement Plan
September 2022**

Voting Data

The voting data summarised below relates to the year to 31 March 2022.

No voting data is shown for the Plan's holdings in gilts and property because they have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	Legal & General Investment Management (LGIM)	
Fund name	Ethical UK Equity Index Fund	Ethical Global Equity Index Fund (Primary and Currency Hedged)
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
No. of eligible meetings	271	1,123
No. of eligible votes	4,442	15,785
% of resolutions voted	100.0%	99.9%
% of resolutions abstained	0.0%	0.3%
% of resolutions voted with management¹	93.6%	83.2%
% of resolutions voted against management	6.4%	16.5%
% of resolutions voted against proxy voter recommendation	4.8%	11.4%

*L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions.

¹ As a percentage of the total number of resolutions voted on

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a “significant” vote, so for this Implementation Statement the Trustees have asked the investment manager to determine what they believe to be a “significant vote”. LGIM have provided a selection of votes which they believe to be significant, and in the interest of concise reporting the tables below show 6 of these votes for each fund.

A summary of the significant votes provided is set out below.

LGIM Ethical UK Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	The Sage Group Plc	EVRAZ Plc	Kier Group Plc
Date of vote	3 February 2022	15 June 2021	19 November 2021
Summary of the resolution	Re-elect Drummond Hall as Director	Re-elect Alexander Abramov as Director	Approval of Remuneration Report – including substantial salary increase to CEO and LTIP awards at exceptional levels
How the manager voted	Against	Against	Against
Rationale for the voting decision	A vote against was applied because of a lack of progress on gender diversity on the board. LGIM expects boards to have at least one-third female representation on the board.	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets managed on their behalf. As part of their efforts to influence investee companies on having greater gender balance, LGIM apply voting sanctions to those FTSE 350 companies that do not have a minimum of 30% women on the board.	LGIM had concern over one-off (unphased) salary increase of 26% to CEO to result in £750,000, a significant salary level for a SmallCap company following sell-off of a number of divisions; additionally provided exceptional LTIP award levels in a difficult environment for other stakeholders.
Outcome of the vote	Supported by 94.4% of shareholders.	Supported by 82.8% of shareholders.	Supported by 73.9% of shareholders.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	Inclusion on Investment Association list for high dissent votes – requiring further engagement by the company with its shareholders. LGIM will continue to monitor Remuneration Committee application.
Criteria on which the vote is considered “significant”	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets managed on the client’s behalf.	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets managed on the client’s behalf.	LGIM considers this vote to be significant as it received a significant level of dissent by shareholders at the AGM, additionally it received attention from the industry with inclusion on the IA list.

	Vote 1	Vote 2	Vote 3
	Vote 4	Vote 5	Vote 6
Company name	Balfour Beatty Plc	4imprint Group Plc	ContourGlobal Plc
Date of vote	13 May 2021	18 May 2021	12 May 2021
Summary of the resolution	Re-elect Philip Aiken as Director	Re-elect Paul Moody as Director	Re-elect Craig Huff as Director
How the manager voted	Against	Against	Against
Rationale for the voting decision	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets managed on their behalf. For 10 years, LGIM have been using their position to engage with companies on this issue. As part of their efforts to influence investee companies on having greater gender balance, LGIM apply voting sanctions to those FTSE 350 companies that do not have a minimum of 30% women on the board. LGIM also apply voting sanctions to the FTSE 100 companies that do not have 30% women on their executive committee. For smaller companies they expect at least one woman at board level.		
Outcome of the vote	Supported by 78.0% of shareholders.	Supported by 96.2% of shareholders.	Supported by 91.2% of shareholders.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets managed on the client's behalf.		

L&G Ethical Global Equity Index Fund (Primary and Currency Hedged)

	Vote 1	Vote 2	Vote 3
Company name	Apple Inc.	Microsoft Corporation	AT & T
Date of vote	4 March 2022	30 November 2021	30 April 2021
Summary of the resolution	Report on Civil Rights Audit	Elect Director Satya Nadella	Advisory Vote to Ratify Named Executive Officers' Compensation
How the manager voted	For	Against	Against
Rationale for the voting decision	A vote in favour was applied as LGIM supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.	LGIM identified serious issues with the structure and quantum of AT&T's executive remuneration. The awards and payments made by AT&T did not meet LGIM's expectations of fair and balanced remuneration both in respect to their magnitude and the lack of performance criteria.
Outcome of the vote	Supported by 53.6% of shareholders.	Supported by 94.7% of shareholders.	Supported by 51.7% of shareholders.

	Vote 1	Vote 2	Vote 3
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to seek to engage with the company and monitor progress.
Criteria on which the vote is considered "significant"	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets managed on the client's behalf.	A vote linked to an LGIM engagement campaign, in line with the Investment Stewardship team's five-year ESG priority engagement themes.	L&G considers this vote to be significant as a majority of investors (51.7%) voted against the advisory resolution, sending a strong signal to management that its remuneration policy needs revision.
	Vote 4	Vote 5	Vote 6
Company name	Wells Fargo & Company	Oracle Corporation	Johnson & Johnson
Date of vote	27 April 2021	10 November 2021	22 April 2021
Summary of the resolution	Report on Racial Equity Audit	Require Independent Board Chair	Elect Director Alex Gorsky
How the manager voted	For	For	Against
Rationale for the voting decision	A vote in favour was applied as LGIM supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.	A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.
Outcome of the vote	Supported by 12.9% of shareholders.	Supported by 35.5% of shareholders.	Supported by 93.4% of shareholders.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	LGIM views diversity as a financially material issue for their clients, with implications for the assets we manage on their behalf.	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 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).

Fund level engagement

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

Manager	Legal and General Investment Management			
Fund name	Ethical UK Equity Index Fund	Ethical Global Equity Index Fund (Primary and Currency Hedged)	LPI Income Property Fund	Index-linked Gilts
No. of companies engaged at a fund level in the year	87	203	Fund level engagement statistics not available	
No. of companies engaged at a firm level in the year				593

Example of engagement activity undertaken over the year to 31 March 2022

Sainsbury's

LGIM, together with ShareAction, other asset owners and asset managers, has co-filed a shareholder resolution calling on Sainsbury's to become a living-wage accredited employer by its AGM in 2023. With over 600 supermarkets, more than 800 convenience stores, and nearly 190,000 employees, Sainsbury's is one of the largest supermarkets in the UK. Although Sainsbury's is currently paying higher wages than many other listed supermarkets, the company has been selected because it is more likely than many of its peers to be able to meet the requirements to become living-wage accredited.

LGIM decided to co-file this resolution because of Sainsbury's decision to split its London employees into 'inner' and 'outer' London, with those in 'outer' London paid less than the real living wage of £11.05 per hour ('outer' London employees were offered £10.50 per hour). Although the hourly rate differential appears small, when multiplied by the total hours worked, this would make a material impact on affected employees' ability to meet the demands of the cost-of-living crisis as inflation costs soar and the economy struggles to recover from the effects of the COVID-19 pandemic.

On 8 April 2022, Sainsbury's announced that it would increase the wages of their 'outer' London employees to match their 'inner' London employees.