The Salvation Army Employees' Pension Fund
2026 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 2026.

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 manager is Legal & General Investment Management ("LGIM"), with the portfolio managed by Sarasin being transferred to LGIM on 17 December 2025.

The Investment Managers have their engagement and voting monitored against the policies set out in the SIP. The latest SIP was approved on 25 September 2025, with no significant changes to the stewardship policies.

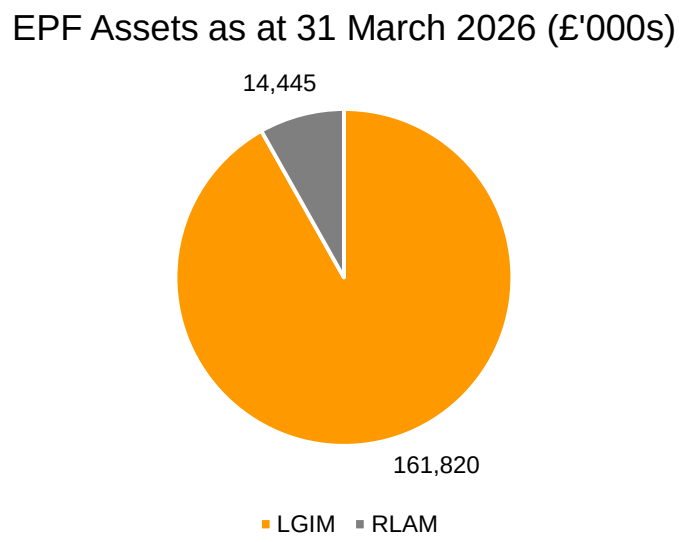
The main portfolio was de-risked to an all gilts strategy during January 2023 that broadly matched the Fund's liabilities. Following the November 2025 Trustees meeting, it was agreed to invest surplus assets to generate additional returns while retaining a prudential buffer, the first allocation to global equities was implemented on 31 March 2026.

The Fund was invested solely in gilts for the majority of the reporting period. As such, this report does not give details of the Fund's voting and engagement activity as these are not relevant for an all Gilts portfolio.

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 2026.



3. SIP implementation

The following section reviews the implementation of the SIP polices 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 2026 Engagement Activities Report was produced and considered by the Trustees providing a summary of the investment managers' stewardship activities.

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 2026 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 2026 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 2026	
Engagement and voting consideration	**RLAM**
Environmental	
Social	
Governance	

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.

5. RLAM

5.1 Voting policy

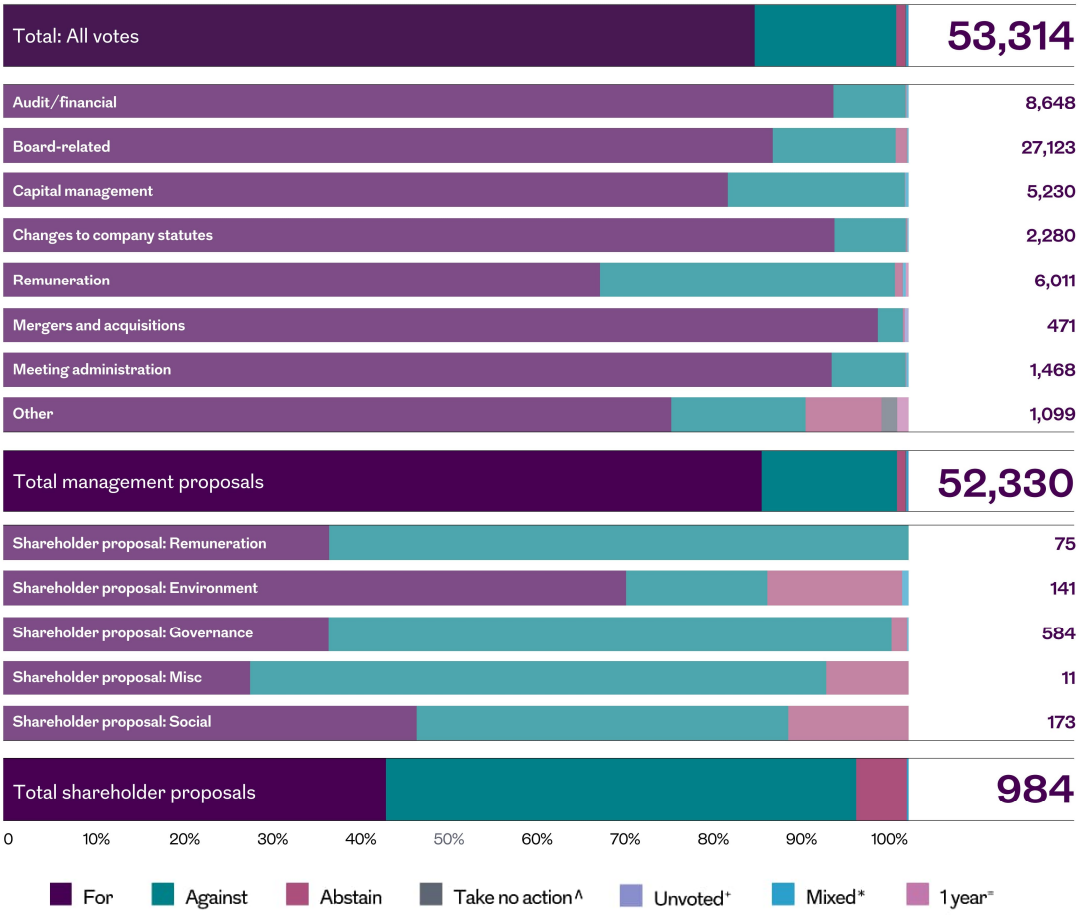
RLAM's "Stewardship and responsible investment report 2025" states that it attempts to make use of its voting rights across equity and fixed income holdings to maximise influence and safeguard client interests.

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 2025 was provided by RLAM.



^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
SSE Plc	17/07/2025	Approval of Net Zero Transition Report and Adoption of Triennial Vote on Net Zero Transition Report	**FOR** – RLAM is supportive of SSE's high quality climate transition plan, with detailed decarbonisation levers and continued ambitious targets. RLAM also welcomes the suggestion for the Net Zero Transition Report to be put to shareholders every three years instead of annually, in line with guidance from the TPT.	Approved	0.22%	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.
Ninety One Plc	23/07/2025	Approval of Climate Strategy	**AGAINST –** While RLAM values Ninety One's emphasis on real-world impact and the need for a just transition, RLAM continues to have concerns with its climate strategy. The lack of disclosure and targets for Scope 3, Category 15 emissions, as well as the limited decarbonisation plan, means RLAM is unable to support the proposal at this time.	Approved	0.04%	As part of RLAM's standard procedures a voting engagement letter was sent to the company after the vote detailing the rationale voting against management. 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
Amazon.com Inc.	21/05/2025	Election of Director	**AGAINST**– The nominee serves as incumbent Chair of the E&S Committee. While RLAM noted that the shareholder proposal regarding third-party assessment of freedom of association is not on this year's meeting agenda due to no-action relief provided by the SEC, RLAM continues to be supportive of the request to commission an independent, third-party assessment of Amazon's adherence to its stated commitment to workers' freedom of association and collective bargaining rights and how the Board oversees this. While RLAM continues to appreciate the company's disclosures to date, given the ongoing issues raised over the company's labour practices and legal action in the UK, RLAM would welcome an independent assessment in this area.	Approved	1.36%	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*

Company	Date of vote	Summary	RLAM's voting decision and reasoning	Vote outcome	% of holdings at vote date*	Next steps
Rio Tinto plc	03/04/2025	Remuneration Report	**ABSTAIN –** While RLAM welcomes the fact that a majority of the recommendations from the Everyday Respect Report have been implemented and that work on the remaining recommendations is underway, RLAM remains concerned that the survey data from the Progress Review published in 2024 presents a mixed picture. Although there has been perceived improvement in relation to bullying, sexual harassment and racism, a significant proportion of respondents continue to report experiencing these issues. In particular, the prevalence of sexual harassment and racism appears unchanged from 2021, while reported bullying has increased over the same period. As such, RLAM would prefer to see more stretching bonus targets and clearer linkage between survey outcomes and pay results under the People & Culture strategic measures.	Approved	0.14%	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 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
Microsoft Corporation	05/12/2025	Shareholder Proposals Regarding Report on Siting in Countries of Significant Human Rights Concern & Report on AI Human Rights Due Diligence	**ABSTAIN** – Following RLAM's last year's engagement, core elements of the remuneration framework, particularly bonus discretion and short performance periods, remain unchanged, and with these concerns still unaddressed RLAM remains unsupportive of the current approach. Nevertheless, RLAM would encourage the company to continue further dialogue in addressing these issues.	Defeated	2.50%	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 governance matters.
Visa Inc.	27/01/2026	Advisory Vote on Executive Compensation	**AGAINST** – RLAM does not believe the benefits of the re-domestication outlined by the board outweigh concerns regarding the substantial uncertainty in the application of corporate law in Texas at this time.	Approved	1.42%	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.

**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.