

Center Parcs Senior Pension Scheme

Engagement policy implementation statement for the year ended 31 July 2021

During the year ended 31 July 2021, the Scheme's investment policies were implemented in line with the principles set out in the Scheme's Statement of Investment Principles.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment manager, Legal and General Investment management (LGIM) and to encourage the manager to exercise those rights in accordance with the Statement of Investment Principles. The Scheme invests through pooled fund arrangements and so acknowledges that the investment manager exercises those rights in accordance with their own corporate governance policies on behalf of all investors in its funds. In doing so LGIM takes account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

The Trustees are comfortable with LGIM's stewardship activities in relation to the specific funds the Scheme holds. The Trustees reviewed LGIM's approach to stewardship and are comfortable with the activity taken on the Scheme's behalf.

The Trustees conclude that, based on these considerations, LGIM has followed the requirements of the SIP.

Voting behaviour

LGIM's voting decisions are made internally within LGIMs Corporate Governance team, and independently from the investment teams. They are primarily based on LGIM's global corporate governance and responsible investment principles, which set out their global approach to key governance issues. LGIM has supplementary regional policies which set out their approach to more specific regional or country issues taking into account specific market regulation or best practice. LGIM discloses monthly voting records on their website. The reports are published at the end of each month. Additionally, for votes that have received significant press attention, LGIM produces summaries of the firm's positions. The full voting record can be found on LGIM's website linked here:

<https://vds.issgovernance.com/vds/#/MjU2NQ==/>

LGIM does not outsource any part of its strategic voting decisions; however ISS (Institutional Shareholder Services) is used for the customisation of LGIM's voting policy, the execution and processing of the voting instruction. LGIM aims to minimise abstentions. Since 2011, it has not abstained in the UK. In other markets, LGIM seeks to minimise abstentions unless it is technically impossible to vote. LGIM regularly engages with the proxy execution agent ISS via direct meetings and through our participation in consultations on regional voting policies.

LGIM summarises its voting record across all markets each quarter. This information is available on request.

Examples of LGIM's engagement activities during 2020:

Active ownership, which is a broader topic than voting in isolation, forms a key part of how LGIM conducts responsible investing. This is reflected in the following activities that are conducted on behalf of the Scheme

- Company engagement
- Using voting rights globally, with one voice across all active and index funds
- Addressing systemic risks and opportunities
- Seeking to influence regulators and policymakers
- Collaborating with other investors and stakeholders.

The examples below demonstrate some of the specific initiatives undertaken by LGIM in this regard during the year.

Climate change pledge

A global consensus on climate change has taken shape in just a few years, as wildfires have devastated entire regions, millions have taken to the streets to demand action and COVID-19 has underscored the importance of averting looming threats before it is too late. In recognition of this dramatic shift, LGIM has renewed its Climate Impact Pledge, a programme of targeted engagement with about 80 companies launched in 2016 to hasten the transition to a low-carbon economy. LGIM has broadened the pledge's reach to include hundreds more companies, with the ultimate goal of aiming to achieve net-zero carbon emissions globally by 2050 – an objective of critical importance to society as a whole. LGIM's engagement will continue to carry meaningful consequences, both through voting activity and through capital allocation.

LGIM also signed up to the Net Zero Asset Manager's initiative in December 2020.

Ethnic diversity pledge

Triggered by the horrifying killing of George Floyd LGIM has committed to expand its diversity strategy and corporate engagement – including through strengthened proxy voting policies and a focused outreach campaign regarding diverse board member representation. For companies that fail to meet LGIM's transparent and rules-based minimum expectations, there will be voting and investment consequences.

ICCR Pharma letters

The pharmaceutical industry plays a vital part in a recovery from the pandemic. Improved COVID-19 medical treatments and the discovery of vaccines will form a critical part in fighting the resurgence of infections and preventing or limiting lockdowns going forwards. LGIM became co-signatories to a letter campaign to pharmaceutical companies and have further written on this together with AXA IM and the Access to Medicine Foundation.

LGIM also became a member of the US-based ICCR (the Interfaith Center on Corporate Responsibility) and co-signed with other investors representing more than \$2.4tn in assets. Engagement letters were sent to the world's leading pharmaceutical companies asking for disclosure and commitments related to pandemic preparedness, public investment and "commitment to the public good" (e.g. fair taxes and lobbying disclosures).

Advocating for diversity through collaborations

LGIM continues to work with other global investors to push for better representation and transparency on policies in the US. During the year, LGIM's coalition of investors sent letters to 18 US companies with less than 20% women on the board, and where board tenure for some non-executive directors is above average.

Significant votes for the Scheme during the year

In determining significant votes, LGIM takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA). This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/or public scrutiny
- Significant client interest for a vote
- Sanction vote as a result of a direct or collaborative engagement
- Vote linked to an LGIM engagement campaign

Some of the most significant votes for the Scheme during the year have been summarised in the table below:

| Company Name | Details of Vote |
|--------------|--|
| Lagardere | <p>How LGIM voted: For</p> <p>Proposals by Amber were due to the opinion that the company strategy was not creating value for shareholders, that the board members were not sufficiently challenging management on strategic decisions, and for various governance failures. The company continues to have a commandite structure; a limited partnership, which means that the managing partner has a tight grip on the company, despite only having 7 % share capital and 11% voting rights. LGIM engages with companies on their strategies, any lack of challenge to these, and with governance concerns. The company strategy had not been value-enhancing and the governance structure of the company was not allowing the SB to challenge management on this. Where there is a proxy contest, LGIM engages with both the activist and the company to understand both perspectives. LGIM engaged with both Amber Capital, where we were able to speak to the proposed new SB Chair, and also Lagardere, where we spoke to the incumbent SB Chair. This allowed us to gain direct perspectives from the individual charged with ensuring their board includes the right individuals to challenge management.</p> <p>Why was the vote significant?</p> <p>LGIM noted significant media and public interest on this vote given the proposed revocation of the company's board.</p> <p>Outcome</p> <p>Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions received approx. between 30-40% support, a clear indication that many shareholders have concerns with the board. (Source: ISS data)</p> |
| Barclays | <p>How LGIM voted: For</p> <p>The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. We are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.</p> <p>Why was the vote significant?</p> <p>Since the beginning of the year there has been significant client interest in our voting intentions and engagement activities in relation to the 2020 Barclays AGM. We thank our clients for their patience and understanding while we undertook sensitive discussions and negotiations in private. We consider the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as our clients.</p> <p>Outcome</p> <p>Resolution 29 - supported by 99.9% of shareholders Resolution30 - supported by 23.9% of shareholders (source: Company website)</p> |
| Amazon | <p>How LGIM voted: For</p> <p>In addition to facing a full slate of proxy proposals, in the two months leading up to the annual meeting, Amazon was on the front lines of a pandemic response. The company was already on the back foot owing to the harsh workplace practices alleged by the author of a seminal article in the New York Times published in 2015, which depicted a bruising culture. The news of a string of</p> |

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| | <p>workers catching COVID-19, the company's response, and subsequent details, have all become major news and an important topic for our engagements leading up to the proxy vote. Our team has had multiple engagements with Amazon over the past 12 months. The topics of our engagements touched most aspects of ESG, with an emphasis on social topics: Governance: Separation of CEO and board chair roles, plus the desire for directors to participate in engagement meetings Environment: Details about the data transparency committed to in their 'Climate Pledge' Social: Establishment of workplace culture, employee health and safety The allegations from current and former employees are worrying. Amazon employees have consistently reported not feeling safe at work, that paid sick leave is not adequate, and that the company only provides an incentive of \$2 per hour to work during the pandemic. Also cited is an ongoing culture of retaliation, censorship, and fear. We discussed with Amazon the lengths the company is going to in adapting their working environment, with claims of industry leading safety protocols, increased pay, and adjusted absentee policies. However, some of their responses seemed to have backfired. For example, a policy to inform all workers in a facility if COVID-19 is detected has definitely caused increased media attention.</p> <p>Why was the vote significant?</p> <p>The market attention was significant leading up to the AGM, with: 12 shareholder proposals on the table the largest number of any major US company this proxy season Diverse investor coalitions submitting and rallying behind the proposals, including global, different types of investors and first time co-filers/engagers Substantial press coverage with largely negative sentiment related to the company's governance profile and its initial management of COVID-19 Multiple state treasurers speaking out and even holding an online targeted pre-annual meeting investor forum entitled 'Workplace & Investor Risks in Amazon.com, Inc.'s COVID-19 Response. Anecdotally, the Stewardship team received more inquires related to Amazon than any other company this season.</p> <p>Outcome</p> <p>Resolution 5 to 8, and 14 to 16 each received approx. 30% support from shareholders. Resolutions 9 and 10 received respectively 16.7 and 15.3% support. Resolution 11 received 6.1% support. Resolution 12 received 1.5 % support. Resolution 13 received 12.2% support. (Source: ISS data)</p> |
| ExxonMobil | <p>How LGIM voted: Against</p> <p>In June 2019, under our annual 'Climate Impact Pledge' ranking of corporate climate leaders and laggards, we announced that we will be removing ExxonMobil from our Future World fund range, and will be voting against the chair of the board. Ahead of the company's annual general meeting in May 2020, we also announced we will be supporting shareholder proposals for an independent chair and a report on the company's political lobbying. Due to recurring shareholder concerns, our voting policy also sanctioned the reappointment of the directors responsible for nominations and remuneration.</p> <p>Why was the vote significant?</p> <p>We voted against the chair of the board as part of LGIM's 'Climate Impact Pledge' escalation sanction.</p> <p>Outcome</p> <p>93.2% of shareholders supported the re-election of the combined chair and CEO Darren Woods. Approximately 30% of shareholders supported the proposals for independence and lobbying. (Source: ISS data)</p> |

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| What % of resolutions LGIM voted on where eligible over the year to 30/06/2021 | 99.50% |
| Of the resolutions on which LGIM voted, the % voted with management was | 83.59% |
| Of the resolutions on which LGIM voted, the % voted against management was | 15.76% |
| Of the resolutions on which LGIM voted, the % abstained was | 0.65% |