

**Amadeus Services Limited Pension and Life Assurance Plan**  
**31 March 2021**  
**Implementation Statement**

## **Glossary**

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
LGIM	Legal & General Investment Management
Scheme	Amadeus Services Limited Pension and Life Assurance Plan
Scheme Year	1 April 2020 to 31 March 2021
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

## **Introduction**

The Trustees have reviewed the extent to which its policy from the SIP relating to the exercise of rights (including voting rights) attaching to the investments was followed over the Scheme Year and this statement confirms the outcome of that review.

In addition, the statement summarises the voting record of the Scheme's investment manager and provides information on the significant votes made in respect of the Trustees' equity holdings. Information is also provided on the how the Scheme's investment manager makes use of the services of proxy voting advisers.

## **Relevant Investments**

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in the following funds which included an allocation to equities:

### **DB Section**

- LGIM Dynamic Diversified Fund
- LGIM UK Equity Index Fund
- LGIM World (ex UK) Equity Index Fund
- Partners Fund

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**Partners**

The Partners Fund typically has an allocation of about 20% to listed strategies where the manager has a right to vote. The Scheme's allocation to the Partners Fund is about 15% of total assets meaning exposure to listed strategies via the fund represents approximately 3% of Scheme assets. The Trustees do not consider this to be significant in the context of the Scheme's overall assets and Partners has therefore been excluded from the analysis of voting behaviour.

**DC Section**

- LGIM UK Equity Index Fund
- LGIM (60:40) Global Equity Fund
- LGIM Global Equity (ex UK) Fixed weights Equity Index Fund
- LGIM Dynamic Diversified Fund
- LGIM Ethical UK Equity Index Fund

**The Trustees' Policy Relating to the Exercise of Rights**

**Summary of the Policy**

The Trustees' policy in relation to the exercise of the rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme Year to comply with new legislation which required additional information to be stated about the nature of the arrangements in place with the investment manager. Part of the new wording provided a more detailed explanation of the Trustees' policy relating to the exercise of rights.

A summary of the Trustees' policy is as follows:

- As required by legislation, in the preparation and maintenance of this statement and when considering the suitability of any investments, the Trustees will obtain and consider written advice from their investment adviser which is First Actuarial LLP.
- Whenever deemed necessary, the Trustees will seek advice from their legal adviser on investment matters.
- Under legislation, the ultimate responsibility for determining the investment strategy rests with the Trustees. However, the Trustees must consult with the sponsoring employer and consultation must comprise a sharing of views, not simply notification of intent.
- The Trustees recognise that it is likely that members and beneficiaries will hold a broad range of views on ESG and other non-financial matters. Whilst the Trustees will take these views into account where possible, the Trustees do not directly take such views into account when determining the Scheme's investment strategy.
- For each asset class, the Trustees will consider whether the higher fees associated with active management are justified.

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- The Trustees believe that ESG factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that may apply over the appropriate time horizon.
- Assessment of how ESG risks are mitigated will be one of the factors considered by the Trustees when selecting and monitoring investment managers
- The SIP sets out the Trustees' primary investment objectives for the DB Section as being:
  - to ensure that the assets are sufficient and available to pay members' benefits as and when they fall due;
  - to generate an appropriate level of investment returns – to improve the funding position and thereby improve security for members; and
  - to protect the funding position – limiting the scope for adverse investment experience reducing security for members.
- The SIP sets out the Trustees' primary investment objectives for the DC Section as being:
  - Offering an appropriate range of investment options – The range of funds that is offered is intended to offer sufficient investment flexibility for members of all ages.
  - Offering suitable lifestyle strategies – The Trustees consider the likely form of benefits that will be paid to members and determines the lifestyle strategies accordingly.
  - Offering a default investment option – The Trustees set a default investment option which will be used by those members who do not select their own investment strategy.
- The Trustees have taken advice from their investment adviser to construct a portfolio of investments consistent with these objectives. In doing so, consideration is given to all matters which are believed to be financially material over the appropriate time horizon.
- The Trustees do take account of non-financial matters, when possible, when determining the Scheme's investment strategy as long as it does not impact the scheme financially. The Trustees will request ESG information from investment managers as to their approach when determining future changes to the investment strategy.
- The Trustees delegate the day-to-day management of the assets, including selection, retention and realisation, to professional investment managers.
- When considering the suitability of an investment manager, the Trustees (in conjunction with their investment adviser), will take account of all matters which are deemed to be financially material. In particular, the Trustees will:
  - ensure that the investment manager has the appropriate knowledge and experience;

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- ensure that the investment manager's mandate is appropriate; and
- consider the investment manager's approach to ESG factors.
- When selecting investment managers, the Trustees may also take into account non-financially material considerations such as the investment manager's administrative capabilities and the liquidity of the investments.
- The Trustees will normally select investment managers who are signatories to the UNPRI and who publish the results of their annual UNPRI assessment. This principle may be waived if a fund offered by a non-signatory manager is deemed to have investment characteristics which are particularly important for meeting the Trustees' investment objectives.
- Assets are invested predominantly on regulated markets, as so defined in legislation. Any investments that do not trade on regulated markets are kept to a prudent level.
- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by each investment manager's own policies on such matters.
- When considering the suitability of an investment manager, the Trustees (in conjunction with their investment adviser) will take account of any particular characteristics of that manager's stewardship policy that are deemed to be financially material.
- The Trustees recognise that members might wish the Trustees to engage with the underlying companies in which the Scheme invests with the objective of improving corporate behaviour to benefit the environment and society. However, the Trustees' priority is to select investment managers which are best suited to help meet the Trustees' investment objectives. In making this assessment, the Trustees will receive advice from their investment adviser. The Trustees recognise that the investment managers' engagement policies are likely to be focussed on maximising financial returns and minimising financial risks rather than targeting an environmental or societal benefit.
- When determining suitable investment objectives and when designing the Scheme's investment strategy, the Trustees (in conjunction with their investment adviser), will take into account all risks that are assessed to be financially material.
- In determining a suitable investment strategy, the Trustees consider how the volatility of the funding position is likely to be affected by changes to the asset allocation. An important consideration for the Trustees is whether a potential investment strategy is consistent with the ability of the sponsoring employer to address any future increase in deficit that may arise due to market movements.
- The Trustees do not hold any direct employer-related assets and any indirect exposure is expected to be less than 5% of total assets.
- The Trustees (in conjunction with their investment adviser) have considered the likely impact of the financially material ESG risks associated with all of the Scheme's investments and have assessed the mitigation of such risks implemented by each of the investment managers.

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- The majority of the Scheme's investments will be liquid and will be realisable for cash at relatively short notice without incurring high costs. However, the Trustees recognise that the liabilities are long-term in nature and that a modest allocation to less-liquid investments may be appropriate.
- The Trustees will review the strategic asset allocation periodically, and at least every three years, to ensure that the investment strategy remains consistent with the Trustees' funding objectives. As part of such a review, the Trustees will consider the risks associated with the investment strategy.
- The Trustees regularly review the Scheme's investments for all matters considered to be financially material over the appropriate time horizon. This includes reviewing that the assets continue to be managed in accordance with each investment manager's mandate and that the choice of investment managers remains appropriate.

Furthermore, the Trustees regularly monitor the position of the investment managers with regards to ESG matters.

The Trustees receive quarterly updates from the fund managers providing an update on performance, asset allocation decisions and ESG factors and shareholder engagement.

The Trustees meet with representatives of their investment managers every year.

The Trustees regularly consider whether fund manager performance has been in line with expectations given market conditions and whether the level of risk has been as expected.

The investment adviser also provides regular updates on the investment managers' actions regarding ESG factors and shareholder engagement.

In addition, the investment advisor regularly participates in Trustee meetings. At those meetings, the advisor provides an assessment of the ongoing suitability of the funds selected by the Trustees.

The investment adviser regularly meets with the managers of pooled funds on its approved list.

- This statement will be reviewed at least every three years and without delay after any significant change in circumstances or investment policy.
- The structure of the Scheme's Growth Assets has been designed to offer diversification across a range of underlying asset classes and to achieve this by combining investment managers with different asset management styles.
- In an environment of rising yields, leverage increases, and if the leverage of a LGIM LDI fund breaches the upper threshold, LGIM will require a recapitalisation to lower the leverage of the relevant fund. This will ensure that leverage within the LDI funds remains within a permissible range. The Trustees decide where such payments should be taken from. The Trustees have provided LGIM with authority to use the following funds to recapitalise any LDI funds in the following order:

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1. M&G Total Return Credit Fund
  2. LGIM Dynamic Diversified Fund
  3. LGIM UK Equity Index Fund
  4. LGIM World (ex UK) Equity Index Fund
- In an environment of falling yields, leverage falls, and if the leverage of a LGIM LDI fund falls below a minimum threshold, LGIM will make a cash payment from the relevant fund to raise the leverage. This will ensure that leverage within the LDI funds remains within a permissible range. The Trustees decide how such payments shall be invested. The Trustees have provided LGIM with authority to invest any such cash proceeds in the M&G Total Return Credit Fund.
  - Any investments or disinvestments will be made at the discretion of the Trustees, but the Trustees will maintain a Cashflow Management Policy which will record how such payments should be structured. The Cashflow Management Policy will be designed to ensure the allocation of the Scheme's assets remains closely aligned with the strategy described in this statement.
  - The Cashflow Management Policy will be reviewed from time-to-time by the Trustees and, as a minimum, at least every three years in line with a review of this statement.
  - When selecting a pooled fund, the Trustees consider various factors, including:
    - the assets that will be held within that fund and whether the asset allocation of the fund is expected to change over time;
    - the risks associated with the fund along with the return that is expected;
    - the fund's objective (as stated by the fund's investment manager) and whether the objective is consistent with the performance that the Trustees expect from that fund;
    - the fund's fee structure to ensure that this is reasonable and that it does not provide an incentive for the investment manager to manage the fund in a way that differs from the expectations of the Trustees.
    - how frequently underlying investments within the fund are expected to be traded by the investment manager;
    - how financially material considerations\* (including ESG factors) over the appropriate time horizon are taken into account by the investment manager;
    - the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund; and
    - the investment manager's policy in relation to undertaking engagement activities in respect of the investments held within the pooled fund\*.

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*\*This includes engaging with an issuer of debt or equity regarding matters including (but not limited to) performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, and ESG matters. It also includes engaging on these matters with other investment managers, other holders of debt or equity and persons or groups of persons who have an interest in the issuer of debt or equity.*

- After analysing the above characteristics for a fund, the Trustees identify how that fund would fit within their overall investment strategy for the Scheme and how the fund is expected to help the Trustees meet their investment objectives.
- The Trustees normally expect that pooled funds will be held for several years.

However, as part of the periodic strategic asset allocation reviews (which take place at least every three years), the Trustees will review whether the ongoing use of each fund remains consistent with their investment strategy.

The Trustees regularly monitor the financial and non-financial performance of the pooled funds held and details of this monitoring process is set out below. If the Trustees become concerned about the ongoing suitability of a pooled fund, they may reduce exposure to it or disinvest entirely. Such action is expected to be infrequent.

- The Trustees regularly assesses the performance of each fund held and this monitoring includes an assessment of whether the investment manager continues to operate the fund in a manner that is consistent with the factors used by the Trustees to select the fund (as listed above).

When assessing the performance of a fund, the Trustees do not usually place too much emphasis on short-term performance although it will seek to ensure that reasons for short-term performance (whether favourable or unfavourable) are understood.

- The Trustees expect the investment managers of pooled funds to invest for the medium to long term and they expect investment managers to engage with issuers of debt or equity with a view to improving performance over this time frame.
- If it is identified that a fund is not being operated in a manner consistent with the factors used by the Trustees to select the fund, or that the investment manager is not engaging with issuers of debt or equity, the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their investment adviser to raise the Trustees' concerns with the investment manager. Thereafter, the Trustees, in conjunction with their investment adviser, would monitor the performance of the fund to assess whether the situation improves.
- When selecting a pooled fund, the Trustees will consider how the investment manager defines and measures:
  - the targeted portfolio turnover (the frequency within which the assets of the fund are expected to be bought or sold); and
  - turnover range (the minimum and maximum frequency within which the assets of the fund are expected to be bought or sold).

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- At least annually, the Trustees, in conjunction with their investment adviser, will consider the transaction costs incurred on each pooled fund. As part of this analysis, the Trustees will consider whether the incurred turnover costs have been in line with expectations.

The Trustees will take the above information on portfolio turnover into account when assessing the ongoing suitability of each pooled fund

**Has the Policy Been Followed During the Scheme Year?**

The Trustees' opinion is that its policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustees' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- The Trustees did not add any new funds to the portfolio during the period.
- Whilst the Trustees did not consider the voting records of the investment manager during the Scheme Year, that analysis has now been undertaken. The Trustees, in conjunction with their Investment Adviser, have considered the voting record of the investment manager over the year ending 31 March 2021 as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment manager used by the Scheme is a UNPRI signatory.

**The Investment Manager's Voting Record**

A summary of the investment manager's voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against	Did not vote/ abstained
<b>LGIM</b>	67,905	82%	18%	1%

**Notes**

*Split of votes may not sum to 100% due to rounding.*

*These voting statistics are based on the manager's full voting record over the 12 months to 31 March 2021 rather than votes related solely to the funds held by the Scheme.*



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**Use of Proxy Voting Advisers**

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
<b>LGIM</b>	ISS and IVIS	ISS and IVIS provide research and ISS administer votes. However, all voting is determined by guidelines set by LGIM.

**The Investment Manager’s Voting Behaviour**

The Trustees have reviewed the voting behaviour of the investment manager by considering the following:

- broad statistics of its voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. “with management” or “against management”);
- the votes it cast in the year to 31 March 2021 on the most contested proposals in eight categories across the UK, the US and Europe;
- the investment manager’s policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees have also compared the voting behaviour of the investment manager with its peers over the same period.

The Trustees’ key observations are set out below.

**Voting in Significant Votes**

Based on information provided by the Trustees’ Investment Adviser, the Trustees have identified significant votes in eight separate categories. The Trustees consider votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply “waved through”. In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the eight categories based on shares held by the Scheme’s investment manager are listed in the Appendix. In addition, the Trustees considered the investment manager’s overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

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**Description of Voting Behaviour**

LGIM

Relative to its peers, LGIM shows a higher tendency to vote against directors' proposals. The manager has also shown strong support for shareholders' proposals aimed at tackling a broad range of environmental and social issues.

The manager's voting policy is detailed and includes clear rationales and rules for when it will vote against directors' recommendations on a proposal.

LGIM voted against 18% of director proposals during the year and showed a tendency to do this in contentious votes. This suggests that LGIM is taking its stewardship responsibilities seriously.

**Conclusions**

Based on the analysis undertaken, the Trustees have no concerns regarding the voting records of LGIM.

The Trustees will keep the voting actions of the investment manager under review.

*R Howard*

..... Date: 30/09/2021 .....

Signed on behalf of the Trustees of the Amadeus Services Limited Pension and Life Assurance Plan

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### Significant Votes

The table below records how the Scheme's investment manager voted in the most significant votes identified by the Trustees.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	LGIM
<b>Audit &amp; Reporting</b>					
YARA INTERNATIONAL ASA	07/05/2020	Receive the Directors Report	50	50	Did Not Vote
THE MOSAIC COMPANY	21/05/2020	Appoint the Auditors	65	32	For
NORTHROP GRUMMAN CORPORATION	20/05/2020	Appoint the Auditors	24	75	Against
VIVENDI SA	20/04/2020	Approval of the Information set out in the Corporate Governance Report	74	23	Against
INVESTEC PLC	06/08/2020	Investec Limited: Reappoint KPMG Inc as Joint Auditors of the Company	78	22	Against
<b>Shareholder Capital &amp; Rights</b>					
STMICROELECTRONICS NV	17/06/2020	Grant Board Authority to Issue Shares Up To 10 Percent of Issued Capital and Exclude Pre-emptive Rights	46	54	Against
TI FLUID SYSTEMS PLC	14/05/2020	Approve the Dividend	43	57	For
NIELSEN HOLDINGS PLC	12/05/2020	Authorise Share Repurchase	58	42	Against
JUST EAT TAKEAWAY.COM N.V.	14/05/2020	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	60	40	Against
BIFFA PLC	16/07/2020	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	63	36	Against
<b>Pay &amp; Remuneration</b>					
YARA INTERNATIONAL ASA	07/05/2020	Approve Fees Payable to the Board of Directors	50	50	Did Not Vote
ALTRIA GROUP INC.	14/05/2020	Advisory Vote on Executive Compensation	49	50	Against
STMICROELECTRONICS NV	17/06/2020	Approve Remuneration Policy for Management Board	50	50	Against
AROUNDTOWN SA	24/06/2020	Approve Remuneration Policy	49	51	Against
WIZZ AIR HOLDINGS PLC	28/07/2020	Approve the Remuneration Report	48	52	Against
<b>Constitution of Company, Board &amp; Advisers</b>					
CONTOURGLOBAL PLC	27/05/2020	Re-elect Marian Gheorghie	50	50	For
SOLVAY SA	12/05/2020	Indicate Aude Thibaut de Maisieres as Independent Board Member	50	50	Against
UBS GROUP AG	29/04/2020	Elect Remuneration Committee Member: Dieter Wemmer	48	48	For
INTEGRAFIN HOLDINGS PLC	08/03/2021	Re-elect Michael Howard - Executive Director	48	48	Against
FS NETWORKS INC	11/03/2021	Elect Michael Combes - Non-Executive Director	47	53	Against
<b>Merger, Acquisition, Sales &amp; Finance</b>					
DELIVERY HERO SE	18/06/2020	Approve Issuance of Warrants/Bonds with Warrants Attached/Convertible Bonds without Preemptive Rights up to	78	22	Against
DASSAULT SYSTEMES SE	26/05/2020	Delegate Power to the Board to Acquire Certain Assets of Another Company	80	20	Against
OCCIDENTAL PETROLEUM CORPORATION	29/05/2020	Approval of Issuance of Common Stock Underlying the Berkshire Hathaway Warrant	83	16	For
CALEDONIA INVESTMENTS PLC	29/07/2020	Approve Rule 9 Waiver	84	16	Against
NORTH ATLANTIC SMALLER COMPANIES I.T. PLC	26/06/2020	Waive Rule 9 of the Take Over Code	33	16	Against
<b>Other Company Resolutions</b>					
PEUGEOT SA	25/06/2020	Authorize Board to Issue Free Warrants with Preemptive Rights During a Public Tender Offer	69	31	Against
GROUPE BRUXELLES LAMBERT (GBL)	28/04/2020	Approve Change-of-Control Clause Re: Option Plan	71	29	Against
VIVENDI SA	20/04/2020	Approve Additional Pension Scheme Agreement with Herve Philippe, Management Board Member	70	27	Against
OCCIDENTAL PETROLEUM CORPORATION	29/05/2020	Approve the Rights Agreement	74	26	For
ELEMENTIS PLC	29/04/2020	Meeting Notification-related Proposal	80	20	For
<b>Governance &amp; Other Shareholder Resolutions</b>					
NETAPP INC	10/09/2020	Shareholder Resolution: Written Consent	50	49	Against
HP INC	12/05/2020	Shareholder Resolution: Written Consent	50	50	Against
CHIPOTLE MEXICAN GRILL INC	19/05/2020	Shareholder Resolution: Report on Employment-Related Arbitration	51	49	For
CHEVRON CORPORATION	27/05/2020	Shareholder Resolution: Report on Lobbying Payments and Policy	49	43	For
KIMBERLY-CLARK CORPORATION	29/04/2020	Shareholder Resolution: Written Consent	49	49	Against
<b>Environmental &amp; Socially Focussed Shareholder Resolutions</b>					
JPMORGAN CHASE & CO.	19/05/2020	Shareholder Resolution: Climate Change Targets	49	49	For
EXPEDITORS INTERNATIONAL OF WASHINGTON IN	05/05/2020	Shareholder Resolution: Board Diversity	53	47	For
ORACLE CORPORATION	04/11/2020	Shareholder Resolution: Report on Gender Pay Gap	46	54	For
HUNT J B TRANSPORT SERVICES INC	23/04/2020	Shareholder Resolution: Climate Change Initiatives	54	45	For
TRANSDIGM GROUP INCORPORATED	29/06/2020	Shareholder Resolution: Environmental Issues	45	55	For

### Note

Where the voting record has not been provided at the fund level, the analysis is based on the shares held within the Scheme's pooled funds as at points during the period. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds at the date of the vote.