

Perenco UK Pension Plan

Implementation Statement for the Defined Benefit section for the year ending 31 December 2021

This is the Defined Benefit section Implementation Statement prepared by the Trustees of the Perenco UK Pension Plan ("the Plan") and sets out:

- How the Trustees' policies on exercising rights (including voting rights) and engagement have been followed over the year.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year to 31 December 2021.

How voting and engagement policies have been followed

The Plan's Defined Benefit (DB) section invests entirely in pooled funds, and as such the responsibility for carrying out voting and engagement activities have been delegated to the Plan's fund managers.

The Trustee initially considered their views on the financial materiality of ESG (including climate change) factors, as well as the way in which ESG is taken into account by each of the Plan's managers and at a strategy level at their meeting on 4 June 2019. They considered that the managers' policies are reasonable and in broad alignment with the Trustee's own policies. Following this, an ESG policy was developed and draft wording for an updated Statement of Investment Principles was produced. This draft wording was considered at the Trustee meeting on 19 September 2019. A final version was then signed and uploaded to the company website ahead of the 1 October deadline.

The Statement of Investment Principles was reviewed at the Trustee meeting on 4 October 2021, with input from the Plan's Investment Consultants. The Trustees have considered the ESG capabilities of each of the Plan's managers over the year as part of this. No actions were taken at a manager level as a result.

In addition to the information required for the drafting of this Statement, the Trustee also carried out formal monitoring of the investment managers' approach to ESG and climate related risks during 2020/21 via a report from their investment consultants. This report was reviewed at the Trustee meeting on 20 December 2021.

Voting Data

Manager	Baillie Gifford
Fund name	Baillie Gifford Multi Asset Growth Fund
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.
Number of company meetings the manager was eligible to vote at over the year	112
Number of resolutions the manager was eligible to vote on over the year	1,357
Percentage of resolutions the manager voted on	87.6%
Percentage of resolutions the manager abstained from	0.2%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	96.4%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	3.4%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	Not applicable

Significant votes

For the second year of implementation statements we have continued to delegate to the investment managers to define what a "significant vote" is. We are continuously working with the managers to obtain voting data in a consistent format for the required disclosures.

Baillie Gifford, Multi Asset Growth Fund – Table 1 of 2

	Vote 1	Vote 2	Vote 3	Vote 4
Company name	Rio Tinto PLC	Vonovia SE	Six Flags Entertainment corporation	Greggs plc
Date of vote	9 April 2021	16 April 2021	5 May 2021	14 May 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.22%	1.28%	0.29%	0.26%
Summary of the resolution	Remuneration Report	Amendment of Share Capital	Renumeration Say on Pay	Remuneration Report
How the manager voted	Against	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	Yes	No	No
Rationale for the voting decision	The manager opposed the remuneration report as they did not agree with decisions regarding executive severance payments.	The manager opposed two resolutions to amend share capital as they felt the potential dilution levels were not in the interests of shareholders.	The manager opposed the resolution primarily due to the size of the long-term incentive award paid to the CEO.	The manager opposed the resolution to approve the Remuneration Report because of Reumeration Committee's decision not to align executive directors' pensions with the workforce until 2026.
Outcome of the vote	Pass	Pass	Pass	Pass
Implications of the outcome	The manager engaged with the company to communicate their concerns. The manager continues to focus on having open communication with the leadership team.	The manager wished to have assurance that the company would not issue shares below Net Tangible Asset. This was not provided, and the manager continues to encourage the company to provide this assurance in the future.	The manager will continue to engage on their concerns. Although the proposal was passed, 41% of shareholders opposed it.	The manager communicated their concerns to the company who stated they would review pension alignment at the next remuneration policy review, ahead of the 2023 AGM.
Criteria on which the vote is considered "significant"	The manager opposed remuneration	The resolution received greater than 20% opposition	The resolution received greater than 20% opposition	The manager opposed remuneration

Fund level engagement

Manager	Baillie Gifford	Janus Henderson	Insight
Fund name	Multi Asset Growth Fund	Multi Asset Credit Fund	Buy and Maintain Bond Fund LDI Partially Funded Gilt Funds LDI Inflation Focus Funds LDI Liquidity Plus Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Buy and Maintain Bond Fund: Yes Not provided for the remaining funds.
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	Not provided	126 engagements with 92 companies	Buy and Maintain Bond Fund: 90 companies engaged with Not provided for the remaining funds.
Number of engagements undertaken at a firm level in the year	425	1000+ engagements with 686 companies	981 engagements with 977 companies
Examples of engagements undertaken with holdings in the fund	Key engagement topics include executive remuneration, corporate governance, environmental and social issues, and AGM or EGM proposals.	ELFA – Henderson joined the European Leverage Finance Association's CLO Investor's Committee, to assume a leading role in guiding the market towards achieving common development goals. S4 Capital Plc – shareholder rights; engagement with the company to discuss the executive chairman's ability to override shareholder resolutions. Coventry Building Society – aiding the development of the company's internal ESG framework.	América Móvil – ensuring governance concerns are understood, regarding the lack of diversity on the Board. A2Dominion Housing Group – addressing concerns over the quality of carbon disclosures. Blackstone Property Partners – addressing concerns over the quality of their new Green Bond issuance.