

PerkinElmer (UK) Money Purchase Pension Scheme

Implementation Statement

January 2021

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Section 1: Introduction

This document is the annual Implementation Statement (“the Statement”) corresponding to the PerkinElmer (UK) Money Purchase Pension Scheme’s (“the Scheme”) Statement of Investment Principles covering the “Scheme Year” from 1 July 2019 to 30 June 2020 (“SIP”).

The purpose of this statement is to:

- Detail any reviews of the SIP the Trustee undertook during the Scheme Year, including the reasons for any changes made to the SIP over the year.
- Set out the extent to which, in the opinion of the Trustee, the SIP was followed during the Scheme Year.

The PerkinElmer (UK) Money Purchase Pension Scheme has a wide range of investments; therefore the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focusing on areas of maximum impact.

Section 2: SIP review / changes

The SIP was reviewed and updated during the Scheme Year, with a revised version being adopted as at September 2019.

The changes reflected the Trustee's policies in relation to the new Department for Work and Pensions (DWP) regulations under section 2.3 of the Occupational Pension Schemes (Investment) Regulations 2005 coming into force from 1 October 2019:

- How financially material considerations are taken into account over the appropriate time horizon of the investments, including in the selection, retention and realisation of investments.
- The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments.
- Policies in relation to stewardship, including engagement with firms and exercise of voting rights.
- Policies in relation to undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters).

The SIP has been updated again since the end of the Scheme Year to which this Statement relates, to take account of further regulatory requirements coming into effect from 1 October 2020. This Statement does not cover details of those changes.

Section 3: Adherence to the SIP

The Trustee considers that all policies outlined in the SIP have been adhered to during the Scheme Year. The remainder of this Statement sets out details of how this has been achieved and these details relate to those parts of the SIP which set out the Trustee's policies, and not those which are statements of fact.

The SIP comprises the following sections:

- Introduction
- Scheme objectives
- Investment strategy
- Investment managers
- Realisation of assets
- Monitoring and managing risk
- Other matters

Introduction

1. This paragraph provides introductory and background comments rather than setting out any policies.
2. The SIP has been reviewed in the Scheme Year with appropriate written advice and Company consultation.

Scheme objectives

3. This paragraph provides background information regarding the original purpose of the Scheme, changes over time and details of benefits payable from the Scheme.
4. The objective was reviewed as part of the overall SIP review

Investment strategy

5. The Trustee maintains an ongoing review of Scheme governance and risk exposure including monitoring against the Pensions Regulator's code of practice and assessment under the annual Chair's statement.

The Trustee has received reporting from the Aegon Independent Governance Committee (IGC) to understand their approach to sustainable investment solutions. The IGC have held a number of meetings with Aegon and its investment team to better understand how Environmental, Social and Governance (ESG) factors are taken into account when Aegon

selects and governs fund managers, and are encouraged by the rigour and thought being applied to this key topic.

The Trustee recognises this is an evolving issue and will seek to develop its risk management framework to include the monitoring of investment managers' sustainable investment practices over the current Scheme Year (commenced 1 July 2020).

6 – 8. These are factual statements.

9. No specific advice was provided in relation to the Aegon funds over the Scheme Year following a review of the funds offered in 2017. A detailed review of the Scheme's investment strategy is underway in the current Scheme Year (commenced 1 July 2020). Over the Scheme Year, the Trustee received advice in relation to the assets now held with Utmost Life and Pensions (previously held with Equitable Life) and the options available to the Trustee. This included discussions at Trustee and ISC meetings in relation to the vote on the proposed transfer of all Equitable Life policies and assets to Utmost Life and Pensions. An advice paper providing background information on the Utmost arrangement, the Scheme's arrangements with Aegon and the considerations for the Trustee around a possible transfer of these assets from Utmost to the Aegon arrangement was also produced.

10 – 18. These paragraphs provide background and/or factual information.

19. The Trustee received regular fund performance updates from Aegon as part of its monitoring of the Scheme's investment options.

Investment managers

20. This is a factual statement.

21. The Trustee reviews the investment managers' performance against the Scheme's long term objectives and an acceptable level of risk using the regular fund performance updates received from Aegon.

22. As mentioned earlier, the Trustee has received reporting from the Aegon IGC to understand their approach to sustainable investment solutions. The IGC have held a number of meetings with Aegon and its investment team to better understand how ESG factors are taken into account when Aegon selects and governs fund managers, and are encouraged by the rigour and thought being applied to this key topic.

The Trustee recognises this is an evolving issue and will seek to develop its monitoring of investment managers' sustainable investment practices over the current Scheme Year (commenced 1 July 2020) to improve its understanding and continue to challenge the investment managers regarding their ESG policies to improve investment outcomes.

23. No new managers were considered for appointment by the Trustee over the Scheme Year. However, Utmost Life and Pensions became a new manager as a result of the transfer of all Equitable Life policies and assets to Utmost Life and Pensions. The Trustee

voted in favour of this decision, noting that this was beneficial for the members invested in the with-profit arrangement. It was also noted that it did not have any discretion over the receiving arrangement / manager.

24. See Section 4 for further information on voting and engagement.

Realisation of assets

25 – 28. These are factual statements.

Monitoring and managing risk

29. This is a factual statement.

30. The Trustee exercised its vote regarding the Equitable Life proposals having taken appropriate advice to inform its vote.

31. The Trustee receives regular advice from its investment advisers and its provider (Aegon) regarding fund performance and latest market practice for investment strategies in DC trust based pension schemes. The analysis and advice provided supports the Trustee in determining whether it should consider making any changes to the funds available.

A detailed review of the Scheme's investment strategy is being undertaken in the current Scheme Year (commenced 1 July 2020) with a focus on the suitability of the Scheme's default option.

32. The Trustee recognises the different risks faced by members which could ultimately lead to members accumulating insufficient assets to finance their desired level of consumption in retirement. As such the Trustee seeks to provide members with a diversified range of investment options that will generate income and capital growth which, together with contributions from the members and the Company where applicable will provide pension savings at retirement with which lump sums and/or retirement income can be secured. The Trustee has also sought to provide members with investment strategies targeting the different retirement flexibilities.

As mentioned above, a detailed review of the Scheme's investment strategy is being undertaken in the current Scheme Year (commenced 1 July 2020) with a focus on the suitability of the Scheme's default option and available investment options to meet member needs.

Other matters

33. This is a factual statement.

34. As mentioned above, the Trustee recognises the different risks faced by members and seeks to provide members with a diversified range of investment options to manage and mitigate these risks in order to achieve their retirement objectives.

Section 4: Voting and engagement

The Trustee has not set any specific guidelines around manager voting.

The Trustee invests in pooled investment funds and as set out in the SIP, the Trustee's policy is to delegate the day to day ESG integration and stewardship activities (including voting and engagement) to the investment managers.

The Scheme's investment funds cover a range of asset classes, however this section focuses on the equity investments managed by BlackRock which have voting rights attached. BlackRock has their own voting policies which determine their approach to voting, and the principles they follow when voting on investors' behalf. BlackRock also use proxy voting advisors which aid in their decision-making when voting and details are summarised below.

BlackRock use of proxy advisor services

BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis which contribute to, but do not determine, BlackRock's voting decisions which are made by the BlackRock internal stewardship team.

BlackRock primarily uses proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that their investment stewardship team can readily identify and prioritise those companies where BlackRock's own additional research and engagement would be beneficial. They do not follow any single proxy research firm's recommendations.

Investment option	Underlying Fund(s)	Voteable meetings	Voteable proposals	Proposals voted on	For votes	Against votes	Abstain votes	Withhold votes
Global Equity Tracker Fund Global Equity Tracker Lifestyle	BlackRock Global Equity Fund	3,239	40,220	38,514	35,387	2,644	371	91
UK Index Tracker	iShares UK Equity Index Fund	1,105	14,983	14,706	13,630	761	278	36
Growth Tracker (Cash Target)	BlackRock Overseas Equity Fund	2,264	27,196	25,633	23,380	2,050	114	63
Growth Tracker (Flexible Target)	iShares UK Equity Index Fund	1,105	14,983	14,706	13,630	761	278	36

As outlined in the SIP, the Trustee recognises the UK Stewardship Code 2020 as best practice and monitors the Scheme's investment managers adherence to the Code. BlackRock is a signatory to the code and their latest statement of compliance can be found by following this link:

www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-statementoncompliance-uk-stewardshipcode.pdf

Significant votes

BlackRock do not record significant votes at a fund level and instead publish voting bulletins explaining their vote decision and the engagement and analysis underpinning it, on certain high-profile proposals at company shareholder meetings.

BlackRock have highlighted the below most significant votes cast within the funds managed on behalf of the Scheme over the Scheme year. Information on other high-profile voting proposals can be found by following this link:

www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history

Significant vote cast	Coverage in portfolio
<p>Company: BHP Group</p> <p>Meeting date: November 2019</p> <p>Shareholder Resolution: Lobbying inconsistent with the goals of the Paris Agreement</p> <p>Company management recommendation: Against</p> <p>How the manager voted: Against</p> <p>Rationale: BlackRock voted against the shareholder resolution because:</p> <ol style="list-style-type: none"> 1. BHP is an industry leader on climate-related issues. 2. BHP's track record, and our engagements with their management and board, give us confidence in their judgment on these issues. 3. The ultimate goal of this resolution appears to be more targeted at the industry associations than at driving positive outcomes at BHP. 	<p>UK Equity Index Fund</p>

<p><u>Company: Exxon Mobil Corporation</u></p> <p><u>Meeting date: May 2020</u></p> <p>Manager Resolutions: Re-election of two directors</p> <p>Shareholder Resolution: Require independent Board Chair</p> <p>Company management recommendation: For Manager Resolutions and Against Shareholder Resolution</p> <p>How the manager voted: Against Manager Resolutions and For Shareholder Resolution</p> <p>Rationale: BlackRock voted against the manager resolution because of insufficient progress on TCFD aligned reporting and related action and for failure to provide investors with confidence that the Board is composed of the appropriate mix of skillsets and can exercise sufficient independence from the management team.</p> <p>BlackRock voted for the shareholder resolution on account of their belief that the Board would benefit from a more robust independent leadership structure</p>	<p>BlackRock Global Equity Fund and BlackRock Overseas Equity Fund</p>
<p><u>Company: The Boeing Company</u></p> <p><u>Meeting date: April 2020</u></p> <p>Manager Resolutions: Re-election of four directors</p> <p>Company management recommendation: For Manager Resolutions</p> <p>How the manager voted: Against Manager Resolutions</p> <p>Rationale: BlackRock voted against the manager resolutions to re-elect the four Board members due to the Board's failure to exercise sufficient oversight of management strategy and corporate culture, which contributed to the fatal 737 MAX crashes. BlackRock also voted AGAINST six related shareholder proposals as the company has appropriate policies and reporting to address the issues covered by the proposals.</p>	<p>BlackRock Global Equity Fund and BlackRock Overseas Equity Fund</p>