

Engagement Policy Implementation Statement (“EPIS”)

Fisher Scientific UK Limited Pension Scheme

Scheme Year End – 31 March 2023

The purpose of the EPIS is for us, the Trustee of the Fisher Scientific UK Limited Pension Scheme (the “Scheme”), to explain what we have done during the year ending 31 March 2023 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

Over the year, the Scheme was not invested in any funds with voting rights. Therefore, no voting rights have been exercised on our behalf this year.

We delegate the management of the Scheme’s assets to our fiduciary manager Aon Investments Limited (“AIL”). Based on the information we have been provided with, we are comfortable with the management and the monitoring of ESG integration and stewardship of the underlying managers that has been carried out on our behalf. We believe the activities completed by our fiduciary manager to review the underlying managers’ engagement policies and activities align with our stewardship expectations.

We have also reviewed the stewardship activities of the material underlying investment managers appointed by AIL. In our view, most of the Scheme’s material investment managers were able to disclose good evidence of engagement activity, and the activities completed by our managers align with our stewardship expectations.

How engagement policies have been followed

The Scheme is invested entirely in pooled funds, and so the responsibility for engagement is delegated to the Scheme's investment managers, which is in line with our policy. We reviewed the stewardship activity of the material investment managers carried out over the Scheme year and in our view, most of the investment managers were able to disclose good evidence of engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis. We received in depth portfolio updates from our investment adviser, AIL, at quarterly Trustee meetings, covering investment performance, portfolio positioning and topical updates, including ESG-related updates. In particular, we received quarterly Environment Social Governance ("ESG") ratings from AIL for the funds the Scheme is invested in where available.

Each year, we review the annual Stewardship Report provided by our fiduciary manager, AIL. This sets out detailed engagement commentary for each underlying investment manager within the fiduciary investment portfolio and, alongside this EPIS, allows us to assess the actions taken by the AIL-appointed investment managers over the year to ensure they align with our own policies for the Scheme and help us to achieve them.

The Scheme's stewardship policies can be found in the SIP, which is available here:

<https://corporate.thermofisher.com/content/tfcorpsite/us/en/index/corporate-social-responsibility/corporate-governance.html>

Within the reporting year, the Trustee has not made any changes to the stewardship policies in the SIP.

Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following steps over the next 12 months:

1. We will invite our fiduciary manager to a meeting to get a better understanding of how it is monitoring voting practices and engaging with underlying managers on our behalf, and how these help us fulfil our stewardship policies.
2. We will undertake an annual review of the AIL stewardship report and evaluate how the underlying investment managers' stewardship policies align with those of the Trustee.
3. Where appropriate, we will look for opportunities to develop ESG monitoring of the underlying investment managers.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Our fiduciary manager's engagement activity

We delegate the management of the Scheme's assets to our fiduciary manager, AIL. AIL manages the Scheme's assets in a range of funds which can include multi-asset, multi-manager and liability matching funds. AIL selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to AIL. We have reviewed AIL's latest annual Stewardship Report and we believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, AIL held several engagement meetings with many of the underlying managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, AIL engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

In 2021, AIL committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

AIL also successfully renewed its signatory status to the 2020 UK Stewardship Code.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's most material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the fund invested in by the Scheme.

| Funds | Number of engagements | | Themes engaged on at a fund-level* |
|--|-----------------------|------------|--|
| | Fund specific | Firm level | |
| Schroders plc – International Selection Fund ("ISF") Securitised Credit Fund | <i>Not provided</i> | >2,800 | <p>Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity), Pollution, Waste</p> <p>Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying), Human and labour rights (e.g. supply chain rights, community relations), Human capital management, Public health</p> <p>Governance - Board effectiveness – Diversity/Independence or Oversight/Other, Leadership - Chair/CEO, Remuneration, Shareholder rights</p> <p>Strategy, Financial and Reporting - Capital allocation, Reporting (e.g. audit, accounting, sustainability reporting), Financial performance, Strategy/purpose, Risk management (e.g. operational risks, cyber/information security, product risks)</p> |
| Barings Active Short Duration Fund | 476 | 760 | <p>Environment - Climate change, Natural resource use/impact, Pollution, Waste</p> <p>Social - Conduct, culture and ethics, Human and labour rights, Human capital management, Public health, Inequality</p> <p>Governance - Board effectiveness – Diversity, Remuneration</p> <p>Strategy, Financial and Reporting - Reporting, Strategy/purpose, Risk management</p> |

Source: Managers. *Schroders did not provide fund level themes; themes provided are at a firm-level:

Data limitations

Schroders did not provide fund level engagement data due to the nature of the asset class (securitised debt) but did provide an ESG engagement deck explaining their approach for securitized products and asset-based finance. Given the nature of the investments within the fund managed by Schroders, the Trustee, supported by AIL, is of the view that this does not require further engagement.

This report does not include commentary specific to certain asset classes such as securitised debt, liability driven investments, cash or assets accessed via derivatives (such as synthetic credit), due to the limited materiality of stewardship to these asset classes.