

Implementation Statement (“IS”)

Fujifilm Diosynth Biotechnologies Pension Fund (the “Fund”)

Fund Year End – 31 March 2024

The purpose of the Implementation Statement is for us, the Trustee of the Fujifilm Diosynth Biotechnologies Pension Fund, to explain what we have done during the year ending 31 March 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. A summary of any review and changes made to the SIP over the year
2. How our policies in the SIP have been followed during the year; and
3. 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.

This IS covers the DC Section of the Fund only. A separate IS has been produced for the DB Section.

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.

In our view, most of the Fund’s investment managers were able to disclose strong evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

Changes to the SIP during the year

The Fund's SIP was updated in April 2023. The updates relate exclusively to the DB section, so these will be covered in the DB Implementation Statement. No changes were made to the DC elements of the SIP.

The Fund's latest SIP can be found here: [Pension Scheme Disclosure \(aon.com\)](https://www.aon.com)

How the policies in the SIP have been followed

In the table below we set out what we have done during the year to meet the policies in the SIP.

Policies in relation to investment strategy and investments offered to members

Members have the option to invest in ten self-select fund options that cover a range of asset classes including equities, bonds, cash and multi-asset funds.

Members also have the option to invest in three lifestyle strategies, which automatically switch where members' DC pension savings are invested as they approach their target retirement date ("TRD"). The lifestyle options all consist of 100% investment in global equities until 15 years before TRD. At this point, equities are gradually switched into diversified growth investments.

At 5 years from TRD the three lifestyle strategies' asset allocations diverge with an aim to be suitable for members wishing to access their DC funds in different ways, namely; cash, annuity and drawdown.

During the Fund year the Trustee continued its review of the investment strategy, led by its DC Working Group.

An analysis of the Fund's DC membership indicated that drawdown remains an appropriate target for the default.

As a result of the review, the Trustee has made changes to the underlying funds within the FujiBioTech Diversified Growth Fund, the FujiBioTech Mixed 50 Fund and the FujiBioTech Mixed 85 Fund. These changes were implemented in April 2024.

Policies in relation to monitoring investments and engagement with investment managers

Investment monitoring takes place on a quarterly basis with monitoring reports being provided to the Trustee by its advisers. The quarterly investment reports highlight funds that have performed poorly over various reporting periods as well as addressing any fund manager updates that could place increased risk on members' investments. The Trustee can then act upon the advice provided by its advisers to help manage any potential risks. Over the Fund year, no funds have raised any concerns.

On behalf of the Trustee, the adviser has gathered management charges and transaction costs incurred within each of the investment funds over the year. These are reported on in the annual Chair's Statement.

Policies in relation to responsible investment

The quarterly monitoring reports include Environmental, Social and Governance ("ESG") ratings and highlight any areas of concern, or where action is required. The ESG rating system is designed to assess whether investment managers integrate responsible investment and more specifically ESG considerations into their investment decision-making process. The ESG ratings are based on a variety of qualitative factors, starting with a proprietary due diligence questionnaire, which is completed by the fund manager. The adviser's researchers also conduct a review of the managers' responsible investment related policies and procedures, including a review of their responsible investment policy (if they have one), active ownership, proxy voting and/or stewardship policies. After a thorough review of the available materials, data and policies, as well as conversation with the fund manager, the lead researcher will award an ESG rating, which is subject to peer review using an agreed reference framework.

Ratings will be updated to reflect any changes in a fund's level of ESG integration or broader responsible investment developments.

There have been no concerns in relation to ESG scores during the year.

On behalf of the Trustee, the adviser has gathered and analysed the voting and engagement activities of each of the Fund's investment managers over the year. These are reported later in this Statement.

Policies in relation to member information

An Investment Guide is available to members, providing details of all the investment options.

The Trustee also provides members with an annual newsletter that contains an investment update on the performance of all the funds available to members.

Fund factsheets relating to each of the funds are available through the L&G platform.

Our Engagement Action Plan

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

1. While Legal and General Investment Management Limited ("LGIM") did provide a comprehensive list on fund level engagements, which we find encouraging, they did not provide detailed engagement examples specific to the fund in which we are invested, as per the Investment Consultant Sustainability Working Group ("ICSWG") industry standard engagement reporting template. LGIM was also unable to provide the fund level engagement data for the LGIM AAA-AA Fixed Interest Over 15 Year Target Duration Fund.
2. We will undertake more regular, detailed ESG monitoring of our managers.
3. We will undertake an annual review of our investment managers' Responsible Investment policies to ensure they are in line with our own.
4. We will undertake Responsible Investment training, and update the Responsible Investment policy in the SIP.

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 society.

This includes prioritising which Environmental Social Governance (“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 managers’ voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company’s stock. We believe that good stewardship is in the members’ best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders’ interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Fund’s investments is an important factor in deciding whether a manager remains the right choice for the Fund.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Fund’s equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for each of the Fund’s investment funds with voting rights for the year to 31 March 2024.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
LGIM RAFI Multi Factor Developed Equity Index Funds Hedged & Unhedged	32,458	99.9%	23.1%	0.2%
LGIM UK Equity Index Fund	10,462	99.8%	5.6%	0.0%
LGIM World (ex-UK) Equity Index Fund	34,635	99.9%	22.0%	0.1%
Schroders Life Intermediated Diversified Growth Fund	10,086	94.4%	11.0%	0.8%
BlackRock DC Aquila Life Market Advantage Fund	25,589	94.0%	6.0%	1.0%

Source: Managers

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN PRI

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Fund's managers use proxy voting advisers.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

	Description of use of proxy voting adviser(s) (in the managers' own words)
LGIM	LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM, and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
Schroders	In Q4 2023 we switched vendor from ISS to Glass Lewis (GL) who act as our one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive GL's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
BlackRock	We use Institutional Shareholder Services' (ISS) electronic platform to execute our vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, we work with proxy research firms who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision.

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Fund's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Fund's funds. A sample of these significant votes can be found in the appendix.

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 Fund's 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 funds invested in by the Fund.

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
LGIM RAFI Multi Factor Developed Equity Index Funds	612	2500	Environment - Climate change, Climate impact pledge, Deforestation Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Public health Governance - Board effectiveness - Diversity, Remuneration, Reporting (e.g. audit, accounting, sustainability reporting) Strategy/purpose, and others.
LGIM AAA-AA-A Corporate Bond All Stocks Index Fund	119	2500	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity) Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Public health Governance - Board effectiveness - Diversity, Remuneration Strategy/purpose, and others.
LGIM UK Equity Index Fund	370	2500	Environment - Climate change Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Board effectiveness - Diversity, Board effectiveness - Other, Remuneration, Reporting (e.g. audit, accounting, sustainability reporting) Strategy/purpose, and others.
LGIM World (ex-UK) Equity Index Fund	611	2500	Environment - Climate change Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Public health Governance - Board effectiveness - Diversity, Remuneration, Reporting (e.g. audit, accounting, sustainability reporting) Strategy/purpose, and others.
LGIM AAA-AA Fixed Interest Over 15 Year Target Duration Fund	<i>Not Available</i>	2500	<i>Not Available</i>
Schroders Life Intermediated Diversified Growth Fund	1402	6724	Environment - Climate change Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety)
BlackRock DC Aquila Life Market Advantage Fund	965	3768	Environment - Climate Risk Management, Other company impacts on the environment. Social - Human Capital Management, Social Risks and Opportunities Governance - Board Composition and Effectiveness, Remuneration

Source: Managers.

Data limitations

At the time of writing, LGIM was unable to provide the fund level engagement data for the AAA-AA Fixed Interest Over 15 Year Target Duration Fund.

This report does not include commentary on certain asset classes such as gilts or cash because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Fund’s managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below

LGIM RAFI Multi Factor Developed Equity Index Funds Hedged & Unhedged	Company name	Wells Fargo & Company.
	Date of vote	25 April 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.5%
	Summary of the resolution	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with greenhouse gas (“GHG”) Targets.
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.
	Rationale for the voting decision	We generally support resolutions that seek additional disclosures on how companies aim to manage their financing activities in line with their published targets. We believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the ‘how’ rather than the ‘what’, including activities and timelines) can further focus the board’s attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.
	Outcome of the vote	Fail
	Implications of the outcome e.g., were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with the company and monitor progress.
	On which criteria have you assessed this vote to be “most significant”?	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.
LGIM UK Equity Index Fund	Company name	Glencore Plc
	Date of vote	26 May 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.4%
	Summary of the resolution	Shareholder resolution “Resolution in Respect of the Next Climate Action Transition Plan”
	How you voted	For
	Where you voted against management, did you	LGIM co-filed this shareholder resolution and pre-declared its vote intention for this meeting on the LGIM Blog. As part

	communicate your intent to the company ahead of the vote?	of this process, there was regular communication with the company ahead of the meeting.
	Rationale for the voting decision	In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company's planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore's 2023 AGM, calling for disclosure on how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following our multi-year discussions with the company since 2016 on its approach to the energy transition.
	Outcome of the vote	Fail
	Implications of the outcome e.g., were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with the company and monitor progress.
	On which criteria have you assessed this vote to be "most significant"?	Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our engagement activity, targeting some of the world's largest companies on their strategic management of climate change.
LGIM World (ex-UK) Equity Index Fund	Company name	Amazon.com, Inc.
	Date of vote	24 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.7%
	Summary of the resolution	Report on Median and Adjusted Gender/Racial Pay Gaps.
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.
	Rationale for the voting decision	A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy, and society.
	Outcome of the vote	Fail
	Implications of the outcome e.g., were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with the company and monitor progress.
	On which criteria have you assessed this vote to be "most significant"?	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Schroders Life Intermediated Diversified Growth Fund	Company name	Adobe Inc.
	Date of vote	20 April 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not Provided</i>
	Summary of the resolution	Report on Hiring of Persons with Arrest or Incarceration Records.
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.
	Rationale for the voting decision	We believe that shareholders would benefit from additional information on the company's hiring practices related to people with arrest or incarceration records, in order to ensure they are aligned with publicly stated DEI.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We monitor voting outcomes particularly if we are large shareholders or if we have an active engagement on the issue. If we think that the company is not sufficiently responsive to a vote or our other engagement work, we may escalate our concerns by starting, continuing or intensifying an engagement. As part of this activity, we may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.
	On which criteria have you assessed this vote to be "most significant"?	Social
BlackRock DC Aquila Life Market Advantage Fund	Company name	The Goldman Sachs Group, Inc.
	Date of vote	26 April 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not Provided</i>
	Summary of the resolution	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavor to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.

Rationale for the voting decision	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.
Outcome of the vote	Fail
Implications of the outcome e.g., were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Our Global Principles describe our philosophy on stewardship, including how we monitor and engage with companies. These high-level principles are the framework for our more detailed, market-specific voting guidelines. We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
On which criteria have you assessed this vote to be "most significant"?	Vote Bulletin: BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients.

Source: Managers