

GENOME RESEARCH LIMITED PENSION PLAN

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

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GENOME RESEARCH LIMITED PENSION PLAN

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TRUSTEE AND ADVISERS

Principal Employer

Genome Research Limited
Gibbs Building
215 Euston Road
London NW1 2BE

Corporate Trustee

Genome Research Pensions Trustee Limited

Trustee Directors

Vivien Cockerill (Chair – Independent Trustee)
Sarah Fromson (Employer Nominated)
Richard Gillingwater (Employer Nominated)
Marina Gourtovaia (Member Nominated, appointed
15 December 2022)
David Parry-Smith (Member Nominated, appointed
15 December 2022)
Allen Swann (Employer Nominated)

Plan Actuary

Charles Cowling FIA
Mercer Limited

Plan Administrators and Consultants

Mercer Limited

Independent Auditor

Deloitte LLP

Investment Manager

Legal & General Assurance (Pensions Management)
Limited

AVC Provider

Aviva plc

Bankers

The Royal Bank of Scotland plc

Legal Advisers

CMS Cameron McKenna LLP

Address for Enquiries

Trustee of the Genome Research Limited Pension Plan
c/o Mercer Limited
Post Handling Centre
Maclaren House
Talbot Road
Stretford
Manchester M32 0FP

Email: genome@mercer.com

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

TRUSTEE'S REPORT

The Trustee of the Genome Research Limited Pension Plan ("the Plan") is pleased to present the Trustee's Report and audited financial statements for the year ended 31 December 2022. The financial statements have been prepared and audited in accordance with the regulations made under sections 41(1) and (6) of the Pensions Act 1995 (i.e. the Audited Accounts Regulations).

The report sets out how the Plan is run, how the assets are invested, and the financial activity of the Plan in the year ended 31 December 2022.

Constitution of the Plan

The Plan was established under a Trust Deed and Rules dated 11 March 1997 to provide benefits on a defined benefit basis for the employees of Genome Research Limited and any other associated employers admitted to the Plan.

The Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004. The Plan is operated in accordance with the fourth Definitive Trust Deed and Rules dated 30 October 2020 (as amended) and subsequent amending deeds.

The Plan formally closed to accrual with effect from 30 September 2021.

The assets of the Plan are held by the Trustee and they are entirely separate from the Principal Employer.

Changes to the Plan

There have been no changes to the benefit and contribution structure of the Plan during the year ended 31 December 2022.

Appointment and Removal of Trustees/Trustee Directors

The Trustee of the Plan is Genome Research Pensions Trustee Limited. The Trustee Directors who served during the Plan year are listed on page 1, along with the changes during the year.

Member nominated Trustee Directors are elected from the membership of the Plan and cease to be eligible as Trustee Directors on leaving employment/ceasing to be members of the Plan.

Company appointed Trustee Directors serve until removed by the Company. Member nominated Trustee Directors serve a maximum term of five years, after which they must stand down and may stand for re-election.

A Guide for Pension Scheme Trustees issued by The Pensions Regulator has been made available to all Trustee Directors. Members may obtain a copy from the Trustee at the address shown for enquiries on page 1.

During the year the Trustee Directors met four times. In addition there was one meeting of the investment Sub-Committee and one meeting of the Risk Sub-Committee.

Trustee training took place during December 2022 covering Diversity and Inclusion and the Pensions Regulator's upcoming General Code of Practice.

GENOME RESEARCH LIMITED PENSION PLAN

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TRUSTEE'S REPORT (CONTINUED)

Membership

Details of the membership of the Plan as at 31 December 2022 are given below:

MEMBERS WITH DEFERRED BENEFITS

Opening balance	2,057
Adjustments	(3)
Retirements	(27)
Transfers out	(1)
Deaths	(1)
MEMBERS WITH DEFERRED BENEFITS AT THE END OF THE YEAR	2,025

PENSIONERS

Opening balance	187
Adjustments	6
Pensions commencing	30
Death	(6)
PENSIONERS AT THE END OF THE YEAR	217

TOTAL MEMBERSHIP	2,242
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Pensioners include 20 individuals receiving a pension upon the death of their spouse (2021: 14).

Adjustments are members whose status has been changed where the change relates to a previous year.

Financial development of the Plan

The Fund Account on page 16 shows that the net withdrawals arising from dealings with members for the year were £3,147,860 (2021: net additions of £2,484,519). The net return on the Plan's investments for the year was a loss of £45,937,398 (2021: gain of £50,708,345). The total net movement in the Plan's assets for the year was a decrease of £49,085,258 (2021: gain of £53,192,864), giving net assets of the Plan at the year end of £311,694,842 (2021: £360,780,100).

Further details of the financial developments of the Plan may be found in the audited financial statements on pages 16 to 26.

Actuarial Review

The financial statements set out on pages 16 to 26 do not take into account the liabilities to provide pension benefits which fall due after the year end. In respect of the Plan, these liabilities are considered by the Plan Actuary who carries out an actuarial valuation of such liabilities every three years. This valuation considers the funding position of the Plan and the level of contributions payable.

The most recent triennial valuation was carried out at 31 December 2021.

The formal actuarial certificate required by statute to be included in this Annual Report from the Plan Actuary appears on page 31. In addition, as required by FRS 102, the Trustee has included the Report on Actuarial Liabilities on pages 27 and 28, which forms part of the Trustee's Report.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

TRUSTEE'S REPORT (CONTINUED)

Employer Covenant

In January 2008, a Deed of Guarantee was agreed between the Trustee, Genome Research Limited ("GRL") and The Wellcome Trust Limited. This Deed provides additional security to Plan members by guaranteeing contributions and payments from The Wellcome Trust Limited to the Plan in the unlikely event that these are not met by GRL and whilst an agreed investment policy is followed. This additional commitment is welcomed by the Trustee.

Contributions

In accordance with the Schedule of Contributions certified by the Plan Actuary on 25 January 2022, the payment of deficit funding contributions was not required.

The new Schedule of Contributions, certified by the Plan Actuary on 28 March 2023 following the completion of the 2021 actuarial valuation, does not require the payment of deficit funding contributions.

The Employer will pay amounts into the Plan equal to the levy payments made by the Plan to the Pension Protection Fund. Such amounts will be paid by the Employer within a year of them being paid by the Plan.

Additional Voluntary Contributions (AVCs)

The Plan has an AVC arrangement with Aviva plc. Members were able to make additional voluntary contributions into the Plan up until 30 September 2021 when the Plan closed to future accrual. Further detail is given in note 10.5 to the financial statements

Pension Increases

Pensions in payment are subject to increases in accordance with the Trust Deed and Rules, and may be further increased at the discretion of the Trustee with Employer agreement. The increase provided at April 2022 was 4.9% (2021: 1.1%) (being based on 5% or the increase in the preceding September RPI, if lower). A statutory increase of 3.0% (2021: 0.5%) was provided on the Guaranteed Minimum Pension (being based on 3% or the increase in the preceding September Consumer Price Index, if lower). Deferred pension benefits in excess of the Guaranteed Minimum Pension are increased by a fixed rate of 5% per annum for benefit relating to Pensionable Service accrued prior to 1 April 2003. For Pensionable Service accrued on or after 1 April 2003 benefit is increased by the preceding September RPI, to a maximum of 5%.

No additional discretionary increases were granted during the year ended 31 December 2022.

Transfer Values

All transfer values are calculated in accordance with the requirements of The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 using assumptions determined by the Trustee on advice provided by the Plan Actuary.

No discretionary benefits or increases in benefits are included in the calculation of transfer values.

GMP Equalisation

On 26 October 2018, the judgment handed down in the case of Lloyds Banking Group Pension Trustees Limited v Lloyds Bank plc and others determined that members' Guaranteed Minimum Pension (GMP) benefits should be equalised between men and women. Following on from the original judgment, a further High Court ruling on 20 November 2021 has provided clarification on the obligations for trustees. This judgment focused on the GMP treatment of historic transfers out of members' benefits, an issue which had not been addressed in the 2018 GMP ruling. Under this ruling, trustees are required to review historic transfer values paid from May 1990 to assess if any top up payment is required to be paid to the receiving scheme, to reflect members' rights to equalised GMP benefits.

No provision has been included in the financial statements at this stage, as any increases in benefits in respect of past service are expected to be immaterial, but any additional liabilities identified on completion of the review will be included in future financial statements.

GENOME RESEARCH LIMITED PENSION PLAN

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TRUSTEE'S REPORT (CONTINUED)

Investment Management

The Plan's assets are invested in accordance with Section 35 of the Pensions Act 1995 (the Act) and the Occupational Pension Schemes (Investment) Regulations 2005, and any subsequent additional regulations.

The day-to-day management of the Plan's investments has been delegated by the Trustee to the investment manager, Legal & General Assurance (Pensions Management) Limited ("Legal & General"), and their report appears on page 10.

The remuneration of Legal & General is assessed on a quarterly basis at the following rates on the market value of the Plan's assets under management in each pooled investment fund at the end of every quarter.

Investment Funds	Charge per annum %
World Developed (ex Tobacco) Equity Index Fund	0.007
World Developed (ex Tobacco) Equity Index Fund – GBP Hedged	0.095
World Emerging Markets Equity Index Fund	0.018

A Statement of Investment Principles has been produced as required by Section 35 of the Pensions Act 1995, and is available from the Plan administrators on request.

The securities underlying the units held in the pooled investment vehicles are held and recorded by custodians appointed by the investment manager. The investments are held in designated nominee accounts. The Trustee has implemented mandates ensuring that the rights attaching to Plan investments are acted upon.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest through pooled funds. As such, it cannot directly influence the social, environmental and ethical policies and practices of the companies in which the pooled funds invest. However, the Trustee also understands that it must consider all factors that have the ability to impact the financial performance of the Plan's investments over the appropriate time horizon. These include, but are not limited to, environmental, social and governance (ESG) factors.

The Trustee recognises that ESG factors, such as climate change, can influence the investment performance of the Plan's investments and, therefore, it is in the members' and Plan's best interests that such factors are taken into account in the investment process. Consequently, the Trustee will work with its investment consultant to help select investment managers that have an appropriate rating for ESG factors. The Trustee will review available products and approaches to ESG factors and strive for the Plan to continue to deliver strong risk adjusted returns, incorporating responsible investment principles into the process where possible. A review of the Trustee's investment strategy and the approach to which ESG factors are taken into account was undertaken in 2022 and the decision made to move the Plan's developed world equity assets to LGIM's ESG-tilted Futures World strategy. This change was implemented on 1 February 2023.

The Trustee has received a copy of the investment manager's published corporate governance policy that explains the manager's approach to socially responsible investment and investment rights. The Trustee is satisfied with the policies as described in these documents.

By investing the Plan's developed market equities in a fund that excludes tobacco companies, the Trustee is pursuing a policy that is consistent with the Wellcome Trust's endowment portfolio, which does not invest directly in tobacco companies, as well as with Wellcome's mission to improve human and animal health globally.

The Trustee believes that widespread adoption of good corporate governance practice will improve the quality of management and, as a consequence, is likely to increase the returns available to long term investors.

GENOME RESEARCH LIMITED PENSION PLAN

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TRUSTEE'S REPORT (CONTINUED)

Investment Management (Continued)

The Trustee has undertaken to apply the seven principles of the UK Stewardship Code, given their responsibilities as asset owner. A copy of the Plan's Stewardship Code statement is appended to the SIP and is hosted on the FRC's website.

The Trustee has reviewed and accepted the investment manager's Stewardship Code statement.

The Trustee has reviewed contracts with investment managers and third-party suppliers to ensure that they can continue to manage the Plan's assets and liabilities in the event of legal changes as a result of Brexit. As a matter of ongoing policy, the Plan assets are globally diversified, and partially currency hedged. The Trustee will continue to monitor the situation as it evolves.

The Trustee's Engagement Policy Implementation Statement, which sets out voting and engagement information undertaken by the Plan's investment managers for the year ending 31 December 2022, is included on pages 34 to 39 of the financial statements.

There were no employer-related investments held during the current or prior year.

Trustee's Policies with Respect to Arrangements with Asset Managers

The Trustee continually assess and review the performance of its adviser in a qualitative way.

The investment managers are appointed by the Trustee based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and desired risk characteristics. The Trustee utilises the investment advisers' forward-looking manager research ratings in decisions around the selection, retention and realisation of manager appointments. These ratings are based on the investment advisers' assessment of the investment manager's idea generation, portfolio construction, implementation and business management.

The Trustee receives quarterly monitoring reports on the performance of the underlying investment managers from its investment adviser, which presents performance information over 3 months, 1 year and 3 years. The reports show the absolute performance and performance against the manager stated benchmark (over the relevant time period) on a net of fees basis. It also provides returns of market indices so that these can also be used to help inform the assessment of the underlying manager's performance.

The reporting reviews the performance of the Plan's individual funds against their benchmarks and of the Plan's assets in aggregate against the Plan's strategic benchmark. The Trustee focus is primarily on long term performance but short term performance is also reviewed. The Trustee may review a manager's appointment if:

There are sustained periods of underperformance or unexplained outperformance;

- There is a change in the portfolio manager;
- There is a change in the underlying objectives of the investment manager;
- There is a significant change to Mercer's rating of the manager.

Portfolio turnover costs refer to those incurred due to the buying, selling, lending or borrowing of investments. Given that the Plan invests in a range of pooled investment vehicles, the Trustee does not have an overall portfolio turnover target. The Trustee monitors the transaction costs incurred by the investment manager within the funds used.

The Trustee receives MiFID II reporting from the investment managers, which provides this information, but does not actively monitor portfolio turnover costs. This position is kept under review.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

TRUSTEE'S REPORT (CONTINUED)

Trustee's Policies with Respect to Arrangements with Asset Managers (Continued)

The investment manager in which the Plan's assets are invested does not have performance based fees which could encourage the manager to make short term investment decisions to hit their profit targets.

The Trustee therefore considers that the method of remunerating investment fund managers is consistent with incentivising them to make decisions governed by their respective indices for their existing passive funds. Should the Trustees invest in active funds at a future date, the investment manager's decisions should be based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, the Trustee believes it will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustee accepts that it cannot influence the charging structure of the pooled funds in which the Plan is invested, but is satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each pooled fund's stated characteristics. The Trustee is therefore satisfied that this the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustee policies as set out in this SIP.

Internal Dispute Resolution (IDR) Procedure

The Trustee adopted a dispute resolution procedure, a copy of which can be requested from the Plan administrator.

Any member or beneficiary with a complaint against the Plan or a query about their pension entitlement which they consider has not been satisfactorily addressed can use the "Internal Disputes Resolution Procedure" or, alternatively, they can obtain free advice through MoneyHelper who can be reached at Holborn Centre, 120 Holborn, London, EC1N 2TD. If a member has a complaint which MoneyHelper is unable to resolve then they can ask for a ruling from the Pensions Ombudsman who can be reached at 10 South Colonnade, Canary Wharf, London, E14 4PU.

Further Information

Members are entitled to inspect copies of documents giving information about the Plan. In some circumstances copies of documents can be provided, but a charge may be made for copies of the trust documents (Deed and Rules) and of the Actuary's report.

Any query about the Plan, including requests from individuals for information about their benefits, should be addressed to:

Trustee of the Genome Research Limited Pension Plan
c/o Mercer Limited
Post Handling Centre
Maclaren House
Talbot Road
Stretford
Manchester M32 0FP

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

TRUSTEE'S REPORT (CONTINUED)

This report, including the Investment Report and the Members' Information, was approved by the Trustee on

19 July 2023

..... and signed on its behalf by:

DocuSigned by:
Vivien Cockerill
.....54208E90A4634A3.....

Trustee Director

DocuSigned by:
Sarah Fromson
.....3295F4EA8F4A4A5.....

Trustee Director

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Trustee's Responsibilities in Respect of Financial Statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of that year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in the Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparing of the financial statements on a going concern basis unless it is inappropriate to presume that the Plan will not be wound up.

The Trustee is also responsible for making available certain other information about the Plan in the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Trustee's Responsibilities in Respect of Contributions

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Plan by or on behalf of the Employer of the Plan and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for adopting risk-based processes to monitor whether contributions are made to the Plan by the Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule of Contributions occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members

GENOME RESEARCH LIMITED PENSION PLAN

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INVESTMENT REPORT

Legal & General Assurance (Pensions Management) Limited

The assets of the Plan are invested in an insurance policy with Legal & General Assurance (Pensions Management) Limited, part of the Legal & General Group, which is one of the largest financial institutions in the United Kingdom.

The policy is designed for corporate and public sector pension schemes and takes full advantage of the tax exemptions available to an insurance policy of this type. It is a unitised policy and the value of the units fluctuates directly in relation to the value of the underlying assets. All units are redeemable at bid prices that are calculated from independent, external pricing sources. The assets underlying the units are held by independent corporate custodians which are regularly reviewed by external auditors.

Legal & General's investment objective is to maintain the Plan's distribution close to the benchmark and within the ranges shown below. Changes to the distribution of the funds (which are sections within the policy) are achieved by the application of cash flows and, if necessary, by switches between the funds.

The value of the units held under the policy at the beginning and end of the reporting period, on a bid market price basis were:

Investment Sector Fund	Value and distribution 31 Dec 2022		Value and distribution 31 Dec 2021	
	£	%	£	%
World Emerging Markets Equity Index Fund	85,594,420	27.6	94,192,064	26.3
World Developed (ex Tobacco) Equity Index Fund - GBP Hedged	224,337,776	72.4	177,827,690	49.6
World Developed (ex Tobacco) Equity Index Fund	-	-	86,241,564	24.1
Total Assets	309,932,196	100.0	358,261,318	100.0

The unit prices for these valuations were based on market closing prices on the previous working day. The values shown include any activity that took place on the valuation days.

Performance

The time-weighted investment returns to 31 December 2022 on the Plan's assets were as follows:

Investment Sector Fund	1 Year		3 Years (p.a.)		5 Years (p.a.)	
	Fund %	Index %	Fund %	Index %	Fund %	Index %
World Emerging Markets Equity Index Fund	-16.73	-16.67	5.02	5.07	6.08	6.1
World Developed (ex Tobacco) Equity Index Fund - GBP Hedged ¹	-6.87	-6.67	1.59	1.67	2.25	2.28
Total Plan	-12.68	-	4.28	-	5.76	-

Source: Investment Managers, Thomson Reuters Datastream, Mercer.

The Plan has no direct exposure to Russian, Ukrainian or Belarusian assets.

As from 29 April 2022, the Plan has no indirect exposure (where the Plan is invested in a fund, which invests in assets connected to Russia, Ukraine or Belarus) via its investment fund holdings.

Following the Chancellor of the Exchequer's so-called "mini-budget" on 23 September 2022, the UK gilt market became under severe pressure with a large number of market participants wishing to sell large quantities of their holdings. This excess supply in the market place reduced gilt prices and therefore increased their yields, both swiftly and significantly. This impacted the Plan's value placed on the liabilities that have a link to such yields. As the assets were 100% invested in equities, the funding level of the Plan improved over that period.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

SUMMARY OF CONTRIBUTIONS


Trustee's Summary of Contributions payable under the Schedules of Contributions in respect of the Plan year ended 31 December 2022

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the Employer and member contributions payable to the Plan under the Schedules of Contributions certified by the Plan Actuary on 16 December 2019 and 25 January 2022.


Contributions payable under the Schedules in respect of the Plan year	£
Employer: Normal contributions	-
Salary sacrifice contributions	-
Contributions in respect of expenses	-
Member: Normal contributions	-
Total contributions payable under the Schedules (as reported on by the Plan auditor)	<hr/>
and reported in the financial statements	<hr/> - <hr/>

19 July 2023

Signed on behalf of the Trustee on

DocuSigned by:

 54208E90A4634A3.....

Trustee Director

DocuSigned by:

 3295F4EA8F4A4A5.....

Trustee Director

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF GENOME RESEARCH LIMITED PENSION PLAN

We have examined the Summary of Contributions to the Genome Research Limited Pension Plan for the Plan year ended 31 December 2022 to which this statement is attached.

In our opinion contributions for the Plan year ended 31 December 2022 as reported in the Summary of Contributions and payable under the Schedules of Contributions have in all material respects been paid for the period 1 January 2022 to 24 January 2022 at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 16 December 2019 and for the period 25 January 2022 to 31 December 2022 at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 25 January 2022

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the attached Summary of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Schedules of Contributions.


Respective responsibilities of the Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Plan's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contributions and for monitoring whether contributions are made to the Plan by the employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedules of Contributions and to report our opinion to you.

Use of our report

This statement is made solely to the Trustee, as a body, in accordance with regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our work has been undertaken so that we might state to the Trustee those matters we are required to state to it in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body for our work, for this statement, or for the opinion we have formed.

DocuSigned by:

64792DA3B0E04D9...

Deloitte LLP
Statutory Auditor
Reading, United Kingdom

19 July 2023
Date: 2023

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE GENOME RESEARCH LIMITED PENSION PLAN

Opinion

In our opinion the financial statements of the Genome Research Limited Pension Plan:

- show a true and fair view of the financial transactions of the Plan during the Plan year ended 31 December 2022 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

We have audited the financial statements of the Genome Research Limited Pension Plan which comprise:

- the Fund Account;
- the Statement of Net Assets (available for benefits); and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council ("FRC's") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Plan's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

GENOME RESEARCH LIMITED PENSION PLAN

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE GENOME RESEARCH LIMITED PENSION PLAN (CONTINUED)

Other information (Continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Plan or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Plan's industry and its control environment, and reviewed the Plan's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of the Trustee and pension scheme management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Plan operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Pension Act 1995, the Pensions Act 2004, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013; and

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE GENOME RESEARCH LIMITED PENSION PLAN (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud (Continued)

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Plan's ability to operate or to avoid a material penalty. These included the Plan's regulatory requirements.

We discussed among the audit engagement team including relevant internal specialists such as industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the misappropriation of investment assets due to the significant size of investment transactions and balances, and the importance of the investments to the funding of the Plan. In response we have: obtained an understanding of the relevant controls over investment holdings and transactions; agreed investment holdings to independent confirmations; and agreed investment and cash reconciliations to independent sales and purchase reports and bank statements.

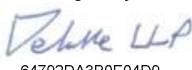
In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of the Trustee and management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of Trustee and subcommittees meetings.

Use of our report

This report is made solely to the Plan's Trustee, as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Deloitte LLP
Statutory Auditor
Reading, United Kingdom

Date: 19 July 2023
..... 2023

GENOME RESEARCH LIMITED PENSION PLAN
YEAR ENDED 31 DECEMBER 2022

FUND ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
CONTRIBUTIONS AND BENEFITS			
Employer contributions	4	(6,073)	4,647,018
Member contributions	4	-	145,357
		<u>(6,073)</u>	<u>4,792,375</u>
Benefits paid or payable	5	(2,587,954)	(1,791,793)
Payments to and on account of leavers	6	(139,020)	(176,883)
Administrative expenses	7	(414,813)	(339,180)
		<u>(3,141,787)</u>	<u>(2,307,856)</u>
NET (WITHDRAWALS)ADDITIONS FROM DEALINGS WITH MEMBERS		<u>(3,147,860)</u>	<u>2,484,519</u>
INVESTMENT RETURNS			
Investment income	8	224	-
Investment management expenses	9	(361,157)	(350,989)
Change in market value of investments	10.1	(45,576,465)	51,059,334
NET RETURNS ON INVESTMENTS		<u>(45,937,398)</u>	<u>50,708,345</u>
NET (DECREASE)/INCREASE IN THE FUND DURING THE YEAR		(49,085,258)	53,192,864
NET ASSETS OF THE PLAN AT 1 JANUARY		360,780,100	307,587,236
NET ASSETS OF THE PLAN AT 31 DECEMBER		<u>311,694,842</u>	<u>360,780,100</u>

The notes on pages 18 to 26 form an integral part of these financial statements.

GENOME RESEARCH LIMITED PENSION PLAN
YEAR ENDED 31 DECEMBER 2022

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)
AT 31 DECEMBER 2022

	Note	2022 £	2021 £
INVESTMENT ASSETS			
Pooled investment vehicles	10.4	309,932,196	358,261,318
AVC investments	10.5	1,988,919	2,311,450
		<u>311,921,115</u>	<u>360,572,768</u>
CURRENT ASSETS	12	276,781	687,287
CURRENT LIABILITIES	13	(503,054)	(479,955)
TOTAL ASSETS AT 31 DECEMBER		<u><u>311,694,842</u></u>	<u><u>360,780,100</u></u>

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities included on pages 27 and 28, and these financial statements should be read in conjunction with that Report.

The notes on pages 18 to 26 form an integral part of these financial statements.

These financial statements were approved by the Trustee on 19 July 2023 2023 and were signed on its behalf by:

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Trustee Director

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Trustee Director

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the guidance set out in the Statement of Recommended Practice (revised 2018).

The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as it believes that the Plan has adequate resources to realise its assets and meet pension payments in the normal course of affairs (continue to operate) for at least twelve months from the date of approval of these financial statements.

2 IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Plan is established as a trust under English law. The addresses for enquiries to the Plan are included on page 8 of the Trustee's Report.

3 ACCOUNTING POLICIES

The following principal accounting policies have been adopted in the preparation of the financial statements.

3.1 Accruals concept

The financial statements have been prepared on an accruals basis.

3.2 Currency

The Plan's functional currency and presentational currency is pounds sterling (GBP).

3.3 Contributions

Normal contributions, both from members and the Employer, are accounted for as they fell due under the Schedule of Contributions in force. These contributions were deducted by the Employer and paid to the Plan on or before the 19th of the calendar month following deduction.

Deficit funding contributions and contributions in respect of expenses from the Employer are accounted for as they fell due under the Schedule of Contributions in force.

Additional voluntary contributions from members are accounted for in the month they were deducted from payroll.

3.4 Payments to members

Pensions in payment are accounted for in the period to which they relate.

Benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.

Individual transfers out of the Plan are accounted for when member liability is discharged which is normally when the transfer amount is paid.

Where the Trustee is required to settle tax liabilities on behalf of a member (such as when lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Plan, this is shown separately within benefits.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 ACCOUNTING POLICIES (CONTINUED)

3.5 Expenses

The costs of managing and administering the Plan are borne by the Plan, except for certain administration and accounting services provided to the Plan by the Employer for which no fees are charged. In addition, the Pension Protection Fund levy and Pension Regulator levy are payable by the Employer.

3.6 Investment income

Income generated by the pooled investment vehicles is not distributed, but is retained within the fund and reflected in the market value of the units.

3.7 Valuation of investments

Investments are valued at fair value.

Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the investment manager.

Realised and unrealised gains and losses on investments are dealt with in the fund account for the year in which they arise.

4 CONTRIBUTIONS

	2022 £	2021 £
Employer's Contributions		
Normal contributions	(5,067)	3,764,140
Salary sacrifice contributions	(1,006)	649,758
Contributions in respect of expenses	-	233,120
	(6,073)	4,647,018
Members' Contributions		
Normal contributions	-	17,680
Additional voluntary contributions	-	127,677
	-	145,357
	(6,073)	4,792,375

Following the closure of the Plan to future accrual, normal contributions ceased with effect from 30 September 2021.

Contributions totalling £6,073 were overpaid in the prior year for the period from May 2021 to September 2021 and were returned to the Employer during the year.

In accordance with the Schedule of Contributions certified by the Plan Actuary on 25 January 2022, the payment of deficit funding contributions is not required.

The new Schedule of Contributions, certified by the Plan Actuary on 28 March 2023 following the completion of the 2021 actuarial valuation, does not require the payment of deficit funding contributions.

GENOME RESEARCH LIMITED PENSION PLAN
YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 BENEFITS PAID OR PAYABLE

	2022 £	2021 £
Pension payments	1,555,538	1,300,752
Commutations and lump sum retirement benefits	1,032,416	472,565
Lump sum death benefits	-	8,356
Taxation where lifetime or annual allowance exceeded	-	10,120
	<u>2,587,954</u>	<u>1,791,793</u>

6 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2022 £	2021 £
Individual transfers out	139,020	176,883
	<u>139,020</u>	<u>176,883</u>

7 ADMINISTRATIVE EXPENSES

	2022 £	2021 £
Administrative and processing	137,105	148,690
Actuarial and consulting fees	243,780	157,717
Legal fees	17,782	12,249
Audit fees	16,146	20,524
	<u>414,813</u>	<u>339,180</u>

8 INVESTMENT INCOME

	2022 £	2021 £
Interest on cash deposits	224	-
	<u>224</u>	<u>-</u>

9 INVESTMENT MANAGEMENT EXPENSES

	2022 £	2021 £
Administration, management and custody	361,157	350,989
	<u>361,157</u>	<u>350,989</u>

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 INVESTMENTS

10.1 RECONCILIATION OF INVESTMENTS

	Value at 1 January 2022 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31 December 2022 £
Pooled investment vehicles	358,261,318	79,370,039	(82,437,374)	(45,261,787)	309,932,196
AVC investments	2,311,450	-	(7,853)	(314,678)	1,988,919
	<u>360,572,768</u>	<u>79,370,039</u>	<u>(82,445,227)</u>	<u>(45,576,465)</u>	<u>311,921,115</u>

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

10.2 TRANSACTION COSTS

Transaction costs are borne by the Plan in relation to transactions in pooled investment vehicles. Such costs are taken into account in calculating the swinging single price or the bid/offer spread of these investments and are not separately reported.

10.3 CONCENTRATION OF INVESTMENTS

The following investments account for more than 5% of the Plan's net assets at the year end:

	2022 £	2022 % of net assets	2021 £	2021 % of net assets
World Developed (ex Tobacco) Equity Index Fund - GBP Hedged	224,337,776	72.0	177,827,690	49.3
World Emerging Markets Equity Index Fund	85,594,420	27.5	94,192,064	26.1
World Developed (ex Tobacco) Equity Index Fund	-	-	86,241,564	23.9

10.4 POOLED INVESTMENT VEHICLES

	2022 £	2021 £
Equity Funds	309,932,196	358,261,318
	<u>309,932,196</u>	<u>358,261,318</u>

10.5 AVC INVESTMENTS

The Trustee holds AVC investment assets separately from the main fund in the form of insurance policies securing additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions.

Members participating in this arrangement receive an annual statement made up to 31 December each year, confirming the amounts held to their account and the movements in the year.

GENOME RESEARCH LIMITED PENSION PLAN
YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.5 AVC INVESTMENTS (CONTINUED)

The aggregate amounts of AVC funds are as follows:

	2022 £	2021 £
Aviva plc	1,988,919	2,311,450
	<u>1,988,919</u>	<u>2,311,450</u>

10.6 FAIR VALUE HIERARCHY

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the assessment dates.

Level 2 Inputs other than the quoted prices included within Level 1 that are observable (i.e. developed for the asset or liability either directly or indirectly).

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

The Plan's investment assets fall within the above hierarchy as follows:

	Level 1 £	Level 2 £	Level 3 £	2022 £
Pooled investment vehicles	-	309,932,196	-	309,932,196
AVC investments	-	1,988,919	-	1,988,919
	<u>-</u>	<u>311,921,115</u>	<u>-</u>	<u>311,921,115</u>
	Level 1 £	Level 2 £	Level 3 £	2021 £
Pooled investment vehicles	-	358,261,318	-	358,261,318
AVC investments	-	2,311,450	-	2,311,450
	<u>-</u>	<u>360,572,768</u>	<u>-</u>	<u>360,572,768</u>

For the purposes of this analysis the pooled investment vehicles have all been included in level 2 as the pooled funds themselves are not exchange traded.

The AVCs are valued using a single bonus interest rate which, together with a basic interest rate, is broadly equal to the average yield on the underlying fixed interest investments in a with profit fund operated by the AVC provider.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.7 INVESTMENT RISKS

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee determines its investment strategy after taking advice from a professional investment advisor. The Plan has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed parameters which are set taking into account the Plan's strategic investment objectives.

For the Plan's assets, these investment objectives are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustee by regular review of the investment portfolio.

Further information on the Trustee's approach to risk management and the Plan's exposure to credit and market risk are set out below. This does not include AVC investments as these are not considered significant in relation to the overall investments of the Plan.

(i) Investment Strategy

The investment objective of the Plan is to invest its assets 100% in passively managed equities. The current broad asset allocation is as follows:

- 70% in Global Developed Market Equities; and
- 30% in Emerging Market Equities.

After a review by the Investment Sub-Committee, along with the assistance of their advisers and after consultation with GRL, the Trustee has developed and implemented a framework to switch the assets in the Global Developed Market Equities between currency hedged / unhedged share classes of the same fund.

The Trustee had previously switched exposure from the Legal & General FTSE World Developed Equity Index Fund – GBP Hedged to the Legal & General FTSE World Developed (ex-Tobacco) Equity Index Fund – GBP Hedged/Unhedged in 2021. Recently, the Trustee disinvested from the Legal & General FTSE World Developed (ex-Tobacco) Equity Index GBP Unhedged Fund.

The Trustee sets the investment strategy for the Plan taking into account considerations such as the strength of the employer covenant, the long-term liabilities of the Plan and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Principles (SIP) with details of any changes during the year included in the Trustee's Report.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.7 INVESTMENT RISKS (CONTINUED)

(i) Investment Strategy (Continued)

The Trustee sets the investment strategy for the Plan taking into account considerations such as the strength of the employer covenant, the long-term liabilities of the Plan and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Principles (SIP).

(ii) Credit risk

To gain exposure to certain asset classes in a cost effective way (in both monetary and governance terms), the Plan invests in pooled investment vehicles. Therefore, the Plan is directly exposed to credit risk of these pooled investment vehicles. The value of assets invested in pooled funds and therefore directly exposed to credit risk as a result of this at year end was £309,932,196. (2021: £358,261,318).

Indirect credit risk arises in relation to underlying investments held in corporate bond or LDI pooled investment vehicles. As the Plan had no exposure to corporate bond or LDI holdings, it was not exposed to any indirect credit risk in 2022 or 2021.

A summary of pooled investment vehicles by type of arrangement is as follows:

	2022 £	2021 £
Unit linked insurance contracts	309,932,196	358,261,318
	<u>309,932,196</u>	<u>358,261,318</u>

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environment in which the pooled fund manager operates and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks before appointing new-pooled investment managers.

(iii) Currency risk

The Plan is subject to indirect currency risk because the underlying holdings of the pooled investment vehicles held may be denominated in a non-sterling currency and are not fully currency hedged by the investment manager. The value of holdings subject to this risk total £85,594,420 (2021: £180,433,628). This value includes pooled investment vehicles that have only a partial exposure to currency risk.

To limit currency risk, the Trustee has implemented a currency hedging strategy, hedging the Plan's developed market equity exposure back to Sterling when GBP falls significantly below purchasing power parity ("PPP") on a trade weighted basis and reversing that hedge if and when in the opinion of the Trustee GBP rises significantly above purchasing power parity ("PPP").

(iv) Other price risk

Other price risk arises principally in relation to the Plan's non-bond assets, which includes equities held in pooled investment vehicles. The Plan manages this exposure to other price risk by investing globally across equity markets.

At the year-end, the Plan's exposure to investments subject to indirect other price risk through its equity pooled investment vehicles at the year end was £309,932,196 (2021: £358,261,318).

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 TAX

The Genome Research Limited Pension Plan is a registered pension scheme for tax purposes under the Finance Act 2004. The Plan is therefore exempt from income tax and capital gains tax except for certain withholding taxes relating to overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate.

12 CURRENT ASSETS

	2022	2021
	£	£
Bank balance	129,990	576,268
Prepaid pensions	141,730	108,359
Sundry debtors	5,061	2,660
	<u>276,781</u>	<u>687,287</u>

13 CURRENT LIABILITIES

	2022	2021
	£	£
Unpaid benefits	110,576	321,405
Accrued expenses	389,172	158,550
Other creditors	3,306	-
	<u>503,054</u>	<u>479,955</u>

14 RELATED PARTY TRANSACTIONS

The Principal Employer provided the Plan with some basic administrative services, such as dealing with member queries, for which no charge has been levied. The fees of the Trustee Directors are met by the Principal Employer. The fees for the year ended 31 December 2022 were £39,612 (2021: £35,000).

Three Trustee Directors, Marina Gourtovaia, David Parry-Smith and Allen Swann are deferred members of the Plan and retain an entitlement to a deferred pension from the Plan on reaching retirement age.

In January 2008, a Deed of Guarantee was agreed between the Trustee, Genome Research Limited (GRL) and The Wellcome Trust Limited. This deed provides additional security to Plan members by guaranteeing contributions and payments from The Wellcome Trust Limited to the Plan in the unlikely event that these are not met by GRL whilst an agreed investment policy is followed.

15 EMPLOYER RELATED INVESTMENTS

There were no employer-related investments held during the current or prior year.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 GMP EQUALISATION

On 26 October 2018, the judgment handed down in the case of Lloyds Banking Group Pension Trustees Limited v Lloyds Bank plc and others determined that members' Guaranteed Minimum Pension (GMP) benefits should be equalised between men and women. Following on from the original judgment, a further High Court ruling on 20 November 2021 has provided clarification on the obligations for trustees. This judgment focused on the GMP treatment of historic transfers out of members' benefits, an issue which had not been addressed in the 2018 GMP ruling. Under this ruling, trustees are required to review historic transfer values paid from May 1990 to assess if any top up payment is required to be paid to the receiving scheme, to reflect members' rights to equalised GMP benefits.

No provision has been included in the financial statements at this stage, as any increases in benefits in respect of past service are expected to be immaterial, but any additional liabilities identified on completion of the review will be included in future financial statements.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

REPORT ON ACTUARIAL LIABILITIES

As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

Under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every 3 years using assumptions agreed between the Trustee and the employer and set out in the Statement of Funding Principles, a copy of which is available to Plan members on request.

The most recent triennial actuarial valuation of the Plan effective as at 31 December 2021 showed that the accumulated assets of the Plan represented 101% of the Plan's technical provisions in respect of past service benefits; this corresponds to a surplus of £2.9m at the valuation date.

	£m
The value of the technical provisions was:	355.6
The value of the assets at that date was:	358.5

If the Plan had been discontinued and wound up at 31 December 2021 there would have been insufficient assets to buy out the accrued benefits through the purchase of annuity policies with an insurer. The estimated discontinuance (or wind up) funding level was 46%, corresponding to a shortfall of £416.1m.

The value of technical provisions is based on Pensionable Service to the valuation date and assumptions about various factors that will influence the Plan in the future, such as the levels of investment returns and pay increases, when members will retire and how long members will live. The method and significant actuarial assumptions used in the calculations are as follows:

Method

The actuarial method used in the calculation of the technical provisions is the defined accrued benefits method.

Significant Actuarial Assumptions – to be updated

Discount interest rate: calculated using the Nominal Gilt Yield curve, plus 2.5% per annum at each term.

Rate of inflation - Retail Prices Index (RPI): calculated using the Gilt Inflation Curve with no adjustment.

Rate of inflation - Consumer Prices Index (CPI): calculated as the assumption for RPI inflation less 0.7% per annum at each term until December 2030 and equal to RPI thereafter.

Revaluation of pensions in deferment: Elements which have future revaluation in line with RPI subject to a maximum of 5% per annum will be calculated as revaluing at the assumed rate of RPI inflation, subject to a minimum assumption of 0% per annum and a maximum assumption of 5% per annum.

Pension increases: Pension increases will be calculated using the Black-Scholes stochastic model applying any applicable maximum and/or minimum rates, the RPI/CPI inflation assumption and an assumed inflation volatility of 1.75%.

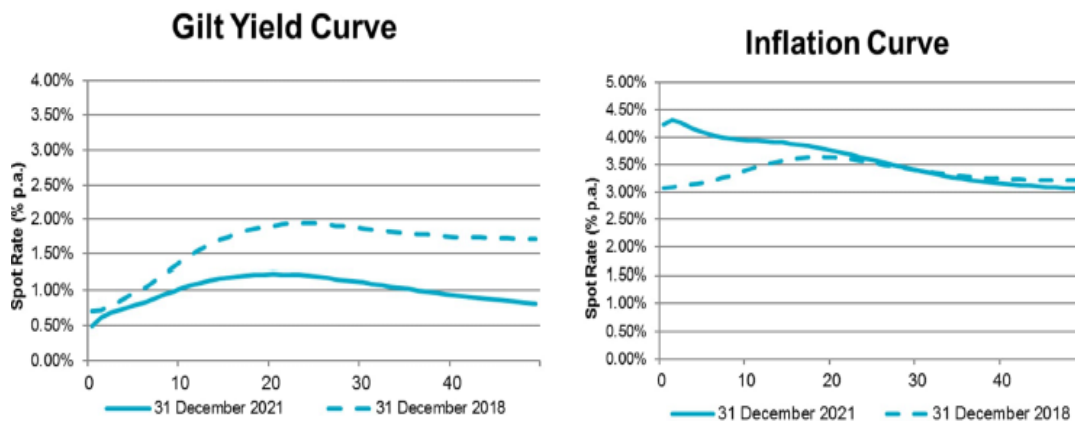
GMP Equalisation: An allowance of 0.05% of the liabilities.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

REPORT ON ACTUARIAL LIABILITIES (CONTINUED)

Significant Actuarial Assumptions (continued)



Mortality: No allowance will be made for pre-retirement.

Post retirement: 103% of the mortality rates in the S3PMA for males and 101% S3PFA_M for females, projected to the valuation date in line with the approach below.

Allowance for the future improvements: CMI core projection model with a 1.5% per annum long term projected rate of improvement and a smoothing parameter (Sk) of 7.5, an additional improvement parameter of nil, and with nil weighting on 2020 and 2021 mortality experience (CMI_2020 [1.5%] S=7.5, =0, w2020=0, w2021=0), using a year of birth approach.

Recovery plan

The actuarial valuation as at 31 December 2021 disclosed a surplus, therefore, a Recovery Plan was not required.

Next actuarial valuation

The next triennial valuation is due to be carried out as at 31 December 2024.

SCHEDULE OF CONTRIBUTIONS

Schedule of Contributions

The Genome Research Limited Pension Plan

This schedule of contributions has been prepared by the Trustee, after obtaining the advice of Charles Cowling, the Scheme Actuary. It replaces the previous schedule of contributions which was actuarially certified on 24 January 2022.

In preparing this schedule of contributions, account has been taken of contributions due in the period between 31 December 2021 and the commencement of this schedule under the previous schedule(s) of contributions, together with any further contributions paid during the same period.

Period covered by this schedule of contributions

This schedule of contributions takes effect from the date it is certified by the Scheme Actuary. It ends five years after the date it is certified by the Scheme Actuary.

Contributions by Employer in respect of expenses

The Employer will pay amounts into the scheme equal to the levy payments made by the Scheme to the Pension Protection Fund. The Employer will pay such amounts within a year of them being paid by the Scheme.

Contributions by Employer in respect of the shortfall in funding

None.

Additional Employer contributions

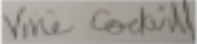
The Employer may pay additional contributions of any amount and at any time from those set out above.

GENOME RESEARCH LIMITED PENSION PLAN
YEAR ENDED 31 DECEMBER 2022

SCHEDULE OF CONTRIBUTIONS (CONTINUED)

Signatures

Signed on behalf of the Trustee:

Name: 

Position: Chair of Trustee

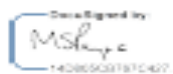
Date: 7 March 2023

Signed on behalf of the Employer:

Name: Maggie Payne

Position: CFO Genome Research Limited

Date: 21 March 2023


Data Signed by
M. Payne
142825021910407

SCHEDULE OF CONTRIBUTIONS (CONTINUED)

Actuary's Certification of Schedule of Contributions

The Genome Research Limited Pension Plan


Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 December 2021 to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated (i.e. signed on behalf of the Trustee on) 7 March 2023.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

Signature:		Date:	28 March 2023
Name:	Charles Cowling	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	Belvedere, 12 Booth Street Manchester, M2 4AW	Name of employer:	Mercer Limited

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

MEMBERS' INFORMATION

INTRODUCTION

The Plan is a defined benefit Plan and is administered by Mercer Limited in accordance with the establishing document and rules, solely for the benefit of its members and other beneficiaries.

The registration number in the Register of Occupational and Personal Pension Plans is 10187624.

Other information

- (i) The Pensions Ombudsman (TPO) deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes. Members have the right to refer a complaint to TPO free of charge.


Contact with TPO about a complaint needs to be made within three years of when the event(s) being complained about happened, or if later, within three years of when a member first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

TPO now operates an Early Resolution Service (ERS) in addition to its normal Adjudication Service that aims to provide a quick, informal and streamlined process. Any member that elects to use the ERS does not need to follow the Trustee's Internal Dispute Resolution Procedure (IDRP). However should any complaint that has gone through the ERS remain unresolved, TPO expects the IDRP to be followed prior to the complaint being passed to its Adjudication Service.

Enquiries should be addressed to:

The Pensions Ombudsman		0800 917 4487
10 South Colonnade		enquiries@pensions-ombudsman.org.uk
Canary Wharf		www.pensions-ombudsman.org.uk
London		
E14 4PU		

- (ii) The Money and Pensions Service ("MaPS") brings together three respected providers of financial guidance; Pensions Wise, the Money Advice Service and the Pensions Advisory Service. MaPS is committed to ensuring that people throughout the UK have guidance and access to the information that they need to make effective financial decisions over their lifetime. The contact details are:

Holborn Centre		0800 011 3797
120 Holborn		www.pensionsadvisoryservice.org.uk
London		
EC1N 2TD		

- (iii) The Pensions Regulator (TPR) can intervene if it considers that a scheme's Trustees, advisers or the employer are not carrying out their duties correctly. The address for TPR is:

Napier House		0345 600 1011
Trafalgar Place		www.thepensionsregulator.gov.uk
Brighton		
East Sussex		
BN1 4DW		

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

MEMBERS' INFORMATION (CONTINUED)

Other information (Continued)

- (iv) The Pension Protection Fund (PPF) was established under the Pensions Act 2004 to pay compensation to members of eligible defined benefit pension schemes, when the sponsoring employer has suffered a qualifying insolvency event, and where the scheme is assessed as having insufficient assets to cover PPF levels of compensation.

The PPF is funded by a retrospective levy on occupational pension schemes.

- (v) The Trust Deed and Rules, the Plan details, and a copy of the Schedule of Contributions and Statement of Investment Principles are available for inspection free of charge by contacting the Trustee at the address shown for enquiries in this report. Any information relating to the members' own pension position, including estimates of transfer values should also be requested from the administrators of the Plan, Mercer Limited, at the address detailed in this report.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

Year Ending 31st December 2022

Introduction

This statement sets out how, and the extent to which, the Stewardship policy in the Statement of Investment Principles ('SIP') produced by the Trustee, has been followed during the year to 31st December 2022. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the guidance published by the Pensions Regulator. The Trustee keeps its policies within the SIP under regular review, subject to full review at least triennially and annually for a consistency review.

It was agreed in June 2022 that the SIP would be updated following discussion at the Trustee Investment Subcommittee meeting held on 22 June 2022 and a beliefs survey carried out subsequently on the Trustee's beliefs on Environmental Social and Governance (ESG) factors. The SIP was finalised at the 21 June 2023 Trustee Investment Subcommittee meeting following implementation of the first phase of the Defined Benefit ("DB") Section ESG portfolio restructure in Q1 2023. For the avoidance of doubt, this Implementation Statement refers to the June 2023 SIP unless specifically noted.

Investment objectives of the Plan

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The primary objective of the Trustee for the Plan is to ensure that there are assets available to meet all liabilities as and when they fall due.

The Trustee seeks to achieve this by targeting a level of investment performance that exceeds the discount rate utilised by the Plan Actuary and, in turn, the anticipated development in the value of the Plan's liabilities.

Policy on ESG, Stewardship and Climate Change

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest through pooled funds. As such, it cannot directly influence the social, environmental and ethical policies and practices of the companies in which the pooled funds invest. The Trustee will therefore rely on the policies and judgement of its investment manager. The Trustee will periodically review the policies of its investment manager.

However, the Trustee must consider all factors that have the ability to impact the financial performance of the Plan's investments over the appropriate time horizon. These include, but are not limited to, environmental, social and governance (ESG) factors. The Trustee believes that companies with high ESG credentials maintain strong relationships with customers, suppliers, employees, governments, regulators, providers of capital and society as a whole. This is evidenced by a positive corporate culture, ensuring compliance with laws and regulations, the health and safety of employees, considering their impact on communities and the environment and having an appropriate governance structure.

The Trustee recognises that ESG/Climate Change factors can influence the investment performance of the Plan's investments and, therefore, it is in the members' and Plan's best long-term interests that such factors are taken into account in the investment process. Consequently, the Trustee will consider and assess the investment managers' policy and approach to ESG/Climate Change when selecting and monitoring managers. This includes the investment managers' policy on voting and engagement.

Emissions of greenhouse gases, resulting from human activity, are causing our climate to change. Net zero means achieving a balance between the greenhouse gases put into the atmosphere and those taken out.

By reducing carbon emissions, governments, businesses and investors can protect assets from climate-related risks, ensure resilience within their business models and protect ecosystems. Businesses that do not take these environmental risks seriously put the long-term sustainability of their financial returns at stake.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (CONTINUED)

As a responsible investor, the Trustee believes there is a real opportunity to encourage and support the businesses that the Plan invests in, to decarbonise. It is believed that this will be good for them, and for the Plan's long-term investment returns and risk management.

The plan to do this involves selecting an investment strategy in which the Plan's investment managers tilt the selection of companies towards those which are adopting a net zero strategy, whilst investing less in those which are not demonstrably moving in this direction – whilst also engaging with companies to move towards net zero.

This is part of [our overall approach to responsible investment and stewardship of our assets](#).

It is believed that this strategy will see the Plan's investments reach net zero by 2050 at the latest, which will be consonant with the values and approach of the corporate sponsor.

1. Statement of core beliefs; the Trustee believes the following:

- It is imperative that the selection of the investment manager and strategies for the Plan's assets reflect ESG factors in their approach to selection of investment securities and portfolio construction, to achieve the most robust risk-adjusted return outcomes at the Trustee's desired level of liquidity and transparency of oversight and ability to control.
- Within the ESG range of considerations, the most important is Climate Change with Social and Governance considerations as joint second. This is consonant with the values and approach of Wellcome Trust and Genome Research Limited.
- The Plan aims to achieve "Net Zero by 2050" for the assets in its portfolio and has selected a strategy designed to achieve this.
- The Plan is committed to Driving Down Carbon Emissions and will receive reporting from the manager to monitor that carbon emissions are being reduced by an average of 7%pa over the intervening period. This relies on underlying holding companies adopting science-based net zero targets.
- Engagement versus Exclusion, except Tobacco. The Trustee supports engagement as the cornerstone of the investment management approach, rather than excluding whole sectors which is viewed as a one-dimensional tool in a complex world. Climate change is a systemic risk that will affect all sectors.
- It is vital that investors or the selected investment manager engages for change with companies and policy makers – we have chosen an investment manager with excellent experience of this.
- Diversification within an equity portfolio continues to be very important, hence the Trustee has chosen an ESG/Climate Change tilted strategy which is diversified across stocks, regions and sectors with a relatively low ex poste and ex ante tracking error and the Trustee will continue to review this.

2. The Trustee has reviewed available LGIM products and approaches to ESG factors which are consonant with its beliefs and values and with the beliefs and values of Wellcome Trust. LGIM is currently the investment manager for the Plan's assets and is widely recognised as being in the forefront of investment managers with respect to ESG and Responsible Investment and is rated Level 1 in this regard by Mercers. The Trustee has selected the LGIM Futures World strategy, ex Tobacco. The Trustee recognises that this strategy for Developed Markets equities (Hedged and Unhedged) will deliver returns and risks that will differ from the FTSE Developed World (ex Tobacco) Index and will monitor the extent of those differences to ensure that the selected strategy continues to have an appropriate likelihood of delivering targeted risk adjusted returns, over the medium/longer term. The Trustee recognises that a similar strategy for Emerging Markets has become available and will aim to implement this strategy in due course.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (CONTINUED)

- a. The Trustee has received a copy of the investment manager's published corporate governance policy that explains the manager's approach to socially responsible investment and investment rights. The Trustee is satisfied with the policies as described in these documents.
- b. The Trustee notes that tobacco companies currently make up 0.5-1% of each of the FTSE Developed Markets and Emerging Markets indices. By investing the Plan's developed market equities in a fund that excludes tobacco companies, the Trustee is pursuing a policy that is consistent with the Wellcome Trust's endowment portfolio, which does not invest directly in tobacco companies, as well as Wellcome's mission to improve human and animal health globally. Other than that, the Trustee expects the investment managers to apply their ESG/Climate Change framework to score and then invest in individual companies and the Trustee will not exclude any other economic sectors or companies outright. However, the Trustee expects that the investment managers will sell positions or reject investments in companies that do not meet the required standards of corporate responsibility and/or are not meeting their carbon intensity/climate change targets within the agreed time scale.
- c. The Trustee will receive at least annual reports from the investment managers on the progress towards net zero and the progress on reducing the carbon intensity of the portfolio and will include a summary of progress in its reports to members.

Engagement

- The Trustee requested that the investment managers confirm compliance with the principles of the UK Stewardship Code. LGIM have confirmed that they are signatories of the 2020 UK Stewardship Code.
- The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in monitoring existing investment managers, including reviewing ESG ratings provided by the investment consultant for the investment managers and the funds in which the Plan invests. During the year to 31 December 2022, the Plan's investment performance report was reviewed by the Trustee on a quarterly basis – this includes manager research ratings (both general and ESG-specific) from Mercer, as well as detail on how investment managers are delivering against their specific mandate.
- The Trustee's passive investment manager takes an index-tracking approach and so does not directly take account of financially material considerations in the selection, retention and realisation of investments.
- During the year, no changes were made to the Plan's investment strategy as a result of changes in manager ratings. However, the Trustee took investment advice from Mercer and consulted with the employer before deciding to switch from LGIM's Developed Markets (ex Tobacco) passive equity pooled fund to the LGIM Futures World (ex Tobacco) strategy for developed markets. This was implemented in February 2023.
- Over Q2 2023, the Trustee decided to switch from LGIM's Emerging Markets passive equity pooled fund to the LGIM Futures World Emerging Markets Index Fund.
- The Trustee received details of relevant voting and engagement activity for the year from the Plan's investment manager.
- The Plan's passive Equity investment managers engaged with companies over the year on a wide range of different issues covering Environmental, Social and Governance factors. This included engaging with companies on climate change to ensure that companies were making progress in this area and better aligning themselves with the wider objectives on climate change in the economy (i.e. those climate goals linked to the Paris agreement). The Plan's managers provided examples of instances where they had engaged with companies they were invested in/about to invest in. These examples are laid out below:

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (CONTINUED)

- **LGIM World Emerging Markets Fund:**

ANTA Sports Products Limited

Resolution 3 - Elect Ding Shizhong as Director

Date – 11 May 2022

LGIM voted against the resolution to elect Ding Shizhong as Director as it expects the roles of Chair and CEO to be separate. LGIM believes that these two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board. LGIM voted against the resolution as the board does not comprise at least 33% independent directors. LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles. LGIM expects to continue to engage within their investee companies, publicly advocate their position on this issue and monitor company and market-level progress..

- **LGIM World Developed (ex Tobacco) Equity Index Fund - GBP Currency Hgd:**

Royal Dutch Shell Plc

Resolution 20 - Approve the Shell Energy Transition Progress Update

Date – 25 May 2022

Despite acknowledging the progress made by Shell Energy in enhancing its emissions reduction targets, providing transparency on investments in low-carbon products, and showing commitment to a low-carbon future, LGIM voted against approving the company's Transition Progress update. This is due to concerns about the plans for oil and gas production and a desire for more information on targets related to the upstream and downstream businesses.

- **LGIM World Developed (ex Tobacco) Equity Index Fund:**

Apple Inc.

Resolution 9 - Report on Civil Rights Audit

Date – 4 March 2022

LGIM voted in favour of this resolution as it continues to support proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.

Voting Activity

The Trustee has delegated its voting rights to its investment managers. Where applicable, investment managers are expected to provide voting summary reporting on a regular basis, at least annually.

The Trustee has not been asked to vote on any specific matters over the Plan year.

The Trustee does not use the direct services of a proxy voter, although the investment managers may employ the services of proxy voters in exercising their voting rights on behalf of the Trustee.

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (CONTINUED)

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics. .

The key voting activity on behalf of the Trustee over the year under review is detailed below.

- **LGIM – World Emerging Markets Equity Index Fund – Passive Equity**

- Voting activity for the World Emerging Markets Equity Index Fund undertaken over the year to 31 December 2022 is summarised in the table below:

Fund	Meetings eligible to vote	Resolutions eligible to vote	% of resolutions voted by the manager	% Resolutions voted with management	% Resolutions voted against management % Resolutions voted against management	% Resolutions abstained
World Emerging Markets Equity Index Fund	4,180	35,615	100%	79%	19%	2%

Source: LGIM.
Figures subject to rounding.

Based on the Trustee's priorities identified by their ESG policy, the following votes to be the most significant:

- **Industrial & Commercial Bank of China Limited**

- **Approximate size of the World Emerging Markets Equity Index Fund's holdings with Industrial & Commercial Bank of China Limited as at the date of vote:** 0.8% of total fund portfolio.
- **Date:** 23 June 2022
- **Key Topics:** Climate Impact Pledge
- **Resolution:** Item 7 - Elect Chen Siqing as Director
- **LGIM voted for item 7 (against management)**
- LGIM voted against item 7 even though it believed that the company had increased its willingness to engage with LGIM and highlight responsiveness to investor concerns, including ESG-related amendments to strengthen the bank's Articles of Association. However, LGIM continues to highlight their concern on the lack of clear coal policy in place and no disclosure of scope 3 emissions associated with investments. LGIM will continue to monitor the Company's progress in this area.

- **China Pacific Insurance (Group) Co., Ltd.**

- Approximate size of the **World Emerging Markets Equity Index Fund's** holdings with **China Pacific Insurance (Group) Co., Ltd.** as at the date of vote: 0.1% of total fund portfolio.
- **Date:** 8 June 2022
- **Key Topics:** Climate Impact Pledge
- **Resolutions:** Item 1: Approve Report of the Board of Directors
- **LGIM voted against the management.**
- LGIM voted against the management for their report as the company is deemed to not meet minimum standards with regard to climate risk management

GENOME RESEARCH LIMITED PENSION PLAN

YEAR ENDED 31 DECEMBER 2022

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (CONTINUED)

○ [LGIM – World Developed \(ex Tobacco\) Equity Index Fund - GBP Currency Hedged and Unhedged – Passive Equity](#)

- Voting activity for the World Developed (ex Tobacco) Equity Index Fund undertaken over the year to 31 December 2022 is summarised in the table below:

Fund	Meetings eligible to vote	Resolutions eligible to vote	% of resolutions voted by the manager	% Resolutions voted with management	% Resolutions voted against management	% Resolutions abstained
World Developed (ex Tobacco) Equity Index Fund	2,078	27,402	100%	79%	21%	0%

Source: LGIM.
Figures subject to rounding.

Based on the Trustee's priorities identified by their ESG policy, the following votes to be the most significant:

– **Amazon.com, Inc.**

- **Approximate size of the World Developed (ex Tobacco) Equity Index Fund's holdings with Amazon.com, Inc. as at the date of vote:** 2.0% of total fund portfolio.
- **Date:** 25 May 2022
- **Key Topics:** Human Rights
- **Resolution:** Resolution 1f – Elect Director Daniel P. Huttenlocher
- **Voted against management** as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.

– **BP Plc**

- **Approximate size of the World Developed (ex Tobacco) Equity Index Fund's holdings with BP Plc as at the date of vote:** 0.2% of total fund portfolio.
- **Date:** 12 May 2022
- **Key Topics:** Climate Change
- **Resolution:** Resolution 3 - Approve Net Zero - From Ambition to Action Report
- **Voted for (with management):** LGIM supported the report but not without reservations. While LGIM notes that there are inherent challenges in the decarbonisation efforts of the Oil and Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. Therefore, LGIM believes that BP Plc has taken considerable steps to progress towards a net zero pathway, as demonstrated by company's most recent strategic update. However, LGIM remains committed to having constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.