



# John Smedley Limited Staff Pension and Life Assurance Scheme

31 December 2024

# Background and Implementation Statement

## Background

The regulatory landscape continues to evolve as environmental, social and governance ("ESG") becomes increasingly important to regulators and society. The Department for Work and Pensions ("DWP") has increased the focus around ESG policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a trustee's fiduciary duty.

## Implementation Statement

This Implementation Statement is to provide evidence that the John Smedley Limited Staff Pension and Life Assurance Scheme (the "Scheme") continues to follow and act on the principles outlined in the Statement of Investment Principles ("the SIP"). The SIP in place during the Scheme year was dated 2 October 2023. The Scheme's current SIP is dated 5 March 2025.

The Implementation Statement details:

- actions the Scheme has taken to manage financially material risks and implement the key policies in its SIP;
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks;
- the extent to which the Scheme has followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate; and
- voting behaviour covering the reporting year up to 31 December 2024 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf.

This report demonstrates that the Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

## Summary of key actions undertaken over the Scheme reporting year

There were no changes made to the investment strategy over the reporting year.

In December 2024, during the Scheme's reporting period the investment strategy was reviewed, and a new strategy was agreed. The agreed strategy retained an expected return of Gilts + 0.7% per annum and targets a hedge of 100% of interest rate and inflation risks on a Technical Provisions liability basis. The strategy was implemented post the Scheme year end date.

The transfer to the agreed strategy resulted in a full disinvestment from LGIM Investment Grade Corporate Bonds and the strategic allocation to Asset-Backed Securities ('ABS') was increased from 13% to 25%. The Trustee agreed to introduce a new ABS fund to the portfolio in the addition to the current Aegon European ABS Fund. The new Insight Liquid ABS Fund has a lower risk/return profile compared to the Aegon European ABS Fund, therefore reducing the overall risk and increasing diversification within the portfolio. The Scheme will continue to hold exposure in LGIM Unlevered Gilts/Index-Linked Gilts and M&G Multi-Asset Credit.

# Managing risks and policy actions

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Investment	The risk that the Scheme's position deteriorates due to the assets underperforming.	To select an achievable investment objective and invest in a diversified portfolio of assets.	The Scheme has an achievable agreed expected return and aims to achieve this by investing across a diversified range of asset classes.
Funding	The extent to which there are insufficient Scheme assets available to cover ongoing and future liability cash flows.	The Trustee will agree an appropriate funding basis with the Employer and, in conjunction with this, will consider the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time.	The long-term objective and journey plan is discussed when reviewing and refreshing the Scheme's investment strategy.
Covenant	The risk that the sponsoring company becomes unable to continue providing the required financial support to the Scheme.	The Trustee to consider the covenant strength ensuring the Scheme is only exposed to an appropriate level of risk for the covenant to support.	The covenant strength is discussed when reviewing and refreshing the Scheme's investment strategy.
Interest rates and inflation	The risk of mismatch between the value of the Scheme's assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 100% of interest rate and inflation risks on a Technical Provisions liability basis.	Over the reporting period, the Scheme held allocations to Gilts and Index-Linked Gilts, which aim to hedge part of the Scheme's inflation and interest rate risk on a Technical Provisions basis.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members' benefits as they fall due (including transfer values).	The Scheme's assets are held on the Mobius Life investment platform. The Scheme's assets are daily traded so liquidity risk is minimised.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	The Scheme is invested in various funds across differing asset classes, therefore diversifying this risk.

Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors where possible.	The Scheme invests in pooled credit funds which invest across a variety of geographies and sectors, diversifying the underlying credit risk.
Environmental, Social and Governance	Exposure to ESG factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	<p>To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria:</p> <ol style="list-style-type: none"> <li>1. Has a Responsible Investment ('RI') Policy / Framework</li> <li>2. ESG factors implemented via Investment Process</li> <li>3. A track record of using engagement and any voting rights to manage ESG factors</li> <li>4. ESG specific reporting</li> <li>5. UN PRI Signatory.</li> </ol>	<p>As part of the investment management of the Scheme's assets, the Trustee expects the investment managers to make decisions on:</p> <ul style="list-style-type: none"> <li>• The selection, retention and realisation of investments taking into account all financially material considerations.</li> <li>• The exercise of rights (including voting rights) attached to these investments.</li> <li>• Undertaking engagement activities with investee companies and other stakeholders where appropriate.</li> </ul>
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	To invest in GBP denominated share classes where possible.	All the Scheme's investments are in GBP denominated share classes.
Non-financial	Any factor, save for the above, that is not expected to have a financial impact on the Scheme's investments.	Such matters are not taken into account in the selection, retention or realisation of investments.	

# Changes to the SIP

No changes were made to the SIP during the 12-month period to 31 December 2024.

Post Scheme year end, a new SIP was signed in March 2025 to reflect changes to the investment strategy.

# Implementing the current ESG policy and approach

## ESG as a financially material risk

The SIP describes the Scheme's policy with regards to ESG as a risk as it potentially could have a material impact on investment risk and return outcomes. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. This section details how the Scheme's ESG policy is implemented.

The assets of the Scheme are invested in pooled vehicles and the Trustee accepts that pooled investments will be governed by the individual policies of the investment managers. These policies are reviewed as part of the consideration of pooled investments. As such, the Trustee has given its investment managers full discretion in evaluating ESG factors, including climate change considerations, exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustee is increasingly considering how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring the existing investment managers. The Trustee will consider the ESG ratings provided by its Investment Advisor and/or platform provider on how the investment managers embed ESG factors into their investment processes. A change in ESG rating (or lack of ESG rating) does not mean that the fund will be removed or replaced automatically.



## Implementing the current ESG policy

The following table outlines the areas by which the Scheme's investment managers are assessed when evaluating their ESG policies. The Trustee will review the Scheme's ESG policies and engagements periodically to ensure they remain fit for purpose.

Areas for monitoring and engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factors and the exercising of rights.	The Trustee receives information from its investment advisor/platform provider on the investment managers' approaches to engagement.	<p>The manager has not acted in accordance with their policies and frameworks.</p> <p>The manager's policies are not in line with the Trustee's policies in this area.</p>

Through the engagement described above, the Trustee will work with its investment advisor and/or managers to improve its alignment with the above policies. Where sufficient improvement is not observed, the Trustee will review the relevant investment manager's appointment and will consider terminating the arrangement.

# Engagement and Voting

The Trustee has appointed Mobius Life as the platform provider which implements policies on its behalf. Mobius Life has adopted the managers' definitions of significant votes and has not set stewardship priorities. The managers have provided examples of votes they deem to be significant, and Mobius Life has shown the votes relating to the greatest exposure within the Scheme's investments.

Please see the attached document from Mobius Life for details on engagement and voting actions including a summary of the activity, covering the 12-month period ending 31 December 2024. The platform provider also provides examples of any significant votes where possible.





# **John Smedley Limited Staff Pension and Life Assurance Scheme - IS0009191**

**ESG REPORT – 31-December-2024**



## **Scheme: John Smedley Limited Staff Pension and Life Assurance Scheme - IS0009191**

**Statement Date: 31-Dec-2024**

<b>Fund</b>	<b>Value (£)</b>	<b>% Holding</b>
L&G Life AP Over 5 Year Index-Linked Gilts Index Fund	926,141.74	15.28%
M&G Total Return Credit Investment Fund	239,041.92	3.94%
L&G Life AF Over 15 Years Gilt Index Fund	2,288,440.30	37.77%
Aegon European ABS Fund	715,661.25	11.81%
L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund	1,080,966.91	17.84%
L&G Life NG Under 15 Year Index Linked Gilt Fund	809,142.75	13.35%

Fund	Fund Manager ESG Credentials	Fund ESG Credentials	
	Data Provided by FM as at	% Qs answered	Data Provided by FM as at
L&G Life NG Under 15 Year Index Linked Gilt Fund	31/12/2024	99	31/12/2024
Aegon European ABS Fund	31/12/2024	99	31/12/2024
L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund	31/12/2024	98	31/12/2024
M&G Total Return Credit Investment Fund	31/12/2024	95	31/12/2024
L&G Life AF Over 15 Years Gilt Index Fund	31/12/2024	95	31/12/2024
L&G Life AP Over 5 Year Index-Linked Gilts Index Fund	31/12/2024	95	31/12/2024

**Disclaimer:**

This report has been designed by Mobius Life to support Pension Schemes. Mobius Life understand the information produced in this report may be used as an input for an implementation statement but is not responsible for producing the implementation statement. When compiling this report, Mobius Life has shared all the information provided by the external fund manager. Where a response field is blank this means the question is not applicable or a response was not provided by the fund manager.

Mobius Life accepts no responsibility or liability for the accuracy or content of the data provided by the external fund managers.

# Fund Manager Business Response

Questions	Legal and General (LGIM)		
Do you have an ESG policy that is integrated into the investment process?	<p>Yes</p> <p>Our policies are implemented consistently at a firm-wide level. LGIM's purpose is to create a better future through responsible investing. Aligned to this purpose, ESG is a central underpinning to all of LGIM's activities and especially within strategic initiatives. LGIM has developed and publicly disclosed its policies for stewardship activities. Our policies are reviewed annually and updated where necessary to ensure they remain aligned with the various evolving regulations, best practice and client feedback.</p>	Are Senior Management accountable for ESG or Climate Change risks?	<p>Yes</p> <p>We have many people across the business contributing to our ESG insights and research. They sit across various teams with different levels of responsibility relating to ESG but all feed into our responsible investing capabilities. As at the end of June 2022, there are a total of 47 LGIM employees with roles dedicated to ESG, some of which are outlined in more detail below. • There are 20 people in our global Investment Stewardship team, led by Kurt Morriesen. The team is responsible for developing and carrying out LGIM's investment stewardship and responsible investment activities as well as the oversight, implementation and integration of ESG across the firm. • Nick Stansbury, Head of Climate Solutions, leads our energy transition approach and is one of our most prominent spokespeople on this topic. He leads our Climate Solutions team which has a total of four team members. • As Global Head of Responsible Investment Integration, Michael Marks' role spans all functions within LGIM from investment stewardship, distribution and investment teams to operational functions such as data and technology; embedding ESG across the firm in all areas and ensuring that focus is maintained on delivering the capabilities required by all stakeholders. • Amelia Tan has recently joined LGIM as the Head of Responsible Investing Strategy for Investments (January 2022). This role ensures that LGIM stays at the cutting edge of innovation within responsible investing and creates a coordinated approach across asset classes, which is embedded throughout our funds and portfolios. • Caroline Ramscar, Head of Sustainable Solutions, is responsible for engaging with clients on sustainability and the development of responsible investment solutions. This is a role which was created to develop LGIM's sustainable strategy. Two further colleagues are dedicated to supporting clients' journeys to adopt more responsible investing strategies. • LGIM's Real Assets team has a team of seven dedicated ESG experts working across the range of private credit and real estate strategies that we manage. As at the end of June 2022, we also have a further 62 colleagues across Investments whose roles have very substantial contribution to our responsible investing capabilities and whose objectives reflect this although their responsibilities are broader than solely ESG. Our Global Research and Engagement Groups (GREGs) bring together colleagues from across LGIM to identify the challenges and opportunities that will determine the resiliency of sectors and the companies within them. The output from the group strengthens and streamlines the firm's engagement activities across investments and stewardship, to enable us to collectively set goals and targets at a company level with one voice, whilst supporting and guiding our investment decisions across the capital structure. As at the end of June 2022, there are over 70 participants which includes members of our investment teams primarily along with representation from Investment Stewardship, who overlap on these groups.</p>
Do you have a firm ESG rating?	<p>Yes</p> <p>LGIM has an award-winning Investment Stewardship team, with a track record of over 20 years. External validation and oversight keep us on our toes and propels us forward to keep improving. We participate in industry-wide assessments of our engagement and stewardship processes and are proud to have been nominated by industry bodies like the ICGN, ICSA and UN PRI for our: • Engagement activities disclosure • Market-wide involvement in lobbying activities • Strong implementation of ESG and corporate governance matters into our stewardship activities.</p>	Do you have a dedicated team that considers ESG and Climate Change related factors?	<p>Yes</p> <p>There are a total of 37 LGIM employees with roles dedicated to ESG. In addition, we have a further 58 colleagues whose roles have very substantial contribution to our responsible investing capabilities and whose objectives reflect this although their responsibilities are broader than solely ESG.</p>
Please provide your UNPRI survey scores		Do you rely on any third parties to provide ESG and Climate Change related analysis/research?	<p>Bloomberg, CDP, Diligent, HSBC, InfluenceMap, ISS, IVIS, Maplecroft, Refinitiv, RepRisk, Sustainalytics We obtain a large ESG raw data set from a wide range of data and analysis providers which can be used for voting, engagement, research, index/portfolio construction and management. We typically licence raw data from</p>

# Fund Manager Business Response

Questions	Legal and General (LGIM)		
			such providers, as opposed to off-the-shelf ESG scores/rating, as we believe our knowledge and expertise of investing and engaging with companies are best placed to identify material and relevant ESG factors. This quantitative data is supplemented by qualitative research from academic and NGO research as well as sell-side broker reports.
Do you have a Climate Change policy that is integrated into the investment process?	<p>Yes</p> <p>We have developed proprietary ESG tools, used across different asset classes and investment strategies, which incorporate climate change metrics such as carbon emissions, fossil fuel exposure or 'green' revenues. These tools are used to support fund managers, develop new investment solutions, assist the investment stewardship team in its engagements with companies, and help clients understand more about the climate risks and opportunities in their portfolios. LGIM has developed a bespoke climate solutions framework, Destination@Risk, which allows us to quantify the implications of different climate change scenarios across the global economy, key sectors, and individual securities, including a forward-looking assessment of 'temperature alignment'. The outputs of the framework are used to inform our climate-related engagements, to support our investment process, and to develop climate reporting for clients.</p>	Do you create your own ESG or Climate Change related scores	<p>Yes</p> <p>We have developed a rules-based methodology by which to score companies against ESG metrics; this generates the LGIM ESG Score. The LGIM ESG Score aligns with how we engage with, and vote on, the companies in which we invest. To facilitate this process, we publish the scores and explain the metrics on which they are based. In addition, the ESG score is used by our index teams in the creation of ESG aligned index-products. We have identified 30 ESG indicators based on our expertise and experience in corporate reporting, corporate disclosures and transparency. We developed the scores with the aim of improving market standards globally, while monitoring ESG developments across our entire investment universe. The scores help drive our engagement process and are aligned with LGIM's voting policy and principles – we are more likely to vote against companies with poor scores at their annual general meetings (AGMs).</p>
Does your company have a policy on equality and diversity in the workplace?	<p>Yes</p> <p>LGIM is an award winning company, we are committed to delivering the right products and solutions to our clients and we believe the key to our success is our people. Steered by the Executive team, diversity and inclusion is embedded in our culture from the way we recruit, develop and connect with employees, to how we steward responsible investing through ESG. To show our commitment to making diversity and inclusion part of everything we do, the role of Head of Inclusion &amp; Culture was created in 2018. Colette Comerford was appointed to the role with responsibility for driving the evolution and continuous improvement of LGIM's culture, diversity and inclusion objectives, working closely with the executive team, our Senior HR team, LEGIT (Legal &amp; General Inclusion team) and L&amp;G's Group Diversity and Inclusion team.</p>	Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?	<p>Yes</p> <p>Quarterly</p>
Do ESG related factors get considered with respect to performance management of investment companies and funds?	<p>Yes</p> <p>ESG factors are embedded into our evaluation of investment opportunities across many investment strategies to identify unrewarded risk, and protect and enhance the long-term value of all our clients' investments. Our investment framework is designed with several objectives in mind: • Encouraging companies to improve their behaviour, and the quality of their ESG disclosures, we can raise the standards of entire markets, and help generate sustainable, long-term returns for our clients • Assessing a company's ESG risks: we see unmanaged ESG factors, meanwhile, as posing potential risks and opportunities, which can have a material impact on the performance of investments • Identifying the winners of the future, the companies to which investors will allocate ever-larger amounts of capital.</p>	Are you signatories of the FRC UK Stewardship Code or equivalent?	<p>Yes</p> <p>LGIM has been a signatory to the UK Stewardship Code every year since its inception and we provide copies of our responses on our website.</p>

# Fund Manager Business Response

Questions	Aegon AM		
Do you have an ESG policy that is integrated into the investment process?	<p>Yes</p> <p>At Aegon Asset Management (Aegon AM), our responsible investment activities are guided by a Responsible Investment Framework. This framework informs our approach to responsible investment, including our practices and approaches to investing responsibly. Our responsible investment approach consists of three pillars, which are described in detail in our RI Framework: ESG integration, active ownership and focused responsible investment solutions.</p> <p>ESG Integration</p> <p>ESG factors are systematically integrated into our bottom-up research process for fixed income and equity issuers. We aim to develop our own holistic house view of issuers' ESG profiles. By considering ESG issues alongside other financially material economic factors and drawing from specialized ESG research sources, the research teams seek to arrive at an independent, comprehensive view of the investment.</p> <p>Financial materiality is key. We view ESG analysis as a risk management tool and a potential alpha source. By integrating ESG factors into the traditional financial analysis framework, we aim to identify financially material factors which could affect the issuer's long-term growth potential, profitability, or creditworthiness, and to assess if they are appropriately priced.</p> <p>Our ESG integration process focuses on managing financial risks and identifying opportunities by including additional information in investment analysis to help inform our decision making. ESG integration does not seek to make ethical judgements. It seeks to systematically uncover financially material ESG risks and opportunities to ensure they are appropriately priced in the investment being considered.</p>	Are Senior Management accountable for ESG or Climate Change risks?	<p>Yes</p> <p>The Aegon AM Management Board (Aegon AM MB) oversees the implementation of the Responsible Investment Framework and associated policies. The board has ultimate responsibility for the execution of the responsible investment strategy and for its implementation in all relevant company processes and practices. In addition, they ensure that the framework is fit for purpose by accurately reflecting our corporate values. Specifically, the chief investment officer is accountable for the responsible investment function.</p> <p>The Aegon AM MB is advised by the Aegon AM sustainability board (AMSB) consisting of a broad representation of experts from investment, distribution, operations and risk teams. The AMSB reports on the status of responsible investment activities across the firm to help the Aegon AM MB identify and address potential areas for improvement while aligning with overall strategic objectives.</p>
Do you have a firm ESG rating?	<p>Each year various organizations assess our firm's responsible investment strategy, program and policy. As a result, Aegon AM receives various ratings and rankings throughout the year. For instance, Aegon AM has been a signatory to the UN-supported PRI since February 2011.</p>	Do you have a dedicated team that considers ESG and Climate Change related factors?	<p>Yes</p> <p>Aegon AM has dedicated responsible investment professionals who serve as a company-wide resource for responsible business and investment practices. Experts lend their expertise to ESG integration initiatives, contribute to responsible investment product development projects and lead active ownership activities to promote understanding of ESG issues and improve company performance. Furthermore, the responsible investment specialists serve as a central resource for responsible investment education, best practices and research.</p>



# Fund Manager Business Response

Questions	Aegon AM		
			<p>Aegon AM's dedicated responsible investment professionals provide dedicated support to ESG integration initiatives and partner with investment teams to enhance ESG integration efforts and to ensure consistency. The experts work from across the firm's different office locations, typically in close proximity to our investment teams.</p> <p>As of 31 December 2024, we have 18 dedicated responsible investment professionals across our investment teams.</p>
Please provide your UNPRI survey scores	Exhibit 3 - Aegon AM PRI Assessment report	Do you rely on any third parties to provide ESG and Climate Change related analysis/research?	<p>Yes</p> <p>We use these platforms to identify companies that pose environmental, social, or governance concerns. On occasion we may use additional external specialized research and ESG related sell-side broker research.</p> <p>We use third-party ESG research as any other external research: as a helpful starting point. Just as we do not follow credit ratings from rating agencies, we form our own view of an issuer's ESG profile. We look at ESG within the context of the broader traditional financial analysis framework.</p>
Do you have a Climate Change policy that is integrated into the investment process?	<p>Yes</p> <p>Climate change related issues can influence our strategy. Climate change presents a systemic risk across industries and sectors. We partner with our clients to implement climate-related objectives, including carbon-efficient portfolio strategies or exclusion lists. For example, we are exploring carbon-efficient portfolio strategies and some clients have elected to divest their investments in public companies that attribute 30% or more of their revenue to thermal coal mining activities. We also measure and report the carbon footprint and other climate metrics of portfolios in order to help our clients understand the climate impact of their investments.</p> <p>The integration of climate-change considerations into our investment research is supported by rigorous analysis and data, and focuses on the potential financial impacts of climate change. For climate-focused investment strategies, we embed dedicated and proprietary climate transition research to direct investments to companies that have robust and credible plans to decarbonise through an assessment of company ambition, performance and alignment toward net zero. This goes beyond backward-looking emissions to form a forward-looking view of a company's transition readiness and alignment with the energy transition.</p>	Do you create your own ESG or Climate Change related scores	<p>Yes</p> <p>Yes, the firm maintains its own ESG categories. Aegon AM has a proprietary ESG research framework that assigns issuers into one of five ESG categories. The process incorporates qualitative and quantitative factors as well as external and internal insights.</p> <p>ESG factors are systematically integrated into our bottom-up research process with a focus on financially material factors and the impact on fundamentals and/or valuations. By conducting our own assessment of the issuer's ESG profile and integrating financially material ESG criteria into the traditional financial analysis framework, we can form a comprehensive view of the investment and better evaluate future performance potential.</p> <p>Research analysts and portfolio managers evaluate data from various available third-party sources in combination with proprietary ESG research to assign investment opportunities into a proprietary ESG category. Through our ESG integration approach, we may uncover ESG-related risks or opportunities and identify potential investment opportunities. The proprietary analysis incorporates qualitative and quantitative factors to assess the potential materiality of the ESG issues and the effect on fundamentals.</p> <p>Although ESG factors are identified and assessed individually, we take a holistic approach to integrating ESG-specific factors along with more traditional fundamental analysis to understand the overall credit profile and how it affects the investment opportunity as a whole. After determining the potential economic impact, we consider various outcomes to help understand the potential effect on the investment.</p>

# Fund Manager Business Response

Questions	Aegon AM		
			<p>Materiality of an ESG factor is assessed by the impact it is anticipated to have on the issuer's fundamentals. Where deemed practical, an ESG category is assigned to public corporate, sovereign and structured issuers or securities, each with increasing magnitude of potential adverse impact.</p> <p>ESG categories</p> <ol style="list-style-type: none"> <li>1. Leader – The fundamentals are positively affected by effective ESG practices.</li> <li>2. Minimal risk – Fundamentally low exposure to ESG risks or presence of factors that mitigate most of the ESG risks.</li> <li>3. Event risk – ESG risk exposures could negatively affect the fundamentals, but the effect is not measurable and timing is uncertain.</li> <li>4. Fundamental risk – ESG risks are resulting in negative pressure on the fundamentals, however we expect limited impact on the credit rating.</li> <li>5. Rating risk – ESG factors have resulted in a material negative effect on the fundamentals, that may or may not be currently reflected in its credit rating.</li> </ol>
Does your company have a policy on equality and diversity in the workplace?	<p>Yes</p> <p>At Aegon AM we value the range of perspectives and skills that a diverse and inclusive workforce brings to our business. Our Diversity, Equity &amp; Inclusion Charter demonstrates our commitment to building a diverse workforce and creating an inclusive environment where everyone can thrive and be their authentic selves.</p> <p>We believe that a culture of diversity, equity and inclusion makes us more effective in developing our employees, serving our clients and strengthening our communities. We are committed to a work environment that embraces employee individuality, working together and strong performance. By nurturing this culture of inclusion and opportunity – where people feel valued for who they are, how they think and what they contribute – we are better positioned to consistently deliver the performance, service and solutions our clients seek.</p>	Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?	<p>Yes</p> <p>ESG reports are currently produced for certain portfolios on a semi-annual basis. ESG reports can also be created for other strategies and clients upon request. Aegon AM can collaborate with the client to evaluate ESG reporting requirements. Aegon AM relies on external ESG data providers, currently Morningstar Sustainalytics and MSCI, to deliver ESG data as input to our research and analysis.</p> <p>Aegon AM has a standard ESG report that includes four primary components:</p> <ul style="list-style-type: none"> <li>- ESG characteristics. Overview of the firm's approach to ESG integration and summary of the portfolio's ESG profile based on the firm's proprietary ESG view.</li> <li>- ESG external view. Summary of the portfolio's ESG profile based on external ESG categories or scores.</li> <li>- Active ownership activities. Overview of engagement and voting within the portfolio, where applicable.</li> </ul>

# Fund Manager Business Response

Questions	Aegon AM		
			<p>- Carbon emissions. Summary of the portfolio's carbon footprint including common carbon impact metrics such as weighted average carbon intensity and carbon footprint.</p> <p>Please note that ESG reporting is subject to appropriate or meaningful data coverage. Depending on the portfolio's holdings, ESG data may or may not have sufficient coverage or provide relevant information.</p>
Do ESG related factors get considered with respect to performance management of investment companies and funds?	<p>Yes</p> <p>We measure our progress against the firm's three primary sustainability goals as follows:</p> <p>ESG integration: ultimately the objective of quality ESG integration as we define it is financial performance, this being a key metric to evidence our efforts. Furthermore, we review the processes we employ for ESG integration in monthly meetings among investment, risk and responsible investment teams, with a view to continuous improvement and knowledge sharing.</p> <p>Active ownership: we track progress on engagements with a milestone-based system and escalate our activities in consultation with key clients. We aim to vote all stocks we hold and regularly report progress on these activities.</p> <p>Solutions: we regularly review the research underpinning portfolio construction for our RI solutions and track the assets under management under such strategies. We also track key performance indicators for issuers we deem to be 'improvers', where we are looking for specific improvements in their practices.</p> <p>Furthermore, our targets will meet the target setting protocols of the Net Zero Asset Managers initiative and will be tracked accordingly.</p>	Are you signatories of the FRC UK Stewardship Code or equivalent?	<p>Yes</p> <p>Our approach to responsible investment is consistent with the Financial Reporting Council's UK Stewardship Code which sets out good practice Principles on engagement with investee companies which UK-based institutional investors should aspire to. Please refer to:</p> <p>Exhibit 5 - Aegon AM UK Stewardship Code Compliance Statement</p>

Questions	M&G Investments		
Do you have an ESG policy that is integrated into the investment process?	<p>Yes</p> <p>Our policy document sets out the Environmental, Social and Governance (ESG) investment policy relating to M&amp;G Group</p>	Are Senior Management accountable for ESG or Climate Change risks?	<p>Yes</p> <p>The Board is ultimately responsible for setting M&amp;G's sustainability strategy and ESG values and principles. The Board delegates specific duties to sub-committees</p>

# Fund Manager Business Response

Questions	M&G Investments		
	<p>Limited ('MGG') investment and asset management businesses and activities ('M&amp;G Investments') excluding M&amp;G Investments Southern Africa (MGSA) and ResponsAbility. The assets in scope are all the assets directly managed by M&amp;G Investments on behalf of its clients, including the internal asset owner, whether or not they are held within funds with a specific ESG objective or promoting ESG characteristics.</p> <p>Please see our ESG integration and sustainable investing policy published in our website:  <a href="https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments/2024/m-and-g-investments-esg-integration-and-sustainable-investing-policy.pdf">https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments/2024/m-and-g-investments-esg-integration-and-sustainable-investing-policy.pdf</a></p>		<p>as follows: Reporting in the Annual Report and Accounts and any other material public documents in respect of climate change and ESG matters (for compliance with relevant regulations, legislation and standards) is included in the Audit Committee's terms of reference, available on our website. Assessment of ESG risk within the Group Risk Management Framework, including climate-related stress and scenario testing, the reporting of climate-related risk disclosures and provision of advice to the Board in setting M&amp;G's ESG strategy, is included in the Risk Committee's terms of reference, available on our website. Responsibility for sustainability at an individual level is assigned to our Chief Financial Officer, who has previous experience in climate stress testing and sustainable impact investing.</p>
Do you have a firm ESG rating?	<p>Yes</p> <p>MSCI ESG Score: A</p>	Do you have a dedicated team that considers ESG and Climate Change related factors?	<p>Yes</p> <p>The central ESG team at M&amp;G Investments is the Stewardship &amp; Sustainability (S&amp;S) team, which currently comprises of about 31 M&amp;G employees. The team was restructured under new leadership in last year. Additionally, there are numerous ESG specialists across the floor, embedded in investment teams. At M&amp;G we believe that ESG integration should occur in all parts of our investment business and to reflect this everyone has an objective to this end. We look to continuously monitor S&amp;S team resourcing levels to ensure the best quality of service is provided to clients. M&amp;G will also ensure and make it the responsibility of all team members to keep up to date with the rapidly changing landscape of ESG to leverage resources effectively. The S&amp;S team works collaboratively, both directly and via the analysts, to equip managers to make better-informed decisions, knowing the full spectrum of ESG risks that could impact their portfolios, as well as where these risks may be concentrated within certain issuers or holdings. By working in conjunction with the credit and equity analysts on ESG, the S&amp;S team is able to ensure that ESG risks and opportunities are considered throughout the full investment process, as well as in the monitoring of companies.</p>
Please provide your UNPRI survey scores	<p>Please see our summary scorecard for 2023 upon request. The PRI has made reporting in 2024 voluntary for most investor signatories that reported publicly in 2023. After careful consideration, M&amp;G Investments has decided to use this year to streamline our approach and focus on evolving our sustainability programs. Our 2023 scores are publicly available and have been deemed valid by the PRI. We will resume reporting next year.</p>	Do you rely on any third parties to provide ESG and Climate Change related analysis/research?	<p>Yes</p> <p>We have portal and data access with a number of ESG vendors, including MSCI, Bloomberg, ISS, Sustainalytics and other specialist advisers. In addition, we obtain ESG data through authorised aggregators or channels, including Bloomberg, Factset, Refinitiv Eikon, Dasseti and Aladdin.</p>
Do you have a Climate Change policy that is integrated into the investment process?	<p>Yes</p> <p>As a large investor in both public and private assets, our strategy is focused on positive real-world change, using the levers we have to support the climate transition and help our clients manage the risks and opportunities brought by climate change. This means taking action to align our investments so that they contribute to and thrive in a low-carbon world. From an investment perspective, we can influence decarbonisation through three key channels: – Investment strategies: Making changes to our investment portfolios – Stewardship: Engaging issuers to implement ambitious transition plans – Advocacy: Engaging with industry and policy makers Alongside portfolio decarbonisation, we can play an important role in helping to finance and enable climate solutions, to accelerate the transition. At M&amp;G, we consider this a structural growth opportunity we are well placed to support, both in developed and emerging markets. Our stewardship approach is based on our belief that divestment does not have a direct impact on real-world emissions reductions. Our priority as an active,</p>	Do you create your own ESG or Climate Change related scores	<p>Yes</p> <p>M&amp;G Investments Corporate ESG Scorecard acknowledges the qualitative nature of many ESG considerations, and allows analysts to express their views in primarily qualitative terms, within the context of a structured and disciplined framework. The scorecard enables consideration of key ESG factors and comparison of management and performance by companies. The scorecard has been designed so as to provide a ranking of companies either on a total ESG basis or on any of the constituent parts of environmental, social or governance. The output is therefore separate scores for E, S, G, Climate and an overall ESG score.</p>

# Fund Manager Business Response

Questions	M&G Investments		
	long-term investor is to encourage change through engagement and voting.		
Does your company have a policy on equality and diversity in the workplace?	<p>Yes</p> <p>Diversity &amp; Inclusion is a strategic objective. At all levels of the business we recognise the benefits of having a diverse team that feels valued and listened to. It helps us think and act differently, adopt new ideas and better relate to the needs of our customers. An inclusive environment makes us more accessible and ensures we attract, engage, promote and retain the best talent. We embrace our differences and remove barriers to inclusivity so everyone can be high performing and deliver results.</p>	Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?	<p>Yes</p> <p>Our ESG related KPIs and non-financial and sustainability information statement can be found in our 2023 Annual Report and Accounts. Please refer to page 19 for the non-financial KPIs, pages 46 onwards for our position statement and pages 60-68 for details on principal risks including ESG risk in our Annual Report to see further details: <a href="https://www.mandg.com/~media/Files/M/MandG-Plc/documents/investors/2024/mg-plc-2023-annual-report-and-accounts.pdf">https://www.mandg.com/~media/Files/M/MandG-Plc/documents/investors/2024/mg-plc-2023-annual-report-and-accounts.pdf</a></p> <p>We also publish our Annual Stewardship Report in our website: <a href="https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments/2024/mg-investments-annual-stewardship-report-2023.pdf">https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments/2024/mg-investments-annual-stewardship-report-2023.pdf</a></p> <p>We also publish fund-related information on our website such as Fund Monthly Reviews, annually updated product information in the prospectus, Annual ESG Criteria report for our SICAV funds classified as SFDR Articles 8 &amp; 9.</p>
Do ESG related factors get considered with respect to performance management of investment companies and funds?	<p>Yes</p> <p>M&amp;G believes that ESG factors can have a material impact on long-term investment outcomes. Our goal is to achieve the best possible risk-adjusted returns for our clients, taking into account all factors that influence investment performance. Consequently, ESG issues are integrated into investment decisions wherever they have a meaningful impact on risk or return. We apply this approach to ESG analysis across all of the asset classes and sectors in which we invest. Research and investment teams have access to internal proprietary ESG thematic research, as well as relevant data from other sources. They evaluate the impact and materiality of these ESG themes within the context of the industries and companies that they cover, with assistance from the Stewardship &amp; Sustainability team. Together, these teams deliver actionable investment research that includes ESG issues, insights and recommendations to fund managers for use within the investment decision-making and portfolio construction processes.</p>	Are you signatories of the FRC UK Stewardship Code or equivalent?	<p>Yes</p> <p>We do publish our Annual Stewardship Report prepared under the FRC UK Stewardship Code 2020, which highlights key activities from the previous year across asset classes such as equities, fixed income, property and infrastructure. We also provide an overview of our stewardship approach, which is reviewed annually, and specifically outlines how we adhere to the code in appendix of this report. <a href="https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments/2024/mg-investments-annual-stewardship-report-2023.pdf">https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments/2024/mg-investments-annual-stewardship-report-2023.pdf</a></p>

# Fund Manager Product Response

Activity	L&G Life NG Under 15 Year Index Linked Gilt Fund		
Do you undertake Engagements for this fund?	No	Please provide details on why you do not undertake engagements for this fund.	Gilt fund
Do you engage in voting for this fund?	No	Please provide details on why you do not engage in voting for this fund.	Gilt fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes - the fund produces approximately 158.3 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 December 2024	What was the actual turnover rate over the last 12 months?	

Activity	Aegon European ABS Fund		
Do you undertake Engagements for this fund?	Yes		
How many engagements have you had with companies in the past 12 months?	115	How many engagements were made regarding environmental topics?	26
How many engagements were made regarding social topics?	4	How many engagements were made regarding governance topics?	26
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>Sending standardised letters to companies</li> <li>Sending bespoke letters to companies</li> <li>Standard period engagement with companies</li> <li>Active private engagement on specific issues</li> <li>Active public engagement on specific issues</li> </ul>	Sending bespoke letters to companies, Standard period engagement with companies	How many engagements were made regarding other issues?	59
Please discuss some of the key engagements and outcomes from the last 12 months.	<p>Various RMBS and consumer ABS issuers FR001400OSW6 (example) 0.75%</p> <p>Environment - Climate Change</p> <p>During engagements with originators, we express our preference for financing products which contribute to a better 'green' or 'social' environment. These products are incentive-based, encouraging people to buy energy-efficient properties, or making their current property more energy efficient. The incentive could be a favourable interest rate on residential mortgages for the financing of or improvement of energy-efficient properties. Or in a case of consumer loans by offering the borrowers a discount if the loan purpose has an environmental impact.</p> <p>We started with sending the ABS issuer our ESG questionnaire specific for the ABS sector. After receiving the answers, we have several meeting with C-suite to discuss the answers to the questionnaire, our ESG goals and areas in which we would like to see improvement/development or more ESG awareness. The engagements are led by the portfolio managers.</p> <p>During our engagements we have received positive feedback on the idea's and over the last year we have seen the</p>		

# Fund Manager Product Response

Activity	Aegon European ABS Fund		
	number of originators offering these mortgages and consumer loans grow substantially. While we do not claim that this development is the result of our engagements, we believe that as a large investor in ABS, our influence has helped to drive the growth in ESG-friendly mortgage products.		
Do you engage in voting for this fund?	Yes		
Do you use a third party to vote on your behalf?  If Yes, please provide the details of your provider and any comments	Not applicable for ABS  Aegon AM uses several services from Institutional Shareholder Services Inc. (ISS) to facilitate its proxy voting process. These services are comprised of the online voting platform where the firm casts its votes, reporting and disclosure tools and benchmark and customized voting advice. ISS provides us with recommendations based on a customized voting policy for Dutch companies and recommendations based on the ISS Sustainability policy for all other companies. We vote all meetings where practically possible. We monitor the voting process and can decide in individual cases to deviate from the ISS recommendation. All voting rationales are publicly disclosed on our website.  Not applicable for ABS	Do you conduct your own votes?	Yes
How many times did you vote in favour of management?	9	How many votes were proposed across the underlying companies in the fund?	9
How many votes did you abstain from?	0	How many times did you vote against management?	0
Do you have a vote you consider the most significant for this fund?:  <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	Yes  <ul style="list-style-type: none"> <li>EMACP 2007-1</li> <li>2024-10-01</li> <li>Resolution to exercise the put option</li> <li>Voting is very rare for ABS, we treat all votes as significant.</li> <li>0.9</li> <li>in favour</li> <li>Attractive terms leading to a higher value of the investment</li> <li>Resolution was accepted</li> <li>N/A</li> </ul>	Do you have a vote you consider the second most significant for this fund?:  <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'second most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	Yes,  <ul style="list-style-type: none"> <li>NGATE 2007-3X</li> <li>2024-01-01</li> <li>Resolution to adjust the legal documentation to comply with the new regulation to transition the reference rate from libor to sonia</li> <li>Yes</li> <li>0.9</li> <li>in favour</li> <li>Administrative change to comply with updated regulation</li> <li>Resolution was accepted</li> <li>N/A</li> </ul>



# Fund Manager Product Response

Activity		Aegon European ABS Fund	
Do you have a vote you consider the third most significant for this fund?:	<p>Yes</p> <ul style="list-style-type: none"> <li>• ERNA</li> <li>• 2024-04-01</li> <li>• Resolution to extend the term of bond in return for a higher coupon and other favourable terms</li> <li>• Voting is very rare for ABS, we treat all votes as significant.</li> <li>• 0.9</li> <li>• in favour</li> <li>• Attractive terms leading to a higher value of the investment</li> <li>• Resolution was accepted</li> <li>• N/A</li> </ul>	Do you have a vote you consider the fourth most significant for this fund?:	<p>Yes</p> <ul style="list-style-type: none"> <li>• PNERA</li> <li>• 2024-06-01</li> <li>• Resolution to extend the term of bond in return for a higher coupon and other favourable terms</li> <li>• Voting is very rare for ABS, we treat all votes as significant.</li> <li>• 0.9</li> <li>• in favour</li> <li>• Attractive terms leading to a higher value of the investment</li> <li>• Resolution was accepted</li> <li>• N/A</li> </ul>
Do you have a vote you consider the fifth most significant for this fund?:	<p>Yes</p> <ul style="list-style-type: none"> <li>• DECO 2019-VIVA</li> <li>• 2024-06-01</li> <li>• Resolution to extend the term of bond in return for a higher coupon and other favourable terms</li> <li>• Voting is very rare for ABS, we treat all votes as significant.</li> <li>• 0.9</li> <li>• in favour</li> <li>• Attractive terms leading to a higher value of the investment</li> <li>• Resolution was accepted</li> <li>• N/A</li> </ul>	Do you have a vote you consider the sixth most significant for this fund?:	<p>Yes</p> <ul style="list-style-type: none"> <li>• TAURS 2021-2 SP</li> <li>• 2024-09-01</li> <li>• Resolution to extend the term of bond in return for a higher coupon and other favourable terms</li> <li>• Voting is very rare for ABS, we treat all votes as significant.</li> <li>• in favour</li> <li>• Attractive terms leading to a higher value of the investment</li> <li>• Resolution was accepted</li> <li>• N/A</li> </ul>
Do you have a vote you consider the seventh most significant for this fund?:	<p>Yes,</p> <ul style="list-style-type: none"> <li>• PURPLE FINANCE CLO 2</li> <li>• 2024-10-01</li> <li>• Resolution to provide consent, after the collateral manager merged with another collateral manager, to transfer of the CLO collateral management to the new entity</li> <li>• Voting is very rare for ABS, we treat all votes as significant.</li> <li>• 0.9</li> <li>• in favour</li> <li>• The new combined collateral management has more scale than the original one</li> <li>• Resolution was accepted</li> <li>• N/A</li> </ul>	Do you have a vote you consider the eighth most significant for this fund?:	<p>Yes</p> <ul style="list-style-type: none"> <li>• Polaris 2021-1 and 2022-1</li> <li>• 2024-12-02</li> <li>• Consent solicitations to keep up to 10% of product switches in these transactions.</li> <li>• Voting is very rare for ABS, we treat all votes as significant.</li> <li>• 0.9</li> <li>• in favour</li> <li>• Administrative change to comply with updated regulation</li> <li>• Resolution was accepted</li> <li>• n/a</li> </ul>
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes	What was the actual turnover rate over the last 12 months?	0

# Fund Manager Product Response

Activity	L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund		
Do you undertake Engagements for this fund?	Yes		
How many engagements have you had with companies in the past 12 months?	410	How many engagements were made regarding environmental topics?	242
How many engagements were made regarding social topics?	83	How many engagements were made regarding governance topics?	131
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>• Sending standardised letters to companies</li> <li>• Sending bespoke letters to companies</li> <li>• Standard period engagement with companies</li> <li>• Active private engagement on specific issues</li> <li>• Active public engagement on specific issues</li> </ul>		How many engagements were made regarding other issues?	
Please discuss some of the key engagements and outcomes from the last 12 months.	-		
Do you engage in voting for this fund?	Yes		
Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	<p>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 we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in</p> <p>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 we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. For more details, please refer to the Voting Policies section of this document.</p> <p>-</p>	Do you conduct your own votes?	<p>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 we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in</p>
How many times did you vote in favour of management?	2	How many votes were proposed across the underlying companies in the fund?	2
How many votes did you abstain from?	0	How many times did you vote against management?	0

# Fund Manager Product Response

Activity	L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund		
Do you have a vote you consider the most significant for this fund?:  <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No  -	Do you have a vote you consider the second most significant for this fund?:  <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'second most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No, --  -
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes the fund produces approximately 74.8 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 December 2024	What was the actual turnover rate over the last 12 months?	

Activity	M&G Total Return Credit Investment Fund		
Do you undertake Engagements for this fund?	Yes		
How many engagements have you had with companies in the past 12 months?	10	How many engagements were made regarding environmental topics?	7
How many engagements were made regarding social topics?	2	How many engagements were made regarding governance topics?	1
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>Sending standardised letters to companies</li> <li>Sending bespoke letters to companies</li> <li>Standard period engagement with companies</li> <li>Active private engagement on specific issues</li> <li>Active public engagement on specific issues</li> </ul>	Sending bespoke letters to companies, Active public engagement on specific issues, Standard period engagement with companies	How many engagements were made regarding other issues?	0
Please discuss some of the key engagements and outcomes from the last 12 months.	Engagement with: AIB GROUP PLC Objective: We met with Irish Bank AIB to discuss the process it went through to have its near-term decarbonisation targets SBTi approved (as one of the few banks to have done so). The idea was to apply the lessons learned by AIB to other financial holdings that are finding validation difficult. As part of this meeting, we encouraged the bank to also have its net zero targets approved by SBTi, as well as regularly reporting on the outcomes of its scope 3 engagement programme, particularly as relates to its loan book. Result: AIB provided a good overview of the steps it had taken, the most important of which was initially getting internal stakeholders on board to allow for a smooth process, and working closely with SBTi on areas of uncertainty or concern. The bank confirmed that its intention was to get its net zero target		

# Fund Manager Product Response

Activity	M&G Total Return Credit Investment Fund		
	<p>approved, and was positive on the idea of reporting on its scope 3 engagement. This, it said, could eventually look at other ways of encouraging loan customers to decarbonise - in terms of incentives - while regulation was also helping to drive this, particularly CSRD. We had several other requests to put to the bank, particularly in terms of disclosure, but overran. We agreed to a follow-on meeting later in the year. Action taken: We met with the bank's chief strategy and sustainability officer, as well as a member of the investor relations team. Engagement with: DXC TECHNOLOGY CO Objective: To encourage DXC to increase board level gender diversity to 33% in line with our voting policy Result: We await to hear back from the company and will update in due course Action taken: M&amp;G sent an letter to the company to make our expectations known</p>		
Do you engage in voting for this fund?	No	Please provide details on why you do not engage in voting for this fund.	Not applicable as fixed income product
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	<p>Yes, we do monitor carbon emissions levels of underlying companies in our fund. Emissions metrics across our portfolios have been calculated based on the Partnership for Carbon Accounting Financials (PCAF) principles.</p> <p>Metric Description:</p> <ul style="list-style-type: none"> <li>* Financed carbon emissions (FCE) Scope 1 and 2 (ktCO<sub>2</sub>e)</li> <li>* Financed carbon emissions (FCE) Scope 3 (ktCO<sub>2</sub>e)</li> <li>* Carbon footprint Scope 1 and 2 (tCO<sub>2</sub>e/£m invested)</li> <li>* Carbon footprint Scope 3 (tCO<sub>2</sub>e/£m invested)</li> <li>* Weighted average carbon intensity (WACI) Scope 1 and 2 (tCO<sub>2</sub>e/£m sales)</li> <li>* Weighted average carbon intensity (WACI) Scope 3 (tCO<sub>2</sub>e/£m sales)</li> </ul> <p>In addition to backward-looking metrics mentioned above, which indicates the current emissions profile of an asset or portfolio, we also use forward-looking metrics to assess transition alignment and potential impacts on asset values over time by leveraging scenario analysis tools. The key forward-looking metrics that we monitor for public assets are:</p> <ul style="list-style-type: none"> <li>• Implied temperature rise (ITR): this metric allows a user to quickly gauge if a portfolio and issuer's GHG emissions' trajectory is aligned with the Paris Agreement through sub-industry and regional benchmark comparisons. It is a simplified tool allowing us to assess the transition profile of the companies we invest in and their progress toward driving down greenhouse gas emissions, while also measuring the effect of any changes we make to our portfolios during the year.</li> <li>• Climate adjusted value (CAV): this metric is equivalent to</li> </ul>	What was the actual turnover rate over the last 12 months?	

# Fund Manager Product Response

Activity	M&G Total Return Credit Investment Fund		
	value at risk (VaR), but is calculated on a bottom-up basis, by assessing the impact of different climate scenarios on an issuer's financial position, which we disclose by industry.		

Activity	L&G Life AF Over 15 Years Gilt Index Fund		
Do you undertake Engagements for this fund?	No	Please provide details on why you do not undertake engagements for this fund.	Gilt Fund
Do you engage in voting for this fund?	No	Please provide details on why you do not engage in voting for this fund.	Gilt Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes the fund produces approximately 158.3 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 December 2024	What was the actual turnover rate over the last 12 months?	

Activity	L&G Life AP Over 5 Year Index-Linked Gilts Index Fund		
Do you undertake Engagements for this fund?	No	Please provide details on why you do not undertake engagements for this fund.	Gilt Fund
Do you engage in voting for this fund?	No	Please provide details on why you do not engage in voting for this fund.	Gilt Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes the fund produces approximately 158.3 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 December 2024	What was the actual turnover rate over the last 12 months?	

# Important Information

Mobius Life Limited (Mobius Life) has prepared this report for professional advisers and institutional investors only. The purpose of this report is to provide information on Mobius Life's own products and services and nothing in this presentation, or any supporting material, should be regarded as a personal recommendation. This report is not intended for onward transmission.

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