



Forest Laboratories UK Limited Pension Scheme

31 March 2025

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 Forest Laboratories UK Limited Pension Scheme (the "Scheme") continues to follow and act on the principles outlined in the Statement of Investment Principles ("the SIP"). The Scheme's applicable SIPs for the purposes of this implementation statement were dated 10 May 2024 and 18 October 2024. After the Scheme's year-end, the investment strategy has been updated and a revised SIP is in place since 7 May 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 March 2025 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

During the reporting period, the Statement of Investment Beliefs ("SIB") SIB was renamed to a SIP in line with regulations concerning total number of members, including insured members in the Scheme.

Over the reporting year, a new investment strategy was agreed, which involved slightly reducing the expected target return to Gilts +0.1% (rounded to 1 decimal place) per annum and the interest rate and inflation hedge of 100% on a Technical Provisions liability basis. The new investment strategy increased the allocation to Legal and General Investment Management ("LGIM") Fixed Gilts and decreased the allocation to LGIM Index-Linked Gilts and LGIM Cash. Additionally, a new Insight Asset Backed Securities allocation was introduced and the allocation to LGIM Corporate Bonds was removed. A new SIP and IID were signed in October 2024 to reflect these changes.

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 at least 100% of interest rate and inflation risks on a Technical Provisions liability basis.	Over the reporting period, the Scheme invested in Gilts and Index-Linked Gilts, which aim to match changes in the present value of the liabilities, as a result of changes in interest rates and inflation
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), and to provide collateral to the LDI manager.	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 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"> 1. Has a responsible Investment ('RI') Policy / Framework 2. ESG factors implemented via Investment Process 3. A track record of using engagement and any voting rights to manage ESG factors 4. ESG specific reporting 5. UN PRI Signatory 	<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"> • The selection, retention and realisation of investments taking into account all financially material considerations • The exercise of rights (including voting rights) attached to these investments • Undertaking engagement activities with investee companies and other stakeholders where appropriate.
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

In May 2024, the SIB was renamed to a SIP in line with regulations concerning total number of members, including insured members in the Scheme.

In October 2024, a new SIP was signed to reflect changes to the Scheme's investment strategy, which involved slightly reducing the expected target return to Gilts +0.1% (rounded to 1 decimal place) per annum and the interest rate and inflation hedge of 100% on a Technical Provisions liability basis through an updated asset allocation.

No other changes were made to the wording in the SIP.

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 on 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 its 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 March 2025. The platform provider also provides examples of any significant votes where possible.

Forest Laboratories UK Limited Pension Scheme - DB - IS0008713

ESG REPORT – 31-March-2025



Scheme: Forest Laboratories UK Limited Pension Scheme - DB - IS0008713

Statement Date: 31-Mar-2025

Fund	Value (£)	% Holding
L&G Life AP Over 5 Year Index-Linked Gilts Index Fund	2,301,061.28	32.10%
L&G Life AF Over 15 Years Gilt Index Fund	2,424,966.24	33.83%
Insight Liquid ABS Fund	365,574.75	5.10%
L&G Life TA Sterling Liquidity Fund	1,022,484.88	14.27%
L&G Life LUAC Under 5 Year Index-Linked Gilts Index Fund	1,053,580.90	14.70%

Fund	Fund Manager ESG Credentials	Fund ESG Credentials	
	Data Provided by FM as at	% Qs answered	Data Provided by FM as at
Insight Liquid ABS Fund	31/03/2025	94	31/03/2025
L&G Life LUAC Under 5 Year Index-Linked Gilts Index Fund	31/03/2025	93	31/03/2025
L&G Life AF Over 15 Years Gilt Index Fund	31/03/2025	95	31/03/2025
L&G Life TA Sterling Liquidity Fund	31/03/2025	95	31/03/2025
L&G Life AP Over 5 Year Index-Linked Gilts Index Fund	31/03/2025	95	31/03/2025

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.

Questions	Insight Investment		
Do you have an ESG policy that is integrated into the investment process?	<p>Yes</p> <p>A complete copy of our Responsible Investment Policy can be found by using the following link:</p> <p>https://www.insightinvestment.com/globalassets/documents/responsible-investment/responsible-investment-reports/responsible-investment-policy.pdf</p>	Are Senior Management accountable for ESG or Climate Change risks?	<p>Yes</p> <p>Effective stewardship requires strong governance processes, and this is especially true for a global investment firm. For this reason, our internal governance activities are structured to support broad communication and collaboration, effective decision-making, improve accountability and ensure transparency.</p> <p>Governance of the firm is carried out through Insight's Board of Directors. The Board has legal and regulatory responsibility for all aspects of the business and ancillary activities of the various legal entities within Insight. Insight's governance structure ensures oversight of our entire investment, operational and business activities. The Executive Management Committee (EMC) is the key business management committee for the company and its subsidiaries are responsible for strategy and execution, operational management and finance.</p> <p>Insight's Board recognises that delivering effective stewardship includes many different facets of an organisation, and as such there are multiple reporting lines within Insight that feed directly and indirectly into the Board. Insight has aimed to integrate environment, governance and social (ESG)-related activities into its business-as-usual processes. Establishing key committees such as the Insight Responsibility Oversight Committee (IROC) (see below for more information) has been one way of achieving this, and progress on ESG issues can also be found in quarterly reports provided to the Board. Other forums such as the Remuneration Committee play a key role in ensuring alignment of interests between Insight staff and underlying investors.</p> <p>The EMC and/or its sub-committees are typically responsible for designing initiatives that contribute towards good stewardship. The Chief Executive Officer (CEO), Global Chief Investment Officer (CIO) and Global Head of Distribution are members of both the EMC and the Board, and are responsible for updating the Board on responsible investment and stewardship-related issues, including at Board strategy meetings. The Board is therefore kept abreast of key initiatives and will provide challenges to such initiatives where appropriate. A key objective of the Board is to promote the long-term success of the business and the Board typically assesses proposed strategies and initiatives with this in mind.</p> <p>The day-to-day management of Insight is delegated to the CEO with the support of the EMC. Acting within its limits, the EMC considers best practices pertaining to stewardship activities and shares proposals and/or outcomes with the Board for directors to consider, challenge and/or approve. Where necessary, the Board will also request certain processes be put in place and/or request a deep dive on a topic on which it is seeking further details.</p> <p>Responsible investment and stewardship activities have broad applications across Insight's operational and investment functions. As a result, processes are applied holistically, and responsibilities are integrated throughout the business.</p>
Do you have a firm ESG rating?	<p>Yes</p> <p>Insight has adopted a deliberately conservative approach to firm-level attestations since the reporting on the year to 31 March 2023. In our Principles for Responsible Investment (PRI) submission we avoid generalisations which could be interpreted as overstatements. The reporting module is open to manager interpretation and requires managers to be comfortable generalising. The range of approaches taken to this means that any comparisons across managers is not like for like. While the PRI reopened their reporting in 2023, the template does not yet cater for managers with broad and deep fixed income capability, customised/segreated mandates</p>	Do you have a dedicated team that considers ESG and Climate Change related factors?	<p>Yes</p> <p>We believe that delivering superior investment solutions depends on the effective management of the risks and opportunities presented by responsible investment related risk factors, such as environmental or social issues, as well as other long-term value drivers. As such, resourcing of responsible investment capabilities is crucial to our business, and our resourcing in this area is under continuous review to ensure it remains appropriate given the importance of stewardship activity. Insight's approach to stewardship and responsible investment is the responsibility of all investment teams and decision-makers, supported, championed and overseen by our dedicated Responsible Investment Team and governance structure.</p>

Fund Manager Business Response

Questions	Insight Investment		
	<p>and/or operations spanning multiple jurisdictions with different regulatory regimes.</p> <p>Insight is participating in PRI working groups to provide further input to develop the reporting mechanism to encourage adequate flexibility to accommodate disclosures for a broader range of sub asset classes and variety of investment approaches. We provide reporting through several firm level reporting initiatives and would point you to our Responsible Investment annual report and the relevant strategy level documentation for details of our investment approach.</p>		<p>Investment teams: Responsibility for our responsible investment activity is integrated within our risk management (liability-driven investment (LDI)) and fixed income processes. This includes our 21-strong Credit Analysis Team who are responsible for analysis of relevant and material governance practices and environmental and social risk factors that could affect the entities in which we invest, and engagement with relevant stakeholders.</p> <p>Responsible Investment Team: Our Responsible Investment Team coordinates responsible investment efforts and innovations across our investment teams, including the development and maintenance of our proprietary Prime ESG and climate risk ratings, we describe the team in more detail below.</p> <p>Public Policy function: Our Public Policy function oversees broader issues impacting Insight and its clients, with a particular focus on engagement with policymakers for upcoming regulatory and policy changes. These covers sustainability-related factors but also other topics where we believe that advocacy at a systemic level will support the outcomes desired by our clients.</p> <p>Responsible Investment Team</p> <p>Insight's dedicated Responsible Investment Team is led by Robert Sawbridge, Head of Responsible Investment. The Responsible Investment Team is embedded within Insight's wider Fixed Income Group.</p> <p>Below we outline the key members of the team dedicated to responsible investment and their responsibilities:</p> <ul style="list-style-type: none"> • Robert Sawbridge, Head of Responsible Investment, guides and oversees the overall responsible investment programme at Insight across asset classes and investment teams. Robert's primary focus is on ensuring effective integration of responsible investment across investment teams as well as defining and implementing the investment strategy and parameters of our responsible investment and stewardship activity. • Chandra Gopinathan, Head of Research, coordinates thematic research on responsible investment and plays an important role in our macro stewardship and advocacy initiatives. • Rhona Cormack and Christopher Huynh, Senior Analysts, and James Fisher, Analyst, lead the stewardship and engagement process with issuers and counterparties. • Jorg Soens, Senior Solutions Specialist, and Eleanor Austin, Solutions Specialist, focus on the design and development of our responsible investment products and solutions. Jorg also takes the lead on engagement activities with service providers. • Fabien Collado, Portfolio Manager, and Ruth Hannigan, Portfolio Analyst, support our responsible investment portfolio management capabilities including day-to-day management of a number of Responsible Horizons pooled funds and our segregated sustainability-focused mandates. • Sanaa Mogul*, Investment Specialist, supports portfolio managers, focusing on communicating responsible investment aspects of our strategies to clients and the delivery of strategic responsible investment projects. • Thamy Sivalognathan, Implementation Lead, focuses on delivering an effective operational infrastructure to support client sustainability outcomes. • Milin Nagar** and Smita Pandey**, ESG Analysts, support research projects and data delivery including activities related to the stewardship and broader RI integration programme. <p>Alongside Robert and those listed above, a team of Quantitative Researchers work to directly support Insight's responsible investment data architecture.</p> <p>*Maternity cover for Sheena Schyma. **BNY staff, based in Pune, India.</p>
Please provide your UNPRI survey scores	We set out our 2024 modular scores below:	Do you rely on any third parties to provide ESG and Climate Change related analysis/research?	<p>Yes</p> <p>Insight's proprietary Prime Corporate ESG Ratings, Prime Climate Risk Ratings,</p>

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Questions	Insight Investment		
	<p>PRI ratings are assessed against a range of indicators. Full details available from www.unpri.org.</p> <p>Insight Assessment report can be sourced here: https://ctp.unpri.org/dataportalv2/transparency</p>		<p>Prime Sovereign ESG Risk Ratings and Prime Net Zero Alignment Framework datasets are supplemented by and incorporate numerous third-party datasets. The external data sources are selected and reviewed by Insight's Responsible Investment Team in conjunction with the Credit Analysis Team.</p> <p>It has been our observation that the underlying methodology supporting many readily available external ESG data from mainstream ESG data providers tend to be designed with equity strategies in mind. Furthermore, whilst there is generally more correlation amongst data providers on issuer credit ratings, there remains significant variation amongst data providers on ESG ratings. So we have taken data from a variety of sources, supplemented with our own analysis. In forming our proprietary tools and scoring frameworks we effectively supplement our analysts' research with data from multiple third-party data providers, such as:</p> <ul style="list-style-type: none"> • MSCI • Sustainalytics • VigeoEiris • RepRisk • S&P Trucost • CDP • Science-Based Targets initiative • Transition Pathway Initiative • Climate Action 100+ • ICE (applicable to Municipals only) • LGX (applicable to Impact funds only) <p>We also incorporate open-source data from:</p> <ul style="list-style-type: none"> • World Bank • V-Dem • Freedom House • Transparency International • IMF • Fragile States Index <p>Please note the application of the above model will vary by asset class and may not be used at all in some cases.</p>
Do you have a Climate Change policy that is integrated into the investment process?	<p>Yes</p> <p>We have developed a broad approach and a variety of methods that we use to evaluate and manage climate related risks and opportunities, details of which can be found in our annual climate change report:</p> <p>https://www.insightinvestment.com/globalassets/documents/responsible-investment/responsible-investment-reports/uk-eu-climate-change-report-2024.pdf</p>	Do you create your own ESG or Climate Change related scores	<p>Yes</p> <p>Insight is focused on precision investment and risk management to help our clients achieve their goals. Information on material ESG risks can be crucial for effective investment decisions, but ESG data providers often disagree, and there are gaps in available information. ESG data providers are also often equity-centric in their views.</p> <p>We decided to apply our experience in analysing ESG risks in taking data from multiple inputs, selected and adjusted for relevance and materiality using our in-house expertise, to generate our own ESG ratings that we believe more accurately and reliably reflect material risks for our asset classes.</p> <p>This led us to create Prime: Insight's proprietary ESG ratings, with ESG and climate risk ratings, and now net-zero alignment categorisation, focused on corporate issuers; and ESG risk and impact ratings for sovereign issuers.</p> <p>Prime ratings are generated using inputs from numerous ESG data providers, adjusted for quality and relevance by Insight's credit and data experts. Our proprietary methodology aggregates, weights and maps these adjusted inputs, according to their significance for different sectors, geographies, etc. Proprietary systems are in place to feed through Prime data, in a consistent way, with the aim of helping our analysts and portfolio managers consider material ESG risks, informing their decision-making and engagement, and to enable tailored portfolios for clients requesting specific sustainability criteria.</p> <p>Our four sets of Prime ratings are as follows:</p>

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Questions	Insight Investment		
			<p>Prime corporate ESG ratings: First launched in 2019 and enhanced regularly since, our Prime corporate ESG ratings tool assesses issuers' ESG risk. This quantitative framework effectively integrates our analysts' materiality assessments, supplemented with data from multiple third-party data providers. The tool generates a Prime ESG rating and Prime ESG momentum signal for more than 3,000 investment grade, high-yield and emerging market issuers.</p> <p>Prime climate risk ratings: First launched in 2017 and enhanced regularly since, the Prime climate risk ratings are structured around the Task Force on Climate-related Financial Disclosures (TCFD) framework and use physical and transition risk analysis to generate a precise comparison of over 16,000 issuers using raw data.</p> <p>Prime sovereign risk and impact ratings: First launched in 2018 and enhanced regularly since, the Prime sovereign ESG framework is a quantitative proprietary assessment of more than 120 countries' sustainability performance, focusing on ESG risks and countries' alignment with the United Nations Sustainable Development Goals (UN SDGs). Overall and momentum scores capture performance using open-source data inputs.</p> <p>Prime net-zero alignment categorisation: First launched in 2023, the Prime net-zero alignment framework compares the net-zero alignment of corporate issuers and is intended to sit alongside the credit research process while supporting our engagement programme.</p> <p>Please note the application of Prime scores and model will vary depending on the underlying asset class.</p>
Does your company have a policy on equality and diversity in the workplace?	Yes	Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?	<p>Yes</p> <p>All clients at Insight receive reporting in line with their stated monthly, quarterly or annual reporting requirements, and we regularly engage with them to ensure our reporting provides the information and transparency they require. Responsible investment is now a topic at most client meetings, and to reflect this significant interest, our reporting to clients may now include reporting on ESG factors, regardless of whether their mandate includes specific ESG exclusions, constraints or targets.</p> <p>Derivative instruments</p> <p>For strategies in which exposure is taken mainly through the form of derivatives it presents reporting challenges. Any data relating to these strategies gives an indication of economic exposure and does not imply 'ownership'. In particular, extending this to carbon numbers can lead to misleading conceptions of what a 'carbon footprint' entails.</p> <p>Insight is working hard to develop reports which give a meaningful representation of carbon profiles for derivative-heavy strategies; however, as it stands, we feel the data is insufficient and potentially misleading. We are looking to work with the wider market to support the development of an appropriate solution for ESG reporting for derivatives. We will of course keep you informed when reporting is available in this regard.</p>
Do ESG related factors get considered with respect to performance management of investment companies and funds?	<p>Yes</p> <p>Insight's philosophy and approach towards responsible investment places an emphasis on the integration of responsible investment and stewardship principles within investment decision-making, where appropriate.</p> <p>Our approach is underpinned by the belief that ESG can be important drivers of investment value. Governance factors</p>	Are you signatories of the FRC UK Stewardship Code or equivalent?	<p>Yes</p> <p>Please refer to the following link for details of our latest stewardship report:</p> <p>https://www.insightinvestment.com/globalassets/documents/responsible-investment/stewardship-code/uk-eu-responsible-stewardship-at-insight-2024-report.pdf</p>

Questions	Insight Investment
	<p>ranging from the quality of oversight and risk management mechanisms to institutional frameworks to respect for the rule of law can materially influence investment performance. Social factors, such as local labour dynamics or demographic changes, can materially shift investors' perceptions. Environmental risks – such as natural disasters, weather patterns and climate change – can all have a significant effect on a company or a country's economic and political outlook. Climate change in particular is far-reaching in its long-term implications, and so is of particular relevance for our clients, many of whom have long-term objectives.</p> <p>Insight believes integrating relevant ESG factors into fundamental investment analysis and engaging with stakeholders to improve performance is essential to effectively managing portfolio risk. Understanding underlying material risks is essential in helping us to decide whether an investment is over or under-priced or fairly valued. We aim to continuously develop our responsible investment approach to support our clients to provide greater certainty in achieving their investment goals and deliver better risk-adjusted returns in the long term.</p> <p>We also believe that a responsible approach reflects Insight's focus on doing the right thing with regard to the markets in which we operate, our people, and the wider world, particularly the environment.</p> <p>From an investment perspective, we believe investing responsibly means seeking to take material and relevant risks into account, including analysis of ESG factors, when making investment decisions regarding the acquisition, monitoring and disposal of investments. To this end, our integration of ESG factors into our research aims to directly support our acquisition, monitoring and exit decisions by making sure our portfolio managers have accurate information through our proprietary Prime ESG Ratings, in-house research and stewardship programme.</p> <p>To this end, we aspire to integrate relevant ESG factors across mandates, where practicable, based on the relevance to the investment strategy (see below) and subject to the terms of our mandate with the underlying client. This integration takes place regardless of whether such mandates include specific ESG exclusions, constraints or targets and is underpinned by a belief that delivering superior investment solutions can depend on the effective management of the risks and opportunities presented by a range of factors, often including those typically categorised as ESG.</p> <p>However, the way that integration manifests depends upon the nature of the mandates in question. As Insight's business has grown, we have developed or acquired a broad range of strategies which necessitates a pluralism in our approach to effective integration. For example:</p> <ul style="list-style-type: none"> • For our systematic fixed income strategies, integration is rules-based and largely dependent on exclusionary and tilting processes – engagement is not part of the toolkit for these mandates as there is limited fundamental analysis within the investment process for these strategies. • For many of our LDI mandates, while we follow a process that integrates ESG factors where they are relevant (e.g. in counterparty selection or at an underlying asset-class level),

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Questions	Insight Investment		
	<p>ESG factors rarely drive the underlying investment process as our clients typically instruct Insight to invest in line with a specified benchmark, leaving limited capacity to deviate in terms of instrument selection.</p> <ul style="list-style-type: none"> • Some asset classes or strategies including currency hedging and certain derivative strategies fall outside of the scope of ESG integration currently – typically due to a lack of data or relevance of ESG factors to the investment case. • Where more traditional fundamental analysis is conducted (e.g. in corporate credit or sovereign debt strategies), generally a deeper integration is possible, but nuances in data availability and the applicability to the investment case means integration varies by asset class and sometimes even within an asset class. 		

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>

Fund Manager Business Response

Questions	Legal and General (LGIM)		
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 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.</p>
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 & 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 & General Inclusion team) and L&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	<p>Yes</p> <p>ESG factors are embedded into our evaluation of investment</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</p>

Fund Manager Business Response



Questions	Legal and General (LGIM)		
and funds?	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.		inception and we provide copies of our responses on our website.

Fund Manager Product Response

Activity	Insight Liquid ABS Fund		
Do you undertake Engagements for this fund?	Yes	How many engagements have you had with companies in the past 12 months?	60
<p>Which form of engagement is most representative of the approach taken for this fund over the last 12 months:</p> <ul style="list-style-type: none"> • Sending standardised letters to companies • Sending bespoke letters to companies • Standard period engagement with companies • Active private engagement on specific issues • Active public engagement on specific issues 	<p>As a leader in investment management, Insight understands that we must demonstrate the highest standards of accountability and transparency in our stewardship programme. We have an unwavering commitment to stewardship. We believe effective stewardship includes taking clients' needs into account and working for the benefit of all stakeholders. Given Insight's business focus on risk management, liability driven investment (LDI) and fixed income, for clients with very long-term investment horizons, our activity looks different when compared to the activity of many of our peers in the investment management industry, which focus largely on equities. We aim for transparency across all our activities, and collaborate with stakeholders where we believe we can maximise the impact of our engagement.</p> <p>Engagement with issuers is a key part of our credit analysis and monitoring and complements our approach to responsible investment. As a matter of policy, our credit analysts regularly meet with issuers to discuss ESG related and non-ESG related issues. Given the size and depth of our credit analyst resource, one of the key inputs into our ESG analysis is the direct information which we receive from companies via engagements that take place. We also have a dedicated stewardship programme, which includes our prioritised ESG engagement themes. Our prioritised themes for this year are climate change, natural capital and labour management (human rights in the case of sovereign issuers). We use a research-led approach to identify poor performers to initiate targeted engagement to encourage positive improvements across each of these themes.</p> <p>With regards to our holdings in corporate bonds, in 2023, Insight conducted 992 engagements with corporate bond issuers, including derivative counterparties, the majority of which incorporated discussions of environmental, social and governance (ESG) issues. We also work with governments, companies and civil society organisations to build knowledge and awareness, to share expertise and to create a common voice on these issues when engaging with stakeholders in relations to our clients' investments. In recent years we have engaged with the industry on the transition from LIBOR, central clearing for European pension schemes, RPI reform, with the Office of the Prime Minister and Department for Energy Security and Net Zero in the UK, UN PRI on responsible investment 'progression pathways' and successfully petitioning for a 'mixed goals' UK SDR sustainability label.</p> <p>Our engagements are focused on creating positive change at the organisations we invest in. In determining the nature and objectives of an engagement relating to ESG factors, we adopt a Double Materiality Framework, whereby our approach is to categorise different themes to describe whether they have a greater impact in terms of their Financial Materiality or their Environmental & Social</p>		

Fund Manager Product Response

Activity	Insight Liquid ABS Fund		
	<p>Materiality. Each potential engagement theme is prioritised by magnitude of importance to both enterprise financial value and societal stakeholders. Using a Double Materiality framework helps us to categorise the importance of different topics in their implications for an investments' financial value (financial materiality) and for how that investment may impact the world at large (environmental and social materiality).</p> <p>We are focused on driving positive change throughout the market at both an individual issuer level and also market wide, as evidenced by our membership to an extensive list of working groups and initiatives outlined on the next sheet. In particular, our involvement with Climate Action 100+: where the world's largest investors have united for change, aligns investor engagement to encourage the world's largest carbon emitting companies to take action on climate change.</p>		
Do you engage in voting for this fund?	No	Please provide details on why you do not engage in voting for this fund.	Liquidity Fund
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?	

Activity	L&G Life LUAC Under 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 132.4 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 March 2025	What was the actual turnover rate over the last 12 months?	

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 132.4 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 March 2025	What was the actual turnover rate over the last 12 months?	

Fund Manager Product Response

Activity	L&G Life TA Sterling Liquidity Fund		
Do you undertake Engagements for this fund?	Yes		
How many engagements have you had with companies in the past 12 months?	18	How many engagements were made regarding environmental topics?	14
How many engagements were made regarding social topics?	5	How many engagements were made regarding governance topics?	2
Do you engage in voting for this fund?	No	Please provide details on why you do not engage in voting for this fund.	Liquidity Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes - the fund produces approximately 1.9 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 March 2025	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 132.4 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 March 2025	What was the actual turnover rate over the last 12 months?	

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