

Implementation Statement for the Year to 5 April 2022

Furness Building Society Pension & Assurance Scheme ('the Scheme')

Introduction

This statement describes the voting and engagement policies of Entrust Pension Limited as Trustee of the Scheme ('the Trustee') along with a summary of voting and engagement behaviour related to the Scheme's investments over the 12-month period to 5 April 2022.

This Implementation Statement is to provide evidence that the Scheme continues to follow and act on the principles outlined in the Statement of Investment Principles ('the SIP'). This Statement details:

- Actions the Trustee has taken to manage financially material risks and implement the key policies in its SIP;
- The current policy and approach with regards to Environmental, Social and Governance (ESG) factors and the actions taken with managers on managing ESG risks; and
- The extent to which the Trustee 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 which they invest.

Summary of key actions undertaken over the Scheme reporting year

Prior to the reporting year, the Scheme transitioned onto the Mobius Life platform. During the year, a new investment strategy was agreed. This reflected a reduction in the expected return from Gilts + 2.6% p.a. to Gilts + 1.5%, and an increase in the target hedge across interest rates and inflation from c.60% to 85%.

As a result of these strategic changes, the Scheme disinvested allocations entirely from Equity, Gilts and Index-Linked Gilts, favouring a new allocation, Diversified Growth Fund, whilst increasing the fund allocations within LDI, Multi-Asset Credit (Lower Risk) and Corporate Bonds. In addition, the Scheme transitioned its existing LDI assets from Colombia Threadneedle Investments (previously BMO) to a new manager - Legal & General Assurance (Pensions Management) Limited.

Post-reporting period, the Trustee then agreed on a further refinement to the investment strategy, as part of the annual investment strategy review

Implementation Statement

This statement demonstrates that the Furness Building Society Pension & Assurance Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Managing risks

Risk / Policy	Definition	Policy	Actions
Investment	The risk that the Scheme's position deteriorates due to the assets underperforming.	To select an achievable investment objective and investing in a diversified portfolio of assets.	The Scheme has an achievable expected return and aims to achieve this by investing across a 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 basis in conjunction with 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 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 invest in matching assets that move in line with the present value of the Scheme's liabilities.	Over the reporting period, the Scheme had allocations in LDI and Corporate Bond funds, which together, aim to hedge 85% of the Scheme's interest rate and inflation risk.
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 traded on at least a weekly frequency, providing sufficient liquidity.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away from any unrewarded risks, where practicable.	The Scheme invests in a range of pooled funds which comprise of underlying holdings across several asset classes. The Trustee is satisfied that the Scheme's exposure to market risk is reasonably reduced through asset diversification.
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 Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria: <ol style="list-style-type: none"> 1. Has a Responsible Investment ('RI') Policy/Framework 2. Implemented via the investment process 3. A track record of using engagement and any voting rights to manage ESG factors 4. UN PRI Signatory 	As part of the investment management of the Scheme's assets, the Trustee expects the Investment Managers to make decisions on: <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.	The Scheme invests in GBP denominated share classes where possible.
Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	

Changes to the SIP

Over the 12-month reported period, the SIP was been updated to reflect the 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 material risk. The next page details how the Scheme's ESG policy is implemented.

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

Implementing the Current ESG Policy

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

Through the engagement described above, the Trustee will work with their investment advisors and/or managers to improve their 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

Please see the attached document from Mobius Life for details on engagement and voting actions, including a summary of the activity over the 12 months ending 30 April 2022. Please note that Mobius can provide only month-end data, so for the 12 months ending 5 April 2022, data was not available. The platform provider also provides examples of any significant votes where possible.

Furness Building Society Pension and Life Assurance Scheme

ESG Report

30/04/2022

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Scheme Summary

Policy Number:
Statement Date:

IS0009117
29/04/2022

Funds	Holdings	Unit Price	Value	%	Fund Manager ESG Credentials	Engagement & Voting Records
BLK IJF Dynamic Diversified Growth Fund	60,194	94.384291	5,681,412	21.95%	Yes	Yes
BMO LDI Regular Profile Leveraged Nominal Gilt Fund	0	0	0	0.00%	Yes	Engagement Only
BMO LDI Regular Profile Leveraged Real Gilt Fund	0	0	0	0.00%	Yes	Engagement Only
BMO LDI Regular Profile Nominal Swap Fund	0	0	0	0.00%	Yes	Engagement Only
Insight LDI Partially Funded Gilts 2041-2050	0	0	0	0.00%	Yes	Engagement Only
Insight LDI Partially Funded Gilts 2051-2060	0	0	0	0.00%	Yes	Engagement Only
Insight LDI Partially Funded Gilts 2061-2070	0	0	0	0.00%	Yes	Engagement Only
Insight LDI Partially Funded Index-Linked Gilts 2041-2050	0	0	0	0.00%	Yes	Engagement Only
JP Morgan Unconstrained Bond Fund	73,062	98.33924	7,184,886	27.75%	Yes	Engagement Only
L&G Life AF Over 15 Year Gilts Index Fund	0	0	0	0.00%	Yes	Engagement Only
L&G Life AR Cash Fund	15,496	100.077158	1,550,840	5.99%	Yes	Engagement Only
L&G Life DB World Equity Index Fund	0	0	0	0.00%	Yes	Yes
L&G Life DW Investment Grade Corporate Bond Over 15 Year Index Fund	0	0	0	0.00%	Yes	No
L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund	80,225	91.761647	7,361,548	28.44%	Yes	Voting Only
L&G Life FABR Fixed Long Duration Fund	30,282	43.201855	1,308,231	5.05%	Yes	No
L&G Life FABS Real Short Duration Fund	17,379	84.965262	1,476,573	5.70%	Yes	No
L&G Life FABT Real Long Duration Fund	25,019	52.967277	1,325,205	5.12%	Yes	No
L&G Life HC Over 15 Year Index-Linked Gilts Index Fund	0	0	0	0.00%	Yes	No
Total			25,888,696	100.00%		

Disclaimer:

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Mobius Life Limited provides information on our products and services to enable you to make your own investment decisions, and this document should not be regarded as a personalised recommendation. The value of investments may go down as well as up and investors may not get back the amount originally invested. Asset allocations and choice of asset managers may change without notification. In the event of a redemption suspension being invoked by a third party (the underlying investment), Mobius Life Limited reserves the right to delay cancellation of the Units in that fund for the same period as the underlying investment. Currency exchange rates may cause the value of overseas investments to rise or fall. Where a fund is invested with another life company by means of a reinsurance arrangement, the risk of default by the reinsurer is borne by policyholders who invest in the relevant fund. Investing in emerging markets involves a high degree of risk and should be seen as long term in nature. Investing in derivatives are generally considered to have a higher degree of risk compared to an investment in a physical asset and thus should be made with caution, especially for less experienced investors.

Fund Manager ESG Credentials

Questions	BlackRock	BMO
Do you have an ESG policy that is integrated into the investment process?	<p>BlackRock is a global and diversified fiduciary asset manager and serves clients with a range of investment objectives and beliefs. As such, BlackRock defines ESG integration as the practice of incorporating material environmental, social, and governance data and insights into investment decision-making, alongside traditional financial information, with the objective of improving the long-term financial outcomes of portfolios.</p> <p>This focus on using financially material ESG data as a new lens to identify previously unpriced risk and opportunity is consistent with approaches taken by leading industry groups including the Principles for Responsible Investment ("PRI") and the Investment Company Institute. These organizations describe ESG integration respectively as "the explicit and systematic inclusion of ESG issues in investment analysis and investment decisions" and an effort "to enhance a fund's financial performance by analyzing material ESG considerations along with other material risks." It also provides a clear, single guiding principle for all portfolio managers, which is aligned with their drive to understand all relevant information about risks to which an investment is exposed. Just as there is no single approach to alpha generation across a diverse investment platform, there is no single approach to ESG integration. How sustainability considerations are sourced, assessed, and incorporated will vary with portfolio objective, investment style, and asset class. BlackRock's ESG integration framework provides the structure, governance, and tools that enable investment teams to have ownership over their ESG integration approach, while ensuring alignment to the single guiding principle: using ESG data as a tool to improve long-term risk adjusted returns.</p>	Yes
Do you have a firm ESG rating?	Yes	Yes
Please provide your UNPRI survey scores	<p>2020 scores:</p> <p>Strategy & Governance: A+ Listed Equity - Incorporation: A+ Listed Equity - Active Ownership: A+ Fixed Income - SSA: A+ Fixed Income - Corporate Financial: A+ Fixed Income - Corporate Non-Financial: A+ Fixed Income - Securitised: A Private Equity: A+ Property: A+ Infrastructure: A+</p>	<p>Strategy & Governance: A+ Listed Equity - Incorporation: A+ Listed Equity - Active Ownership: A+ Fixed Income - SSA: A Fixed Income - Corporate Non-Financial (New): A Fixed Income - Corporate Non-Financial: A Private Equity (New): A Property (New): B</p>
Do you have a Climate Change policy that is integrated into the investment process?	<p>Our sustainability strategy is focused on long-term value creation. As a fiduciary asset manager, we believe that our clients should consider how climate change, policy and economic shifts will affect returns in their portfolios. We believe that climate risk is investment risk: the net zero transition will reshape the real economy and financial portfolios, presenting risks and opportunities for investors. BlackRock's sustainability strategy focuses on two structural themes driving this change.</p> <ul style="list-style-type: none"> Climate Transition: Commitments to achieve net zero by governments, investors, and companies will fundamentally reshape the global economy and create a historic investment opportunity. We are committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner. Stakeholder Capitalism: It is clear that being connected to stakeholders enables a company to understand and respond to the changes happening in the world. In 2020, we saw how purposeful companies with better Environmental, Social, and Governance (ESG) profiles outperformed their peers during a global crisis. We create solutions to help clients towards their financial objectives and other goals by relating ESG characteristics to financial returns. 	Yes

<p>Are Senior Management accountable for ESG or Climate Change risks?</p>	<p>Yes, BlackRock has a dedicated Sustainable Investing team which oversees the firm's global efforts on sustainable investing. The BlackRock Sustainable Investing team partners with investment professionals to deliver innovative products and solutions, integrate sustainability considerations across investment processes, and drive sustainable investing research efforts. The BlackRock Sustainable Investing team works closely with the BlackRock Risk and Quantitative Analysis Group to ensure high-quality ESG integration across investment teams as well as with the BlackRock Investment Stewardship team and the Corporate Sustainability team to ensure a holistic approach to sustainability at BlackRock.</p> <p>All investment professionals are responsible for ensuring that ESG considerations are considered within BlackRock's investment practices. Senior representatives from each investment team across the firm lead in this effort, with support given by one or more representatives from investment groups across the firm, who work together to advance ESG research and integration, support active ownership, and develop sustainable investment strategies and solutions.</p> <p>The Risk and Quantitative Analysis Group, which is responsible for evaluating all investment, counterparty, and operational risk at the firm, evaluates ESG risk during its regular reviews with portfolio managers to ensure that investment teams have sufficiently considered ESG risk in their investment decisions, and that investments in highest ESG risk categories are deliberate, diversified and scaled.</p>	<p>Yes</p>
<p>Do you have a dedicated team that considers ESG and Climate Change related factors?</p>	<p>The Sustainable Investing platform team was launched in 2015 to unify BlackRock's approach to sustainable investing and serve investors who seek solutions that deliver targeted financial and sustainability outcomes. Since then, the team has built out a global suite of sustainable investment strategies, ranging across asset classes, vehicles, and investment styles.</p> <p>BlackRock's Sustainable Investing team consists of over 40 professionals across 9 offices globally (as of December 31st, 2021) who are dedicated to providing our firm and our clients with a clear picture of the relationship between sustainability issues, risk and long-term financial performance. The team acts as BlackRock's center of excellence on sustainable investing, with team members dedicated to driving sustainability content to innovate, partner and educate the firm and our clients on sustainability issues. The team's three key areas of focus include:</p> <p>The team's four key areas of focus include:</p> <ul style="list-style-type: none"> Research and Insight ESG Integration Investment Solutions Aladdin Sustainability 	<p>Yes</p>

<p>Do you rely on any third parties to provide ESG and Climate Change related analysis/research?</p>	<p>Currently, BlackRock leverages third-party ESG data in addition to in-house research in order to gather company-level information on key ESG indicators.</p> <p>Our third-party sources include MSCI, ISS-Ethix, RepRisk, Sustainalytics, Refinitiv, Bloomberg, and others listed below. We routinely engage with investment research providers about our views on emerging issues and the type of research we would find useful.</p> <p>Providers*: MSCI, Sustainalytics, Refinitiv, Bloomberg, RepRisk, Verisk Maplecroft, ISS-Ethix, SASB, CDP, Rhodium, Clarity AI and Baringa.</p> <ul style="list-style-type: none"> • While BlackRock leverages the above third-party sources to conduct ESG research, not all data sources are currently available within Aladdin tools. 	<p>MSCI ESG: Our primary source for ESG data. MSCI ESG data and analysis is used to systematically screen client portfolios for ESG risks, identify priority companies for engagement and to inform company analysis.</p> <p>ISS: ISS supplies us with custom research based on our own in-house corporate governance guidelines (which are updated annually based on country-specific best practice standards). Research provided by ISS is used to inform our vote execution as well as company engagement.</p> <p>Broker Research: All members of the Responsible Investment team have access to broker research. The team uses this content to stay on top of market trends, identify companies for engagement and to inform company, market or topic specific research. Examples of Brokers with solid ESG offerings include Kepler Cheuvreux, Natixis, Societe Generale, HSBC and Morgan Stanley.</p> <p>Sustainalytics: Used for landmine and cluster munition screening.</p> <p>Bloomberg: Bloomberg terminals are used to perform qualitative as well as quantitative analysis on a multitude of topics. In particular, Bloomberg has proven useful for linking ESG with financial data to determine the materiality of particular ESG issues.</p> <p>Non-Governmental Organisations(NGO's): Examples include Transparency International (anti-corruption), Oxfam, CERES and Human Rights Watch. Research provided by NGO's is used to identify priority companies and identify priority companies for engagement.</p> <p>Other: Our research is also informed by our networks that may provide briefings and publications, including the UN PRI, International Corporate Governance Network and Asian Corporate Governance Association.</p>
<p>Do you create your own ESG or Climate Change related scores?</p>	<p>Yes-The complex risks and opportunities associated with sustainability macro trends are materializing and will continue to accelerate in the medium term. We believe that there are resulting winners and losers, and with that in mind, we have developed a proprietary ESG scoring framework to capture companies' likelihood of mitigating risks and capturing opportunities associated with sustainability factors.</p> <p>Investors can now sift through hundreds, sometimes thousands of ESG-related datapoints on a given company, many of which were not available a few years ago. Crucially, only a fraction of these materially affect financial performance. We view disparities among measurement methodologies as market inefficiencies that enhance the opportunity to capture outperformance. BlackPEARL is a framework for measuring the sustainable attributes of companies with an investment materiality lens.</p> <p>BlackPEARL is a research-driven framework that combines quantitative and qualitative research using a systematic data driven approach to deliver unique ESG investment insights. It leverages multiple sources of data, including proprietary BlackRock information, and takes over 250 individual KPIs that capture the sustainable characteristics of companies across environmental, social and governance themes.</p> <p>The materiality matrix of BlackPEARL was built through a combination of insights. The starting point is the SASB framework which defines a list of material ESG indicators across 77 industries. We then overlay our own insights around issues that we fundamentally believe will have a higher impact on companies' financial performance going forward.</p>	<p>Yes</p>

<p>Does your company have a policy on equality and diversity in the workplace?</p>	<p>As part of its long-term commitment, BlackRock has instituted a multi-year DEI strategy that we believe is actionable, measurable, and designed to be relevant and applicable in different parts of the world. We review our DEI strategy at least annually, along with the corporate policies and programs that support it, so that the strategy remains aligned with the firm's business priorities and long-term objectives.</p> <p>BlackRock's DEI strategy centers on three key pillars:</p> <ol style="list-style-type: none"> 1. BlackRock's Talent and Culture across the Globe – by attracting, hiring, developing and retaining a diverse talent pipeline, cultivating an inclusive, equitable work environment in which employees feel connected to the culture and supported in pursuit of their goals, and fostering a connected culture among the firm's approximately 17,000 employees 2. BlackRock's Role as a Fiduciary on Behalf of Clients – leveraging ESG focused financial products as competitive differentiators and strengthening client relationships by engaging them on DEI 3. Policy and Social Impact in Underserved Communities – continuing to increase transparency on diversity disclosures and contributing to and investing in the long-term success and sustainability of underserved communities <p>BlackRock embraces the responsibility it has to its employees and to the communities in which it operates, but also recognizes the scale and depth of realizing success and the sustained focus and efforts required to advance DEI at BlackRock and beyond.</p>	<p>Yes</p>
<p>Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?</p>	<p>As part of our 2021 commitments, we are focused on providing greater transparency to our clients particularly around the ESG and temperature characteristics of their portfolios. By the end of 2021, all public passive funds will publish a temperature alignment metric for our public equity and bond funds, for markets with sufficiently reliable data. These metrics will play an important role in investor allocation decisions as clients seek to decarbonise their portfolio. A cross-sectional team of data scientists, climate specialists, programmers, and investors are taking on this challenge to develop and action a plan to provide an intellectually honest, industry-leading temperature alignment methodology.</p> <p>Announcing the proportion of our assets under management that are currently aligned to net zero. As a follow on from our commitment to provide temperature alignment metrics for our public equity and bond funds, we will calculate and report the proportion of our AUM that is consistent with our net zero aims. These efforts in transparency and reporting build on the ESG reporting efforts we have undertaken in the last few years. We have been providing ESG and business involvement data on our ETF product pages since 2019 – as of the end of 2020, this data is available for all BlackRock mutual funds and ETFs globally, through our website and fund factsheets.</p> <p>To further enhance this reporting at the fund level we also included ESG integration statements on product pages and where possible engagement and voting statistics.</p>	<p>Yes - Quarterly and annually</p>
<p>Do ESG related factors get considered with respect to performance management of investment companies and funds?</p>	<p>Yes, as part of the firm wide approach to ESG integration.</p>	<p>Yes</p>
<p>Are you signatories of the FRC UK Stewardship Code or equivalent?</p>	<p>BlackRock is a Tier 1 signatory to the UK Stewardship Code and has been a signatory since April 2010. We are aware of the expectations inherent in the 2020 revision of the Code and have submitted our 2020 required reporting in line with those expectations to the FRC's ahead of the 31 March 2021 deadline. We are awaiting response now from the FRC.</p> <p>As a fiduciary investor, BlackRock undertakes all investment stewardship engagements and proxy voting to understand and hold company leadership accountable for their actions that impact the value of our clients' assets. Our program applies to companies in all sectors and geographies, and irrespective of whether a holding is index only or index and active. BlackRock's stewardship activities are carried out by BlackRock Investment Stewardship, which is positioned as an investment function.</p>	<p>Yes</p>

Fund Manager ESG Credentials

Questions	Insight	JP Morgan	Legal & General
Do you have an ESG policy that is integrated into the investment process?	Yes	Yes	Yes, 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.
Do you have a firm ESG rating?	No	Yes	<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, ICSCA and UN PRI for our:</p> <ul style="list-style-type: none"> • Engagement activities disclosure • Market-wide involvement in lobbying activities • Strong implementation of ESG and corporate governance matters into our stewardship activities.
Please provide your UNPRI survey scores	<p>2020 Scores:</p> <p>Strategy & Governance: A+</p> <p>Fixed Income - SSA: A+</p> <p>Fixed Income - Corporate Financial: A+</p> <p>Fixed Income - Corporate Non-Financial: A+</p> <p>Fixed Income - Securitised: A+</p>	<p>2020 scores:</p> <p>Strategy & Governance: A+</p> <p>Private Equity: A</p> <p>Listed Equity - Incorporation: A</p> <p>Listed Equity - Active Ownership: B</p> <p>Fixed Income - SSA: A</p> <p>Fixed Income - Corporate Financial: B</p> <p>Fixed Income - Corporate Non-Financial: B</p> <p>Fixed Income - Securitised: B</p> <p>Private Equity: A</p> <p>Property: A</p> <p>Infrastructure: A</p>	<p>2020 scores:</p> <p>Strategy & Governance: A+</p> <p>Listed Equity - Incorporation: A+</p> <p>Listed Equity - Active Ownership: A+</p> <p>Fixed Income - SSA: A+</p> <p>Fixed Income - Corporate Financial: A</p> <p>Fixed Income - Corporate Non-Financial: A</p> <p>Property: A</p>
Do you have a Climate Change policy that is integrated into the investment process?	<p>Yes. Our purpose is to create investment solutions that give clients financial certainty. This cannot come at the expense of a deteriorating natural environment or unmanageable climate-related events. We believe Insight has a responsibility to manage environment-related risks and outcomes for our clients.</p> <p>It is important to examine broader environmental issues than climate change alone because we identify broader impacts from climate issues, such as on water, biodiversity, land, waste, marine life and health. Delivering on our commitment is a holistic responsibility, affecting our corporate actions, the investments we make, and interactions with the wider financial community.</p> <p>The Insight Environment Policy</p> <ol style="list-style-type: none"> 1. Minimise the environmental impact of our corporate activities 2. Deliver clients investment solutions aligned with their environmental objectives 3. Strive to hold issuers accountable for their environmental responsibilities 4. Manage investment environment risks and support environmental transition activities 5. Operate internal processes to manage environmental risk issues and deliver transparency 	Yes	Yes

<p>Are Senior Management accountable for ESG or Climate Change risks?</p>	<p>Yes, the Insight Responsible Oversight Committee (IROC) is the principle governance group with oversight and accountability for responsible investment across investment, commercial development and communications activities, and corporate and social responsibility (CSR) programmes.</p> <p>The purpose of the Committee is to set the strategic priorities and apply appropriate oversight to ensure responsible investment and CSR performance aligns with Insight's organisational objectives. The Committee's focus includes climate change including oversight and accountability for climate strategy and policy, as well as overseeing investment and operational activities.</p> <p>Additionally, the IROC oversees a range of sub-governance groups focused on different aspects of our commitment to responsible investment on behalf of our clients. These governance groups include representation from investment, client, commercial, operations, product, legal, risk and marketing divisions. Joshua Kendall, Head of Responsible Investment Research and Stewardship, has responsibility, along with our Corporate Risk Team, for managing the scope, procedures and documentation for each group, which is described in full within the terms of reference documentation reviewed and approved by the IROC.</p>	<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.</p> <p>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.</p> <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • 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. <p>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.</p> <p>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>
<p>Do you have a dedicated team that considers ESG and Climate Change related factors?</p>	<p>Yes, Insight's approach to responsible investment is the responsibility of the relevant investment teams and decision-makers, supported by our dedicated Responsible Investment Team. The Responsible Investment Team is co-led by Robert Sawbridge (Head of Responsible Investment Solutions) and Joshua Kendall (Head of Responsible Investment Research and Stewardship). Rob and Josh are supported by Nimisha Sodha (ESG Analyst), Tudor Thomas (ESG Quantitative Researcher) and Alex Verissimo (ESG Analyst).</p>	<p>Yes</p>	<p>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.</p> <p>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>

<p>Do you rely on any third parties to provide ESG and Climate Change related analysis/research?</p>	<p>To assist with our governance assessment and how a company's management team responds to environmental and social issues, we use our proprietary risk-centric, corporate Insight ESG score, Prime. This quantitative framework effectively integrates our analysts' research, and supplemented with data from multiple third-party data providers, generates an ESG rating and momentum signal for a wide range of entities. We incorporate raw ESG data from four full ESG datasets; MSCI, Sustainalytics, VigeoEiris, and CDP climate change and water metrics. We also use the Bloomberg legal entities for credit risk datasets to map the ESG records to all issuers within a credit risk tree. Raw data from these data providers is mapped and assigned global company identifiers and ultimate parent identifiers before being added to our ESG database. ESG data can provide evidence that management has adopted and implemented appropriate policies, systems and controls to manage risks and comply with relevant codes, laws and regulations, and go beyond them to meet the expectations of key stakeholders.</p>	<p>No</p>	<p>Yes - Bloomberg, CDP, Diligent, HSBC, InfluenceMap, ISS, IVIS, Maplecroft, Refinitiv, RepRisk, Sustainalytics</p> <p>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>
<p>Do you create your own ESG or Climate Change related scores?</p>	<p>To assist with our governance assessment and how a company's management team responds to environmental and social issues, we use our proprietary risk-centric, corporate Insight ESG score, Prime. This quantitative framework effectively integrates our analysts' research, and supplemented with data from multiple third-party data providers, generates an ESG rating and momentum signal for a wide range of entities. We incorporate raw ESG data from four full ESG datasets; MSCI, Sustainalytics, VigeoEiris, and CDP climate change and water metrics. We also use the Bloomberg legal entities for credit risk datasets to map the ESG records to all issuers within a credit risk tree. Raw data from these data providers is mapped and assigned global company identifiers and ultimate parent identifiers before being added to our ESG database. ESG data can provide evidence that management has adopted and implemented appropriate policies, systems and controls to manage risks and comply with relevant codes, laws and regulations, and go beyond them to meet the expectations of key stakeholders.</p>	<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.</p> <p>We have identified 30 ESG indicators based on our expertise and experience in corporate reporting, corporate disclosures and transparency.</p> <p>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>
<p>Does your company have a policy on equality and diversity in the workplace?</p>	<p>Yes, it is the policy of Insight and all its entities, to provide equal employment opportunity to all applicants and employees by establishing employment practices that provide for non-discriminatory treatment in accordance with all applicable laws, regulations and orders. Insight is committed to providing equal employment opportunities to all employees and applicants by establishing employment practices and terms, conditions and privileges of employment regardless of race, disability, religion or belief or creed, colour, gender or sex, gender re-assignment, national origin, age, marriage or civil partnership, ancestry, citizenship, ethnic origin, sexual orientation, pregnancy or maternity or other factors prohibited by law. This policy has the full support and commitment of the Chief Executive Officer and senior management of the company.</p>	<p>Yes</p>	<p>We recognise everyone is different and we want to embrace and celebrate these differences. Our commitment to promoting a positive approach to equality of opportunity via a diverse and inclusive workforce applies to all employment policies and practices, including those relating to:</p> <ul style="list-style-type: none"> • recruitment and selection • terms and conditions of employment • working environment • training and development • promotion and career progression • redundancy and redeployment <p>We ensure our diversity and inclusion principles and goals are met through a variety of means. These may include:</p> <ul style="list-style-type: none"> • assigning groupwide and divisional goals and targets. • encouraging focused action on D&I through objective setting, performance, and reward. • tracking progress against goals internally and using data to inform decision-making. • gathering insight from our people (include those who've just left and those new to L&G). • engaging our people proactively on different themes to raise profile, educate and inspire action. <ul style="list-style-type: none"> • celebrating diverse voices and perspectives. • investing in learning and development. • benchmarking L&G's progress externally and gathering perspective from specialists outside the firm.

<p>Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?</p>	<p>The sixth point of our Responsible Investment Policy states that we aim to deliver on our commitments and our beliefs by exercising transparency and disclosing our activities. We believe we should be held accountable for the actions that we take and for the outcomes that we achieve. We report annually on our approach to responsible investment. We discuss our actions and their impact to reflect on our successes and failures, to highlight the lessons we have learned and to set out our priorities for action.</p> <p>Clients invested in corporate credit are able to receive ESG reporting as part of their monthly, quarterly or annual reporting requirements, regardless of whether their mandate includes specific ESG exclusions, constraints or targets. This includes Insight's proprietary risk-centric, corporate Insight ESG score, Prime, and carbon footprint data.</p> <p>For mandates that are managed with bespoke ESG criteria, we have vast experience in providing clear and transparent reporting that is highly customised, to reflect the specific guidelines, restrictions, customised exclusion lists, impact themes and ESG filters.</p> <p>Additionally, we work with clients to create bespoke ESG reporting, including themes such as engagement, positive impact and Paris alignment.</p>	<p>Yes. More often than quarterly.</p>	<p>Yes - Quarterly</p>
<p>Do ESG related factors get considered with respect to performance management of investment companies and funds?</p>	<p>Our credit analysts are responsible for making recommendations to portfolio managers with respect to the industries and sectors that they cover. Portfolio managers are therefore responsible, not only for the performance of their strategies, but also for setting the credit and sector strategy (where appropriate) and for security selection - by taking recommendations from the Credit Analysis Team.</p> <p>As part of the fundamental analysis undertaken by our credit analysts, they make an assessment of ESG risks and are also responsible for ongoing engagement with issuers.</p> <p>We have formally integrated analysis of ESG factors into our credit analysis for over a decade, and we continually consider ways to further enhance and build on our approach. In 2016, we reinforced this integration, linking our credit analysts' annual performance appraisal with their analysis of relevant ESG risks in their research. Portfolio managers responsible for dedicated ESG strategies or mandates with client specified ESG criteria will also be appraised on their performance. The outcome of the performance appraisal is linked closely to any discretionary compensation element.</p> <p>Performance is assessed and evaluated considering an individual's contribution to the overall client mandate, team and business performance, and culture. We aim to reward most highly those individuals who help the team to perform strongly. A team culture is an essential part of the way we conduct our business and our remuneration policy is designed to encourage this.</p>	<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:</p> <ul style="list-style-type: none"> • 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>	<p>We submitted responses to the FRC on 16 March 2021 and received feedback on 1 September 2021 that our submission was unsuccessful. Whilst our Stewardship Report had not met the standard to become a signatory on this occasion, we are confident that addressing the areas identified in FRC's feedback will make our next application more likely to be successful. For example, our report referred to other documents to evidence our stewardship activity. However, our Stewardship Report needed to demonstrate our application of the principles and reporting expectations in a single document. FRC did not review these other documents in their assessment, and we believe that by including some of this information within our revised report it will lead to a successful re-application. To support our re-application to be recognised as a signatory to the Code, we have fully addressed this and other feedback in the redraft, including sourcing an external review of the revised submission. We provided the FRC with an updated submission which we are confident addresses all the areas that were highlighted as inadequate by the FRC. We expect a response from FRC in due course.</p>	<p>Yes</p>	<p>Yes - 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>

Engagement

Activity	BlackRock IJF Dynamic Diversified Growth Fund	BMO LDI Regular Profile Leveraged Nominal Gilt Fund	BMO LDI Regular Profile Leveraged Real Gilt Fund
How many engagements have you had with companies in the past 12 months?	825		
How many engagements were made regarding climate change?	Engagement Themes Governance: 693 (84%) Social: 283 (34%) Environmental: 546 (66%)	H1 2021 Total engagements - 52 Companies Engaged - 15	H1 2021 Total engagements - 52 Companies Engaged - 15
How many engagements were made regarding board diversity?	Engagement Topics E - Climate Risk Management: 411 (50%) E - Environmental Impact Management: 159 (19%) E - Operational Sustainability: 301 (36%) S - Human Capital Management: 227 (28%) S - Social Risks and Opportunities: 150 (18%) G - Board Composition & Effectiveness: 350 (42%) G - Business Oversight/Risk Management: 176 (21%) G - Corporate Strategy: 260 (32%) G - Executive Management: 98 (12%) G - Governance Structure: 159 (19%) G - Remuneration: 319 (39%)	H2 2021 Total engagements - 40 Companies Engaged - 14	H2 2021 Total engagements - 40 Companies Engaged - 14
How many engagements were made regarding waste reduction?		LDI portfolios are very different to traditional equity or bond portfolios and so our engagement programme primarily focuses on trading counterparties and clearing members. This engagement work is structured both in terms of prioritisation (both in terms of companies to whom we have the greatest exposure and to companies whom we feel have the greatest ESG deficiencies) and in terms of progress monitoring against predefined milestones.	LDI portfolios are very different to traditional equity or bond portfolios and so our engagement programme primarily focuses on trading counterparties and clearing members. This engagement work is structured both in terms of prioritisation (both in terms of companies to whom we have the greatest exposure and to companies whom we feel have the greatest ESG deficiencies) and in terms of progress monitoring against predefined milestones.
How many engagements were made regarding financials?			
How many engagements were made regarding other issues?	(Engagements include multiple company meetings during the year with the same company, and most engagement conversations cover multiple topics)		
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: 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	Not provided	Not provided	Not provided
Please discuss some of the key engagements and outcomes from the last 12 months.	Not provided	Counterparty: HSBC Holdings Plc Engagement Themes: Labour Standards Milestones: Coal exit confirmed Counterparty: JP Morgan Chase & Co. Engagement Themes: Climate Change Milestones: Deforestation policies adopted Counterparty: Banco Santander SA Engagement Themes: Climate change Milestones: Committed to net-zero GHG financed emissions by 2050, and align power generation portfolio with Paris Agreement by 2030 Counterparty: Deutsche Bank AG Engagement Themes: Climate change Milestones: Committed to decarbonize its credit and investment portfolios by 2050 Counterparty: Royal Bank of Canada Engagement Themes: Climate change Milestones: Committed to align financing portfolio to Paris Agreement and achieve group net zero carbon emissions by 2050	Counterparty: HSBC Holdings Plc Engagement Themes: Labour Standards Milestones: Coal exit confirmed Counterparty: JP Morgan Chase & Co. Engagement Themes: Climate Change Milestones: Deforestation policies adopted Counterparty: Banco Santander SA Engagement Themes: Climate change Milestones: Committed to net-zero GHG financed emissions by 2050, and align power generation portfolio with Paris Agreement by 2030 Counterparty: Deutsche Bank AG Engagement Themes: Climate change Milestones: Committed to decarbonize its credit and investment portfolios by 2050 Counterparty: Royal Bank of Canada Engagement Themes: Climate change Milestones: Committed to align financing portfolio to Paris Agreement and achieve group net zero carbon emissions by 2050

Voting

Activity	BlackRock IJF Dynamic Diversified Growth Fund	BMO LDI Regular Profile Leveraged Nominal Gilt Fund	BMO LDI Regular Profile Leveraged Real Gilt Fund
Do you conduct your own votes?	Yes, these are conducted by our BlackRock Investment Stewardship team	Not applicable for this fund	Not applicable for this fund
Do you use a third party to vote on your behalf?	<p>BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS). The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.</p> <p>While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.</p>	Not applicable for this fund	Not applicable for this fund
How many votes were proposed across the underlying companies in the fund?	12458	Not applicable for this fund	Not applicable for this fund
How many times did you vote in favour of management?	11679	Not applicable for this fund	Not applicable for this fund
How many times did you vote against management?	779	Not applicable for this fund	Not applicable for this fund
How many votes did you abstain from?	182	Not applicable for this fund	Not applicable for this fund
Please discuss some of the key votes and outcomes from the last 12 months.	<p>Woodside Petroleum Ltd. 15/04/2021 Summary: Approve the Amendments to the Company's Constitution Proposed by Market Forces How you voted: Against Rationale: Shareholder proposals best facilitated through regulatory changes. Outcome: Fail</p> <p>Johnson & Johnson 22/04/2021 Summary: Report on Civil Rights Audit How you voted: For Rationale: Supportive of company's efforts to date on these issues. Proposal support based on nature of the proposal. Outcome: Fail</p> <p>Rio Tinto Limited 06/05/2021 Summary: Approve Emissions Targets How you voted: For Rationale: We believe it is in the best interests of shareholders to have access to greater disclosure on this issue. Outcome: Pass</p>	Not applicable for this fund	Not applicable for this fund
Other	BlackRock IJF Dynamic Diversified Growth Fund	BMO LDI Regular Profile Leveraged Nominal Gilt Fund	BMO LDI Regular Profile Leveraged Real Gilt Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Not provided	Not Provided	Not Provided
What is the target turnover rate for the portfolio?	Not provided	Not Provided	Not Provided
What was the actual turnover rate over the last 12 months?	Not provided	Not Provided	Not Provided

Engagement

Activity	BMO LDI Regular Profile Nominal Swap Fund	Insight LDI Partially Funded Gilts 2041-2050	Insight LDI Partially Funded Gilts 2051-2060
How many engagements have you had with companies in the past 12 months?			
How many engagements were made regarding climate change?	<p>H1 2021 Total engagements - 52 Companies Engaged - 15</p>		
How many engagements were made regarding board diversity?	<p>H2 2021 Total engagements - 40 Companies Engaged - 14</p>		
How many engagements were made regarding waste reduction?	<p>LDI portfolios are very different to traditional equity or bond portfolios and so our engagement programme primarily focuses on trading counterparties and clearing members. This engagement work is structured both in terms of prioritisation (both in terms of companies to whom we have the greatest exposure and to companies whom we feel have the greatest ESG deficiencies) and in terms of progress monitoring against predefined milestones.</p>	<p>The LDI Funds aim to outperform in the long term against a set of cashflows discounted using either gilt or swap rates. The fund does not invest in instruments applicable to this question.</p>	<p>The LDI Funds aim to outperform in the long term against a set of cashflows discounted using either gilt or swap rates. The fund does not invest in instruments applicable to this question.</p>
How many engagements were made regarding financials?			
How many engagements were made regarding other issues?			
<p>Which form of engagement is most representative of the approach taken for this fund over the last 12 months: 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>			
<p>Please discuss some of the key engagements and outcomes from the last 12 months.</p>	<p>Counterparty: HSBC Holdings Plc Engagement Themes: Labour Standards Milestones: Coal exit confirmed</p> <p>Counterparty: JP Morgan Chase & Co. Engagement Themes: Climate Change Milestones: Deforestation policies adopted</p> <p>Counterparty: Banco Santander SA Engagement Themes: Climate change Milestones: Committed to net-zero GHG financed emissions by 2050, and align power generation portfolio with Paris Agreement by 2030</p> <p>Counterparty: Deutsche Bank AG Engagement Themes: Climate change Milestones: Committed to decarbonize its credit and investment portfolios by 2050</p> <p>Counterparty: Royal Bank of Canada Engagement Themes: Climate change Milestones: Committed to align financing portfolio to Paris Agreement and achieve group net zero carbon emissions by 2050</p>	<p>ICMA, EFAMA - Q1 2022</p> <p>Summary - Central Securities Depository Regulation (CSDR)</p> <p>Description - We provided Together with our proprietary questionnaire - their responses highlighted two areas of weakness, namely:</p> <ol style="list-style-type: none"> 1. Environmental stress tests and monitoring environmental risks across their loan book 2. No inclusion of explicit climate risk analysis within their underwriting process beyond standard practice. 3. Lack of carbon data and environmental metrics from originator 'data tapes' that are provided at new issue and at regular intervals. 4. Weak process to cope with changing circumstances by underlying borrowers. <p>Engagement Result - In the UK, HMT has announced it will not be adopting these EU rules post-Brexit. In Europe, ESMA has requested a survey on this topic to understand the issues further, and European Commission's consultation seeks views on this in advance of the review on this regulation.</p> <p>ESMA concluded that mandatory buy-in provisions will not apply from Feb 2022 as per our, and industry's advocacy position.</p>	<p>ICMA, EFAMA - Q1 2022</p> <p>Summary - Central Securities Depository Regulation (CSDR)</p> <p>Description - We provided Together with our proprietary questionnaire - their responses highlighted two areas of weakness, namely:</p> <ol style="list-style-type: none"> 1. Environmental stress tests and monitoring environmental risks across their loan book 2. No inclusion of explicit climate risk analysis within their underwriting process beyond standard practice. 3. Lack of carbon data and environmental metrics from originator 'data tapes' that are provided at new issue and at regular intervals. 4. Weak process to cope with changing circumstances by underlying borrowers. <p>Engagement Result - In the UK, HMT has announced it will not be adopting these EU rules post-Brexit. In Europe, ESMA has requested a survey on this topic to understand the issues further, and European Commission's consultation seeks views on this in advance of the review on this regulation.</p> <p>ESMA concluded that mandatory buy-in provisions will not apply from Feb 2022 as per our, and industry's advocacy position.</p>

Voting

Activity	BMO LDI Regular Profile Nominal Swap Fund	Insight LDI Partially Funded Gilts 2041-2050	Insight LDI Partially Funded Gilts 2051-2060
Do you conduct your own votes?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
Do you use a third party to vote on your behalf?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many votes were proposed across the underlying companies in the fund?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many times did you vote in favour of management?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many times did you vote against management?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many votes did you abstain from?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
Please discuss some of the key votes and outcomes from the last 12 months.	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund

Other	BMO LDI Regular Profile Nominal Swap Fund	Insight LDI Partially Funded Gilts 2041-2050	Insight LDI Partially Funded Gilts 2051-2060
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Not Provided	Not provided	Not provided
What is the target turnover rate for the portfolio?	Not Provided	Not provided	Not provided
What was the actual turnover rate over the last 12 months?	Not Provided	Not provided	Not provided

Engagement

Activity	Insight LDI Partially Funded Gilts 2061-2070	Insight LDI Partially Funded Index-Linked Gilts 2041-2050	JP Morgan Unconstrained Bond Fund
How many engagements have you had with companies in the past 12 months?	The LDI Funds aim to outperform in the long term against a set of cashflows discounted using either gilt or swap rates. The fund does not invest in instruments applicable to this question.	The LDI Funds aim to outperform in the long term against a set of cashflows discounted using either gilt or swap rates. The fund does not invest in instruments applicable to this question.	Over 300
How many engagements were made regarding climate change?			This data is not systematically tracked for this portfolio
How many engagements were made regarding board diversity?			This data is not systematically tracked for this portfolio
How many engagements were made regarding waste reduction?			This data is not systematically tracked for this portfolio
How many engagements were made regarding financials?			This data is not systematically tracked for this portfolio
How many engagements were made regarding other issues?			This data is not systematically tracked for this portfolio
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: 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			Sending bespoke letters to companies Standard period engagement with companies Active private engagement on specific issues
Please discuss some of the key engagements and outcomes from the last 12 months.	<p style="text-align: center;">ICMA, EFAMA - Q1 2022</p> <p>Summary - Central Securities Depository Regulation (CSDR)</p> <p>Description - We provided Together with our proprietary questionnaire - their responses highlighted two areas of weakness, namely:</p> <ol style="list-style-type: none"> 1. Environmental stress tests and monitoring environmental risks across their loan book 2. No inclusion of explicit climate risk analysis within their underwriting process beyond standard practice. 3. Lack of carbon data and environmental metrics from originator 'data tapes' that are provided at new issue and at regular intervals. 4. Weak process to cope with changing circumstances by underlying borrowers. <p>Engagement Result - In the UK, HMT has announced it will not be adopting these EU rules post-Brexit. In Europe, ESMA has requested a survey on this topic to understand the issues further, and European Commission's consultation seeks views on this in advance of the review on this regulation.</p> <p>ESMA concluded that mandatory buy-in provisions will not apply from Feb 2022 as per our, and industry's advocacy position.</p>	<p style="text-align: center;">ICMA, EFAMA - Q1 2022</p> <p>Summary - Central Securities Depository Regulation (CSDR)</p> <p>Description - We provided Together with our proprietary questionnaire - their responses highlighted two areas of weakness, namely:</p> <ol style="list-style-type: none"> 1. Environmental stress tests and monitoring environmental risks across their loan book 2. No inclusion of explicit climate risk analysis within their underwriting process beyond standard practice. 3. Lack of carbon data and environmental metrics from originator 'data tapes' that are provided at new issue and at regular intervals. 4. Weak process to cope with changing circumstances by underlying borrowers. <p>Engagement Result - In the UK, HMT has announced it will not be adopting these EU rules post-Brexit. In Europe, ESMA has requested a survey on this topic to understand the issues further, and European Commission's consultation seeks views on this in advance of the review on this regulation.</p> <p>ESMA concluded that mandatory buy-in provisions will not apply from Feb 2022 as per our, and industry's advocacy position.</p>	<p style="text-align: center;">Veolia Environnement</p> <p>In 2021 we saw a significant number of intra-year adjustments to compensation plan metrics and targets due to the financial impact from COVID-19. These were common in the travel and travel-related industries (e.g., cruises / airlines), the restaurant industry, and mall-based retail among other areas. We evaluated modifications on a case by case basis to determine if they were reasonable and in line with the interest of long-term shareholders. We engaged with a variety of companies to help make these determinations. In some cases, we concluded modifications were acceptable. This was often when the company was significantly impacted by COVID-19, compensation committees exercised discretion to cap compensation at target or below, and executive retention was a legitimate concern. In other cases we were uncomfortable with the modifications - such as in the case of Veolia Environnement.</p> <p>Concerns were raised with a number of companies making modifications and adjustments to compensation plan metrics and targets due to the financial impact from COVID-19. Veolia, a French utility company, was impacted by the COVID-19 pandemic, which resulted in it lowering its financial targets and drawing on state support through the crisis.</p>
Continued			As a result of our concerns, we determined to escalate our engagement by voting against the CEO pay at the AGM. However, despite our concerns, the resolution was passed at the AGM. Following the vote, we engaged further with the company to ensure that compensation policies provide clear visibility and confidence for shareholders in the long-term planning of the company as well as to establish stretching targets which cannot be adjusted mid-plan. We will continue to monitor and engage the company ahead of the next AGM.

Voting

Activity	Insight LDI Partially Funded Gilts 2061-2070	Insight LDI Partially Funded Index-Linked Gilts 2041-2050	JP Morgan Unconstrained Bond Fund
Do you conduct your own votes?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
Do you use a third party to vote on your behalf?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many votes were proposed across the underlying companies in the fund?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many times did you vote in favour of management?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many times did you vote against management?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many votes did you abstain from?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
Please discuss some of the key votes and outcomes from the last 12 months.	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund

Other	Insight LDI Partially Funded Gilts 2061-2070	Insight LDI Partially Funded Index-Linked Gilts 2041-2050	JP Morgan Unconstrained Bond Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Not provided	Not provided	Yes
What is the target turnover rate for the portfolio?	Not provided	Not provided	Not provided
What was the actual turnover rate over the last 12 months?	Not provided	Not provided	199.00%

Engagement

Activity	L&G Life AF Over 15 Year Gilts Index Fund	L&G Life AR Cash Fund	L&G Life DB World Equity Index Fund
How many engagements have you had with companies in the past 12 months?			
How many engagements were made regarding climate change?			
How many engagements were made regarding board diversity?			
How many engagements were made regarding waste reduction?			
How many engagements were made regarding financials?			
How many engagements were made regarding other issues?			
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: 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 style="text-align: center;">Year to 31/03/22</p> <p>Total number of engagements: 31</p> <p>Environmental topics: 26</p> <p>Governance topics: 8</p> <p>Social topics: 15</p> <p>Other topics: 1</p>	<p style="text-align: center;">Year to 31/03/22</p> <p>Total number of engagements: 9</p> <p>Environmental topics: 8</p> <p>Social topics: 2</p> <p>Governance topics: 4</p> <p>Other: n/a</p>	<p style="text-align: center;">Year to 31/03/22</p> <p>Total number of engagements: 501</p> <p>Environmental topics: 257</p> <p>Governance topics: 182</p> <p>Social topics: 237</p> <p>Other topics: 82</p>
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: 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	Not provided	Not provided	Not provided
Please discuss some of the key engagements and outcomes from the last 12 months.	Not provided	Not provided	Not provided

Voting

Activity	L&G Life AF Over 15 Year Gilts Index Fund	L&G Life AR Cash Fund	L&G Life DB World Equity Index Fund
Do you conduct your own votes?	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.	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.	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.
Do you use a third party to vote on your behalf?	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.	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.	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.
How many votes were proposed across the underlying companies in the fund?	Not applicable for this fund	Not applicable for this fund	36675
How many times did you vote in favour of management?	Not applicable for this fund	Not applicable for this fund	80.18%
How many times did you vote against management?	Not applicable for this fund	Not applicable for this fund	18.97%
How many votes did you abstain from?	Not applicable for this fund	Not applicable for this fund	0.85%
Please discuss some of the key votes and outcomes from the last 12 months.	Not applicable for this fund	Not applicable for this fund	<p style="text-align: center;">Amazon.com, Inc. 26/05/2021</p> <p>Summary - Resolution 1a Elect Director Jeffrey P. Bezos Vote - Against Rationale - LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we are voting against all combined board chair/CEO roles. Furthermore, we have published a guide for boards on the separation of the roles of chair and CEO, and we have reinforced our position on leadership structures across our stewardship activities – e.g. via individual corporate engagements and director conferences. Outcome - 95.1% of shareholders supported the resolution</p> <p style="text-align: center;">Intel 13/05/2021</p> <p>Summary - Resolution 5 Report on Global Median Gender/Racial Pay Gap Vote - LGIM voted for the resolution (management recommendation: against)</p>
Continued			<p>Rationale - Transparency: A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. For 10 years, we have been using our position to engage with companies on this issue. As part of our efforts to influence our investee companies on having greater gender balance, we expect all companies in which we invest globally to have at least one female on their board. Please note we have stronger requirements in the UK, North American, European and Japanese markets, in line with our engagement in these markets. Outcome - 14.3 % of shareholders supported the resolution.</p>

Other	L&G Life AF Over 15 Year Gilts Index Fund	L&G Life AR Cash Fund	L&G Life DB World Equity Index Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes - the fund produces approximately 0.6 Weighted Average Carbon Emissions Scope 1 + Scope 2 Tonnes per \$1 million EVIC as of 31st March 2022	Yes - the fund produces approximately 0.3 Weighted Average Carbon Emissions Scope 1 + Scope 2 Tonnes per \$1 million EVIC as of 31st March 2022	Not provided
What is the target turnover rate for the portfolio?	Not provided	Not provided	Not provided
What was the actual turnover rate over the last 12 months?	-0.28% (Calculated using information provided by LGIM and the FCA definition of portfolio turnover: [(Purchase of securities + Sales of securities) - (Subscription of units + Redemption of units)] ÷ [(Average Fund Value over 12 months) x 100].)	-1.14% (Calculated using information provided by LGIM and the FCA definition of portfolio turnover: [(Purchase of securities + Sales of securities) - (Subscription of units + Redemption of units)] ÷ [(Average Fund Value over 12 months) x 100].)	-0.59% (Calculated using information provided by LGIM and the FCA definition of portfolio turnover: [(Purchase of securities + Sales of securities) - (Subscription of units + Redemption of units)] ÷ [(Average Fund Value over 12 months) x 100].)

Engagement

Activity	L&G Life DW Investment Grade Corporate Bond Over 15 Year Index Fund	L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund	L&G Life FABR Fixed Long Duration Fund
How many engagements have you had with companies in the past 12 months?	Not provided	Not applicable for this fund	Not applicable for this fund
How many engagements were made regarding climate change?		Not applicable for this fund	Not applicable for this fund
How many engagements were made regarding board diversity?		Not applicable for this fund	Not applicable for this fund
How many engagements were made regarding waste reduction?		Not applicable for this fund	Not applicable for this fund
How many engagements were made regarding financials?		Not applicable for this fund	Not applicable for this fund
How many engagements were made regarding other issues?		Not applicable for this fund	Not applicable for this fund
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: 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	Not provided	Not applicable for this fund	Not applicable for this fund
Please discuss some of the key engagements and outcomes from the last 12 months.	Not provided	Not applicable for this fund	Not applicable for this fund

Voting

Activity	L&G Life DW Investment Grade Corporate Bond Over 15 Year Index Fund	L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund	L&G Life FABR Fixed Long Duration Fund
Do you conduct your own votes?	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.	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.	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.
Do you use a third party to vote on your behalf?	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.	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.	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.
How many votes were proposed across the underlying companies in the fund?	Not applicable for this fund	9	Not applicable for this fund
How many times did you vote in favour of management?	Not applicable for this fund	100%	Not applicable for this fund
How many times did you vote against management?	Not applicable for this fund	0%	Not applicable for this fund
How many votes did you abstain from?	Not applicable for this fund	0%	Not applicable for this fund
Please discuss some of the key votes and outcomes from the last 12 months.	Not applicable for this fund	There were no significant votes made in relation to the securities held by this fund during the reporting period.	Not applicable for this fund

Other	L&G Life DW Investment Grade Corporate Bond Over 15 Year Index Fund	L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund	L&G Life FABR Fixed Long Duration Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Not provided	Yes - the fund produces approximately 64.1 Weighted Average Carbon Emissions Scope 1 + Scope 2 Tonnes per \$1 million EVIC as of 31st March 2022	Yes - the fund produces approximately 0.6 Weighted Average Carbon Emissions Scope 1 + Scope 2 Tonnes per \$1 million EVIC as of 31st March 2022
What is the target turnover rate for the portfolio?	Not provided	Not provided	Not provided
What was the actual turnover rate over the last 12 months?	-0.03% (Calculated using information provided by LGIM and the FCA definition of portfolio turnover: [(Purchase of securities + Sales of securities) - (Subscription of units + Redemption of units)] ÷ [(Average Fund Value over 12 months) x 100].)	-0.11% (Calculated using information provided by LGIM and the FCA definition of portfolio turnover: [(Purchase of securities + Sales of securities) - (Subscription of units + Redemption of units)] ÷ [(Average Fund Value over 12 months) x 100].)	Not provided

Activity	L&G Life FABS Real Short Duration Fund	L&G Life FABT Real Long Duration Fund	L&G Life HC Over 15 Year Index-Linked Gilts Index Fund
How many engagements have you had with companies in the past 12 months?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many engagements were made regarding climate change?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many engagements were made regarding board diversity?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many engagements were made regarding waste reduction?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many engagements were made regarding financials?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many engagements were made regarding other issues?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: 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	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
Please discuss some of the key engagements and outcomes from the last 12 months.	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund

Voting

Activity	L&G Life FABS Real Short Duration Fund	L&G Life FABT Real Long Duration Fund	L&G Life HC Over 15 Year Index-Linked Gilts Index Fund
Do you conduct your own votes?	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.	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.	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.
Do you use a third party to vote on your behalf?	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.	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.	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.
How many votes were proposed across the underlying companies in the fund?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many times did you vote in favour of management?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many times did you vote against management?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
How many votes did you abstain from?	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund
Please discuss some of the key votes and outcomes from the last 12 months.	Not applicable for this fund	Not applicable for this fund	Not applicable for this fund

Other	L&G Life FABS Real Short Duration Fund	L&G Life FABT Real Long Duration Fund	L&G Life HC Over 15 Year Index-Linked Gilts Index Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes - the fund produces approximately 0.6 Weighted Average Carbon Emissions Scope 1 + Scope 2 Tonnes per \$1 million EVIC as of 31st March 2022	Yes - the fund produces approximately 0.6 Weighted Average Carbon Emissions Scope 1 + Scope 2 Tonnes per \$1 million EVIC as of 31st March 2022	Yes - the fund produces approximately 72.1 Weighted Average Carbon Emissions Scope 1 + Scope 2 Tonnes per \$1 million EVIC as of 31st March 2022
What is the target turnover rate for the portfolio?	Not provided	Not provided	Not provided
What was the actual turnover rate over the last 12 months?	Not provided	Not provided	-0.12% (Calculated using information provided by LGIM and the FCA definition of portfolio turnover: [(Purchase of securities + Sales of securities) - (Subscription of units + Redemption of units)] ÷ [(Average Fund Value over 12 months) x 100].)