



John Smedley Limited Staff Pension and Life Assurance Scheme

31 December 2022

Background and Implementation Statement

Background

The regulatory landscape continues to evolve as 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 Report

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'). The Scheme's current SIP is dated 2 June 2023.

The Implementation Report 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
- voting behaviour covering the reporting year up to 31 December 2022 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf

Summary of key actions undertaken over the Scheme reporting year

Over the reported year, the Scheme implemented a new investment strategy. The new strategy uses fixed-interest and index-linked gilts to target a 100% hedge ratio on inflation and interest rates. A new asset class, multi-asset credit, was also introduced to increase the expected return above the return on UK Government bonds from 0.4% to 0.6% per annum.

Implementation Statement

This report demonstrates that John Smedley Limited Staff Pension and Life Assurance Scheme has adhered to its investment principles and its policies for managing financially material consideration including ESG factors and climate change.

Managing risks and policy actions

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 100% of these risks.	<p>The Scheme invests in corporate bonds, gilt, and index-linked gilt-based funds which aim to match some of the changes in the present value of the liabilities, as a result of changes in interest rates.</p> <p>The Scheme invests in index-linked gilt funds which aim to match some of the changes in the present value of the liabilities, as a result of changes in inflation.</p>
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members' benefits as they fall due (including transfer values).	The Scheme's assets are traded on a daily 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 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.	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.	<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. Responsible Investment ('RI') Policy / Framework 2. Implemented via Investment Process 	As part of the investment management of the Scheme's assets, the Trustee is expected to, where relevant, assess the integration of ESG factors in the investment process of underlying managers by considering the ESG ratings

		<p>3. A track record of using engagement and any voting rights to manage ESG factors</p> <p>4. ESG specific reporting</p> <p>5. UN PRI Signatory</p> <p>The Trustees monitor the managers on an ongoing basis.</p>	<p>provided by the Investment Advisor.</p>
Currency	<p>The potential for adverse currency movements to have an impact on the Scheme's investments.</p>	<p>To invest in GBP denominated share classes where possible.</p>	<p>All the Scheme's investments are in GBP denominated share classes.</p>

Changes to the SIP

During the 12-month period to 31 December 2022, there was a new SIP compiled and signed, this reflected the new investment strategy. The Trustee consulted with the Employer before adopting the new SIP. Following the Scheme year end the SIP has also been updated to reflect the recent regulatory requirements.

Policies added to the SIP

Date updated: May 2022 for the new investment strategy and May 2023 to reflect regulatory changes

Voting Policy - How the Trustees expect investment managers to vote on their behalf

- The Trustee has acknowledged responsibility for the voting policies that are implemented by the Scheme's investment managers on their behalf.

Engagement Policy - How the Trustees will engage with investment managers, direct assets and others about 'relevant matters'

- The Trustee has acknowledged responsibility for the engagement policies that are implemented by the Scheme's investment managers on their behalf.
- The Trustees, via their investment advisers, will engage with managers about 'relevant matters' at least annually.
- Example stewardship activities that the Trustees have considered are listed below.
 - Selecting and appointing asset and fiduciary managers – the Trustees will consider potential managers' stewardship policies and activities
 - Asset manager engagement and monitoring – on an annual basis, the Trustees assess the voting and engagement activity of their asset managers. The results of this analysis feeds into the Trustees' investment decision making
- Collaborative investor initiatives – the Trustees will consider joining/ supporting collaborative investor initiatives.

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 manager. These policies are reviewed as part of the consideration of pooled investments. As such, the Trustee has given their 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 reviews the investment managers' ESG and stewardship policies from time to time.

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 their Investment Advisor and 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.

Engagement and Voting

The Trustee has appointed Mobius Life as the platform provider which implements policies on their 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 investment. When requesting data annually, Mobius Life informs the managers what they deem most significant.

Please see attached document from Mobius Life for details on engagement and voting actions including a summary of the activity, covering the 12-month period ending 31 December 2022.

John Smedley Limited Staff Pension and Life Assurance Scheme - IS0009191

ESG REPORT – 31-Dec-2022



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

Statement Date: 31-Dec-2022

Fund	Value (£)	% Holding
L&G Life AA All Stocks Gilt Index Fund	1,213,343.65	21.71%
L&G Life NG Under 15 Year Index Linked Gilt Fund	1,000,772.10	27.73%
L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund	1,521,512.25	17.31%
M&G Total Return Credit Investment Fund	1,329,546.81	14.28%
L&G Life AP Over 5 Year Index-Linked Gilts Index Fund	1,943,991.33	18.97%

Fund	Fund Manager ESG Credentials	Fund ESG Credentials	
	Data Provided by FM as at	% Qs answered	Data Provided by FM as at
L&G Life NG Under 15 Year Index Linked Gilt Fund	31/12/2022	75	31/12/2022
L&G Life AA All Stocks Gilt Index Fund	31/12/2022	75	31/12/2022
L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund	31/12/2022	75	31/12/2022
M&G Total Return Credit Investment Fund	31/12/2022	90	31/12/2022
L&G Life AP Over 5 Year Index-Linked Gilts Index Fund	31/12/2022	75	31/12/2022

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	Legal and General (LGIM)		
<p>Do you have an ESG policy that is integrated into the investment process?</p>	<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>	<p>Are Senior Management accountable for ESG or Climate Change risks?</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. 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>
<p>Do you have a firm ESG rating?</p>	<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>	<p>Do you have a dedicated team that considers ESG and Climate Change related factors?</p>	<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>

Questions	Legal and General (LGIM)		
Please provide your UNPRI survey scores		Do you rely on any third parties to provide ESG and Climate Change related analysis/research?	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.
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 and funds?	<p>Yes</p> <p>ESG factors are embedded into our evaluation of investment opportunities across many investment strategies to identify unrewarded risk, and protect and enhance the long-term value of all our clients' investments. Our investment framework is designed with several objectives in mind: • Encouraging companies to improve their behaviour, and the quality of their ESG disclosures, we can raise the standards of entire markets, and help generate sustainable, long-term returns for our clients • Assessing a company's ESG risks: we see unmanaged</p>	Are you signatories of the FRC UK Stewardship Code or equivalent?	<p>Yes</p> <p>LGIM has been a signatory to the UK Stewardship Code every year since its inception and we provide copies of our responses on our website.</p>

Fund Manager Business Response

Questions	Legal and General (LGIM)		
	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.		

Questions	M&G Investments		
Do you have an ESG policy that is integrated into the investment process?	Yes Yes	Are Senior Management accountable for ESG or Climate Change risks?	Yes Yes
Do you have a firm ESG rating?	No	Do you have a dedicated team that considers ESG and Climate Change related factors?	Yes Yes
Please provide your UNPRI survey scores	A+	Do you rely on any third parties to provide ESG and Climate Change related analysis/research?	Yes Yes, MSCI, ISS, Eikon & RepRisk
Do you have a Climate Change policy that is integrated into the investment process?	Yes Yes	Do you create your own ESG or Climate Change related scores	Yes Yes
Does your company have a policy on equality and diversity in the workplace?	Yes Yes	Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?	Yes Yes, Annually
Do ESG related factors get considered with respect to performance management of investment companies and funds?	Yes	Are you signatories of the FRC UK Stewardship Code or equivalent?	Yes Yes

Activity	L&G Life NG Under 15 Year Index Linked Gilt Fund		
How many engagements have you had with companies in the past 12 months?	34	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. To ensure our proxy provider votes in
How many engagements were made regarding climate change?	21	Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
How many engagements were made regarding board diversity?	3	How many votes were proposed across the underlying companies in the fund?	
How many engagements were made regarding waste reduction?		How many times did you vote in favour of management?	
How many engagements were made regarding financials?		How many times did you vote against management?	
How many engagements were made regarding other issues?	2	How many votes did you abstain from?	
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> • 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 		Please discuss some of the key votes and outcomes from the last 12 months.	
Please discuss some of the key engagements and outcomes from the last 12 months.		Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes - the fund produces approximately 179.2 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 December 2022
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	-0.76%

Activity	L&G Life AA All Stocks Gilt Index Fund		
How many engagements have you had with companies in the past 12 months?	34	Do you conduct your own votes?	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically

Activity	L&G Life AA All Stocks Gilt Index Fund		
			vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in
How many engagements were made regarding climate change?	21	Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
How many engagements were made regarding board diversity?	3	How many votes were proposed across the underlying companies in the fund?	
How many engagements were made regarding waste reduction?		How many times did you vote in favour of management?	
How many engagements were made regarding financials?		How many times did you vote against management?	
How many engagements were made regarding other issues?	2	How many votes did you abstain from?	
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> • 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 		Please discuss some of the key votes and outcomes from the last 12 months.	
Please discuss some of the key engagements and outcomes from the last 12 months.		Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes - the fund produces approximately 179.2 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 December 2022
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	0.06%

Activity	L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund		
How many engagements have you had with companies in the past 12 months?	193	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. To ensure our proxy provider votes in

Activity	L&G Life EB Investment Grade Corporate Bond All Stocks Index Fund		
How many engagements were made regarding climate change?	59	Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
How many engagements were made regarding board diversity?	29	How many votes were proposed across the underlying companies in the fund?	4
How many engagements were made regarding waste reduction?		How many times did you vote in favour of management?	4
How many engagements were made regarding financials?		How many times did you vote against management?	0
How many engagements were made regarding other issues?	38	How many votes did you abstain from?	0
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> • 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 		Please discuss some of the key votes and outcomes from the last 12 months.	
Please discuss some of the key engagements and outcomes from the last 12 months.		Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes - the fund produces approximately 141.6 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 December 2022
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	-0.07%

Activity	M&G Total Return Credit Investment Fund		
How many engagements have you had with companies in the past 12 months?		Do you conduct your own votes?	Not applicable for this fund
How many engagements were made regarding climate change?		Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	Not applicable for this fund

Activity	M&G Total Return Credit Investment Fund		
How many engagements were made regarding board diversity?		How many votes were proposed across the underlying companies in the fund?	
How many engagements were made regarding waste reduction?		How many times did you vote in favour of management?	
How many engagements were made regarding financials?		How many times did you vote against management?	
How many engagements were made regarding other issues?		How many votes did you abstain from?	
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> • 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 		Please discuss some of the key votes and outcomes from the last 12 months.	
Please discuss some of the key engagements and outcomes from the last 12 months.		Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Not provided
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	

Activity	L&G Life AP Over 5 Year Index-Linked Gilts Index Fund		
How many engagements have you had with companies in the past 12 months?		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. To ensure our proxy provider votes in
How many engagements were made regarding climate change?		Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
How many engagements were made regarding board diversity?		How many votes were proposed across the underlying companies in the fund?	

Fund Manager Product Response

Activity	L&G Life AP Over 5 Year Index-Linked Gilts Index Fund		
How many engagements were made regarding waste reduction?		How many times did you vote in favour of management?	
How many engagements were made regarding financials?		How many times did you vote against management?	
How many engagements were made regarding other issues?		How many votes did you abstain from?	
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> • 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 		Please discuss some of the key votes and outcomes from the last 12 months.	
Please discuss some of the key engagements and outcomes from the last 12 months.		Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes - the fund produces approximately 179.2 Weighted Average Carbon Emissions Scope 1 + Scope 2 (Tonnes CO2e per 1 million USD Invested) as of 31 December 2022
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	0.10%

Important Information

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

The value of investments, and the income from them, may go down as well as up and investors may not get back the amount originally invested. Where an investment is denominated in a currency other than sterling, changes in exchange rates between currencies may cause investment values or income to rise or fall. Past performance should not be seen as a reliable indicator of future results. Any past performance quoted is based on dealing valuations.

Within a fund, the asset allocations and choice of asset managers are at the discretion of Mobius Life and may change without notification to the investor.

Where a fund is invested with another Life Company by means of a reinsurance arrangement, Mobius Life monitors the way the reinsurer manages its business, but does not guarantee the solvency of the reinsurer, so the risk of default by the reinsurer is borne by policyholders who invest in the relevant fund(s).

A Liability Driven Investment (LDI) is a specialist fund that uses sophisticated techniques to meet its objective. An LDI fund may invest in a range of assets such as derivatives, swaps and bonds which individually may have a high degree of risk, be difficult to sell in stressed markets and/or be unregulated by the Financial Conduct Authority. Leverage is used as part of the management of an LDI fund, this can increase the overall volatility of the fund and any events that adversely affect the value of an investment would be magnified to the extent that leverage is employed.

All information is sourced to Mobius Life unless otherwise stated.

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