



PUBLIC TRANSPARENCY REPORT

2023

Royal London Asset Management

Generated 15-12-2023

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| SLS 1 | CORE | N/A | N/A | PUBLIC | Senior Leadership Statement | GENERAL |

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Royal London Asset Management is committed to being a responsible investor, we believe it's the right thing to do and that better-run companies make better investments. We have been a market leader in the sustainable-investing space for two decades before integrating environmental, social and governance (ESG) criteria became a major part of the asset management industry. For us, these issues have never fallen under the 'nice to have' banner – ESG has been fundamental to the way we analyse and invest in companies for many years.

Being a responsible investor means being a good steward of our clients' assets and promoting responsible investment and good governance across all asset classes.

Alongside this, we also believe that considering environmental, social and governance (ESG) issues in the investment process can help us deliver better returns for our customers and clients. Responsibility also applies to how we manage ourselves as well. We recognise that as a leader in a major UK industry, we have a contribution to make to society in a wider sense, as well as investing assets for clients. Being a diverse and inclusive company isn't something we do to tick a box – we believe that a more diverse and inclusive workforce, working in an open and friendly environment, leads to better results for our clients. Ultimately, we need to make sure that we get the best people, with the right values, seeking the right outcomes.

We see ourselves as 'active owners'. So we engage with the companies whose shares and bonds we hold on behalf of our clients. 'Engagement' covers a range of activities, from visible ones such as voting at company meetings, to joining trade associations or lobby groups, talking to company management about more traditional issues such as corporate strategy, financial performance as well as executive pay and equally important areas such as cyber security, mental health or biodiversity.

Responsible investment is embedded in our investment philosophy and implemented across our business in two ways: Stewardship and ESG Integration.

Stewardship:

Being long-term stewards of our clients' capital is a core part of how we make investment decisions, monitor companies and influence outcomes. As responsible investors, we have two important tools that we can use to embed and implement our stewardship responsibilities: Engagement and Voting.

ESG Integration:

Integrating, analysing and assessing ESG issues across our funds helps us better manage investment risks and opportunities, including Principle Adverse Impacts (PAIs) where applicable.

We believe those companies best prepared for a more sustainable future are more likely to deliver long-term returns for clients, as governments, regulators and consumers continue to focus on delivering a better future for society and the environment. Each investment team is responsible for considering ESG factors and PAIs in their investment processes, alongside financial and other non-financial factors.

Fund managers and analysts review and analyse ESG and climate issues when determining the suitability of an investment for their funds or mandates.

Our Responsible Investment (RI) team supports fund managers and provides subject matter expertise, with the aim of helping identify ESG risks and PAIs and supporting teams to integrate them into investment decision making. The RI team provides ESG insights, analysis and challenge through informal conversations, formal ESG portfolio reviews, and via proxy voting and ESG research. The team's regular reviews provide an opportunity for Royal London Asset Management to document ESG conversations and are illustrative of our collaborative approach, with both investment teams and the RI team responsible for contributing ideas and agenda items for discussion.

At Royal London Asset Management we have made the commitment to achieving net zero by 2050 and reducing our carbon equivalent emissions by 50% by 2030 for our in-scope assets, using 2020 as the baseline year.

Our in-scope assets are those in funds managed and controlled by Royal London Asset Management and segregated mandates where clients made explicit commitments to net zero. Our commitment is based on the expectation that governments and policy makers will deliver on their commitments to achieve the goals of the Paris Agreement and that this action does not contravene our fiduciary duty.

We are actively working to support our external clients with assets in segregated mandates where they have made an explicit commitment to achieving net zero, as disclosed to the NZAM initiative.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

We are continuing to enhance and improve our approach to stewardship and responsible investing because we know it's what our clients want and because it's the right thing to do. We have invested heavily in our capabilities over the last few years. In 2022, we grew our dedicated responsible investment (RI) team to 18 people, including 5 new colleagues in our 'RI Futures Academy' – a comprehensive training programme to develop future RI leaders. We also continued to enhance the skills and capabilities of our investment teams, bringing on additional resources, data, and tools to support fund management and ESG integration, and to help launch new products.

We have developed our ESG Dashboard and fund analytics tools, which now give us the ability to undertake deep-dive climate data analytics and engagement reporting on our funds.

Our ESG information is stored centrally in our proprietary web-based system and is accessible by our investment teams. As part of the ESG dashboard, we have developed a 'Responsible Investment Assessment' or RIA, a proprietary ESG+C (climate) scoring model: using a variety of internal and external data, we construct company or issuer-level scores. During the year we increased the resources available on the dashboard, including Climate, Sustainability Accounting Standards Board (SASB), regulatory and other 3rd party data. We also added data on Principal Adverse Impacts (PAIs) to help investment teams meet new EU regulatory requirements. We finalised a bespoke approach to scoring governance for our credit teams.

The score is built on the same foundations as our approach to equities but allows us to apply our governance evaluation to private issuers or those with more limited public disclosures.

Our engagement with companies continues to be core to our approach to responsible investing. This year we put a significant amount of focus on our net zero engagement – identifying our top emitting companies across the assets that we manage, putting them through a rigorous evaluation, and then engaging to align their business models with net zero.

We have been actively engaging with more companies asking for better disclosure to help us understand company-specific climate risk. We are targeting more sectors and companies on the 'just transition' and have sharpened our expectations and ways of assessing progress on companies' net zero plans.

We have developed a comprehensive engagement programme on net zero. Our objective is to evaluate and influence companies representing 70% of our financed emissions. This is a key component of RLAM's commitment to work with clients, companies, and governments to help achieve net zero.

Engagement supports the transition of companies and their assets, and in turn helps protect our clients' investments. We update our engagement company list each year to reflect changes in portfolio holdings, weightings or emissions. As part of our programme, we evaluate, request and, where possible, help companies progress towards delivering decarbonisation plans. To establish which companies to prioritise in our 2022 engagement efforts, we assessed the financed emissions data across our equities and corporate fixed income holdings across all portfolios as at the end of 2021. We prioritised our investee companies based on their scopes 1, 2 and 3 emissions, to ensure we encompass all activities and target companies with the most impact.

In 2022 we engaged with 393 companies on 22 ESG topics.

This consisted of independent engagement and collaborative engagement. Collaborative engagement:

In 2022 Royal London Asset Management led a collaboration with a selection of our clients on our cyber security engagement project and our water utilities engagement project. We also engaged in a number of collaborative initiatives throughout the year which can be found on page 90 of our 2023 Stewardship and Responsible Investment Report.

We continued our work on cybersecurity, water utilities, workforce engagement and ethnic diversity – projects we have been running for several years now.

In addition we started new research and engagement projects on gender diversity in Japan, biodiversity, corporate culture and mental health.

In 2022 we won several awards across the business for our work in responsible and sustainable investment:

1. Insurance Asset Risk Awards - investment Team of the year - Sustainable
2. Professional Adviser Awards 2022 (Adviser Firm of the Year)
- 3.

Moneyfacts ethical Star Ratings - 4 Star Ratings for Royal London Sustainable Managed Income and Royal London Sustainable Managed Growth

4. ESG Clarity - Global ESG Fixed Income - Active (Royal London Global Sustainable Credit)

In 2022 Morningstar upgraded our ESG commitment level rating from 'basic' to 'advanced'. We are long-term advocates of the importance of responsible investment, and we've continued to build on our ESG proposition.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

One of Royal London Asset Management's key strategic priorities for 2023 is to 'Put Responsible Investment (RI) at the heart of RLAM.' In 2022, we engaged an external consulting firm to work with us to determine our ambition level and to identify the gaps we needed to address to be a leader in Responsible Investment. We created the RI Programme to fully embed RI across all business function within Royal London Asset Management and to address the recommendations from the external consultation.

For the next year we have set six workstreams to deliver the programme:

- DNA & Strategy
- People & Culture
- Investment Principles & Implementation
- Products
- Clients & Marketing
- Governance, Risk & Controls

Net zero:

Our objective is to evaluate and influence through engagement with issuers representing 70% of our corporate financed emissions, by 2030, pushing for adoption of emissions reduction targets linked to science-based sector specific alignment methodologies such as the Science-Based Targets initiative (SBTi) and climate transition plans.

We also expect the proportion of our Assets Under Management (AUM) to be managed in line with net zero to increase over time as a result of client engagement, methodology development in particular asset classes and the development of climate solutions. We will continue reviewing the progress of our implementation and commitments on an annual basis as part of our future Climate Report disclosures.

Measuring sustainability outcomes:

Most ESG data, including the data in our ESG Dashboard and analytics tools, is focused on assessing the impact of ESG issues on company financial performance (i.e.

ESG risks and opportunities). However, it is becoming increasingly important to understand sustainability impacts and outcomes – both positive and negative – of company activities in the real world. Regulatory interventions are pushing us in this direction, asking us to report on our negative PAIs, but we also want to show our clients the positive outcomes of our investment decisions. That is why we have been exploring how we can measure 'sustainability outcomes' in a credible and authentic way. In 2022 we worked closely with our investment teams to develop a framework for evaluating and reporting on sustainability outcomes starting with two funds from our Sustainable range: Global Sustainable Equity and Global Sustainable Credit.

Our aim is that these reports will give an independent and objective assessment of the environmental and social outcomes of the companies in these funds. We learned a lot as we developed our framework, and we will look to adapt, improve and embed more outcomes-oriented thinking into future ESG research, data and tools with the hope of disclosing more information on our Outcomes.

Engagement priorities:

For 2024 -2026 we will update our six engagement priorities, currently our 2022 - 2024 engagement priorities are; Climate change, Social & financial inclusion, Health, Innovation, technology & society, Governance and corporate culture, and Biodiversity. To achieve best outcomes for our clients we focus our time and attention on issues we feel are most material to our investments and where we think engagement can have the biggest impact on ESG outcomes.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Piers Hillier

Position

Chief Investment Officer

Organisation's Name

Royal London Asset Management

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

B

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| OO 1 | CORE | N/A | N/A | PUBLIC | Reporting year | GENERAL |

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

| | Date | Month | Year |
|--|------|-------|------|
| Year-end date of the 12-month period for PRI reporting purposes: | 31 | 12 | 2022 |

SUBSIDIARY INFORMATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| OO 2 | CORE | N/A | OO 2.1 | PUBLIC | Subsidiary information | GENERAL |

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------|---------------|
| OO 4 | CORE | OO 3 | N/A | PUBLIC | All asset classes | GENERAL |

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 177,059,000,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-----------------|---------------|
| OO 5 | CORE | OO 3 | Multiple indicators | PUBLIC | Asset breakdown | GENERAL |

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

| | (1) Percentage of Internally managed AUM | (2) Percentage of Externally managed AUM |
|-----------------------|--|--|
| (A) Listed equity | 34.97% | 0% |
| (B) Fixed income | 49.81% | 0% |
| (C) Private equity | 0% | 0.33% |
| (D) Real estate | 5.81% | 0% |
| (E) Infrastructure | 0% | 0% |
| (F) Hedge funds | 0% | 0% |
| (G) Forestry | 0% | 0% |
| (H) Farmland | 0% | 0% |
| (I) Other | 7.46% | 1.62% |
| (J) Off-balance sheet | 0% | 0% |

(I) Other - (1) Percentage of Internally managed AUM - Specify:

Commodities, Derivatives, Alternatives -Multi asset

(I) Other - (2) Percentage of Externally managed AUM - Specify:

Commodities, Derivatives, Alternatives -Multi asset, fund of funds

ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|-----------------|------------|--|---------------|
| OO 5.2 | CORE | OO 5, OO 5.1 | SAM 3, SAM 8 | PUBLIC | Asset breakdown: Externally managed assets | GENERAL |

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

| | (1) Segregated mandate(s) | (2) Pooled fund(s) or pooled investment(s) |
|--------------------|---------------------------|--|
| (E) Private equity | 100% | 0% |

ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| OO 5.3 LE | CORE | OO 5 | Multiple | PUBLIC | Asset breakdown: Internally managed listed equity | GENERAL |

Provide a further breakdown of your internally managed listed equity AUM.

| | |
|---------------------------|--------|
| (A) Passive equity | 0.57% |
| (B) Active – quantitative | 51.82% |
| (C) Active – fundamental | 47.61% |
| (D) Other strategies | 0% |

ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| OO 5.3 FI | CORE | OO 5 | Multiple | PUBLIC | Asset breakdown: Internally managed fixed income | GENERAL |

Provide a further breakdown of your internally managed fixed income AUM.

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA 35.5%

(D) Active – corporate 63%

(E) Securitised 1.5%

(F) Private debt 0%

ASSET BREAKDOWN: INTERNALLY MANAGED REAL ESTATE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| OO 5.3 RE | CORE | OO 5 | N/A | PUBLIC | Asset breakdown: Internally managed real estate | GENERAL |

Provide a further breakdown of your internally managed real estate AUM.

(A) Retail 26.7%

(B) Office 33.4%

(C) Industrial 34.2%

(D) Residential 0%

| | |
|-------------------------------------|------|
| (E) Hotel | 3.7% |
| (F) Lodging, leisure and recreation | 0.8% |
| (G) Education | 0% |
| (H) Technology or science | 0% |
| (I) Healthcare | 0% |
| (J) Mixed use | 0% |
| (K) Other | 1.2% |

(K) Other - Specify:

This include car show rooms and garages

MANAGEMENT BY PRI SIGNATORIES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| OO 6 | CORE | OO 5 | N/A | PUBLIC | Management by PRI signatories | GENERAL |

What percentage of your organisation’s externally managed assets are managed by PRI signatories?

60%

GEOGRAPHICAL BREAKDOWN

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------------|------------|------------|------------------------|---------------|
| OO 7 | CORE | Multiple, see guidance | N/A | PUBLIC | Geographical breakdown | GENERAL |

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

| | |
|--------------------------------|---------------|
| (A) Listed equity | (2) >0 to 10% |
| (B) Fixed income – SSA | (1) 0% |
| (C) Fixed income – corporate | (1) 0% |
| (D) Fixed income – securitised | (1) 0% |
| (F) Private equity | (1) 0% |
| (G) Real estate | (1) 0% |

STEWARDSHIP

STEWARDSHIP

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------------|---------------------|------------|-------------|---------------|
| OO 8 | CORE | Multiple, see guidance | Multiple indicators | PUBLIC | Stewardship | GENERAL |

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

| | (1) Listed equity - active | (2) Listed equity - passive | (3) Fixed income - active | (5) Private equity | (6) Real estate | (11) Other |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (A) Yes, through internal staff | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Yes, through service providers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) Yes, through external managers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (D) We do not conduct stewardship | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

STEWARDSHIP: (PROXY) VOTING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------------|---------------------|------------|-----------------------------|---------------|
| OO 9 | CORE | Multiple, see guidance | Multiple indicators | PUBLIC | Stewardship: (Proxy) voting | GENERAL |

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

| | (1) Listed equity - active | (2) Listed equity - passive |
|--------------------------------------|-------------------------------------|-------------------------------------|
| (A) Yes, through internal staff | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Yes, through service providers | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) Yes, through external managers | <input type="checkbox"/> | <input type="checkbox"/> |
| (D) We do not conduct (proxy) voting | <input type="radio"/> | <input type="radio"/> |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|--------------------------------|---------------|
| OO 9.1 | CORE | OO 9 | PGS 10.1, PGS 31 | PUBLIC | Stewardship: (Proxy) voting | GENERAL |

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active (11) >90 to <100%

(B) Listed equity - passive (12) 100%

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------------|---------------------|------------|---------------------------|---------------|
| OO 11 | CORE | Multiple, see guidance | Multiple indicators | PUBLIC | Internally managed assets | 1 |

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(A) Listed equity - passive

(B) Listed equity - active - quantitative

(C) Listed equity - active - fundamental

(E) Fixed income - SSA

| | | |
|--|----------------------------------|-----------------------|
| (F) Fixed income - corporate | <input checked="" type="radio"/> | <input type="radio"/> |
| (G) Fixed income - securitised | <input checked="" type="radio"/> | <input type="radio"/> |
| (J) Real estate | <input checked="" type="radio"/> | <input type="radio"/> |
| (V) Other: Commodities, Derivatives, Alternatives -Multi asset | <input checked="" type="radio"/> | <input type="radio"/> |

EXTERNAL MANAGER SELECTION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|----------------------------|---------------|
| OO 12 | CORE | OO 5, OO 5.1 | Multiple indicators | PUBLIC | External manager selection | 1 |

For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?

| | (1) Yes, we incorporate ESG factors when selecting external investment managers | (2) No, we do not incorporate ESG factors when selecting external investment managers |
|---|---|---|
| (E) Private equity | <input checked="" type="radio"/> | <input type="radio"/> |
| (K) Other: Commodities, Derivatives, Alternatives -Multi asset, fund of funds | <input checked="" type="radio"/> | <input type="radio"/> |

EXTERNAL MANAGER APPOINTMENT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|------------------------------|---------------|
| OO 13 | CORE | OO 5, OO 5.1 | Multiple indicators | PUBLIC | External manager appointment | 1 |

For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?

| | (1) Yes, we incorporate ESG factors when appointing external investment managers | (2) No, we do not incorporate ESG factors when appointing external investment managers |
|---|--|--|
| (E) Private equity | <input checked="" type="radio"/> | <input type="radio"/> |
| (K) Other: Commodities, Derivatives, Alternatives -Multi asset, fund of funds | <input checked="" type="radio"/> | <input type="radio"/> |

EXTERNAL MANAGER MONITORING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-----------------------------|---------------|
| OO 14 | CORE | OO 5, OO 5.1 | Multiple indicators | PUBLIC | External manager monitoring | 1 |

For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?

| | (1) Yes, we incorporate ESG factors when monitoring external investment managers | (2) No, we do not incorporate ESG factors when monitoring external investment managers |
|---|--|--|
| (E) Private equity | <input checked="" type="radio"/> | <input type="radio"/> |
| (K) Other: Commodities, Derivatives, Alternatives -Multi asset, fund of funds | <input checked="" type="radio"/> | <input type="radio"/> |

ESG IN OTHER ASSET CLASSES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|-----------------|------------|------------|----------------------------|---------------|
| OO 15 | CORE | OO 11, OO 12–14 | N/A | PUBLIC | ESG in other asset classes | 1 |

Describe how your organisation incorporates ESG factors into the following asset classes.

Internally managed (C) Other

Derivatives:

In 2022, we officially launched our new Dublin-domiciled, euro-denominated Multi Asset fund range. The funds invest in a blend of actively and passively managed single asset class funds with a derivative overlay for tactical asset allocation – an investment process that is in line with all other Royal London Multi Asset funds.

We understand the importance of applying high standards of corporate governance to the counterparty banks that we transact with the view that client money is safer when deposited with banks that have strong governance and high standards overall.

In the case where ethics and standards of financial counterparties come into question, we engage with counterparty banks. In the event that such engagement fails to provide a good outcome for clients, we have experience of moving away from these banks.

This fund range also invests in Royal London's Global Sustainable Equity fund which puts sustainability at the heart of the fund's overall investment objective.

Externally managed (F) Other

Commodities:

Another distinct aspect of our Multi Asset portfolios is the commodities allocation within our strategic asset allocations. These exposures enhance portfolio resilience in the event of unexpected bouts of inflation and have proved to be particularly beneficial in stabilising and enhancing portfolio returns over the course of 2022. Royal London does not own physical commodities; instead it takes exposure to instruments that producers and consumers use to agree prices at a specified future date. Commodity futures play an important role in the global economic system in providing pricing stability and certainty of future demand for both producers and consumers across crucial energy, metals, and agricultural commodity markets.

While Royal London cannot directly influence ESG matters through these instruments, we are well placed to influence ESG outcomes, primarily through the shares we hold in the companies involved. During 2022, we spent a significant amount of time undertaking research on how we can better incorporate ESG and climate considerations into our commodities exposure with a view to developing new products in this space.

Derivatives

The RLAM Multi Asset team also uses derivatives to implement dynamic tactical asset allocation in a time and cost-efficient way. Key governance factors are embedded through our oversight and 'best execution' processes. Analysis of ESG factors in counterparty risk is a key consideration when onboarding new counterparties, and RLAM has readily acted by moving exposures away from counterparties if a concern is raised.

ESG STRATEGIES

LISTED EQUITY

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|-------------------|------------|---------------|---------------|
| OO 17 LE | CORE | OO 11 | OO 17.1 LE, LE 12 | PUBLIC | Listed equity | 1 |

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

| | |
|-----------------------------------|-------|
| (A) Screening alone | 0% |
| (B) Thematic alone | 0% |
| (C) Integration alone | 0% |
| (D) Screening and integration | 42.6% |
| (E) Thematic and integration | 0% |
| (F) Screening and thematic | 0% |
| (G) All three approaches combined | 57.4% |
| (H) None | 0% |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|------------|-------------------|--------------|------------|------------|---------------|---------------|
| OO 17.1 LE | CORE | OO 17 LE | LE 9 | PUBLIC | Listed equity | 1 |

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

| | |
|---|--------|
| (A) Positive/best-in-class screening only | 0% |
| (B) Negative screening only | 86.38% |
| (C) A combination of screening approaches | 13.62% |

FIXED INCOME

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------|------------------------|------------|--------------|---------------|
| OO 17 FI | CORE | OO 5.3 FI, OO 11 | Multiple, see guidance | PUBLIC | Fixed income | 1 |

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?

| | (1) Fixed income - SSA | (2) Fixed income - corporate | (3) Fixed income - securitised |
|-------------------------------|------------------------|------------------------------|--------------------------------|
| (A) Screening alone | 0% | 0% | 0% |
| (B) Thematic alone | 0% | 0% | 0% |
| (C) Integration alone | 0% | 0% | 0% |
| (D) Screening and integration | 100% | 87% | 87% |

| | | | |
|-----------------------------------|----|-----|-----|
| (E) Thematic and integration | 0% | 0% | 0% |
| (F) Screening and thematic | 0% | 0% | 0% |
| (G) All three approaches combined | 0% | 13% | 13% |
| (H) None | 0% | 0% | 0% |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|------------|-------------------|--------------|------------|------------|--------------|---------------|
| OO 17.1 FI | CORE | OO 17 FI | N/A | PUBLIC | Fixed income | 1 |

What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?

| | (1) Fixed income - SSA | (2) Fixed income - corporate | (3) Fixed income - securitised |
|---|------------------------|------------------------------|--------------------------------|
| (A) Positive/best-in-class screening only | 0% | 0% | 0% |
| (B) Negative screening only | 100% | 94% | 94% |
| (C) A combination of screening approaches | 0% | 6% | 6% |

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| OO 18 | CORE | OO 11–14 | OO 18.1 | PUBLIC | Labelling and marketing | 1 |

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

28%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| OO 18.1 | CORE | OO 18 | OO 18.2 | PUBLIC | Labelling and marketing | 1 |

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

1.7%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| OO 18.2 | CORE | OO 18.1 | N/A | PUBLIC | Labelling and marketing | 1 |

Which ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB**
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM**
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard

- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- (AE) People's Bank of China green bond guidelines
- (AF) RIAA (Australia)
- (AG) Towards Sustainability label (Belgium)
- (AH) Other

PASSIVE INVESTMENTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------|-------------|------------|---------------------|---------------|
| OO 19 | CORE | OO 5.3 FI, OO 11 | LE 8, FI 10 | PUBLIC | Passive investments | 1 |

What percentage of your total internally managed passive listed equity and/or fixed income passive AUM utilise an ESG index or benchmark?

Percentage of AUM that utilise an ESG index or benchmark

| | |
|-----------------------------|------|
| (A) Listed equity - passive | 100% |
|-----------------------------|------|

THEMATIC BONDS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|--------------|------------|----------------|---------------|
| OO 20 | CORE | OO 17 FI | FI 15, FI 17 | PUBLIC | Thematic bonds | 1 |

What percentage of your total environmental and/or social thematic bonds are labelled by the issuers in accordance with industry-recognised standards?

Percentage of your total environmental and/or social thematic bonds labelled by the issuers

| | |
|--------------------------------------|-----|
| (A) Green or climate bonds | 64% |
| (B) Social bonds | 10% |
| (C) Sustainability bonds | 9% |
| (D) Sustainability-linked bonds | 17% |
| (E) SDG or SDG-linked bonds | 0% |
| (F) Other | 0% |
| (G) Bonds not labelled by the issuer | 0% |

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|---------------------|---------------------|------------|-----------------------------------|---------------|
| OO 21 | CORE | Multiple indicators | Multiple indicators | PUBLIC | Summary of reporting requirements | GENERAL |

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

| Applicable modules | (1) Mandatory to report (pre-filled based on previous responses) | (2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module | (2.2) Voluntary to report. No, I want to opt-out of reporting on the module |
|---|--|---|---|
| Policy, Governance and Strategy | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Confidence Building Measures | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (A) Listed equity – passive | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (B) Listed equity – active – quantitative | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (C) Listed equity – active – fundamental | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (E) Fixed income – SSA | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (F) Fixed income – corporate | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (G) Fixed income – securitised | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (J) Real estate | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (X) External manager selection, appointment and monitoring (SAM) – private equity | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

OTHER ASSET BREAKDOWNS

REAL ESTATE: BUILDING TYPE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|-----------------|------------|----------------------------|---------------|
| OO 24 | CORE | OO 21 | RE 1, RE 9 - 10 | PUBLIC | Real estate: Building type | GENERAL |

What is the building type of your physical real estate assets?

- (A) Standing investments
- (B) New construction
- (C) Major renovation

REAL ESTATE: OWNERSHIP LEVEL

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------|---------------|
| OO 25 | CORE | OO 21 | N/A | PUBLIC | Real estate: Ownership level | GENERAL |

What is the percentage breakdown of your physical real estate assets by the level of ownership?

- (A) A majority stake (more than 50%)
 - Select from the list:
 - (1) >0 to 10%
 - (2) >10 to 50%
 - (3) >50 to 75%
 - (4) >75%
- (B) A significant minority stake (between 10–50%)
- (C) A limited minority stake (less than 10%)

REAL ESTATE: MANAGEMENT TYPE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|------------------------------|---------------|
| OO 26 | CORE | OO 21 | RE 1, RE 6–8, RE 13 | PUBLIC | Real estate: Management type | GENERAL |

Who manages your physical real estate assets?

- (A) Direct management by our organisation
- (B) Third-party property managers that our organisation appoints
- (C) Other investors or their third-party property managers
- (D) Tenant(s) with operational control

SUBMISSION INFORMATION

REPORT DISCLOSURE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------|---------------|
| OO 32 | CORE | OO 3, OO 31 | N/A | PUBLIC | Report disclosure | GENERAL |

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|--|---------------|
| PGS 1 | CORE | OO 8, OO 9 | Multiple indicators | PUBLIC | Responsible investment policy elements | 1, 2 |

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------------------|------------|--|---------------|
| PGS 2 | CORE | PGS 1 | Multiple, see guidance | PUBLIC | Responsible investment policy elements | 1 |

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 3 | CORE | PGS 1, PGS 2 | N/A | PUBLIC | Responsible investment policy elements | 6 |

Which elements of your formal responsible investment policy(ies) are publicly available?

(A) Overall approach to responsible investment

Add link:

<https://rlam.com/globalassets/media/literature/policies/responsible-investment-policy/>

(B) Guidelines on environmental factors

Add link:

<https://www.rlam.com/globalassets/media/literature/policies/climate-risk-policy.pdf>

(C) Guidelines on social factors

(D) Guidelines on governance factors

Add link:

<https://www.rlam.com/globalassets/media/literature/policies/good-governance-policy.pdf>

(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

<https://www.rlam.com/globalassets/media/literature/policies/climate-risk-policy.pdf>

(I) Guidelines tailored to the specific asset class(es) we hold

Add link:

<https://www.rlam.com/uk/institutional-investors/policies-and-regulatory/>

(J) Guidelines on exclusions

Add link:

<https://www.rlam.com/globalassets/media/literature/policies/controversial-weapons-policy-june-22.pdf>

(K) Guidelines on managing conflicts of interest related to responsible investment

Add link:

<https://rlam.com/globalassets/media/literature/policies/responsible-investment-policy/>

(L) Stewardship: Guidelines on engagement with investees

Add link:

<https://rlam.com/globalassets/media/literature/policies/responsible-investment-policy/>

(O) Stewardship: Guidelines on (proxy) voting

Add link:

<https://www.rlam.com/globalassets/media/literature/policies/2022-uk-voting-policy.pdf>

(Q) No elements of our formal responsible investment policy(ies) are publicly available

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 4 | PLUS | PGS 1 | N/A | PUBLIC | Responsible investment policy elements | 1 – 6 |

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

(A) Yes

Elaborate:

Our goal at Royal London Asset Management is to be a leader in Responsible Investment. That means being a good steward of our clients' capital and integrating climate and environmental, social and governance (ESG) considerations into our investment decisions. For us, responsible investment needs to benefit companies, investors, society and the economy as a whole. In many ways, investing responsibly comes naturally to us because it reflects our broader Royal London Group purpose: "Protecting today, investing in tomorrow. Together we are mutually responsible." At Royal London Asset Management, we focus on providing our investment teams with the appropriate governance, tools, expertise and support to help them identify opportunities and avoid risks that, if unmanaged, would result in poorer outcomes for our customers and society. Having the capabilities to do this is more important than ever, as systemic and emerging ESG risks, such as climate change, will have an effect on long-term performance and, ultimately, our success as a business.

Being long-term stewards of our clients' capital is a core part of how we make investment decisions, monitor companies and influence outcomes. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to long-term benefits for the economy, the environment and society. It is our fiduciary duty to be good stewards of our clients' capital.

(B) No

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 5 | CORE | PGS 1 | N/A | PUBLIC | Responsible investment policy elements | 2 |

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 6 | CORE | PGS 1 | N/A | PUBLIC | Responsible investment policy elements | 2 |

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 7 | CORE | OO 9 | N/A | PUBLIC | Responsible investment policy elements | 2 |

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

<https://www.rlam.com/globalassets/media/literature/reports/stewardship-and-responsible-investment-report-2023.pdf>
<https://www.rlam.com/globalassets/media/literature/policies/2022-uk-voting-policy.pdf>

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

RESPONSIBLE INVESTMENT POLICY COVERAGE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 8 | CORE | PGS 1 | N/A | PUBLIC | Responsible investment policy coverage | 1 |

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment
 (B) Guidelines on environmental factors
 (C) Guidelines on social factors
 (D) Guidelines on governance factors

(7) 100%

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 9 | CORE | PGS 2 | N/A | PUBLIC | Responsible investment policy coverage | 1 |

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|-------------------|------------|------------|--|---------------|
| PGS 10 | CORE | OO 8, OO 9, PGS 1 | N/A | PUBLIC | Responsible investment policy coverage | 2 |

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(C) Private equity

(D) Real estate

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(I) Other

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|---------------|------------|------------|--|---------------|
| PGS 10.1 | CORE | OO 9.1, PGS 1 | N/A | PUBLIC | Responsible investment policy coverage | 2 |

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Passively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

GOVERNANCE

ROLES AND RESPONSIBILITIES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|----------------------------|---------------|
| PGS 11 | CORE | N/A | Multiple indicators | PUBLIC | Roles and responsibilities | 1 |

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

Chief Investment Officer

- (C) Investment committee, or equivalent

Specify:

Investment Committee

- (D) Head of department, or equivalent

Specify department:

Head of Responsible Investment

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|----------------------|------------|------------|----------------------------|---------------|
| PGS 11.1 | CORE | PGS 1, PGS 2, PGS 11 | N/A | PUBLIC | Roles and responsibilities | 1, 2 |

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

| | (1) Board members, trustees, or equivalent | (2) Senior executive-level staff, investment committee, head of department, or equivalent |
|---|---|--|
| (A) Overall approach to responsible investment | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Guidelines on environmental, social and/or governance factors | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (D) Specific guidelines on climate change (may be part of guidelines on environmental factors) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (G) Guidelines tailored to the specific asset class(es) we hold | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (H) Guidelines on exclusions | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (I) Guidelines on managing conflicts of interest related to responsible investment | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (J) Stewardship: Guidelines on engagement with investees | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (M) Stewardship: Guidelines on (proxy) voting | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies) | <input type="radio"/> | <input type="radio"/> |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 11.2 | CORE | N/A | N/A | PUBLIC | Roles and responsibilities | 1 – 6 |

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

(A) Yes

Describe how you do this:

We commit our time and expertise as advisors to trade associations or bodies that advocate responsible investing and good stewardship practices. In 2022, our advocacy activity was mostly through participating in various industry initiatives. We also work collaboratively with our parent company, Royal London Group, and with select clients to maximise our collective impact as an organisation. The Royal London Group External Affairs Director is responsible for ensuring we apply a consistent and purpose-driven approach to our policy and political engagement across the Group.

Royal London Asset Management participation in industry initiatives, some consist of:

- Investment Association: We are a sustainability Committee member and a participant in the climate change working group. Within 2022 we reviewed the draft SDR and provided feedback for discussion and consultation papers, including defining sustainable and impact investing. We also defined impact investing in public and private markets.
- Institutional Investors Group on Climate Change: we are on the utility sector working group (co-chair). Over 2022 we contributed to a letter for European utilities on energy security and affordability considerations and proactive lobbying for climate policies as well as provided feedback to sector methodologies (banks, oil and gas).
- Climate financial risk forum: We are a main forum member and a 'Transition to net zero working group' participant. In 2022 we Supported and provided feedback on the following three publications as a member of the Transition to Net Zero Working Group; mobilising investments into climate solutions; disclosures, managing legal risk; and a carbon budget primer for financial institutions.

For more information, please look at our 2022 TCFD report: <https://www.rlam.com/globalassets/media/literature/reports/2023/tcfdr-lam-climate-report-2022.pdf> on to Net Zero Working Group; mobilising investments into climate solutions; disclosures, managing legal risk; and a carbon budget primer for financial institutions.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 12 | CORE | N/A | N/A | PUBLIC | Roles and responsibilities | 1 |

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

(A) Internal role(s)

Specify:

Chief Investment Officer

(B) External investment managers, service providers, or other external partners or suppliers

(C) We do not have any internal or external roles with responsibility for implementing responsible investment

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 13 | CORE | PGS 11 | N/A | PUBLIC | Roles and responsibilities | 1 |

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Describe: (Voluntary)

Progress against our climate ambitions was included in our 2022 STIP scorecard as one of the 'major projects' expressed by progress against sustainability and stewardship ambitions. Sustainability is also integrated into other measures with the STIP scorecard, such as assessment of risk and risk culture. In 2022 'sustainability' was included as a measure in the LTIP scorecard with an overall impact on the scorecard of 10%. It incorporates a specific measure of reduction of CO2e emissions in line with the time frame outlined by our climate commitments. This also includes progress in securing Just Transition plans for our top investee companies by the end of 2024 and implementing agreed diversity and inclusion strategies. Performance against Royal London's climate change strategy also accounted for 10% of the 2021 LTIP scorecard.

(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 14 | CORE | PGS 11 | N/A | PUBLIC | Roles and responsibilities | 1 |

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

● (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

- (1) KPIs are linked to compensation**
- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

Progress against our climate ambitions was included in our 2022 STIP scorecard as one of the 'major projects' expressed by progress against sustainability and stewardship ambitions. Sustainability is also integrated into other measures with the STIP scorecard, such as the assessment of risk and risk culture. In 2022 'sustainability' was included as a measure in the LTIP scorecard with an overall impact on the scorecard of 10%. It incorporates a specific measure of reduction of CO2e emissions in line with the time frame outlined by our climate commitments. This also includes progress in securing Just Transition plans for our top investee companies by the end of 2024 and implementing agreed diversity and inclusion strategies. Performance against Royal London's climate change strategy also accounted for 10% of the 2021 LTIP scorecard.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 15 | PLUS | PGS 11 | N/A | PUBLIC | Roles and responsibilities | 1 |

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

| | (1) Board members, trustees or equivalent | (2) Senior executive-level staff, investment committee, head of department or equivalent |
|--|---|--|
| (A) Specific competence in climate change mitigation and adaptation | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) Specific competence in investors' responsibility to respect human rights | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) Specific competence in other systematic sustainability issues | <input type="checkbox"/> | <input type="checkbox"/> |

(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies



EXTERNAL REPORTING AND DISCLOSURES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 16 | CORE | N/A | N/A | PUBLIC | External reporting and disclosures | 6 |

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 17 | CORE | N/A | N/A | PUBLIC | External reporting and disclosures | 6 |

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
 - (B) Yes, including all strategy-related recommended disclosures
 - (C) Yes, including all risk management-related recommended disclosures
 - (D) Yes, including all applicable metrics and targets-related recommended disclosures
 - (E) None of the above
- Add link(s):

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 18 | PLUS | N/A | N/A | PUBLIC | External reporting and disclosures | 6 |

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://www.rlam.com/globalassets/media/literature/reports/pai-statement.pdf>

(B) Disclosures against the European Union's Taxonomy

Link to example of public disclosures

<https://digital.feprecisionplus.com/documents/rlaminstitutional/en-gb/AXWM/PS>

(C) Disclosures against the CFA's ESG Disclosures Standard

(D) Disclosures against other international standards, frameworks or regulations

Specify:

Task Force on Climate-related Financial Disclosures

Link to example of public disclosures

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-d-rlam-climate-report-2022.pdf>

(E) Disclosures against other international standards, frameworks or regulations

Specify:

The Stewardship Code

Link to example of public disclosures

<https://www.rlam.com/globalassets/media/literature/reports/stewardship-and-responsible-investment-report-2023.pdf>

(F) Disclosures against other international standards, frameworks or regulations

Specify:

Net Zero Investment Framework

Link to example of public disclosures

<https://www.rlam.com/globalassets/media/literature/reports/2023/net-zero-stewardship-programme.pdf>

(G) Disclosures against other international standards, frameworks or regulations

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 19 | CORE | N/A | N/A | PUBLIC | External reporting and disclosures | 6 |

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-d-rlam-climate-report-2022.pdf>

<https://www.rlam.com/globalassets/media/literature/reports/stewardship-and-responsible-investment-report-2023.pdf>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------|---------------|
| PGS 20 | CORE | N/A | N/A | PUBLIC | Capital allocation | 1 |

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------|---------------|
| PGS 21 | CORE | N/A | N/A | PUBLIC | Capital allocation | 1 |

How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| PGS 22 | CORE | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

| | (1) Listed equity | (2) Fixed income | (3) Private equity | (4) Real estate |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| (A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues. | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| (B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues. | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------|------------|------------|---|---------------|
| PGS 23 | PLUS | OO 5, OO 8, OO 9 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

New engagement projects – or requests to sign joint letters or public initiatives – must meet our stewardship and responsible investment strategy. We select the companies we engage with based on:

- Evidence of poor performance (or outperformance) on ESG issues relative to peers
- Evidence of ESG risk that has the potential to cause value destruction or significantly affect the reputation of the company or of RLAM and its clients
- Size and nature of any principal adverse impacts
- Percentage of gross exposure within our holdings
- Percentage of the outstanding shares or bonds held by RLAM relative to other companies
- Fund manager or client recommendations.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| PGS 24 | CORE | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| PGS 24.1 | PLUS | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

Elaborate on your organisation’s default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

As an active asset manager, most of our company engagement meetings are conducted on a one-to-one basis. However, we understand the value gained by working with others to be more effective in influencing company behaviour. Therefore, we also evaluate the benefits of collaborative engagement on a case-by-case basis.

We will favour collaborative engagement with other shareholders when:

- The company has been unresponsive to private engagement, or where its actions have not been sufficient to address our concerns.
- The situation is of sufficient seriousness that progression to a collective meeting is appropriate.
- Where partnering with other shareholders or bondholders would make it easier to gain access to the company’s management or board or provide us with greater ability to exert influence.
- The company is in a jurisdiction where local partners may enhance our ability to engage through their physical presence and/or understanding of local practices.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------|------------|------------|---|---------------|
| PGS 25 | PLUS | OO 5, OO 8, OO 9 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

- 1
- 4
- 5

(B) External investment managers, third-party operators and/or external property managers, if applicable

(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

(D) Informal or unstructured collaborations with investors or other entities

Select from the list:

- 3
- 4
- 5

(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

- 2
- 4
- 5

(F) We do not use any of these channels

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| PGS 27 | PLUS | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

Integrating ESG factors into our investment process is a cornerstone activity for our investment teams. We have a strong and established Responsible Investment team, but we also have a collaborative culture at RLAM that is essential for ESG integration to be successful. This means that material factors are assessed and understood and are reflected in our investment decisions. We have continued to build out our ESG dashboard and analytics tools, giving decision makers access to consolidated information from our Responsible Investment team and third-party ESG research providers. We use our influence as a major shareholder to vote on company issues. Increasingly engagement is a much greater part of the process, and one where all investment teams are involved. Please see how stewardship activities are linked to investment decision making as described below for our different strategies.

The Global Equity team believes ESG integration into their investment decision making process strengthens both investment performance and commitment to being a responsible investor and good steward of our client's capital.

The team believes ESG assessment support more effective engagement, which can influence better outcomes. They work closely with the Responsible Investment team on voting and engagement to support our client propositions. The investment team participates in regular independent Responsible Investment portfolio reviews focused on targeting both individual company risks and wider societal risks.

In UK equities, as fundamental stock pickers, direct engagement with companies and deep understanding of business models and ESG risks and opportunities lies at the heart of the team's approach to ESG integration.

They have frequent meetings with UK companies to discuss and influence corporate strategy on ESG issues. They aim to meet not just the executives at companies, but also non-executive directors and chairs. This team's stewardship activities are also enacted through voting, and they work closely with the Responsible Investment team on the voting decisions for the companies in which they invest.

In Sterling Credit, there is effective collaboration between the Responsible Investment and Sterling Credit teams and a bottom-up approach allows us to embrace the idiosyncrasy and diversity of credit opportunities. The collaboration between these two teams improves information discovery and dissemination but getting the right decision-making sequence remains key.

Non-territorial risk identification, benefitting from the complementary experience and expertise of both teams, then allows the Credit team to evaluate and mitigate the credit risk more effectively. Engaging with issuers and then using this information to better inform our investment decisions is fundamental to our ESG integration approach.

In Global Credit, their approach is to score credit issuers on a granular basis and exclude the worst offenders where the credit worthiness is materially impacted.

If they believe credit worthiness is not impacted, then they will engage with lower scoring companies and create an active engagement plan with the aim of encouraging these companies to take the necessary steps to improve their ESGC profile. A large part of the global credit investment universe is privately owned, and it is recognised that private companies tend to have lower disclosures than public companies. Therefore, as part of their engagement process, in collaboration with RLAM's Responsible Investment team, is designed to both improve the flow of information as well as the behaviour of the companies they invest in.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| PGS 28 | PLUS | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

If relevant, provide any further details on your organisation's overall stewardship strategy.

Stewardship Objectives

We engage across a spectrum of strategic, environmental, social and governance (ESG) issues. This forms a core component of our stewardship responsibilities. We believe that regular engagement with companies has a positive cumulative effect. Successive meetings help us build our understanding of the direction of travel, allow us to offer our perspective and in turn build a mutually beneficial relationship. Ultimately, our goal is to have a positive influence on corporate behaviour.

Assisting companies with improving their practices, governance, and oversight, managing their impact on society and the environment, and improving performance overtime.

Engagement can take two forms: engagement for information, or engagement for change:

- Information discovery: Engagements that seek to uncover additional information about company practices, or to identify the need to change or influence behaviour.
- Change and influence: Engagements that seek to influence company decisions and change behaviour.

In 2022:

- 509 of our engagements was seeking information
- 80 was to improve disclosures
- 43 was to create or amend a policy
- 35 engagements to encourage companies to make commitments
- 14 to seek governance improvements
- 9 to change remuneration practices
- 7 to adopt targets and metrics
- 7 is for relationship building
- 3 to improve risk and controls.

Prioritisation Approach

Opportunities to engage with a company on a topic are reviewed by the Responsible Investment team in consultation with the investment teams.

There are several ways we source new engagement ideas, including from internal ESG research, portfolio reviews, client requests, fund manager queries, regulation, events or company requests. While we would like to work on many of the new topics that we come across, this isn't always possible, so when new issues or topics emerge, we apply a filter to help us focus on key priorities, such as:

1. Is there a potential material financial or ESG impact?
2. Does it address a social or environmental issue or Principle Adverse Impact (PAI)?
- 3.

- Do we have a significant holding?
- 4. Is there a significant reputational risk?
- 5. Does it fit with our engagement themes?

For thematic 'engagement for change' activities, the Responsible Investment team will undertake research and set out a clear purpose for the engagement.

Conflicts of Interest

RLAM has a conflicts of interest policy that all members of staff are required to read and adhere to.

RLAM's Board has overall responsibility for ensuring effective management for the prevention of conflicts of interest. RLAM's senior management are responsible for ensuring that RLAM systems, controls and procedures are adequate to identify, manage and monitor conflicts of interest. They also have responsibility for ensuring that RLAM staff are aware of the aspects of the policy relevant to them.

RLAM's Board reports directly to the RLMIS Board, which is ultimately accountable for the management of risk within the Group and reviewing the effectiveness of internal controls, including those related to conflicts of interest. Failure to adhere to our policies may be a breach of an employee's contract.

Failure of a person to declare an interest will be regarded as misconduct and may lead to disciplinary action being taken against the individual concerned.

The Conflicts of Interest Policy provides guidance with respect to management of conflicts that might arise in relation to the order and execution of trades, access to inside information, management of client accounts, portfolios and funds confidential client information, additional employment or consulting activities, new product launches, execution, and research costs, e.g., inducements including non-monetary benefits.

RLAM's policy is to take all reasonable steps to properly identify and manage conflicts of interest and always to act in the best interest of our clients, so that transactions are affected on terms which are not materially less favourable to the client than if the conflict had not existed.

The business maintains a Conflicts of Interest Register and a Conflicts of Interest update is presented to the RLAM Business Risk Committee on a quarterly basis. The update includes information on levels of Personal Dealing and corporate entertainment across RLAM. Should a conflict be unavoidable, RLAM will strive for appropriate and sufficiently detailed disclosure to the client. The disclosure must include the general nature of the conflict and/or the sources of that conflict and be provided before undertaking the relevant business for the client. This will allow the client to make an informed decision on whether to accept the conflict or terminate the activity.

The policy is updated regularly by the RLAM Risk and Compliance team. For more information on our approach to managing Conflicts of Interest, please refer to our Conflicts of Interest Statement on our website.

STEWARDSHIP: (PROXY) VOTING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 29 | CORE | OO 9, PGS 1 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes

Select from the below list:

- (1) in all cases
- (2) in a majority of cases
- (3) in a minority of cases

(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear

Select from the below list:

- (1) in all cases**
 - (2) in a majority of cases
 - (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 30 | CORE | OO 9 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

How is voting addressed in your securities lending programme?

- (A) We recall all securities for voting on all ballot items**
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 31 | CORE | OO 9.1 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment**
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 32 | CORE | OO 9 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 33 | CORE | OO 9 | PGS 33.1 | PUBLIC | Stewardship: (Proxy) voting | 2 |

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

(A) Yes, for all (proxy) votes

Add link(s):

<http://www.rlam-voting.co.uk/voting/>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 33.1 | CORE | PGS 33 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 34 | CORE | OO 9 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

| | (1) In cases where we abstained or voted against management recommendations | (2) In cases where we voted against an ESG-related shareholder resolution |
|--|---|---|
| (A) Yes, we publicly disclosed the rationale | (1) for all votes | (1) for all votes |
| (B) Yes, we privately communicated the rationale to the company | (3) for a minority of votes | (3) for a minority of votes |
| (C) We did not publicly or privately communicate the rationale, or we did not track this information | ○ | ○ |
| (D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year | ○ | ○ |

(A) Yes, we publicly disclosed the rationale - Add link(s):

<http://www.rlam-voting.co.uk/voting/>

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 35 | PLUS | OO 9 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

Our governance analysts receive daily alerts from our proxy voting platform alerting them of all votes that have been submitted that day and any overdue or new ballots to ensure that they are aware of any emerging issues. As part of our proxy voting controls we also undergo a monthly compliance check where all votes submitted in the previous month are reviewed for accuracy, timeliness and all rejections or issues are investigated to ascertain the cause and any potential remedies. These investigations are with our proxy voting provider, the ballot distributor and our custodians where possible. A recent monthly audit resulted in 6 investigations all rejected due to ‘vote processing error’ or ‘late vote.’

- One explanation was an ‘overvote,’ the number of shares voted on our voting platform and processed by the ballot provider did not match the number of shares maintained by the sub-custodian. The number of shares voted matched the holdings files provided by our custodian and the fault lies with the sub-custodian who rejects the vote if the number of shares subsequently changes due to trading. This is outside of our control, but is a trend being increasingly noticed by our voting provider.
- Another rejection was explained by ‘cross-border limitations.’ Following our investigations the explanation provided was that ‘this meeting was not covered by CREST, therefore the agent is not processing this meeting out to market.’
- All ‘late vote’ rejections were also investigated and were outside of our control. They were voted on receipt but were due to a late announcement of the meeting or change in the deadline date.

STEWARDSHIP: ESCALATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 36 | CORE | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Escalation | 2 |

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

(1) Listed equity

| | |
|--|-------------------------------------|
| (A) Joining or broadening an existing collaborative engagement or creating a new one | <input checked="" type="checkbox"/> |
| (B) Filing, co-filing, and/or submitting a shareholder resolution or proposal | <input type="checkbox"/> |
| (C) Publicly engaging the entity, e.g. signing an open letter | <input checked="" type="checkbox"/> |

| | |
|---|-------------------------------------|
| (D) Voting against the re-election of one or more board directors | <input checked="" type="checkbox"/> |
| (E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director | <input checked="" type="checkbox"/> |
| (F) Divesting | <input checked="" type="checkbox"/> |
| (G) Litigation | <input type="checkbox"/> |
| (H) Other | <input type="checkbox"/> |
| (I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings | <input type="radio"/> |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------------|------------|------------|-------------------------|---------------|
| PGS 37 | CORE | Multiple, see guidance | N/A | PUBLIC | Stewardship: Escalation | 2 |

For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

- (A) **Joining or broadening an existing collaborative engagement or creating a new one**
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) **Not investing**
- (D) **Reducing exposure to the investee entity**
- (E) **Divesting**
- (F) Litigation
- (G) **Other**
Specify:

We have a cross asset approach, where if we engaged with the fixed income assets, but we can use methods to escalate as an equity holder, such as voting against management

- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------------|------------|------------|----------------------------|---------------|
| PGS 38 | PLUS | OO 8, OO 5.3 FI | N/A | PUBLIC | Stewardship: Escalation | 2 |

Describe your approach to escalation for your internally managed SSA and/or private debt fixed income assets.

(A) SSA - Approach to escalation

Our escalation approach is applicable to all our assets. Some companies do not respond to requests for engagement, despite having what we consider to be significant, persistent, or intractable ESG issues that pose a significant risk to our clients' assets. In such circumstances, we will escalate to the relevant Head of Desk, RLAM's Chief Investment Officer and our Head of Responsible Investment to discuss the most appropriate action to take. Decisions and actions agreed will be reported to the Investment Committee for information and noting.

Direct actions can include escalating the matter with the Chair or other senior executives of the entity, as appropriate. We can also use our shareholder votes to put pressure on the relevant directors or other management personnel at a company's next annual or general meeting. In some instances, when the issue warrants, we may file or co-file a shareholder resolution, or issue a public comment.

We will make use of the full range of tools at our disposal in circumstances where we judge that value is or may be undermined, while ensuring we are always acting in the best long-term interests of our clients.

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|-----------------------|------------|--|---------------|
| PGS 39 | CORE | OO 8, OO 9 | PGS 39.1, PGS 39.2 | PUBLIC | Stewardship: Engagement with policy makers | 2 |

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 39.1 | CORE | PGS 39 | N/A | PUBLIC | Stewardship: Engagement with policy makers | 2 |

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

We are a main forum member of the Climate Financial Risk Forum (CFRF) an initiative co-chaired by the UK's Financial Conduct Authority (FCA) and Prudential Regulatory Authority (PRA) to build best practice in the financial industry around climate. In 2022, we participated in its Transition to Net Zero working group. We have supported and provided feedback on the following publications as member of this working group: mobilising investments into climate solutions, disclosures, managing legal risk; and a carbon budget primer for financial institutions published in Q4 2022

- (D) We engaged policy makers on our own initiative
- (E) Other methods

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 39.2 | CORE | PGS 39 | N/A | PUBLIC | Stewardship: Engagement with policy makers | 2 |

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers

Add link(s):

<https://www.rlam.com/globalassets/media/literature/reports/stewardship-and-responsible-investment-report-2023.pdf>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

STEWARDSHIP: EXAMPLES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------|---------------|
| PGS 40 | PLUS | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Examples | 2 |

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

Cybersecurity collaborative engagement with an investee company

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Collaborative engagement organised by RLAM, with selected clients, to engage the investee company for information regarding their cybersecurity processes in three areas: materiality, governance, and M&A. The investor group, during the call, requested additional information on the Board members' cybersecurity competencies. In the following reporting cycle, the investor group noted that the director biographies have been updated "to include additional skills of interest to our stockholders, such as cybersecurity experience". There is now an additional section on cybersecurity within the ESG Report.

(B) Example 2:

Title of stewardship activity:

Internally led engagement activity with an investee company

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

RLAM engaged with the company and asked whether they can publish a coal exit plan by assets. We also encouraged them to communicate their just transition effort to the public. We had noted in the next reporting cycle, the investee company published their asset-by-asset coal phase-out plan. This is a positive change, as a detailed plan adds transparency and enhances credibility of their energy transition plan. The company also starts to publish just-transition case studies in their sustainability report.

(C) Example 3:

Title of stewardship activity:

Internally led engagement activity with investee company to incorporate just transition as one of their objectives

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Internally led collaborative engagement that requested the investee company to consider just transition in their plans. The investor group had asked at their AGM, during meetings with management, and through written feedback to early drafts of the policy

(D) Example 4:

Title of stewardship activity:

Internally led engagement activity with a bank to incorporate just transition in their plans

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

In 2022, RLAM alongside one other investor asked the bank to integrate just transition in their climate transition plan. The bank made several improvements over the past year with respect to its climate practices such as introducing disclosures on just transition related to its strategy and how it assesses its clients. Furthermore, the company has set new residential real estate targets which include considerations of just transition implications

(E) Example 5:

Title of stewardship activity:

Internally led engagement activity with a utilities company on just transition reporting

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Internally led engagement, with another investor suggesting to the utility company that they should reported actions and metrics against the original 20 principles of just transition from its 2020 strategy.

The company had taken the feedback into account and their latest report is an example of best practice amongst the industry.

CLIMATE CHANGE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 41 | CORE | N/A | PGS 41.1 | PUBLIC | Climate change | General |

Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

All information related to climate is published in our TCFD report (Governance, Risk management and Strategy for this section) and is in line with our commitments through NZAM. NZAM & Climate (TCFD) report 2022 (rlam.com) Further, on our Climate Risk policy page 5 and 6.

We will consider material climate risks and opportunities when making investment decisions on behalf of our clients, and evaluate and monitor our investments against the goals of the Paris Agreement. As an asset manager, Royal London Asset Management faces three principal risks from climate change: investment risk, strategic risk, and operational risk.

Investment Risk

Climate change might affect investment returns on assets we manage for our clients. In our approach we integrate material ESG analysis, including climate change, into our investment process to support and enhance risk-adjusted returns. Investment risk from climate change is defined by Royal London Asset Management as the “risk that climate change may impact the investment outcomes for our clients”.

This could be the result of greater volatility in markets, impacts to company financial results, or impacts due to physical disruption to the operations of companies, issuers and properties we invest in.

Strategic Risk

Being a transverse risk, climate risk can manifest itself in a variety of ways and have diverse implications for the long-term strategic success of our business. It is therefore recognised and addressed as part of our business strategy. Royal London Asset Management defines our Strategic Climate Risk as “failing to respond sufficiently to climate change, which which may result in brand, proposition or market share being negatively impacted.” This can be caused by a lack of investment capability and insight or a lack of appropriate product or proposition to meet client needs.

Operational Risk

Operational risk resulting from climate change is defined by Royal London Asset Management as “the risk that climate change may impact our operations and our ability to manage assets or continue to serve our clients.” Our material exposures to climate change risks will be included in our Internal Capital Adequacy Assessment Process.

Each climate-related risk that we identify is assigned one or multiple timeframes:

- short term: less than one year

- medium term: one to five years
- long term: longer than five years

For investment risk we consider transition risk from:

Policy (short, medium and long term impact).

Action from Regulators and Government to meet the Paris Agreement targets and respond to public sentiment may lead to significant market repricing of asset values and increase the risk of counterparty default.

Market (medium medium and long term impact).

Disruptive green technologies may provide a competitive advantage to our peers if we fail to anticipate them in our funds.

Specific to our property funds: Reputation risk (medium term impact). Reduced investments if considered not to be responding effectively to climate change. Regulation risk (short, medium and long term impact) risk associated with the cost to comply with regulations in UK's property market.

For investment risk we consider physical risk arising in the medium to long term from:

Primary: our investment portfolios contain significant direct investments in physical assets, including property and asset-backed securities, which may be directly impacted by the physical effects of climate change.

Secondary: indirect physical effects from climate change may impact the value of assets in our portfolio, for example due to: supply chain disruption; mass migration; and political instability.

Specific to our property funds: Acute physical risk: There is a risk of disruption to construction as a result of extreme weather conditions. This could also reduce revenue as full occupancy is delayed, as well as increase operating costs from extending construction time and repairing or replacing damaged parts.

- (B) Yes, beyond our standard planning horizon
- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 41.1 | CORE | PGS 41 | N/A | PUBLIC | Climate change | General |

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

- (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

All information related to climate is published in our TCFD report (Strategy and Climate Transition planning for this section) and is in line with our commitments through NZAM <https://www.netzeroassetmanagers.org/signatories/royal-london-asset-management/> <https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-d-rlam-climate-report-2022.pdf>

We are working towards developing a climate transition plan. During 2022, we took the first steps in doing so, working with internal and external experts to evaluate where we are in our climate journey.

Over a 20-week period, we conducted an in-depth gap analysis of our commercial proposition and investment impacts and opportunities to help us develop our climate transition plan. We noted three key areas of focus:

- 1 Deepen and further embed climate analysis into our investment decision-making.
- 2 Focus on driving net zero alignment through engagement with investee companies
- 3 Create new products that support climate solutions

Our strategy is still evolving as we work towards producing a climate transition plan in line with government guidance.

Our aim is to take the following steps to develop this:

- 1 Better understand our clients' needs – Our clients are an essential part of our pathway to net zero and through continued dialogue with them, we aim to understand how we need to develop our products to meet future demand.
- 2 Improve proprietary tools, data and systems – We will continue enhancing the quality of our proprietary ESG and climate data and analytics tools.

This includes focusing on our understanding and use of forward-looking metrics, recognising that this is an evolving field and that data and knowledge is changing rapidly. We will also look to enhance our ability to do stress testing under different temperature scenarios, including a 1.5°C scenario, 2°C scenarios and a 'hot house' 3°C scenario.

- 3 Embed climate analysis into investment decisions – Using the lessons learnt from a preliminary deep-dive analysis, we intend to carry out deeper and higher-quality assessments of the financial impact of climate change on the entities in which we invest and how that affects the overall risk and performance of our funds.

We expect this analysis to evolve over time and vary across asset class, with some classes posing more challenges than others.

- 4 Focus on net zero engagement – We believe that one of the strongest aspects of our plan to date is our stewardship programme, which lies at the heart of our net zero strategy and is described in detail on page 9 of this report.

- 5 Innovate and evolve our product range – We will continue to look for opportunities to innovate further through collaboration with clients, academic partners and other stakeholders and to create more products that support our clients as they move towards net zero.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 42 | PLUS | N/A | N/A | PUBLIC | Climate change | General |

Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

- (A) Coal
- (B) Gas
- (C) Oil
- (D) Utilities
- (E) Cement
- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery
- (M) Chemicals
- (N) Construction and buildings
- (O) Textile and leather
- (P) Water
- (Q) Other

Specify:

We will prioritise high-emitter sectors in line with their contribution to our financed emissions, including the companies' Scope 1, 2 and 3 emissions.

Describe your strategy:

We prioritised our investee companies based on their scope 1, 2 and 3 emissions using data from our 2021 climate report, to ensure we encompass all activities and target companies where we can have the most impact. We have developed a comprehensive engagement programme on net zero. We update our engagement company list each year to reflect changes in portfolio holdings, weightings or emissions. As part of our programme, we evaluate, request and, where possible, help progress companies towards delivering decarbonisation plans. There are six actions we take to achieve this.

1.

Research: Assess companies' plans against our 12 bespoke net zero indicators.

2. Engage: Conduct engagement with companies to improve their climate transition plans, partnering with CA100+ and other investor networks where beneficial.

3. Vote: All our votes are carried out in house. We will use our active voting position and other escalation techniques to progress our net zero objectives.

4.

Integrate: Ensure data from climate engagements is flowing and distributed to investment teams for assessment of materiality and appropriate integration into

5. Advocate: Add our voice to collective advocacy efforts to ensure policies adopted facilitate the achievement of net zero.

6. Report: We will report progress to clients and relevant stakeholders.

- o (R) We do not have a strategy addressing high-emitting sectors

Provide a link(s) to your strategy(ies), if available

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-rlam-climate-report-2022.pdf>

<https://www.climateaction100.org/approach/global-sector-strategies/electric-utilities/>

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 43 | CORE | N/A | N/A | PUBLIC | Climate change | General |

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios

Specify:

Our Climate Value-at-Risk (C-VaR) is expressed as a percentage of enterprise value at risk. The model aims to provide an assessment on how climate change may affect the investment return in portfolios based on conditions associated with global temperature trajectories (e.g. 1.5°C, 2°C, 3°C). We use four scenarios developed by the Central Banks network NGFS:

- National Determined Contributions – ‘hot house’ 3°C scenario
- Below 2°C – an ‘orderly transition’ scenario
- Delayed Transition – a 2°C ‘disorderly transition’ scenario
- Divergent net zero – a 1.5°C degrees ‘disorderly transition’ scenario

We also report % of portfolio aligned to 1.5 and 2 degrees based on Implied Temperature Rise based on NGFS scenarios and other assumptions from our data provider which we review and critique in the Appendix of our TCFD report.

Finally, we report % of our funds with issuers having approved science-based targets from the Science Based Targets Initiative.

More information on this can be found on page 41 and 42 of our TCFD Report 2023.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 44 | CORE | N/A | N/A | PUBLIC | Climate change | General |

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

- (A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

Emerging risk assessments

As part of Royal London Asset Management’s risk management and identification processes, emerging risks are assessed within a dedicated forum which identifies emerging risks that could impact Royal London Asset Management’s ability to carry out its business, execute its strategy and service its customers. Where these risks are considered to have crystallised, they are incorporated within Royal London Asset Management’s risk registers, then monitored by assigned risk register owners. These are classified as an opportunity, a threat, or both, and evaluated as being less than or more than two years away. Figure 9 provides an example of how emerging risks associated with ESG and climate-change are monitored and compared to other emerging risks. At present, we are monitoring specific emerging risks around meeting client requirements on ESG and net zero commitments, as well as evolving regulatory approaches to ESG and net zero. We are also working on approaches to mitigate these risks. For this purpose, we have included additional metrics to reflect reductions in carbon emissions, based on the assets we manage and our just transition interactions with investee companies. These metrics reflect the evolutionary nature of this process. They are monitored by clearly assigned owners in Royal London Asset Management, reported as part of emerging risk reporting to the Royal London Asset Management Executive Committee and form part of the Chief Risk Officer’s reporting to Royal London Asset Management and Royal London Group.

Strategic risk management

The strategic risks associated with climate change are monitored and managed as part of our Internal Capital and Risk Assessment (ICARA).

The ICARA is used to determine the potential impact of material harms identified across Royal London Asset Management's risk profile on Royal London Asset Management's business plan. The impact of climate change transition risk and responsible investment are examined as one of the scenarios in the ICARA stress testing process. The scenario examines the potential impact of increasing climate-related reporting requirements and client expectations to integrate ESG and climate change into the investment decision-making process. It quantifies the risk of falling behind our competitors in achieving this integration and the resulting negative impact this could have on our company's financial position over the duration of our Business Plan.

Investment risk management

Climate change might affect investment returns on assets we manage for our clients.

In our approach we integrate material ESG analysis, including climate change, into our investment process to support and enhance risk-adjusted returns. We seek to address and mitigate climate investment risks in three ways:

- ensure climate risk is integrated into our risk framework;
- integrate material ESG issues, including climate risk, into our investment decision-making; and
- actively steward our clients' capital and use proxy voting and engagement as tools to highlight potential climate risks and influence company, tenant and regulator behaviour, as described in the Strategy section of our TCFD report on Page 8.

Property investment risk management

Across real estate, the impacts of climate change, the metrics used to measure these and the management response required, differ significantly from other asset classes.

The typical lifespan of property assets, the speed of change

in portfolios and the complex technical nature of interventions requires long time horizons when assessing climate-related risks and opportunities and our strategic response to these. Climate models forecast an increase in the impacts of climate-related physical risks in the future, such as increased damages from flooding and overheating. Simultaneously, the UK's shift to a low carbon society will require an increase in regulations, including the introduction of a Minimum Energy Efficiency Standard (MEES), which requires improvements in designed energy performance and real estate markets pricing in operational performance.

During 2022, as part of our increasing focus on climate-related risks and opportunities, Royal London Asset Management Property have carried out a thorough review and impact assessment for property-specific climate-related physical and transition risks and opportunities. These have been identified and prioritised and, for the most material risks and opportunities, the potential financial impact has been assessed with mitigation and management responses identified. In addition, Royal London Asset Management Property have undertaken qualitative scenario analysis, considering a range of potential future climates to understand how resilient our strategy is to the potential impacts on our portfolio.

(2) Describe how this process is integrated into your overall risk management

Our risk management framework is used to manage our exposure to all known or expected risks and ensure our business performance is not undermined by unexpected events. As part of this framework, we define risk strategy, risk appetite and policies which set out the objectives, limits and tolerances within which the Board expects the business to operate. This approach provides assurance that the risks to which Royal London Asset Management may be exposed are being appropriately identified and managed within risk appetite, while the impact is being minimised. Climate and ESG are integrated as a principal strategic risk within our risk management framework, which applies to all risks that arise from our own business activities and operations. This has helped us move towards having a holistic approach to climate risk management which is both bottom up (where we assess this as part of our ESG integration) and top-down (assessing as a principal risk). This risk framework consists of three layers. First, we define categories of risks that affect our business, such as climate change. Second, the risk appetite statements explain how much exposure we accept in each category. The third layer comprises risk metrics and tolerances that measure our exposure against our risk appetite.

Each metric has a level that triggers an early warning that we are approaching risk appetite limits. We have a clearly defined risk appetite statement for climate and ESG risk, incorporating specific metrics that assess our position against our stated risk appetite. We review the framework at least annually. Any areas of concern identified from risk metrics are escalated to the Board.

'Three lines of defence' framework

Our risk management governance is based on the 'three lines of defence' model.

Primary responsibility for risk management lies with the business. Each function within Royal London Asset Management owns a risk register identifying that function's key risks, including climate and ESG risks. A second line of defence is the Risk and Compliance function acting independently from our executive management to oversee the effectiveness of the company's risk management. A Group-wide Internal Audit function represents the third line of defence, ensuring that Royal London Group's risk management, governance and internal control processes are operating effectively. This provides a level of independent assurance and has a reporting line which is independent of executive management.

In 2022 we re-examined the way we identify and manage climate-related investment risks.

We improved our in-house data and IT systems, enabling us to report climate metrics to our clients based on consistent climate information for all our funds. These improvements have resulted in us producing more auditable, replicable, comparable disclosures that are based on automation and systematic data processes. For example, this enabled us to restate our financed emissions in 2022, discussed on page 30 of our TCFD report. We are also working towards developing a climate transition plan, as discussed on page 8 of our TCFD report.

(B) Yes, we have a process to manage climate-related risks

(1) Describe your process

Emerging risk assessments

As part of Royal London Asset Management's risk management and identification processes, emerging risks are assessed within a dedicated forum which identifies emerging risks that could impact Royal London Asset Management's ability to carry out its business, execute its strategy and service its customers. Where these risks are considered to have crystallised, they are incorporated within Royal London Asset Management's risk registers, then monitored by assigned risk register owners. These are classified as an opportunity, a threat, or both, and evaluated as being less than or more than two years away. Figure 9 provides an example of how emerging risks associated with ESG and climate-change are monitored and compared to other emerging risks. At present, we are monitoring specific emerging risks around meeting client requirements on ESG and net zero commitments, as well as evolving regulatory approaches to ESG and net zero. We are also working on approaches to mitigate these risks. For this purpose, we have included additional metrics to reflect reductions in carbon emissions, based on the assets we manage and our just transition interactions with investee companies. These metrics reflect the evolutionary nature of this process. They are monitored by clearly assigned owners in Royal London Asset Management, reported as part of emerging risk reporting to the Royal London Asset Management Executive Committee and form part of the Chief Risk Officer's reporting to Royal London Asset Management and Royal London Group.

Strategic risk management

The strategic risks associated with climate change are monitored and managed as part of our Internal Capital and Risk Assessment (ICARA).

The ICARA is used to determine the potential impact of material harms identified across Royal London Asset Management's risk profile on Royal London Asset Management's business plan. The impact of climate change transition risk and responsible investment are examined as one of the scenarios in the ICARA stress testing process. The scenario examines the potential impact of increasing climate-related reporting requirements and client expectations to integrate ESG and climate change into the investment decision-making process. It quantifies the risk of falling behind our competitors in achieving this integration and the resulting negative impact this could have on our company's financial position over the duration of our Business Plan.

Investment risk management

Climate change might affect investment returns on assets we manage for our clients.

In our approach we integrate material ESG analysis, including climate change, into our investment process to support and enhance risk-adjusted returns. We seek to address and mitigate climate investment risks in three ways:

- ensure climate risk is integrated into our risk framework;
- integrate material ESG issues, including climate risk, into our investment decision-making; and
- actively steward our clients' capital and use proxy voting and engagement as tools to highlight potential climate risks and influence company, tenant and regulator behaviour, as described in the Strategy section of our TCFD report on Page 8.

Property investment risk management

Across real estate, the impacts of climate change, the metrics used to measure these and the management response required, differ significantly from other asset classes.

The typical lifespan of property assets, the speed of change in portfolios and the complex technical nature of interventions requires long time horizons when assessing climate-related risks and opportunities and our strategic response to these. Climate models forecast an increase in the impacts of climate-related physical risks in the future, such as increased damages from flooding and overheating. Simultaneously, the UK's shift to a low carbon society will require an increase in regulations, including the introduction of a Minimum Energy Efficiency Standard (MEES), which requires improvements in designed energy performance and real estate markets pricing in operational performance.

During 2022, as part of our increasing focus on climate-related risks and opportunities, Royal London Asset Management Property have carried out a thorough review and impact assessment for property-specific climate-related physical and transition risks and opportunities. These have been identified and prioritised and, for the most material risks and opportunities, the potential financial impact has been assessed with mitigation and management responses identified. In addition, Royal London Asset Management Property have undertaken qualitative scenario analysis, considering a range of potential future climates to understand how resilient our strategy is to the potential impacts on our portfolio.

(2) Describe how this process is integrated into your overall risk management

Our risk management framework is used to manage our exposure to all known or expected risks and ensure our business performance is not undermined by unexpected events. As part of this framework, we define risk strategy, risk appetite and policies which set out the objectives, limits and tolerances within which the Board expects the business to operate. This approach provides assurance that the risks to which Royal London Asset Management may be exposed are being appropriately identified and managed within risk appetite, while the impact is being minimised. Climate and ESG are integrated as a principal strategic risk within our risk management framework, which applies to all risks that arise from our own business activities and operations.

This has helped us move towards having a holistic approach to climate risk management which is both bottom up (where we assess this as part of our ESG integration) and top-down (assessing as a principal risk). This risk framework consists of three layers. First, we define categories of risks that affect our business, such as climate change. Second, the risk appetite statements explain how much

exposure we accept in each category. The third layer comprises risk metrics and tolerances that measure our exposure against our risk appetite.

Each metric has a level that triggers an early warning that we are approaching risk appetite limits. We have a clearly defined risk appetite statement for climate and ESG risk, incorporating specific metrics that assess our position against our stated risk appetite. We review the framework at least annually. Any areas of concern identified from risk metrics are escalated to the Board.

'Three lines of defence' framework

Our risk management governance is based on the 'three lines of defence' model.

Primary responsibility for risk management lies with the business. Each function within Royal London Asset Management owns a risk register identifying that function's key risks, including climate and ESG risks. A second line of defence is the Risk and Compliance function acting independently from our executive management to oversee the effectiveness of the company's risk management. A Group-wide Internal Audit function represents the third line of defence, ensuring that Royal London Group's risk management, governance and internal control processes are operating effectively. This provides a level of independent assurance and has a reporting line which is independent of executive management.

In 2022 we re-examined the way we identify and manage climate-related investment risks. We improved our in-house data and IT systems, enabling us to report climate metrics to our clients based on consistent climate information for all our funds. These improvements have resulted in us producing more auditable, replicable, comparable disclosures that are based on automation and systematic data processes. For example, this enabled us to restate our financed emissions in 2022, discussed on page 30 of our TCFD report. We are also working towards developing a climate transition plan, as discussed on page 8 of our TCFD report.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 45 | CORE | N/A | N/A | PUBLIC | Climate change | General |

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

(A) Exposure to physical risk

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-d-rlam-climate-report-2022.pdf>

(B) Exposure to transition risk

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-d-rlam-climate-report-2022.pdf>

(C) Internal carbon price

(D) Total carbon emissions

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-d-rlam-climate-report-2022.pdf>

(E) Weighted average carbon intensity

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-d-rlam-climate-report-2022.pdf>

(F) Avoided emissions

(G) Implied Temperature Rise (ITR)

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-d-rlam-climate-report-2022.pdf>

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-d-rlam-climate-report-2022.pdf>

(I) Proportion of assets or other business activities aligned with climate-related opportunities

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-d-rlam-climate-report-2022.pdf>

(J) Other metrics or variables

Specify:

Various metrics relevant to our property and sovereign investments

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-d-rlam-climate-report-2022.pdf>

- (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 46 | CORE | N/A | N/A | PUBLIC | Climate change | General |

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.royallondon.com/pensions/investment-options/fund-prices/rlmis-enhanced-climate-reporting/>

(B) Scope 2 emissions

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.royallondon.com/pensions/investment-options/fund-prices/rlmis-enhanced-climate-reporting/>

(C) Scope 3 emissions (including financed emissions)

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.rlam.com/globalassets/media/literature/reports/2023/tcf-rlam-climate-report-2022.pdf>

o (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-------------------------|---------------|
| PGS 47 | CORE | N/A | Multiple indicators | PUBLIC | Sustainability outcomes | 1, 2 |

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

● **(A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**

o (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 47.1 | CORE | PGS 47 | N/A | PUBLIC | Sustainability outcomes | 1, 2 |

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement**
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)**
Specify:
UN Global Compact
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
 - (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 47.2 | CORE | PGS 47 | PGS 48 | PUBLIC | Sustainability outcomes | 1, 2 |

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities**
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irreparable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues**
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|----------------|------------|-------------------------|---------------|
| PGS 48 | CORE | PGS 47.2 | PGS 48.1, SO 1 | PUBLIC | Sustainability outcomes | 1, 2 |

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 48.1 | PLUS | PGS 48 | N/A | PUBLIC | Sustainability outcomes | 1, 2 |

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

HUMAN RIGHTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| PGS 49 | PLUS | PGS 47 | PGS 49.1 | PUBLIC | Human rights | 1, 2 |

During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes
- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
- (E) **We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year**

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| PGS 49.2 | PLUS | PGS 47 | N/A | PUBLIC | Human rights | 1, 2 |

During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?

(A) Corporate disclosures

Provide further detail on how your organisation used these information sources:

When screening companies as part of our approval process for inclusion in our sustainable fund range.
AlphaSense

(B) Media reports

Provide further detail on how your organisation used these information sources:

RepRisk and Financial Times

(C) Reports and other information from NGOs and human rights institutions

Provide further detail on how your organisation used these information sources:

Part of our research into social issues and human rights

(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank

Provide further detail on how your organisation used these information sources:

Part of our research into social issues and human rights

(E) Data provider scores or benchmarks

Provide further detail on how your organisation used these information sources:

Part of our research into social issues and human rights

(F) Human rights violation alerts

Provide further detail on how your organisation used these information sources:

MSCI - UNGC Violations

(G) Sell-side research

(H) Investor networks or other investors

Provide further detail on how your organisation used these information sources:

Investor Alliance for Human Rights - Uyghur forced labour

(I) Information provided directly by affected stakeholders or their representatives

(J) Social media analysis

(K) Other

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| PGS 50 | PLUS | PGS 47 | N/A | PUBLIC | Human rights | 1, 2 |

During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?

(A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

(B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities

(C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

Explain why:

We recognise the importance of human rights however it did not form part of our engagement priorities for the reporting period

LISTED EQUITY (LE)

OVERALL APPROACH

MATERIALITY ANALYSIS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------|---------------|
| LE 1 | CORE | OO 21 | N/A | PUBLIC | Materiality analysis | 1 |

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?

| | (1) Passive equity | (2) Active - quantitative | (3) Active - fundamental |
|---|------------------------|---------------------------|--------------------------|
| (A) Yes, our investment process incorporates material governance factors | (1) for all of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (B) Yes, our investment process incorporates material environmental and social factors | (1) for all of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period | (1) for all of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion | ○ | ○ | ○ |
| (E) No, we do not have a formal or informal process to identify and incorporate material ESG factors | ○ | ○ | ○ |

MONITORING ESG TRENDS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------|---------------|
| LE 2 | CORE | OO 21 | N/A | PUBLIC | Monitoring ESG trends | 1 |

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?

| | (1) Passive equity | (2) Active - quantitative | (3) Active - fundamental |
|--|------------------------|---------------------------|--------------------------|
| (A) Yes, we have a formal process that includes scenario analyses | | (1) for all of our AUM | (1) for all of our AUM |
| (B) Yes, we have a formal process, but it does not include scenario analyses | (1) for all of our AUM | | |
| (C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

(A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)

The RI team update the Royal London Asset Management Investment Committee periodically on integration tools, engagement, voting, climate risk, regulatory updates and emerging issues within the market.

Regulation: To ensure we continue to be aligned to new regulatory developments, we have a team that scans for new and future regulatory activity and provides a preliminary assessment of business impact. Once regulatory change is identified and assessed, we work with our regulatory change team and the impacted business units to implement changes to our business to meet any new regulatory requirements. The business changes required to meet new regulations can be wide-ranging, from highly technical regulatory transaction reporting to product and legal changes, or new marketing and disclosure requirements.

Risk: Emerging risks are reviewed during the year through an Emerging Risks Forum comprised of senior leaders.

This year the risks reviewed included:

- Climate risk
- International ESG regulatory divergence
- Artificial Intelligence (AI)
- Personalisation and customisation
- Blockchain / Distributed Ledger technology
- Geopolitical risk

ESG integration: To support our investment teams, we have an in-house team dedicated to responsible investing and ESG subject matter expertise.

This team helps support fund managers and analysts to embed ESG risks and opportunities across equity, fixed income, and property investment processes. Integrating ESG factors into our investment process is a cornerstone activity for our investment teams. Material factors are assessed and understood, and are reflected in our investment decisions.

Scenario analysis: We have performed our analysis using integrated assessment models to calculate the Climate Value-at-Risk (C-VaR) under different scenarios.

The C-VaR under each scenario represents the proportion of investment returns at risk of loss due to climate change. Details on our methodology can be found in our TCFD Report in page 42.

(B) Yes, we have a formal process but it does not include scenario analysis - Specify: (Voluntary)

The RI team update the Royal London Asset Management Investment Committee periodically on integration tools, engagement, voting, climate risk, regulatory updates and emerging issues within the market.

Regulation: To ensure we continue to be aligned to new regulatory developments, we have a team that scans for new and future regulatory activity and provides a preliminary assessment of business impact. Once regulatory change is identified and assessed, we work with our regulatory change team and the impacted business units to implement changes to our business to meet any new regulatory requirements. The business changes required to meet new regulations can be wide-ranging, from highly technical regulatory transaction reporting to product and legal changes, or new marketing and disclosure requirements.

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This team helps support fund managers and analysts to embed ESG risks and opportunities across equity, fixed income, and property investment processes. Integrating ESG factors into our investment process is a cornerstone activity for our investment teams. Material factors are assessed and understood, and are reflected in our investment decisions .

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| LE 3 | CORE | OO 21 | N/A | PUBLIC | ESG incorporation in research | 1 |

How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?

| | (1) Active - quantitative | (2) Active - fundamental |
|--|---------------------------|--------------------------|
| (A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process | (1) in all cases | (1) in all cases |
| (B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process | (1) in all cases | (1) in all cases |
| (C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process | (1) in all cases | (1) in all cases |
| (D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes | o | o |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| LE 4 | CORE | OO 21 | N/A | PUBLIC | ESG incorporation in research | 1 |

What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?

| | (1) Passive equity | (2) Active - quantitative | (3) Active - fundamental |
|--|--------------------|---------------------------|--------------------------|
| (A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors | (1) in all cases | (1) in all cases | (1) in all cases |
| (B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors | (1) in all cases | (1) in all cases | (1) in all cases |
| (C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability | (1) in all cases | (1) in all cases | (1) in all cases |
| (D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors | (1) in all cases | (1) in all cases | (1) in all cases |

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

○ ○ ○

ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| LE 5 | PLUS | OO 21 | N/A | PUBLIC | ESG incorporation in portfolio construction | 1 |

Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

Corporate Governance is an investment consideration across all actively managed equity funds. It forms part of our qualitative assessment of company performance and value. In some cases, fund managers may apply a discount in their valuation or alter the forecast scenarios to capture potential governance risks. In other cases, governance considerations help provide investment certainty that management and the board will act in our best interests.

We acknowledge that not all environmental or social issues are relevant or material to all companies, and that the materiality of these issues can vary significantly depending on our investment horizon.

For this reason, we take a pragmatic approach that is bespoke to each team's investment process

Global Equities

We integrate ESG issues into all stages of our investment process and collaborate extensively with RLAM's Responsible Investment team. ESG factors can have a critical impact on our Wealth Creation analysis. We believe that ESG materiality is both key to the evaluation and very complex in practice - our Life Cycle concept and qualitative analysis can add nuance and value where simple quantitative ESG data struggles. In situations where ESG risks are deemed very material, and the company is unwilling or unable to mitigate this, ESG factors can be a "deal breaker" - the company will be avoided in client portfolios.

Many businesses with attractive forward-looking Wealth Creation potential also have material ESG risks or rewards. We incorporate these ESG factors into valuation scenario analysis. For example Carbon Transition risks and carbon taxes can be explicitly modelled into "bear" valuation cases, and this can directly change our ultimate investment decision.

Our UK equity life funds undertake regular ESG portfolio reviews with the responsible investment team. These meetings cover both the funds' ESG performance and substantive discussions of both sector-wide and company specific research into broader environmental, social and governance trends.

For example, thematic papers written by our RI team and discussed at quarterly meetings with the manager of the UK equity life fund included a review of tailings dam performance at relevant mining companies (Q1 2019), relative ESG performance within the UK banking sector (Q2 2019) and deep dives into a range of relevant issues impacting the key listed players in the UK pharmaceutical (Q3 2019) and tobacco (Q4 2019) sectors.

Our Sustainable Funds apply all three strategies of screening, integration, thematic investing, and have been at the forefront of responsible investing for the last 15 years. In the Sustainable Equities Team we believe that owners and managers of capital play a strong role as a catalyst for positive social and environmental change.

We can support a sustainable economy through providing capital to leading businesses and through proactive engagement. We also believe that sustainable investing focuses on an exploitable market inefficiency and that, through a focus on socially and environmentally beneficial products and services, and high standards of ESG management within a company, we can identify investment insights that others may miss. The themes we focus on in the funds can and do change overtime, and are a consequence of our investment process rather than the goal. We think it is important to have the flexibility to evolve as society evolves too, ensuring that at all times we are investing in the most relevant sustainability themes and the ones most likely to deliver strong investment returns.

UK Equity Alpha

We invest mainly in small and mid-cap UK companies. Our objective is to think about how ESG factors might influence our investment thesis and contribute to the ultimate success or failure of an investment. In the small and mid-cap universe this is complicated by the nature of the companies we invest in, which are often less mature, more entrepreneurial, have smaller cost infrastructures and a higher cost of capital.

Many such companies might not score highly on traditional ESG measures, but they may be on a path to improving their credentials. We believe that as responsible investors, we can help influence and shape their consideration of such factors as they grow. We acknowledge that companies which thoughtfully consider issues including board representation, remuneration structures, supply chain efficiency, the working environment and other ESG factors can, in some cases, create greater and more sustainable growth.

The equity income fund process has had an ESG awareness embedded within it for many years.

The fund managers put an high level of importance on meeting management teams on a regular basis, as these issues are often nuanced. A deep understand of individual companies helps to contextualise the ESG challenges that companies face in determining strategy and putting in place appropriate ESG policies and practices.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| LE 6 | CORE | OO 21 | N/A | PUBLIC | ESG incorporation in portfolio construction | 1 |

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

| | (1) Passive equity | (2) Active - quantitative | (3) Active - fundamental |
|---|------------------------|---------------------------|--------------------------|
| (A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process | (1) for all of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process | (1) for all of our AUM | (1) for all of our AUM | (1) for all of our AUM |

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process (1) for all of our AUM (1) for all of our AUM (1) for all of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors ○ ○ ○

PASSIVE INVESTMENTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------|---------------|
| LE 7 | PLUS | OO 21 | N/A | PUBLIC | Passive investments | 1 |

Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.

In 2017 we launched an Emerging Market passive fund that tracks the MSCI Emerging Markets ESG Index. The Fund was renamed the 'Royal London Emerging Markets ESG Leaders Equity Tracker Fund' in 2018. The MSCI ESG Leaders Indexes target companies that have the highest environmental, social and governance (ESG) rated performance in each sector of the parent index. The indexes target a 50% sector representation vs. the parent index, aiming to include companies with the highest MSCI ESG Ratings in each sector. The index suite utilizes MSCI's ESG Research and ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities and are therefore eligible for inclusion.

More information on MSCI's methodology and approach is available here: <https://www.msci.com/msci-esg-leaders-indexes>

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------|---------------|
| LE 8 | PLUS | OO 19, OO 21 | N/A | PUBLIC | Passive investments | 1 |

How does your organisation select the ESG index(es) or benchmark(s) for your passive listed equity assets?

- (A) We commission customised indexes
- (B) We compare the methodology amongst the index providers available
- (C) We compare the costs of different options available in the market
- (D) Other

Specify and explain:

We selected the ESG indexes/ benchmarks based on a variety of reasons including but not limited to; the indexes being better established, proven benchmark providers, the indexes chosen met clients' needs and we also considered and compared the cost of similar benchmarks during our decision process.

POST-INVESTMENT

ESG RISK MANAGEMENT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|-------------------|------------|------------|---------------------|---------------|
| LE 9 | CORE | OO 17.1 LE, OO 21 | N/A | PUBLIC | ESG risk management | 1 |

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------|---------------|
| LE 10 | CORE | OO 21 | N/A | PUBLIC | ESG risk management | 1 |

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(1) Active - quantitative

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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PERFORMANCE MONITORING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| LE 11 | PLUS | OO 21 | N/A | PUBLIC | Performance monitoring | 1 |

Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.

Global Equity Funds – Trex – Environment factor

ESG factors can have a critical impact on our Wealth Creation analysis. We believe that ESG materiality is both key to the evaluation and very complex in practice - our Life Cycle concept and qualitative analysis can add nuance and value where simple quantitative ESG data struggles.

Trex, a company in the Slowing & Maturing stage of the Life Cycle manufactures and distributes wood and plastic composite products (Residential decking etc). Through its use of recycled materials in the production of its products (primarily composite decking boards), the company is able to establish a cost advantage relative to peers which has helped drive operating margins higher than peers. This is a material ESG factor in our assessment of Wealth Creation for Trex.

DISCLOSURE OF ESG SCREENS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|-----------------|------------|------------|---------------------------|---------------|
| LE 12 | CORE | OO 17 LE, OO 21 | N/A | PUBLIC | Disclosure of ESG screens | 6 |

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

FIXED INCOME (FI)

OVERALL APPROACH

MATERIALITY ANALYSIS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------|---------------|
| FI 1 | CORE | OO 21 | N/A | PUBLIC | Materiality analysis | 1 |

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?

| | (1) SSA | (2) Corporate | (3) Securitised |
|---|-------------------------------|------------------------|------------------------|
| (A) Yes, our investment process incorporates material governance factors | (3) for a minority of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (B) Yes, our investment process incorporates material environmental and social factors | (3) for a minority of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons | (3) for a minority of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion | ○ | ○ | ○ |
| (E) No, we do not have a formal or informal process to identify and incorporate material ESG factors | ○ | ○ | ○ |

MONITORING ESG TRENDS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------|---------------|
| FI 2 | CORE | OO 21 | N/A | PUBLIC | Monitoring ESG trends | 1 |

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?

| | (1) SSA | (2) Corporate | (3) Securitised |
|---|------------------------|------------------------|------------------------|
| (A) Yes, we have a formal process that includes scenario analyses | | | |
| (B) Yes, we have a formal process, but does it not include scenario analyses | (1) for all of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (D) We do not monitor and review the implications of changing ESG trends on our fixed income assets | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

(B) Yes, we have a formal process, but it does not include scenario analyses - Specify: (Voluntary)

The RI team update the Royal London Asset Management Investment Committee periodically on integration tools, engagement, voting, climate risk, regulatory updates and emerging issues within the market.

Regulation: To ensure we continue to be aligned to new regulatory developments, we have a team that scans for new and future regulatory activity and provides a preliminary assessment of business impact. Once regulatory change is identified and assessed, we work with our regulatory change team and the impacted business units to implement changes to our business to meet any new regulatory requirements. The business changes required to meet new regulations can be wide-ranging, from highly technical regulatory transaction reporting to product and legal changes, or new marketing and disclosure requirements.

Risk: Emerging risks are reviewed during the year through an Emerging Risks Forum comprised of senior leaders.

This year the risks reviewed included:

- Climate risk
- International ESG regulatory divergence
- Artificial Intelligence (AI)
- Personalisation and customisation
- Blockchain / Distributed Ledger technology
- Geopolitical risk

ESG integration: To support our investment teams, we have an in-house team dedicated to responsible investing and ESG subject matter expertise.

This team helps support fund managers and analysts to embed ESG risks and opportunities across equity, fixed income, and property investment processes. Integrating ESG factors into our investment process is a cornerstone activity for our investment teams. Material factors are assessed and understood, and are reflected in our investment decisions.

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| FI 3 | CORE | OO 21 | N/A | PUBLIC | ESG incorporation in research | 1 |

For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?

| | (1) SSA | (2) Corporate | (3) Securitised |
|---|----------------------------------|-------------------------------------|-------------------------------------|
| (A) We incorporate material environmental and social factors | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) We incorporate material governance-related factors | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (C) We do not incorporate material ESG factors for the majority of our fixed income investments | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| FI 4 | CORE | OO 21 | N/A | PUBLIC | ESG incorporation in research | 1 |

Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?

| | (1) SSA | (2) Corporate | (3) Securitised |
|---|-------------------------------|------------------------|------------------------|
| (A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices) | (3) for a minority of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (B) Yes, we have a framework that differentiates ESG risks by sector | (3) for a minority of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector | ○ | ○ | ○ |
| (D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers | ○ | ○ | ○ |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| FI 6 | CORE | OO 21 | N/A | PUBLIC | ESG incorporation in research | 1 |

How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?

(1) SSA**(2) Corporate**

(A) We incorporate it into the forecast of financial metrics or other quantitative assessments

(3) for a minority of our AUM

(3) for a minority of our AUM

(B) We make a qualitative assessment of how material ESG factors may evolve

(3) for a minority of our AUM

(1) for all of our AUM

(C) We do not incorporate significant changes in material ESG factors

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| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| FI 7 | CORE | OO 21 | N/A | PUBLIC | ESG incorporation in research | 1 |

At what level do you incorporate material ESG factors into the risks and/or returns of your securitised products?

● (A) At both key counterparties' and at the underlying collateral pool's levels

Explain: (Voluntary)

We have invested in secured bonds and ABS for decades, valuing the additional credit protection provided and sheer diversity of mispriced opportunity. If third party ESG data is limited across corporate bonds, it is virtually non-existent for ABS, further motivating us to make our ESG integration bespoke and bottom-up.

In practice, this means that for a residential mortgage backed security (RMBS) we may examine the underlying lending policies and practices of the bank writing the mortgages, including the processes for dealing with arrears and default events. We also consider how this relates to the specific make-up of the pool, such as placing greater scrutiny over a lender's governance and oversight framework if the pool contained a greater proportion of interest-only or high loan-to-value lending.

Similarly, for a commercial mortgage backed security (CMBS), we consider the ESG performance of the underlying assets. These assets can vary from City office buildings to retail parks or industrial units.

We also now regularly engage with new issuers prior to investing to understand how they are managing their environmental impact. In particular, we are interested to understand how they are preparing their assets to cope with climate change and its potential impact on asset life and sustainability of cash flow.

- o (B) At key counterparties' level only
- o (C) At the underlying collateral pool's level only

ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| FI 8 | CORE | OO 21 | N/A | PUBLIC | ESG incorporation in portfolio construction | 1 |

How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?

| | (1) SSA | (2) Corporate | (3) Securitised |
|---|-------------------------------|-------------------------------|-------------------------------|
| (A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process | (3) for a minority of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process | (3) for a minority of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process | (3) for a minority of our AUM | (1) for all of our AUM | (1) for all of our AUM |
| (D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process | (3) for a minority of our AUM | (3) for a minority of our AUM | (3) for a minority of our AUM |
| (E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways | | | |

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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POST-INVESTMENT

ESG RISK MANAGEMENT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------|---------------|
| FI 11 | CORE | OO 21 | N/A | PUBLIC | ESG risk management | 1 |

How are material ESG factors incorporated into your portfolio risk management process?

| | (1) SSA | (2) Corporate | (3) Securitised |
|---|-------------------------------|-------------------------------|-------------------------------|
| (A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations | (3) for a minority of our AUM | (3) for a minority of our AUM | (3) for a minority of our AUM |
| (B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits | (3) for a minority of our AUM | (3) for a minority of our AUM | (3) for a minority of our AUM |
| (C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors | (3) for a minority of our AUM | (2) for a majority of our AUM | (2) for a majority of our AUM |
| (D) We use another method of incorporating material ESG factors into our portfolio's risk management process | | | |

(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

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| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------|---------------|
| FI 12 | CORE | OO 21 | N/A | PUBLIC | ESG risk management | 1 |

For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(1) SSA

(2) Corporate

(3) Securitised

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process

PERFORMANCE MONITORING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------|------------|------------|------------------------|---------------|
| FI 14 | PLUS | OO 5.3 FI, OO 21 | N/A | PUBLIC | Performance monitoring | 1 |

Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.

While we believe that our oversight and engagement on ESG issues has a positive impact, decreases risk, satisfies client objectives, and improves clients' perceptions of our management capabilities - we do not actively measure this. Often ESG issues are just one factor in our investment decision-making and therefore difficult to directly measure. We receive positive feedback on all of these aspects from clients. In some cases, issuer engagement allows us to better assess and reduce risk. For example, our Just Transition engagement with the Social Housing has helped us identify challenges that the sector faces in relation to decarbonisation, as well as identify issuers best placed to absorb the costs of the transition. Another example is our engagement with the water sector, which is valuable to go beyond the headlines affecting water companies and understand the social and environmental impact of issues affecting the sector. Both engagements are invaluable given our position as long-term lenders to both sectors. Nonetheless, it remains challenging to directly link performance with these activities.

THEMATIC BONDS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| FI 15 | PLUS | OO 20, OO 21 | N/A | PUBLIC | Thematic bonds | 3 |

What percentage of environmental, social and/or other labelled thematic bonds held by your organisation has been verified?

As a percentage of your total labelled bonds:

| | |
|---|----------|
| (A) Third-party assurance | (5) >75% |
| (B) Second-party opinion | (5) >75% |
| (C) Approved verifiers or external reviewers (e.g. via CBI or ICMA) | (5) >75% |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|-----------------|------------|------------|----------------|---------------|
| FI 16 | CORE | OO 17 FI, OO 21 | N/A | PUBLIC | Thematic bonds | 1 |

What pre-determined criteria does your organisation use to identify which non-labelled thematic bonds to invest in?

- (A) The bond's use of proceeds
- (B) The issuers' targets
- (C) The issuers' progress towards achieving their targets
- (D) The issuer profile and how it contributes to their targets
- (E) We do not use pre-determined criteria to identify which non-labelled thematic bonds to invest in
- (F) Not applicable; we do not invest in non-labelled thematic bonds

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------------|------------|------------|----------------|---------------|
| FI 17 | CORE | Multiple, see guidance | N/A | PUBLIC | Thematic bonds | 1, 2, 6 |

During the reporting year, what action did you take in the majority of cases when you felt that the proceeds of a thematic bond were not allocated appropriately or in accordance with the terms of the bond deal or prospectus?

- (A) We engaged with the issuer
- (B) We alerted thematic bond certification agencies
- (C) We sold the security
- (D) We blacklisted the issuer
- (E) Other action

- (F) We did not take any specific actions when the proceeds of a thematic bond were not allocated according to the terms of the bond deal during the reporting year
- (G) Not applicable; in the majority of cases, the proceeds of thematic bonds were allocated according to the terms of the bond deal during the reporting year

DISCLOSURE OF ESG SCREENS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|-----------------|------------|------------|---------------------------|---------------|
| FI 18 | CORE | OO 17 FI, OO 21 | N/A | PUBLIC | Disclosure of ESG screens | 6 |

For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

REAL ESTATE (RE)

POLICY

INVESTMENT GUIDELINES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|---------------------|------------|------------|-----------------------|---------------|
| RE 1 | CORE | OO 21, OO 24, OO 26 | N/A | PUBLIC | Investment guidelines | 1 to 6 |

What real estate-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach to real estate depending on use (e.g. retail and education) and geography
- (B) Guidelines on our ESG approach to new construction
- (C) Guidelines on our ESG approach to major renovations
- (D) Guidelines on our ESG approach to standing real estate investments
- (E) Guidelines on pre-investment screening
- (F) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (G) Guidelines on our approach to ESG integration into long-term value creation efforts
- (H) Guidelines on our approach to ESG reporting
- (I) Guidelines on our engagement approach related to third-party property managers
- (J) Guidelines on our engagement approach related to tenants
- (K) Guidelines on our engagement approach related to construction contractors
- (L) Our responsible investment policy(ies) does not cover real estate-specific ESG guidelines

FUNDRAISING

COMMITMENTS TO INVESTORS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------------|---------------|
| RE 2 | CORE | OO 21 | N/A | PUBLIC | Commitments to investors | 1, 4 |

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- (C) We added responsible investment commitments in side letters upon a client's request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) **Not applicable; we have not raised funds in the last five years**

PRE-INVESTMENT

MATERIALITY ANALYSIS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------|---------------|
| RE 3 | CORE | OO 21 | RE 3.1 | PUBLIC | Materiality analysis | 1 |

During the reporting year, how did you conduct ESG materiality analysis for your potential real estate investments?

- (A) **We assessed ESG materiality for each property, as each case is unique**
Select from dropdown list:
 - (1) **for all of our potential real estate investments**
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (B) We performed a mix of property level and property type or category level ESG materiality analysis
- (C) We assessed ESG materiality at the property type or category level only
- (D) We did not conduct ESG materiality analysis for our potential real estate investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------|---------------|
| RE 3.1 | CORE | RE 3 | N/A | PUBLIC | Materiality analysis | 1 |

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential real estate investments?

- (A) We used GRI standards to inform our real estate ESG materiality analysis
- (B) We used SASB standards to inform our real estate ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our real estate ESG materiality analysis
- (D) We used GRESB Materiality Assessment (RC7) or similar to inform our real estate ESG materiality analysis
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our real estate ESG materiality analysis
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our real estate ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our real estate ESG materiality analysis
- (H) We used green building certifications to inform our real estate ESG materiality analysis
- (I) We engaged with the existing owners and/or managers (or developers for new properties) to inform our real estate ESG materiality analysis
- (J) Other

DUE DILIGENCE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------|---------------|
| RE 4 | CORE | OO 21 | N/A | PUBLIC | Due diligence | 1 |

During the reporting year, how did material ESG factors influence your selection of real estate investments?

- (A) Material ESG factors were used to identify risks
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)
- (D) Material ESG factors were used to identify opportunities for value creation
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (F) Material ESG factors impacted investments in terms of the price offered and/or paid

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments
- (G) Material ESG factors did not influence the selection of our real estate investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------|---------------|
| RE 5 | CORE | OO 21 | N/A | PUBLIC | Due diligence | 1 |

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential real estate investments?

(A) We conduct a high-level or desktop review against an ESG checklist for initial red flags

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(B) We send detailed ESG questionnaires to target properties

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(C) We hire third-party consultants to do technical due diligence on specific material ESG factors

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(D) We conduct site visits

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(E) We conduct in-depth interviews with management and/or personnel

(F) We conduct detailed external stakeholder analysis and/or engagement

(G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(I) Other

- (J) We do not conduct due diligence on material ESG factors for potential real estate investments

SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY PROPERTY MANAGERS

SELECTION PROCESS OF THIRD-PARTY PROPERTY MANAGERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| RE 6 | CORE | OO 21, OO 26 | N/A | PUBLIC | Selection process of third-party property managers | 1, 4 |

During the reporting year, how did you include material ESG factors in all of your selections of third-party property managers?

- (A) We requested information from potential third-party property managers on their overall approach to material ESG factors
- (B) We requested track records and examples from potential third-party property managers on their management of material ESG factors
- (C) We requested information from potential third-party property managers on their engagement process(es) with stakeholders
- (D) We requested documentation from potential third-party property managers on their responsible procurement practices, including responsibilities, approach and incentives
- (E) We requested the assessment of current and planned availability and aggregation of metering data from potential third-party property managers
- (F) Other
- (G) We did not include material ESG factors in our selection of third-party property managers

APPOINTMENT PROCESS OF THIRD-PARTY PROPERTY MANAGERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| RE 7 | CORE | OO 21, OO 26 | N/A | PUBLIC | Appointment process of third-party property managers | 1, 4 |

How did you include material ESG factors when appointing your current third-party property managers?

- (A) We set dedicated ESG procedures in all relevant property management phases
Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (B) We set clear ESG reporting requirements
Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (C) We set clear targets on material ESG factors

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers
- (D) We set incentives related to targets on material ESG factors
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (E) We included responsible investment clauses in property management contracts
- (F) Other
- (G) We did not include material ESG factors in the appointment of third-party property managers

MONITORING PROCESS OF THIRD-PARTY PROPERTY MANAGERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| RE 8 | CORE | OO 21, OO 26 | N/A | PUBLIC | Monitoring process of third-party property managers | 1, 4 |

How do you include material ESG factors when monitoring current third-party property managers?

- (A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (B) We monitor the performance of quantitative and/or qualitative targets on material social factors
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (C) We monitor the performance of quantitative and/or qualitative targets on material governance factors
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (D) We monitor progress reports on engagement with tenants
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (E) We require formal reporting at least yearly
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (F) We have discussions about material ESG factors with all relevant stakeholders at least yearly

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers
- (G) We conduct a performance review of third-party property managers against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers
- (H) We have internal or external parties conduct site visits at least yearly
- (I) Other
- (J) We do not include material ESG factors in the monitoring of third-party property managers

CONSTRUCTION AND DEVELOPMENT

CONSTRUCTION REQUIREMENTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------|---------------|
| RE 9 | CORE | OO 21, OO 24 | N/A | PUBLIC | Construction requirements | 1 |

What ESG requirements do you currently have in place for all development projects and major renovations?

- (A) We require the management of waste by diverting materials (e.g. from construction and demolition, reusable vegetation, rocks and soil) from disposal
- (B) We require the minimisation of light and noise pollution that would affect the surrounding community
- (C) We require the performance of an environmental and social site impact assessment
- (D) We require the protection of the air quality during construction
- (E) We require the protection and restoration of the habitat and soils disturbed during construction and/or during previous development
- (F) We require the protection of surface water, groundwater and aquatic ecosystems by controlling and retaining construction pollutants
- (G) We require constant monitoring of health and safety at the construction site
- (H) We require engagement with local communities and other stakeholders during the design and/or planning process
- (I) Other
- (J) We do not have ESG requirements in place for development projects and major renovations

MINIMUM BUILDING REQUIREMENTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| RE 10 | CORE | OO 21, OO 24 | N/A | PUBLIC | Minimum building requirements | 1 |

What minimum building requirements do you have in place for development projects and major renovations?

- (A) We require the implementation of the latest available metering and internet of things (IoT) technology**
 Select from dropdown list:
- (1) for all development projects and major renovations**
 - (2) for a majority of our development projects and major renovations
 - (3) for a minority of our development projects and major renovations
- (B) We require the building to be able to obtain a recognised green and/or healthy building certification for new buildings**
 Select from dropdown list:
- (1) for all development projects and major renovations**
 - (2) for a majority of our development projects and major renovations
 - (3) for a minority of our development projects and major renovations
- (C) We require the use of certified (or labelled) sustainable building materials**
 Select from dropdown list:
- (1) for all development projects and major renovations**
 - (2) for a majority of our development projects and major renovations
 - (3) for a minority of our development projects and major renovations
- (D) We require the installation of renewable energy technologies where feasible**
 Select from dropdown list:
- (1) for all development projects and major renovations**
 - (2) for a majority of our development projects and major renovations
 - (3) for a minority of our development projects and major renovations
- (E) We require that development projects and major renovations become net-zero carbon emitters within five years of completion of the construction**
 Select from dropdown list:
- (1) for all development projects and major renovations**
 - (2) for a majority of our development projects and major renovations
 - (3) for a minority of our development projects and major renovations
- (F) We require water conservation measures**
 Select from dropdown list:
- (1) for all development projects and major renovations**
 - (2) for a majority of our development projects and major renovations
 - (3) for a minority of our development projects and major renovations
- (G) We require common health and well-being measures for occupants**
 Select from dropdown list:
- (1) for all development projects and major renovations**
 - (2) for a majority of our development projects and major renovations
 - (3) for a minority of our development projects and major renovations
- (H) Other**
- (I) We do not have minimum building requirements in place for development projects and major renovations

POST-INVESTMENT

MONITORING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 11 | CORE | OO 21 | RE 11.1 | PUBLIC | Monitoring | 1 |

During the reporting year, did you track one or more KPIs on material ESG factors across your real estate investments?

(A) Yes, we tracked KPIs on environmental factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

- (D) We did not track KPIs on material ESG factors across our real estate investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 11.1 | PLUS | RE 11 | N/A | PUBLIC | Monitoring | 1 |

Provide examples of KPIs on material ESG factors you tracked across your real estate investments during the reporting year.

(A) ESG KPI #1

EPC rating

(B) ESG KPI #2

Physical climate risks and vulnerability assessment

(C) ESG KPI #3

Overheating assessment

(D) ESG KPI #4

Cycle spaces

(E) ESG KPI #5

Percentage of soft landscaping

(F) ESG KPI #6

BREEAM construction

(G) ESG KPI #7

Onsite gas consumption (heating, hot water and cooling)

(H) ESG KPI #8

Number of beds

(I) ESG KPI #9

Number of employees

(J) ESG KPI #10

Number and quality of bedrooms

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 12 | CORE | OO 21 | N/A | PUBLIC | Monitoring | 1 |

During the reporting year, what ESG building performance data did you collect for your real estate assets?

(A) Energy consumption

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(B) Water consumption

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(C) Waste production

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(D) Other

- (E) We did not collect ESG building performance data for our real estate assets

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 13 | CORE | OO 21, OO 26 | RE 13.1 | PUBLIC | Monitoring | 1, 2 |

What processes do you have in place to support meeting your targets on material ESG factors for your real estate investments?

(A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(B) We implement certified environmental and social management systems across our portfolio

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(C) We make sufficient budget available to ensure that the systems and procedures needed are established

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(D) We hire external verification services to audit performance, systems, and procedures

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(E) We collaborate and engage with our third-party property managers and/or tenants to develop action plans

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(F) We develop minimum health and safety standards

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(G) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(H) Other

(I) We do not have processes in place to help meet our targets on material ESG factors for our real estate investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 13.1 | PLUS | RE 13 | N/A | PUBLIC | Monitoring | 1, 2 |

Describe up to two processes you put in place during the reporting year to support meeting your targets on material ESG factors.

(A) Process one

Across all our new developments and major refurbishments, and whenever a single-let unit becomes void, an Automatic Meter Reading (AMR) device must be installed to allow the automated collection of utility consumption data.

(B) Process two

If an EPC of a standing investment or potential acquisition identified in the due diligence stage has a rating of B or below, an EPC Improvement Cost Assessment must be undertaken in order to understand the requirements to improve the EPC to a minimum B rating.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 14 | CORE | OO 21 | N/A | PUBLIC | Monitoring | 1, 2 |

Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period?

(A) We develop property-specific ESG action plans based on pre-investment research, due diligence and materiality findings

Select from dropdown list:

- (1) for all of our real estate investments**
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

(B) We adjust our ESG action plans based on performance monitoring findings at least yearly

Select from dropdown list:

- (1) for all of our real estate investments**
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

(C) We, or the external advisors that we hire, support our real estate investments with specific ESG value-creation opportunities

Select from dropdown list:

- (1) for all of our real estate investments**
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

(D) Other

(E) We do not manage material ESG risks and opportunities post-investment

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 15 | PLUS | OO 21 | N/A | PUBLIC | Monitoring | 1, 2 |

Describe how you ensure that material ESG risks are adequately addressed in the real estate investments where you hold a minority stake.

We hold a minority stake in the Bluewater Shopping Centre. At this asset, we have regularly meetings and are sent reports from the asset manager which includes commentary on ESG. LandSec, who manage Bluewater, also provide reports, using a RAG (Red, Amber, Green) rating system to report progress. We are able to input into initiatives and generally asked to sign anything material off before it is proceeded with. This enables us to have oversight on ESG initiatives at the property.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 16 | PLUS | OO 21 | N/A | PUBLIC | Monitoring | 1, 2 |

Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.

Each year, we produce asset business plans across all properties in the portfolio. These asset business plans outline the property's short and mid- to long-term strategy, covering aspects including financial forecasts, upcoming lease events and risk. The asset business plans are updated and reviewed every six months. These plans include an ESG section, where recommendations from such projects are included. These include outcomes from the net zero carbon audits, EPC Improvement Cost Assessments and solar PV feasibility study, as well as necessary mitigation to minimise any flood risk.

Each of these projects generate a set of recommendations for the asset in question to either minimise risk or maximise the opportunity that is present. Indicative costs for the various recommendations generated by our projects are also provided and incorporated into the financial models at an asset-, fund- and portfolio-level, assisting with decision making.

Through developing our ESG database, we are able to monitor ESG improvements at asset-level. The ESG database enables us to create asset-level KPIs concerning various ESG issues, for example biodiversity, sustainable certifications and onsite renewables.

We seek to review the ESG database regularly in order to understand where asset managers have, or have not, made improvements, enabling us to monitor ESG actions across assets.

As part of our RPI Strategy, we have an RPI Action Plan. Teams within the Property Team have set actions that they are expected to implement in order to embed our RPI Strategy. The RPI Lead meets with these teams on a quarterly basis in order to monitor progress towards implementing these ESG actions.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 17 | CORE | OO 21 | N/A | PUBLIC | Monitoring | 1 |

What proportion of your real estate assets has obtained a green or sustainable building certification?

- (A) All of our real estate assets have obtained a green or sustainable building certification
- (B) A majority of our real estate assets have obtained a green or sustainable building certification
- (C) A minority of our real estate assets have obtained a green or sustainable building certification
- (D) None of our real estate assets have obtained a green or sustainable building certification

STAKEHOLDER ENGAGEMENT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| RE 18 | CORE | OO 21 | N/A | PUBLIC | Stakeholder engagement | 1, 2 |

How does your third-party property manager(s) engage with tenants?

- (A) They engage with real estate tenants on energy, water consumption and/or waste production
 Select from dropdown list:
 - (1) for all of our buildings or properties
 - (2) for a majority of our buildings or properties
 - (3) for a minority of our buildings or properties
- (B) They engage with real estate tenants by organising tenant events focused on increasing sustainability awareness, ESG training and guidance
 Select from dropdown list:
 - (1) for all of our buildings or properties
 - (2) for a majority of our buildings or properties
 - (3) for a minority of our buildings or properties
- (C) They engage with real estate tenants by offering green leases
 Select from dropdown list:
 - (1) for all of our buildings or properties
 - (2) for a majority of our buildings or properties
 - (3) for a minority of our buildings or properties
- (D) They engage with real estate tenants by identifying collaboration opportunities that support targets related to material ESG factors
 Select from dropdown list:
 - (1) for all of our buildings or properties
 - (2) for a majority of our buildings or properties
 - (3) for a minority of our buildings or properties
- (E) They engage with real estate tenants by offering shared financial benefits from equipment upgrades
 Select from dropdown list:
 - (1) for all of our buildings or properties
 - (2) for a majority of our buildings or properties
 - (3) for a minority of our buildings or properties
- (F) Other
- (G) Our third-party property manager(s) do not engage with tenants

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| RE 19 | PLUS | OO 21 | N/A | PUBLIC | Stakeholder engagement | 1, 2 |

During the reporting year, how did you or the organisations operating on your behalf engage with the local community above and beyond what is required by relevant regulations for asset design, use and/or repurposing?

Within our New Construction and Major Refurbishment Standards, we have five KPIs in relation to Social Value which include requirements around engaging with the local community. These often go above and beyond the local planning requirements. These include:

- Contractor to support at least three community engagement activities each year, where team members give time to a project that benefits and supports the local community.
- Major new build and major refurbishment developments will support and promote the provision of training and skills initiatives in the local area during the construction phase, with a minimum of two apprenticeships or work experience students during construction, and one site visits for local schools/residents.
- Development and implementation of a communication plan and community monitoring plan during the design and construction phases.

EXIT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 20 | CORE | OO 21 | N/A | PUBLIC | Exit | 4, 6 |

During the reporting year, what responsible investment information was shared with potential buyers of real estate investments?

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory**
 Select from dropdown list:
- (1) for all of our real estate investments**
 - (2) for a majority of our real estate investments
 - (3) for a minority of our real estate investments
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB**
 Select from dropdown list:
- (1) for all of our real estate investments**
 - (2) for a majority of our real estate investments
 - (3) for a minority of our real estate investments
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)**
 Select from dropdown list:
- (1) for all of our real estate investments**
 - (2) for a majority of our real estate investments
 - (3) for a minority of our real estate investments
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
- (E) The outcome of our latest ESG risk assessment of the property(s)**

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments
- (F) Key ESG performance data on the property(s) being sold

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments
- (G) Other
- (H) No responsible investment information was shared with potential buyers of real estate investments during the reporting year
- (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

DISCLOSURE OF ESG PORTFOLIO INFORMATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| RE 21 | CORE | OO 21 | N/A | PUBLIC | Disclosure of ESG portfolio information | 6 |

During the reporting year, how did you report on your targets on material ESG factors and related data to your investors?

- (A) We reported through a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the property level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that serious ESG incidents were reported
- (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

SUSTAINABILITY OUTCOMES (SO)

SETTING TARGETS AND TRACKING PROGRESS

SETTING TARGETS ON SUSTAINABILITY OUTCOMES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|--------------------|------------|--|---------------|
| SO 1 | PLUS | PGS 48 | SO 2, SO 2.1, SO 3 | PUBLIC | Setting targets on sustainability outcomes | 1, 2 |

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

(A) Sustainability outcome #1

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

Climate Transition

(4) Number of targets set for this outcome

(1) No target

(2) One target

(3) Two or more targets

(B) Sustainability outcome #2

(C) Sustainability outcome #3

(D) Sustainability outcome #4

(E) Sustainability outcome #5

(F) Sustainability outcome #6

(G) Sustainability outcome #7

(H) Sustainability outcome #8

(I) Sustainability outcome #9

(J) Sustainability outcome #10

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|--------------------|------------|--|---------------|
| SO 2 | PLUS | SO 1 | SO 2.1, SO 4, SO 5 | PUBLIC | Setting targets on sustainability outcomes | 1 |

For each sustainability outcome, provide details of up to two of your nearest-term targets.

(A1) Sustainability Outcome #1: Target details

| | | | | | | |
|--|--|--|--|--|--|--|
| (A1) Sustainability Outcome #1: | Climate Transition | | | | | |
| (1) Target name | Portfolio Decarbonisation | | | | | |
| (2) Baseline year | 2020 | | | | | |
| (3) Target to be met by | 2030 | | | | | |
| (4) Methodology | Net Zero Investment Framework | | | | | |
| (5) Metric used (if relevant) | Scope 1 and 2 emissions intensity (tCO2e/\$mn) | | | | | |
| (6) Absolute or intensity-based (if relevant) | (2) Intensity-based | | | | | |
| (7) Baseline level or amount (if relevant): | 47.2 tCO2e/\$mn Please see our TCFD report for an explanation of our calculations in 2023 - Page 30 | | | | | |
| (8) Target level or amount (if relevant) | 50% reduction Please see our NZAM targets for a full disclosure of emissions targets for properties and other years | | | | | |
| (9) Percentage of total AUM covered in your baseline year for target setting | 71% | | | | | |
| (10) Do you also have a longer-term target for this? | (1) Yes | | | | | |

(A2) Sustainability Outcome #1: Target details

| | | |
|--|--|--|
| (A2) Sustainability Outcome #1: | Climate Transition | |
| (1) Target name | Net zero engagement | |
| (2) Baseline year | 2020 | |
| (3) Target to be met by | 2030 | |
| (4) Methodology | Net Zero Investment Framework | |
| (5) Metric used (if relevant) | Percentage (value of companies) against financed emissions | |
| (6) Absolute or intensity-based (if relevant) | (1) Absolute | |
| (7) Baseline level or amount (if relevant): | N/A | |
| (8) Target level or amount (if relevant) | 70% | |
| (9) Percentage of total AUM covered in your baseline year for target setting | 71% | |
| (10) Do you also have a longer-term target for this? | (2) No | |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| SO 2.1 | PLUS | SO 1, SO 2 | N/A | PUBLIC | Setting targets on sustainability outcomes | 1 |

For each sustainability outcome, provide details of up to two of your long-term targets.

| | (1) Target name | (2) Long-term target to be met by | (3) Long-term target level or amount (if relevant) |
|--|---------------------------|-----------------------------------|--|
| (A1) Sustainability Outcome #1: Climate Transition | Portfolio Decarbonisation | 2050 | Net zero |

FOCUS: SETTING NET-ZERO TARGETS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------------------|------------|---------------------------------|---------------|
| SO 3 | PLUS | SO 1 | Multiple, see guidance | PUBLIC | Focus: Setting net-zero targets | General |

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|----------------|------------|---------------------------------|---------------|
| NZAM 1 | PLUS | NZAM, SO 3 | SO 3.1, SO 3.2 | PUBLIC | Focus: Setting net-zero targets | General |

Select the relevant asset class breakdown for your organisation to report on your net-zero targets.

- (A) PRI's standard asset class breakdown
- (B) Asset class breakdown as per the NZAOA's Target Setting Protocol

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------------|---------------|
| SO 3.1 | PLUS | SO 3 | N/A | PUBLIC | Focus: Setting net-zero targets | General |

Provide details of your nearest-term net-zero targets per asset class.

(A) PRI asset class breakdown

Listed equity

Target details

(A) PRI asset class breakdown: Listed equity

| | | |
|--|--|---|
| (1) Baseline year | 2020 | |
| (2) Target to be met by | 2030 | |
| (3) Emissions included in target | | (1) Scope 1 (2) Scope 2 |
| (4) Methodology | Net Zero Investment Framework | |
| (5) Metric used | | (3) Intensity-based: tCO2e/Mn USD |
| (6) Baseline amount | 47.2 tCO2e/\$mn | Please see our TCFD report for an explanation of our calculations in 2023 |
| (7) Current amount (if different from baseline amount) | 42.2 tCO2e/\$mn | Please see our TCFD report |
| (8) Targeted reduction with respect to baseline | 50% | |
| (9) Percentage of total AUM covered in your baseline year for target setting | 71% | |
| (10) If coverage is below 100% for this asset class, explain why | Includes: Funds/assets directly owned or controlled by RLAM and segregated mandates where clients made explicit commitments to net zero. Excludes: Funds/assets that, due to mandate, or presently unclear pathway to net zero by 2050. Funds tracking external indexes, from which we do not have control and assets with insufficient data to make a commitment at this time. This may include emerging markets, commodities, derivatives, cash, and foreign exchange. | |

Fixed income

Target details

(A) PRI asset class breakdown: Fixed income

| | | |
|---|--|---|
| (1) Baseline year | 2020 | |
| (2) Target to be met by | 2030 | |
| (3) Emissions included in target | | (1) Scope 1 (2) Scope 2 |
| (4) Methodology | Net Zero investment Framework | |
| (5) Metric used | | (3) Intensity-based: tCO ₂ e/Mn USD |
| (6) Baseline amount | 47.2 tCO ₂ e/\$mn | Please see our TCFD report for an explanation of our calculations in 2023 |
| (7) Current amount (if different from baseline amount) | 42.2 tCO ₂ e/\$mn | Please see our TCFD report |
| (8) Targeted reduction with respect to baseline | 50% | |
| (9) Percentage of total AUM covered in your baseline year for target setting | 71% | |
| (10) If coverage is below 100% for this asset class, explain why | Includes: Funds/assets directly owned or controlled by RLAM and segregated mandates where clients made explicit commitments to net zero. Excludes: Funds/assets that, due to mandate, or presently unclear pathway to net zero by 2050. Funds tracking external indexes, from which we do not have control and assets with insufficient data to make a commitment at this time. This may include emerging markets, commodities, derivatives, cash, and foreign exchange. | |
| <input type="checkbox"/> Private equity <input checked="" type="checkbox"/> Real estate | | |

Target details

(A) PRI asset class breakdown: Real estate

| | |
|-------------------|------|
| (1) Baseline year | 2019 |
|-------------------|------|

| | |
|---|--|
| (2) Target to be met by | 2030 |
| (3) Emissions included in target | (1) Scope 1 (2) Scope 2 (3) Scope 3 |
| (4) Methodology | Better Buildings Partnerships' Net Zero Carbon Pathway Framework betterbuildingspartnership.co.uk/sites/default/files/media/attachment/BBP_Net-zero Carbon Pathway Framework_June22_v3_0.pdf |
| (5) Metric used | (2) Absolute: MtCO2e |
| (6) Baseline amount | a) Property Scope 1 emissions: 3,979 tCO2e b) Property Scope 2 (location-based) emissions: 8,338 tCO2e c) Property Scope 3 emissions: 54,996 tCO2e Total emissions = 67,313 tCO2e |
| (7) Current amount (if different from baseline amount) | a) Property Scope 1 emissions: 3,321 tCO2e b) Property Scope 2 (location-based) emissions: 5,556 tCO2e c) Property Scope 3 emissions: 133,912 tCO2e Total emissions = 67,313 tCO2e |
| (8) Targeted reduction with respect to baseline | 100% |
| (9) Percentage of total AUM covered in your baseline year for target setting | 99% |
| (10) If coverage is below 100% for this asset class, explain why | Royal London Asset Management has three main property funds: 1 Royal London UK Real Estate Fund (RLUKREF) 2 Royal London Pension Property Fund (RLPPF) 3 Royal London Property Fund (RLPF) These make up 99% of our property portfolio by assets under management (AUM). The commitment pathway covers all property assets, both direct and indirect, in these funds. In addition, we have three smaller property funds; Royal London Operational Estate (RLOE); Royal London Long Term Fund (RLTTF); and Royal London Cooperative Insurance Society (RLCIS). These smaller property funds are currently excluded from our Net Zero Carbon Pathway as they cover less than 1% of the total property portfolio. |
| <input type="checkbox"/> Infrastructure <input type="checkbox"/> Hedge funds <input type="checkbox"/> Forestry <input type="checkbox"/> Farmland <input type="checkbox"/> Other | |

TRACKING PROGRESS AGAINST TARGETS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------------|---------------|
| SO 4 | PLUS | SO 2 | SO 4.1 | PUBLIC | Tracking progress against targets | 1 |

Does your organisation track progress against your nearest-term sustainability outcomes targets?

(A1) Sustainability outcome #1:

(A1) Sustainability outcome #1: Climate Transition

Target name: Portfolio Decarbonisation

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(A2) Sustainability outcome #1:

(A2) Sustainability outcome #1: Climate Transition

Target name: Net zero engagement

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------------|---------------|
| SO 4.1 | PLUS | SO 4 | N/A | PUBLIC | Tracking progress against targets | 1 |

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

(A1) Sustainability Outcome #1: Target details

| | |
|--|---|
| (A1) Sustainability Outcome #1: | Climate Transition |
| (1) Target name | Portfolio Decarbonisation |
| (2) Target to be met by | 2030 |
| (3) Metric used (if relevant) | Scope 1 and 2 emissions intensity (tCO2e/\$mn) |
| (4) Current level or amount (if relevant) | An 11% reduction in our carbon footprint (tCO2e/\$m invested) relative to our 2020 NZAM baseline but a 1% increase year on year from 2021 |
| (5) Other qualitative or quantitative progress | Whilst the reductions observed show movement in the right direction, there continue to be material constraints in the quality of data. We also do not expect decarbonisation to follow a linear trajectory as many factors, including the emissions time lag described in other parts of this report, are at play. External factors, as well as the outcomes of our actions, can impact our portfolio emissions including macro-economic influences and cyclical trends such as the market volatility caused by the Russian invasion of Ukraine, fluctuations of exchange rates and an increase in activity following Covid-19 lockdowns. As a result, we expect financed emissions, carbon intensity and WACI will fluctuate over time, albeit with a long-term downward trajectory. |
| (6) Methodology for tracking progress | A simple comparative analysis year-on-year and against the baseline. As disclosed in table 5 of our TCFD report 2022. |

(A2) Sustainability outcome #1: Target details

| | |
|---------------------------------|--|
| (A2) Sustainability outcome #1: | Climate Transition |
| (1) Target name | Net zero engagement |
| (2) Target to be met by | 2030 |
| (3) Metric used (if relevant) | Percentage (value of companies) against financed emissions |

(4) Current level or amount (if relevant) In 2022, the first year of our Net Zero Stewardship Programme, we engaged with 40 companies representing 51% of our financed emissions achieving our initial target of engaging with 50% of our financed emissions. Further details on our 2022 net zero engagements can be found in our Net Zero Stewardship Report.

(5) Other qualitative or quantitative progress We have assessed the transition plans of 80 companies, representing approximately 52% of our financed emissions, against our 12 indicators. Each of these indicators are assessed using a 'red / amber / green' rating based on proprietary criteria which factors in sector-specific considerations. An indicator will be rated 'red' for companies with plans that do not meet minimum standards, for example for indicator 5, a company with recent evidence of negative lobbying. To be rated 'green' the company must meet our highest threshold, for example evidence of recent proactive lobbying supporting the policies needed for its sector to transition to net zero.

(6) Methodology for tracking progress We use various sources of information to assess the plans, including company disclosures, data providers and academic research, and provide qualitative analysis for each of our ratings which are subsequently shared with our investment teams. Additionally, our indicators align with the CA100+ Net Zero benchmark. We use our own indicators to build a categorisation methodology in line with the Net Zero Investment Framework (NZIF) categories: namely, aligned to a net zero pathway; aligning towards a net zero pathway; not aligned.

INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| SO 5 | PLUS | SO 2 | Multiple | PUBLIC | Levers used to take action on sustainability outcomes | 1, 2, 5 |

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
 Select from drop down list:
 - (1) Individually
 - (2) With other investors or stakeholders
- (B) Stewardship: engagement with external investment managers
- (C) Stewardship: engagement with policy makers
 Select from drop down list:
 - (1) Individually
 - (2) With other investors or stakeholders
- (D) Stewardship: engagement with other key stakeholders

Select from drop down list:

- (1) Individually
- (2) With other investors or stakeholders
- (E) Capital allocation
- (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

CAPITAL ALLOCATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|----------------|------------|------------|--------------------|---------------|
| SO 7 | PLUS | OO 17 FI, SO 1 | N/A | PUBLIC | Capital allocation | 1 |

During the reporting year, did you use thematic bonds to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

Thematic bond(s) label

(A) Sustainability Outcome #1:
Climate Transition

- (A) Green/climate bonds
- (B) Social bonds
- (C) Sustainability bonds
- (D) Sustainability-linked bonds

STEWARDSHIP WITH INVESTEEES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| SO 8 | PLUS | SO 5 | N/A | PUBLIC | Stewardship with investees | 2 |

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach

We believe that regular engagement with companies has a positive cumulative effect. Successive meetings help us build our understanding of the direction of travel, allow us to offer our perspective and in turn build a mutually beneficial relationship. Ultimately, our goal is to have a positive influence on corporate behaviour.

Assisting companies with improving their practices, governance and oversight, managing their impact on society and the environment, and improving performance overtime. We engage across a spectrum of strategic, environmental, social and governance (ESG) issues. This forms a core component of our stewardship responsibilities.

As an active asset manager with a long-term investment view, it is an activity that many of our clients have come to expect from us. We engage with companies on both a reactive and proactive basis. We focus our time and attention on issues we feel are most material to our investments, and where we think engagement can have the biggest impact on ESG outcomes.

We do this by focusing on six key themes. These are chosen following a review of trends and events, alongside extensive consultation with fund managers, responsible investment analysts, clients and other stakeholders. We review our engagement themes every two years and the last review was completed in 2021.

Our engagement approach is complemented by our robust and bespoke approach to proxy voting. We take this responsibility very seriously – we don't auto-vote, and a member of our team looks at every single vote before it is submitted on behalf of our clients. We are also committed to full disclosure of our voting, being one of the leaders in the UK by providing public vote disclosure since 2002.¹ All our votes are available to view in the responsible investment section of our website www.rlam.com. We are also working more closely with our clients to get their feedback on our voting approach and voting policies, to help make sure we reflect their wishes and views.

(2) Stewardship tools or activities used

(1) Engagement
(2) (Proxy) voting at shareholder meetings

(3) Example

Just transition - Provision of capital plays an essential role in enabling customers to transition to sustainable low-carbon economies. By incorporating just transition into their climate transition plans, banks can assist the wide range of sectors, regions and communities they finance. At the AGMs of Barclays, Lloyds Banking Group, NatWest and HSBC, RLAM and the Friends Provident Foundation (FPF) asked the banks to consider integrating just transition throughout their climate transition plans.

We met all four banks in Q3, rearticulating the business case and providing suggestions on how integrating just transition into their plans would look. All banks appeared enthusiastic to integrate just transition into their work and reporting, yet they remain uncertain on how this will look in practice. NatWest considers its purpose to be closely aligned with social impact and this guides how they implement climate commitments.

Barclays focused on its role in community investments and how this can be linked to urban regeneration. Lloyds Banking Group has examples of supporting SME finance for climate solutions. Around COP27, HSBC announced its support of the Just Transition Energy Partnership for Indonesia and Vietnam, and shortly after, they included just transition as an objective of their energy policy, being the first bank to do so.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: Climate Transition

(1) Describe your approach

Engaging on climate is one of the most important elements of our strategy towards meeting our climate commitments and managing climate-related risks and opportunities. The roll-out of our Net Zero Stewardship Programme in 2022 is a prime example of this. The programme sets out our framework to evaluate the progress of companies in our portfolio and the delivery of decarbonisation plans each year until 2030. This framework is based on six pillars:

1. Research: Assess companies' plans against 12 specific indicators that, in our view, are parts of a climate transition plan and underpin companies' willingness and ability to transition.
2. Engage: Conduct engagement with companies to improve their climate transition plans, partnering with CA100+ and other investor networks where beneficial.
3. Vote: All our votes are carried-out in house, we will use our active voting position and other escalation techniques to progress our net zero objectives.
4. Integrate: Ensure data from climate engagements is flowing and distributed to investment teams for their assessment of materiality and appropriate integration into investment processes.
5. Advocate: Add our voice to collective advocacy efforts to ensure policies adopted facilitate the achievement of net zero.
6. Report: Twice a year we will report progress to clients and relevant stakeholders.

(2) Stewardship tools or activities used

(1) Engagement
(2) (Proxy) voting at shareholder meetings

Coal demand: CLP Holdings

Focusing purely on coal demand in Asia where it is most significant and growing, we met CLP Holdings, an energy utility based in Hong Kong, twice in 2022. We were pleased to hear that the company did not see any significant barriers to decarbonisation in Hong Kong, India, China, or Australia. The company has coal-fired plants in all these geographies. The company also does not believe divestment is the correct approach to delivering its climate targets and that just transition is a priority. We later met CLP's Head of Sustainability and requested the company provide further details on their coal phaseout plans and just transition. CLP is exploring options to replace coal generation. Enabling additional renewables to come on stream is part of the puzzle, as well as capacity mechanisms such as battery storage and pumped hydro technologies.

(3) Example

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| SO 9 | PLUS | SO 5 | N/A | PUBLIC | Stewardship with investees | 2 |

How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

- (A) We prioritise the most strategically important companies in our portfolio.
- (B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.
- (C) **We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.**

Describe how you do this:

We prioritise the largest emitters contributing to our financed emissions through scope 1, 2 and 3

Select from the list:

- 1
- 2
- 3
- 4
- (D) Other

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| SO 11 | PLUS | SO 5 | N/A | PUBLIC | Stewardship: Engagement with policy makers | 2 |

During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

| | |
|---|---|
| (1) Describe your approach | We think it is important to work with regulators, governments, standard-setters, and NGOs to advance good governance and responsible investment practices. This includes providing responses to consultation requests, surveys, and meeting with regulators or others to express concerns or support for policies |
| (2) Engagement tools or activities used | <p>(1) We participated in 'sign-on' letters</p> <p>(2) We responded to policy consultations</p> <p>(3) We provided technical input via government- or regulator-backed working groups</p> <p>(4) We engaged policy makers on our own initiative</p> |
| (3) Example(s) of policies engaged on | <p>Sign on letters – We have signed the 2022 Global Investor Statement from the Investor Agenda which called for governments to focus their attention on specific policies needed to enable large scale zero-emissions, climate-resilient investments.</p> <p>Policy Consultations: We have responded to the following government consultations directly, or through the IA or IIGCC:</p> <ul style="list-style-type: none"> • Glasgow Financial Alliance for Net Zero (GFANZ) on its Guidance on Credible Net Zero Transition Plans for the financial industry • Her Majesty's Treasury Transition Plan Taskforce (TPT) call for evidence on a sector-neutral framework for private sector transition plans • Department for Business, Energy, and Industrial Strategy (BEIS) Net Zero Independent Review: Call for evidence • The Securities and Exchange Commission (SEC) proposed rules to enhance and standardise climate-related disclosures for investors. |

We provided technical input via government- or regulator-backed working groups:

- Climate Financial Risk Forum (CFRF) – Main forum member and transition to net zero working group participant. .
- Disclosures and Labelling Advisory Committee (DLAG) of the UK's Financial Conduct Authority (FCA)
- Vote Reporting Group convened by the FCA.

We engaged policy makers on our own initiative:

- Letter to Economy Ministry of Italy asking Italian government to continue Enel's strategy when electing new CEO
- Letter to Secretary of State of the Department for Energy Security and Net Zero to support intention to reform Ofgem's mandate to include the delivery of net zero goals.

(B) Sustainability Outcome #1:

| | |
|---|--|
| (B) Sustainability Outcome #1: | Climate Transition |
| (1) Describe your approach | For investors, climate transition via corporate engagement is limited by holding size and the resources needed for individual and/or collective engagement. Public policy intervention is capable of 'raising all boats' or 'levelling the playing field' in a systematic way. We believe government and public sector advocacy forms a core component of any comprehensive net zero engagement strategy. |
| (2) Engagement tools or activities used | <ul style="list-style-type: none"> (1) We participated in 'sign-on' letters (2) We responded to policy consultations (3) We provided technical input via government- or regulator-backed working groups (4) We engaged policy makers on our own initiative |
| (3) Example(s) of policies engaged on | <p>During 2022, our activity on this front was mostly done through our membership in the following industry initiatives:</p> <ul style="list-style-type: none"> • Climate Financial Risk Forum (CFRF), led by the Bank of England's Financial Conduct Authority (FCA) and Prudential Regulatory Authority (PRA), we contribute as members of the forum and participants in its transition to net zero working group. • Investment Association (IA), we sit on their Stewardship and Sustainability and Climate Change Working Groups. • Institutional Investor Group on Climate Change (IIGCC), we are active members and also co-chair the energy utilities working group. |

- Net Zero Asset Management Initiative (NZAMI), we are members and submitted our inaugural net zero commitment in 2022.
- Climate Action 100+ (CA100+), we are co-leads of engagements with E.ON, EDF and Glencore. We continued to be highly engaged on just transition through investor networks. The social implications of climate change have been a priority for our engagement since 2019. Specifically in 2022 relevant partnerships included:
 - Financing the Just Transition Alliance (FJTA), we contributed to the report Making Transition Plans Just.
 - International Labour Organisation (ILO), we supported the publication of the Tool for Finance sector integration of just transition.
 - Interfaith Centre of Corporate Responsibility (ICCR), we joined US investors on engagement with energy utilities.
 - Ceres Investor Network, we participated in their just transition working group, showcasing our investor expectations in just transition for the power utilities.
 - World Benchmarking Alliance (WBA), we supported their engagement initiative on just transition and oil and gas companies.
 - Friends Provident Foundation (FPF), we continued collaborative engagements on energy utilities, banks and social housing.[As above]

STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| SO 12 | PLUS | SO 5 | N/A | PUBLIC | Stewardship: Engagement with other key stakeholders | 2, 5 |

Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?

(A) Across all sustainability outcomes

(1) Key stakeholders engaged

- (1) Standard setters
- (2) Reporting bodies
- (7) Academia
- (8) NGOs
- (9) Other key stakeholders

(2) Provide further detail on your engagement

- Letter to the SEC re Amazon: We supported Pensions & Investment Research Consultants' (PIRC) letter to the SEC to allow the shareholder proposal to be filed with Amazon. The shareholder proposal requested Amazon issue a tax transparency report aligned with the guidelines set out in the Global Reporting Initiative's Tax Standard.

- Letter to the SEC on cybersecurity: We wrote to the SEC, alongside other investors, to show our support of the Proposed Rule S7-09-22 on public company cybersecurity.¹² Within the letter we shared our views on what constitutes useful cybersecurity disclosures and our investor expectations. For further information in our cybersecurity engagement, please see page 18.
- CCLA13 Corporate Health Benchmark: To further our work on the health engagement theme, particularly around supporting healthy employees, we supported the global investor statement on workplace mental health which seeks to use the findings of the CCLA Corporate Health Benchmarks to encourage companies to take action on the mental health of their employees.
- FAIRR14 engagement on biodiversity: We joined FAIRR, a collaborative investor network that raises awareness of the risks and opportunities brought about by intensive livestock production. Specifically, we joined their Biodiversity Loss from Waste and Pollution engagement programme.
- CA100+ Net Zero Company Benchmark
- IIGCC Offsetting principles for investors and their portfolio companies
- IIGC Net Zero Stewardship Toolkit • IIGC and Transition Pathway Initiative (TPI) framework of pilot indicators to assess banks on the transition to net zero.
- We were invited to contribute to an International Labour Organisation (ILO) and London School of Economics (LSE) Grantham Research Institute Guide on Just Transition for financial institutions, launched at COP27
- As part of the Financing the Just Transition Alliance (FTJA) which brings together banks, investors and other stakeholders in the UK, we contributed to their report Making Transition Plans Just, showing how to include just transition in financial institutions climate plans
- We took part in a just transition Workshop Series from CA100+ North America organisation CERES and provided feedback to company research templates and text for shareholder resolutions
- Responded to calls for evidence on the UK Net Zero Review and TPT and the International Sustainability Standard Board (ISSB) consultation on their proposals for sustainability disclosure standards.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: Climate Transition

(1) Key stakeholders engaged

- (1) Standard setters
- (2) Reporting bodies
- (7) Academia
- (8) NGOs
- (9) Other key stakeholders

(2) Provide further detail on your engagement

We are active in shaping the investor tools and expectations for good climate stewardship; for example, providing feedback to:

- CA100+ Strategy renewal for the period 2023-2030
- CA100+ Net Zero Company Benchmark
- IIGCC Offsetting principles for investors and their portfolio companies
- IIGC Net Zero Stewardship Toolkit
- IIGC and Transition Pathway Initiative (TPI) framework of pilot indicators to assess banks on the transition to net zero.

This year we have responded to the following government consultations directly, or through the IA or IIGCC:

- Glasgow Financial Alliance for Net Zero (GFANZ) on its Guidance on Credible Net Zero Transition Plans for the financial industry
- Her Majesty's Treasury Transition Plan Taskforce (TPT) call for evidence on a sector-neutral framework for private sector transition plans
- Department for Business, Energy, and Industrial Strategy (BEIS) Net Zero Independent Review: Call for evidence
- The Securities and Exchange Commission (SEC) proposed rules to enhance and standardise climate-related disclosures for investors.

We were invited to contribute to an International Labour Organisation (ILO) and London School of Economics (LSE) Grantham Research Institute Guide on Just Transition for financial institutions, launched at COP27

- As part of the Financing the Just Transition Alliance (FTJA) which brings together banks, investors and other stakeholders in the UK, we contributed to their report Making Transition Plans Just, showing how to include just transition in financial institutions climate plans
- We signed the Statement of Investor Expectations for Job Standards and Community Impacts in the just transition from Interfaith Centre on Corporate Responsibility (ICCR), to ensure a just transition that supports

a racially and economically equitable, decarbonised economy by prioritising 'high-road' jobs, respect for human rights, positive community impacts, and the remediation of harms

- We took part in a just transition Workshop Series from CA100+ North America organisation CERES and provided feedback to company research templates and text for shareholder resolutions
- We joined roundtables with European and Australian investors on just transition, respectively led by Finance for tomorrow by Paris Europlace and the Australian Council of Superannuation Investors limited (ACSI).

STEWARDSHIP: COLLABORATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| SO 13 | PLUS | SO 5 | N/A | PUBLIC | Stewardship: Collaboration | 2 |

During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Initiative #1

| | |
|---|---|
| (1) Name of the initiative | Climate Financial Risk Forum |
| (2) Indicate how your organisation contributed to this collaborative initiative | (G) We were part of an advisory committee or similar (H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report) |
| (3) Provide further detail on your participation in this collaborative initiative | <p>RLAM has worked with regulators, such as through the FCA's Climate Financial Risk Forum (CFRF) in the UK, to support disclosure standardisation. Contributed as members of the forum and participants in its transition to net zero working group.</p> <p>Supported and provided feedback on the following three publications as a member of the Transition to Net Zero working Group:</p> <ul style="list-style-type: none"> – mobilising investments into climate solutions. – disclosures, managing legal risk; and – a carbon budget primer for financial institutions. |

(B) Initiative #2

| | |
|---|---|
| (1) Name of the initiative | Climate Action 100+ |
| (2) Indicate how your organisation contributed to this collaborative initiative | (A) We were a lead investor in one or more focus entities (e.g. investee companies) (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies) (C) We publicly endorsed the initiative |
| (3) Provide further detail on your participation in this collaborative initiative | <p>We are co-leads of engagements with E.ON, EDF and Glencore. Also regarding IIGCC (Associated initiative): We have also engaged with banks, offsetting, and net zero implementation.</p> <p>We are the co-chair of the utilities sector working group.</p> <p>Contributed to a letter for European utilities on energy security and affordability considerations and proactive lobbying for climate policies.</p> <p>Provided feedback to sector methodologies (banks, oil and gas).</p> <p>And NZAM: published our climate targets as part of our support of the Net Zero Asset Managers (NZAM) initiative in 2022.</p> <p>And Investor Agenda (an initiative spearheaded by the underlying institutions under CA100).</p> |

(C) Initiative #3

| | |
|---|---|
| (1) Name of the initiative | Financing the Just Transition Alliance (FJTA) |
| (2) Indicate how your organisation contributed to this collaborative initiative | (A) We were a lead investor in one or more focus entities (e.g. investee companies) (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies) (C) We publicly endorsed the initiative (D) We provided pro bono advice, research or training |
| (3) Provide further detail on your participation in this collaborative initiative | <ul style="list-style-type: none">• Making transition plans just' report published.• Contributed to a tool for integrating a Just Transition in banking and investing activities launched at the COP27. |

Also associated with Just Transition:

Friends Provident Foundation & RLAM – Just Transition Strategy – Banks, Social Housing & Utilities: We completed collaborative engagements on energy utilities, banks and social housing

World Benchmarking Alliance – Just Transition: We supported their engagement initiative on just transition and oil and gas companies

Ceres – Just Transition: We participated in their just transition working group, showcasing our investor expectations in just transition for the power utilities.

Interfaith Centre of Corporate Responsibility (ICCR): We joined US investors on engagement with energy utilities.

International Labour Organisation: We supported the publication of the Tool for Finance sector integration of just transition.

(D) Initiative #4

| | |
|----------------------------|---|
| (1) Name of the initiative | Collaborative engagements where RLAM acts as Secretariat or supports others Water Utilities collaboration with RLAM clients |
|----------------------------|---|

| | |
|---|--|
| (2) Indicate how your organisation contributed to this collaborative initiative | (A) We were a lead investor in one or more focus entities (e.g. investee companies) (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies) (C) We publicly endorsed the initiative |
|---|--|

| | |
|---|---|
| (3) Provide further detail on your participation in this collaborative initiative | Water Utilities collaboration with RLAM clients : We have initiated Phase 2 of the engagement which started in Q4 2022 with selected RLAM clients. The aim of the collaborative engagement is to drive real world outcomes around climate physical risk, biodiversity, antimicrobial resistance, and community. FAIRR – Biodiversity: Waste & Pollution: We joined FAIRR, a collaborative investor network that raises awareness of the risks and opportunities brought about by intensive livestock production. |
|---|---|

Specifically, we joined their Biodiversity Loss from Waste and Pollution engagement programme

CCLA – Workplace Mental Health: To further our work Initiative on the health engagement theme, particularly around supporting healthy employees, we supported the global investor statement on workplace mental health which seeks to use the findings of the CCLA Corporate Health Benchmarks to encourage companies to act on the mental health of their employees

Cybersecurity collaboration with RLAM clients: In 2022, we launched phase three of our cybersecurity engagement programme targeting 12 companies that could face higher risks from cyberattacks due to their exposure to threat, technology dependency, and service criticality.

Engagement with our investee companies has been key to furthering our understanding, given the confidentiality of policies and general lack of public disclosure in this area

Swedish Council of Ethics – Human Rights in Technology: RLAM joined this collaborative engagement where the aim is to engage selected tech companies to 1) take concrete measures to strengthen their approach to operational and systemic human rights risks and impacts pertaining to their products and services¹ and 2) report on the related challenges and activities more transparently.

The three-year initiative is led by the Council on Ethics of the Swedish national pension funds .

30% Club – Gender Diversity in Japan: RLAM led an engagement programme with five other investors as part of our membership of the 30% Club Investor Group, targeting nine companies and advocating for greater gender diversity. Our formal ask is 30% gender diversity at board level, but we also encourage companies to set targets throughout the workforce. We believe that the 30% level is appropriate at this stage, as research has shown this is the point at which minority voices challenge the status quo.

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|--|---------------|
| CBM 1 | CORE | N/A | Multiple indicators | PUBLIC | Approach to confidence-building measures | 6 |

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
 - (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL REVIEW

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------|---------------|
| CBM 6 | CORE | CBM 1 | N/A | PUBLIC | Internal review | 6 |

Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent
 - Sections of PRI report reviewed
 - (1) the entire report
 - (2) selected sections of the report
 - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year