

# The Scottish Leather Group Limited Retirement Benefits Scheme

ESG Report

30 September 2022

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## Scheme Summary

Policy Number:  
Statement Date:

IS0008498  
30/09/2022

Funds	Holdings	Unit Price	Value	%	Fund Manager ESG Credentials	Engagement & Voting Records
Insight LDI Enhanced Selection Longer Nominal Fund	360,895	11.564735	4,173,654	45.57%	Yes	Engagement Only
Insight LDI Enhanced Selection Longer Real Fund	131,277	22.052822	2,895,019	31.61%	Yes	Engagement Only
Insight Liquid ABS Fund Buy & Hold	1,574	99.893834	157,195	1.72%	Yes	Engagement Only
M&G Total Return Credit Investment Fund	2,030	97.933966	198,830	2.17%	Yes	Engagement Only
Ninety One Global Total Return Credit Fund	0	0	0	0.00%	Yes	Engagement Only
Nordea 1 GBP Diversified Return Fund	7,873	109.348923	860,917	9.40%	Yes	Yes
Pictet Multi Asset Portfolio	0	0	0	0.00%	Yes	Yes
Thread Life Multi Asset Fund	597,074	1.462449	873,190	9.53%	Yes	Voting Only
<b>Total</b>			<b>9,158,804</b>	<b>100.00%</b>		

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## Fund Manager ESG Credentials

Questions	Columbia Threadneedle	Insight
Do you have an ESG policy that is integrated into the investment process?	Yes	Yes
Do you have a firm ESG rating?	Yes	Not applicable
Please provide your UNPRI survey scores	<p>2021 scores:</p> <p>Investment &amp; Stewardship Policy: 78</p> <p>Listed equity - Active fundamental - incorporation: 89</p> <p>Listed equity - Passive - incorporation: 37</p> <p>Listed equity - Active fundamental - voting: 76</p> <p>Listed equity - Passive - voting: 76</p> <p>Fixed income - SSA: 68</p> <p>Fixed income - Corporate: 78</p> <p>Fixed income - Securitised: 7</p> <p>Infrastructure: 80</p>	<p>Insight was a founding signatory to the United Nations (UN)-supported Principles for Responsible Investment (PRI) in 2006 and became the first asset manager to produce a comprehensive report detailing how we meet our commitments as a signatory.</p> <p>We set out our 2021 modular scores below:</p> <p>-Investment and Stewardship Policy: ★★★★★</p> <p>-Fixed income - Sovereigns: ★★★★★</p> <p>-Fixed income - Corporate: ★★★★★</p> <p>-Fixed income - Securitised: ★★★★★</p> <p>-Listed equity - Active fundamental - incorporation: ★★★★★</p> <p>-Listed equity - Active fundamental - voting: ★★★</p> <p>PRI ratings are assessed against a range of indicators.</p>
Do you have a Climate Change policy that is integrated into the investment process?	<p>Yes. Central to our fundamental research of companies is an assessment of the credibility and achievability of a company's carbon transition plan. We are members of the Net Zero Asset Managers initiative, a group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner. We have developed a robust framework to measure and monitor carbon emissions. We are working on an ambitious approach to address the climate impact of both our own business activities and our invested assets, through close partnership with our clients and the companies we invest in. Our approach has a focus on real-world emissions reduction, engaging with companies to help them on their decarbonisation journeys. We are also a signatory to Climate Action 100+ (CA100+), a collaborative program seeking to ensure that the world's largest corporate greenhouse gas emitters take necessary action to combat climate change.</p>	<p>We aim to create investment solutions that are intended to give clients financial certainty. This cannot come at the expense of a deteriorating natural environment or unmanageable climate-related events. We believe Insight has a responsibility to manage environment-related risks and outcomes for our clients.</p> <p>It is important to examine broader environmental issues than climate change alone because we identify broader impacts from climate issues, such as on water, biodiversity, land, waste, marine life and health. Delivering on our commitment is a holistic responsibility, affecting our corporate actions, the investments we make, and interactions with the wider financial community.</p> <p>The Insight Environment Policy</p> <ul style="list-style-type: none"> <li>- Aims to minimise the environmental impact of our corporate activities</li> <li>- Aims to deliver clients investment solutions aligned with their environmental objectives</li> <li>- Strives to hold issuers accountable for their environmental responsibilities</li> <li>- Manages investment environment risks and support environmental transition activities</li> <li>- Operates internal processes to manage environmental risk issues and deliver transparency</li> </ul>

<p>Are Senior Management accountable for ESG or Climate Change risks?</p>	<p>Yes</p>	<p>The Climate Change Resilience Committee (CCRC) is chaired by the Chief Risk Officer, who has overall senior manager responsibility of the management of climate change risks and is responsible for overseeing climate risks, opportunities, strategy and policy, including both investment and operational activities.</p> <p>The purpose of the CCRC is to ensure investment, risk, operational and client teams meet best practice standards in terms of how they consider climate change and that each of the functions are transparent with their processes and objectives. Additional voting members include representatives from the investment, risk, client service and legal teams.</p> <p>The CCRC's focus is at a firm-wide level and includes oversight of:</p> <p>Implementation: The integration of climate change risk factors into decision-making processes, platforms and procedures. Approval and monitoring of net-zero strategy for both the firm itself and its investments alongside targets, and progress towards environmental commitments that link to climate change.</p> <p>Stewardship: Monitoring of our climate change stewardship, including engagement and resulting action. Working with the Bank of New York Mellon Corporation (BNY Mellon) to further develop climate strategy and commitments</p> <p>Regulation: Oversight and control of firm and portfolio level climate change transparency including Task Force on Climate-related Financial Disclosures (TCFD) aligned reporting and stress testing.</p> <p>Governance: Monitoring activities of relevant teams for their management of climate change risk issues. Regular communication and reporting back to the Board and IROC, including the recommendation of appropriate governance on climate risk, including remuneration. Overseeing the delivery of climate training to all employees and the Board at least annually.</p>
<p>Do you have a dedicated team that considers ESG and Climate Change related factors?</p>	<p>Yes</p>	<p>Yes. The Responsible Investment Team, led by Robert Sawbridge, Head of Responsible Investment, is embedded within Insight's investment management team, reporting to Lucy Speake, Co-Head of Fixed Income and Head of Euro and UK Credit.</p> <p>Robert, as Head of Responsible Investment, guides and oversees the overall responsible investment programme at Insight across asset classes and investment teams. Robert's primary focus is on ensuring effective integration of responsible investment across investment teams as well as defining and implementing the investment strategy and parameters of our responsible investment solutions. Such solutions are subject to discussion and approval by dedicated fixed income implementation groups, whose members consist of investment desk heads, for the various asset classes in which we invest.</p> <p>The Responsible Investment Team's focus is broadly split into three key areas: stewardship, investment and quantitative analysis.</p>
<p>Do you rely on any third parties to provide ESG and Climate Change related analysis/research?</p>	<p>Investment Association's IVIS service (UK) and Institutional Shareholder Services (ISS, globally) and Glass Lewis &amp; Co.</p>	<p>Insight's proprietary Prime Corporate ESG Ratings and Prime Climate Risk Ratings datasets are supplemented by and incorporate numerous third-party datasets. The external data sources are selected and reviewed by Insight's Responsible Investment Team in conjunction with the Credit Analysis Team. In our view there is no single 'golden source', so we have taken data from a variety of sources, supplemented with our own analysis. In forming our proprietary tools and scoring frameworks we effectively supplement our analysts' research with data from multiple third-party data providers, such as: MSCI, Sustainalytics, VigeoEiris, S&amp;P Trucost, CDP, Science-Based Targets initiative, Transition Pathway Initiative</p> <p>We also incorporate open-source data from: World Bank, V-Dem, Freedom House, Transparency International, IMF, Fragile States Index</p> <p>As we believe Insight teams should be directly accountable for their stewardship activities, we typically only use third-party providers for undertaking stewardship services when necessary. The exception is for collaborative engagements where we will work through membership bodies to undertake stewardship activities on a case-by-case basis.</p>

<p>Do you create your own ESG or Climate Change related scores?</p>	<p>Our suite of ESG analytics below provide investment teams with a robust framework to assess material ESG risks and opportunities for thousands of companies worldwide. The analytics support our forward-looking research and help inform investment decision making and prioritise engagements. We are constantly evolving our analytics to better assess ESG risks – and to enable transparency with clients.</p> <p>These industry-leading resources provide deeper research, powerful analytics, and smarter insight. They enrich our knowledge of ESG issues across asset classes, sectors and geographies. This breadth of capability, and depth of expertise, forms a Centre of Excellence in Responsible Investment, enabling us to deliver a range of funds and solutions to meet our clients' evolving requirements.</p>	<p>Yes. Information on material environmental, social and governance (ESG) risks can be crucial for effective investment decisions, but ESG data providers often disagree, and there are gaps in available information. We decided to apply our years of experience in analysing ESG risks in taking data from multiple inputs, selected and adjusted for relevance and materiality using our in-house expertise, to generate ESG ratings that we believe more accurately and reliably reflect material risks.</p> <p>This led us to create Prime: Insight's proprietary ESG ratings, with ESG and climate risk ratings focused on corporate issuers, and ESG risk and impact ratings for sovereign issuers.</p> <p>Prime ratings are generated using inputs from numerous ESG data providers, adjusted for quality and relevance by Insight's credit and data experts. Our proprietary methodology aggregates, weights and maps these adjusted inputs, according to their significance for different sectors, geographies, etc. Proprietary systems are in place to feed 'Prime' data, in a consistent way, with the aim of helping our analysts and portfolio managers consider material ESG risks, informing their decision-making and engagement, and to enable tailored portfolios for clients requesting specific sustainability criteria.</p> <p>The relevant Prime ratings are as follows:</p> <p>Prime Corporate ESG Ratings: First launched in 2019 with a number of enhancements since, our Prime Corporate ESG Ratings tool assesses issuers' ESG risk. This quantitative framework effectively integrates our analysts' research, supplemented with data from multiple third-party data providers. The tool generates a Prime ESG Rating and Prime ESG Momentum Signal for more than 2,000 investment grade, high-yield and emerging market issuers.</p>
<p>Does your company have a policy on equality and diversity in the workplace?</p>	<p>Increasing inclusivity and diversity throughout our employee population is one of our strategic imperatives. Our employee-led Diversity and Inclusion Advisory Group has been in place since 2013. Reporting to the CEO and regional Executive Committee, the Group champions best practice to ensure a workplace culture that reflects the diversity of our clients and employees.</p>	<p>Yes. Insight is a place where everyone is encouraged to share their views. We think differently and want to challenge the status quo to ensure we do the best job for our clients.</p> <p>Diversity, equity and inclusion are strategic priorities at Insight. We believe that having a workforce that reflects the broader society in which we operate enhances the way we think, adds significant value to decision making and is the right thing to do. No gender, ethnicity, or other social group has a monopoly on good ideas and talent. When recruiting we cast the net wide to attract the very best people from the broadest demographics and backgrounds possible. Hiring diverse talent into our inclusive and collaborative culture enables us to achieve a significant competitive advantage through our people.</p> <p>To further enhance our approach to diversity, in 2021, we established a Diversity, Equity &amp; Inclusion Committee. Reporting to Insight's EMC and including a diverse array of executives from across the firm, the Committee has developed an ambitious plan to place Insight at the leading edge of diversity within asset management.</p> <p>This includes setting ambitious targets to increase the representation of women and ethnic minorities at all levels of our firm. Our overall goal is that in 10 years, the demographics of the regions in which we operate are mirrored in our respective local workforces.</p>

<p>Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?</p>	<p>Yes. Quarterly / Semi-annual / Annual</p>	<p>Yes. All clients at Insight receive reporting in line with their stated monthly, quarterly or annual reporting requirements, and we regularly engage with them to ensure our reporting provides the information and transparency they require. Responsible investment is now a topic at most client meetings, and to reflect this significant interest, our reporting to clients may now include reporting on ESG factors, regardless of whether their mandate includes specific ESG exclusions, constraints or targets.</p> <p>In 2021, we developed enhanced climate reporting (aligned with the TCFD) for some of our largest clients. These reflected different metrics according to our clients' specific needs, and included a focus on gilts, given the substantial allocations of our clients in the asset class. While we are able to tailor our reporting to meet individual client needs, we also recognise that not all clients have the governance budgets to request bespoke ESG reports. Therefore, we have enhanced our standard ESG reporting significantly over the year, particularly for our LDI and credit strategies, in order to meet our clients' evolving requirements, particularly with many clients looking to produce their own TCFD reports.</p> <p><b>Firmwide reporting</b></p> <p>We report annually on our approach to responsible investment. We discuss our actions and their impact to reflect on our successes and failures, to highlight the lessons we have learned and to set out our priorities for action. Our 2022 'Responsible Stewardship at Insight' report, provides an overview of our stewardship and responsible investment activities, including case studies and information on our processes, is designed to guide our clients on how we approach responsible investment for the strategies in which they are invested. We also produce an annual climate change report.</p>
<p>Do ESG related factors get considered with respect to performance management of investment companies and funds?</p>	<p>Yes</p>	<p>The Insight UK Corporate All Maturities Bond Fund (the Fund) does not have a ESG, climate related or sustainability objective. However, ESG analysis is fully integrated into our core fixed income process which the Fund follows. ESG risks and opportunities will be considered throughout our investment process.</p>
<p>Are you signatories of the FRC UK Stewardship Code or equivalent?</p>	<p>Yes</p>	<p>Yes. We have been a signatory to the Financial Reporting Council's (FRC) UK Stewardship Code since 2010. The FRC released a new UK Stewardship Code in 2020 and significantly updated the annual reporting requirement. The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners and those that support them. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. In March 2022, Insight was confirmed as a signatory of the updated UK Stewardship Code.</p> <p>In September 2022, the FRC confirmed that Insight Investment continued to meet the expected standard of reporting and we remain a signatory to the UK Stewardship Code. Our next report (covering activity during the calendar year 2022) is due to be submitted to the FRC for their end April 2023 deadline.</p>

## Fund Manager ESG Credentials

Questions	M&G	Ninety One
Do you have an ESG policy that is integrated into the investment process?	Yes	<p>Yes. As stewards of our clients' capital, achieving long term investment excellence is our primary goal. We are committed to being active and responsible investors. We want to be known for approaching sustainability with substance underpinned by a constant focus on understanding the drivers of change. understanding the drivers of change. Our sustainability framework helps us stay accountable and endeavour to get better. Ninety One's sustainability framework has three core components:</p> <p><b>Invest:</b> Sustainability analysis is integrated into all of our investment strategies. We also offer sustainable investment strategies.</p> <p><b>Advocate:</b> We seek to lead the conversation on sustainable investing. A major focus of our work is to advocate for a transition that includes emerging markets and results in real world carbon reduction.</p> <p><b>Inhabit:</b> We believe change starts at home. We run our business responsibly and act sustainably.</p>
Do you have a firm ESG rating?	UN PRI - A+ Score for Strategy and Governance	A+
Please provide your UNPRI survey scores	UN PRI - A+ Score for Strategy and Governance	A+
Do you have a Climate Change policy that is integrated into the investment process?	Yes	Yes
Are Senior Management accountable for ESG or Climate Change risks?	Yes	Yes
Do you have a dedicated team that considers ESG and Climate Change related factors?	Yes	<p>Yes - we have a dedicated ESG and sustainability team, whilst also employing a de-centralised ESG integration at the portfolio level, to ensure sustainability is truly at the heart of what we do.</p> <p>Our Sustainability team is also the central custodian of the firm-wide sustainability framework and ecosystem. They report into the Sustainability Committee who are responsible for the internal oversight of sustainability, including monitoring progress and ensuring alignment of focus, strategy and integrity through the business. The Committee reports to the Executive Management team, which in turn reports to the Ninety One Board and the Sustainability, Social and Ethics Committee (SS&amp;E)</p>
Do you rely on any third parties to provide ESG and Climate Change related analysis/research?	MSCI (carbon emissions, carbon intensity, EVIC, fossil fuel fields, temperature alignment, CVAR), FTSE Russell (Green Revenues of a company), Refinitiv (identification of ESG bonds), SBTi (membership, targets, temperature alignment), Climate Action 100+ (identification of membership).	Ninety One does not outsource the voting decision to any third party, as we carry out the decision and execution of the vote in house. We use an external proxy research service provider to produce tailored reports. These reports include vote recommendations (not instructions) that arise from applying Ninety One's voting guidelines. The vote decision is then reached by the relevant investment teams in accordance with the investment philosophy, supported by the Engagement and Voting team. Although highly unusual, investment teams may occasionally vote differently from one another based on their unique strategies. The votes are subsequently instructed electronically via the proxy research service provider's voting platform.

Do you create your own ESG or Climate Change related scores?	Yes - Proprietary 'ESG scorecard' for individual companies which incorporates a standardised section reflecting M&G's values which is combined with the Sustainability Accounting Standards Board (SASB) framework.	Yes
Does your company have a policy on equality and diversity in the workplace?	Yes	<p>Ninety One has established a diversity and inclusion leadership team, led by Duncan Coombe, Global Head of Human Capital and the accountable executive for diversity and inclusion. This team is mandated to improve diversity and inclusion across the global business and is focused on implementing local targets and interventions whilst ensuring we have a joined-up approach to diversity and inclusion globally.</p> <p>We are committed to creating a more balanced organisation with a focus on improvements that enable purposeful, long-term change. We are proactively working towards improving diversity and continually review and measure key diversity statistics, however we are clear that we will create change through concrete actions, rather than targets.</p> <p>We recognise that the diversity in our business continues to reflect the long tenure and stability of our founders, leadership, investment managers and client managers at the firm. We believe our diversity and inclusion principles and framework, detailed previously, will help us to improve diversity across our business.</p> <p>Since establishment in 1991, our focus on growth, an active 'risk on' approach and our underlying philosophy of investing for a world of change and sustainability has contributed markedly to Ninety One playing a significant role in the transformation of South Africa. We believe that this commitment and our stability as an employer, wealth generator and skills developer has been vital in the successful transition to a democratic South Africa. Internally, we have substantially transformed the employee profile of our organisation and while we do not have racial employee statistics dating back to 1991, our black staff representation in South Africa has increased from 50% in 2013 to 64% in 2021.</p>
Does your company have a policy on equality and diversity in the workplace? (Continued)		<p>Ninety One releases an annual Gender Pay Gap report in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Ninety One works to create a more balanced organisation and reported a positive trend of women progressing through the firm over the past four years.</p> <p>Ninety One is a signatory of the Women in Finance Charter and committed to achieving a target of 30% women in senior leadership by 2023. Our senior executives pay is linked to the delivery of this target and we are working towards achieving our diversity targets through concrete actions rather than employing hiring quotas. When we signed up to the Charter in 2018, we had 26% female representation in our global senior leadership. For our 2021 reporting period we are pleased to report that met our target and now have 31% female senior leadership representation. We are committed to continuing to build on our progress and are now proactively working towards a new target of 35% female representation in our senior leadership by 2024.</p>
Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?	Yes/Quarterly	Yes, various depending on strategy - monthly, quarterly, annually



<p>Do ESG related factors get considered with respect to performance management of investment companies and funds?</p>	<p>Yes</p>	<p>The investment teams are expected to uphold the Ninety One Stewardship Policy at all times through their processes. We expect the depth and understanding of how ESG risks are influencing investment decision-making and how these effect client outcomes to take an increasing share of these. This is an area that we continually look to improve to increase accountability.</p> <p>We seek high-quality ESG-integration standards firmwide for all strategies. Our aim is to ensure that robust ESG-integration processes highlight material sustainability risks and opportunities and prompt our investment teams to analyse and address them as part of their fundamental research in order to determine an appropriate valuation.</p> <p>Although each investment team has developed its own unique process around integration, they have all followed the same guiding framework. There are four key components to this; universe screening, fundamental research, active ownership and portfolio construction and monitoring. This is not a 'one-size-fits-all' approach but the high-level framework has allowed teams to develop a methodology that is aligned with their investment philosophy and that complements their investment process.</p> <p>Ninety One's investment teams have ultimate responsibility for managing sustainability risks and opportunities, through their own integration frameworks. In this, they are supported by several global functions:</p> <ul style="list-style-type: none"> <li>- The Sustainability team, which oversees and supports Ninety One's sustainability ecosystem</li> </ul>
<p>Do ESG related factors get considered with respect to performance management of investment companies and funds? (Continued)</p>		<p>The Investment Risk team, which includes a dedicated ESG Risk function that monitors firm-level and portfolio-level sustainability risks</p> <p>The Engagement &amp; Voting team, which provides engagement support, guidance and advice to the investment teams, leads engagement action (where required), and assists with and coordinates proxy voting.</p> <p>The Sustainability team does not look to prescribe to portfolios managers, but rather seeks to guide where needed and provide further insight. If any investment decisions are to be vetoed the decision would be made by the Sustainability Committee (and/or the Sustainable Investment Advisory Forum for our sustainability-focussed products) after a thorough due diligence process.</p>
<p>Are you signatories of the FRC UK Stewardship Code or equivalent?</p>	<p>Yes</p>	<p>Yes, Ninety One is a signatory to the updated 2020 UK Stewardship Code.</p>

## Fund Manager ESG Credentials

Questions	Nordea	Pictet
Do you have an ESG policy that is integrated into the investment process?	Yes.	Yes
Do you have a firm ESG rating?	<p>Yes.</p> <p>Over more than a decade, we have developed and continually improved a strong and proven RI framework. This is evidenced by the fact that PRI has given our RI strategy and governance framework a top score of A+ for 6 consecutive years (2015-2021) and this year, our Investment &amp; Stewardship policy received a rating of 5-stars (highest possible score) following the recent change in the PRI reporting assessment.</p> <p>Our awards and other public recognitions:</p> <p>Over the years our Responsible Investment team has been recognised for its work in the field. The team has received awards from several external entities such as Environmental Finance and the London-based Magazine Capital Finance International (CFI). In Environmental Finance Sustainable Investment Awards 2020, Nordea Asset Management's (NAM) engagement with the pharma industry in India was awarded as the best ESG engagement initiative of the year. CFI has awarded NAM as "Best ESG Investment Process in Europe" for six consecutive years (2014-2019) and "Best ESG Team in Europe" in 2021 and 2022. In addition, in 2021, NAM received the FN Asset Management Awards 2021 in the category "ESG initiative of the Year" for the collaborative engagement we initiated and led against the construction of the Yung Ang 2 coal-fired power plant in Vietnam. More recently, NAM was recognized as the Best ESG firm by the International Investor Awards 2022 and our ESG STARS family was awarded as the Best Sustainable Fund Range by Sustainable Investment Awards 2022.</p>	No
Please provide your UNPRI survey scores	<p>PRI has given our RI strategy and governance framework a top score of A+ for 6 consecutive years (2015-2021) and this year, our Investment &amp; Stewardship policy received a rating of 5-stars (highest possible score) following the recent change in the PRI reporting assessment.</p>	<p>2020 scores:            Strategy &amp; Governance: A+            Listed Equity - Incorporation: A            Listed Equity - Active Ownership: A            Fixed Income - SSA: B            Fixed Income - Corporate Financial: A            Fixed Income - Corporate Non-Financial: A</p>

<p>Do you have a Climate Change policy that is integrated into the investment process?</p>	<p>Yes.</p> <p>Climate change has been a strategic focus for NAM since we became a signatory to the UN-supported Principles for Responsible Investment (PRI) in 2007. In 2015, we implemented our first climate-related divestment from coal mining, and started analysing and disclosing the carbon footprint of our ESG STARS funds. In 2019, we publicly committed to aligning our investment strategies with the objectives of the Paris Agreement, and in 2020 we cemented this commitment by becoming a founding member of the Net Zero Asset Managers (NZAM) initiative, a global coalition of asset managers working for the achievement of net-zero greenhouse gas emissions by 2050. In addition, during 2020, we helped co-create the Net Zero Investment Framework (NZIF), a method for asset managers/owners to set climate targets consistent with the objectives of the Paris Agreement, and in November 2021, we released a set of additional climate targets, in line with NZIF guidance and our NZAM commitment (The targets can be found in Net Zero Asset Manager initiative's 2021 Progress Report, which presents targets set by all founding members.</p>	<p>Yes. Pictet's Climate Action Plan released in November 2022 sets out our actions to limit global warming to 1.5°C as signatories of the Net Zero Asset Managers and Science-Based Targets initiatives (SBTi).</p> <p>As climate change is a financial risk that will affect all of our assets, it is our fiduciary responsibility to play an active role in reducing global emissions. Given the magnitude of our financed emissions through our investments, we must help accelerate the transition of the global economy towards net zero emissions in line with 1.5°C. We also have a direct responsibility to reduce our operational footprint.</p> <p>The Plan includes a broad scope of assets (100% of our listed equity &amp; fixed income and real estate) in our targets and is underpinned by Pictet's Climate Investment Principles.</p>
<p>Are Senior Management accountable for ESG or Climate Change risks?</p>	<p>Yes.</p> <p>Sustainability is embedded across Nordea's business strategy, backed by measurable targets, strong governance, and one of the broadest sustainability offerings in the market. A net-zero emissions objective by 2050 across Nordea's lending and investment portfolios and internal operations was published in 2021. Group sustainability has the responsibility to support the business areas, such as NAM, in the implementation of this and other objectives.</p> <p>At NAM, the commitment to climate-resilient investments comes from the top. The Board oversees the strategic direction and reviews the development of our ESG and climate policies, and is updated at least annually on their implementation. The Senior Executive Management team is kept well informed on climate-related matters and several are members of the Responsible Investment Committee (RIC), where oversight of the strategic delivery of NAM's climate commitments rests. RIC was created in 2009 and is chaired by the CEO of NAM.</p> <p>Every quarter RIC meets to monitor progress towards climate targets, discuss whether to engage or divest from companies that are failing to meet responsible investment expectations, and decide on significant changes to our Responsible Investment policy and processes.</p>	<p>Yes</p>
<p>Are Senior Management accountable for ESG or Climate Change risks? (Continued)</p>	<p>The Heads of Investment Boutiques are responsible for integrating ESG risks, including risks arising from climate change, into the investment analysis and decisions. Various resources are available for investment teams to monitor climate risks and opportunities in the portfolios, including a climate dashboard in regular risk reports. Climate is a key focus area for the Responsible Investment (RI) Team.</p> <p>Climate-focused workshops for investment teams and other functions are regularly conducted to increase knowledge and awareness of climate issues, and the analysis of climate-related investment risks and opportunities is an important part of the product development work.</p>	

<p>Do you have a dedicated team that considers ESG and Climate Change related factors?</p>	<p>Yes. Our RI efforts, in particular our ESG integration and engagement activities, are supported by NAM's in-house Responsible Investments team ("RI team"). Formed in 2009, Nordea's RI team is one of the largest and most experienced in Europe in terms of pure ESG analysts. It is composed of 27 analysts (as at the end of Q1 2022), who work closely with their respective portfolio management teams in Stockholm and Copenhagen. The RI team often participates in client meetings and ESG conferences to share their latest insights and findings. It also leads ESG training (e.g., climate workshops) both internally and for clients.</p> <p>The team maintains both a broad coverage and a particular focus ESG-enhanced strategies (i.e. the ESG STARS and thematic strategies), working closely with their respective portfolio management teams. The team has developed proprietary models which are a key part of our internal ESG scoring system, however, the team's approach goes well beyond ESG scores, which are just a starting point.</p>	<p>Pictet Asset Management's ESG Team leads and co-ordinates implementation of our responsible investment policy, including ESG integration in investment processes, ownership practices, risk management and reporting tools. The ESG Team reports directly to Sébastien Eisinger, Managing Partner Pictet Group, Co-CEO Pictet Asset Management and Head of Investments.</p> <p>Issuer-specific research on material ESG factors is carried out as part of the research process of all long only investment teams based on a combination of third-party research and proprietary assessment. For environmental, social &amp; best-in-class strategies, this is conducted by over 50 investment managers &amp; analysts. For conventional strategies, ESG factors are integrated by over 200 investment professionals.</p>
<p>Do you have a dedicated team that considers ESG and Climate Change related factors? (Continued)</p>	<p>The team carries out its various functions in five clusters:</p> <ul style="list-style-type: none"> <li>• Active Ownership: The Active Ownership team is responsible for NAM's engagement activities, as well as for driving the RIC agenda and the RI Policy development. This group also works with the Corporate Governance team on proxy voting.</li> <li>• ESG Products &amp; Research: The Research team carries out company specific ESG research and engagement for NAM's ESG funds, as well as ESG product development. This includes our proprietary ESG scoring, which is an integral part of our ESG-enhanced strategies such as the ESG STARS funds.</li> <li>• Climate: The Climate team maintains focused expertise and analysis of climate change factors and policies, implementation and reporting on TCFD recommendations.</li> <li>• ESG Quant: The ESG Quant team develops and maintains NAM's proprietary ESG scoring model, as well as other advanced applications of ESG data.</li> <li>• ESG Private Equity: The ESG Private Equity team supports NAM's private equity collaboration with Trill Impact.</li> </ul>	
<p>Do you rely on any third parties to provide ESG and Climate Change related analysis/research?</p>	<p>Yes. While we place emphasis on our internal research capabilities, Nordea's in-house Responsible Investment team underpins our approach with externally sourced ESG research and ratings. For instance, we source ESG ratings from MSCI for all our holdings. Using externally sourced ESG research and ratings provides coverage of over 13,000 companies globally both in terms of their practices and in terms of tracking controversial issues. Furthermore, the team uses ESG research providers, brokers with specialized sustainability services and non-governmental organizations for its desktop research. Some of our most used partners include the following:</p> <ul style="list-style-type: none"> <li>• ISS ESG</li> <li>• MSCI Inc.</li> <li>• Bloomberg</li> <li>• TruValue Labs <ul style="list-style-type: none"> <li>• SASB</li> <li>• CDP</li> <li>• RepRisk</li> </ul> </li> <li>• Impact-cubed <ul style="list-style-type: none"> <li>• Maplecroft</li> </ul> </li> <li>• NGO's (WWF, Amnesty International, Transparency International, Greenpeace, SwedWatch, DanWatch)</li> </ul> <p>We evaluate all our service providers on a regular basis. However, it is important to emphasize that the RI team is not dependent on any sole provider and any of our partners can be replaced if we feel a better service can be achieved elsewhere.</p>	<p>Yes - ISS, Ethos, CFRA, Holt, Sustainalytics, Inrate, RepRisk, Trucost, Bloomberg, Verisk Maplecroft, Global Footprint Network</p>

<p>Do you create your own ESG or Climate Change related scores?</p>	<p>Yes. Leveraging more than a decade of ESG analysis NAM has developed proprietary scoring models which are implemented on our ESG data platform. The data platform aggregates information from multiple sources, supporting our analysts as they carry out in-depth research. At the same time, the platform uses AI features and analyst-structured weights and formulas to generate ESG scores for more than 13,000 securities - almost full coverage of the main benchmark indices. This enables the team to provide consistent internal scoring that is up to date, forward-looking and nuanced to reflect company actions rather than solely relying on third party scores, which must - by definition - be backward looking. The automation of part of the process allows the team to provide the full research coverage we believe our strategies deserve while allowing time to dive deeper into more difficult cases. The scores that result from this process can be A, B or C; our ESG STARS and ESG-thematic funds cannot invest in C-rated companies.</p>	<p>Third-party ESG research is integrated into our proprietary portfolio management system, PAMFolio, thus giving our investment teams direct and real-time access to ESG research from key providers including ISS (corporate governance and proxy voting research), Sustainalytics (ESG Risk Rating, ESG controversies, Product Involvement) and Trucost (carbon intensity).</p> <p>In addition, we have developed a proprietary ESG Scorecard to provide a comprehensive overview of ESG risks and opportunities with a view to inform investment decisions and active ownership activities. Our Scorecard is based on four pillars (Corporate Governance, Products &amp; Services, Operational Risks and Controversies) and is constructed by assembling selected datasets from various third-party research providers.</p>
<p>Does your company have a policy on equality and diversity in the workplace?</p>	<p>Yes. The NAM D&amp;I policy is implemented as per June 2021. The purpose of the policy is to set out the principles for Diversity and Inclusion within Nordea Asset Management Holding AB ("NAM Holding") in its work to accelerate progress towards a diverse, inclusive and equitable culture within NAM. The policy describes the scope, initiatives as well as the established overview of governance structure, roles and responsibilities within NAM to act according to the policy elements.</p> <p>Nordea Asset Management follows the Nordea Diversity and Inclusion Policy. The policy consists of different group directives and guidelines. Diversity and Inclusion are incorporated in e.g. Nordea Recruitment Policy, Code of conduct, Nordea Sustainability Policy and Directive on Promotion of Gender Balance.</p>	<p>The Pictet Group supports diversity and inclusion, and our employment opportunities are open to all qualified candidates, regardless of individual characteristics and differences including, but not limited to, gender, race, social origin, age, religion, sexual orientation, disability or personality.</p> <p>In selecting new employees and promoting career advancement, the Pictet Group aims for such demographic diversity, which is in turn, the source of diversity in thought, opinion and experience. But diversity also goes hand-in hand with inclusion — that is, making each employee feel valued and giving each a voice in daily business.</p> <p>At the Pictet Group level, there is a Head of Diversity and Inclusion, whose responsibilities include the oversight of all D&amp;I activities and in making Pictet an inclusive workplace and an employer of choice for all.</p> <p>Pictet Asset Management (across all entities) has a D&amp;I Committee, chaired by Laurent Ramsey, Partner of the Pictet Group and co-CEO of Pictet Asset Management. Permanent membership includes representation from the PAM Executive Committee and the Global Head of HR. The Committee, which has a diverse representation from a cross-selection of employees, meets quarterly and promotes diversity and inclusion in the workplace through defining, communicating and overseeing D&amp;I strategy and initiatives across Pictet Asset Management. Areas of focus include instilling a culture of diversity and inclusion within Pictet Asset Management, improving the diversity mix through recruitment and the retention and progression of diverse talent.</p>
<p>Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?</p>	<p>We support standardized and integrated reporting which incorporates material sustainability information with financial information. Our regular monthly fund factsheets incorporate both financial and ESG data, and since May 2021 we offer Extended ESG reports that include ESG data, voting statistics, SDG exposures and engagement content for our ESG STARS and Thematic funds.</p> <p>We strive to be transparent in regard to how we work and incorporate ESG in our responsible investment decisions and activities. We regularly report via our website, through our Responsible Investment Annual Report and through the PRI reporting framework.</p> <p>For our UK clients, we report on our voting and engagement activities at strategy level through the PLSA voting template and through the ICSWG engagement template, which are industry standards and can be provided upon request.</p> <p>In addition, we provide a multitude of RI/ESG-related periodical reports and ad-hoc documents at firm level.</p>	<p>Yes, quarterly and annually</p>

<p>Do ESG related factors get considered with respect to performance management of investment companies and funds?</p>	<p>Yes. We integrate ESG considerations into all our investment solutions, with certain firm-level elements applicable to all our holdings. These include voting and engagement, our companywide ESG limits and exclusion list, individual ESG analyses of businesses, and the provision of ESG data and research to all portfolio managers. This means that every investment boutique has access to NAM's proprietary ESG Model and ESG analysis from the RI team, as well as ESG data from external data providers – all via our proprietary ESG data platform, which covers more than 13,000 companies (totaling over 36,000 securities), aggregates information from multiple sources and supports both our investment- and ESG analysts.</p> <p>ESG risk exposure is included in our regular portfolio performance reviews, alongside financial data. At the same time, sustainability risks are integrated in our investment decisions, but is also a natural part of our companywide approach to remuneration. All employees participating in our variable pay scheme are measured against both qualitative and quantitative targets suitable for their positions and role: these include sustainability risks where relevant. Going a step further in ESG integration we have developed the ESG STARS concept, which implements enhanced ESG integration.</p> <p>The strength of our ESG approach is that our fund managers are involved throughout the ESG research process and are able to tie our results directly into their investment decisions. Both research and integration methods vary between asset classes.</p>	<p>Yes</p>
<p>Are you signatories of the FRC UK Stewardship Code or equivalent?</p>	<p>Yes. Nordea became a signatory of the UK Stewardship Code as of 7 September 2022.</p>	<p>Pictet Asset Management has been a signatory of the Stewardship Code since 2010, when the first version was launched. We believe our stewardship activities adhere to the principles of the revised Code and we passed on the April submission.</p>

## Engagement

Activity	Insight LDI Enhanced Selection Longer Nominal Fund	Insight LDI Enhanced Selection Longer Real Fund
How many engagements have you had with companies in the past 12 months?		
How many engagements were made regarding climate change?		
How many engagements were made regarding board diversity?		
How many engagements were made regarding waste reduction?		
How many engagements were made regarding financials?	The LDI Funds aim to outperform in the long term against a set of cashflows discounted using either gilt or swap rates. The fund does not invest in instruments applicable to this question.	The LDI Funds aim to outperform in the long term against a set of cashflows discounted using either gilt or swap rates. The fund does not invest in instruments applicable to this question.
How many engagements were made regarding other issues?		
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: Sending standardised letters to companies Sending bespoke letters to companies Standard period engagement with companies Active private engagement on specific issues Active public engagement on specific issues		
Please discuss some of the key engagements and outcomes from the last 12 months.	<p style="text-align: center;"><b>UBS - UK DMO - Q2 2022</b></p> <p style="text-align: center;"><b>Topic</b> - Environment - Climate change</p> <p><b>Rationale</b> - Insight engages regularly with the Debt Management Office (DMO) given Insight's large client base of UK pension schemes, who invest heavily in UK government bonds (gilts). Prime sovereign ESG risk rating: 2.</p> <p><b>What you have done</b> - Insight engaged with the DMO to raise several issues related to green gilt issuance and other sustainability topics, including the following.</p> <p>We encouraged the DMO to increase the frequency of impact reporting on green gilts from every two years to once a year. Their response made clear this is unlikely in the near term.</p> <p>We explained the requirement for UK pension funds to report in line with TCFD recommendations. Gilts attract a high figure for associated emissions, and we highlighted the risk of investors turning away from gilts as a result, with the caveat that we are not observing such behaviour and stakeholders are working extensively on the articulation of mandate objectives to avoid poor investment decision-making. We highlighted that more relevant data on emissions from the government may help.</p> <p>We explained that uncertainty over institutional investors' fiduciary duty presented challenges for allocations to green gilts. The DMO said it was aware of this before the issuance of green gilts, but given the success of the issuance they did not view this uncertainty as a problem.</p>	<p style="text-align: center;"><b>UBS - UK DMO - Q2 2022</b></p> <p style="text-align: center;"><b>Topic</b> - Environment - Climate change</p> <p><b>Rationale</b> - Insight engages regularly with the Debt Management Office (DMO) given Insight's large client base of UK pension schemes, who invest heavily in UK government bonds (gilts). Prime sovereign ESG risk rating: 2.</p> <p><b>What you have done</b> - Insight engaged with the DMO to raise several issues related to green gilt issuance and other sustainability topics, including the following.</p> <p>We encouraged the DMO to increase the frequency of impact reporting on green gilts from every two years to once a year. Their response made clear this is unlikely in the near term.</p> <p>We explained the requirement for UK pension funds to report in line with TCFD recommendations. Gilts attract a high figure for associated emissions, and we highlighted the risk of investors turning away from gilts as a result, with the caveat that we are not observing such behaviour and stakeholders are working extensively on the articulation of mandate objectives to avoid poor investment decision-making. We highlighted that more relevant data on emissions from the government may help.</p> <p>We explained that uncertainty over institutional investors' fiduciary duty presented challenges for allocations to green gilts. The DMO said it was aware of this before the issuance of green gilts, but given the success of the issuance they did not view this uncertainty as a problem.</p>
Please discuss some of the key engagements and outcomes from the last 12 months. (Continued)	<p>We reiterated that it remained a problem, with strong views being expressed in the market. We explained that it would be helpful if the government could clarify how trustees' fiduciary duties apply to increase comfort in allocating to green and other impact bonds.</p> <p>We asked about the DMO's intentions regarding sustainability-linked bonds. They set out obstacles, and given the focus on liquidity, we expect green gilts to remain the focus for the time being.</p> <p><b>Outcomes and next steps</b> - Insight will continue its ongoing engagement with the DMO on a wide range of issues, and will keep engaging on relevant ESG topics.</p>	<p>We reiterated that it remained a problem, with strong views being expressed in the market. We explained that it would be helpful if the government could clarify how trustees' fiduciary duties apply to increase comfort in allocating to green and other impact bonds.</p> <p>We asked about the DMO's intentions regarding sustainability-linked bonds. They set out obstacles, and given the focus on liquidity, we expect green gilts to remain the focus for the time being.</p> <p><b>Outcomes and next steps</b> - Insight will continue its ongoing engagement with the DMO on a wide range of issues, and will keep engaging on relevant ESG topics.</p>

## Voting

Activity	Insight LDI Enhanced Selection Longer Nominal Fund	Insight LDI Enhanced Selection Longer Real Fund
Do you conduct your own votes?	Not applicable for this fund	Not applicable for this fund
Do you use a third party to vote on your behalf?	Not applicable for this fund	Not applicable for this fund
How many votes were proposed across the underlying companies in the fund?	Not applicable for this fund	Not applicable for this fund
How many times did you vote in favour of management?	Not applicable for this fund	Not applicable for this fund
How many times did you vote against management?	Not applicable for this fund	Not applicable for this fund
How many votes did you abstain from?	Not applicable for this fund	Not applicable for this fund
Please discuss some of the key votes and outcomes from the last 12 months.	Not applicable for this fund	Not applicable for this fund

Other	Insight LDI Enhanced Selection Longer Nominal Fund	Insight LDI Enhanced Selection Longer Real Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Not provided	Not provided
What is the target turnover rate for the portfolio?	Not provided	Not provided
What was the actual turnover rate over the last 12 months?	Not provided	Not provided



## Engagement

Activity	Insight Liquid ABS Fund Buy & Hold	M&G Total Return Credit Investment Fund
How many engagements have you had with companies in the past 12 months?	c.40	20
How many engagements were made regarding climate change?	Not provided	10 (50%)
How many engagements were made regarding board diversity?	Not provided	1 (5%)
How many engagements were made regarding waste reduction?	Not provided	1 (5%)
How many engagements were made regarding financials?	Not provided	1 (5%)
How many engagements were made regarding other issues?	Not provided	7 (35%)
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: Sending standardised letters to companies Sending bespoke letters to companies Standard period engagement with companies Active private engagement on specific issues Active public engagement on specific issues	Not provided	Active private engagements on specific issues
Please discuss some of the key engagements and outcomes from the last 12 months.	<p align="center"><b>UBS - Counterparty engagement</b></p> <p align="center"><b>Topic</b> - Governance - Board effectiveness - Other</p> <p><b>Rationale</b> - We held a dedicated ESG meeting with Investor Relations, Business Strategy, Global Head of Funding to address UBS' weak governance scores in our Prime ESG ratings and understand how they are working to improve their performance.</p> <p><b>What you have done</b> - UBS has experienced various governance-related controversies. We discussed these and asked about the controls in place to avoid a repeat of these in the future, and received a satisfactory response. For example, there was a complete overhaul on the controls framework in relation to tax.</p> <p>We also challenged them on their diversity performance, as only 25% of management are female. They have since released a target of 30%.</p> <p><b>Outcomes and next steps</b> - We continue to engage regularly. We would like to see specific net zero target for the loan book (although UBS is tightening lending criteria, squeezing out any new coal and with nuclear highlighted as an area of concern).</p>	<p>As Climate Change is an engagement priority for M&amp;G, it is unsurprising that a large number of engagements were undertaken with this topic. As an asset manager, we have committed to reach Net-Zero across our book of investments by 2050, and engagements have been undertaken with issuers held with this topic in mind. Improving disclosure related to climate metrics is also important for the firm to help with calculations of emissions owned by the firm, and we are pushing for further transparency from investee companies also.</p>

## Voting

Activity	Insight Liquid ABS Fund Buy & Hold	M&G Total Return Credit Investment Fund
Do you conduct your own votes?	Not provided	Not applicable for this fund
Do you use a third party to vote on your behalf?	Not provided	Not applicable for this fund
How many votes were proposed across the underlying companies in the fund?	Not provided	Not applicable for this fund
How many times did you vote in favour of management?	Not provided	Not applicable for this fund
How many times did you vote against management?	Not provided	Not applicable for this fund
How many votes did you abstain from?	Not provided	Not applicable for this fund
Please discuss some of the key votes and outcomes from the last 12 months.	Not provided	Not applicable for this fund

Other	Insight Liquid ABS Fund Buy & Hold	M&G Total Return Credit Investment Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Not provided	Yes
What is the target turnover rate for the portfolio?	Not provided	N/A, there is no target turnover for the fund.
What was the actual turnover rate over the last 12 months?	Not provided	7.36%

## Engagement

Activity	Ninety One Global Total Return Credit Fund	Nordea 1 GBP Diversified Return Fund
How many engagements have you had with companies in the past 12 months?		114
How many engagements were made regarding climate change?	<p>17. We attend c.150-200 management meetings annually and ESG is always an integral part of these interactions. Where we consider the conclusions to be material we will actively record and track the progress of these ESG interactions. We use these meetings to understand management's intentions and advocate high ESG standards. Climate change is a key component of our engagement strategy as we believe it poses one of the most significant long-term risks to credit investors. Over the past 12 months we've sought to engage and push for more aggressive and near-term carbon emission reduction targets and KPI's as well as the increase in the use of energy from renewable sources. Furthermore, over the same period we have focused on improving disclosure, engaging directly with investee companies to advocate for better ESG disclosure, specifically around carbon data.</p>	Environmental: 32 (28%)
How many engagements were made regarding board diversity?		Social: 31 (27%)
How many engagements were made regarding waste reduction?		Governance: 51 (45%)
How many engagements were made regarding financials?		
How many engagements were made regarding other issues?		
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: Sending standardised letters to companies Sending bespoke letters to companies Standard period engagement with companies Active private engagement on specific issues Active public engagement on specific issues	We complete a combination of the 5 options provided, however, active private engagement is most representative of our approach.	All of the options provided
Please discuss some of the key engagements and outcomes from the last 12 months.	<p><b>European Real Estate - July 2022</b></p> <p>The European real estate public credit market has grown substantially over the past decade. This growth has been driven by a substantial increase in public bond issuance, which has helped private and public real estate companies pursue strong, acquisitive growth during a period of low interest rates. This rapid acquisition led growth in the sector has created some of the governance concerns facing investors in the sector today, including: complex capital and ownership structures; cross ownership across businesses with poor board independence; family owned/single majority shareholder ownership structure; undisclosed related party transactions; and the abuse of minority shareholder rights. These governance issues, including the idiosyncratic noise around German real estate business Adler, have led to a broad based increase in the risk premia demanded across the sector for governance risk. Although many governance related risks are company specific, it is clear that the sector can do better on disclosure, both in terms of the quality and consistency of information given to the market. In light of this, we have used recent meetings with the companies whose debt we own (including Aroundtown, Heimstaden and CPI Property) to push management teams and boards to improve on the following:</p> <ul style="list-style-type: none"> <li>• Provide more granular information on M&amp;A activity.</li> <li>• Increase disclosure on related party transactions with a more cautious stance on who is defined as a related party</li> <li>• Provide more disclosure on board members' history with the company, management or key shareholders</li> </ul>	<p><b>Companhia de Saneamento Básico do Estado de São Paulo S.A (Sabesp)</b></p> <p><b>OVERVIEW</b></p> <p>Sabesp is a water and sewage service provider. The Company provides water and sewage services to a range of residential, commercial, industrial and governmental customers in over 360 municipalities in the state of Sao Paulo, including the city of Sao Paulo.</p> <p><b>BACKGROUND</b></p> <p>For this engagement, we focused on decarbonization at Sabesp and more generally their progress towards alignment with the Paris Agreement. We initiated this engagement by laying out the six KPIs that we analyse investee companies on and by giving the company a chance to add additional inputs to our assessment that we can reflect this in their 'alignment status' going forward.</p> <p><b>THE ENGAGEMENT</b></p> <p>Sabesp confirmed that their Corporate Climate Strategy is laid out into two action fronts: adaptation and resilience to extreme events and the management of GHG emissions. Especially the former is a crucial consideration given that Sabesp is a provider of essential services with many people relying on the proper functioning of their services. The management of GHG emissions includes annual emissions inventories where the company follows the IPCC (Intergovernmental Panel on Climate Change) methodology and also analyses actions to reduce emissions. Furthermore, Sabesp laid out some of the investments they have made in recent years in operational, technological, innovation and new business development programs. Amongst these, they highlighted the optimization of the operation of Sewage Treatment Plants, the expansion of the beneficial use of biogas and generated sludge as well as increasing the usage of renewable energy.</p>
Please discuss some of the key engagements and outcomes from the last 12 months. (Continued)	<ul style="list-style-type: none"> <li>• Report key non IFRS ratios on both a company defined and EPRA adjusted basis ICR, LTV and NAV, in particular</li> <li>• Where applicable, make corporate and ownership structures less complex</li> </ul> <p>These engagements have generally been met by management in a favourable manner and we have started to see evidence of improvement, such as SBB's improved board quality, and reporting of EPRA LTV across the sector. Continued improvements in the sector's disclosure and governance will play a key role in re-establishing investor confidence in this sector and its management teams this is vital before these companies require access to debt capital markets for refinancing over the next few years.</p>	<p>Additionally, the company highlighted forest conservation and recompositing activities. Finally, Sabesp explained that to improve their medium and long-term strategy they are currently working together with an external partner to prepare a plan of goals to reduce GHG emissions which will be in line with past Sao Paulo campaigns such as 'Race to Zero' and 'Race to Resilience' and overall aligned with the Climate Action Plan 2050 (PAC 2050). The PAC is in the public consultation phase from the state government and will include goal scenarios for companies within the sanitation sector.</p> <p>As the company is still in the process of completing their prior year emissions inventory, they laid out the inventory of 2020. Given their activity, sewage collection and treatment activities are the largest source of emissions accounting for around 92% of the total. Electricity consumption follows with 7% and 1% is other activities. Sabesp also laid out that through collection and treatment in within their operated area, carbon removal is achieved compared to the counterfactual of just releasing generated sewage directly into water bodies. Thus, the expansion of their services especially in underserved areas can also be seen through an 'emissions-avoided' lens.</p> <p><b>OUTCOME</b></p> <p>Given that this was our first contact with the company we were pleased to further understand the company's current status and priorities. While the company does not have a public commitment to net-zero emissions by 2050 or sooner, they are closely monitoring the climate plan of the state of Sao Paulo which is currently under development and which Sabesp stated that they will adhere to.</p> <p>As this programme will continue to run going forward, we will stay in contact with the company and dive into more granular aspects of the 'Net-Zero Investment Framework' KPIs.</p>

## Voting

Activity	Ninety One Global Total Return Credit Fund	Nordea 1 GBP Diversified Return Fund
Do you conduct your own votes?	Not applicable for this fund	Yes
Do you use a third party to vote on your behalf?	Not applicable for this fund	Yes. We vote both by proxy and by attending annual general meetings (and extraordinary general meetings when applicable). Our proxy voting is supported by two external vendors (Institutional Shareholder Services and Nordic Investor Services – henceforth, "ISS" and "NIS") to facilitate the proxy voting, execution and to provide analytic input. In 2021 these two vendors have merged.
How many votes were proposed across the underlying companies in the fund?	Not applicable for this fund	2,353
How many times did you vote in favour of management?	Not applicable for this fund	1,992
How many times did you vote against management?	Not applicable for this fund	213
How many votes did you abstain from?	Not applicable for this fund	32
Please discuss some of the key votes and outcomes from the last 12 months.	Not applicable for this fund	<p><b>Microsoft. 30/11/2021</b></p> <p><b>Summary</b> - Report on Effectiveness of Workplace Sexual Harassment Policies  <b>How we voted</b> - For  <b>Rationale</b> - At the Microsoft AGM we supported a number of shareholder proposals, besides Report on Effectiveness of Workplace Sexual Harassment Policies, such as Report on Gender/Racial Pay Gap, Report on Implementation of the Fair Chance Business Pledge and Report on Lobbying Activities Alignment with Company Policies. Management voting recommendations was against on all these proposals but got substantial support at the AGM and the proposal Report on Effectiveness of Workplace Sexual Harassment was approved. We think shareholders would benefit from additional information allowing them to better assess these issues.  <b>Outcome</b> - Passed  <b>Implications</b> - We will continue to support shareholder proposals on these issues as long as the company is not showing substantial improvements.</p>

Other	Ninety One Global Total Return Credit Fund	Nordea 1 GBP Diversified Return Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes	Yes. The WACI of the Nordea 1 – GBP Diversified Return Fund as at 30 September 2022 was 38.22 (tCO2e/USD million). Portfolio coverage across all assets was 100.0%.
What is the target turnover rate for the portfolio?	Portfolio turnover can vary during different time periods, depending on the prevailing market environment. Our investment horizon for credit positions is typically 6-9 months, but we may hold positions for much longer than 12 months if we still have conviction in the fundamental structural story. Turnover statistics on credit funds can be misleading due to the fact that a large number of instruments mature and all buys, sells and maturities contribute to turnover. Whilst we always consider any new position net of turnover costs, we do actively manage and dynamically adjust the portfolio as the relative attractiveness of each sub-credit asset class changes over time. Our ability and willingness to be dynamic has provided an attractive return outcome, enabling us to capture the majority of upside of credit markets while protecting investors in more difficult environments. Expected turnover is 100-150% p.a. although this will vary depending on market conditions. We believe this is reasonable given the unconstrained and dynamic nature of our approach.	The fund does not have a turnover rate target.
What was the actual turnover rate over the last 12 months?	155.23 using the SEC methodology.	The audited Portfolio Turnover Rate (PTR) of the Nordea 1 - GBP Diversified Return Fund in calendar year 2021 was 90.50%.

## Engagement

Activity	Pictet Multi Asset Portfolio	Thread Life Multi Asset Fund
How many engagements have you had with companies in the past 12 months?	<p>17 ESG Engagements (By issue), 13 companies engaged in total.</p> <p>Topics include: Human rights, labour rights and business ethics.</p>	Not provided
How many engagements were made regarding climate change?		Not provided
How many engagements were made regarding board diversity?		Not provided
How many engagements were made regarding waste reduction?		Not provided
How many engagements were made regarding financials?		Not provided
How many engagements were made regarding other issues?		Not provided
<p>Which form of engagement is most representative of the approach taken for this fund over the last 12 months:</p> <p>Sending standardised letters to companies</p> <p>Sending bespoke letters to companies</p> <p>Standard period engagement with companies</p> <p>Active private engagement on specific issues</p> <p>Active public engagement on specific issues</p>	Active private engagement on specific issues.	Not provided
<p>Please discuss some of the key engagements and outcomes from the last 12 months.</p>	<p><b>Rio Tinto Ltd</b></p> <p><b>Rationale</b> - We consider it our fiduciary duty to engage selected corporate issuers in order to positively influence a company's ESG performance and to protect or enhance the value of our clients' investments. We press management to adopt appropriate policies, practises and disclosure in line with established best practices but focus on those that lag behind or where accidents or events bring to light structural weaknesses in their governance and/or management of environmental and social issues. Where appropriate, we engage companies on material ESG issues, to satisfy ourselves that they fully understand and address them effectively over the short, medium and long term.</p> <p><b>What have you done</b> - Third party engagement initiated in November 2020. This engagement has been led by our service provider Sustainalytics. Sustainalytics engages with companies on behalf of its clients on environmental, social and ethical, governance, strategy, risk and communication issues with the goal of achieving beneficial change with respect to risk management, value creation and reputation. We use Sustainalytics' Global Standards Engagement and Corporate Governance engagement services to ensure the company looks to resolve poor management practices that have negatively affected indigenous people, heritage sites, and the local environment.</p> <p>The dialogue was established in February 2021 to review the flaws in the internal governance and risk management systems which allowed these blasts to occur.</p>	Not provided
<p>Please discuss some of the key engagements and outcomes from the last 12 months. (Continued)</p>	<p>Further questions related to how the company will set up a remedial plan, and a timeline for enforcement. The company will establish a remedial plan and strategy in Australia initially, and then roll it out globally. Improving its understanding of community needs is also a focus on the engagement with the company.</p> <p><b>Outcomes and next steps</b> - Sustainalytics will review all the measures taken by the company to date and then seek to address the gaps. They shall then seek a conference call with the company with the initial aim of understanding what, if any, compensation has been offered and how it was decided upon with the impacted community. Then we shall address potential organisational changes. N/a to engagement influencing, and no portfolio allocation decisions based on this.</p>	

## Voting

Activity	Pictet Multi Asset Portfolio	Thread Life Multi Asset Fund
Do you conduct your own votes?	Yes	Yes
Do you use a third party to vote on your behalf?	<p>Yes - To assist us in performing our proxy voting responsibilities, Pictet Asset Management uses the services of third party specialists (ISS) to provide research and to facilitate the execution of voting decisions at all relevant company meetings worldwide.</p> <p>Third party specialists are tasked with collecting meeting notices for all holdings and researching the implications of every resolution according to Voting Guidelines defined by Pictet Asset Management. All recommendations are communicated to relevant Investment teams and the Environmental Social Governance 'ESG' team.</p> <p>Pictet Asset Management always reserves the right to deviate from third party voting recommendations on a case by case basis in order to act in the best interests of our clients. Such divergences may be initiated by Investment teams* or by the ESG team and must be supported by written rationale. In instances when consensus cannot be reached between the Investments teams and ESG team, the decision is escalated to relevant CIOs and, if necessary, the Head of Investments.</p>	No
How many votes were proposed across the underlying companies in the fund?	554	6082
How many times did you vote in favour of management?	495 (89.35)	90.12%
How many times did you vote against management?	59 (10.65%)	7.84%
How many votes did you abstain from?	0 (0%)	2.04%
Please discuss some of the key votes and outcomes from the last 12 months.	<p><b>Apple - March 2022</b>  <b>Summary</b> - Report on Civil Rights Audit (Shareholder Resolution)  <b>How you voted</b> - For the Shareholder resolution/Against Management  <b>Rationale</b> - We supported this shareholder resolution, as an independent civil rights audit would help shareholders better assess the effectiveness of Apples efforts to address the issue of any inequality in its workforce and its management of related risks.  <b>Outcome</b> - The shareholder resolution was approved  <b>Reasoning for assessing vote as 'most significant'</b> - We consider a vote to be significant due to the subject matter of the vote, for example a vote against management, if the company is one of the largest holdings in teh portfolio, and/or we hold an important stake in the company.</p>	<p><b>Alphabet Inc. - 01/06/2022</b>  <b>Summary</b> - Report on Metrics and Efforts to Reduce Water Related Risk  <b>How you voted</b> - For  <b>Rationale</b> - Supporting better ESG risk management disclosures  <b>Outcome</b> - Fail</p> <p><b>General Motors Company - 13/06/2022</b>  <b>Summary</b> - Report on the Use of Child Labor in Connection with Electric Vehicles  <b>How you voted</b> - For  <b>Rationale</b> - Supporting better ESG risk management disclosures  <b>Outcome</b> - Fail</p>

Other	Pictet Multi Asset Portfolio	Thread Life Multi Asset Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes	Yes
What is the target turnover rate for the portfolio?	We do not have a turnover target.	Not provided
What was the actual turnover rate over the last 12 months?	Turnover was 140.59%	Not provided