



# The Cromwell Group (Holdings) Limited Pension and Life Assurance

31 August 2023

# Background and Implementation Statement

## Background

The regulatory landscape continues to evolve as ESG becomes increasingly important to regulators and society. The Department for Work and Pensions ('DWP') has increased the focus around ESG policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a Trustee's fiduciary duty.

## Implementation Report

This implementation report is to provide evidence that the Cromwell Group (Holdings) Limited Pension and Life Assurance Scheme continues to follow and act on the principles outlined in the SIP.

The SIP can be found online at the web address <https://www.isio.com/scheme-documents/cromwell-group-holdings-limited-pension-and-life-assurance-scheme-statement-of-investment-principle/> changes to the SIP are detailed on the following page.

The Implementation Report details:

- actions the Cromwell Group (Holdings) Limited Pension and Life Assurance Scheme has taken to manage financially material risks and implement the key policies in its SIP
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- the extent to which Cromwell Group (Holdings) Limited Pension and Life Assurance Scheme has followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate
- voting behaviour covering the reporting year up to 31 August for and on behalf of the Cromwell Group (Holdings) Limited Pension and Life Assurance Scheme including the most significant votes cast by the Cromwell Group (Holdings) Limited Pension and Life Assurance Scheme or on its behalf

## Implementation Statement

This report demonstrates that the Cromwell Group (Holdings) Limited Pension and Life Assurance Scheme has adhered to its investment principles and its policies for managing financially material consideration including ESG factors and climate change.

**Signed**

**Position**

**Date**

# Managing risks and policy actions DB

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	The hedging policy is summarised in the IID.	
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI manager.	
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	
Credit	Default on payments due as part of a financial security contract.	To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	<p>To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria:</p> <ol style="list-style-type: none"> <li>1. Responsible Investment ('RI') Policy / Framework</li> <li>2. Implemented via Investment Process</li> <li>3. A track record of using engagement and any voting rights to manage ESG factors</li> </ol>	Further detail provided later in this report

		<p>4. ESG specific reporting</p> <p>5. UN PRI Signatory</p> <p>The Trustees monitor the managers on an ongoing basis.</p>
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	To invest in funds that hedge the majority of currency risk as far as practically possible.

# Changes to the SIP

Over the period to 31 August 2023, the Trustee made changes to the SIP to reflect the recent regulatory requirements.

## Policies added to the SIP

Date updated: February 2023

### Area for engagement – Environmental, Social, Corporate, Governance factors and the exercising of rights

The Trustees will engage, via their investment adviser, with investment managers and/or other relevant persons about relevant matters at least annually.

### Exposure to Environmental, Social, and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.

To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria:

1. Responsible Investment ('RI') Policy / Framework
2. Implemented via Investment Process
3. A track record of using engagement and any voting rights to manage ESG factors
4. ESG specific reporting
5. UN PRI signatory

The Trustees monitor the managers on an ongoing basis.

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

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

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

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

# Fund Manager Product Response

Activity	L&G Life FABT Real Long Duration Fund, L&G Life FABS Real Short Duration Fund, L&G Life FABR Fixed Long Duration Fund		
Do you undertake Engagements for this fund?	Yes, LDI Fund	How many engagements have you had with companies in the past 12 months?	24
How many engagements were made regarding climate change?	18	How many engagements were made regarding board diversity?	3
How many engagements were made regarding waste reduction?	0	How many engagements were made regarding financials?	7
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: <ul style="list-style-type: none"> <li>• Sending standardised letters to companies</li> <li>• Sending bespoke letters to companies</li> <li>• Standard period engagement with companies</li> <li>• Active private engagement on specific issues</li> <li>• Active public engagement on specific issues</li> </ul>	
Please discuss some of the key engagements and outcomes from the last 12 months.			
Do you engage in voting for this fund?	No, LDI Fund	Do you conduct your own votes?	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in
Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.	How many votes were proposed across the underlying companies in the fund?	
How many times did you vote in favour of management?		How many times did you vote against management?	



# Fund Manager Product Response

Activity	L&G Life FABT Real Long Duration Fund, L&G Life FABS Real Short Duration Fund, L&G Life FABR Fixed Long Duration Fund		
How many votes did you abstain from?		<p>Do you have a vote you consider the most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
<p>Do you have a vote you consider the second most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'second most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, LDI Fund</p> <p>N/A</p>	<p>Do you have a vote you consider the third most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'third most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
<p>Do you have a vote you consider the fourth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fourth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund	<p>Do you have a vote you consider the fifth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fifth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund

# Fund Manager Product Response

Activity	L&G Life FABT Real Long Duration Fund, L&G Life FABS Real Short Duration Fund, L&G Life FABR Fixed Long Duration Fund		
<p>Do you have a vote you consider the sixth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'sixth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund	<p>Do you have a vote you consider the seventh most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'seventh most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
<p>Do you have a vote you consider the eighth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'eighth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund	<p>Do you have a vote you consider the ninth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'ninth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
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What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	



# Fund Manager Product Response

Activity	M&G Total Return Credit Investment Fund		
Do you undertake Engagements for this fund?	Yes,	How many engagements have you had with companies in the past 12 months?	8
How many engagements were made regarding climate change?	4	How many engagements were made regarding board diversity?	1
How many engagements were made regarding waste reduction?		How many engagements were made regarding financials?	
How many engagements were made regarding other issues?	3	Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>• Sending standardised letters to companies</li> <li>• Sending bespoke letters to companies</li> <li>• Standard period engagement with companies</li> <li>• Active private engagement on specific issues</li> <li>• Active public engagement on specific issues</li> </ul>	Active private engagement on specific issues
Please discuss some of the key engagements and outcomes from the last 12 months.	<p>ING GROEP NV Engagement Objective: As part of a wider discussion on Dutch financial institution ING's climate targets and strategy (the company is currently committed to a near term SBTi) we had a number of requests to better allow us to measure and track its progress, as well as encouraging a net zero commitment, beyond its near term commitment:</p> <ul style="list-style-type: none"> <li>• As part of its regular reporting, we asked for clear data disclosure in a single place - we asked that this include financed emissions.</li> <li>• Requested additional scope 3 categories reporting - currently category 15 and business travel only.</li> <li>• Requested a continuation of CDP disclosure, which the company had stopped completing.</li> <li>• We also asked for the publication of milestones in its climate strategy, with remuneration links.</li> </ul> <p>Engagement Outcome: ING is reviewing the latest SBTi guidance for banks (which it helped to inform) before jumping the final hurdle and submitting its targets to SBTi for approval. It currently expects to be doing this in 2024. It is focussing its attention on materiality, so engaging with the largest emitting sectors on its loan book, and encouraging relevant sectors to sign up to SBTi. The company was very receptive to our requests, and we will follow up in due course to see how far on board they've been taken.</p>		
Do you engage in voting for this fund?	No,	Do you conduct your own votes?	N/A

# Fund Manager Product Response

Activity	M&G Total Return Credit Investment Fund		
<p>Do you use a third party to vote on your behalf?</p> <p>If Yes, please provide the details of your provider and any comments</p>	N/A	<p>How many votes were proposed across the underlying companies in the fund?</p>	
<p>How many times did you vote in favour of management?</p>		<p>How many times did you vote against management?</p>	
<p>How many votes did you abstain from?</p>		<p>Do you have a vote you consider the most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,
<p>Do you have a vote you consider the second most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'second most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A,</p> <p>N/A</p>	<p>Do you have a vote you consider the third most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'third most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,

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<p>Do you have a vote you consider the fourth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fourth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,	<p>Do you have a vote you consider the fifth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fifth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,
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<p>Do you have a vote you consider the eighth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'eighth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,	<p>Do you have a vote you consider the ninth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'ninth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,
<p>Do you have a vote you consider the tenth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'tenth most significant'?</li> </ul>	N/A,	<p>Do you monitor the carbon emission levels or similar of the underlying companies in the fund?</p>	<p>As an asset manager, we use a range of information, including portfolio alignment data and scenario modelling, to identify exposure to climate risk across our clients' portfolios. We have a range of tools used to identify and assess risks including our Portfolio Analytics Tool (PAT) and Coal Tool, which provide a quantitative assessment of investees' exposure to climate risks and opportunities. Our portfolio analytics tool (PAT), which incorporates NZIF metrics, allows our investment teams to</p>

# Fund Manager Product Response

Activity	M&G Total Return Credit Investment Fund		
<ul style="list-style-type: none"><li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li><li>• How did you vote?</li><li>• Rationale of the voting decision</li><li>• Outcome of the vote</li><li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li></ul>			monitor and visualise climate data and enables them to track progress against relevant benchmarks. In 2022, the PAT was updated to reflect the latest climate science and bring the NZIF in line with relevant IIGCC guidelines. A separate TCFD product report is not available for this fund.
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	

# Fund Manager Product Response

Activity		IIFIG Maturing Buy and Maintain Bond Fund 2026-2030, IIFIG Maturing Buy and Maintain Bond Fund 2036-2040, IIFIG Maturing Buy and Maintain Bond Fund 2046-2050	
Do you undertake Engagements for this fund?	Yes,	How many engagements have you had with companies in the past 12 months?	2026-2030: 170 2036-2040: 87 2046-2050: 78
How many engagements were made regarding climate change?	2026-2030: 103 2036-2040: 57 2046-2050: 45	How many engagements were made regarding board diversity?	2026-2030: 15 2036-2040: 10 2046-2050: 12
How many engagements were made regarding waste reduction?	2026-2030: 8 2036-2040: 6 2046-2050: 2	How many engagements were made regarding board financials?	2026-2030: 121 2036-2040: 60 2046-2050: 52
How many engagements were made regarding other issues?	2026-2030: 165 2036-2040: 94 2046-2050: 87	Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>• Sending standardised letters to companies</li> <li>• Sending bespoke letters to companies</li> <li>• Standard period engagement with companies</li> <li>• Active private engagement on specific issues</li> <li>• Active public engagement on specific issues</li> </ul>	
<p>Please discuss some of the key engagements and outcomes from the last 12 months.</p> <p>IIFG Maturing Buy and Maintain Bond Fund 2036-2040</p>	<p>America Movil – Q3 2022</p> <p>Topic: Governance - Board effectiveness - Diversity</p> <p>Rationale: We identified that America Movil had poor governance scores. We used our proprietary tools to understand the drivers for these poor scores, which were influenced by the controlling ownership as a result of the multiple-equity class structure where the company's major shareholder, Carlos Slim and his family, hold &gt;80% of voting rights. We also have concerns about the board's limited diversity, independence, and skills.</p> <p>Through this engagement, we have been looking to manage the risks associated with a lack of board independence, effectiveness and diversity. We wanted to understand the company's willingness to change the board structure, and if they were, how they plan to change it. We pushed the issuer to set targets related to board representation and diversity, in addition to diversity within the company holistically, like industry leaders.</p> <p>We led an ESG-focused discussion with America Movil's IR and Sustainability teams in H2 2021 and followed up in H2 2022. While the firm will continue to have Carlos Slim's two children on its board, the company is striving for additional board improvements regarding diversity, experience and tenure, as well as over boarding. The company updated its materiality assessment and conducted its first overview of board practices in late 2021 to evaluate board effectiveness.</p> <p>During our H2 2022 conversation, we urged the company to improve transparency on governance practices such as board succession planning and refreshment as well as executive remuneration, which are both limited. We also encouraged further progress on diversity, to bring the board's female representation to the global best practice level of 30%. In addition to board level diversity, we recommended establishing additional quantitative targets for the overall workforce or at the leadership level, like global industry leaders.</p> <p>What you have done: Meetings with America Movil have</p>	<p>Please discuss some of the key engagements and outcomes from the last 12 months.</p> <p>IIFG Maturing Buy and Maintain Bond Fund 2026-2030</p> <p>IIFG Maturing Buy and Maintain Bond Fund 2046-2050</p>	<p>Heathrow - Q3 2022 Topic: Environmental - Net Zero strategies</p> <p>Rationale: Heathrow airport the largest and busiest Airport in the UK. Our engagement objectives included encouraging Heathrow to strengthen and consolidate its net zero strategy (particularly on Scope 3), encouraging Heathrow's participation in the Climate Disclosure Programme (CDP) and obtaining the Science Based Targets initiative (SBTi), which enables ambitious private sector action to set ambitious science-based emissions reduction targets.</p> <p>This engagement is aligned to SDGs 13 Climate Action. What you have done: This was our first deep dive engagement with Heathrow on ESG topics. The meetings was hosted by our internal industrial analyst with their Treasurer. CO2 poses a significant challenge for Heathrow and the sector in general, given the materiality of its Scope 3 emissions and the lack of any clear technological solution to decarbonise the sector. 99.9% of Heathrow's carbon emissions are Scope 3 (95% derives from aircraft flying and moving on the ground, 3.6% are surface access and 1.1% stem from its supply chain. Heathrow has targeted to achieve Net Zero by 2050 including scope 3. Its 2030 targets include: a 15% reduction in CO2 emissions from flying (mainly from use of sustainable aviation fuel SAF), a 45% cut in CO2 from surface access, supply chain, vehicles and buildings. The airport faces two challenges in its effort to decarbonise: 1. the degree to which it can influence airlines to decarbonise fleets. 2. its net zero plan relies on technology which is costly and / or unproven (e.g. SAF, hydrogen plane etc.) Heathrow is working with SBTi to obtain certification; they are hopeful they will receive it before year-end. Outcome: Heathrow were aware of CDP, and were keen to understand how we use the data. We have requested that they participate in future.</p> <p>In 2022, we engaged Heathrow Airport on their climate action plan. In 1Q 2023, Heathrow received approval from the Science Based Targets Initiative (SBTi) for their 2030 carbon reduction targets, confirming they are consistent with a 1.5 degree trajectory. Heathrow is the first airport to achieve this status with SBTi's updated 1.5 degree standard.</p>

# Fund Manager Product Response

Activity	IIFIG Maturing Buy and Maintain Bond Fund 2026-2030, IIFIG Maturing Buy and Maintain Bond Fund 2036-2040, IIFIG Maturing Buy and Maintain Bond Fund 2046-2050		
	<p>been hosted by the relevant analyst with support from the RI stewardship team. All meetings have been private in nature and various members of the IR and ESG team have been involved.</p> <p>Outcomes: In the company's 2022 Sustainability Report, we were pleased that they established a new target to increase board diversity to three female directors, representing 21% of the board, which it achieved by appointing Gisselle Jiménez as a new director. This board-level diversity target is integrated into the company's strategy as it was added as a target within America Movil's Sustainability Linked Loan (SLL) structure. The company also refreshed their Board Diversity Policy, which includes the ambition to 'set measurable objectives to achieve gender diversity with the ultimate goal of having a composition of the Board where each gender represents at least thirty percent (30%).'</p> <p>The engagement may provide financial benefit, as there is a growing body of research which suggests that companies with diverse directors and executive teams (in relation to gender and ethnicity) are more likely to achieve above-average profitability and have higher returns on invested capital. Board-level diversity and support for diversity initiatives also helps to create a more inclusive culture throughout the entire organization.</p> <p>Since America Movil were open to our feedback and has made improvements including meeting our initial objective of increasing board diversity, we were satisfied with the engagement. We are monitoring the impact of the engagement through tracking the company's public disclosures to understand what targets have been set, and how performance is changing over time. We have decided to hold our position due to the positive conversations that we have had with America Movil.</p>		
Do you engage in voting for this fund?	No, Bond Fund	Do you conduct your own votes?	Not applicable for this fund
Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	Not applicable for this fund	How many votes were proposed across the underlying companies in the fund?	
How many times did you vote in favour of management?		How many times did you vote against management?	

## Fund Manager Product Response



Activity	IIFIG Maturing Buy and Maintain Bond Fund 2026-2030, IIFIG Maturing Buy and Maintain Bond Fund 2036-2040, IIFIG Maturing Buy and Maintain Bond Fund 2046-2050		
How many votes did you abstain from?		Do you have a vote you consider the most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No, Bond Fund
Do you have a vote you consider the second most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'second most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No, Bond Fund  No	Do you have a vote you consider the third most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'third most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No, Bond Fund
Do you have a vote you consider the fourth most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fourth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No, Bond Fund	Do you have a vote you consider the fifth most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fifth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No, Bond Fund



# Fund Manager Product Response

IIFIG Maturing Buy and Maintain Bond Fund 2026-2030, IIFIG Maturing Buy and Maintain Bond Fund 2036-2040, IIFIG Maturing Buy and Maintain Bond Fund 2046-2050			
<b>Activity</b>  Do you have a vote you consider the sixth most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'sixth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No, Bond Fund	Do you have a vote you consider the seventh most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'seventh most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No, Bond Fund
Do you have a vote you consider the eighth most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'eighth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No, Bond Fund	Do you have a vote you consider the ninth most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'ninth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No, Bond Fund
Do you have a vote you consider the tenth most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'tenth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	No, Bond Fund	Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes Rationale: As a response to this, Insight became a signatory of the Net Zero Asset Managers initiative in April 2021, where we have committed to reach net zero emissions by 2050 at the latest. To support our journey towards net zero, we will either actively engage with our highest emitters, or ensure they are on a net zero pathway. Therefore, we are developing bespoke strategies to engage with the highest emitters within our portfolio on climate-related issues, such as coal exposure and carbon intensity performance. We use our Net Zero Model to identify companies to engage with, as we look to ensure that at least 50% of financed emissions are either net zero, aligned to a net-zero pathway, aligning to a net-zero pathway or subject of engagement with a view to moving into alignment by net zero, by 2023. This target increases to cover 70% by of financed emissions by 2025. We identify objectives for engagement using tools such as the Net Zero Benchmark from Climate Action 100. Success will be measured on improvement across the criteria of our Net Zero model and will be assessed on a case-by-case basis.
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	

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