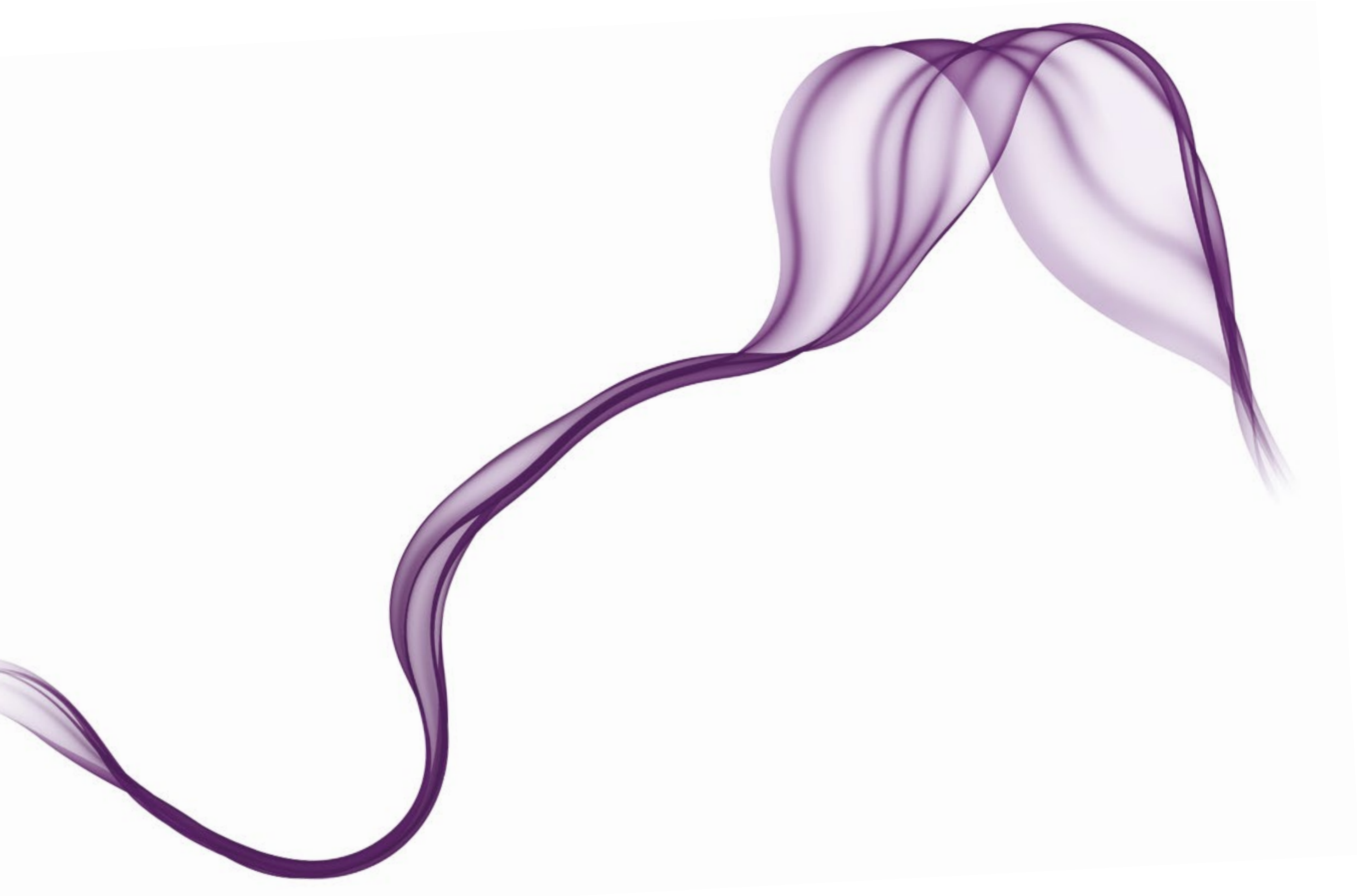
Principal Adverse Impacts Statement



ROYAL LONDON
ASSET MANAGEMENT

Summary statement on Principal Adverse Impacts of investment decisions on sustainability factors

This disclosure is applicable to Royal London Asset Management (213800VJ1GMACBBTYZ14) and describes how we consider the Principal Adverse Impacts (PAIs) of our investment decisions on sustainability factors at an entity level. For the purposes of this document, Royal London Asset Management defines its entity as funds and segregated mandates that are domiciled in the European Union. This represents €14.9bn of RLAM's total assets under management.

This statement is reflective of period 1 January 2022 to 31 December 2022 and will be reviewed annually.

The EU's Sustainable Finance Disclosure Regulation (SFDR) requires consistent and transparent disclosure of how PAIs are considered as part of the investment decision making process on sustainability factors by financial market participants. PAIs are defined as follows:

"Principal Adverse Impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters."

Royal London Asset Management considers 19 adverse sustainability indicators, which cover topics including greenhouse gas emissions, energy efficiency, biodiversity, water, waste, social and employee matters and human rights.

Description of policies to identify and prioritise Principal Adverse Impacts of investment decisions on sustainability factors

Policies

Our Responsible Investment Policy describes our approach to identifying and prioritising PAIs. Our Responsible Investment Policy is reviewed and approved on an annual basis by our Investment Committee. The latest version of our Responsible Investment Policy was published in December 2022.

Responsible investment is embedded within our business and how we manage our funds. At the entity level, we identify and prioritise PAIs in two ways: through engagement and ESG Integration. As part of our overall approach to ESG integration, we are considering PAIs at an entity level and within many of our Article 8 and 9 funds. Where we consider PAIs at product level, our approach is described in detail within fund-level annexes.

We have included more information in table 1 on our methods to consider and/or mitigate PAIs at entity level.

Governance

Our approach to responsible investment, including identifying and prioritising our PAIs, is ultimately the responsibility of our Chief Investment Officer (CIO). The CIO is accountable for setting the investment strategy, and overseeing our Responsible Investment function, including our approach to voting, stewardship and climate investment risk. The CIO is a regulated Senior Management Function (SMF), is a member of Royal London Asset Management's Executive Committee and chairs the Investment Committee.

The CIO is supported by the Responsible Investment (RI) Team alongside the investment teams and other front office functions. The RI team provides ESG insights, analysis and challenge through informal conversations, regular ESG portfolio reviews, and via proxy voting and ESG research. This includes topics relating to PAIs. Regular portfolio reviews provide an opportunity for investment teams to document ESG conversations and are illustrative of our collaborative approach, with both investment teams and the RI team responsible for contributing ideas and agenda items for discussion.
The CIO updates the Board and monitors responsible investment in line with Royal London Asset Management's risk-tolerance threshold. The CIO is also responsible for ensuring responsible investment, stewardship and climate change risk management are embedded in Royal London Asset Management's investment strategies and capabilities.

Methodology to identify and assess PAIs

We have embedded our approach to identifying PAIs within our Responsible Investment strategy and as such it is referenced throughout our Responsible Investment Policy. We have provided a summary of our approach below, but for more information please see our Responsible Investment Policy.

There are two ways in which we identify and assess PAIs, through engagement and ESG integration.

Engagement

We carefully select our engagement themes to reflect both the climate and ESG risks to our investments and the PAIs of our investment decision making on the environment and society.

We have provided more information on our approach to selecting our engagement themes in the Engagement Policy section of this statement.

[1] jc_2021_03_joint_esas_final_report_on_rts_under_sfdr.pdf (europa.eu)

ESG integration

We also identify and assess PAIs at company and fund level using internal expertise, data and analytics. Our Responsible Investment team are subject matter experts and help provide ESG insights, analysis and challenge through informal conversations, regular ESG portfolio reviews, and via proxy voting and ESG research.

Royal London Asset Management's proprietary ESG Dashboard and analytics solution are research tools that enable fund managers, financial analysts and members of the RI team to evaluate, monitor and challenge PAIs and ESG risks at both a fund and issuer/company level. We also have the ability to view this data at entity level. Through using these tools, Royal London Asset Management investment professionals can access the latest available issuer-level ESG and climate (ESGC) scores, engagement and voting activity, and commentary. They also have the ability to access the latest fund and entity-level climate, PAI and engagement data. The ESG Dashboard and analytics solution are fed by a combination of third-party and in-house data, as well as proprietary scores and analysis. The purpose of these tools is to enhance fund managers' understanding of PAIs and their ability to make more informed investment decisions.

Royal London Asset Management's Principal Adverse Impact indicators and methods for considering and mitigating them

PAIs enable us to measure the adverse impacts of investments on sustainability factors. We have laid out in table 1 our approach to considering and mitigating the PAIs our investment decisions have on sustainability factors.

Table 1: Royal London Asset Management's approach to considering and mitigating the PAIs of investment decisions on sustainability indicators

Adverse sustainability indicator (Group)	Adverse sustainability indicator	Metric	Impact (2022)	Explanation	Methods to consider and/or mitigate the PAI
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	497,878.25	Sum of portfolio companies' Carbon Emissions - Scope 1 (tCO_2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage of 62.45%	**Overview** Royal London Asset Management aims to mitigate climate-related adverse impacts via our commitment to achieving net zero by 2050 and reducing our carbon equivalent emissions by 50% by 2030 for our in-scope assets, using 2020 as the baseline year[2]. Our in-scope assets are those in funds managed and controlled by Royal London Asset Management and segregated mandates where clients made explicit commitments to net zero[3]. Our commitment is based on the expectation that governments and policy makers will deliver on their commitments to achieve the goals of the Paris Agreement and that this action does not contravene our fiduciary duty. We are actively working to support our external clients with assets in segregated mandates where they have made an explicit commitment to achieving net zero, as disclosed to the NZAM initiative. Climate change is one of our six priority engagement themes. The themes reflect our most material investment related ESG issues, and where we think engagement can have the biggest impact on ESG outcomes. These themes are reviewed every two years.
		Scope 2 GHG emissions	103,229.65	Sum of portfolio companies' Carbon Emissions - Scope 2 (tCO_2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage of 62.45%	

[2] Our intention is to decarbonise our in-scope directly managed funds in line with the real economy. We will also work closely with our segregated clients towards this goal where they have made explicit public commitments to net zero. Our efforts are focused on supporting the decarbonisation of the constituents of our funds through engagement (and not decarbonising our portfolio regardless of the real economy). The commitment is based on the expectation that governments and policy makers will deliver on commitments to achieve the goal of the Paris Agreement. It also assumes this action does not contravene Royal London Asset Management's fiduciary duty to external investors. The commitment is baselined on the year 2020 and is being tracked using scope 1 and 2 carbon footprint using EVIC as an attribution factor (tCO_2e/$m invested) for our corporate fixed income and equities portfolios.

[3] The commitment is based on the expectation that governments and policy makers will deliver on commitments to achieve the goal of the Paris Agreement. It also assumes this action does not contravene Royal London Asset Management's fiduciary duty to external investors. The commitment is baselined on the year 2020 and is being tracked using scope 1 and 2 carbon footprint using EVIC as an attribution factor (tCO_2e/$m invested) for our corporate fixed income and equities portfolios.

<table>
<tr><th>Adverse sustainability indicator (Group)</th><th>Adverse sustainability indicator</th><th>Metric</th><th>Impact (2022)</th><th>Explanation</th><th>Methods to consider and/or mitigate the PAI</th></tr>
<tr><td rowspan="9">Greenhouse gas emissions</td><td rowspan="3">1. GHG emissions</td><td>Scope 3 GHG emissions (estimated)</td><td>N/A</td><td>Sum of portfolio companies' Scope 3 - Total Emission Estimated (tCO_2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.</td><td rowspan="9">Underlying our net zero commitment is our objective to evaluate and influence through engagement with issuers representing 70% of our corporate financed emissions by 2030, pushing for adoption of emissions reduction targets linked to science-based sector specific alignment methodologies (such as SBTi, the Science-Based Targets initiative) and climate transition plans.

In order to measure, monitor and manage our approach to climate change we rely heavily on the carbon data readily available to us. This includes, but is not limited to carbon footprint, GHG emissions and GHG intensity. In addition to data, we also undertake qualitative analysis which enhances our ability to assess the PAIs of our holdings on climate change.

Within our 2022 TCFD Report we have provided more information on the type of metrics we use to measure, monitor and manage our climate change risks and opportunities. This includes information on our assessment of some of the sectors driving our emissions, including the metals and mining sector within which we have a number of holdings which contributed towards 52% of our total financed emissions. The energy consumption intensity per high impact climate sector metric shows our exposure to the mining and quarrying sector as being the most energy intensive within our EU-domiciled entity.

For more information on this, please see our Stewardship and Responsible Investment Report and TCFD Report for the year ending 31 December 2022.

Engagement & proxy voting

We believe proactive engagement with companies is the most effective tool for helping address material risks from climate change. For example, we are active members of the Climate Action 100+ (CA100+) initiative, which is engaging with the world's largest and most systemically important emitters of carbon.

However, we acknowledge that there may be occasions where we may need to use our vote as shareholders where engagement has not been effective or where climate change is a material risk to the business. We encourage companies to issue TCFD reports and other public disclosures regarding their climate risks. We will use our vote on shareholder proposals to support and encourage greater disclosure on climate risk. We will also use our vote to call for greater transparency around climate lobbying and potential misalignment with the goals of the Paris Agreement or other climate ambitions.</td></tr>
<tr><td rowspan="2">Total GHG emissions</td><td rowspan="2">3,952,168.21</td><td>The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).</td></tr>
<tr><td>Coverage of 62.45%</td></tr>
<tr><td rowspan="2">2. Carbon footprint</td><td rowspan="2">Carbon footprint</td><td rowspan="2">265.87</td><td>The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).</td></tr>
<tr><td>Coverage of 62.45%</td></tr>
<tr><td rowspan="2">3. GHG intensity of investee companies</td><td rowspan="2">GHG intensity of investee companies</td><td rowspan="2">1,098.87</td><td>The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue).</td></tr>
<tr><td>Coverage of 70.97%</td></tr>
<tr><td rowspan="2">4. Exposure to companies active in the fossil fuel sector</td><td rowspan="2">Share of investments in companies active in the fossil fuel sector</td><td rowspan="2">5.21%</td><td>The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.</td></tr>
<tr><td>Coverage of 74.63%</td></tr>
</table>

Adverse sustainability indicator (Group)	Adverse sustainability indicator	Metric	Impact (2022)	Explanation	Methods to consider and/or mitigate the PAI
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	70.29%	The portfolio's weighted average of issuers' energy consumption and/or production from non-renewable sources as a percentage of total energy used and/or generated. Coverage of 55.32%	For more information on our approach to proxy voting in relation to climate risk and transition plans, please see our UK and Global Voting Policies. To see our voting outcomes, please see our website: ROYAL LONDON ASSET MANAGEMENT - Responsible Investments - Voting Records (Royal London Asset Management-voting.co.uk) **ESG integration** We consider the materiality of climate and where appropriate it is assessed within company level ESG research at fund/strategy level by the investment teams. Climate is also considered within many of our Article 8 and 9 funds. To support integration, Royal London Asset Management has a proprietary ESG Dashboard and analytics solution which is available to fund managers to assist them in monitoring PAIs and ESG risks at both a fund and issuer/company level.
	6. Energy consumption intensity per high impact climate sector - NACE codes A-L	A – Agriculture, Forestry and Fishing	0.52	The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for the specific Nace Code.	
		B – Mining and Quarrying	147.76		
		C – Manufacturing	1.23		
		D – Electricity, Gas, Steam and Air Conditioning Supply	2.50		
		E – Water Supply; Sewerage, Waste Management and Remediation Activities	1.41		
		F – Construction	0.04		
		G – Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	0.09		
		H – Transportation and Storage	1.65		
		I – Accommodation and Food Service Activities	0.89		
		J - Information and Communication	0.76		
		K – Financial and Insurance Activities	0.11		
		L – Real Estate Activities	0.40		
		Coverage %	38.86%		

Adverse sustainability indicator (Group)	Adverse sustainability indicator	Metric	Impact (2022)	Explanation	Methods to consider and/or mitigate the PAI
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/ operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.00%	The percentage of the portfolio's market value exposed to issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment. Coverage of 74.63%	**Engagement** Biodiversity is one of Royal London Asset Management's six engagement themes. As part of this theme, we have undertaken research to understand data availability and possible approaches to engagement with the aim of undertaking engagement with investee companies in 2023. Additionally, we joined FAIRR (Farm Animal Investment Risk and Return Initiative), a collaborative investor network that raises awareness of the risks and opportunities brought about by intensive livestock production. Specifically, we joined their Biodiversity Loss from Waste and Pollution engagement programme. **ESG integration** We consider the materiality of biodiversity and where appropriate it is assessed within company level ESG research at fund/ strategy level by the investment teams. Biodiversity is part of the proprietary ESG Dashboard and analytics solution, which is available to fund managers, to assist them in monitoring PAIs and ESG risks at both a fund and issuer/company level. Though we are pleased we have no exposure to activities negatively affecting biodiversity-sensitive areas, we also recognise that data availability relating to biodiversity is limited. As such, when considering this PAI we do not solely rely on data and believe qualitative based analysis is equally as important.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	N/A	The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio. Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	**Engagement** Royal London Asset Management has a history of research and engagement with the UK water utility sector dating back to 2018. This sector has an important role in managing and treating emissions to water and given our exposure to UK water utility companies within our overall AUM, we identified this as a key priority for engagement to help address the principal adverse impact. Our engagement work has enabled us to gain a broad understanding of ESG within the sector and form expectations which we are intending to use to shape engagement for change activities in 2023. For more information, please see our Stewardship and responsible investment report | Intermediaries | RLAM

Adverse sustainability indicator (Group)	Adverse sustainability indicator	Metric	Impact (2022)	Explanation	Methods to consider and/or mitigate the PAI
					ESG Integration We consider the materiality of emissions to water and where appropriate it is assessed within company level ESG research at fund/strategy level by the investment teams. Emissions to water is part of the proprietary ESG Dashboard and analytics solution, which is available to fund managers, to assist them in monitoring PAIs and ESG risks at both a fund and issuer/company level. We have chosen not to disclose this metric as the data availability is still very low. As such, where we consider this metric, we typically rely on other approaches such as engagement.
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	N/A	The total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	**General** We consider the materiality of hazardous waste and where appropriate it is assessed within company level ESG research at fund/strategy level by the investment teams. Hazardous waste is part of the proprietary ESG Dashboard and analytics solution, which is available to fund managers, to assist them in monitoring PAIs and ESG risks at both a fund and issuer/company level. We have chosen not to disclose this metric as data availability is still low. As such, where we consider this metric, we typically rely on other approaches such as qualitative research.
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.34%	The percentage of the portfolio's market value exposed to issuers with severe or very severe controversies related to the company's operations and/or products. Coverage of 74.67%	**ESG integration** We consider the materiality of social and employee matters relating to UNGC and OECD Guidelines for Multinational Enterprises and where appropriate it is assessed within company level ESG research at fund/strategy level by the investment teams. Social and employee matters relating to the UNGC and OECD Guidelines for Multinational Enterprises are part of the proprietary ESG Dashboard and analytics solution, which is available to fund managers, to assist them in monitoring PAIs and ESG risks at both a fund and issuer/company level.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles of OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations	38.56%	The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact. Coverage of 73.16%	

Adverse sustainability indicator (Group)	Adverse sustainability indicator	Metric	Impact (2022)	Explanation	Methods to consider and/or mitigate the PAI
		of the UNGC principles or the OECD guidelines for Multinational Enterprises			
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	N/A	The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings.	**Engagement** Governance and Corporate Culture, including diversity, is one of Royal London Asset Management's six engagement themes. Through our engagement on gender diversity, we seek to gather information and change company practices to be in line with what we consider good practice. For examples of where we have engaged on gender diversity, please see our Stewardship and responsible investment report | Intermediaries | RLAM **Proxy voting** Royal London Asset Management encourages good pay practices and believes that diversity of individuals, whether of gender, ethnic origin, nationality, professional background, experience or other factors, are essential considerations of Board executives. As such, Royal London Asset Management will abstain or vote against the re-election of the Chair or Chair of the Nomination Committee, should the Board not have at least 33% gender diversity absent a compelling rationale. Though we are pleased with our Board gender diversity PAI being close to our target, we note it isn't quite where we'd like it to be and so we recognise that ongoing work is needed to encourage companies to improve diversity practices including female representation on the Board. We have chosen not to disclose our gender pay gap PAI as data coverage is low and where it is disclosed it can be inconsistent with regard to countries and number or percent of employees covered by the figure reported. As a result, we choose to consider this PAI through other means such as engagement, proxy voting and qualitative ESG integration. For more information on how we voted in 2022, please see our voting records here: ROYAL LONDON ASSET MANAGEMENT - Responsible Investments - Voting Records (Royal London Asset Management-voting.co.uk) **ESG Integration** We consider the materiality of social and employee matters relating to gender diversity and where appropriate it is assessed within company level ESG research at fund/strategy level by the investment teams. Social and employee matters relating to gender diversity are part of the proprietary ESG Dashboard and analytics solution, which is available to fund managers, to assist them in monitoring PAIs and ESG risks at both a fund and issuer/company level.
	13. Board gender diversity	Average ratio of female to male board members in investee companies	32.00%	The portfolio holdings' weighted average of the ratio of female to male board members expressed as a percentage Coverage of 73.46%	

Adverse sustainability indicator (Group)	Adverse sustainability indicator	Metric	Impact (2022)	Explanation	Methods to consider and/or mitigate the PAI
Human Rights	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons.	0.00%	The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and investments. Ties to landmines do not include related safety products. Coverage of 100.00%	**Exclusions** Royal London Asset Management has implemented a firm wide exclusion of controversial weapons as we believe, as a responsible investor and stewards of our client's capital, we should not support involvement in these products. Royal London Asset Management will not knowingly invest in companies involved in the manufacture of land mines, cluster munitions, and chemical and biological weapons. For more information, please see our Controversial Weapons Policy.
Emissions (additional)	15. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with Paris Agreement	30.64%	The sum of companies' weights in the portfolio that have no carbon emissions reduction initiatives coverage. There is no re-weighting, nor removing of holdings with no data available for the calculation. Coverage of 70.30%	Please see the Greenhouse Gases section of this table for more information on our methods for considering and/or mitigating this PAI.
Human Rights (additional)	16. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0.01	The Portfolio's weighted average sum of the holdings with human rights violations coverage. For the portion of the fund where human rights violation data is not available, the holdings are removed and remainder of the fund re-weighted to 100%. The portion not covered by human rights violations data values are assumed to behave as the holding with data available. Coverage of 62.46%	Please see the Human Rights section of this table for more information on our methods for considering and/or mitigating this PAI.
Social and employee matters (additional)	17. Incidents of discrimination	Number of incidents of discrimination reported in investee companies expressed as a weighted average	0.00	The portfolio's weighted average of issuers' number of Severe and Very Severe controversy cases in last three years related to the company's involvement in: Employee discrimination and workforce diversity issues Coverage of 62.46%	**Engagement** Royal London Asset Management recognises that the treatment of employees is central to a company's ability to succeed. This includes all areas of social and employee matters, within which multiple factors are often inter-related. As such, Royal London Asset Management has undertaken engagement on employee harassment. For more information and to read an example of engagement in this area, please see our Stewardship and responsible investment report | Intermediaries | RLAM **ESG integration** We consider the materiality of social and employee matters relating to incidents of discrimination and where appropriate it is assessed within company level ESG research at fund/strategy level by the investment teams.

Adverse sustainability indicator (Group)	Adverse sustainability indicator	Metric	Impact (2022)	Explanation	Methods to consider and/or mitigate the PAI
					Social and employee matters relating to incidents of discrimination are also considered within many of our Article 8 and 9 funds and typically investment teams will use Royal London Asset Management's proprietary ESG Dashboard and analytics solution to evaluate and monitor PAIs and ESG risks at both a fund and issuer/company level.
Environmental (sovereign)	18. GHG intensity	GHG intensity of investee countries	168.40	The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/ EUR M GDP) Coverage of 99.36%	Please see the Greenhouse Gases section of this table for more information on our methods for considering and/or mitigating this PAI.
Social (sovereign)	19. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	0.00	The portfolio's number of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports Coverage of 99.36%	**General** Where it is considered material, country social violations will be considered within issuer-level ESG research.
		Number of investee countries subject to social violations (relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0.00%	The portfolio's percentage of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports Coverage of 99.36%	

For adverse sustainability indicators 1-17, the coverage is calculated as the percentage of the total AUM invested in Equity or Corporate bonds where data is available. For adverse sustainability indicators 18-19, the coverage is calculated as the percentage of total AUM invested in Sovereign bonds where data is available.

In addition to these metrics, there are a number of PAIs which can be disclosed against on a voluntary basis. For now, Royal London Asset Management has chosen not to disclose data against these. This decision was taken due to concern over data quality and availability. As ESG disclosures become more mature and SFDR requirements evolve, we will continue to revisit this decision and amend our approach where appropriate.

Data sources and margin of error within methodologies

Given the evolving nature of ESG data and disclosures, we face a number of challenges in identifying principal adverse impacts. We utilise a third-party data provider for PAI data. We have built an in-house solution to aggregate and display this data, enabling investment teams to access and analyse the data at issuer/company and fund level to help inform investment analysis. We also have the ability to review the data at firm-level.

To aid in assessing Good Governance, we have increased the research coverage for our internal governance assessments which have been adapted for private issuers or those with more limited public disclosures. It also allows us to appropriately adjust for asset class specific factors, such as the type of issuer and the level of security we have over the assets.

Our disclosed PAIs are subject to limitations due to the emerging nature of the data applications and methodologies. Low levels of data coverage may give inaccurate fund and entity-level statistics. All data is supplied for informational purposes only and should not be relied upon for investment decisions.

We endeavour to improve PAI data in finance through our engagement with companies and data providers. We believe that technological innovations will make data more easily accessible and reliable in the future.

Although our information providers, including but not limited to, MSCI ESG Research LLC and its affiliates (the ESG parties), obtain information from sources considered reliable, none of the ESG parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose.

Royal London Asset Management's Engagement Policy

Dialogue between Royal London Asset Management and investee companies is an important tool to help us understand the adverse impacts of our investments as well as to encourage change at issuer level to produce better outcomes for society and the environment.

Where we have serious concerns about a company's environmental or social impact, we will seek to engage with a company to improve their practices and mitigate their adverse impacts. The extent of our engagement relates to the size and nature of any PAIs.

For more information on our approach to engagement, please see our latest Stewardship and responsible investment report | Intermediaries | RLAM and the Engagement Policy section of our Responsible Investment Policy.

References to international standards

Integrating advanced ESG practices across Royal London Asset Management includes adhering to several business conduct codes and initiatives. While the below is not an exhaustive list, these are the codes/initiatives that are most recognisable at an international level and the ones that we actively apply or participate in:

- UK Stewardship Code (see our Stewardship and responsible investment report | Intermediaries | RLAM)
- UK Corporate Governance Code and local market governance codes (where appropriate)
- Principles for Responsible Investment (PRI)
- Taskforce on climate related financial disclosures (TCFD) (see our TCFD 2022 Report)
- Climate Financial Risk Forum (CFRF)
- Net Zero Asset Managers Initiative (NZAM) - NZAM-Initial-Target-Disclosure-Report-May-2022.pdf (netzeroassetmanagers.org)
- Climate Action 100+ (CA100+)
- Investment Association (IA) committees, including the Sustainability & Responsible Investment Committee
- UK Sustainable Investment and Financial Association (UKSIF)

In addition to the above, additional international standards are considered within some of our Article 8 and 9 funds. This includes the UN Global Compact and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. Adherence with these standards at a fund-level is managed directly by the investment desks.

As we describe in Table 1 under Greenhouse gases, Royal London Asset Management aims to mitigate climate-related adverse impacts via its climate commitment and is a signatory to the Net Zero Asset Managers initiative (NZAM). We do not currently utilise the prescribed GHG emission metrics within SFDR to monitor this commitment, however we do utilise climate-related metrics that are aligned with the Taskforce for Climate-Related Financial Disclosures (TCFD).

Historical comparisons

A historical comparison of the PAIs reported in Table 1 will be made available in 2024.

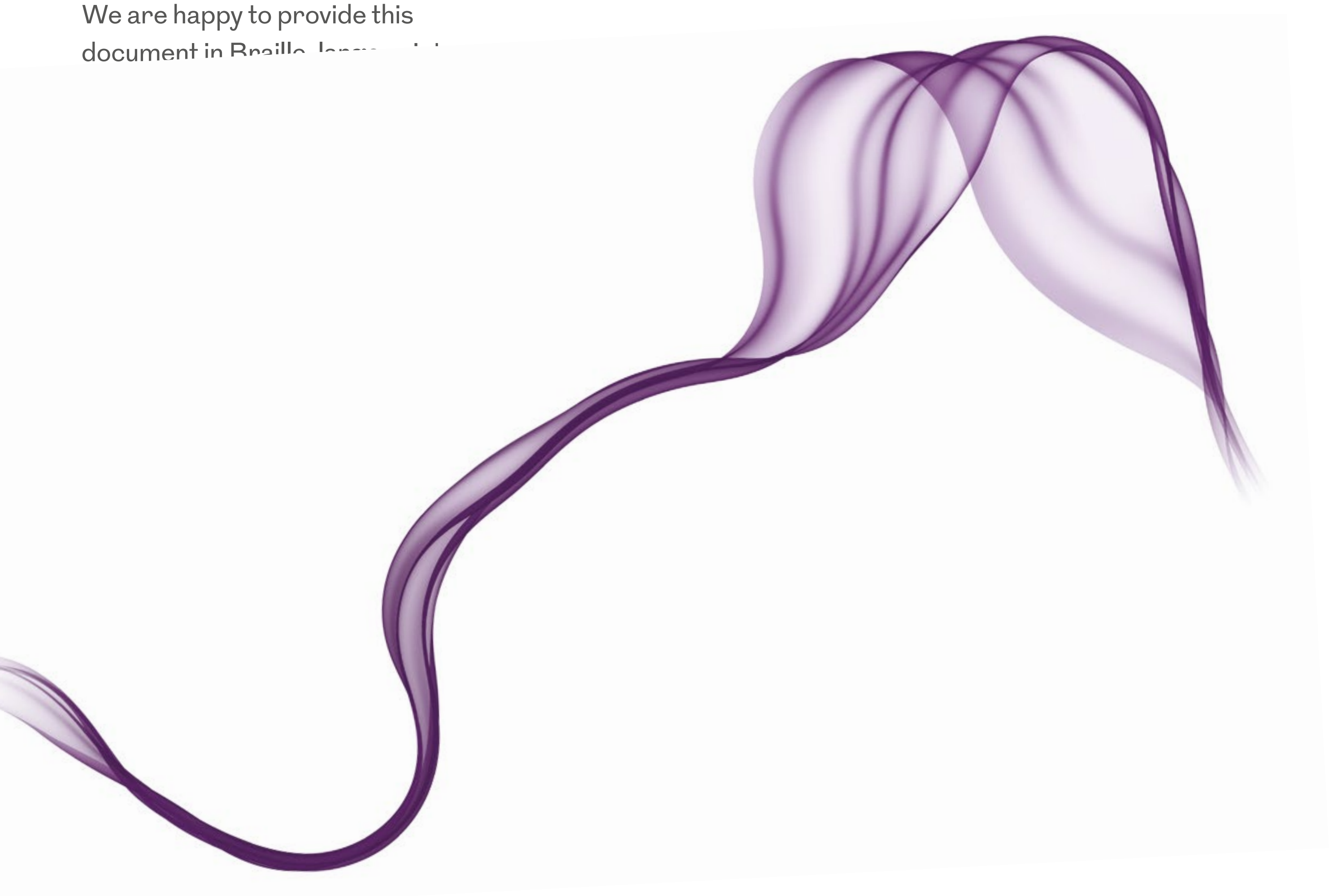
Contact us

For more information about our range of products and services, please contact us.

Royal London Asset Management
80 Fenchurch Street
London EC3M 4BY
020 7506 6500
www.rlam.com

Responsible Investment team
esg@rlam.co.uk

We are happy to provide this document in Braille



Issued in June 2023 by Royal London Asset Management Limited, 80 Fenchurch Street London EC3M 4BY. Authorised and regulated by the Financial Conduct Authority, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited.

Ref: PO RLAM PD 0032

112127 06 2023