



| LEA 02 | Disclosures Monetary | Reason for interaction | Principle PRI 1,2,3 |
|--|---|---|---------------------------|
| Individual/ internal staff engagements | <p><input checked="" type="checkbox"/> To support investment decisionmaking in & company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> | <p><input checked="" type="checkbox"/> To support investment decisionmaking in & company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> | |
| Collaborative engagements | <p><input type="checkbox"/> To support investment decisionmaking in & company's interests</p> <p><input type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> | <p><input type="checkbox"/> To support investment decisionmaking in & company's interests</p> <p><input type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> | |
| Service provider engagements | <p><input type="checkbox"/> To support investment decisionmaking in & company's interests</p> <p><input type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> | <p><input type="checkbox"/> To support investment decisionmaking in & company's interests</p> <p><input type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> | |

RI TRANSPARENCY REPORT

2014/15

Lloyds Banking Group

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

| Symbol | Status |
|--------|---|
| ✓ | The signatory has completed all mandatory parts of this indicator |
| ☑ | The signatory has completed some parts of this indicator |
| 🔒 | This indicator was not relevant for this signatory |
| - | The signatory did not complete any part of this indicator |
| Ⓜ | The signatory has flagged this indicator for internal review |

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

| Organisational Overview | | | | Principle | | | | | | General |
|-------------------------|---|--------|------------------------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| OO 01 | Signatory category and services | ✓ | Public | | | | | | | ✓ |
| OO 02 | Headquarters and operational countries | ✓ | Public | | | | | | | ✓ |
| OO 03 | Subsidiaries that are separate PRI signatories | ✓ | Public | | | | | | | ✓ |
| OO 04 | Reporting year and AUM | ✓ | Public | | | | | | | ✓ |
| OO 05 | Breakdown of AUM by asset class | ✓ | Asset mix disclosed in OO 06 | | | | | | | ✓ |
| OO 06 | How would you like to disclose your asset class mix | ✓ | Public | | | | | | | ✓ |
| OO 07 | Segregated mandates or pooled funds | ✓ | Private | | | | | | | ✓ |
| OO 08 | Breakdown of AUM by market | ✓ | Public | | | | | | | ✓ |
| OO 09 | Additional information about organisation | ✓ | Public | | | | | | | ✓ |
| OO 10 | RI activities for listed equities | ✓ | Public | | | | | | | ✓ |
| OO 11 | RI activities in other asset classes | ✓ | Public | | | | | | | ✓ |
| OO 12 | Modules and sections required to complete | ✓ | Public | | | | | | | ✓ |

| Overarching Approach | | | | Principle | | | | | | General |
|----------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| OA 01 | RI policy and other guidance documents | ✓ | Public | | | | | | | ✓ |
| OA 02 | Publicly available policies / documents | ✓ | Public | | | | | | | ✓ |
| OA 03 | Policy components and coverage | ✓ | Public | ✓ | ✓ | | | | | |
| OA 04 | Conflicts of interest | ✓ | Public | | | | | | | ✓ |
| OA 05 | RI goals and objectives | ✓ | Public | | | | | | | ✓ |
| OA 06 | Main goals/objectives this year | ✓ | Private | | | | | | | ✓ |
| OA 07 | Governance, management structures and RI processes | ✓ | Public | | | | | | | ✓ |
| OA 08 | RI roles and responsibilities | ✓ | Public | | | | | | | ✓ |
| OA 09 | RI in performance management, reward and/or personal development | ✓ | Private | | | | | | | ✓ |
| OA 10 | Collaborative organisations / initiatives | ✓ | Public | | | | ✓ | ✓ | | |
| OA 11 | Promoting RI independently | ✓ | Public | | | | ✓ | | | |
| OA 12 | Dialogue with public policy makers or standard setters | ✓ | Private | | | | ✓ | ✓ | ✓ | |
| OA 13 | ESG issues in strategic asset allocation | ✓ | Private | ✓ | | | | | | |
| OA 14 | Allocation of assets to environmental and social themed areas | ✓ | Private | ✓ | | | | | | |
| OA 15 | ESG issues for internally managed assets not reported in framework | 🔒 | n/a | | | | | | | ✓ |
| OA 16 | ESG issues for externally managed assets not reported in framework | ✓ | Private | | | | | | | ✓ |
| OA 17 | RI/ESG in execution and/or advisory services | 🔒 | n/a | ✓ | ✓ | | | | | |
| OA 18 | Innovative features of approach to RI | ✓ | Private | | | | | | | ✓ |
| OA 19 | Internal and external review and assurance of responses | ✓ | Private | | | | | | | ✓ |

| Indirect – Manager Selection, Appointment and Monitoring | | | | Principle | | | | | | General |
|--|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| SAM 01 | Description of RI considerations | ✓ | Private | ✓ | | | | | ✓ | |
| SAM 02 | Role of investment consultants | ✓ | Public | | | | ✓ | | | |
| SAM 03 | RI factors in selection, appointment and monitoring across asset classes | ✓ | Public | | | | | | | ✓ |
| SAM 04 | Breakdown of passive, active quant and active fundamental | ✓ | Private | | | | | | | ✓ |
| SAM 05 | ESG incorporation strategies | ✓ | Public | ✓ | ✓ | | | | | |
| SAM 06 | Selection processes (listed assets) | 🔒 | n/a | ✓ | | | | | | ✓ |
| SAM 07 | Appointment considerations (listed assets) | ✓ | Private | | | | ✓ | | | |
| SAM 08 | Monitoring processes (listed assets) | ✓ | Public | ✓ | | | | | | |
| SAM 09 | Percentage of (proxy) votes cast | 🔒 | n/a | | ✓ | | | | | |
| SAM 10 | Selection processes (non-listed assets) | 🔒 | n/a | ✓ | | | | | | ✓ |
| SAM 11 | Appointment considerations (non-listed assets) | ✓ | Private | | | | ✓ | | | |
| SAM 12 | Monitoring processes (non-listed assets) | ✓ | Public | ✓ | | | | | | ✓ |
| SAM 13 | Description of RI considerations in 'other' asset classes | 🔒 | n/a | ✓ | | | | | | ✓ |
| SAM 14 | Percentage of externally managed assets managed by PRI signatories | ✓ | Private | ✓ | | | | | | ✓ |
| SAM 15 | Examples of ESG issues in selection, appointment and monitoring processes | ✓ | Private | | ✓ | | | | | |
| SAM 16 | Disclosure of RI considerations | ✓ | Public | | | | | | | ✓ |

| Direct - Listed Equity Active Ownership | | | | Principle | | | | | | General |
|---|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| LEA 01 | Description of approach to engagement | ✓ | Private | | ✓ | | | | | |
| LEA 02 | Reasoning for interaction on ESG issues | ✓ | Public | ✓ | ✓ | ✓ | | | | |
| LEA 03 | Process for identifying and prioritising engagement activities | 🔒 | n/a | | ✓ | | | | | |
| LEA 04 | Objectives for engagement activities | 🔒 | n/a | | ✓ | | | | | |
| LEA 05 | Process for identifying and prioritising engagement activities | 🔒 | n/a | | ✓ | | | | | |
| LEA 06 | Objectives for engagement activities | 🔒 | n/a | | ✓ | | | | | |
| LEA 07 | Role in engagement process | ✓ | Public | | ✓ | | ✓ | | | |
| LEA 08 | Monitor / discuss service provider information | ✓ | Public | | ✓ | | | | ✓ | |
| LEA 09 | Share insights from engagements with internal/external managers | ✓ | Private | ✓ | ✓ | | | | | |
| LEA 10 | Tracking number of engagements | ✓ | Public | | ✓ | | | | | |
| LEA 11 | Number of companies engaged with, intensity of engagement and effort | ✓ | Private | | ✓ | | | | | |
| LEA 12 | Engagements on E, S and/or G issues | ✓ | Private | | ✓ | | | | | |
| LEA 13 | Companies changing practices / behaviour following engagement | ✓ | Private | | ✓ | | | | | |
| LEA 14 | Examples of ESG engagements | ✓ | Private | | ✓ | | | | | |
| LEA 15 | Disclosure of approach to ESG engagements | ✓ | Public | | ✓ | | | | ✓ | |
| LEA 16 | Description of approach to (proxy) voting | ✓ | Private | | ✓ | | | | | |
| LEA 17 | Typical approach to (proxy) voting decisions | ✓ | Public | | ✓ | | | | | |
| LEA 18 | Percentage of voting recommendations reviewed | 🔒 | n/a | | ✓ | | | | | |
| LEA 19 | Confirmation of votes | ✓ | Private | | ✓ | | | | | |
| LEA 20 | Securities lending programme | ✓ | Private | | ✓ | | | | | |
| LEA 21 | Informing companies of the rationale of abstaining/voting against management | ✓ | Public | | ✓ | | | | | |
| LEA 22 | Percentage of (proxy) votes cast | ✓ | Public | | ✓ | | | | | |
| LEA 23 | Proportion of ballot items that were for/against/abstentions | ✓ | Private | | ✓ | | | | | |
| LEA 24 | Shareholder resolutions | ✓ | Private | | ✓ | | | | | |
| LEA 25 | Examples of (proxy) voting activities | ✓ | Private | | ✓ | | | | | |
| LEA 26 | Disclosing voting activities | ✓ | Public | | ✓ | | | | ✓ | |

Lloyds Banking Group

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the category which best represents your primary activity.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation or endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Other, specify

OO 01.2

Additional information. [Optional]

Lloyds Banking Group has a combination of insurance and private banking investment activities. Insurance assets are by far the larger, so this will be the focus of our PRI reporting.

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

77000

OO 03

Mandatory

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 03.3

Additional information. [Optional]

Lloyds Banking Group sold its investment management subsidiary Scottish Widows Investment Partnership (a PRI signatory since 2007) to Aberdeen Asset Management in 2014. Aberdeen are also a signatory to the PRI.

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2015

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | 134 | 000 | 000 | 000 |
| Currency | GBP | | | | |
| Assets in USD | | 221 | 580 | 646 | 923 |

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

| | Internally managed (%) | Externally managed (%) |
|---------------------------|------------------------|------------------------|
| Listed equity | 0 | 10-50% |
| Fixed income – corporate | 0 | 10-50% |
| Fixed income – government | 0 | <10% |

| | | |
|----------------------|---|------|
| Fixed income – other | 0 | <10% |
| Private debt | 0 | 0 |
| Private equity | 0 | <10% |
| Property | 0 | <10% |
| Infrastructure | 0 | 0 |
| Commodities | 0 | <10% |
| Hedge funds | 0 | 0 |
| Forestry | 0 | 0 |
| Farmland | 0 | 0 |
| Inclusive finance | 0 | 0 |
| Cash | 0 | <10% |
| Other (1), specify | 0 | 0 |
| Other (2), specify | 0 | 0 |

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

| | | | |
|-------|---|---------|---------|
| OO 08 | Mandatory to Report Voluntary to Disclose | Peering | General |
|-------|---|---------|---------|

| | |
|---------|--|
| OO 08.1 | Indicate the breakdown of your organisation's AUM by market. |
|---------|--|

| Market breakdown | % of AUM |
|--------------------------------------|--|
| Developed Markets | <input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 % |
| Emerging, Frontier and Other Markets | <input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 % |

| | | | |
|-------|-----------|-------------|---------|
| OO 09 | Voluntary | Descriptive | General |
|-------|-----------|-------------|---------|

| | |
|---------|---|
| OO 09.1 | Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities. |
|---------|---|

Scottish Widows is committed to being a responsible investor on behalf of our customers, with particular focus on Stewardship, Ethical investment and Environmental, Social and Governance (ESG) issues. Our commitment to responsible investment is explained in more detail through the information provided on our website. http://www.scottishwidows.co.uk/about_us/responsibleinvestment/index.html

Gateway asset class implementation indicators

| | | | |
|-------|-----------|---------|---------|
| OO 10 | Mandatory | Gateway | General |
|-------|-----------|---------|---------|

| | |
|---------|--|
| OO 10.1 | Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year. |
|---------|--|

- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

| | |
|---------|------------------------------------|
| OO 10.3 | Additional information. [Optional] |
|---------|------------------------------------|

We have delegated investment management for the majority of our core funds to Aberdeen Asset Management who undertake engagement on ESG issues with the companies in which our funds invest as well as proxy voting as part of their normal investment process.

We recognise our obligation regarding voting and have delegated Shareholder Advocacy to Aberdeen who are responsible for monitoring Board activity and to actively participate in the corporate governance process on our customers behalf.

Our voting record is available on our customer website http://www.scottishwidows.co.uk/about_us/responsibleinvestment/index.html

| | | | |
|-------|-----------|---------|---------|
| OO 11 | Mandatory | Gateway | General |
|-------|-----------|---------|---------|

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Private equity
- Property
- Commodities
- Cash
- None of the above

OO 12**Mandatory****Gateway****General****OO 12.1**

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed Income - Corporate
- Fixed Income - Government
- Property

Closing module

- Closing module

Lloyds Banking Group

Reported Information

Public version

Overarching Approach

PRI disclaimer

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Responsible investment policy

| | | | |
|-------|-----------|-----------------------|---------|
| OA 01 | Mandatory | Gateway/Core Assessed | General |
|-------|-----------|-----------------------|---------|

OA 01.1 Indicate if you have a responsible investment policy.

- Yes
 No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
 No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Lloyds Banking Group makes investments on behalf of our customers with the goal of delivering long-term financial benefits. We are committed to achieving these benefits in accordance with high standards of corporate governance and responsible investment practices.

On behalf of our customers, we make investments around the world in equities, bonds, property assets and investment funds. In making these investments we encounter a range of important environmental, social and governance (ESG) challenges. These challenges include climate change, scarcity of natural resources, globalisation of supply chains, and ensuring company boards exercise their governance responsibilities effectively.

Our Responsible Investment policy sets out our approach to handling ESG issues. It should be considered in tandem with other associated policies such as the Group's Environmental policy and Corporate Governance policies.

We work to ensure our approach to addressing ESG issues in investment is effective, by doing the following:

1. We take due account of ESG risks in our investment decisions
2. As an active and responsible owner, we use our influence to encourage companies to manage ESG risks effectively. We support the UK Stewardship Code.
3. We seek to avoid investment in activities that are illegal according to international conventions endorsed by the UK government
4. We take account of ESG issues when we appoint asset managers to manage our clients' funds, and monitor their activity closely
5. We provide ethical and sustainable investment options for our customers
6. Where we ask an outsourced company to act on these matters on our behalf, we ensure that there are adequate contracts and controls in place to govern this activity.

| | | | |
|-------|-----------|---------------|-------|
| OA 02 | Mandatory | Core Assessed | PRI 6 |
|-------|-----------|---------------|-------|

OA 02.1 Indicate if your responsible investment policy is publicly available.

- Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

<http://www.scottishwidows.co.uk/responsibleinvestment>

No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

| Policy or document name | URL |
|--|---|
| Code of Business Responsibility | http://www.lloydsbankinggroup.com/globalassets/documents/our-group/responsibility/policies-and-codes/code_of_business_responsibility.pdf |
| Scottish Widows RI Website | http://www.scottishwidows.co.uk/responsibleinvestment |
| LBG's Responsible Business information | http://www.lloydsbankinggroup.com/our-group/responsible-business/environment/ |
| LBG'S Managing Environmental Risk | http://www.lloydsbankinggroup.com/our-group/responsible-business/environment/managing-environmental-risks/ |
| LBG'S Supporting LowCarbon Economy | http://www.lloydsbankinggroup.com/our-group/responsible-business/environment/supporting-the-low-carbon-economy/ |
| LBG'S - Influencing Positive Change | http://www.lloydsbankinggroup.com/our-group/responsible-business/environment/influencing-positive-change/ |

No

OA 02.5 Additional information. [Optional]

Lloyds approach to 'doing business responsibly' is provided here : <http://www.lloydsbankinggroup.com/our-group/responsible-business/our-approach/> it covers those aspects of the Group that are separate to the investment funds provided by Scottish Widows.

OA 03 Mandatory Core Assessed PRI 1,2

OA 03.1

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

| Policy components/types | Coverage by AUM |
|---|--|
| <input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify | <input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM |

OA 03.2

Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

The guidance and policies that relate to the wider Group are here : <http://www.lloydsbankinggroup.com/our-group/responsible-business/>

The guidance and policies for Aberdeen, our core investment manager are here : <http://www.aberdeen-asset.com/aam.nsf/groupCsr/policiesresponsible>

OA 04

Mandatory

Core Assessed

General

OA 04.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

We have a strong internal governance structure for investment, with numerous provisions to ensure our activities are conducted in line with our fiduciary obligations to our customers. This governance structure has various safeguards to identify and control any conflicts of interest. This is an important issue that is closely monitored by financial services regulators.

No

Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
 - Biannually
 - Annually
 - Every two years or less
 - It is not reviewed
- No

Governance and human resources

OA 07

Voluntary

Descriptive

General

OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Building the right culture within the Lloyds Banking Group is a key part of our business strategy. At the heart of our responsible business approach are our three Group Values - putting customers first, keeping it simple and making a difference together. These Values guide us and underpin everything we do. Our Codes of Business and Personal Responsibility define the behaviours required to live up to our Values. Training on our Codes is mandatory and is completed by all colleagues - further details can be found on page 3 of our Responsible Business Review 2014, via the following link:

<http://www.lloydsbankinggroup.com/globalassets/our-group/responsible-business/download-centre/lloyds-banking-group-responsible-business-review-final.pdf>

Our commitment to the UNI PRI is stated within the Code of Business Responsibility, including our aim to encourage the consideration of environmental, social and governance issues into decision-making and investment decisions - page 12. This is available via the following link:

http://www.lloydsbankinggroup.com/globalassets/our-group/responsible-business/download-centre/code_of_business_responsibility.pdf

We have also now incorporated our Values, Codes and responsible business approach into our recruitment processes, including job descriptions, interview questions and induction activities - see page 23 of the above Review.

More about our overall approach to Responsible Business can be found on page 2 of the Review.

We have an overall Group Governance framework which enables strategic, accountable and responsible decision-making by colleagues at all levels. The Group Board, Group Executive Committee and Responsible Business Committee play key roles in ensuring good governance and defining our responsible business objectives. Our Responsible Business team supports colleagues across the Group in fulfilling our responsible business agenda. On a day-to-day basis, our Group Responsible Business team manages responsible business matters. The team will play a key role as we embed the Helping Britain Prosper Plan across our business.

How our business model and strategy fit with our Group Values, Codes and Policies, Governance framework and our Helping Britain Prosper Plan can be found on page 4 of the Review.

The Helping Britain Prosper Plan includes a commitment and a metric to: Helping people plan for later life through company pension schemes. In 2014 this was 1.41m- see page 12 of the Responsible Business Review. Metrics within the 2014 Helping Britain Prosper Plan have undergone limited independent assurance - see page 28 of the Responsible Business Review.

Please note that our Responsible Business Review is assured by an independent Stakeholder Panel, which adds strength to our governance structure - see page 29 of the Review.

Governance for Responsible Investment within the Lloyds Banking Group operates at two levels.

Risk is managed through the Group's Risk Management Framework which provides a robust and consistent approach to risk management across the Group in order to drive its risk profile in line with risk appetite. Further details can be found on page 3 of the Review.

All colleagues, including the Group Chief Executive, complete formal performance reviews at least twice a year. They are assessed in terms of their performance against set objectives and our Values, Codes and required behaviours, using a Balanced Scorecard, which includes risk management.

Direct governance for insurance assets is provided by the Insurance Investment Strategy Committee, chaired by the overall director of Lloyds Banking Group's insurance division. This committee, and its subsidiary committees, have responsibility for responsible investment activity; approving changes to policy and reviewing progress in implementation.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

| | | | |
|-------|-----------|-----------------------|---------|
| OA 08 | Mandatory | Gateway/Core Assessed | General |
|-------|-----------|-----------------------|---------|

| | |
|---------|---|
| OA 08.1 | Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment. |
|---------|---|

| |
|------------------------------------|
| Roles present in your organisation |
|------------------------------------|

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
- Investment analysts
- Dedicated responsible investment staff
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

| |
|----------------------------------|
| Promoting responsible investment |
|----------------------------------|

OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

- Asian Corporate Governance Association

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement is via Aberdeen, our core investment manager

- Association for Sustainable & Responsible Investment in Asia

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement is via Aberdeen, our core investment manager

- Australian Council of Superannuation Investors

- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The Group's Commercial CEO is a member.

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement is via Aberdeen, our core investment manager

- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement is via Aberdeen, our core investment manager

- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 - Moderate
 - Advanced
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement is via Aberdeen, our core investment manager

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement is via Aberdeen, our core investment manager

- Other collaborative organisation/initiative, specify
Cambridge Programme for Sustainability Leadership

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Executive level staff within Lloyds Banking Group participate in the leadership group covering issues around the Banking Environment Initiative - 'Soft Commodities Compact'..

Other collaborative organisation/initiative, specify

Equator Principles

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Lloyds Banking Group is a signatory to the Equator Principles as part of the process for managing project finance transactions. <http://www.lloydsbankinggroup.com/Our-Group/responsible-business/our-approach/managing-risk/>

Other collaborative organisation/initiative, specify

Oslo Convenions on Cluster Munitions and Anti-personnel landmines.

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Lloyds Banking Group pays specific focus on the Oslo Convenions on Cluster Munitions and Anti-personnel landmines. This total ban includes investments as well banking.

Other collaborative organisation/initiative, specify

| | | | |
|-------|-----------|---------------|-------|
| OA 11 | Mandatory | Core Assessed | PRI 4 |
|-------|-----------|---------------|-------|

OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

Lloyds Banking Group

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

| | | | |
|--------|-----------|---------------|-------|
| SAM 02 | Mandatory | Core Assessed | PRI 4 |
|--------|-----------|---------------|-------|

SAM 02.1 Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

- Yes
 No

| | | | |
|--------|-----------|---------|---------|
| SAM 03 | Mandatory | Gateway | General |
|--------|-----------|---------|---------|

SAM 03.1 Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

| Asset classes | (a) Selection | (b) Appointment | (c) Monitoring |
|---------------|--------------------------|-------------------------------------|-------------------------------------|
| Listed equity | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Property | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

Overview

| | | | |
|--------|-----------|---------|---------|
| SAM 05 | Mandatory | Gateway | PRI 1,2 |
|--------|-----------|---------|---------|

SAM 05.1 Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Active investment strategies

| | | | |
|-------------------------------------|-------------------------------------|--|--|
| Active investment strategies | LE | | |
| Screening | <input checked="" type="checkbox"/> | | |
| Thematic | <input type="checkbox"/> | | |
| Integration | <input type="checkbox"/> | | |
| None of the above | <input type="checkbox"/> | | |

Passive investment strategies

| | | | |
|--------------------------------------|-------------------------------------|--|--|
| Passive investment strategies | LE | | |
| Screening | <input type="checkbox"/> | | |
| Thematic | <input type="checkbox"/> | | |
| Integration | <input type="checkbox"/> | | |
| None of the above | <input checked="" type="checkbox"/> | | |

SAM 05.2 Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

| | | |
|--|-------------------------------------|--|
| | LE | |
| We engage directly or via service providers on our externally managed assets | <input type="checkbox"/> | |
| We require our external managers to engage on our behalf | <input checked="" type="checkbox"/> | |
| None of the above | <input type="checkbox"/> | |

SAM 05.3 Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

| | |
|--|-------------------------------------|
| | LE |
| We cast our (proxy) votes directly or via service providers on our externally managed assets | <input type="checkbox"/> |
| We require our external managers to cast our (proxy) votes on our behalf | <input checked="" type="checkbox"/> |
| None of the above | <input type="checkbox"/> |

Monitoring

| | | | |
|---------------|------------------|----------------------|--------------|
| SAM 08 | Mandatory | Core Assessed | PRI 1 |
|---------------|------------------|----------------------|--------------|

| | |
|-----------------|---|
| SAM 08.1 | Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following: |
|-----------------|---|

| | |
|--|---------|
| | General |
|--|---------|

| | LE | | |
|--|-------------------------------------|--|--|
| Include responsible investment as a standard agenda item at performance review meetings | <input checked="" type="checkbox"/> | | |
| Highlight examples of good responsible investment practice by other managers | <input type="checkbox"/> | | |
| Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports | <input checked="" type="checkbox"/> | | |
| Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors | <input type="checkbox"/> | | |
| Include responsible investment criteria as a formal component of overall manager performance evaluation | <input type="checkbox"/> | | |
| Request information on whether your manager's approach to ESG issues has impacted financial performance | <input type="checkbox"/> | | |
| Request information on whether your manager's approach to ESG issues has impacted risk or volatility | <input type="checkbox"/> | | |
| Request information on whether your manager's approach to ESG issues has impacted ESG performance | <input type="checkbox"/> | | |
| Other general aspects of your monitoring, specify | <input type="checkbox"/> | | |
| None of the above | <input type="checkbox"/> | | |

ESG incorporation

| | LE | | |
|---|-------------------------------------|--|--|
| Request information on ESG incorporation in specific investment decisions | <input type="checkbox"/> | | |
| Other ways you monitor ESG incorporation, specify | <input type="checkbox"/> | | |
| None of the above | <input checked="" type="checkbox"/> | | |

Engagements

| | LE | |
|---|-------------------------------------|--|
| Review the ESG information relevant to the engagements | <input checked="" type="checkbox"/> | |
| Discuss the number of engagements and their comprehensiveness | <input type="checkbox"/> | |
| Discuss the type of role played (i.e. leading or supporting) | <input type="checkbox"/> | |
| Review the progress of ongoing engagements and/or outcomes of completed engagements | <input checked="" type="checkbox"/> | |
| Other ways you monitor engagement activities, specify | <input type="checkbox"/> | |
| None of the above | <input type="checkbox"/> | |

(Proxy) voting

| | LE |
|---|-------------------------------------|
| Review the number or percentage of votes cast | <input type="checkbox"/> |
| Request an explanation of reasons for votes cast | <input type="checkbox"/> |
| Discuss whether companies were informed of the reasons for votes against management recommendations or abstentions/withheld votes | <input checked="" type="checkbox"/> |
| Review the number of resolutions on ESG issues filed or co-filed | <input checked="" type="checkbox"/> |
| Discuss the changes in company practice (outcomes) that have been achieved from voting activities | <input checked="" type="checkbox"/> |
| Other ways you monitor (proxy) voting activities, specify | <input type="checkbox"/> |
| None of the above | <input type="checkbox"/> |

Private equity (PE), property (PR) and infrastructure (INF) - non-listed assets

Monitoring

SAM 12

Mandatory

Core Assessed

PRI 1-6

SAM 12.1 Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:

General

| | PR | |
|---|-------------------------------------|--|
| Include responsible investment as a standard agenda item at performance review meetings | <input checked="" type="checkbox"/> | |
| Highlight examples of good responsible investment practice by other managers | <input type="checkbox"/> | |
| Review manager's responsible investment reporting, for example PRI-generated responsible investment reports | <input type="checkbox"/> | |
| Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors | <input type="checkbox"/> | |
| Include responsible investment criteria as a formal component of overall manager performance evaluation | <input type="checkbox"/> | |
| Request information on whether your manager's approach to ESG issues has impacted financial performance | <input type="checkbox"/> | |
| Request information on whether your manager's approach to ESG issues has impacted ESG performance | <input type="checkbox"/> | |
| Other general aspects of your monitoring, specify | <input checked="" type="checkbox"/> | |
| None of the above | <input type="checkbox"/> | |

Investment selection (pre-investment) of underlying holding

| | PR | |
|--|-------------------------------------|--|
| Discuss how the analysis of ESG issues affected investment decisions during the reporting period | <input type="checkbox"/> | |
| Other ways ESG issues are incorporated in the pre-investment process, specify | <input checked="" type="checkbox"/> | |
| None of the above | <input type="checkbox"/> | |

Investment monitoring (post-investment) of underlying holding

SAM 16.3

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
 - Details of the responsible investment activities carried out by managers on your behalf
 - E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
 - Other, specify
- No
- Yes, we disclose information to clients/beneficiaries only
- We do not proactively disclose information to the public and/or clients/beneficiaries

Lloyds Banking Group

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

| | | | |
|--------|-----------|---------|-----------|
| LEA 02 | Mandatory | Gateway | PRI 1,2,3 |
|--------|-----------|---------|-----------|

| | |
|----------|---|
| LEA 02.1 | Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions. |
|----------|---|

| Type of engagement | Reason for interaction |
|--|--|
| Individual/Internal staff engagements | <input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via internal staff |
| Collaborative engagements | <input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements |
| Service provider engagements | <input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers |

| | |
|----------|------------------------------------|
| LEA 02.2 | Additional information. [Optional] |
|----------|------------------------------------|

All interactions are undertaken by our external investment managers, for the purposes of this report answers are provided for Aberdeen, as the principle manager of our investment funds.

Process

Process for engagements conducted with/on your behalf by service providers

| | | | |
|--------|-----------|---------------|---------|
| LEA 07 | Mandatory | Core Assessed | PRI 2,4 |
|--------|-----------|---------------|---------|

LEA 07.1 Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

- Yes
- No

LEA 08 **Mandatory** **Core Assessed** **PRI 2,6**

LEA 08.1 Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify

We discuss environmental or ethical issues raised by customers with Aberdeen Asset Management and what engagement AAM may have undertaken.

- None of the above

General processes for all three groups of engagers

LEA 10 **Mandatory** **Gateway/Core Assessed** **PRI 2**

LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

| Type of engagement | Tracking engagements |
|-------------------------------------|---|
| Service provider engagements | <ul style="list-style-type: none"> <input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements |

LEA 10.2 Additional information. [Optional]

Engagements are entirely undertaken by Aberdeen Asset Management, these are tracked and reported.

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

provide URL

<http://www.aberdeen-asset.com/doc.nsf/Lit/CorporateGovernanceGroupEquityEngagementReport20140930>

provide URL

<http://www.aberdeen-asset.com/doc.nsf/Lit/BrochureGroupCorporateOverviewCorporateResponsibilityReport201420140930>

LEA 15.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
 No

LEA 15.3

Indicate what engagement information your organisation proactively discloses to the public.

- Details of the selections, priorities and specific goals of engagement
 Number of engagements
 Breakdown of engagements by type/topic
 Breakdown of engagements by region
 An assessment of the current status of the engagement
 Outcomes that have been achieved from the engagement
 Other information

LEA 15.4

Indicate how frequently you typically report engagements information to the public.

- Disclosed continuously (prior to and post engagements)
 Disclosed quarterly
 Disclosed annually
 Disclosed every two years or less
 Other, specify

| | |
|-----------------|--|
| LEA 15.5 | Indicate what engagement information your organisation proactively discloses to clients/beneficiaries. |
|-----------------|--|

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

| | |
|-----------------|--|
| LEA 15.6 | Indicate how frequently you typically report engagements information to clients/beneficiaries. |
|-----------------|--|

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Process

| | | | |
|---------------|------------------|--------------------|--------------|
| LEA 17 | Mandatory | Descriptive | PRI 2 |
|---------------|------------------|--------------------|--------------|

| | |
|-----------------|---|
| LEA 17.1 | Indicate how you typically make your (proxy) voting decisions and what this approach is based on. |
|-----------------|---|

| | |
|--|----------|
| | Approach |
|--|----------|

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

Based primarily on

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain

Voting is undertaken by Aberdeen Asset Management, who use a third party provider which makes voting recommendations or provides research.

| | | | |
|--------|-----------|---------------|-------|
| LEA 21 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

LEA 21.1 Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases:
 - votes in selected markets
 - votes on certain issues (all markets)
 - votes for significant shareholdings (all markets)
 - other, explain
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2 Additional information. [Optional]

Aberdeen undertake this activity on our behalf.

Outputs and outcomes

| | | | |
|--------|-----------|---------------|-------|
| LEA 22 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

LEA 22.1 For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)

98 %

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 22.2 If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

Aberdeen track and collect this information.

- We do not track or collect this information

Communication

LEA 26 **Mandatory** **Core Assessed** **PRI 2,6**

LEA 26.1 Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly

provide URL

<http://www.aberdeen-asset.com/doc.nsf/Lit/CorporateGovernanceGroupEquityEngagementReport20140930>

provide URL

<http://www.aberdeen-asset.com/aam.nsf/groupcsr/policiesstewardship>

LEA 26.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
- No

LEA 26.3 Indicate the voting information your organisation proactively discloses to the public.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 26.4

Indicate how frequently you typically report voting information to the public.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

LEA 26.5

Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 26.6

Indicate how frequently you typically report voting information to clients/beneficiaries.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

LEA 26.7

Describe any other differences in the information being disclosed. [Optional]

All reporting is undertaken by Aberdeen Asset Management

- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries