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UN GLOBAL COMPACT: INSIGHT INVESTMENT COMMUNICATION ON PROGRESS 2022

COVERING THE 12 MONTHS ENDING 30 JUNE 2022



PLEASE CONSIDER THE ENVIRONMENT BEFORE PRINTING.

▶ BNY MELLON | INVESTMENT MANAGEMENT

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1 STATEMENT OF ONGOING SUPPORT BY INSIGHT INVESTMENT'S CEO

TO OUR STAKEHOLDERS:



Abdallah Nauphal,
Chief Executive Officer

I am pleased to confirm that Insight reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption. In both how we operate as a business, and in how we invest on behalf of our clients, we are seeking to do the right thing in these areas.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

In this document, 'Insight' or 'Insight Investment' refers to the corporate brand for certain asset management companies that are affiliated with Insight Investment Management Limited, including Insight Investment Management (Global) Limited (IIMG), Insight North America LLC (INA), Insight Investment Funds Management Limited (IIFM), Insight Investment Management (Europe) Limited (IIMEL) and Insight Investment International Limited (IIL), as the context requires.

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HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

BACKGROUND

Insight is owned by the Bank of New York Mellon Corporation (BNY Mellon). We abide by BNY Mellon's code in relation to human rights. BNY Mellon is committed to acting ethically, with integrity and promoting work environments that engender conditions of freedom, equality, security and dignity. BNY Mellon expects its employees, contractors, and suppliers to prevent acts of modern slavery and human trafficking from occurring within both its business and supply chains and has policies (including its Human Rights Statement¹ and codes of conduct, including the Employee Code of Conduct² and the Supplier Code of Conduct³) in place to establish standards expected across our business activities. The company's governance framework and related corporate policies empower Insight's employees and contractors to report and escalate any concerns of unethical conduct, whether relating to modern slavery, human trafficking or other matters.

As part of a continued commitment to responsible supply chain management and sustainable procurement, and in response to the Modern Slavery Act, the Supplier Code of Conduct was enhanced by clarifying requirements in this area. It describes expectations of our vendors to conduct business responsibly, including with respect to compliance with the requirements of applicable slavery, forced labour, child labour and human trafficking laws. The Supplier Code of Conduct describes commitments regarding social responsibility, health and safety, labour and human rights, ethics and other responsible business practices.

We aim for vendors engaged in providing products and services to act in accordance with the Supplier Code of Conduct, including by aligning their guidelines, policies and practices with the Code and by communicating and enforcing its provisions throughout their organisations and supply chains, where relevant and possible. A violation of the requirements of the Supplier Code of Conduct may lead to review or termination of our relationship. Our specific requirements vary according to relevance and materiality.

¹ [Human Rights Statement](#), 14 February 2022, BNY Mellon.

² [Code of Conduct: Doing What's Right](#), 2022, BNY Mellon.

³ [BNY Mellon Supplier Code of Conduct](#), BNY Mellon.

With respect to investments we make on behalf of our clients, Insight's proprietary Prime environmental, social and governance (ESG) ratings frameworks aim to highlight ESG risks faced by corporate and sovereign issuers. We have incorporated factors related to human rights for some time, with related metrics used as inputs into our corporate and sovereign ESG ratings frameworks.⁴

Data transparency remains somewhat constrained in this area meaning human rights metrics may be less likely than other factors to be identified as a material risk to an issuer's creditworthiness. However, as with other ESG issues, if human rights are highlighted as a key issue for companies within our Prime ESG ratings output, analysts are expected to conduct further bottom-up research to understand the specific company's exposure to, management, and mitigation of human rights-related risks and impacts.

PROGRESS

In the year under review, Insight made progress in areas related to human rights in the following ways:

- **The framework underlying the Prime sovereign ESG ratings was updated in early 2022.** This update included changes to the human rights metrics used as inputs for the Prime sovereign impact ratings⁵. Metrics used now include data focused on rights and equality across gender, healthcare and education: specific measures include the prevalence of food insecurity in the population, health conditions, medical staff and the duration of compulsory education. The Prime sovereign impact ratings framework is aligned with the UN Sustainable Development Goals.

- **We introduced new exclusions for our Responsible Horizons investment strategies, including exclusions related to human rights.** Sovereign debt from issuers with a Personal Freedom Score of lower than 6.0 from the Human Freedom Index by the CATO Institute and Fraser Institute are excluded⁶.

The Personal Freedom Score considers seven different themes, each derived from several metrics:

- Rule of law
- Security and safety
- Movement
- Religion
- Association, assembly and civil society
- Expression and information
- Relationships

This approach currently excludes 23 sovereign debt issuers from our Responsible Horizons strategies.⁷

- **Insight further enhanced its vendor management processes to align with the consistent risk-based approach of the BNY Mellon External Third Party Management Policy.** The purpose of the Policy is to set forth the guiding principles and minimum expectations for the assessment, management, oversight and monitoring of external third parties and the products and/or services they provide to Insight. End-to-end requirements of the lifecycle include planning, due diligence, contracting and ongoing monitoring. It includes additional standard contractual provisions and safeguards as well as a due diligence process. Specific enhancements in 2021 included changes to encourage responsible oversight and control by Insight's suppliers over their own supply chain to ensure ethical standards and human rights are observed in the supply of the goods and services received by Insight.

⁴ More information on the Prime ESG ratings is available at: <https://www.insightinvestment.com/investing-responsibly/insight-prime/>

⁵ More information on the Prime sovereign ESG ratings is available at: <https://www.insightinvestment.com/investing-responsibly/insight-prime/prime-sovereign-esg-ratings/>

⁶ More information on the Human Freedom Index, and the Personal Freedom Score, is available at <https://www.cato.org/human-freedom-index/2021>. Responsible Horizons strategies that invest in sovereign bonds for: (a) liquidity purposes, and/or (b) duration management for hedging and/or investment purposes may, but are not required to, comply with these exclusions. Specific exclusions for the Responsible Horizons strategies, including the exclusions outlined here may be based on our prevailing exclusion policy/internal guidelines for the Responsible Horizons strategies and are subject to change. Insight uses third-party data from prominent data vendors as a basis for identifying issuers that are subject to exclusions on a regular basis. Exclusion lists employed may not capture all of the relevant issuers and/or securities relating to a specific activity or exclusion to the extent that they are not captured by these data providers. Additionally, subject to the terms of the mandate or the product documentation, Insight may take a view (based on its sole judgment and at its sole discretion) on a case-by-case as to whether or not a security or issuer falls within a relevant exclusion.

⁷ As at 30 June 2022.

3 LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

BACKGROUND

We do not believe that any gender, race, or group of any kind has a monopoly on the talent our business needs to succeed. We also believe that diverse groups make more informed and balanced decisions. We are therefore committed to looking for talent everywhere and ensuring that every individual has the opportunity and support to succeed at Insight.

All employees have access to and are encouraged to participate in employee resource groups mobilised around shared characteristics, interests or experiences. Recruitment partners are also challenged to produce balanced shortlists to address the issue of underrepresented groups.

We abide by BNY Mellon's code in relation to human rights, which includes areas relating to labour rights. Please see the Background section on page 3 for more information, and the BNY Mellon Modern Slavery Act Annual Transparency Statement⁸ and Equal Employment Opportunity/Affirmative Action statement⁹.

PROGRESS

In the year under review, Insight made progress in areas related to labour in the following ways:

- **A Diversity, Equity, and Inclusion (DEI) Committee was established to drive the company's DEI strategy.** Insight is in the process of extending its DEI initiatives to meet ambitious targets around increasing the representation of women and people from ethnic minorities across all divisions and levels in the firm. Our overall goal is, that over time, the diversity profile of our employee population mirrors the demographics of the places where we are based. Insight's 2021 Gender Pay Gap report can be found [here](#).

Early indicators from the first half of 2022 suggest that our efforts in raising further awareness of DEI in our recruitment processes are having a positive impact on the diversity profile of our new hires when compared to the existing Insight population.

- **Although not yet a requirement, Insight has started to develop ethnicity pay gap reporting.** This is in parallel to a data project to deepen our understanding of our current diversity profile at Insight.

⁸ [Modern Slavery Act Annual Transparency Statement](#), 7 February 2022, BNY Mellon.

⁹ [Equal Employment Opportunity/Affirmative Action statement](#), October 2021, BNY Mellon.

- **Affinity Groups have been established** including the following: Women at Insight, Multigenerational Insight, Multicultural Insight, Disability Awareness, LGBT+ Insight (OUTsight) and Veterans at Insight. These groups report into the DEI Committee, offering these groups an opportunity to make recommendations regarding overall company practice and policies.
- **From 2022, we ask our critical suppliers to provide specific information on ESG-related questions**, including the following¹⁰:
 - Is there a defined supplier code of conduct required of all suppliers [to the supplier]?
 - Are there documented policies and procedures that address prevention of modern slavery and human trafficking?
 - Does the organisation publish an annual statement setting out the steps taken to address modern slavery and human trafficking within the company and its supply chain?
- **Insight's enhanced standard contractual terms for critical, high or moderate risk suppliers require evidenced compliance/adherence with anti-slavery and human trafficking laws and regulations governing recruitment practices, the possession of identity documents, forced labour, child labour, the non-payment of wages, workplace conditions and other indicators of slavery and human trafficking.** Relevant suppliers are required to implement appropriate due diligence procedures for their own subcontractors and suppliers to ensure that there are no slavery or human trafficking risks in its supply chains. Obligations extend to suppliers' officers, employees, representatives, agents, subcontractors or suppliers.

Insight's enhanced legal process supporting vendor management includes a policy that affords diverse suppliers the maximum practicable opportunity in the performance of contracts. In addition, enhanced standard contractual clauses have been designed to assist the furtherance of Insight's supplier diversity program. Key suppliers are required to use good faith efforts to award subcontracts and to utilise diverse suppliers to the fullest extent possible and consistent with the efficient performance of the engagement.

- **We introduced new exclusions for our Responsible Horizons investment strategies, including exclusions related to labour rights.** Specifically, sovereign states that have not ratified, or have not implemented in equivalent national legislation, at least six of the eight fundamental conventions identified in the International Labour Organisation's declaration on Fundamental Rights and Principles at Work are excluded.¹¹

This approach currently excludes six sovereign debt issuers from our Responsible Horizons strategies.¹²

¹⁰ Please see Section 8.2 in [Responsible stewardship at Insight: 2022 report](#).

¹¹ Responsible Horizons strategies that invest in sovereign bonds for: (a) liquidity purposes, and/or (b) duration management for hedging and/or investment purposes may, but are not required to, comply with these exclusions. Specific exclusions for the Responsible Horizons strategies, including the exclusions outlined here may be based on our prevailing exclusion policy/internal guidelines for the Responsible Horizons strategies and are subject to change. Insight uses third-party data from prominent data vendors as a basis for identifying issuers that are subject to exclusions on a regular basis. Exclusion lists employed may not capture all of the relevant issuers and/or securities relating to a specific activity or exclusion to the extent that they are not captured by these data providers. Additionally, subject to the terms of the mandate or the product documentation, Insight may take a view (based on its sole judgment and at its sole discretion) on a case-by-case as to whether or not a security or issuer falls within a relevant exclusion.

¹² As at 30 June 2022.

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ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

BACKGROUND

Insight is committed to contributing to a sustainable world where people succeed and economies thrive. We aim to do this by constantly assessing the interests of our existing and potential stakeholders and contemplating how best their interests can be managed.

We believe responsible investors will seek to discern how climate change might affect investment risks and opportunities, and where appropriate, will pursue net-zero targets. Where practicable and consistent with investment guidelines and/or client preferences, Insight takes climate risk into account within its investment decisions and engagements, and participates in a range of collaborative initiatives focusing on climate change¹³.

PROGRESS

In the year under review, we enhanced our approach to environmental issues, engaged in major policy initiatives and engaged with stakeholders.

We would highlight that we work with many of our clients on wide-ranging aspects of their investment strategies. In many cases this includes discussion of how they incorporate ESG considerations in their approach, and in 2021 we made significant progress in related areas.

Development of Insight's approach to environmental issues

- **We made significant progress with regard to our approach to climate change.** Full details are available in our Climate Change Report 2022, and we provide some more examples below.
- **We revised our Responsible Investment Policy**, which outlines Insight's approach to environmental matters as a business and within our investment strategies¹⁴.
- **We developed new investment strategies which aim to have a positive environmental and/or social impact**, such as the Responsible Horizons Euro Impact Bond strategy and Responsible Horizons Multi-Sector Credit strategy¹⁵.
- **We worked closely with some clients to develop guidelines that incorporate specific guidance and objectives related to carbon alignment.** A key example is that some large pension schemes are starting to set specific goals on carbon emissions in their portfolios, with some targeting net-zero before 2050. For such portfolios forward planning is essential, particularly as the quality and depth of carbon emissions data is evolving. Taking expected future carbon into consideration (forward carbon curves) is becoming increasingly important when designing the most optimal mix of issuers and bonds to achieve net zero.

¹³ Please see Sections 4, 7, 9 and 10 in [Responsible stewardship at Insight: 2022 report](#).

¹⁴ Please see Appendix III in [Responsible stewardship at Insight: 2022 report](#).

¹⁵ For more information, please visit <https://www.insightinvestment.com/uk/institutional-investors/investment-range/responsible-horizons-solutions/>.

Estimation methodology is also improving on Scope 3 emissions, allowing for more consistent analysis of similar issuers and vastly improving coverage.

- **We focused on climate risks within strategic credit portfolios.** Over 2021, the carbon intensity of our flagship strategic credit portfolio was reduced by 35%, while the carbon intensity of the GBP comparator index rose by 13%¹⁶. In our strategic credit portfolios, we utilised the output of our climate risk model, alongside more qualitative, analyst-led outputs to materially reduce holdings that, in our view, are more carbon intensive and exposed to material forward-looking climate risks, without impairing the risk/return characteristics of the portfolios. This activity was carried out on the basis that we do not believe climate change-related risks are meaningfully priced into markets yet. This development applied across almost all of our £42bn in strategic credit assets under management (as at 31 March 2022).
- **We conducted preliminary research into biodiversity and natural capital** to consider how it might be considered within corporate bond portfolios¹⁷.
- **We introduced the Ratings and Exclusions Group**, the key internal group for proposing firm-wide exclusion policies and confirming changes to Insight exclusion lists and ESG ratings, many of which focus on environmental issues.
- **We provided a response to the TCFD consultation on updating its 2017 recommendations.** Our Climate Change Report 2022 is aligned with TCFD recommendations.
- **The UK Financial Conduct Authority (FCA) issued a consultation on climate-related disclosures by asset managers and asset owners.** We were supportive and our response encouraged a pragmatic approach, while appreciating the urgency of the issue²⁰. The UK FCA also issued a discussion paper on sustainability disclosures for investment products. Insight submitted a response and engaged with industry associations to influence their submissions. We broadly support the proposals²¹.
- **The UK Department for Work and Pensions (DWP) opened a consultation on extending the climate-related rules for pension schemes to include portfolio alignment metrics and improved stewardship goals.** Insight submitted a response and engaged with trade associations on the proposals²².
- **The US Department of Labour (DOL) issued a proposed rule in late 2021 that would allow pension plans to incorporate analysis of climate change and ESG risks in their investment decisions.** In our letter to the DOL, Insight expressed support for the proposals, but highlighted that in our discussions with pension plans, some have expressed concerns that the proposals may be subject to further change in future resulting from political changes, which may lead plan fiduciaries to exercise undue caution in taking account of these rules²³.
- **The challenges with regard to ESG data in the secured finance asset class led us to raise the issue with the Asset Management and Investors Council (AMIC) at ICMA.** We proposed a joint initiative with other major global asset managers to urge the development of key performance indicators on ESG issues, and engagement with local regulators on these topics. The initial step led to six ICMA

Engagement with major policy initiatives on environmental issues

- **Insight became a signatory to the Net Zero Asset Managers' initiative in April 2021.** We published our initial targets in April 2022¹⁸. Insight's initial net-zero targets are on \$475bn of our assets under management (AUM) as at 28 February 2022. This constitutes 77% of our physical AUM at that date¹⁹. By asset class, this includes 100% of UK government bonds, and 75% of corporate bond and equity holdings managed in the UK.

¹⁶ Carbon intensity is defined as the Weighted Average Carbon Intensity (WACI) which expresses the concentration of carbon emissions for a given unit which is usually per dollar of revenue (or per dollar of GDP for sovereigns).

¹⁷ [Natural capital risk: a framework for corporate bonds](#), 28 March 2022.

¹⁸ [Insight Investment's net-zero pledge](#), 31 May 2022.

¹⁹ As at 28 February 2022. Assets under management (AUM) are represented by the value of cash securities and other economic exposure managed for clients. Figures shown in USD. Reflects the AUM of Insight, the corporate brand for certain companies operated by Insight Investment Management Limited (IIML). Insight includes, among others, Insight Investment Management (Global) Limited (IIMG), Insight Investment International Limited (IIIL), Insight Investment Management (Europe) Limited (IIMEL) and Insight North America LLC (INA), each of which provides asset management services.

²⁰ [FCA Consultation CP21/17: Enhancing climate-related disclosures by asset managers, life insurers, and FCA-regulated pension providers – Insight Investment response](#), September 2021.

²¹ [FCA Consultation DP21/4: Sustainability Disclosure Requirements \(SDR\) and investment labels – Insight investment response](#), January 2022.

²² [DWP consultation: Climate and investment reporting: setting expectations and empowering savers – Insight Investment response](#), January 2022.

²³ [Insight Investment response to ESG DOL proposal](#), 1 December 2021.

meetings in 2021 with nine other major global asset managers, resulting in proposed sustainability indicators for asset-backed securities²⁴. The European Securities and Markets Authority (ESMA) took part in these meetings. We note that in May 2022, ESMA and other European authorities announced a consultation on a related topic²⁵.

Engagement with stakeholders on environmental issues

- **We engaged with the UK Debt Management Office on its proposals for green gilt issuance ahead of its first issuance in September 2021.** We believe this engagement was constructive and the issuance was ultimately well received²⁶.
- **In 2022, we launched programmes of thematic and counterparty engagements.** For thematic engagement, we have prioritised themes to ensure we are consistently addressing key issues through our engagement activity with issuers – namely climate change, water management, and diversity and inclusion. Our counterparty engagement programme aims to achieve a greater level of impact in our engagements with relevant entities, focused on areas including environmental factors, moves to carbon neutrality, activity-based financing exclusions and green bond issuance²⁷.
- **We continued to engage in a range of collaborative initiatives focused on climate change,** with involvement in organisations including Climate Action 100+ and the Institutional Investors Group on Climate Change²⁸.
- **From 2022, we ask certain suppliers to provide specific information on ESG-related questions,** including whether the organisation has a documented environmental risk management policy²⁹.
- **We supported UK local authorities by sponsoring research on how they might tackle air pollution.** In 2021, we partnered with Global Action Plan on a paper ([The case for clean air: how local authorities can lead the clean air revolution](#)), which discussed the latest research and

viewpoints from academics and scientists and sought to encourage discussion on how key issues for local authorities such as air pollution relate into ESG considerations when making investment policy and strategy decisions.

Partnership with our clients on environmental issues

- **We developed enhanced climate reporting (aligned with the TCFD) for many of our clients.** These reflected different metrics according to our clients' specific needs. While we are able to tailor our reporting to meet individual client needs, we also recognise that not all clients have the governance budgets to request bespoke ESG reports. Therefore, we have enhanced our standard ESG reporting significantly over the year³⁰. Given that reporting in this way is a first for most pension schemes, the lack of a standard or established approach to reporting is a key focus of our discussions with clients and their advisers. The guidance is being interpreted as having some flexibility about what is covered in the reporting and the exact methodologies applied for calculating certain metrics. We have engaged with our clients, their advisers, and with relevant authorities and policymakers in seeking to understand and encourage further developments in this area.
- **The work above on developing reporting frameworks included a focus on gilts,** given the substantial allocations of our clients in the asset class. We worked extensively with clients to develop frameworks to help them report on and understand climate-related risks within gilt portfolios³¹.

Development of our operations in line with environmental priorities

- **A transformation of our Queen Victoria Street office has been underway throughout 2021 and, at every stage of the rebuild, the environmental impact has been high on the agenda.** The Leadership in Energy and Environmental Design (LEED) standard has been used to help evaluate the building's energy efficiency levels. The office received a LEED Gold rating following the refurbishment, reflecting the building materials and equipment used and operation of the

²⁴ Sustainability indicators for ABS, 5 October 2021, ICMA.

²⁵ Joint Consultation Paper: STS securitisations-related sustainability disclosures, 2 May 2022.

²⁶ Your questions answered on green gilts, 24 November 2021.

²⁷ Please see Section 9.2 in [Responsible stewardship at Insight: 2022 report](#).

²⁸ Please see Section 10 in [Responsible stewardship at Insight: 2022 report](#).

²⁹ Please see Section 8.2 in [Responsible stewardship at Insight: 2022 report](#).

³⁰ Please see Section 6.2 in [Responsible stewardship at Insight: 2022 report](#).

³¹ We initiated a conversation with our clients proposing suitable climate metrics for gilt holdings in 2021, and based on ongoing conversations with the UK's largest pension funds we have continued to highlight the issues (see our article [Climate risk reporting on liability-hedging mandates](#), May 2022).

building. Energy efficiency improvements include the installation of LED lighting throughout the building, upgraded heating, ventilation and air conditioning systems and destination controls minimising elevator movements.

- **Follow-You print was introduced across the largest Insight offices in 2021 which means printouts are only released upon card swipe, reducing paper waste.** We had reduced the number of printers, and also previously moved to environmentally friendly print production in some locations, including renewable and 100% recyclable card covers and paper sustainably sourced from FSC certified suppliers. It is acid-free, with cotton-based fibres to

minimise environmental impact and low carbon steel, PET coated wire binding (not PVC). PET, a non-toxic material used in the food packaging industry, passes all safety and environmental guidelines. Notes have been added on our website to discourage printing of documents.

- **We have sought to identify and remove single-use plastics from our offices.** This process began in 2019 when we remodelled our kitchen areas in London, removing single-use plastic items. Bins have been removed from desks to increase use of enhanced recycling stations and new planting arrangements are widely installed to aid air quality.

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ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

BACKGROUND

It is the policy of Insight to be in compliance with all applicable anti-bribery and anti-corruption laws, including the US Foreign Corrupt Practices Act and the UK Bribery Act, in all jurisdictions where it conducts business. To support this policy, Insight has implemented a comprehensive internal compliance program, with the company's own particular systems and operations in mind.

Insight's anti-bribery and corruption (ABC) related systems and controls are designed in line with the nature, scale and complexity of Insight's business and client base and we believe that these systems and controls have operated effectively in the year under review. The programme is subject to internal audit reviews and regularly scheduled risk assessments. The framework of Insight's ABC compliance programme is developed from global policies that are maintained by BNY Mellon and which Insight has adopted.

Insight follows the BNY Mellon Code of Conduct which provides a global framework for adherence to what we believe to be the highest standards of professional conduct and legal and ethical business practices in all our dealings and transactions. The Code of Conduct encompasses compliance with all applicable laws, including those prohibiting bribery and addressing corruption and on the accuracy and integrity of our books and records and of our internal accounting controls. Insight has also adopted the BNY Mellon Anti-Corruption Policy which includes requirements regarding gifts, hospitality and political and charitable donations and implemented an Insight-specific company-wide Gift & Entertainment Policy. The BNY Mellon Anti-Corruption Policy has been supplemented by Insight with internal guidance and controls procedures.

Insight has a dedicated Anti Financial Crime Team responsible for the implementation and oversight of the policy and works to ensure procedures are adequate in addressing the risks specific to each line of Insight's business. A bribery and corruption risk assessment is completed every 18 months and regular management information is submitted to the Chief Compliance Officer and Risk Committee. All Insight employees are required to complete new joiner training online and in-person training is provided to departments which include higher risk roles.

Insight believes that the ABC compliance programme adequately addresses the bribery and corruption risks for Insight.

PROGRESS

In the year under review, Insight has made progress in areas related to anti-corruption in the following ways:

- **The ABC compliance program was enhanced** with higher-risk lines of business now receiving in-person training on an 18-month cycle.
- **Under the enhanced legal review process in support of vendor management (including vendor contracts), new standard contractual provisions have been introduced in agreements with key suppliers.** These require suppliers to confirm and be able to provide evidence of compliance with applicable laws, rules and regulations relating to anti-bribery and anti-corruption. This includes adequate and appropriate observance, compliance, enforcement, notification and reporting procedures and policies of anti-bribery and anti-corruption.

IMPORTANT INFORMATION

RISK DISCLOSURES

Investment in any strategy involves a risk of loss which may partly be due to exchange rate fluctuations.

ASSOCIATED INVESTMENT RISKS

ESG

- **Investment type:** The application and overall influence of ESG approaches may differ, potentially materially, across asset classes, geographies, sectors, specific investments or portfolios due to the nature of the specific securities and instruments available, the wide range of ESG factors which may be applied and ESG industry practices applicable in a particular investable universe.
- **Integration:** The integration of ESG factors refers to the inclusion of ESG risk factors alongside financial risk factors in investment analysis and research to judge the fair value of a particular investment and may also include the monitoring and reporting of such risks within a portfolio. Integrating ESG factors in this way will not typically restrict the potential investable universe, but rather aims to ensure that relevant and material ESG risks are taken into account by analysts and/or portfolio managers in their decision-making, alongside other relevant and material financial risks.
- **Ratings:** The use and influence of our ESG ratings in specific investment strategies will vary, potentially significantly, depending on a number of factors including the nature of the asset class and the structure of the investment mandate involved. For an investment portfolio with a financial objective, and without specific ESG or sustainability objectives, a high or low ESG rating may not automatically lead to a buy or sell decision: the rating will be one factor among others that may help a portfolio manager in evaluating potential investments consistently.
- **Engagement activity:** The applicability of Insight firm level ESG engagement activity and the outcomes of this activity relating to buy, hold and sell decisions made within specific investment strategies will vary, potentially significantly, depending on the nature of the asset class and the structure of the investment mandate involved.
- **Reporting:** The ESG approach shown is indicative and there is no guarantee that the specific approach will be applied across the whole portfolio.
- **Performance/quality:** The influence of ESG criteria on the overall risk and return characteristics of a portfolio is likely to vary over time depending on the investment universe, investment strategy and objective and the influence of ESG factors directly applicable on valuations which will vary over time.
- **Costs:** The costs described will have an impact on the amount of the investment and expected returns.
- **Forward looking commitments and related targets:** Where we are required to provide details of forward-looking targets in line with commitments to external organisations, e.g. Net Zero Asset Managers Initiative, these goals are aspirational and defined to the extent that we are able and in accordance with the third party guidance provided. As such we do not guarantee that we will meet them in whole or in part or that the guidance will not evolve over time. Assumptions will vary, but include whether the investable universe evolves to make suitable investments available to us over time and the approval of our clients to allow us to align their assets with goals in the context of the implications for their investments and issues such as their fiduciary duty to beneficiaries.

Insight applies a wide range of customised ESG criteria to mandates which are tailored to reflect individual client requirements. Individual investor experience will vary depending on the investment strategy, investment objectives and the specific ESG criteria applicable to a Fund or portfolio. Please refer to the investment management agreement or offering documents such as the prospectus, Key Investor Information Document (KIID) or the latest Report and Accounts which can be found at www.insightinvestment.com and where applicable information in the following link for mandates in scope of certain EU sustainability regulations <https://www.insightinvestment.com/regulatory-home/sustainability-regulations/>; alternatively, speak to your main point of contact in order to obtain details of specific ESG parameters applicable to your investment.

FIND OUT MORE

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