

Q4 2025

Quarterly engagement report

Any references to case studies and companies are mentioned for illustrative purposes only as highlighted by * symbol and does not constitute a recommendation.



Our mission

We aspire to safeguard and drive long-term value for our clients, by addressing financially material and systemic risks and opportunities across climate & nature, social resilience and corporate governance.

Guided by our universal ownership approach, we leverage L&G's expertise in markets, sectors and companies to effectively partner with investee companies, holding them to account, while facilitating a supportive policy environment.



Our focus

Partnering with investee companies and holding them to account

To be successful, companies need to have people at the helm who are well-equipped to create resilient long-term growth. By voting and engaging directly with companies, we encourage management to control risks while seeking to benefit from emerging opportunities.

Creating sustainable value

We see responsible investing as the incorporation of financially material sustainability considerations into investment decisions, alongside engagement with companies, regulators, and policymakers, to help drive long-term value creation and support real-world outcomes for our clients.

Promoting market resilience

The decisions that companies make today will impact our collective future in the decades to come, and over our clients' long-term investment horizons. Through us, our clients have exposure to a slice of the global market, and therefore to systemic risks and opportunities that can be financially material to our clients' investments. Our 'universal ownership' approach to investment stewardship means that we believe in using corporate engagement and policy dialogue to drive long-term value creation and shape the future by encouraging more sustainable, long-term practices from companies.



Action and impact

In this edition, we highlight our engagements with Microsoft*, Tesla* and Anglo American*, and provide updates on engagement across the UK, Europe and South Korea on climate, nature and governance topics. We also summarise our recent work on antimicrobial resistance, and include our quarterly voting and engagement data.

Global Investment Stewardship themes

Our Investment Stewardship activity is structured around the following core themes:

- **Climate & Nature:** encompassing:
 - Climate mitigation
 - Climate adaptation
 - Land management
 - Water management
 - Nexus of climate and nature
- **Social resilience:** encompassing:
 - Human and social capital management (human rights, human capital management, living wage, diversity)
 - Wellbeing resilience (nutrition, antimicrobial resistance)
- **Governance:** encompassing:
 - Board quality
 - Audit, risk & controls
 - Investor rights
 - Leadership & organisational performance (e.g. remuneration)
 - Effective stewardship

We believe these themes are financially material to our clients' portfolios, often pose systemic risks and opportunities, and cover areas where we believe L&G's Asset Management business can influence change.



Environment | Social | Governance

Environment: Climate and nature



ACGA: climate policy engagement in Seoul, South Korea

Identify

In November, coinciding with South Korea's announcement of updated Nationally Determined Contribution ('NDC') targets,¹ we participated in our first in-person climate policy engagement in South Korea, as part of the Asian Corporate Governance Association (ACGA) Korean Working Group delegation. An event was co-hosted with the Asia Investor Group on Climate Change (AIGCC), marking a significant milestone in our climate policy advocacy efforts following sustained engagement through AIGCC's collaborative platform and direct dialogues with Korean corporates.²

We consider South Korea a critical market for global climate action given its deep integration into international value chains and trade networks. Its industrial sectors—particularly semiconductors, automotive, and heavy manufacturing—play a pivotal role in global supply chains, making credible climate policies essential to achieving worldwide decarbonisation ambitions.

Engage

This closed-door roundtable addressed the country's urgent need for consistent and credible policies to accelerate the energy transition and explored how investors can influence regulatory frameworks. Our participation underscores our commitment to ensuring investor perspectives shape climate transition strategies and regulatory development.

The session convened members of the National Assembly, the National Climate Change Crisis Committee, and institutional investors. This body, operating under the newly established Ministry of Climate, Energy and Environment, oversees key legislation including the Framework Act on Carbon Neutrality and the Emissions Trading Act.

Discussions centred on three priority areas:

- **Affordability: Green Transition Strategy:** A holistic government approach to industrial decarbonisation, supported by fiscal and financial policies
- **Energy transition bottlenecks:** KEPCO's* monopoly in Korea's power market and its legal structure remain major challenges for power market reform³
- **Renewable energy expansion:** The National Power Grid Act aims to accelerate grants of offshore wind permits, but resolution of transmission constraints will require private investment

We emphasised the need for policy consistency, credible timelines, and investor collaboration to unlock capital for grid infrastructure and renewable deployment. Challenges raised included industry resistance to mid-term targets, and the urgency of governance reforms to address structural bottlenecks.

Outcome and next steps

This engagement strengthens our role in shaping South Korea's climate policy landscape. While regulatory changes will unfold over the medium term, investor input at this stage is critical to ensure frameworks enable capital mobilisation for the energy transition. We will continue to advocate for transparent governance and credible pathways that align with global climate objectives.

1. a 53–61% emissions reduction by 2035 versus the 2018 baseline. Source: [COP30: South Korea Commits To Cutting Emissions By Up To 61% And Halting Unabated Coal](#) accessed 15 December 2025.

2. As described, for example

3. KEPCO's status as a state owned monopoly under the Electric Utility Act effectively prevents it from independently developing or selling renewable energy projects, implying that legislative reform would be required before it can participate directly in Korea's renewable energy market.



EU methane regulations

Identify

The [European Union Methane Regulation](#), effective since August 2024, requires energy sector operators to measure, monitor, report and verify their methane emissions – and to take concrete steps to reduce them. It applies to oil, natural gas, and coal industries, with impacts for exporting countries and value chains.

As the second most important greenhouse gas,⁴ we believe action on methane emissions is essential to mitigate climate risk. It is also considered one of the most cost-effective ways to curb global warming.⁵ Regulatory certainty on methane disclosure and reduction helps investors price emissions risk more accurately, and with a growing number of oil & gas firms already moving in this direction, regulatory clarity strengthens the business case and provides a clear pathway. Over 150 companies globally have already joined OGMP 2.0⁶ and are on track to meet the EU's monitoring, reporting and verification (MRV) requirements.

Engage

In June, there was an indication that the EUMR may be included in the EU Energy Omnibus,⁷ potentially putting it at risk of repeal, delay, or dilution. Weakening the rules would jeopardise a key pillar of global efforts to reduce methane emissions – key to GHG reduction efforts. It may also affect investors' portfolio decarbonisation efforts.

We wrote to around a dozen EU Commission members ahead of a key council meeting in June, emphasising the importance of maintaining the EU Methane Regulation as adopted – including its timeline and core provisions. In our letter, we encouraged the Commission and Co-Legislators to avoid re-opening the regulation via the upcoming Omnibus package and to resist any potential legislative delays to the phase-in timeline. This would introduce unpredictability and undermine companies and investors that are actively working toward compliance, when what is needed now is coordination and clarity.

4. [Importance of Methane | US EPA](#)

5. [Reducing methane emissions to help combat climate change – Creating a better place](#)

6. The Oil and Gas Methane Partnership – a global initiative launched in 2014 to help oil and gas companies measure, report and reduce methane emissions from operations.

7. A legislative initiative by the European Commission aimed at simplifying and consolidating energy-related regulations, with the aim of reducing administrative burdens and improving competitiveness across the EU.

Outcomes and next steps

We received close to a 70% response rate to our letters, including acknowledgement of our concerns, confirmation that our input would be conveyed to relevant parties, and the reiteration of member countries' commitment to climate and the green transition. While we recognise that the geopolitical landscape on these issues is complex, we were reassured by the message that our contributions play an important part in shaping dialogue with policymakers. We were also pleased with the outcome that no firm call was made for the Commission to include the EUMR in an Omnibus, thus avoiding the requirement – for now – to reopen the file; issues will instead be addressed in existing technical dialogues.

In conclusion, we regard this as a positive outcome in the current context. While there is still a possibility that the regulation will reopen, it has not moved for now and key EU policymakers have reiterated their support for implementation without reopening the legislation.

As discussions shift toward technical implementation and guidance concerns remain around feasibility, energy security, and industry costs — making it critical to continue reinforcing support for the regulation and its objectives. We will seek to embrace future opportunities to continue engagement with EU Commission members.



US electric utilities industry engagement – Electric Power Research Institute (EPRI)

Identify

The Electric Power Research Institute (EPRI)⁸ is a US-based, industry-led nonprofit that conducts research and development to address challenges in the electricity sector. EPRI plays a key role in shaping decarbonisation priorities and investments for US electric utilities.

Over the past two years, EPRI has been developing a new methodology for setting GHG emissions reduction targets called SMARTargets.⁹ This initiative aims to help electric utilities meet investor and stakeholder expectations for setting Paris-aligned, science-based targets, while addressing practical barriers such as regulatory, policy, and technological limitations. SMARTargets, while initially designed to support the US electric utilities sector, intends to be broadly applicable for other regions and sectors in the future.

Engage

EPRI held a public consultation¹⁰ to solicit feedback on the draft methodology¹¹ and scientific foundations.¹² L&G welcomed the consultative approach to SMARTargets and was one of several investors that participated.

We often hear from companies about the challenges to adopting Paris-aligned science-based targets, particularly via the market-leading standards provided by the Science Based Targets Initiative's (SBTi). L&G has publicly supported SBTi's standards, but we have also welcomed targets verification by other external independent parties using credible methodologies, as the external verification is ultimately what helps demonstrate the integrity and accountability of corporate decarbonisation plans.¹³

8. <https://www.epri.com/>

9. <https://msites.epri.com/smartargets>

10. [Home - SMARTargets Public Comment Webcast](#)

11. [SMARTargets Methodology](#)

12. [SMARTargets Scientific Foundations](#)

13. [Say on Climate: empowering shareholders to drive positive change](#)



While we appreciate EPRI's efforts to provide a framework that addresses key challenges for the electric utilities industry, we had reservations around several components and assumptions underlying the methodology, ultimately concluding that the gaps in the SMARTargets approach has potential to mislead investors and other stakeholders, particularly with regard to claiming Paris-aligned targets. Leveraging internal expertise from across L&G's investment stewardship and climate solutions teams, we communicated the following core concerns in our response:

- **Lack of sector- and region-specific pathways:** The methodology is based on global averages, which risks setting less ambitious targets for the electric utilities sector, particularly in advanced economies.
- **Early base year selection:** Allowing companies to choose early base years can result in less ambitious emissions reductions, especially when benchmarked against global rather than sector- and region-specific standards.
- **Outdated scenarios:** The methodology relies on outdated scientific scenarios that do not reflect current emissions trends or carbon budgets, creating concerns over the methodology's alignment to 1.5°C and the goals of the Paris Agreement.
- **Flexible emissions opt-outs:** Allowing companies to easily exclude certain emissions from targets creates loopholes that reduce accountability and comparability across utilities.
- **Insufficient third-party verification:** The proposed process currently lacks robust third-party verification, relying on internal validation and industry-led governance, which undermines the credibility and independence of reported targets.
- **Limited transparency and comparability:** Due to opt-outs, base year flexibility, and variable reporting, the methodology is unlikely to produce standardised, transparent, and comparable outputs for stakeholders.

Next steps

Following the consultation, we shared our views directly with key US utilities that we have ongoing engagements with, particularly those whose executives hold leadership roles at EPRI.

In October, we also took part in a virtual multi-stakeholder SMARTargets roundtable organised by the Office of the NYC Comptroller. The key objectives of the roundtable were to communicate why credible target setting methodology remains important to investors, where investors see existing gaps with current methodologies, and to identify common ground to chart a path on emission reductions targets for the utility sector. The event included participants from asset owners, asset managers, data and service providers, US utility companies, and NGOs. L&G was one of two investors that presented on the role of credible, robust GHG emissions and targets data in investment decisions and outlined key concerns with the SMARTargets methodology. In the roundtable discussion, directional consensus emerged that the methodology may be more acceptable if it eliminated Paris-aligned claims for SMARTargets-approved targets to avoid misleading investors and other stakeholders.

Following the consultation and roundtable, EPRI postponed its timeline to finalise the methodology from Q4 2025 to Q1 2026 to incorporate stakeholder feedback. In the meantime, L&G continues to engage with utilities on their decarbonization strategies and progress on Paris-aligned GHG target setting.





DEFORESTATION: updating on our progress

As part of the [COP26 Finance Sector Deforestation Action \(FSDA\)](#), L&G joined a coalition of global financial institutions committed to using best efforts to eliminating deforestation driven by agricultural commodities from investment portfolios by 2025.

In the fourth quarter, we issued [a report](#) summarising the progress we have made towards the milestones set out in this commitment, including how we assess potential exposure to deforestation risk in our portfolios, how our Investment Stewardship team engages on deforestation (including within our Climate Impact Pledge), and how deforestation metrics (where relevant and available) are incorporated into internal tools to support investment analysts and fund managers, develop investment solutions, assist the Investment Stewardship team in engagements with companies, and to help our clients understand more about the profile of their portfolios.

As signatories of the COP26 commitment, we acknowledge that systemic change requires collaboration across the financial sector, supply chains, and governments, and we have been actively working to align our stewardship practices with this ambition. The milestones represent tangible actions within our control which we have demonstrated progress towards with clear dedication and prioritisation over the past few years to meet this ambitious target. We remain confident in the collective ability to drive meaningful change. We reaffirm our commitment to implementing concrete, measurable steps within our control and call on all stakeholders to accelerate efforts for meaningful and lasting change.



Our deforestation campaign in the fourth quarter

Since the initial phase of our deforestation campaign in 2022, we have subsequently expanded the scope of commodities encompassed, and the number of companies that we contact and engage with.

Our expectations of companies

As published in our [Deforestation Policy](#), we expect companies in 'deforestation-critical sectors'¹⁴ should have both a public deforestation policy and a programme of actions to deliver on that policy. Companies falling short of this minimum expectation may be subject to a vote against the (re-)election of the Chair at their next AGM.¹⁵

Engagement update

Having written to 389 companies to inform them of our Deforestation Policy and expectations (above), in the autumn of 2025 we followed up with the 49 companies which we had identified as not meeting our expectations at the beginning of the year. Our objectives were to understand what practical steps they were taking to manage and mitigate their deforestation risk, the specific challenges they face, and how we may be able to assist them.

Next steps

We have already received written responses and arranged direct engagement meetings with several companies following this communication. There is clear progress to be made within these companies, as well as highlighting the necessity of policy and regulatory reform to encourage action. We will continue to engage with companies in deforestation-critical sectors that show limited signs of progress to support how they approach deforestation risks across the value chain.

14. 'Deforestation-critical' sectors or 'high-risk' sectors are defined using Ceres' Investor Guide to Deforestation and Climate Change. We also follow Deforestation Free Finance guidance on which GICS sub-industries to cover.
15. As assessed by Sustainalytics, using its criteria. Companies in selected sectors, where we have data, scoring 0 on either deforestation policy or programme will receive a vote against. In addition, we may use data from CDP Forests or MSCI to inform us of the existence of a public policy. Subject to data availability.





Water management: microplastics in the UK

Identify

We continue to be active members of the collaboration on microfibres, organised by First Sentier Investors, which has been recognised previously for its work.¹⁶ Through this collaboration, alongside 30 of our peers, we have put pressure on governments around the world to introduce legislation for compulsory microfibre filters on new washing machines. While France leads the way,¹⁷ the Microplastic Filters (Washing Machines) Bill is once more on the UK parliamentary agenda.¹⁸

Engage

Taking the opportunity arising from the legislative process and schedule, together with our peers in the collaboration, we wrote in October to the UK Department for Environment, Food and Rural Affairs ('DEFRA') regarding the systemic risks posed by microplastic pollution to the UK's natural environment and economic resilience, highlighting this specific regulatory opportunity to address this issue through the mandatory installation of microfibre filters in new washing machines. We now await a meeting with the Secretary of State to emphasise our support for the proposed legislation and to understand the potential hurdles it might face. In parallel, we note that DEFRA has publicly confirmed that the UK's Circular Economy Strategy (or Circular Economy Growth Plan) is to be **launched in the new year**, building from the work of the Circular Economy Taskforce that was established in 2024. The taskforce identified five priority sectors where circular principles could deliver the most significant environmental and economic gains: textiles, transport, construction, agri-food, chemicals and plastics. Each sector roadmap will include specific actions, timelines, and policy recommendations to drive circularity within the sector.

Next steps

Within our work on nature, we focus on water management as one of our key areas of strategic engagement, recognising the fundamental and irreplaceable role that water – a finite resource – plays not just for the companies in which we invest, but for our everyday life. Continuing to take opportunities within the policy cycle, in collaboration with our peers, to emphasise the importance of sustainable water systems and the circular economy will remain a core element of our engagement going forward.

16. [ESG engagement initiative of the year, EMEA: First Sentier Investors: Environmental Finance](#)

17. [Regulating Microfiber Pollution: How Are Countries Fighting Emissions](#)

18. [Microplastic Filters \(Washing Machines\) Bill - Parliamentary Bills - UK Parliament](#)

Climate & nature: South32 Ltd*

Company name	South32 Ltd*
ISIN	AU000000S320
Market Cap	US\$10.6 billion (source: ISS, 15.12.2025)
Sector	Materials: metals & mining
Issue identified	Without the critical minerals that mining companies produce, the transition will not happen. As such, it's essential that long-term, responsible investors, such as L&G, support these companies as they decarbonise. For us to do so, however, they must meet our minimum expectations, included within our updated assessment framework. Companies that put transition plans to a vote which do not meet our expectations will not receive our support. Our expectations are published here .
Summary of the resolution	Resolution 6 - Approve Climate Change Action Plan 2025 AGM, 23 October 2025
How L&G voted	Against Resolution 6 (i.e. against management recommendation)
Rationale for the vote decision	Whilst we appreciate the improvements South32* has made in its Climate Change Action Plan, including on its scope 3 disclosures, we believe the company falls short of our published expectations for a robust and credible decarbonisation strategy, as outlined in our mining assessment framework. We would like to see the company quantify the actions and investments it's taking to achieve its emissions reduction targets and clearly demonstrate how its decarbonisation strategy is aligned with a 1.5°C pathway, in the hope that in the future we can support its plan to decarbonise whilst delivering the commodities that are essential for the energy transition.
Outcome	The votes achieved 90% support from shareholders.
Why is this vote 'significant'?¹⁹	This vote is significant due to its relation to our engagement within our climate & nature theme, and its direct link to our published expectations (as above) for mining company climate transition plans.

19. In determining a 'significant vote', we take into consideration the guidance for asset managers provided by the PLSA ([Vote reporting template for pension scheme implementation statement - Guidance for Asset Managers](#)), and alignment with our published stewardship themes and priorities.



Environment | **Social** | Governance

Society: Social Resilience



Wellbeing resilience: raising the profile of AMR risks

Identify

The World Health Organization (WHO) describes antimicrobial resistance (AMR) as one of the top 10 global public health threats facing humanity today.²⁰

Research published ahead of the 2024 UN high-level meeting on AMR in September posits that if no action is taken to stem the rise of AMR, we could face a US\$1.7 trillion annual reduction in global economic output by 2050, and current annual direct healthcare costs of US\$66 billion could rise to US\$159 billion in 2050.²¹

In comparison to some of our other stewardship themes, AMR is at a more nascent stage in terms of broader emphasis on and recognition of its potentially devastating economic and social consequences. This means that our focus is dedicated to raising awareness with national and global institutions that can take the necessary steps to mitigate the systemic risk posed by AMR.

Our participation in conferences and roundtables, and our contribution to articles and thought leadership, are essential in terms of demonstrating the financial materiality of this systemic issue to the long-term returns we aim to generate on behalf of our clients; as well as contributing to raising awareness of AMR among other investors.

Action

AMR is an issue affecting many industries, from pharmaceuticals to food and water utilities. Over the quarter, we were invited to attend the [inaugural conference on global sustainability](#), organised jointly by the Hoffmann Centre for Global Sustainability, the Centre for Economic Policy Development, and the research initiative *Reducing Conflict and Improving Performance in the Economy*. Taking place in Geneva, this cross-industry event brought together stakeholders from around the world to debate a variety of sustainability challenges and potential solutions. We were also invited to participate

in a day-long workshop considering *Market solutions for antimicrobial effectiveness*, organised by Professor Adam Dixon, the Adam Smith Chair at Adam Smith's Panmure House in Edinburgh.

Finally, 2025 marks 80 years since the Nobel Prize was awarded to Alexander Fleming, Ernst Chain and Howard Florey for the discovery and development of penicillin. To celebrate this anniversary The Fleming Initiative, Ineos Oxford Institute, and GSK plc organised an event, 'The Nobel Prize to Now: Building on a legacy to tackle antimicrobial resistance (AMR)' at the Royal Society of Medicine during World AMR Awareness Week (WAAW). We were invited to speak on one of the panels entitled *Policy session: Keeping AMR in the political & financial consciousness*. The discussion centered around what is working in AMR policy and exploring how we can sustain momentum to keep AMR high on the political agenda even amid today's competing global crises.

Next steps

Our participation in such events and meetings has two aims:

- i. Raise and improve the awareness of policymakers and government officials regarding the fact that the asset management industry considers AMR to be a systemic and financially material risk
- ii. Work with a broad set of stakeholders to identify how asset managers can best use their influence as effective partners in the global battle against the rise of AMR

The development of national and international strategies to combat AMR is vital to provide the impetus for effective action. We will continue to take opportunities to demonstrate the financial materiality of AMR to investors and our clients, and to advocate for action and solutions in international forums.

20. Source: [Antimicrobial resistance](#), accessed 11 December 2025.

21. The full paper can be read here: [WOAH Documentary Portal - Record](#) accessed on 11 December 2025.



Human rights and AI: Microsoft* case study

Identify

Microsoft is among several companies that have outsized influence on the integration of artificial intelligence (AI) into our economy through its software products and cloud operation. We believe companies like Microsoft should be transparent in its use of AI and its risk management processes.

Given the scale of the company's cloud and digital operation globally, the human rights risks in its operation and in the value chain remain high.

Engage

The objective of this engagement is for Microsoft to improve its transparency, governance and risk management regarding the use of AI and human rights.

We first engaged with Microsoft on the topic of AI governance in 2023, following [the publication of our 'safe AI' expectations](#). Among big tech companies, we have considered Microsoft to be a transparency leader over the past few years.

In late 2025, we met with the company again ahead of their AGM to discuss shareholder resolutions that had been filed, in relation to AI and data governance and human rights. We wanted to understand how Microsoft is approaching these issues and what measures the company has taken to manage relevant risks.

Given the corrective actions the company has taken in response to stakeholder feedback, we voted against two shareholder resolutions on the topic of human

rights in their 2025 AGM which took place in the fourth quarter. However, we voted for a shareholder proposal requesting a report on AI data usage oversight, as the regulatory environment is changing quickly and there are increased legal and reputational risks related to copyright infringement associated with its data sourcing practices.

Outcome and next steps

Microsoft has improved its transparency on responsible AI governance and human rights over the past few years. Although the company's disclosures on AI governance are generally better than its international peers, we have found that the company could further improve its data governance disclosures, especially in relation to government requests for content removal and user data. The company has made amendments to internal risk classification process for projects, and which type of projects would require additional human rights due diligence, which we view positively. We will continue to monitor progress in AI governance and related processes.

We value these engagements in helping us understand the hurdles companies face in meeting our expectations, especially on emerging and fast-evolving topics, and for the company itself to understand the financial materiality of these risks to their investors. We look forward to future engagements on the topics of AI governance and the environment.



Significant vote: Diversity

Company name	Target Healthcare REIT Plc*
ISIN	GB00BJGTLF51
Market Cap	US\$635.12m (source: ISS, 13 January 2026)
Sector	Healthcare REITs
Issue identified	<p>We believe a diverse mix of skills, experience and perspectives is essential for a company and its board to function and perform optimally. As set out in our Diversity Policy, we vote against the re-election of the chair of FTSE 100 companies where no board member is of an ethnic minority background.</p> <p>Further information on the history and scope of our ethnic diversity campaign can be found on p.52 of our Active Ownership report.</p>
Summary of the resolution	<p>Resolution 10 – Re-elect Alison Fyfe as Director</p> <p>AGM, 04 December 2025</p>
How L&G voted	Against Resolution 10 (i.e. against management recommendation)
Rationale for the vote decision	Diversity: A vote against was applied because of a lack of progress on ethnic diversity on the board. We expect the boards of the largest UK companies to include a minimum of one ethnically diverse director.
Outcome	At the time of drafting, vote results for this meeting are not yet available.
Why is this vote 'significant'?²²	This vote is significant due to its alignment with our 'Social resilience' theme, within which the strand of 'Human and social capital management' encompasses human rights, human capital management, the living wage, and diversity. Our approach to voting on diversity is set out on pages 6-7 of our Diversity Policy: L&G's diversity approach and expectations - policy document - categorisation

22. In determining a 'significant vote', we take into consideration the guidance for asset managers provided by the PLSA ([Vote reporting template for pension scheme implementation statement - Guidance for Asset Managers](#)), and alignment with our published stewardship themes and priorities.



Environment | Social | Governance

Governance



Anglo American*: gov in a warm climate

Identify

Our engagement with Anglo American has been in-depth and focused on strategic opportunities that have the potential to strengthen the company's position as a leader in the climate transition. Having previously been **public** about our views on the Company's proposed takeover by BHP Group²³, we have been equally transparent about our **support** for the proposed merger with Teck Resources²⁴, and the latter formed a substantial focus of our engagement in 2025, along with related remuneration proposals.

Engage and escalate

In 2025, we undertook six meetings and multiple email exchanges with Anglo American, led by our Investment Stewardship and Climate Solutions teams. Anglo was identified as a strategically significant company within its sector, with a unique copper growth pipeline and a strong track record in project development. Our engagement was also informed by concerns that the company's undervaluation could leave it vulnerable to a takeover, potentially impacting its culture and sustainability leadership. Through our engagement approach, we sought to ensure that any strategic shift would support long-term value creation, robust governance, and continued progress on climate and sustainability objectives.

Throughout 2024 and 2025, we engaged with the company on strategic options, advocating for a significant portfolio restructuring to restore market confidence and unlock value. We were pleased to see the company's subsequent announcements closely align with our proposed action plan, culminating in the September 2025 announcement of the proposed merger with Teck Resources. We **publicly supported the merger**²⁵, recognising its potential to create an energy-transition leader with a strong sustainability focus and significant copper exposure, which is a critical metal for electrification and projected to see surging demand by the 2030s.

23. [Top Anglo shareholder backs break-up plan as clock ticks for BHP](#); FT, 20 May 2024.

24. [Shareholders back Anglo's 'once in a generation' deal with Teck Resources](#); FT, 9 September 2025.

25. [Shareholders back Anglo's 'once in a generation' deal with Teck Resources](#); FT, 9 September 2025.

26. Anglo American PLC, [Regulatory news announcement](#); 9 December 2025.

At the December 2025 EGM to approve the merger, Anglo American also put amendments to its Long-Term Incentive Plan (LTIP) for shareholder approval. We constructively challenged the company on these retrospective changes to LTIP awards, which would have guaranteed minimum vesting levels of its 2024 and 2025 awards subject to the merger proceeding. These changes were not aligned with our published remuneration policies. Despite understanding the rationale for incentivising management through the merger, we sought assurances on future performance-based incentives, which were not forthcoming. As a result, we voted against Resolution 2 (LTIP amendments) while supporting the merger itself. To ensure transparency and signal our views, we **pre-declared our votes** ahead of the EGM.

Outcome and next steps

Following our pre-declaration, and reflecting significant shareholder concern, the company **announced** the withdrawal of the remuneration resolution (Resolution 2) ahead of the EGM. The proposed merger with Teck Resources was subsequently approved by shareholders at the EGM (99.17% votes FOR).²⁶ To prompt broader discussion and consultation on remuneration practices in the extractives sector, the Investment Stewardship and Climate Solutions teams published a joint **blog**, inviting feedback from other asset managers and asset owners, which has resulted in conversations within the industry on best practice for executive pay in the sector.

We continue to maintain a constructive relationship with management and to engage on future remuneration plans (ahead of its pay policy renewal at the 2026 AGM), decarbonisation of operations, and opportunities to capture value from low-carbon materials.

Case study shown for illustrative purposes only. The above information does not constitute a recommendation to buy or sell any security.



Tesla*: remuneration and governance

Identify and engage

L&G attended an in-person meeting with Tesla's board and executive team before the company's 06 November AGM. Attendees included the Chair, three non-executive directors, the CFO, the General Counsel, and Head of Investor Relations. The main focus of the meeting was the 2025 CEO Incentive Award, designed to align Elon Musk's interests with shareholder value through demanding performance targets. However, the award's structure raised governance concerns (in addition to general pay-for-performance issues, such as vague operational goals and a lack of clawback provisions). We considered the concentration of stock given to Musk at the full award, even with potential for dilution, as a potential means to insulate the CEO and the board from appropriate shareholder accountability.

It is important to put these implications of the 2025 pay award in the context of Tesla's other corporate governance activities and approaches:

- Under L&G's independence criteria, the TSLA board as of the 2025 AGM is only 56% independent²⁷
- It has a classified board (i.e., only some members of the board will be up for re-election in any given year)
- It has a supermajority vote requirement (i.e., shareholder proposals must achieve two-thirds support in order to pass)
- The CEO has 13% stock ownership (before accounting for additional awards in the 2025 compensation plan)²⁸ and has expressed desire to have greater control of the company²⁹
- The board's recent actions to limit shareholders' ability to file a derivative lawsuit to the strictest possible standard under Texas state law³⁰

Outcome

There were proposals at the AGM that addressed nearly all of these topics, including two proposals (one management and shareholder) on eliminating the supermajority vote requirement. We voted against our usual policy of supporting such removals, given that, post-award, Musk could control an estimated 25% of shares, granting him outsized power to influence strategic decisions and company constitutional changes with limited outside shareholder support if the supermajority requirement were removed.

We also supported [shareholder] proposals that sought to update bylaws to require shareholder approval for changes to shareholder rights mechanisms under Texas law, specifically changing ownership requirements for filing shareholder proposals and derivative lawsuits. The board's actions to restrict litigation rights and consider (though not yet implemented) higher thresholds for shareholder proposals, while maintaining a classified board with low independence, were viewed as concerning and materially detrimental to shareholder democracy, setting a precedent for unilateral board decisions that erode shareholder rights without proper consultation or vote.

While we recognise the board's prior engagement with shareholders on past major decisions, such as the 2024 votes on reincorporation in Texas and the ratification of the 2018 CEO stock option award, there have nonetheless been several incidents that have eroded trust between the board and shareholders, heightening concerns over several of the 2025 proposals. We viewed the Tesla AGM as a situation where the sum was greater than the whole of its parts – the cumulative impact of several proposals, if voted in line with management, had potential to create further restrictions to shareholder rights and weaken trust, creating an imbalance of power between shareholders and the board. Our collective vote decisions sought to support measures that restore or enhance shareholder rights and board accountability.

Case study shown for illustrative purposes only. The above information does not constitute a recommendation to buy or sell any security.

27. Please see page 11 of our Corporate Governance and Responsible Investment Principles [L&G's global corporate governance and responsible investment policy](#)

28. [Elon Musk's \\$1trn pay package approved by Tesla | Money News | Sky News](#)

29. [Elon Musk wants control of Tesla with bigger stake - BBC News](#)

30. [Tesla change to limit shareholder suits slammed by New York officials](#)



The only way is up! Corporate governance reform in South Korea

Identify and engage

In November, we joined the ACGA Korean Delegation for the second time, following our March 2024 visit,³¹ to continue our dialogue with regulators, market bodies, and institutional investors on South Korea's accelerating governance reforms.

Compared to last year's delegation observations, we noticed progress on corporate governance reform in Korea has significantly accelerated over the past 18 months, driven by concrete legislative changes, broader adoption of the 'Value-Up Programme', and stronger protections for minority shareholders. However, stewardship practices in the country are still evolving, board independence is under greater scrutiny, and shareholder activism continues to rise —signalling a fundamental shift towards improved governance standards and investor accountability.

The delegation met with the Korea Listed Companies Association (KLCA), National Pension Service (NPS), Korea Corporate Governance Forum (KCGF), regulators including the Financial Services Commission (FSC), Financial Supervisory Service (FSS), and Ministry of Justice (MOJ), as well as the Korea Exchange (KRX), Korea Institute of Corporate Governance and Sustainability (KCGS), and members of the National Assembly. Two key highlights that were discussed:

1. Corporate governance value-up reform:

South Korea is advancing reforms through the Value-Up Programme, Commercial Code amendments, and mandatory cumulative voting for large companies to strengthen board independence and shareholder rights. We emphasised the need for cultural shifts to address entrenched governance issues and unlock sustainable value. While participation is growing, only 167 listed companies have disclosed plans, and major 'chaebols' (large industrial, family-run conglomerates) remain inactive. We believe voluntary measures alone are insufficient; stronger incentives and accountability are needed.

Corporate value-up is a regional trend, following Japan's success. Markets such as China, Taiwan, Singapore, and Malaysia are adopting similar initiatives to improve capital efficiency, board independence, and minority shareholder protections — signalling a fundamental shift towards better governance and investor dialogue.

2. Upcoming Korea Stewardship Code Update:

South Korea is revising its Stewardship Code to expand coverage beyond equities. Expected changes include the introduction of a formal evaluation of signatories, and a focus on the quality and impact of stewardship activities. Implementation is expected by July next year, and it is hoped that the updated Code will align with global best practices and reinforce investor accountability.

31. As set out on p.39: [Active Ownership 2024](#)

Outcomes and the role of our engagement

Our engagement strengthens the investor voice in shaping governance standards. Full implementation will take 12–24 months, with stewardship code revisions expected by July 2026. We plan to integrate 'value up' themes into our engagements with companies in the region by focussing on helping companies strengthen their corporate governance and providing internal training on financial performance indicators.

Case study shown for illustrative purposes only. The above information does not constitute a recommendation to buy or sell any security.

Significant vote: Governance; over-boarding

Company name	Liontrust Asset Management Plc*
ISIN	GB0007388407
Market Cap	US\$156.4 million (source: ISS, 09 January 2026)
Sector	Financials
Issue identified	Board mandates: We believe it is important for directors to seek external board appointments as this will help broaden their skills and knowledge, enabling them to provide more input to board discussions. However, when taking up external appointments, they should be mindful of the time commitment required to exercise their duties on multiple boards. As the number of company boards a director serves on increases, so does the risk that they may become less effective. This risk increases further depending on the role and time commitment needed due to the size and complexity of the company itself.
Summary of the resolution	Resolution 7 - Re-elect Rebecca Shelley as Director AGM, 18 September 2025
How L&G voted	For Resolution 7 (i.e. in line with management recommendation)
Rationale for the vote decision	A vote in favour was applied this time despite concerns regarding the time commitment required to manage all current board positions. Upon engagement, the company noted that it will continue to review time commitments and board roles of Rebecca Shelley following her appointment as interim Chair of Conduit Holdings. She attends all meetings and dedicates sufficient time to Liontrust's business. We will review her board roles ahead of next year's AGM to ensure that external board positions may not unduly impact her ability to remain informed and effectively contribute to board discussions.
Outcome	96.9% votes in favour of resolution 7. We will continue to reflect our published expectations in our voting activities, and to seek further clarification through engagement where we believe it will confirm our vote decision.
Why is this vote 'significant'?³²	This resolution is significant as it relates directly to our published expectations of companies (specifically, p.12 of our Global Corporate Governance and Responsible Investment Principles), and demonstrates where targeted engagement can assist in our vote decision.

32. In determining a 'significant vote', we take into consideration the guidance for asset managers provided by the PLSA ([Vote reporting template for pension scheme implementation statement - Guidance for Asset Managers](#)), and alignment with our published stewardship themes and priorities.



Voting and engagement figures, Q4 2025

Regional updates

Global - Q4 2025 voting summary

Management-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Management	10811	4954	453	67%	31%	3%
Routine Business	1055	425	0	71%	29%	0%
Director Election	3298	1033	451	69%	22%	9%
Compensation	922	803	0	53%	47%	0%
Director Related	703	852	0	45%	55%	0%
Capitalisation	1634	141	1	92%	8%	0%
Non-Routine Business	481	90	0	84%	16%	0%
Audit Related	693	106	1	87%	13%	0%
Company Articles	1002	1186	0	46%	54%	0%
Strategic Transactions	606	172	0	78%	22%	0%
Miscellaneous	231	26	0	90%	10%	0%
Takeover Related	141	9	0	94%	6%	0%
Mutual Funds	14	0	0	100%	0%	0%
E&S Blended	4	0	0	100%	0%	0%
Environmental	2	5	0	29%	71%	0%
Social	24	8	0	75%	25%	0%
No Research	0	40	0	0%	100%	0%
Procedural/Non-Equity	1	58	0	2%	98%	0%

Global - Q4 2025 voting summary

Shareholder-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Shareholder	401	146	6	73%	26%	1%
Director Election	299	58	6	82%	16%	2%
Company Articles	15	20	0	43%	57%	0%
Environmental	10	3	0	77%	23%	0%
Social	2	6	0	25%	75%	0%
Audit Related	2	0	0	100%	0%	0%
Corporate Governance	13	3	0	81%	19%	0%
Non-Routine Business	10	6	0	62%	38%	0%
Director Related	17	26	0	40%	60%	0%
Miscellaneous	26	12	0	68%	32%	0%
E&S Blended	2	1	0	67%	33%	0%
Compensation	1	10	0	9%	91%	0%
Capitalisation	4	1	0	80%	20%	0%

How L&G voted	Number of votes	% Aligned management recommendations
For	11212	99.6%
Against	5100	5.1%
Abstain	459	98%

Number of	Values
Resolutions	16828
AGM Resolutions	6753
EGM Resolutions	10075
AGM	698
EGM	1868
Meetings	2566

Most popular resolutions	Number of resolutions
Elect Director	3326
Elect Director (Cumulative Voting or More Nominees Than Board Seats)	1580
Amend Articles/Bylaws/Charter -- Organization-Related	1370
Approve/Amend Regulations on Board of Directors	834
Ratify Auditors	568

Number of companies where L&G voted:	Value
In Total	2110
For in all resolutions	724
Against or Abstain in at least one resolution	1380

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.

Source: L&G, as at 31 December 2025.

UK - Q4 2025 voting summary

Management-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Management	1186	74	0	94%	6%	0%
Capitalisation	246	36	0	87%	13%	0%
Routine Business	150	1	0	99%	1%	0%
Compensation	106	14	0	88%	12%	0%
Audit Related	144	0	0	100%	0%	0%
Director Election	423	20	0	95%	5%	0%
Mutual Funds	12	0	0	100%	0%	0%
Takeover Related	49	0	0	100%	0%	0%
Miscellaneous	6	0	0	100%	0%	0%
Strategic Transactions	23	2	0	92%	8%	0%
Social	14	0	0	100%	0%	0%
Company Articles	13	1	0	93%	7%	0%
Procedural/Non-Equity	0	0	0	0%	0%	0%

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible. Source: L&G, as at 31 December 2025.

UK - Q4 2025 voting summary

How L&G voted	Number of votes	% Aligned management recommendations
For	1186	100%
Against	74	0%
Abstain	0	0%

Number of	Values
Resolutions	1263
AGM Resolutions	1180
EGM Resolutions	83
AGM	77
EGM	49
Meetings	126

Most popular resolutions	Number of resolutions
Elect Director	443
Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights	105
Authorize Share Repurchase Program	81
Accept Financial Statements and Statutory Reports	78
Advisory Vote to Ratify Named Executive Officers' Compensation	73

Number of companies where L&G voted:	Value
In Total	105
For in all resolutions	57
Against or Abstain in at least one resolution	47

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.

Source: L&G, as at 31 December 2025.

Europe ex UK - Q4 2025 voting summary

Management-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Management	990	310	7	76%	24%	1%
Routine Business	278	10	0	97%	3%	0%
Director Election	280	69	6	79%	19%	2%
Compensation	69	69	0	50%	50%	0%
Audit Related	102	28	1	78%	21%	1%
Strategic Transactions	36	2	0	95%	5%	0%
Capitalisation	77	13	0	86%	14%	0%
E&S Blended	4	0	0	100%	0%	0%
Director Related	71	13	0	85%	15%	0%
Miscellaneous	24	0	0	100%	0%	0%
Non-Routine Business	20	0	0	100%	0%	0%
Social	2	6	0	25%	75%	0%
Company Articles	24	2	0	92%	8%	0%
No Research	0	40	0	0%	100%	0%
Procedural/Non-Equity	1	58	0	2%	92%	0%
Mutual Funds	1	0	0	100%	0%	0%
Takeover Related	1	0	0	100%	0%	0%

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.

Source: L&G, as at 31 December 2025.



Europe ex UK - Q4 2025 voting summary

Shareholder-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Shareholder	31	60	6	32%	62%	6%
Director Related	11	25	0	31%	69%	0%
Director Election	12	24	6	29%	57%	14%
Miscellaneous	3	8	0	27%	73%	0%
Company Articles	4	2	0	67%	33%	0%
Capitalisation	1	0	0	100%	0%	0%
Non-Routine Business	0	1	0	0%	100%	0%

How L&G voted	Number of votes	% Aligned management recommendations
For	1021	99.5%
Against	370	43.2%
Abstain	13	46.2%

Number of	Values
Resolutions	1408
AGM Resolutions	977
EGM Resolutions	431
AGM	108
EGM	93
Meetings	201

Most popular resolutions	Number of resolutions
Elect Director	309
Ratify Auditors	68
Elect Chair of Meeting	43
Accept Financial Statements and Statutory Reports	39
Approve Remuneration Policy	35

Number of companies where L&G voted:	Value
In Total	181
For in all resolutions	79
Against or Abstain in at least one resolution	101

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.

Source: L&G, as at 31 December 2025.

North America - Q4 2025 voting summary

Management-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Management	1041	850	0	55%	45%	0%
Strategic Transactions	65	4	0	94%	6%	0%
Compensation	62	235	0	21%	79%	0%
Takeover Related	61	9	0	87%	13%	0%
Director Election	645	538	0	55%	45%	0%
Audit Related	131	59	0	69%	31%	0%
Capitalisation	34	2	0	94%	6%	0%
Director Related	12	1	0	92%	8%	0%
Routine Business	7	1	0	88%	12%	0%
Miscellaneous	7	1	0	88%	12%	0%
Company Articles	16	0	0	100%	0%	0%
Mutual Funds	1	0	0	100%	0%	0%

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible. Source: L&G, as at 31 December 2025.

North America - Q4 2025 voting summary

Shareholder-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Shareholder	22	15	0	59%	41%	0%
Corporate Governance	5	2	0	71%	29%	0%
Environmental	1	0	0	100%	0%	0%
Miscellaneous	0	1	0	0%	100%	0%
E&S Blended	2	1	0	67%	33%	0%
Social	2	5	0	29%	71%	0%
Company Articles	3	1	0	75%	25%	0%
Director Related	3	0	0	75%	0%	0%
Compensation	0	2	0	0%	100%	0%
Director Election	6	2	0	75%	25%	0%
Non-Routine Business	0	1	0	0%	100%	0%

How L&G voted	Number of votes	% Aligned management recommendations
For	1063	97.9%
Against	865	2.0%
Abstain	0	0%

Number of	Values
Resolutions	1964
AGM Resolutions	1679
EGM Resolutions	285
AGM	193
EGM	88
Meetings	281

Most popular resolutions	Number of resolutions
Elect Director	1161
Ratify Auditors	180
Advisory Vote to Ratify Named Executive Officers' Compensation	149
Adjourn Meeting	60
Approve Merger Agreement	45

Number of companies where L&G voted:	Value
In Total	277
For in all resolutions	38
Against or Abstain in at least one resolution	238

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.

Source: L&G, as at 31 December 2025.

Japan - Q4 2025 voting summary

Management-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Management	372	31	0	92%	8%	0%
Company Articles	29	2	0	94%	6%	0%
Director Election	268	22	0	92%	8%	0%
Director Related	37	6	0	86%	14%	0%
Strategic Transactions	4	0	0	100%	0%	0%
Routine Business	22	0	0	100%	0%	0%
Audit Related	2	0	0	100%	0%	0%
Compensation	7	1	0	88%	12%	0%
Capitalisation	3	0	0	100%	0%	0%

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.

Source: L&G, as at 31 December 2025.

Japan - Q4 2025 voting summary

Shareholder-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Shareholder	0	2	0	0%	100%	0%
Non-Routine Business	0	2	0	0%	100%	0%

How L&G voted	Number of votes	% Aligned management recommendations
For	372	100%
Against	33	6.1%
Abstain	0	0%

Number of	Values
Resolutions	405
AGM Resolutions	312
EGM Resolutions	93
AGM	33
EGM	17
Meetings	50

Most popular resolutions	Number of resolutions
Elect Director	290
Amend Articles	31
Elect Alternate/Deputy Directors	25
Approve Allocation of Income and Dividends	22
Appoint Internal Statutory Auditor(s) [and Approve Auditor's/Auditors' Remuneration]	15

Number of companies where L&G voted:	Value
In Total	50
For in all resolutions	30
Against or Abstain in at least one resolution	20

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.

Source: L&G, as at 31 December 2025.

Asia Pacific ex Japan - Q4 2025 voting summary

Management-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Management	6283	3511	2	64%	36%	0%
Director Related	363	788	0	32%	68%	0%
Routine Business	471	408	0	54%	46%	0%
Director Election	1581	338	1	82%	18%	0%
Capitalisation	1178	86	1	93%	7%	0%
Non-Routine Business	437	88	0	83%	17%	0%
Audit Related	282	17	0	94%	6%	0%
Company Articles	815	1164	0	41%	59%	0%
Strategic Transactions	424	157	0	73%	27%	0%
Miscellaneous	185	22	0	89%	11%	0%
Compensation	508	437	0	54%	46%	0%
Takeover Related	30	0	0	100%	0%	0%
Environmental	2	4	0	33%	67%	0%
No Research	0	0	0	0%	0%	0%
Social	7	2	0	78%	22%	0%
Procedural/Non-Equity	0	0	0	0%	0%	0%

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible. Source: L&G, as at 31 December 2025.

Asia Pacific ex Japan - Q4 2025 voting summary

Shareholder-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Shareholder	338	64	0	84%	16%	0%
Director Election	273	28	0	91%	9%	0%
Company Articles	8	17	0	32%	68%	0%
Environmental	9	3	0	75%	25%	0%
Social	0	1	0	0%	100%	0%
Non-Routine Business	10	2	0	83%	17%	0%
Corporate Governance	8	1	0	89%	11%	0%
Audit Related	1	0	0	100%	0%	0%
Miscellaneous	23	3	0	88%	12%	0%
Capitalisation	3	1	0	75%	25%	0%
Compensation	1	8	0	11%	89%	0%
Director Related	2	0	0	100%	0%	0%

How L&G voted	Number of votes	% Aligned management recommendations
For	6621	99.8%
Against	3575	1.4%
Abstain	2	0%

Number of	Values
Resolutions	10209
AGM Resolutions	1583
EGM Resolutions	8626
AGM	237
EGM	1538
Meetings	1775

Most popular resolutions	Number of resolutions
Amend Articles/Bylaws/Charter -- Organisation-Related	1368
Elect Director (Cumulative Voting or More Nominees Than Board Seats)	1109
Elect Director	1006
Approve/Amend Regulations on Board of Directors	824
Approve/Amend Regulations on General Meetings	560

Number of companies where L&G voted:	Value
In Total	1374
For in all resolutions	474
Against or Abstain in at least one resolution	898

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.

Source: L&G, as at 31 December 2025.

Rest of World - Q4 2025 voting summary

Management-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Management	939	178	444	60%	11%	28%
Capitalisation	96	4	0	96%	4%	0%
Company Articles	105	17	0	86%	14%	0%
Routine Business	127	5	0	96%	4%	0%
Director Election	101	46	444	17%	8%	75%
Compensation	170	47	0	78%	22%	0%
Miscellaneous	9	3	0	75%	25%	0%
Director Related	220	44	0	83%	17%	0%
Strategic Transactions	54	7	0	89%	11%	0%
Audit Related	32	2	0	94%	6%	0%
Non-Routine Business	24	2	0	92%	8%	0%
Procedural/Non-Equity	0	0	0	0%	0%	0%
Social	1	0	0	100%	0%	0%
Environmental	0	1	0	0%	100%	0%

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.

Source: L&G, as at 31 December 2025.

Rest of World - Q4 2025 voting summary

Shareholder-proposed resolutions:						
Proponent/Category	For	Against	Abstain	For %	Against %	Abstain %
Shareholder	10	5	0	67%	33%	0%
Audit Related	1	0	0	100%	0%	0%
Director Election	8	4	0	67%	33%	0%
Director Related	1	1	0	50%	50%	0%

How L&G voted	Number of votes	% Aligned management recommendations
For	949	100%
Against	183	16.9%
Abstain	444	100%

Number of	Values
Resolutions	1579
AGM Resolutions	1022
EGM Resolutions	557
AGM	50
EGM	83
Meetings	133

Most popular resolutions	Number of resolutions
Elect Director (Cumulative Voting or More Nominees Than Board Seats)	464
Approve Remuneration of Directors and/or Committee Members	151
Elect Director	117
Elect Member of X Committee	111
Elect Member of Audit Committee	104

Number of companies where L&G voted:	Value
In Total	123
For in all resolutions	46
Against or Abstain in at least one resolution	76

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.

Source: L&G, as at 31 December 2025.

Global engagement summary Q4 2025

In Q4 2025, we held



210

engagements

with



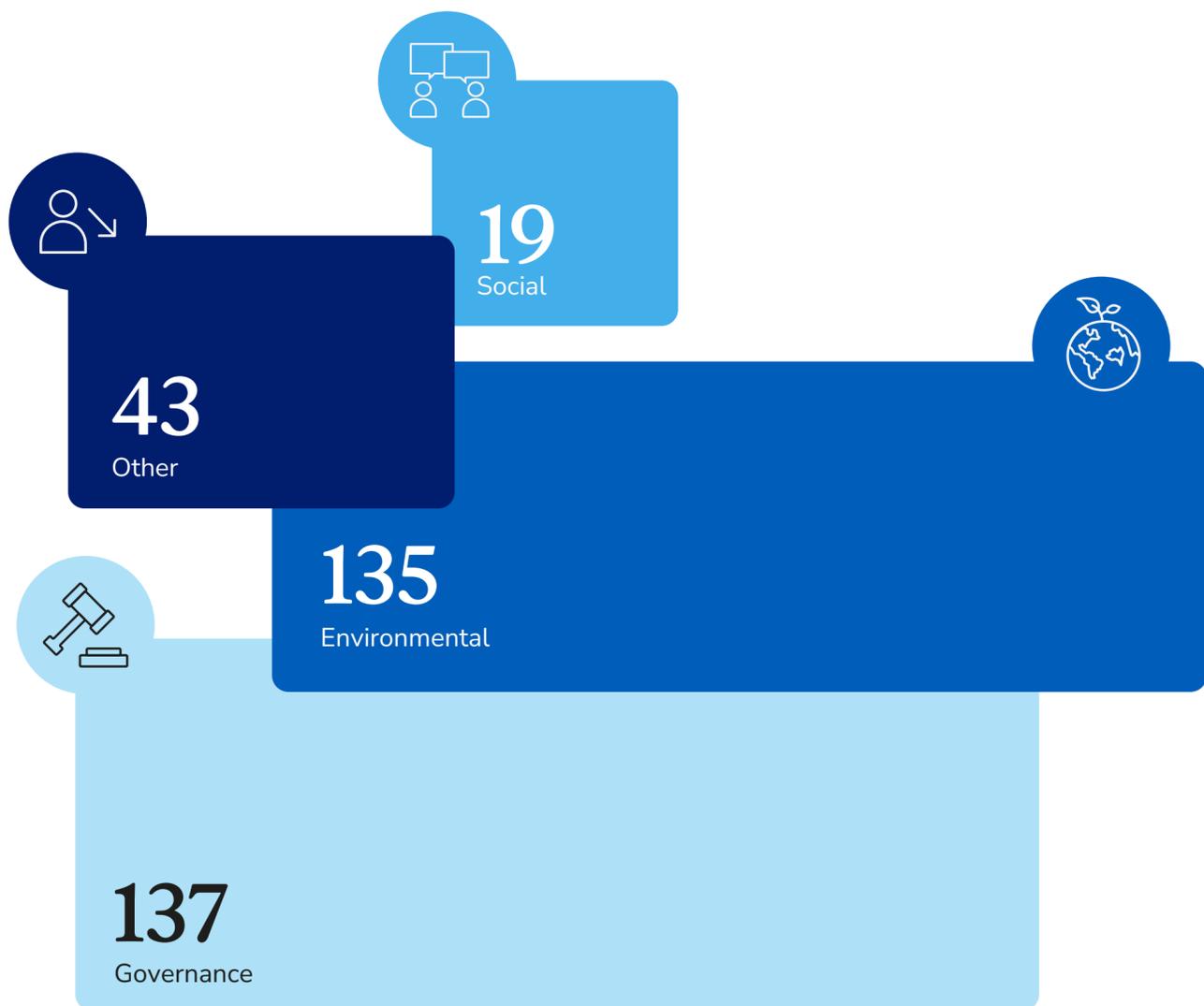
176

companies

(vs. 102 engagements with 92 companies last quarter). 154 of these engagements were undertaken by the Investment Stewardship team, 31 involved both the Investment Stewardship and Investment teams, and 25 were undertaken by the Investment team.

Breaking down the engagement numbers - Q4 2025

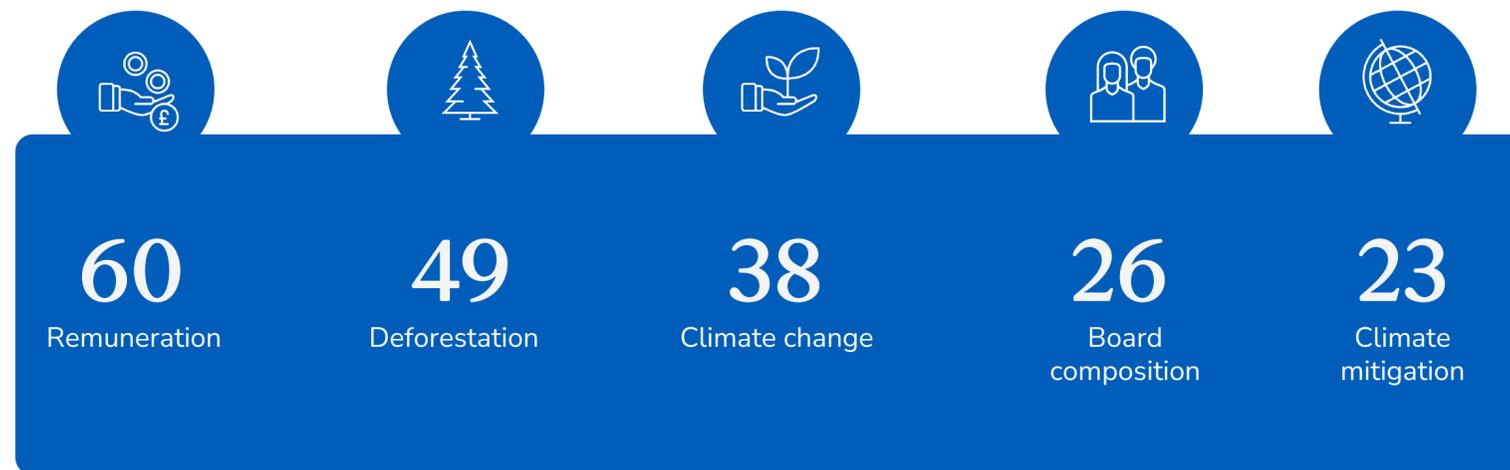
Breakdown of engagement by themes



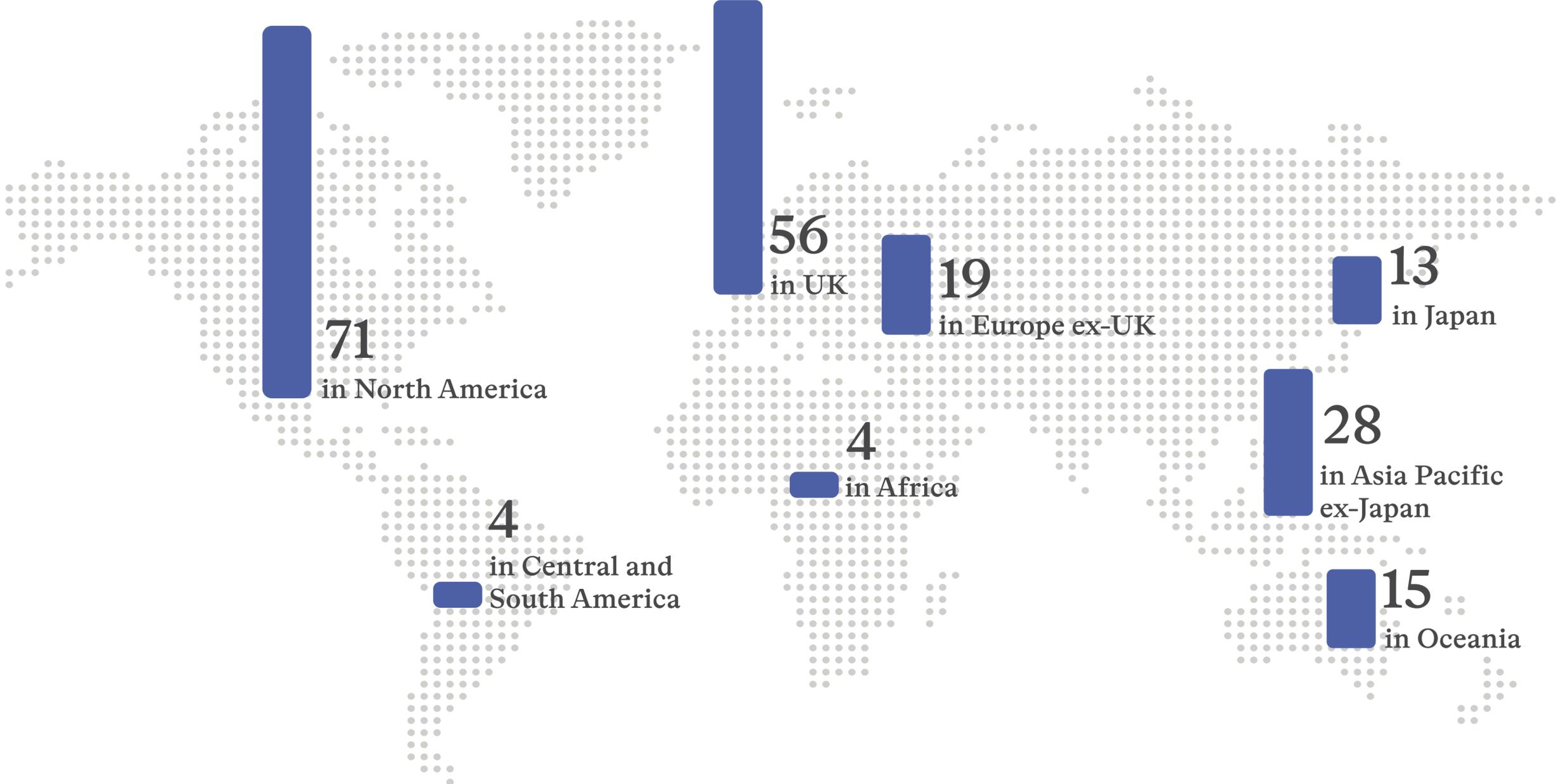
Engagement type



Top 5 engagement topics

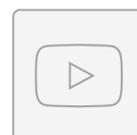


Regional breakdown of engagements



Contact us:

For further information about the Asset Management business of L&G, please visit am.landg.com or contact your usual L&G representative.



Key risk

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested.

Important information

The views expressed in this document are those of Legal & General Investment Management Limited and/or its affiliates ('L&G', 'we' or 'us') as at the date of publication. This document is for information purposes only and we are not soliciting any action based on it. The information above discusses general economic, market or political issues and/or industry or sector trends. It does not constitute research or investment, legal or tax advice. It is not an offer or recommendation or advertisement to buy or sell securities or pursue a particular investment strategy. Past performance should not be taken as an indication or guarantee of future performance and no representation, express or implied, is made regarding future performance.

No party shall have any right of action against L&G in relation to the accuracy or completeness of the information contained in this document. The information is believed to be correct as at the date of publication, but no assurance can be given that this document is complete or accurate in the light of information that may become available after its publication. We are under no obligation to update or amend the information in this document. Where this document contains third party information, the accuracy and completeness of such information cannot be guaranteed and we accept no responsibility or liability in respect of such information.

This document may not be reproduced in whole or in part or distributed to third parties without our prior written permission. Not for distribution to any person resident in any jurisdiction where such distribution would be contrary to local law or regulation.

© 2026 Legal & General Investment Management Limited, authorised and regulated by the Financial Conduct Authority, No. 119272. Registered in England and Wales No. 02091894 with registered office at One Coleman Street, London, EC2R 5AA.

L&G Global

Unless otherwise stated, references herein to "L&G", "we" and "us" are meant to capture the global conglomerate that includes:

- **European Economic Area:** LGIM Managers (Europe) Limited, authorised and regulated by the Central Bank of Ireland as a UCITS management company (pursuant to European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and as an alternative investment fund manager (pursuant to the European Union (Alternative Investment Fund Managers) Regulations 2013 (as amended)).
- **Japan:** Legal & General Investment Management Japan KK (a Japan FSA registered investment management company).
- **Hong Kong:** issued by Legal & General Investment Management Asia Limited which is licensed by the Securities and Futures Commission.
- **Singapore:** issued by LGIM Singapore Pte. Ltd. (Company Registration No. 202231876W) which is regulated by the Monetary Authority of Singapore.

The L&G Stewardship Team acts on behalf of all such locally authorised entities.