

Active Ownership 2025

Active ownership means striving to create sustainable value for our clients. This report details how we sought to do this within our Asset Management business during 2025.

Any references to funds, strategies, case studies and companies are mentioned for illustrative purposes only as highlighted by † symbol and does not constitute a recommendation to buy or sell any investment. Any potential investment is subject to the following 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.

While L&G's Asset Management business, where relevant, has integrated financially material Environmental, Social, and Governance (ESG) considerations into its stewardship practices and investment decision-making, funds that do not include specific ESG goals within their objectives might not pursue responsible investing goals.

Awards should not be considered a recommendation. Past performance is not a guide to the future.
Assumptions, opinions, and estimates are provided for illustrative purposes only.
There is no guarantee that any forecasts made will come to pass.



2025 in numbers

£496.4 billion¹

The amount of assets we manage in responsible investment strategies

32%

The percentage of strategies launched with sustainability characteristics in line with our responsible investment product methodology²

148,846

The number of resolutions worldwide on which we voted³

3,636

The number of shareholder-proposed resolutions we voted on globally

3,201

The number of companies our Investment and Stewardship teams engaged with⁴

600+

The number of real estate assets that we are aligning with our Net Zero roadmap

6,900

The total number of new homes in operation to date delivered by L&G Affordable Homes (LGAH)

1. As at 31 December 2025. AUM in responsible investment strategies represents only the AUM from funds or client mandates that feature a deliberate and positive expression of responsible investing characteristics, in the fund documentation for pooled fund structures or in a client's investment management agreement. This expression could be exclusions; ESG outcome focus; positive environmental and social impact; or a combination of these. The Asset Management responsible investing reporting criteria is reviewed in line with existing industry frameworks as well as significant regulatory developments relating to sustainable finance disclosure requirements, as deemed to be relevant to the markets in which L&G's Asset Management business operates, including but not limited to the EU Sustainable Financial Disclosure Regime (SFDR) and the UK Sustainability Disclosure Requirements, which was published on 28 November 2023.

2. As of December 2025.

3. Resolutions voted exclude do-not-vote instructions.

4. Further information about our engagement statistics can be found in the full version of our Active Ownership report.

L&G's Asset Management business is a major investor across public and private markets worldwide, with £1,177bn in AUM.⁵ Our clients include global institutions, corporate pension schemes, wealth managers, charities and endowments. We aspire to drive long-term value for our clients by addressing systemic risks and opportunities across climate and 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 Investment Stewardship activity is structured around the following core themes:

1. Climate and nature

Through our [Climate Impact Pledge](#) (CIP), we encourage companies to reduce the risks associated with climate change and nature degradation, and to transition to a net zero economy. In 2025, we were [pleased to see improvements](#) being made across the market, in the disclosures companies are making and their planning and management of approaches to climate change and nature degradation. These improvements contributed to a significant decrease of 46% in the number of companies identified for potential votes against the election or re-election of the chair of the board in the 2025 AGM season.

In 2025, L&G's Asset Management business advanced its programme to address deforestation and broader nature-related risks as material factors influencing long-term value creation. Building on our [COP26 Deforestation Commitment](#) and working in alignment with Finance Sector Deforestation Action (FSDA) guidance, we strengthened our stewardship approach to drive credible progress from companies and markets exposed to deforestation.

We enhanced our analytical capabilities, more accurately assessing companies' direct and indirect risk exposure, and progress against our minimum expectations. We expanded our engagement with priority issuers across agriculture, food and beverage, consumer goods, and retail, focusing on their exposure to deforestation-linked commodities and the governance structures overseeing those risks. We undertook further engagements with companies with the highest risks and escalated our concerns to the Board through vote sanctions where we felt more could be done.

Please read more in our [Deforestation Report](#).

2. Social resilience

Globally, we voted against directors at over 2,000 companies in 2025, at companies identified as not meeting our diversity expectations. The vast majority of dissenting votes targeted the re-election of individual directors, typically the chair of the nominations or governance committee. This was most often based on the company lacking female board members – our longest-standing diversity measure. Where we can, we hold the chair of the nomination committee accountable for shortcomings in board makeup.

During 2025, we voted against 10 companies under this campaign (compared with nine in 2024).

Having expanded our diversity principles for FTSE 350 and Russell 1000 companies to include at least one person from an ethnically diverse minority background at board level,⁶ in 2025 we voted against 27 companies under this principles expectation (11 UK FTSE 350 companies and 16 Russell 1000 companies).

As a continuation of our 2024 human rights campaign, we have identified consumer sector subsectors with elevated exposure to labour related risks and will prioritise follow-up engagements accordingly. The next phase of engagement will focus on evaluating the effectiveness of these systems to ensure that human rights expectations are being embedded across their value chains in a systematic and accountable manner.

The L&G ESG score is a proprietary, rules-based ESG assessment designed to drive tangible improvements in corporate behaviour. In the second quarter of 2025, changes were made to the methodology. As part of this review, a new data point was added, the 'human rights programme', which assesses how companies manage risks related to human rights within their operations and value chains. Adding the 'human rights programme' indicator allows us to better evaluate companies' management of human rights-related financial risks across their business, as well as integrating into the investment process.

3. Governance

In 2025, there were a number of significant evolutions in investor rights and corporate governance standards across many jurisdictions. Many of these actions and proposed changes intend to create a more competitive business environment for issuers.

In 2025, we were involved in over 100 separate remuneration consultations and pay discussions, broadly in line with previous years.

Over the course of 2025, we voted on 190 remuneration policy resolutions at UK companies; this represents an increase over 2024 (174 proposals) as we are nearing the tri-annual policy renewal cycle in 2026. In 2025, we were able to support 136 of these (71.6%), reflecting an increase in the level of support compared with last year (2024: 62.6%; 2023: 75.8%).

We voted against 89 (15.4%) of the 577 remuneration reports proposed at UK companies, broadly unchanged from 2024. We also opposed the election of 44 remuneration committee members in the UK, due to our persistent concerns over their pay practices, representing a marked reduction in escalation votes this year (2024: 62).

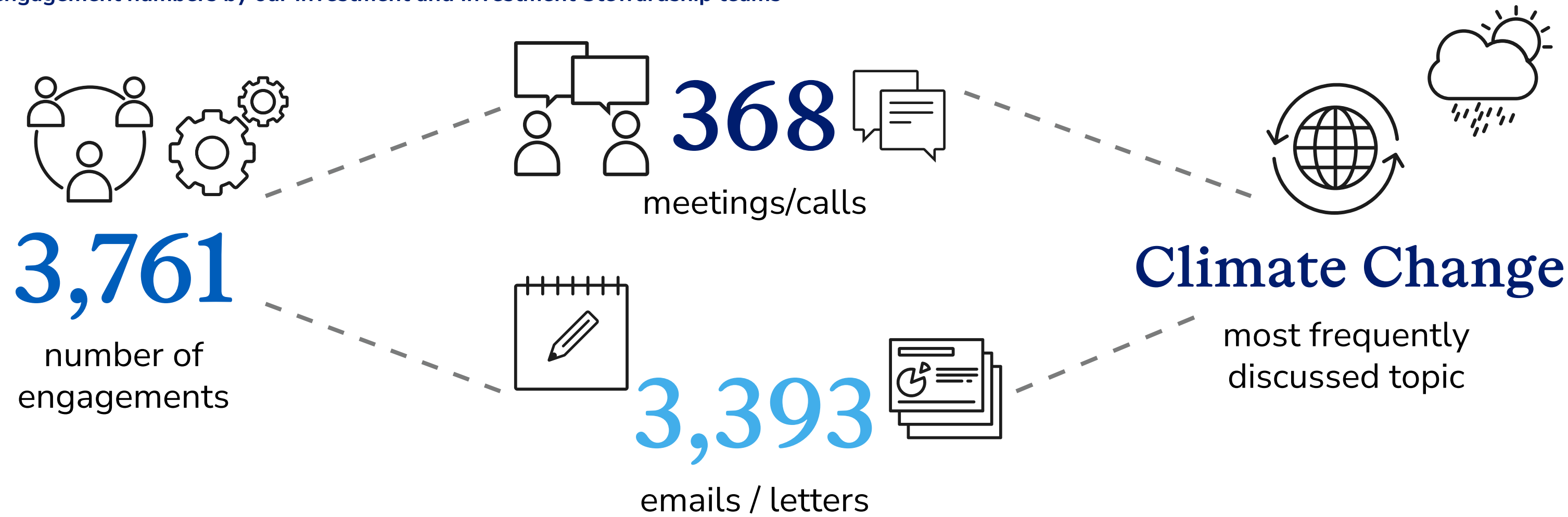
Globally, we opposed 48% of all management-proposed pay-related proposals in 2025 (2024: 50%), due to companies not meeting our minimum standards for fair and appropriate long-term performance-based pay.

5. As at 31 December 2025. The AUM figure disclosed aggregates the assets managed by L&G's Asset Management business in the UK, Legal and General Investment Management, Inc in the US, and Legal and General Investment Management Asia Limited in Hong Kong. The AUM includes the value of securities and derivatives and may not total due to rounding. For the assets under management: regional breakdown figures - Regional exposure is based on the country of risk of the underlying holdings. Data disclosed excludes derivative overlays.

6. As stated in our 2023 Active Ownership report, p.93: [Active ownership: 2023](#)

Active engagement: the numbers

2025 engagement numbers by our Investment and Investment Stewardship teams



Awards and recognition

Recognition from third parties in 2025:

- Received a 5* ranking from the UN PRI for six modules: Policy governance and strategy, Passive equity, Active fundamental, Real estate, Fixed income sovereign and Fixed income corporate.
- Influence Map – received an A rating for our climate stewardship approach.
- First for financial institutions in Global Canopy Forest 500's annual assessment. The assessment ranks financial institutions based on commitments and action being taken on deforestation risk.

- Corporate Advisor Awards – Best Sustainability Asset Manager, 2025
- Professional Pensions – Investment Manager of the Year, 2025
- We were shortlisted for the ICGN Global Stewardship Disclosure Awards (Asset Managers - £60bn and above AUM) on the basis of our 2024 Active Ownership Report.⁷

Awards should not be considered a recommendation. Past performance is not a guide to the future



7. Source: ICGN Awards Media Release 2025

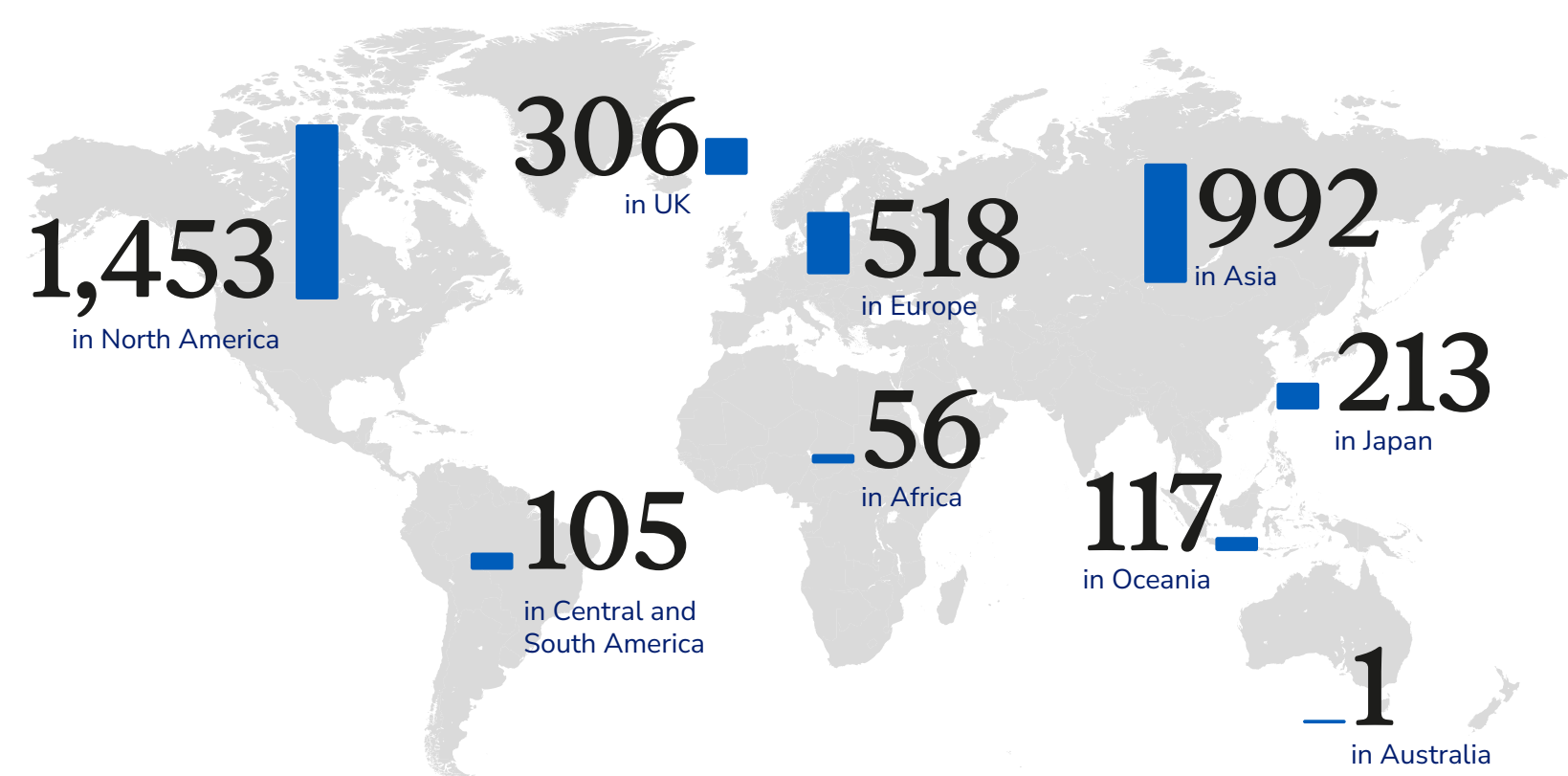
Active engagement: the numbers (continued)

Corporate engagement

Breakdown of engagements by themes*

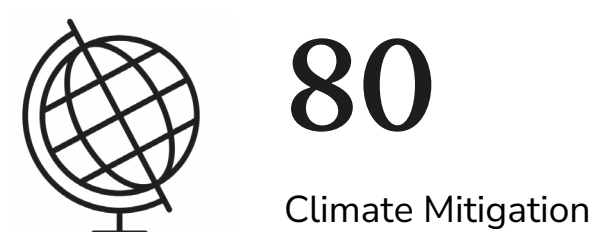
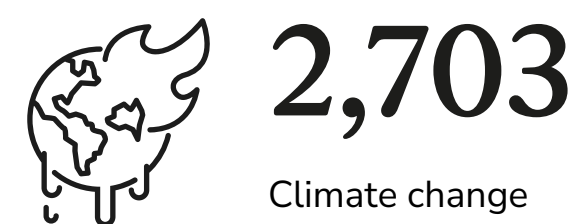


Regional breakdown of engagements



*Note: an engagement can cover more than a single topic

Top five corporate engagement topics



Policy engagement

Category	TOTAL	Climate & nature	Social resilience	Governance	All themes
Academia	2	0	1	1	0
Civil Society	1	0	1	0	0
Government Ministry / Department	14	4	1	9	0
Government Regulator	3	1	0	2	0
Industry Association	60	23	4	30	3
Multilateral Organisation	6	1	5	0	0
Non-Governmental Organisation (NGO)	40	19	10	10	1
Parliament	2	1	0	1	0
Stock Exchange	6	0	0	6	0
Remuneration Adviser	6	0	0	6	0
Service Provider	6	0	0	5	1
Other	15	3	4	8	0
TOTAL	161	52	26	78	5

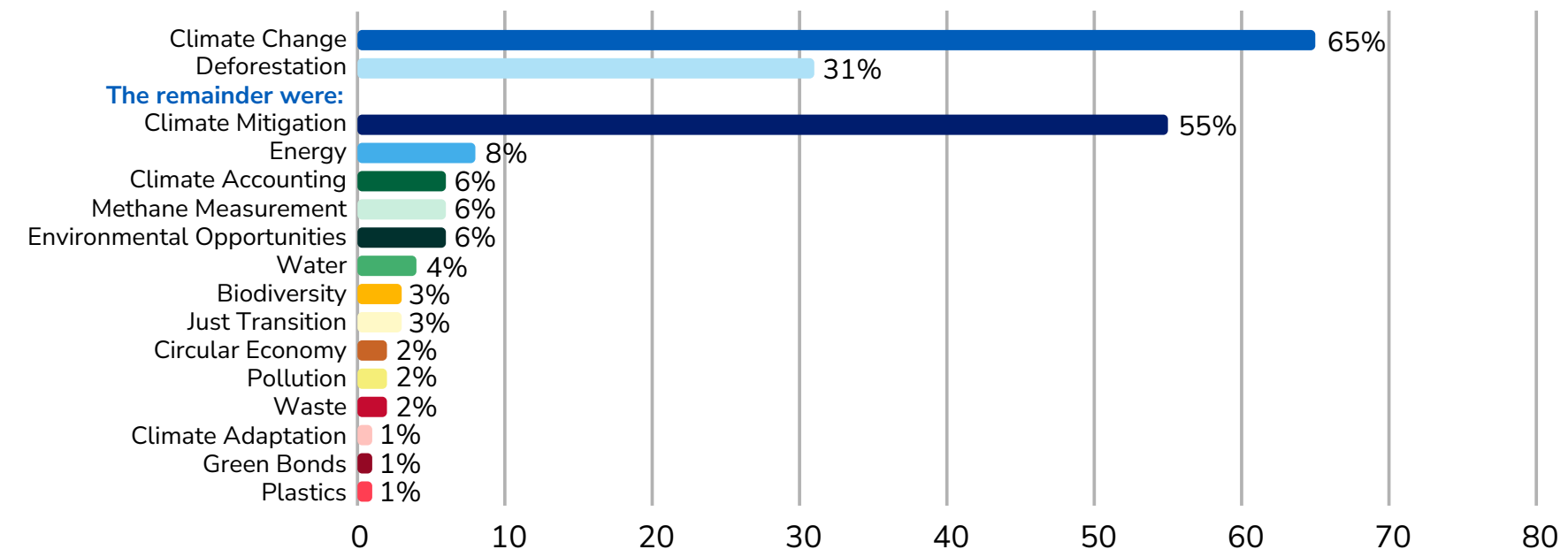
Policy engagement: regional breakdown

Region	Count
Asia	70
Europe	43
Global	19
North America	17
Oceania	12

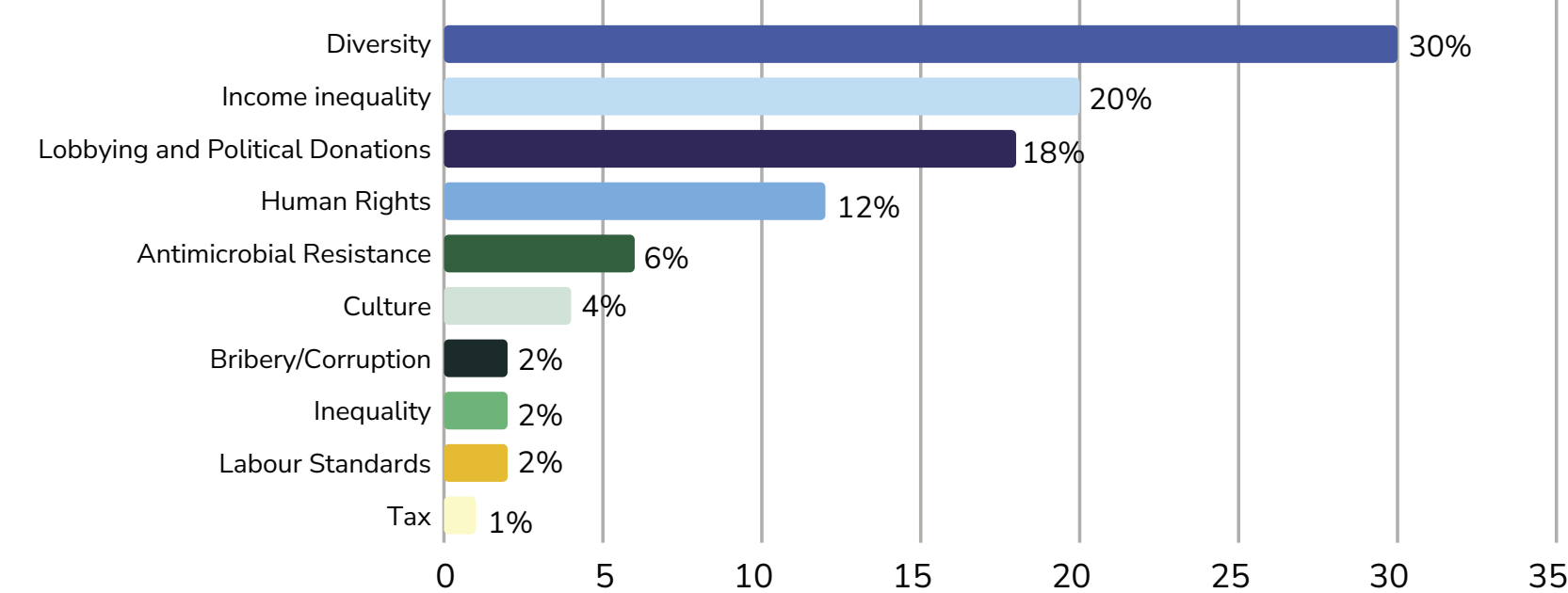


Active engagement: the numbers (continued)

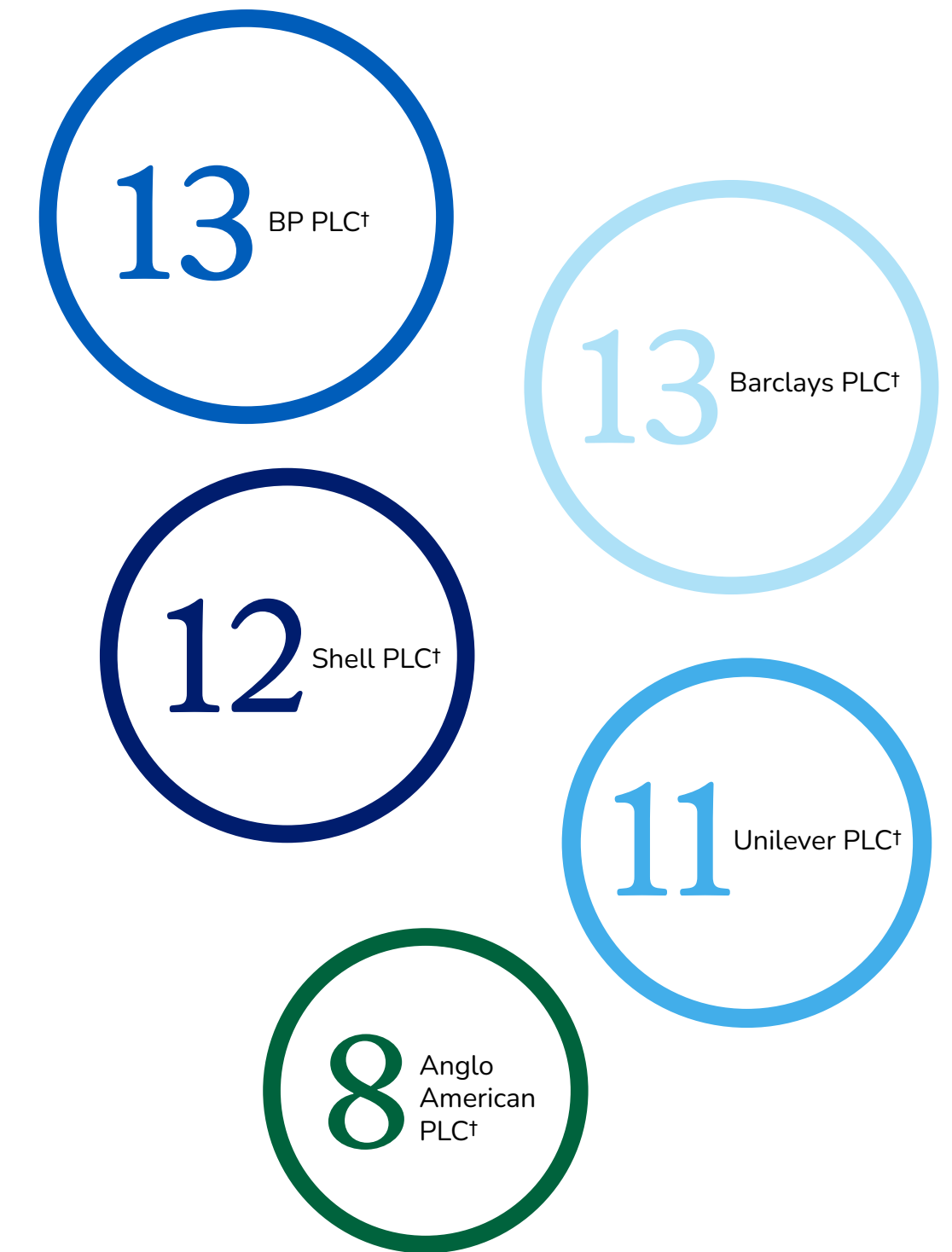
Breakdown of Environmental Engagements (corporate)



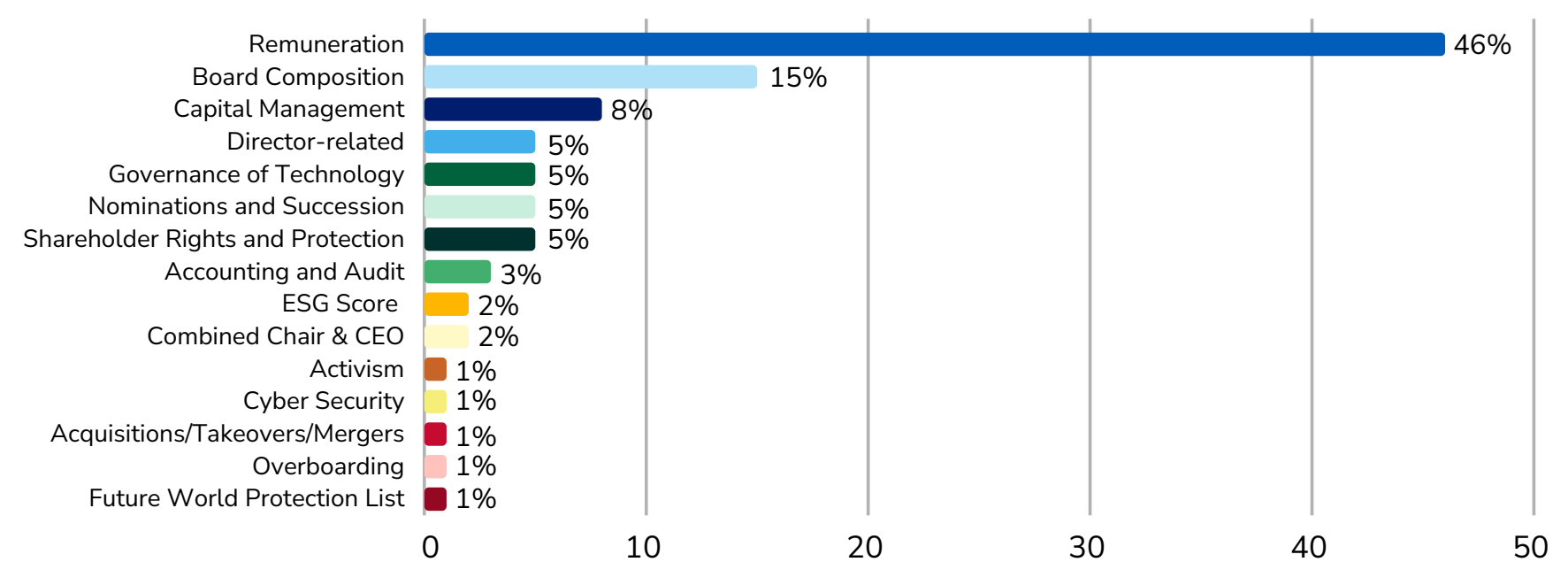
Breakdown of Social Engagements



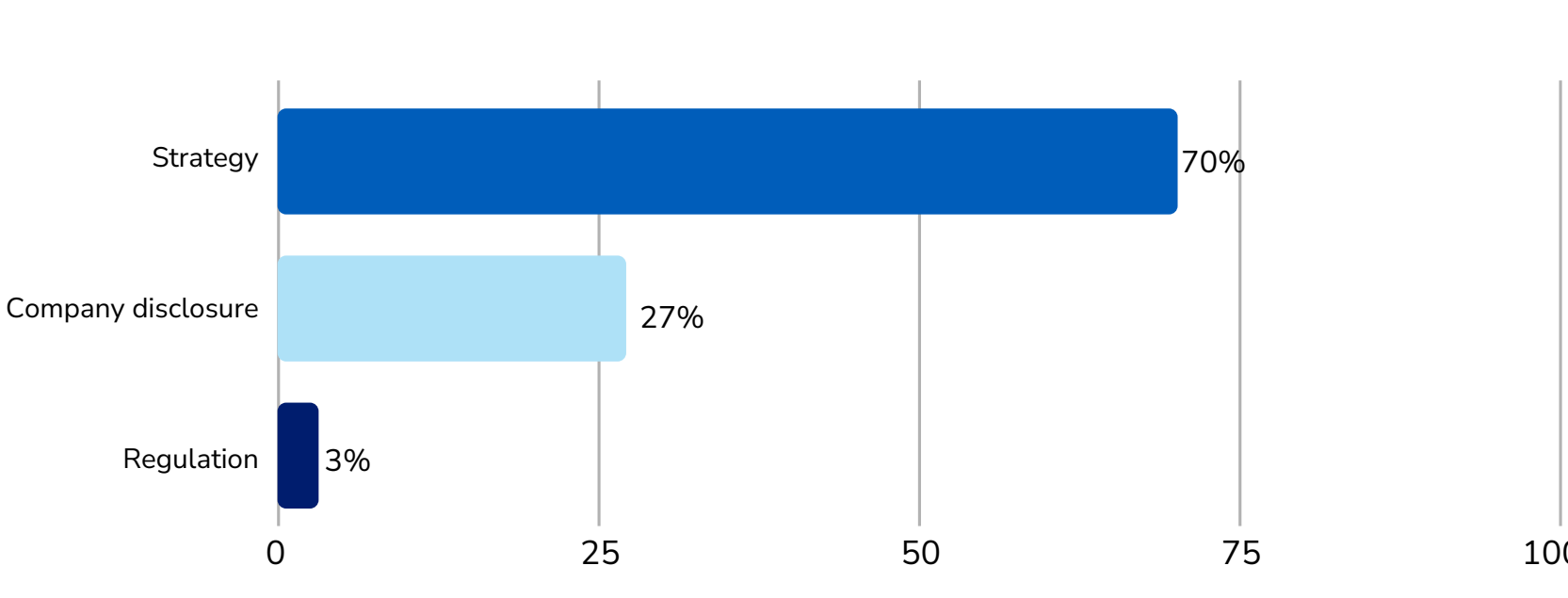
Top 5 companies based on the numbers of engagements



Breakdown of Governance Engagements (corporate)



Breakdown of Other Engagements (corporate)



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.

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