For investors.
All investing involves risk. Capital at risk.

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.

L&G

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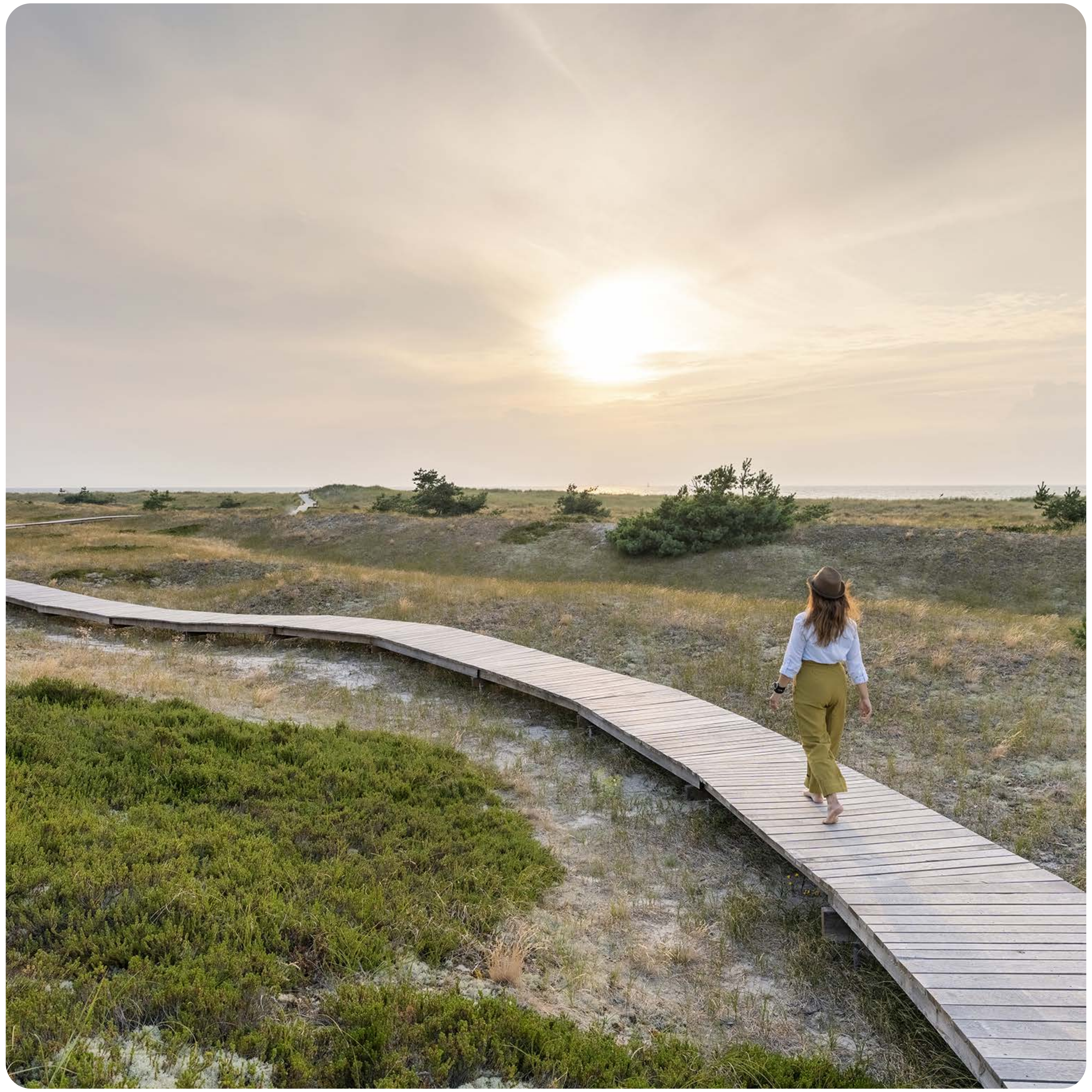
Foreword



With nearly 200 years of history, we've navigated many market cycles and seen how a diversified approach – combined with the agility to capture overlooked upside – can drive value over the long term. Our mantra is simple – prepare, don't predict – reflecting our unwavering focus on long-term client outcomes.

The world is always changing, though the uncertainty created by advances in artificial intelligence combined with an increasingly unstable geopolitical landscape has had a particularly profound effect on the outlook for markets.

While we cannot predict what comes next, we can equip our clients with the tools and capabilities to navigate these volatile times, whether that be private investors or the world's largest and most sophisticated global institutions.

We believe investment stewardship and responsible investment integration are foundational pillars to generating long-term risk-adjusted returns. In our view, assessing how companies govern themselves, manage material sustainability related risks and adapt to structural change may help identify more resilient sources of value over time.

We deliver this through a joined-up approach across our Investment and Responsible Investment and Stewardship teams. Our specialists engage deeply with investee companies and the assets we operate, aiming to deliver tangible, positive real-world outcomes and to unlock opportunities for clients.

This integrated approach underpins our 15th annual Active Ownership report. Inside, you can read about the actions we took during 2025, and how we applied responsible investment and investment stewardship in practice on behalf of our clients.

You'll see our work across public and private markets in critical areas, including climate and nature, social resilience, and corporate governance. This report also shows how we exercised our voting rights and how we engaged with companies, policymakers and other stakeholders in a constantly evolving environment. I would like to thank our colleagues across these teams for their continued dedication, expertise and collaboration in delivering this important work.

I hope you find this report informative and useful as we continue working together to drive positive long-term outcomes.

Eric Adler
Chief Executive Officer
Asset Management, L&G

2025 in numbers

£496.4 billion[1]
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 methodology[2]

148,846
The number of resolutions worldwide on which we voted[3]

3,636
The number of shareholder-proposed resolutions we voted on globally

3,201
The number of companies our Investment and Stewardship teams engaged with[4]

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 on page 51.

Note: This document reports on L&G's Asset Management business's stewardship activities during 2025. Unless otherwise stated, all information, data and graphical depictions provided that are not referenced are based on L&G internal data as at 31 December 2025.

Active engagement: the numbers

2025 engagement numbers by our Investment and Investment Stewardship teams

3,761 number of engagements

368 meetings/calls

3,393 emails / letters

Climate Change most frequently discussed topic

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.[5]

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

5. Source: ICGN Awards Media Release 2025

Q&A

We discuss the key themes from 2025 and our plans for 2026 with:

Amelia Tan
Head of Responsible Investment & Stewardship

Laura Brown
Head of Public Markets Distribution

What were your key achievements in 2025?

Amelia: One of the highlights from 2025 includes recognition for our approach to deforestation in Global Canopy's Forest500 annual assessment, placing L&G at the top of the financial institutions category, reflecting the continued strength of our work in nature and its growing role in our engagement, including through our flagship Climate Impact Pledge (CIP).

We have continued to be vocal through our pre-declaration blog across environmental, social and governance topics, and to represent our views internationally, including at COP30 in November 2025. Having voted on c.150,000 resolutions during 2025 (as detailed later in this report), we maintained our high level of support for environmental and social shareholder proposals in what was a challenging year for investment stewardship.

For Investment Stewardship, we have a clear purpose: to safeguard and drive long-term value for our clients, by addressing financially material and systemic risks and opportunities across climate and nature, social resilience, and corporate governance. Guided by our universal ownership approach, we are now in an even stronger position to leverage L&G's expertise in markets, sectors and companies to effectively partner with investee companies, hold them to account, and advocate for a supportive policy environment.

At the beginning of 2025, we brought together our Investment Stewardship and Investment teams under the leadership of our CIO, building on the collaborations the teams have had over the years through our Global Research and Engagement Groups (GREGs) to use our scale and expertise in our engagements with companies. To maximise the benefits of our integration, we refreshed our Responsible Investment and Stewardship's team structure and strategy. I am immensely proud of how our team has embraced the opportunity to evolve our approach and thereby strengthen our ability to bring about greater change.

Through our outcome-focused sustainable investment strategies in private markets, we believe we have helped to catalyse and scale meaningful change through the investments we have made on behalf of our clients

In 2025, we launched the Nature and Social Outcomes (NASO) strategy, investing in private markets, £183 million in emerging markets to advance nature conservation and sustainable development. The strategy targets biodiversity, healthcare, education, clean water and social infrastructure, utilising a sustainable investment framework to rigorously assess and monitor the outcomes of investments. Through the NASO strategy, L&G participated in a landmark initiative led by the Inter-American Development Bank, issuing the first in a planned series of up to $1bn in Amazonia Bonds. These will finance projects that aim to curb deforestation, conserve biodiversity, and strengthen local livelihoods and economic resilience.

Laura: Since offering our affordable housing strategy to third-party investors, we have emphasised our focus on the areas of greatest need and strengthened our ability to maximise outcomes for residents and communities. Now with more than 1,111 homes across 35 assets, these new vehicles are set to grow further in 2026 with 1,285 further homes contracted and under construction. By investing in high-quality, well-managed affordable homes, we aim to improve the affordability of local areas and provide vital support to those on housing waiting lists or those unable to access homeownership. A support fund has also been introduced to directly address resident needs. This includes piloting a scheme which offers tenants most in need up to three A-rated appliances, an initiative that saw a 56% uptake. The majority of those who used the initiative lacked white goods and would otherwise have needed to rely on debt or charities.

Q&A (continued)

It is easy to get caught up in the short term, but we took the opportunity at our client conference in 2025 to look through a longer-term lens at our stewardship achievements. We have a long history of using our public voice to drive change, building on the foundation set by the creation of our Investment Stewardship over 25 years ago.

Amelia: As we've expanded our team in our offices around the world, we've driven meaningful real world impact, from engaging with supermarkets in the UK, Australia and Japan on paying a real living wage to their employees to calling on energy companies and policymakers to take action on methane – one of the most effective ways to cut carbon emissions and reduce climate risk, and just one part of our climate engagement across sectors and regions.

We've worked with stock exchanges in Singapore, Hong Kong, Malaysia and Thailand on nature disclosures aligned with the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. Meanwhile, Japanese corporate governance has advanced significantly in the past decade as we have engaged directly and alongside peers. In 2014, only 6% of First Section firms[6] had one-third independent boards. Today, 99% of prime-listed firms meet that threshold, with 26% majority independent.[7, 8] We now engage with independent directors demonstrating how far we've come over the past 10 years. It's important to look back at the progress we've made, as we move forward in executing our long-term responsible investing strategy.

What were the biggest challenges of 2025?

Amelia: We believe that private markets play a critical role in supporting real-economy growth while seeking to deliver strong, resilient and long-term returns. Our engagement with clients consistently reinforces that responsible investment and sustainability remain material considerations in their investment strategies.

Despite some of the macro and market headwinds, we continue to double down on our sustainability agenda. This reflects our conviction that robust sustainability and climate-related investment due diligence is fundamental to managing material financial risks and strengthening value creation at both asset and portfolio level. We do this through close collaboration with partners across our value chain, embedding sustainability considerations throughout the investment lifecycle and seeking to drive positive outcomes across our portfolios. Alongside this, we remain actively engaged in key industry initiatives aimed at raising standards and advancing best practice across private markets.

Tools such as our Place-based Social Impact Framework enable us to accelerate and scale impact by providing a practical, disciplined and data-led approach to evidencing outcomes and demonstrate the value our investments generate. As a result of the tools and strategies we have put in place, we are now seeing tangible benefits for our customers and communities where our investments are deployed. This includes dozens of students reached through The Academy of Real Assets, to the thousands of people benefiting from improved access to NHS services through our assets and supply chains.

Laura: Of course, we can't ignore the challenges, but with them come opportunities. We believe L&G's combination of index and active strategies alongside public and private markets capabilities positions us favourably to navigate this environment, and we stepped up rather than stepped back. Examples of this in action include providing a vacant shop unit at the Dolphin Centre in Poole to the NHS, Prama and other local organisations that centralise mental health support in one accessible location, offering a drop-in service for immediate help. So far, this service has provided support to over 4,500 people who previously faced long waits and fragmented service.

Our approach should enable us to deliver the desired total portfolio outcome alongside systemic stewardship and targeted engagement. We combine scale alongside in-depth knowledge – both of which are important to companies when we engage with them – and we speak with one voice across our investment platform. In 2025, we saw strong momentum with our clients. For example, in the UK charities and endowments sector, with insurance companies and with European pension funds, we were able to bring together the best of L&G to build customised solutions that seek to meet their evolving investment and sustainability needs.

Amelia: The most significant challenge has undoubtedly been the potent combination of negative rhetoric against sustainability and the geopolitical uncertainties arising in conflicts, tariffs and trade across the globe. Not only have they been major distractions for companies pursuing their near-term business targets, they have created a more complex environment for companies to pursue efforts that advance long-term sustainable value.

Amid these challenges, our focus on long-term value creation has been unwavering. We have worked with companies to identify practical paths forward and, encouraged by the support our clients have shown towards our strategy and agenda, we will continue to strive for real-world change that we believe enhances our clients' long-term financial outcomes.

What are your priorities for 2026?

Laura: We have always looked to evolve our investment strategies and approach to engagement by incorporating emerging best practice – you only have to look at the CIP to see how much it has expanded in scope and ambition over its 10-year existence.

Most importantly, we listen carefully to our clients and bring together our expert teams to design solutions that are tailored to those client needs. We are seeing increasing focus on forward-looking metrics – ensuring that strategies are focused on future alignment which take into account where companies are going rather than where they have been – and considering a wider range of objectives including nature and social outcomes.

6. The 'First Section' was the forerunner of the prime market division of the Tokyo Stock Exchange, referring to the largest firms listed on the exchange.
7. Source: Appointment of Independent Directors/Auditors | Japan Exchange Group
8. The First Section was the principal predecessor of today's Prime Market, historically comprising the exchange's largest and most liquid companies, and forming the core of the Prime Market following the 2022 market restructuring.

Q&A (continued)

We have an extensive responsible investment toolkit across public and private markets and can customise solutions to an ever-wider set of client requirements. We will continue to evolve our flagship strategies to incorporate our latest and greatest thinking. This is an incredibly exciting time as we see the market maturing with a renewed focus on delivering real-world change, and we are looking forward to partnering with our clients to capture the opportunities.

Amelia: We have seen meaningful progress on disclosures beyond financial reporting from companies across the investment universe. That must be attributed at least in part to industry efforts in stewardship.

On climate, for example, as part of our dedicated climate corporate engagement programme, the CIP, we have been encouraging companies to set targets aligned with net zero ambitions. We have seen measurable progress – approximately 40% of the MSCI All Country World Index by market capitalisation now have validated Science Based Targets (SBTs).[9]

Despite this progress, our model shows actual decarbonisation remains inadequate. According to our Destination@Risk climate-change model, the overall temperature alignment of the MSCI ACWI is projected at 2.8°C, which reflects that global emissions trajectories remain misaligned with ambitions to limit the global average temperature rise to 1.5ºC. In 2026, we will shift from a focus on disclosure to tackling transition bottlenecks. Our thematic and sector strategies will prioritise enabling genuine transition in the real economy, by focusing on 'bottlenecks', such as technological readiness, policy and regulatory reform, and the challenges surrounding 'green premiums' for more ecological goods and services.

We must continue evolving our approach, placing greater emphasis on decarbonisation actions, managing rising physical climate risks, and advancing the integration of nature into analysis and decisions.

We will continue to increase our efforts on nature, including further considerations related to the interconnectedness between nature and climate. We will also maintain our work within our Governance theme, the foundation on which the activities undertaken within stewardship are based. Governance is deemed financially material for all sectors. We remain committed to our Social Resilience theme where our focus lies in corporate engagement in relation to Human and Social Capital Management (e.g. human rights, human capital management and diversity issues). We will particularly focus on the consumer and basic materials sectors, and on policy engagement related to Wellbeing Resilience (nutrition and antimicrobial resistance).

We believe investment stewardship can support the foundations of long-term value creation. But as an industry, we have struggled to articulate its effectiveness. With our long-standing experience in stewardship, L&G is uniquely positioned to contribute to industry thought leadership on this. As we continue to execute our strategy in 2026, we will look to deepen our understanding of the impact of our engagements and voting. We believe that this will enable our clients and industry participants to have more clarity on how stewardship contributes to sustainable value.

In private markets, our priority is to continue seeking to future-proof our direct investments in real world real assets across the built environment and infrastructure. These strategies require robust frameworks and tools to assess and manage these sustainability and climate-related risks, which we see as essential to seeking to protect our clients' capital and supporting resilient, long-term value creation. This means translating robust strategies into enhanced management of sustainability risks, which we see as essential to seeking to preserve our clients' capital. On the ground, this results in buildings and communities that we believe will remain resilient and relevant over the long term.

Laura: We are particularly excited about the growth ambitions across our housing platforms in the 'living sectors' – including Build-to-Rent, Single Family Rental, Student Living and Affordable Housing. These investment strategies are designed to help address the UK's housing crisis across multiple tenures, while meeting a broad scope of investor needs. We believe sustainability is a core driver of value, underpinning asset quality, operational performance and long-term resilience.

Amelia: From a climate perspective, one of our key priorities for 2026 is embedding climate adaptation more deeply into investment and asset-level decision making. Over the past few years, we have prepared for the industry's growing shift in emphasis towards adaptation, reflecting the increasing recognition that physical climate risks are no longer theoretical but are already having material financial impacts. This was reinforced at COP30, where new targets for increasing threefold the amount of capital for 'adaptation finance' by 2035 to roughly $120bn annually – a significant step up in public financing for climate mitigation and adaptation.[10]

In private markets, we have worked closely with physical climate risk specialists to undertake granular portfolio-wide analysis across our real estate portfolios. We are continuing to evolve our approach by integrating decision-useful, forward-looking climate risk data into our due diligence for all new transactions, ensuring climate resilience is considered at point of acquisition.

A further priority is the continued rollout of our Climate Adaptation Toolkit. This provides practical guidance for our asset management teams to integrate adaptation measures throughout the asset lifecycle. By strengthening resilience risks such as flooding, heat stress, fire and storm damage, we aim to help safeguard value for our clients and deliver assets that are better suited to a rapidly changing world.

9. Source: 2024 Outlook: Sustainability & Impact - Cambridge Associates
10. Source: https://www.wri.org

About L&G

L&G's purpose

L&G's Asset Management business is a major investor across public and private markets worldwide, with £1,177bn in AUM.[11] Our clients include global institutions, corporate pension schemes, wealth managers, charities and endowments.

Our ambition is to be a leading global investor, innovating to solve complex challenges for our clients using the power of L&G. We offer differentiated investment strategies that reflect our expertise, performance and the convictions we share with our clients.

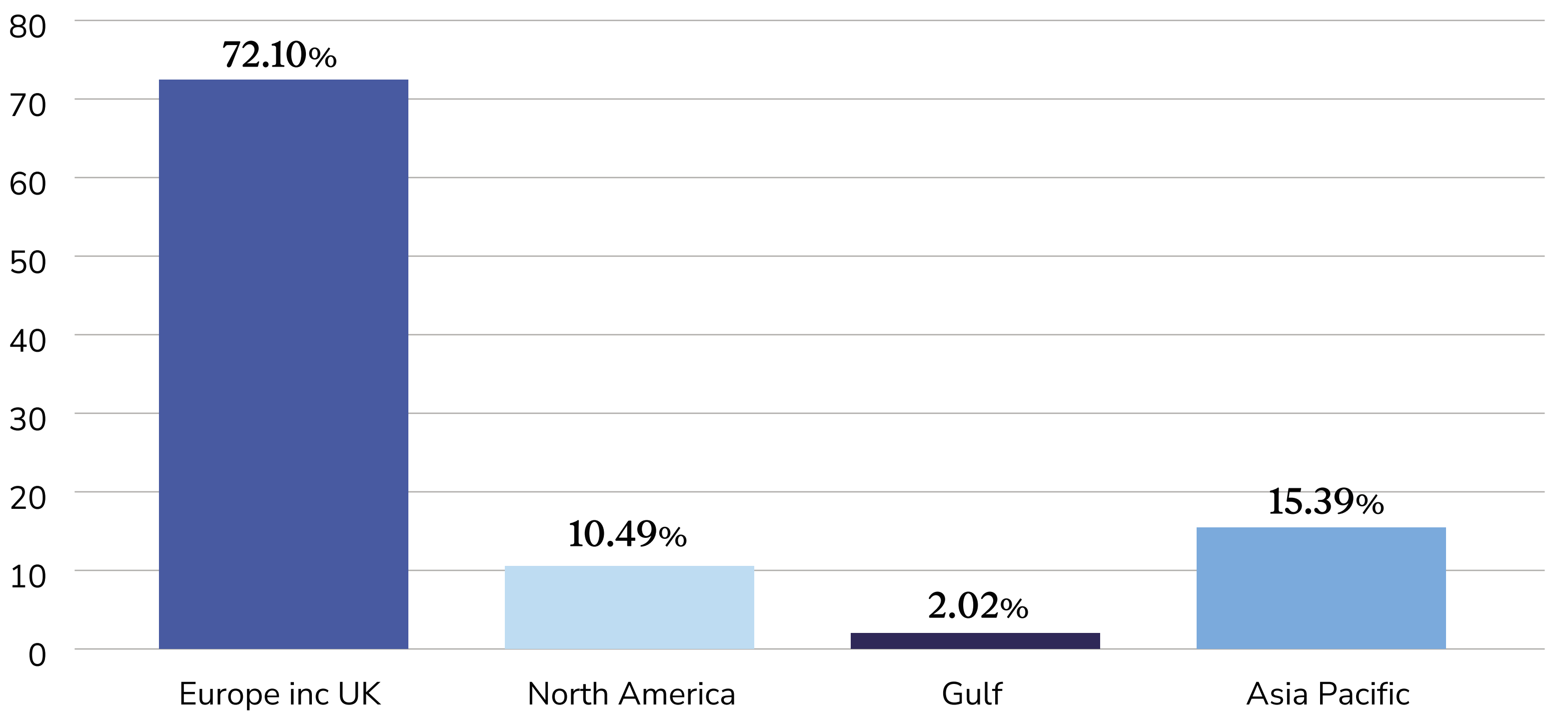
We are present where our clients most need us – from Tokyo, Hong Kong and Singapore to London and other major European financial hubs, to Chicago. Our investment philosophy and processes are focused on creating value over our clients' investment horizons. We believe that incorporating financially material sustainability criteria, when relevant to our clients, can generate value and drive positive change. This reflects L&G's purpose: 'Investing for the long term. Our futures depend on it.'

We provide investment solutions from index-tracking and active funds to liquidity and liability-based risk management strategies. Through our private markets business, we harness our rich heritage and extensive network of partners to offer access to a wide range of purposeful investment opportunities, including specialist real estate, clean energy, infrastructure, unlisted equities and private credit.

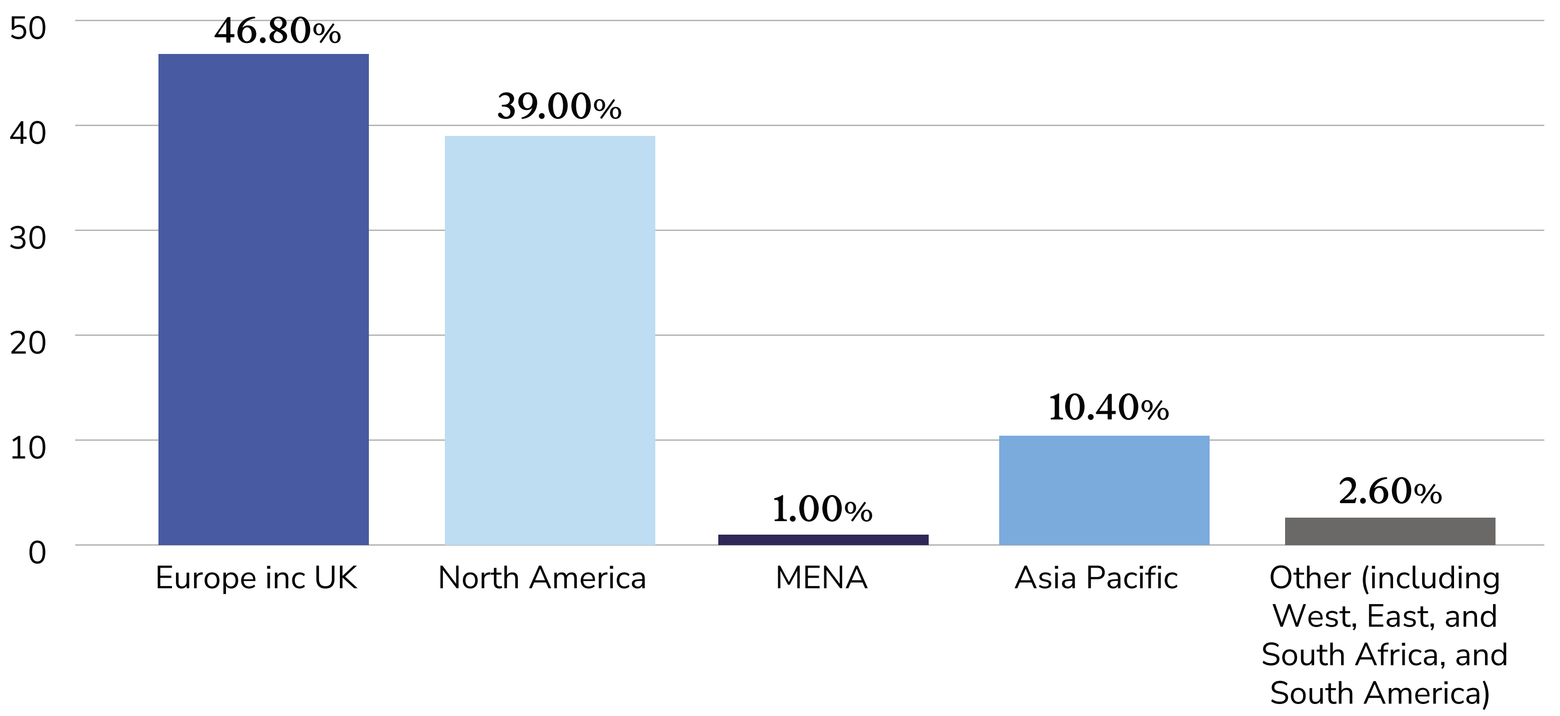
By combining deep expertise in asset management and origination with global distribution capabilities, we work with L&G's Institutional Retirement and Retail businesses to benefit our clients and customers, with the aim of delivering enhanced shareholder returns.

Who we are:

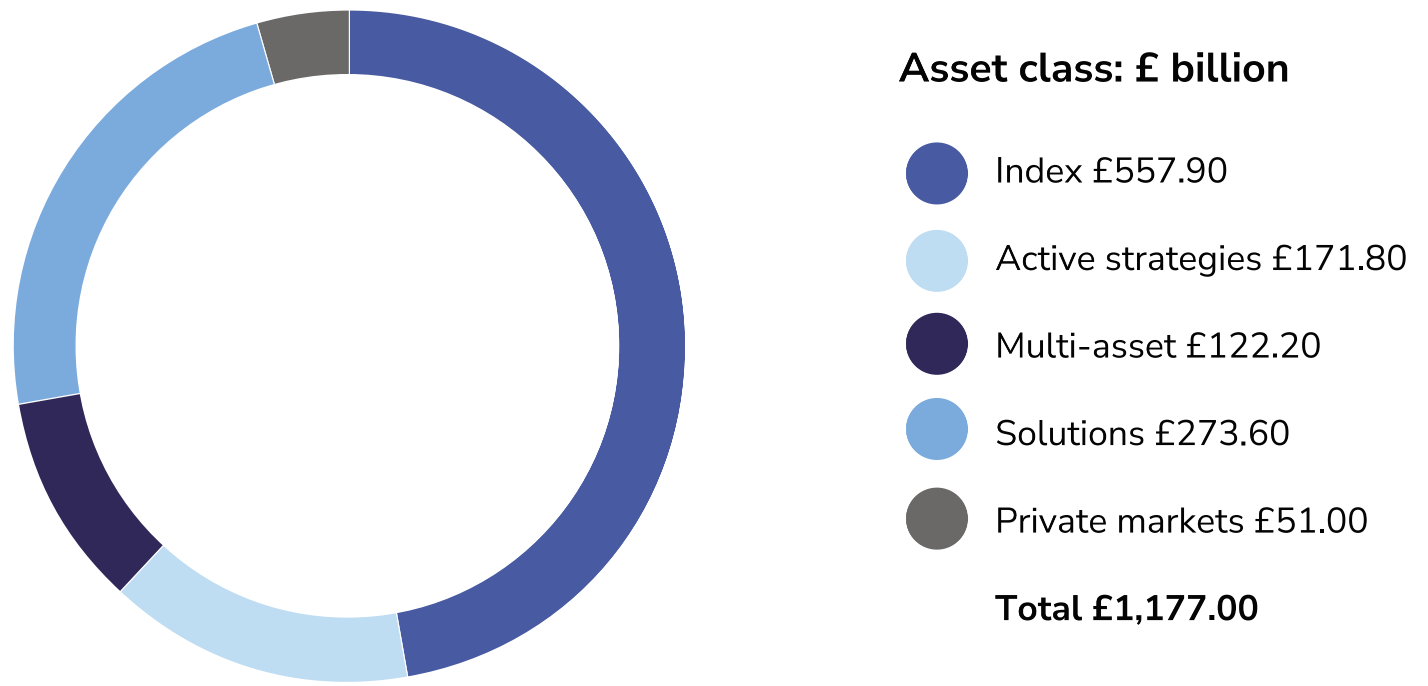
1. Client domicile: Regional breakdown



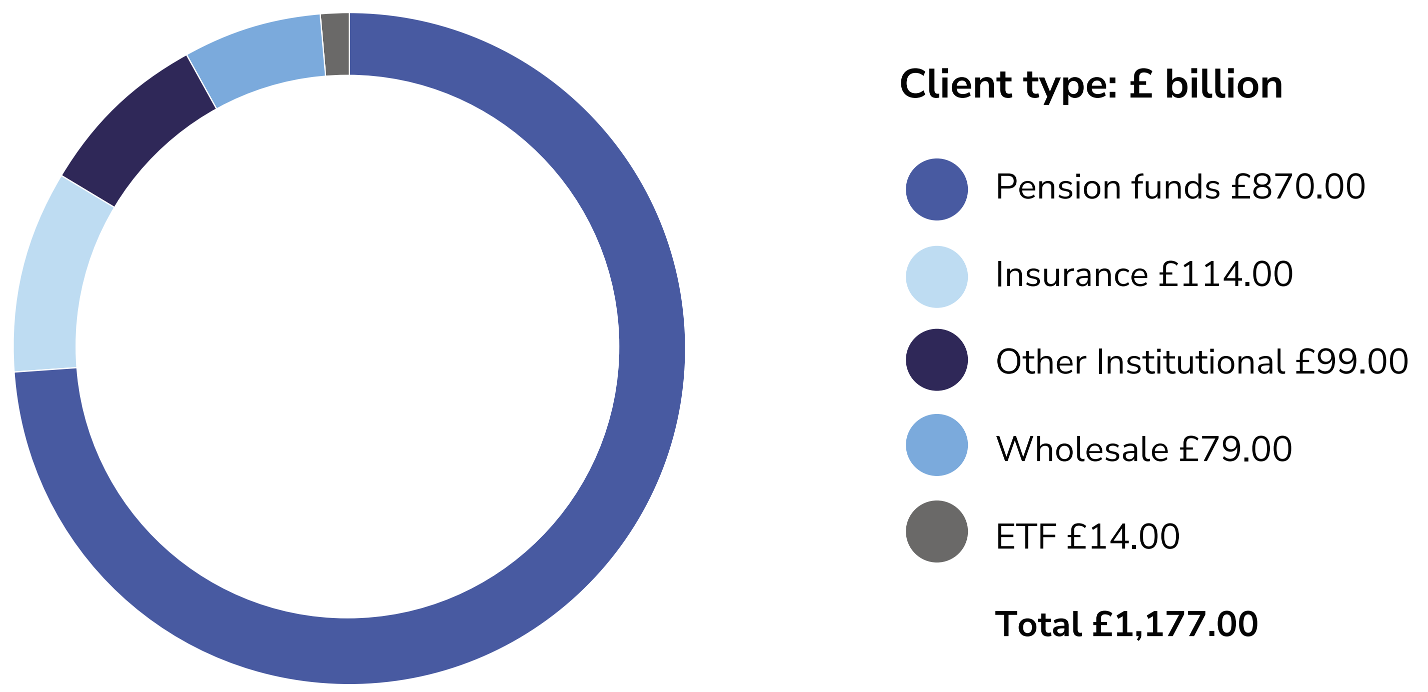
2. Assets under management: Regional breakdown



3. The assets we manage



4. Our clients



Global AUM as of December 31, 2025. Assets tallied biannually. "Global AUM" aggregates the assets managed by Legal & General Investment Management Ltd. ("LGIM"), Legal & General Investment Management America, Inc. ("LGIMA"), Legal & General Investment Management Asia Limited ("LGIM Asia") and LGIM Singapore Pte. Ltd. ("LGIM Singapore"). The AUM includes the value of securities and derivatives positions. AUM figures converted using the spot rate at the relevant date. 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

11. L&G, global AUM as at 31 December 2025. Excludes assets managed by associates (Pemberton, NTR, BTR). The AUM includes the value of securities and derivatives positions and may not total due to rounding.

Our commitment to responsible investment

Our investment stewardship focus

We aspire to drive long-term value for our clients, by addressing financially material and 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.

Partnering with investee companies and holding them to account:
Through meaningful engagement, we work collaboratively with investee companies that we believe can drive sustainable, long-term returns for our clients. Should meaningful progress not be realised, we hold companies accountable.

Creating sustainable value:
Through investment stewardship engagement with companies, regulators and policymakers, we aim to drive long-term value preservation and creation, to incorporate financially material sustainability considerations into investment decisions where applicable, and to support long-term returns for our clients.

Promoting market resilience:
The decisions that companies make today will impact our 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 their 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.

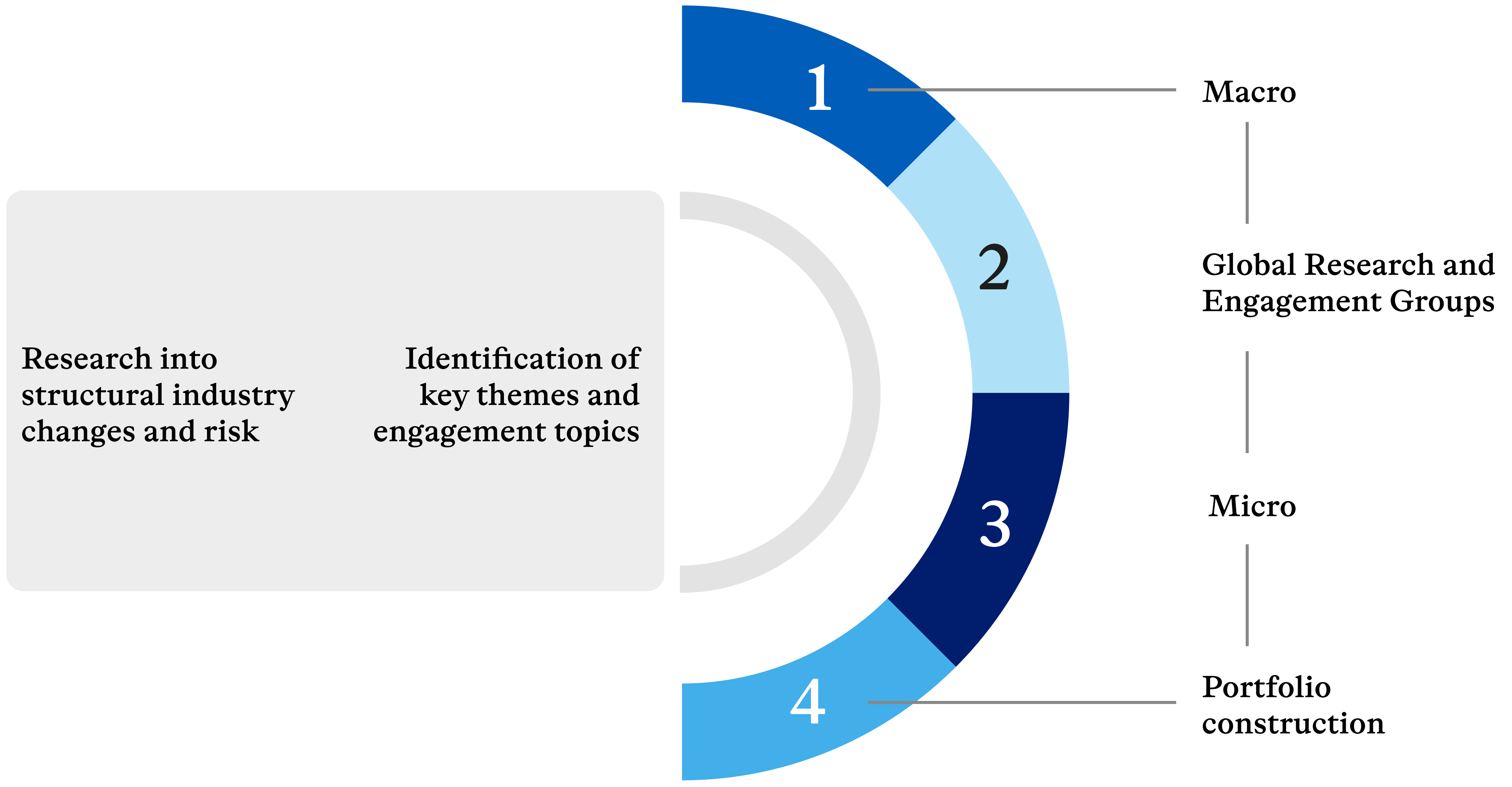
Our core investment beliefs

We are a universal owner on behalf of our clients, holding a £1,177bn portion of the global economy,[12] of which £496bn of assets are in responsible investment strategies.[13] We believe:

- Responsible investing is essential to creating long-term value by looking to mitigate risks and seek opportunities, aiming to drive positive change for the future of markets and economies.
- When we make investments, we research relevant environmental, governance and societal issues.
- Environmental, social and governance (ESG) factors can be financially material over the longer term and many pose systemic risks, albeit not all to the same degree. Different sectors and different companies will have different exposures to these risks, and to corresponding opportunities. Patience is required, because of the long-term horizons over which progress on sustainability factors unfolds.
- Transparency, engagement and the ability to escalate enable us to drive progress towards delivering long-term, systemic change on a global scale.

Our Global Research and Engagement Groups

Active investment approach



12. L&G, global AUM as at 31 December 2025. Excludes assets managed by associates (Pemberton, NTR, BTR). The AUM includes the value of securities and derivatives positions and may not total due to rounding.
13. 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.

Our commitment to responsible investment (continued)

What does this mean in practice?

We see responsible investing as the incorporation of financially material ESG 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. To this end, in 2019 we established an integrated approach across both public and private assets, based on investment stewardship and collaborative research undertaken by the GREGs.

There are three key stages to our overall responsible investment process:

1. Research: Through rigorous analysis, we seek to identify key ESG issues, which we consider as part of our investment processes, strategies, and solutions, where relevant. Our responsible investing approach incorporates financially relevant sustainability characteristics into investment decisions, where consistent with the achievement of investment objectives. We recognise that by adopting a sustainability focus, there can be opportunities for material financial benefits, in addition to sustainability risk mitigation. We aspire to safeguard and drive long-term value for our clients, by addressing financially material and systemic risks and opportunities.

2. Engagement: We engage with companies and occupiers on these issues. We work with policymakers, regulators, industry peers and other stakeholders so, together, we can take transformative steps to tackle systemic market issues. Our 'universal ownership' approach to investment stewardship means that we use corporate and asset-level engagement, as well as policy and industry dialogue, with the aim to drive long-term value creation and encourage more sustainable, long-term practices from companies and assets that we operate.

3. Outcomes: We are committed to embedding sustainability considerations across asset classes and management styles because we believe that incorporating financially material sustainability criteria, where relevant to our clients, can create long-term value and drive positive real-world change. When necessary, we will escalate our engagement activity via stewardship tools to urge companies that fail to demonstrate progress.

14. https://unglobalcompact.org/what-is-gc/mission/principle

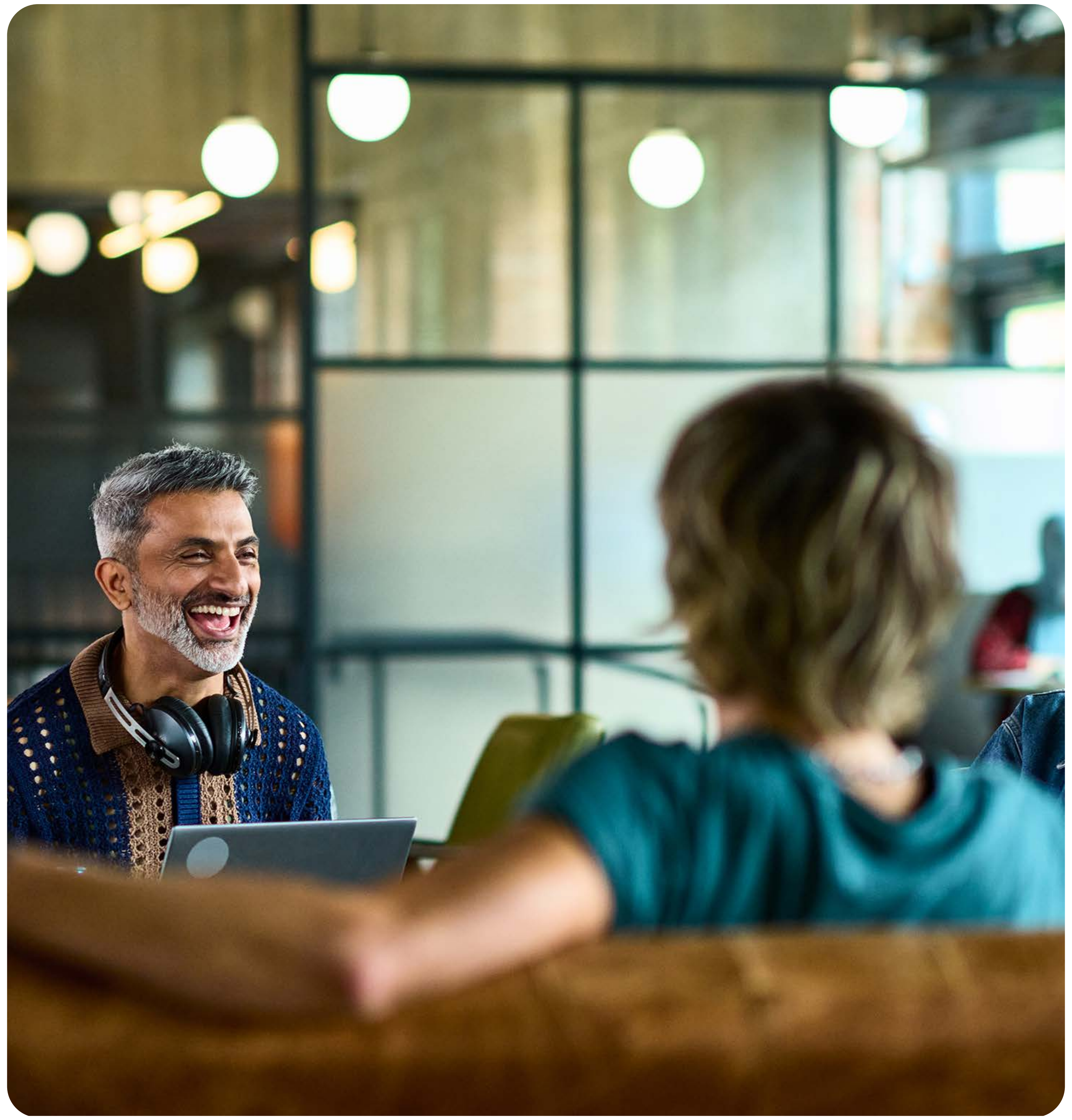
Targeted exclusions and divestments

As a universal owner, we prioritise engagement over divestment. Nevertheless, certain fund ranges and strategies will adopt exclusions for companies falling short of established global principles.

For example, the L&G Future World Protection List ('FWPL') is a key L&G exclusion list comprising companies that fail to meet either globally accepted principles of business practice, or whose operations are incompatible with a low-carbon transition. Specifically, the FWPL captures companies that are:

- Perennial violators of the United Nations Global Compact, companies assessed as being in direct violation of one or more principles for 36 months or more
- Involved in the manufacture and production of controversial weapons, including anti-personnel landmines, cluster munitions, biological and chemical weapons[14]
- Involved in the mining and extraction of thermal coal, thermal coal power generation and oil sands – generating 20% or more of revenues from the first two activities, or 5% from the latter
- Planning to develop new large-scale coal-fired power plants with a capacity of at least 100 megawatts
- Planning to develop new coal mines, extending their existing mines by applying for new permits and/or being involved in coal exploration activities

Additionally, some strategies exclude companies that have failed to make progress on our minimum expectations on climate change, under our Climate Impact Pledge.



Our commitment to responsible investment (continued)

A nuanced approach to different asset classes

Our approach to responsible investing considers the nuances of the different asset classes, and investment styles, in which we manage money for our clients.

Index strategies: As a universal owner we engage with investee companies across our global portfolio on sustainability matters, and we have developed index solutions that aim to deliver specific responsible investment related outcomes. Where sustainability risks are specifically integrated into certain strategies, we deploy tools including selection, 'tilting'[15], and exclusions based on criteria provided from our proprietary sustainability scoring methodology for equity and fixed income indices. The tool's rules-based scoring considers market-wide sustainability issues that are used in certain index strategies to assess companies in line with our stewardship expectations on ESG factors.

Active strategies: We deploy proprietary capabilities, including the Active ESG View, to evaluate material factors as part of our research, portfolio construction and security selection process. The extent to which we consider ESG factors depends on a specific portfolio's objectives and policies. Our active strategies include the Climate Action strategy. Our Climate Action strategy is an engagement-led approach that goes beyond exclusions and investing in green leaders, instead targeting companies with the greatest climate impact and working with them to drive meaningful, real-world decarbonisation.

Multi-asset: We integrate responsible investing insights into our strategic and tactical asset allocation frameworks, to inform decision-making on financially material aspects. In addition, we assess how third-party managers embed ESG considerations at the firm and product level.

Solutions: We integrate financially material ESG considerations in portfolios, including all Buy and Maintain credit mandates, utilising the Active ESG View tool. We also manage mandates which incorporate specific climate objectives.

Private credit: As long-term debt investors, we focus on evaluating ESG-related risks, including identifying and strengthening the areas where we can have most impact, including our pre-investment assessment processes and our approach to engagement throughout the investment lifecycle. Where possible, we engage with borrowers to increase disclosure terms and help drive more positive outcomes, which can include structuring transactions to seek to minimise sustainability risks that may have relevance to financial returns and incorporate regular sustainability reporting.

Real estate: Sustainability is integrated across our real estate investment equity process, to aim for the realisation of sustainability opportunities and the effective management of key sustainability risks. Sustainability considerations are embedded across the due diligence and acquisition phase, as well as for existing assets. Existing assets are managed using asset sustainability plans, which detail and prioritise measures to improve their environmental and social footprint and manage risks, such as those related to climate change.

Infrastructure equity: We believe that effective management of sustainability-related risks will support improved quality and resilience of infrastructure assets, while also supporting the growing demand and opportunity for sustainable infrastructure to address critical global issues such as climate change. As such, sustainability considerations are embedded into our investment approach, and we utilise asset-type specific ESG assessment checklists to review key sustainability-related criteria against our expectations pre-investment. Performance is then monitored post-investment, which is used to support ongoing engagement.

15. Our 'tilting' approach allocates more capital to companies with higher ESG scores and less to companies with poor ESG scores, which we believe provides a compelling blend of impact, transparency, and market exposure.

Our commitment to responsible investment (continued)

Responsible investment framework

Responsible investing plays an integral role in L&G's strategy, and we have partnered with our clients to develop a range of innovative responsible investment strategies across a variety of asset classes.

We have implemented a comprehensive responsible investment framework to outline how we align strategies towards clear, consistent, and demonstrable sustainability objectives that aim to drive long-term value creation and address real-world needs. The framework is summarised below.[16] We continue to refine this framework to keep it relevant in a rapidly evolving market. In 2025, key updates included:

1. **Integration of private markets into scope:** This aims to ensure consistency in the classification of strategies across both public and private market products. Additional guidance on applying the responsible investment framework vertical to private markets strategies was introduced.

2. **Alignment with the latest regulatory developments:** The framework was updated to include the latest European Securities and Markets Authority (ESMA) fund-naming guidelines as well as updated guidance to support alignment with EU Sustainable Financial Disclosure Regime (SFDR) and UK Sustainability Disclosure Requirements (SDR) requirements.

Additionally, in 2025 we saw continued development of our RI capabilities. Key updates include:

1. **Sustainable Development Goals (SDG) framework:** The SDG framework was first launched in 2021, and we have seen a significant evolution in the sustainable finance landscape, including increased company disclosure and market wide regulation. In the past year, we updated our proprietary framework to add a new data source to our company activity assessments and updated our activity thresholds. In our view, these changes enhance the credibility of our framework to determine alignment or misalignment with the outcomes targeted in the SDGs.

2. **Sustainable Bond Framework:** In 2025, we continued to advance our responsible investment capabilities through the development of our proprietary Sustainable Bonds Framework and assessment process. To accelerate this work, the remit of our recently appointed Sustainable Finance Lead will include advancing the design and implementation of the framework and supporting its integration into our investment processes.

In 2025 we expanded our product range, with 32% of new products having sustainability considerations, of which 24% are aligned to net zero.[17]

	ESG core	Sustainable investing incorporating ESG objectives		Outcome-driven investing incorporating real-world impact	
		Alignment	Focus	Action	Impact
Client objectives	Invest in **broad** asset universe ESG profile meets investors' baseline standards	Invest in **broad** asset universe Target improved alignment with ESG objective over time	Invest in **subset** of assets with: Strong sustainability credentials, or Aligned with specific sustainability themes	Invest in **subset** of assets with **potential** for action to improve sustainability profile over time Through deep **engagement** and asset management	Invest in **subset** of assets which have a real-world impact Through investor contribution: financial and/ or asset management
Sustainability approach	Managed with reference to ESG targets, exclusions and/or integration	Target improvement of portfolio ESG metrics over time, and targeted engagement on a subset of the portfolio	L&G-defined 'Sustainable Investments': aligned to a theme or sustainability standards	Target improvement of asset-level sustainability metrics over time driven by engagement or asset management	Target asset-level and portfolio real-world outcomes with investee and investor contributions
Our ESG foundation	Active ownership, engagement, and firm-wide exclusions				

16. The scope of our Responsible Investment Framework is all public markets and private markets pooled funds domiciled in or widely distributed by L&G's Asset Management business in the UK and Europe. Therefore, it is not applicable to segregated mandates, funds domiciled outside of the UK and Europe, or funds designed to specific client requirements that are not intended for broad distribution.
17. Asset Management's threshold for categorising a mandate or a fund as sustainable requires that the portfolio or client mandate includes a deliberate and positive expression of responsible investing characteristics which must be directly referenced in the documentation governing the investment vehicle or client's mandate.

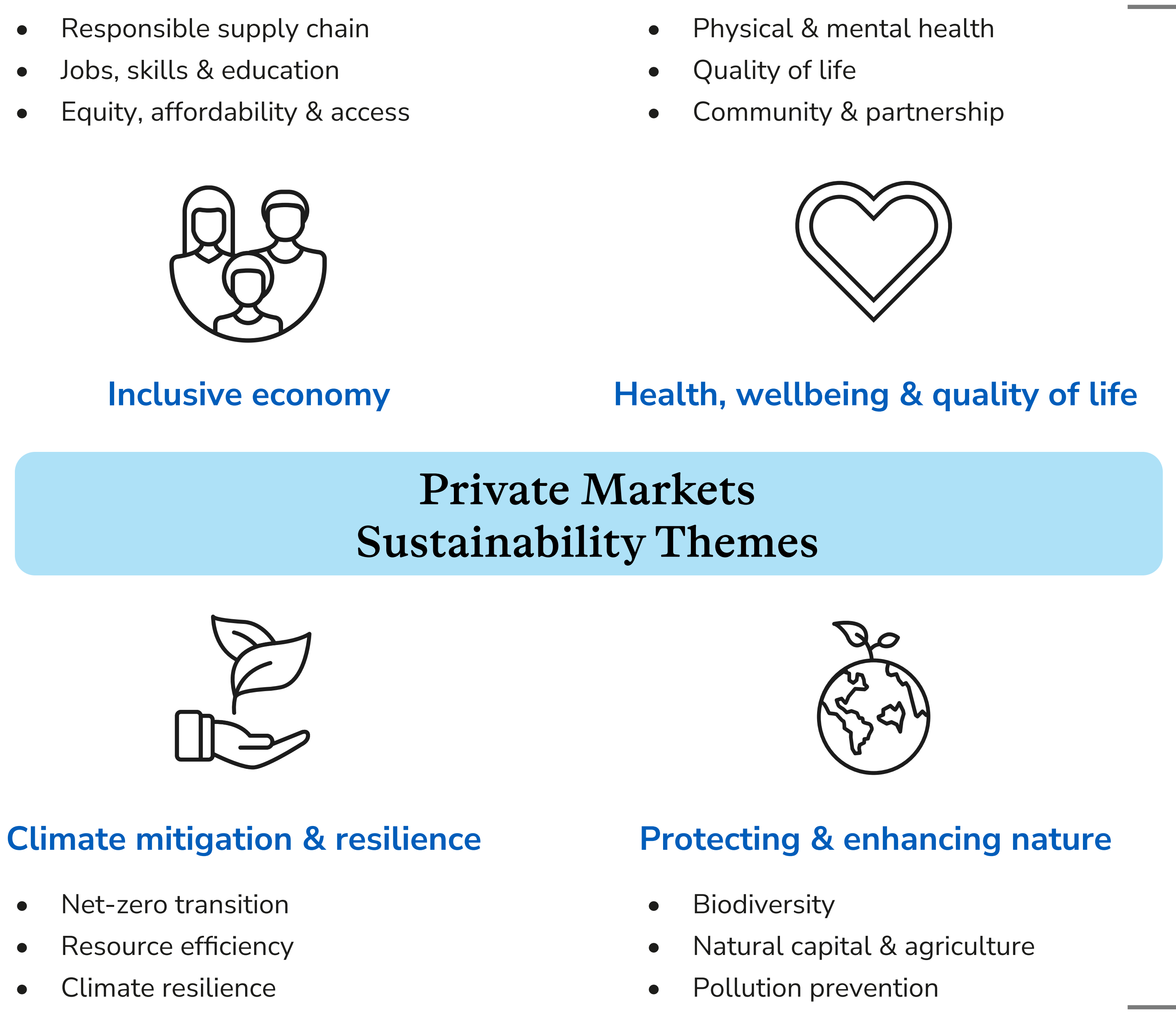
Our commitment to responsible investment (continued)

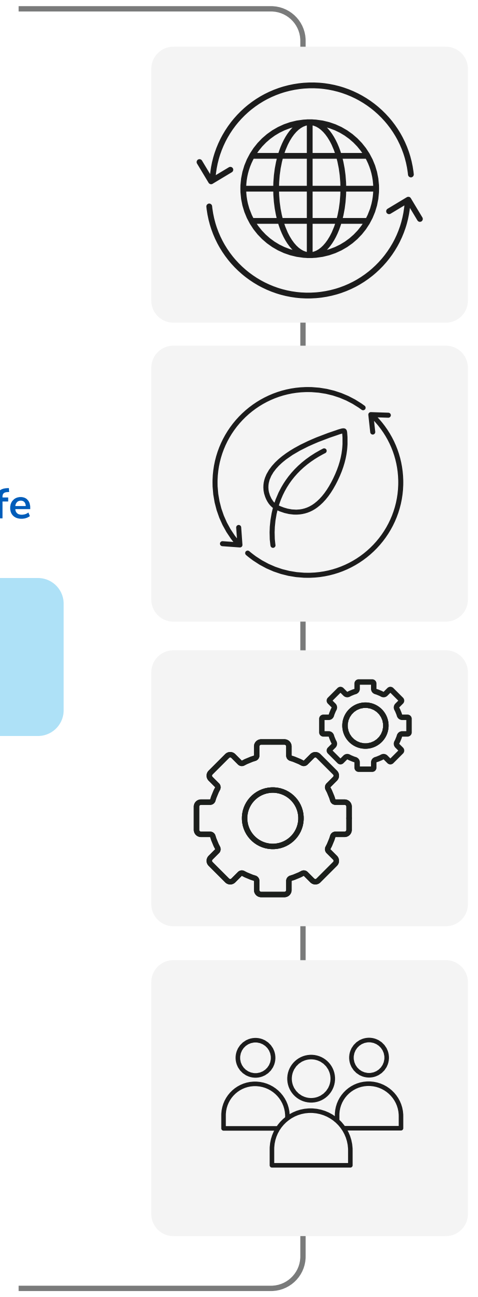
Responsible investment in private markets

In private markets, we aim to drive long-term investment value and resilience across all asset classes, using our sustainability framework to help to identify, generate and measure tangible social and environmental outcomes. This framework centres our approach on four key material themes: an inclusive economy; health, wellbeing and quality of life; climate mitigation and resilience; and the protection and enhancement of nature.

In support of this, we are progressing towards our commitments to achieve net zero carbon by 2050 or sooner for real estate assets. Initiatives such as the Integrated Energy Solutions framework helps to deliver a holistic approach to on-site renewable energy generation and forms a key part of our roadmap. By the end of 2025 there were 63 assets with on-site renewables installed. We have also actively contributed towards the development of the UK Net Zero Carbon Building Standard through working groups and pilot studies. We believe this will be a vital tool in supporting decarbonisation across the real estate sector when launched in 2026.

Our residential assets and subsidiary housing businesses are continuing their journey towards our commitment to delivering new homes able to operate at net zero carbon by 2030. The Affordable Homes Programme and Single Family Rental businesses, which are targeting a staged phase-out of gas from their acquisitions, transacted 68% and 100% of gas free homes in 2025. We are also updating our requirements for new developments and major refurbishments to align with the emerging UK Net Zero Carbon Buildings Standard.





Four core pillars from an interconnected and integrated ecosystem around which our responsible investment and sustainability approach is based

Sustainability factors are integrated into investment and risk management processes

Identifying sustainable investments opportunities and contributing to stronger long term asset value and resilience

Working collaboratively across L&G and with our external partners, aiming to deliver improved social and environmental outcomes

We recognise the significant interactions between the real estate value chain and nature. To help manage related risks and opportunities, we partnered with ecology consultants to develop a biodiversity strategy for its extensive portfolio of UK industrial estates. Initial benchmarking has provided estimates of current biodiversity and identified improvement opportunities for over 40 sites. We have also established a place-based social impact toolkit, which has facilitated the development of fund and asset level social impact strategies across our real estate portfolios, delivering intentional, additional, and attributable outcomes.

Through our infrastructure investments, we aim to invest in solutions that support the energy transition, such as through our clean energy strategy that supports Europe's decarbonisation and energy security. We have also developed a new due diligence assessment tool for digital infrastructure assets which assesses material ESG factors for new acquisitions against industry best practice and enables us to identify risks and areas for further engagement and improvement opportunities with investee companies.

Across our private credit business, engagement with borrowers on ESG forms a key part of the investment process. Pre-investment, we look to incorporate ESG considerations into transaction structures where possible; this includes the development of sustainability-linked, green or social use-of-proceeds loan structures, and incorporates ESG reporting covenants. Post-investment engagement supports ongoing monitoring and assessment of ESG-related risks and key performance indicators (KPIs). We have integrated ESG-linked credentials into investments totalling over £1.1bn across real estate, higher education, infrastructure and corporate sectors as of year-end 2025. We are also continuing to invest in sustainable financing opportunities in emerging markets, with a total commitment of £860m supporting nature conservation and sustainable development.

This includes the Nature and Social Outcomes (NASO) strategy, launched in March 2025, which targets attractive risk-adjusted returns by investing in emerging market projects with measurable nature and social impact.[18]

18. L&G's total commitment to nature conservation and sustainable development in emerging markets hits over $1bn with launch of Nature and Social Outcomes strategy | Legal & General Group

Governance of responsible investment

Governance of responsible investment and stewardship

L&G’s Asset Management business’ governance structure is aimed at ensuring rigour and accountability, as well as enabling us to continue to meet the highest standards of oversight for our clients' investments and our own commitments. Responsible investment activity is actively overseen by our Executive Committee, as well as a specific board-level Investment Stewardship Committee, which is chaired by an independent non-executive director of the L&G Asset Management Board.

The governance structure is summarised below, showing how responsible investment governance sub-forums report into the firm-wide governance structures. There are also a number of informal groups that provide for dynamic and responsive forums to support the ongoing development and oversight of our responsible investment capabilities and activities.

As at 31 December 2025.

Governance of responsible investment (continued)

Stewardship conflicts management

Embedding responsible investment activity into our formal governance enables us to identify, mitigate or manage potential and actual conflicts of interests. In our approach to responsible investing in general, and to voting and engagement in particular, we aim to act in a manner consistent with the best interests of all our clients.

As a result, our Investment Stewardship team publicly sets out our approach to conflicts of interest covering, among other things:

- **Our listed parent company:** reputational conflicts, commercial relationships, seeking to influence corporate governance activities
- **Our clients:** corporate sponsored pension schemes associated with portfolio companies, conflicts between client resource allocation
- **Internal conflicts:** differing investment strategies and interests between asset classes, listed group products and significant investments, differing views between portfolio managers and the Investment Stewardship team
- **Portfolio companies:** commercially and price-sensitive information, direct competitors, common cross-directorships, personal contacts and connections

We publicly disclose a number of the structures and processes to avoid potential conflicts, to reduce the risk of a conflict arising, and to manage and mitigate the impact of such conflicts where they do arise.

The Investment Stewardship team retains an appropriate degree of independence through robust escalation mechanisms and clearly defined responsibilities.

Policies governing our approach

Underpinning our responsible investment and stewardship approach and activities are a range of policies and processes. We believe that transparency is critical for investee companies, clients and other interested parties to be able to hold us to account. As such, our website provides an updated list of all our public policies. Our policies are fully compliant with the Shareholder Rights Directive II. This report contains a summary of policies material to our stewardship activities, alongside any changes to these over the course of the reporting year.

Our policies are subject to rigorous internal oversight, in accordance with the governance structure summarised above. All policies are approved by the L&G Asset Management Executive Committee, ensuring the highest standard of supervision, and facilitate a firmwide approach to our responsible investment and stewardship activities. The Investment Stewardship Committee provides oversight on the application of those policies, meeting at least quarterly. The committee additionally has oversight of material changes to policies impacting our voting and engagement activities.

Our policies, alongside public documents setting our approach and frameworks to responsible investment and stewardship, are reviewed on a regular basis for updates. Our voting decisions are guided by policies that are researched and fine-tuned every year. They incorporate specific market policies that allow local nuances to align with best practices.

Client and stakeholder feedback

An important aspect of the development and review of investment stewardship related policies is client and stakeholder feedback. A number of processes are in place to ensure feedback is embedded into policy decisions related to engagement topics, engagement frameworks and for voting stances, to ensure we remain aligned and consistent.

Such feedback from clients and stakeholders is gathered in a number of ways, including our own convened roundtables, webinars, internal and external survey results, letters or other communication, and direct meetings with our clients and stakeholders.

Additionally, we work with fintech firm Tumelo† to run client feedback loops that have been gradually expanded to cover a broader segment of our client base. The aim of this approach is to better understand the alignment of our engagement topics and resulting voting stance with the voting preferences of our clients. A significant number of end members of our UK clients' corporate pension plans undertake regular elections on their intentions on certain high-profile votes at global company meetings. This provides insight on topics that matter most to end members.

Resourcing of responsible investment

Responsible investment capabilities

Within the broader resources allocated to responsible investment, there are 60 employees with roles dedicated exclusively to responsible investment activity. This includes leadership positions and accountable employees across Investment Stewardship, Investments, Distribution and Product teams.[19]

Our personnel have diverse experience and expertise across stewardship and responsible investment, resulting in a strong and cohesive set of professionals with complementary skills and experience.

Responsible investment

- Investment Stewardship
- Responsible Investment Strategy
- Responsible Investment Capabilities
- Responsible Investment Research & Quantitative
- Climate Solutions
- Private Markets Responsible Investment & Sustainability

As at 31 December 2025.

Broad experience across our Investment Stewardship team

The Stewardship team comprised 21 professionals with an average of 11.9[20] years of experience in areas including responsible investment, investment stewardship, accounting and audit, impact investment, and public policy. The team includes sector specialists and experts on themes, such as nature and climate change, diversity, and governance. It covers many geographies, including both emerging and developed markets, and has a global remit, with members in the UK, the US, Japan and Singapore.

From January 2025 we have seconded a London-based member of the team to Japan to add to our presence in this market. Our diverse team members represent 10 nationalities and speak 15 different languages. In our view, this makes the team well positioned to keep abreast of the latest policy, regulatory and industry developments globally and in local markets.

In 2025, we brought together our Investment Stewardship and Investment teams under the leadership of our Global Chief Investment Officer, with Amelia Tan appointed Head of Responsible Investment & Stewardship.
At the time of publication of this report, Emiel van den Heiligenberg, has been appointed Global CIO.

19. As of 31 December 2025.
20. As of 31 December 2025.

Resourcing of responsible investment (continued)

Responsible investment training

In line with our overall approach to responsible investment integration, we seek to ensure that responsible investing forms part of the culture across L&G's Asset Management business and is reflected in everyday business conduct.

- **The ESG Academy**
  Our ESG Academy partners with the United Nations Principles for Responsible Investment (UNPRI), providing education to employees on how their job relates to and interacts with our purpose and activities as a responsible investor.

  Located on our internal personal-development platform, the Academy consists of a wide range of learning resources and training videos delivered by internal and external subject-matter experts. For those interested in further exploring such themes, the UNPRI Academy and the Chartered Financial Analyst (CFA) Institute's ESG Investing and Climate Risk Evaluation and Investing courses form part of our professional development programmes.

- **Responsible investing graduate programme**
  Our Investment Stewardship team forms a core part of our apprentice, internship and graduate programmes, educating those in their early careers about responsible investment and our approach. In 2024, we launched a separate, dedicated responsible investing graduate programme. Through a structure of three rotations spanning eight months each, graduates develop a holistic overview of key aspects of responsible and sustainable investing.

Incentivising outcome-oriented engagement

Across L&G's Asset Management business, the core metrics that inform employees' annual compensation reflect our culture and other sustainability-related factors, such as diversity and inclusion. Responsible investing is also embedded in the objectives of our investment teams. These cover contributions to our investment process – for example, within the GREGs – so form a particularly significant weighting within research functions.

While we measure our engagement with companies and other market participants and seek to quantify outcomes, individuals are not remunerated based on their total number of engagements. We prefer to focus on the quality of engagement, consistent messaging of our key engagement topics, measurement of engagement progress (or lack thereof) against any key metrics and improving the general level of communication.

Key performance indicators (KPIs) related to meeting our climate commitments has been introduced for all members of our Executive Committee.

Inclusion and Wellbeing at L&G

This shapes how we think, how we act, and how we create lasting impact for our clients, customers, shareholders and society. We are committed to running our business in a responsible way and this influences our Inclusion and Wellbeing (I&W) strategy, which is about fostering a dynamic, multi-faceted and thriving workforce. Bringing together colleagues from different lived experiences and with different ways of thinking enables us to build an inclusive culture, strengthen our teams, and enrich our insights into client needs and investment strategies. Our approach to I&W is broad and multidimensional and inspired by the desire to drive change.

We are part of the Diversity Project Pathway Programme, which is designed to develop female portfolio managers and traders through a structured series of development opportunities, networking and coaching.

We are also a participant in the Diversity Project's Talk About Black programme, EnCircle, and have partnerships with Women in Banking & Finance, Women in Data, Black Women in Asset Management, a menopause organisation called Henpicked, Progress Together, the Group for Autism, Insurance, Investment and Neurodiversity (GAIN), the Business Disability Forum (BDF) and LGBT Great. We have also played an active role in the governance and activities of Investment 20/20, an organisation focused on creating a more diverse and inclusive investment industry.

L&G Group has also achieved the gold standard for the Investment Industry Benchmark Tracker (iiBT) for evaluating organisational LGBT+ inclusion maturity for 2024 and in 2025 reached 'Exemplary Employer' status from the Investing in Ethnicity Matrix for the second-year running. We are also recognised as a Level 2 Carer Confident employer, demonstrating our commitment to supporting colleagues with caring responsibilities.

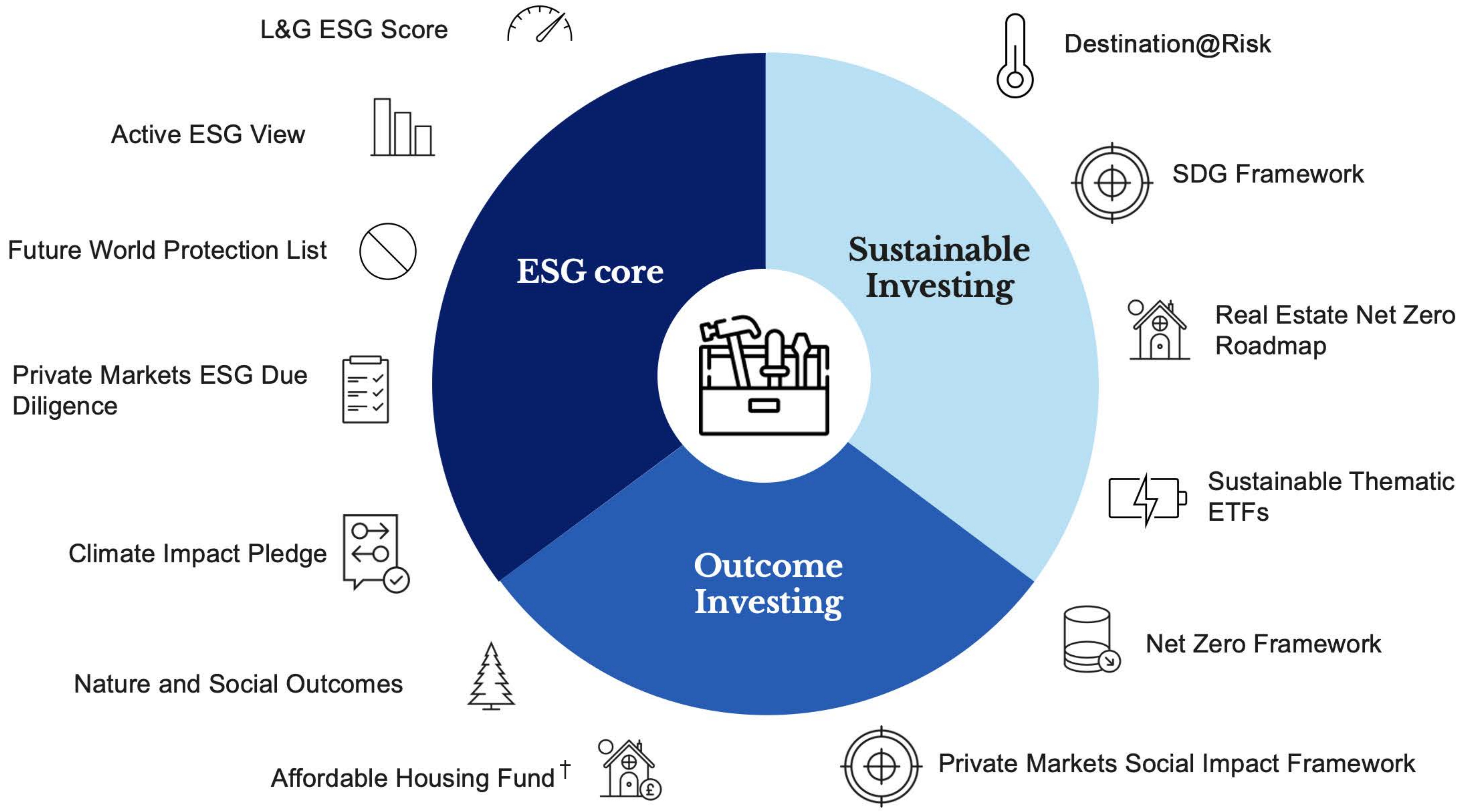
Data and technology

Data and technology

We utilise a range of responsible investment methodologies, systems, data and technology across asset classes and fund types as part of our overall responsible investment toolkit. These combine to deliver tailored solutions for our clients and to integrate responsible investment considerations across the full spectrum of our investment activities, where applicable.

Our Responsible Investment Toolkit

We utilise a range of RI-related methodologies across asset classes and fund types as part of our overall toolkit. These combine to deliver tailored solutions for our clients and used to integrate RI considerations across the full spectrum of our RI Framework.



Data and technology (continued)

Climate solutions – L&G Destination@Risk

L&G Destination@Risk is a proprietary toolkit developed to assess climate-related risk for our investments. It allows us to explore a range of possible climate futures and examine their company, sector and portfolio-level financial implications as well as our investments' alignment with net zero outcomes. The toolkit consists of four modules, allowing us to answer the questions that we believe investors should be asking:

- **Scenarios:** What might different climate outcomes mean for the economy?
- **Climate risk:** To which climate-related risks might my portfolio be exposed?
- **Temperature alignment:** What global warming scenario is my portfolio aligned with?
- **Gap risk to net zero:** How far away from net zero 2050 are the greenhouse gas (GHG) emissions associated with my portfolio?

Active ESG View

Active ESG View is a proprietary research tool that brings together key sustainability data and insights to help investment teams assess ESG risks and opportunities. It combines quantitative metrics, qualitative research and forward-looking analysis at both company and portfolio level. Different modules support the investment process, including Active ESG View score focused on the financial materiality of ESG risks, and SDG scores that assess alignment with the UN Sustainable Development Goals. Visual dashboards and the Portfolio Viewer help teams understand ESG themes and identify areas of potential risk or impact across portfolios.

L&G ESG score

The L&G ESG score is a proprietary, externally published, rules-based ESG assessment designed to drive tangible improvements in corporate behaviour. It translates a company's performance on 32 environmental, social, governance and transparency indicators into a clear score from 0 to 100. The score serves two main purposes: identifying where companies fall short of L&G's minimum global standards and motivating targeted engagement to raise those standards over time. The score is refreshed twice yearly, enabling regular monitoring of improvements or deterioration. Individual company scores are published on our website: L&G ESG score.

Data quality and integration:

We take care to ensure our ESG data is as accurate and reliable as possible. Our dedicated ESG data team oversee the production of the metrics used across our investment processes and client reporting.

Before we introduce any new ESG metric, the team checks that it meets Asset Management requirements and implements processes to safeguard reliability. We also run daily checks to confirm that incoming data meets our standards for accuracy and consistency and that data pipelines are working as expected. If issues arise, we follow a structured process to manage and resolve them promptly. At each month end, we complete additional reviews to confirm full data coverage at the fund level and to identify any unusual results before information is used within the business or for client reporting.

Our use of AI

When considering artificial intelligence (AI) capabilities, in addition to using existing risk frameworks and committees, we have established a Group-wide AI governance forum to share best practice and peer review use cases. We have guardrails in place for the adoption and use of AI capabilities covering aspects such as security, risk, compliance, legal and ethical considerations. Additionally, within Responsible Investment and Stewardship, productivity research tools within Microsoft 365 Copilot are being used, with regular bespoke AI training being run for the team by the Responsible Investment Integration and Strategy team.

Engagement record-keeping systems:

We have a customised installation of Salesforce, which acts as a dedicated data management system to support the Investment Stewardship team's work. Company interactions and engagements are logged in the system. The Salesforce system is used for our reporting purposes and allows management to oversee the progress of engagement activities. It provides a clear audit trail of the engagement process and allows us to record our engagement objectives, and when we have been successful in meeting those objectives.

Voting policies and processes

Voting policies and processes:

Voting process:
Voting is a fundamental engagement tool used by investors to signal support for, or concern with, management actions, so that we may promote good corporate governance in the marketplace. The Investment Stewardship team exercises our voting rights globally, holding directors and companies to account.

We vote with one voice on all shares for which we have the authority to do so. Where there are no legal or practical impediments, we vote on our clients' investments across developed and emerging markets globally.

While L&G's Asset Management business has a high proportion of equity investments in index strategies, this does not absolve us from making voting decisions; in fact, it makes informed voting on key topics more important and underlies our universal owner approach to improving the market. With this in mind, we aim to keep abstentions to a minimum.

- Transparency of our voting activity is critical for investee companies, clients and other interested parties to be able to hold us to account.
- Voting decisions, including the rationale for any votes against management, can be found on our disclosure website. The website is updated daily with a lag of 24 hours following the shareholder meeting.
- We pre-declare select votes on key issues ahead of company meetings on our blog.
- Client reporting on significant votes is produced on a quarterly basis. To help clients fulfil their own regulatory reporting requirements, we are committed to providing fund-level vote reporting that is consistent with the Pensions UK Vote Reporting Template and the EU Shareholder Rights Directive II (SDR II).
- In the US, we provide public filings on 'say-on-pay' proxy voting on all equities managed or owned by a L&G Group company globally via Form N-PX.

Our securities lending procedure
Where securities lending is in place, we have procedures that only allow shares to be lent up to agreed thresholds and we retain a proportion of shares in each voteable stock to be able to note our approval, or dissent, through a vote via the shareholder meeting. Moreover, we retain the right of recall of our shares, should we deem this necessary or expedient.

Client-directed voting
A small number of clients wish to direct their own voting. In addition to the 'Expression of Wish' services, in partnership with Tumelo, we have therefore developed a solution for pass-through voting for our clients. This allows pooled-fund investors who have elected to do so to vote their shares in proportion to the value of their investment in the relevant fund, giving them the choice of either actively voting their own shares or continuing to delegate voting activity to us.

Voting policies:
We believe ongoing scrutiny of, and improvements to, our voting processes are key to meeting our goals as a long-term, responsible investor. Our voting decisions are guided by policies that are researched and fine-tuned every year. They incorporate specific market policies that allow for local nuances to align with best practices.

Over many years we have developed a granular custom voting policy, developed in accordance with our publicly disclosed positions on good governance and sustainability-related criteria. These instructions apply to all markets globally. We do not automatically follow the recommendations of proxy advisers. In addition, we reflect regional and country-specific nuance into the voting application. We retain the ability in all markets to override any voting decisions that are based on our custom voting policy.

In updating our policies, feedback on specific topics is sought from internal subject matter experts and the Investment Stewardship team more broadly. We also consider the views of clients and other external stakeholders. Material changes to our custom voting policy are peer-reviewed and are subject to internal governance processes as set out above.

Voting systems:
Votes are effected through an electronic voting platform called ProxyExchange, which is managed by Institutional Shareholder Services (ISS). Votes are cast according to our instructions, guided by our voting policies. Regular and formal assessments are undertaken with ISS to ensure appropriate oversight of its execution and systems.

Utilising such a system ensures, in markets where we have unimpeded voting rights, that no votes remain unexercised. Share position data is updated, based on the settled positions provided by custodians. Only eligible share positions are reflected against expected upcoming voting events across our portfolio of companies within ProxyExchange. Any additional trading that takes place on the receipt of the electronic ballot is updated per trade settlement based on the holdings update by the custodian.

Voting policies and processes (continued)

Third-party service providers

In parallel to applying our custom voting policy, we use the voting information services of ISS and receive research reports for all companies in our equity portfolios. We also receive research reports on UK companies in the FTSE All-Share index from IVIS, the research team of the UK Investment Association. We use this analysis to augment our own research and proprietary ESG assessment tools, as well as data from providers including Refinitiv†, Sustainalytics† and Bloomberg†. We also use private markets-specific service providers to support our approach, including real estate data platform Deepki, and physical climate risk specialists XDI, amongst others. We regularly review the quality and timeliness of services offered by our data providers, to ensure that the quality of the data on which we base our voting decisions remains high and offers value for money.

We undertake quarterly performance management reviews with ISS in which we discuss issues such as timeliness, the quality of their research and the application of our voting policy. During these meetings, we receive delivery statistics and discuss changes to team resources. We deliberate on specific instances where our expectations have not been met and review possible solutions to avoid future repetition. We escalate issues to senior individuals at ISS where necessary. We also have regular meetings with ISS to discuss the implementation and evolution of our policies, as part of our process to ensure that our voting decisions remain aligned to market best practices and evolving regulations.

We regularly monitor the votes cast on our behalf to ensure they are executed in accordance with our policy intentions. We also undertake additional quality checks on short-notice vote instructions and rejected votes. We engage with proxy advisers on their policy development. We attend their annual client events and participate in policy surveys to seek to influence their voting stance on important topics and voting items globally.

We also review ISS' policy alignment with our own public stance and take into account third-party research on ISS' voting recommendations. For example, ShareAction has assessed the strength of proxy adviser vote recommendations on shareholder resolutions, which tend to be decided on a case-by-case basis. ISS is noted to have supported just over 70% of environmental and social proposals, slightly down from the previous year (2023: 78%).[21] For further information on how we use proxy advisory services, please see our explanatory document.

Oversight and management of service providers

L&G's Asset Management business' Global Outsourcing and Third-Party Management Framework sits under an L&G Group Third Party Risk Management (TPRM) Policy and sets out how to manage and oversee new, renewed materially changed, and existing service providers. The L&G – Asset Management Limited Board has the ultimate responsibility for the selection of service providers and the management of risks associated with their use. This responsibility is delegated to the Operations Committee down to the Supplier Management Committee. Where necessary, third-party risks are escalated to the Group TPRM Committee.

21. Source: https://shareaction.org/reports/voting-matters-2024

Activities and outcomes

Our global Investment Stewardship themes

In line with our Investment Stewardship overall aims as set out on page 10, we identify financially material sustainability factors by assessing their potential to affect company performance or portfolio value across idiosyncratic, sector and system levels. We evaluate how each factor may influence company resilience, sector-wide drivers or broader economic stability. Our materiality assessment is based on balancing these elements and recognising that their weight can shift over time. Regulatory change, technological advancement, and evolving consumer behaviour can alter a factor's financial significance. As these dynamics evolve, so too does our view of which sustainability themes may present the greatest material risks and opportunities for long-term value creation.

Our Investment Stewardship activity is structured around the following core themes that we assess to be financially material:

- **Climate and nature:** climate mitigation, climate adaptation, land management, water management, nexus of climate and nature
- **Social resilience:** human and social capital management (human rights, human capital management, living wage, diversity), wellbeing resilience (nutrition, antimicrobial resistance)
- **Governance:** Board quality, audit, risk and controls, investor rights, leadership and 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 drive change.

How we engage

Our approach to engaging with companies is rooted in the belief that purposeful, constructive dialogue is essential for fostering long-term value creation. Engagement is not limited to investee companies alone, but also extends to key stakeholders such as policymakers, regulators, industry peers, clients and relevant organisations.

Our ultimate goal is to address financially material and systemic risks and opportunities, support companies in managing these issues while holding them accountable if meaningful progress is not achieved. We see effective stewardship as a partnership, where we leverage our expertise to both support and challenge companies, always aiming to drive sustainable, long-term returns for our clients.

Our engagement activities are anchored in core principles that prioritise constructive, forward-looking partnerships and continuous, proactive dialogue to support sustainable corporate growth and long-term value creation. Each engagement is tailored to sector, regional and company-specific contexts, ensuring relevance and impact.

We structure our approach around defined objectives – either insight-driven, to deepen our understanding of a company's strategy and risks, or outcome-oriented, to drive measurable change aligned with our stewardship goals. We also engage on event-driven matters and maintain key strategic relationships. Where progress falls short of expectations, we hold companies accountable through stewardship measures such as voting, public statements, or collaborative actions. Throughout, we document and disclose our engagement aims, activities, and outcomes to promote transparency and reinforce our commitment to active ownership.

1. Sector and stakeholder selection

In determining the financial materiality of a theme, we assess this on a sector and company-level basis, and also consider the role that policy engagement may play in supporting or, in some themes (for example our 'wellbeing resilience' sub-theme) leading the engagement strategy. Our policy engagement framework is set out on page 25.

We map financially material themes against sectoral considerations to prioritise investment stewardship efforts, including where we should prioritise our resources to create greatest impact as an investor. To do so, we incorporate long-term global 'megatrends', relevant standards such as the Sustainable Accounting Standards Board (SASB), and sector-specific insights; enabling us to focus on the most significant risks and opportunities for each sector.

Our sector strategy is built on a framework that combines financial materiality, sector context, and thematic priorities. We set clear objectives for each sector, leveraging previous engagement outcomes (where relevant) and experience to identify and prioritise topics.

Engagement plans are tailored to sector context. They focus on companies and issues with the greatest potential impact on value creation and risk management and aim to ensure our stewardship remains dynamic and responsive against a backdrop of evolving market and sustainability challenges.

2. Company selection

Selecting companies for engagement is a process that blends data-driven analysis with professional judgement. Once sector-level financially material themes have been determined, the sector lead evaluates which companies within the sector to engage, considering a number of factors that include:

- The size of L&G's overall exposure on behalf of our clients
- Market capitalisation
- Regional diversification
- Data, including publicly available data and internal proprietary data such as the L&G ESG Score, L&G CIP Score, Destination@Risk. Where quantitative data is limited, qualitative insights and team experience play a crucial role, ensuring our approach remains both pragmatic and ambitious.
- Individual companies' exposure to our financially material themes (climate and nature, governance, and social resilience). Additional considerations include the likelihood that our engagement will drive change ('engageability') and the company's influence within its country, industry and value chains.

Activities and outcomes (continued)

3. Objective setting
A critical foundation of effective engagement is the establishment of clear and contextualised objectives. Each engagement begins with a precise definition of what we aim to achieve, tailored to the company's unique circumstances as well as the broader sector or thematic context. Objectives are explicit and intentional, and we distinguish between two main types:

- **Insight-driven objectives:** focus on deepening our understanding of a company's operations, strategy, and emerging challenges. Support knowledge-building and sectoral benchmarking

- **Outcome-oriented objectives:** structured to deliver measurable results aligned with our stewardship themes and aim to improve company behaviour and drive tangible change

We ensure that objectives are practical, realistic and clearly articulated, allowing us to break down larger, long-term goals into actionable steps. We believe this approach makes progress more tangible and reportable, ensuring that every engagement is purposeful and that interim achievements are captured. By doing so, we can demonstrate the overall impact of our stewardship activities and maintain accountability throughout the engagement process.

4. Engagement
Engagements are delivered through a structured process that fosters open, two-way dialogue and will combine dialogue and written communications.

We initiate contact by establishing communication channels and setting expectations for the engagement. Throughout the process, we maintain ongoing discussions to understand the company's perspective, share our insights, and collaboratively explore solutions to material business risks and opportunities. We aim to be viewed as 'partners', while ensuring that our expectations are clearly communicated. Engagements may be direct (meetings, calls, written correspondence) or collaborative (working with other investors or industry groups) and are adapted to the specific context and objectives of each case.

5. Measuring progress
Progress is tracked systematically against the objectives set at the start of each engagement. We record every activity and assess whether company responses and actions align with our expectations, using both qualitative insights and quantitative indicators. Larger objectives are broken down into smaller milestones, allowing us to capture and report incremental achievements.

Typically, over 18 to 36 months, we look for credible strategies or evidence of change, measuring progress through tools like our CIP score or through ongoing dialogue. All progress is documented in our Salesforce platform.

6. Holding companies accountable
When progress is not made, we determine how best to hold companies accountable using a range of stewardship measures. This involves selecting the most effective tools and approaches for each situation. A structured approach to engagement provides us with various options, including:

- **Transparency:** Our ESG scores and CIP ratings are publicly available. We also publish policies and blog updates on our views, approaches and analysis.

- **Direct engagement:** This provides a powerful engine to incentivise and help companies to improve governance and better manage risks and opportunities. We aim to support our clients' investments over the long term.

- **Collaborative engagement:** Working with peers and industry bodies enables us to strengthen and amplify our voice.

- **Voting:** As a long-term and engaged investor, we take seriously our responsibility to exercise voting rights on behalf of our clients. We publish all voting decisions on our dedicated website, including the rationale for dissenting votes.

- **Shareholder resolutions:** Filing a resolution can impress upon a company those issues that are important to investors and spur further action to resolve them

- **Capital allocation:** Where permitted by their investment mandate, certain funds may exclude or tilt away from companies that do not meet our minimum expectations. In some portfolios, we specifically allocate capital towards companies where we are undertaking in-depth engagement.

7. Engagement conclusion
We evaluate whether the engagement has been wholly or partially successful. Based on this, we will determine how to proceed – potentially initiating a new engagement cycle with updated objectives.

Policy advocacy and collaboration

Policy advocacy and collaboration

As a long-term investor, we have a responsibility to ensure global markets operate efficiently to address systemic risks, foster sustainable and resilient economic growth, and aim to support the value of our clients' assets. One way we seek to do this is by engaging in global policy dialogue and providing practical advice to policymakers and regulators.

What does our policy engagement aim to do?

Our policy engagement is designed to deliver tangible change by contributing to the design, implementation and monitoring of effective, coherent policies and regulatory frameworks. We focus on those that impact society, the environment and the economy, and seek to accelerate progress on complex sustainability challenges. Guided by our universal owner approach, we engage with policymakers at an early stage to help identify and address emerging risks, enabling steps to tackle systemic market issues. Our engagement is both proactive – shaping policy agendas and building relationships – and reactive – responding to consultations and policy developments as opportunities arise.

With whom do we engage?

We engage with a broad range of stakeholders across the entire global policy ecosystem, as summarised below. We believe understanding the policy and regulatory context and the relationships between these organisations is a crucial foundation of effective engagement.

National	Multilateral	Non-government
Regulators [e.g. UK Financial Conduct Authority (FCA), US Securities and Exchange Commission (SEC), Japan Financial Services Agency (FSA)]	European Commission	Academia
Parliament	United Nations [e.g. UN Framework Convention on Climate Change (UNFCCC), the Conference of the Parties (COP) and Convention on Biological Diversity (CBD), the Principles for Responsible Investment (PRI)]	Civil society
Central banks	International financial institutions (e.g. the World Bank)	Non-governmental organisations [e.g. Environmental Defense Fund (EDF)]
Government departments/ministries (e.g. UK Department for International Development, His Majesty's Treasury)	Multilateral organisations [e.g. World Health Organization (WHO), International Financial Reporting Standards (IFRS)]	Industry associations [e.g. Glasgow Financial Alliance for Net Zero (GFANZ), The Investment Association (IA), Asian Corporate Governance Association (ACGA)]
Government working groups/initiatives [e.g. Transition Plan Taskforce (TPT)]		
Executive office		

L&G's Asset Management business; as at 31 December 2025. Subject to change

Policy advocacy and collaboration (continued)

How do we engage with policymakers?

We strategically target the appropriate policy landscape, using different methods that depend on the issue and desired impact. This can include engaging globally with international institutions and the multilateral system, central governments, and domestic and international regulators, the governments overseeing them, and to supranational institutions.

Our engagement methods are tailored to the region, market, political environment, and stakeholders involved. We strategically target the appropriate policy landscape using a combination of approaches:

- **Formal engagement:** Participation in technical working groups, advisory committees, roundtables and formal consultations.
- **Collaboration:** Working with peers, industry bodies, non-governmental organisations (NGOs) and other stakeholders.
- **Thought leadership:** Publishing research, blogs and public statements to highlight financially material issues and advocate for policy solutions.
- **Direct engagement:** Meetings and correspondence with key decision-makers, both nationally and internationally.

Our engagement process includes:

- **Objective setting:** Defining desired outcomes based on thematic and sector goals, considering regional factors and our ability to have a positive impact. We distinguish between strategic, planned engagements and opportunistic, reactive ones.
- **Research and evidence:** Using data, academic sources and collaboration with NGOs to develop an evidence-based approach.
- **Stakeholder mapping and coalition building:** Identifying key actors for influence and support, including building coalitions with investors, NGOs and industry bodies.
- **Implementation:** Executing advocacy actions through a mix of proactive and reactive engagements, tailored to the issue and desired impact.
- **Evaluation and adaptation:** Assessing the effectiveness of our actions, monitoring adjacent policy developments, and adapting our approach as the policy landscape evolves.

We acknowledge the complexity and dynamic nature of policy, regulatory and legislative decision-making, and the need for flexibility as stakeholders, leadership and agendas change over time.

Collaborative engagement

We believe in collaboration and, where legally permissible, work with peers, industry groups, NGOs, academia and civil society.[22] We look forward to continuing our engagement with a broad range of third parties. We are a member or supporter of multiple associations and initiatives working on sustainability themes, including:

- The 30% Club
- Aldersgate Group
- Asian Corporate Governance Association (ACGA)
- Asia Investor Group of Climate Change (AIGCC)
- Australasian Centre for Corporate Responsibility (ACCR)
- Better Buildings Partnership (BBP)
- British Council for Offices ESG committee
- Ceres
- Climate Action 100+
- Corporate Governance Forum
- Council of Institutional Investors (CII)
- Environmental Defense Fund (EDF)
- European Association for Investors in Non-Listed Real Estate Vehicles (INREV)
- FAIRR Initiative
- Financial Sector Deforestation Action (FSDA)
- The Financing a Just Transition Alliance
- Future Homes Hub
- GC100+Investor Group
- Glasgow Financial Alliance for Net Zero (GFANZ)
- Global Real Estate Sustainability Benchmark (GRESB)
- Global Infrastructure Investor Association (GIIA)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Action on AMR
- Investor Coalition for Equal Votes (ICEV)
- The Investment Association
- Investor & Issuer Forum
- Investors Against Slavery and Trafficking Asia Pacific (IAST APAC)
- Investor Policy Dialogue on Deforestation (IPDD)
- ISSB Investor Advisory Group
- Japan Climate Leaders' Partnership (JCLP)
- Nature Action 100
- Net Zero Asset Managers Initiative (NZAM)
- Partnership for Carbon Accounting Financials (PCAF)
- Platform for Living Wage Financials
- Principles for Responsible Investment (PRI)
- ShareAction – Good Work Coalition
- Sustainable Markets Initiative (SMI)
- Sustainability Reporting Standard for Social Housing
- Taskforce on Nature-related Financial Disclosures (TNFD)
- Transition Pathway Initiative (TPI)
- UK Green Building Council (UKGBC)
- UK Net Zero Carbon Building Standard
- Urban Land Institute (ULI)

22. We are at all times entirely responsible for our investment and voting decisions and always act completely independently when determining our own strategies and practices, which we do solely for the benefit of our clients.

E: Climate and Nature

We believe climate change and nature degradation are financially material for our clients' portfolios. As a universal owner, we see the economic, business and societal need for action becoming increasingly urgent. Through stewardship, we remain committed to supporting the goals of the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework, helping to build resilience and long-term value for our clients.

Climate Impact Pledge

Through our Climate Impact Pledge (CIP), L&G encourages companies to reduce the risks associated with climate change and nature degradation, and to transition to a net zero economy. We ask companies to embed these considerations into their business strategy, helping to build resilience and drive long-term value creation for our clients.

Our CIP is a two-fold assessment and engagement programme through which we cover 56% of the total corporate securities by value that L&G's Asset Management business invests in on behalf of our clients, and 80% of the total carbon emissions attributable to our corporate equity and debt holdings as of 31 December 2025.

We have been 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. This is reflected in the results of our quantitative assessments and our engagements with 'dial-mover'[23] companies.

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.

Tangible improvements following our engagement requests also led us to permit investment in COSCO Shipping Holdings† in applicable funds after being placed on our divestment list in 2023. The reinstatements (and divestments) as part of the CIP are applied to selected funds with £236 billion in assets collectively.[24]

Looking ahead, the headwinds to further progress are, however, increasingly evident. With the aim of driving greater action in the real economy, we will increase the emphasis in our engagements on identifying and addressing the bottlenecks to progress. In doing so, we will carry out in-depth assessment and engagement with 'dial-mover' companies over a period of two years. We will report on progress and continue to vote annually, while outcomes against engagement objectives and related capital allocation decisions will be assessed and made every two years. Alongside this, we will continue to work with policymakers and other industry stakeholders to help clear bottlenecks and drive the change needed to deliver societal outcomes and long-term value creation for our clients.

23. Large companies we have identified as having the potential to galvanise action in their sectors.
24. As of 31 December 2025

E: Climate and Nature (continued)

Case study: Fortum Oyj†

Identify

In early 2022, Finnish energy company Fortum Oyj† committed to become carbon-neutral by 2050. Although the company had produced disclosures related to its plan to achieve this, we believed that it needed to go further in developing a resilient strategy that would support sustainable value creation. As a result, we became a co-lead investor of the Fortum engagement within the Climate Action 100+ initiative (CA100+).

In March 2023, after a series of collaborative and constructive engagements, the company increased its climate change ambitions by:

- Bringing forward its carbon neutrality target (across scopes 1, 2 and 3) to 2030
- Committing to exit all coal generation by the end of 2027
- Committing to set a 1.5°C-aligned emission reduction target verified by the Science Based Targets Initiative (SBTi)

Engage

These commitments were undeniably ambitious and incredibly welcome. However, we wanted to continue our engagement with Fortum to understand:

- How it would meet its emission reduction targets
- How it would facilitate its exit from coal
- How it was advocating for a policy environment that would support its own decarbonisation ambitions

In 2025, we had two written engagements with Fortum. Levels of individual typically engaged with include representatives of the Sustainability and Investor Relations Teams.

In 2025, the SBTi approved Fortum's 1.5°C-aligned near- and long-term science-based emission reduction targets. Its targets are more ambitious than those required for 1.5°C verification and include a commitment to reach net zero GHG emissions across the value chain by 2040. The company also disclosed its transition plan, which included granular detail on how it would meet its direct and indirect emission reduction targets and exit coal on an asset-by-asset basis.

In April 2025, the company published its most recent Climate Lobbying Review.

Outcome

The company has taken our feedback into consideration since launching its inaugural report in 2021. In our view, a supportive policy environment is crucial to ensure that all sectors of the economy can transition smoothly to net zero emissions by 2050, thereby helping promote an orderly transition, which we believe promotes long-term value for our clients.

E: Climate and Nature (continued)

Case study: Heidelberg Materials AG†

Identify

Heidelberg Materials AG† is a global leader in cement and aggregates, and we see it as having the potential to be a sustainability leader in heavy building materials, with the most ambitious emissions intensity target in the sector,[25] as well as a leader in implementing carbon capture and storage (CCS) on its cement capacity through its project in Brevik, Norway.[26]

Recognising that reducing the cement sector's emissions plays a critical role in global decarbonisation, the sector has been a prominent focus for L&G's climate engagement. For Heidelberg, we see its sustainability strategy as a critical driver of value:

- In Europe, the Carbon Border Adjustment Mechanism (CBAM) and phase-out of free allocations of Emission Trading Scheme (ETS) permits means cost-effective investment in decarbonisation leads to a margin advantage.[27]
- While cement generally only represents a small share of overall construction budgets[28] it is a large component of embodied emissions. We believe very low-carbon cement could fetch a price premium in the market as building users value the decarbonisation of their Scope 3 Emissions.
- Sustainability improvements require capital investment, which can be inaccessible for smaller operators, hence we believe this could facilitate industry concentration and may, in our view, lead to an increase in Heidelberg's market share.[29]

We were concerned by the market's lack of widespread understanding of these dynamics. Analysts at the time were focused on asking the company to consider making a move to catalyse value in its US business,[30] either through a re-listing of the whole company or a separate listing of the US segments. We believed that a listing move could jeopardise the company's ability to execute on its sustainability strategy due to a difference in focus among US investors. We believed a separation could yield diseconomies of scale between the US and other regional businesses by removing opportunities for learning on best practices to reduce energy use and emissions.

Engage

We engaged with the company, on several occasions in advance of its May 2025 Capital Markets Day to encourage the leadership to improve disclosure to investors of the value framework for sustainability, to catalyse the value from its sustainability strategy as soon as possible, and to reduce calls for a re-listing or a separation of the US business.

Outcome

The Capital Markets Day met our expectations. The presentations emphasised the value of the sustainability strategy. The financial presentation also gave specific numbers on the margin impact of the Brevik CCS project, which was very helpful to enable effective modelling of value creation potential. The idea of catalysing value through a separation of the US business was also put aside thanks to a focus on the synergies between the global businesses, through sustainability but also through the application of technology and AI.[31]

25. Science-Based Target Initiative target dashboard https://sciencebasedtargets.org/target-dashboard and company data on baseline emissions intensity as of August, 2025.
26. Heidelberg 2023 Annual and Sustainability report https://www.heidelbergmaterials.com/sites/default/files/2024-03/HM_ASR_2023.pdf
27. L&G analysis based on European Commission, 2025 https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en
28. L&G analysis based on Net Zero Tracker, https://zerotracker.net/ and World Economic Forum, https://www3.weforum.org/docs/WEF_Net_Zero_Tracker_2023_CEMENT.pdf, 2025.
29. L&G analysis, as of 2025
30. Based on questions asked by analysts in Heidelberg Materials quarterly earnings calls throughout 2024 https://zerotracker.net/
31. https://www.heidelbergmaterials.com/en/investor-relations/financial-calendar/cmd-2025

E: Climate and Nature (continued)

Case study: Decarbonisation through major refurbishment: Tempo, Maidenhead UK

Asset: Tempo

Location: Maidenhead

Sector: Office

Identify

A major refurbishment was undertaken at Tempo, a 150,000 sq. ft office development in Maidenhead. It was identified early on as a strong opportunity to deliver a best-in-class workspace while significantly reducing carbon impact. The development team recognised that refurbishment – rather than redevelopment – offered considerable environmental benefits, with the potential to retain substantial building elements. This approach aligned with strategic sustainability priorities, as achieving low embodied and operational carbon was central to decision making throughout the project.
A whole life carbon assessment was embedded from the outset to guide design choices and quantify potential carbon reductions. Through this assessment, key structural components – including the foundations, superstructure and around 40% of the existing façade – were identified as suitable for retention, and avoided extensive demolition and associated carbon emissions.

Engage

During the design and construction phases, the team engaged carbon modelling tools and performance led design approaches to ensure sustainability was integrated at every stage. Embodied carbon calculations were undertaken using One Click LCA, while operational performance was modelled through Design for Performance (DfP) analysis. This data driven process informed several major interventions: the removal of natural gas, installation of 282 photovoltaic panels, high-efficiency glazing, and upgrades to increase thermal performance. The procurement process also involved close monitoring of carbon impacts to ensure alignment with sustainability targets. At the same time, the design placed strong emphasis on occupier experience and wellbeing, introducing new communal and green spaces alongside extensive amenities – including a rooftop terrace, pavilions, town hall space, breakout areas, podcast room, gym and coffee shop – designed to enhance workplace quality.

Outcome

The refurbishment has delivered a high performing, environmentally responsible asset that outperforms multiple industry benchmarks for operational energy use and embodied carbon, which are strong indicators of best-practice performance. These outcomes also position the asset in alignment with the pilot UK Net Zero Carbon Buildings Standard targets for 2025. In addition to reduced carbon emissions, the enhanced amenity offer and wellbeing led design have increased market appeal, resulting in an average 20% rental uplift compared to local market rates.[32] Tempo now serves as a leading example of how retaining existing structure, applying rigorous carbon assessment, and prioritising occupier wellbeing can jointly deliver sustainability and commercial value.

32. Based on a comparison with local market rates for Maidenhead, up to and including 2025, when the asset was developed.

E: Climate and Nature (continued)

Case study: Climate Policy engagement: EU methane regulations

Identify

The European Union Methane Regulation (EUMR), 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,[33] 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.[34] Regulatory certainty on methane disclosure and reduction helps investors price emissions risk more accurately, and with a growing number of oil and 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 The Oil and Gas Methane Partnership 2.0 (OGMP 2.0)[35] and are on track to meet the EU's monitoring, reporting and verification (MRV) requirements.

Engage

In June 2025, there was an indication that the EUMR may be included in the EU Energy Omnibus,[36] 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 EUMR 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. We believed this would introduce unpredictability and undermine companies and investors that are actively working toward compliance, when what is needed now is coordination and clarity.

Outcome

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.

33. Importance of Methane | US EPA
34. Reducing methane emissions to help combat climate change – Creating a better place
35. 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.
36. 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.

E: Climate and Nature (continued)

CS

Case study: Nippon Steel Corp†

Identify

Nippon Steel Corporation† is the largest steelmaker in Japan and one of the largest globally in terms of production. Traditional steelmaking processes are highly carbon intensive, and a shift to green steel will require a policy environment that supports a sufficient supply of low-carbon alternatives. Assessments undertaken by third-party data providers have demonstrated that Nippon Steel lags its peers on climate policy engagement disclosures. In 2022 InfluenceMap named Nippon Steel as one of the most influential companies blocking climate policy action globally.

Under our CIP, we publish our sector guides and minimum expectations for companies in 20 climate-critical sectors. We select roughly 100 companies for 'in-depth' engagement – these companies are influential in their sectors, and by virtue of this, their improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains. Our in-depth engagement is focused on helping companies meet these minimum expectations – 'raising the floor' and on identifying and working with companies to address bottlenecks preventing greater action in the real economy 'lifting the ceiling'. For in-depth engagement companies, those which continue to lag our minimum expectations may be subject to votes against and/or divestment (from L&G funds which apply the CIP exclusions).

Under our CIP, we expect companies to disclose their climate-related lobbying activities, including trade association memberships, and explain the action they will take if the lobbying activities of these associations are not in line with the Paris Agreement. This has been our primary objective with Nippon Steel.

Engage

Having identified Nippon Steel as lagging in its policy engagement disclosures in 2022, following continuous engagement and a lack of progress, we co-filed a shareholder resolution requesting greater transparency on their climate policy engagement activities in their 2024 AGM. This resolution received 28% support, one of the highest levels of support recorded for a climate related shareholder resolution in Japan.

Since co-filing the shareholder resolution, we have met with Nippon Steel multiple times. We also attended a site visit – a further step towards transparency and engagement with shareholders. In addition to an increased willingness to acknowledge and listen to the concerns of their global shareholder base regarding decarbonisation, we noted specific intentions regarding improvements in disclosures.

In 2025, we met with Nippon Steel three times, in addition to detailed email exchanges. Levels of individuals typically engaged included the Head of Sustainability and Head of Investor Relations. In addition to our own meetings with the company, we have engaged alongside investors engaging with the company collaboratively via CA100+ and Australasian Centre for Corporate Responsibility/Corporate Action Japan coalitions.

Outcome

We were pleased to see that, ahead of its 2025 AGM, Nippon Steel has published its first ever Industry Association Review and a set of policy positions, including a commitment to positive policy engagement in Japan for policies relating to climate change and energy.

These are encouraging first steps towards aligning the company's policy engagement with its long-term strategy and decarbonisation objectives. We will continue to work with the company, aiming to further strengthen investor confidence and support the integration of transparent and strategic advocacy efforts.

E: Climate and Nature (continued)

Case study: Net Zero and climate policy advocacy

Identify

We engage on climate issues in our external relationships including through alliances and taskforces, and at global conferences. We do this to develop thinking about what actions investors can take to mitigate climate risks. We were in the forefront of discussions about climate and investing during the year. A theme of these discussions was alignment with a transition to net zero emissions consistent with mitigating climate related financial risks for investors.

Engage and next steps

We spoke about net zero strategies ahead of COP30 at PRI in Person, the annual global conference organised by Principles for Responsible Investment (PRI), engaging with asset owners on panels and in roundtable discussions. Asset owners told us they were looking afresh for assistance from their asset managers on how they can refine their investment objectives further.

In 2025, the work of the Glasgow Financial Alliance for Net Zero (GFANZ) Index Investing workstream, which we co-chaired with Pensionskassernes Administration (PKA) and Singapore Exchange (SGX), concluded. We continued to contribute to thinking on climate and index investing through our membership of an Institutional Investors Group on Climate Change (IIGCC) working group and through speaking and participating in roundtables on the subject.

Increasingly, we have focused on how capital can be enabled to profitably help fund the clean energy transition worldwide. This has been a feature of GFANZ, and the Sustainable Markets Initiative founded by His Majesty the King and where we have been involved in discussions across different sectors. In the UK we are active participants in the Emerging Markets and Developing Economies (EMDE) Investor Taskforce, sponsored by HM Treasury and the Foreign, Commonwealth & Development Office, which looks at what measures could enable transition financing in those markets. We aim to listen, learn, and share examples of good practice from our own experience, helping to expand investible markets while seeking to mitigate financially material climate risks.

E: Climate and Nature (continued)

CS

Case study: Century Pacific Food Inc†

Identify

In 2025, we strengthened our annual programme to address commodity driven deforestation across our investment portfolios; we upgraded our proprietary assessment tool to more precisely identify companies in deforestation critical sectors and high risk countries with material exposure to the following forest risk commodities: palm oil, soy, cattle products (beef and leather), timber products (forestry, pulp and paper), cocoa, coffee and rubber. Where the tool highlighted material exposure with insufficient mitigation against our minimum expectations (as set out in our Deforestation Policy), we escalated through targeted engagement and voting. Century Pacific Food Inc.† was selected from this cohort based on confirmed or potential exposure to cattle products (beef/dairy) and timber products (pulp, paper and packaging).

Engage

Following limited written feedback to our outreach through 2025, we applied a vote against the Chair at the 2025 AGM, in line with our Deforestation Policy and our escalation approach. We subsequently held a deeper, company specific engagement focused on cattle linked inputs, timber related packaging, the evolving regulatory landscape, and the adoption of nature-related assessment and management frameworks. The company confirmed it imports milk and meat from 60-80 global suppliers (primarily the US, New Zealand and the EU), with traceability currently only reaching the processor rather than the farm, and acknowledgment of some Latin American exposure alongside limited leverage as a nonlead buyer.

For timber, the company uses FSC certified materials for EU bound packaging and is reviewing broader implications from the EU's Deforestation Regulation. The accountability and governance of nature and deforestation related risks sit with a corporate governance and sustainability committee, while quantified progress reporting and TNFD alignment are still under consideration. At present, the company is prioritising TCFD/IFRS S1–S2 and has commissioned a climate risk assessment. We discussed the potential for a public, timebound, zero deforestation policy and programme covering cattle/dairy and timber; no such policy is in place at this time.

Outcomes

In 2026, we hope to see progress on the approach to deforestation at Century Pacific Food Inc. We will continue to engage with high exposure companies, using our strengthened assessment to refresh selection and prioritisation across our focus list. In parallel, we will maintain policy dialogue and track regulatory developments (e.g., EUDR) and use insights from this campaign to shape the evolution of our broader land management engagement.

A focus on deforestation

Given the vital ecosystem services forests provide to the real economy, deforestation permeates different economic sectors and markets on a global scale, with potential financial implications for the companies in which we invest on behalf of our clients. It remains one of the most pressing global challenges, contributing significantly to nature change and climate change and is therefore a crucial aspect of making credible progress towards the goals set by the Kunming-Montreal Global Biodiversity Agreement and the Paris Agreement.

In 2025, L&G's Asset Management business advanced its programme to address deforestation and broader nature related risks as material factors influencing longterm 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.

A key element of our approach is an annual assessment of portfolio exposure to agricultural commodity deforestation risk, considering both potential exposure and the strength of corporate management practices. This informs our engagement priorities and escalation decisions, while acknowledging persistent data limitations.

In 2025 L&G enhanced its analytical capabilities, more accurately assessing companies' direct and indirect risk exposure, and progress against our minimum expectations. L&G 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.

L&G also contributed to collaborative investor initiatives to promote market alignment. This included FSDA's corporate engagement programme and the Investors Policy Dialogue on Deforestation (IPDD) to support policy level engagement with governments on regulatory frameworks.

Throughout, we remain committed to transparent reporting, reflecting our view that halting deforestation is fundamental to protecting clients' longterm interests and supporting a nature-positive, net zero global economy. Please read more in our Deforestation Report.

E: Climate and Nature (continued)

Case study: Vale SA†

Identify

Vale has been on our Future World Protection List ('FWPL') since 2022, having been identified by our third-party data provider as being in perennial violation of UNGC Principle 7,[37] that *businesses should support a precautionary approach to environmental challenges.*[38]

Our objective in this engagement was to understand Vale's actions taken in the years following the Mariana and Brumadinho dam disasters in 2015 and 2019, respectively, and how these actions relate to our data provider's assessment. At a secondary level, we wanted to understand the detail and timeframes behind our third-party data provider's assessment of the company.

The financial materiality of these issues to investors underpins this engagement, stemming from the financial impact to the company as a result of paused operations, the costs to the company of reparations, the ongoing cost of litigation over decades, and reputational damage.

Engage

We met with Vale twice in 2025; additionally, we attended a site visit to Minas Gerais & Brumadinho in Brazil in November 2025.

These engagements build on our previous discussions with the company over recent years, and were primarily focused on understanding the remedial actions taken with respect to the tragedies referenced above. The site visit enabled us, among other discussions, to view reparation works and understand the processes and controls put in place to prevent similar disasters from occurring in the future. This included management of the dams, geotechnical monitoring and governance mechanisms. Where we are able to attend site visits, these can help investors better comprehend and challenge companies on the scale and effectiveness of their actions.

In parallel, with reference to the data we use to compile the Future World Protection List, we spoke to our third-party data provider in late 2025, with the objective of understanding more granular detail about where they assessed the company to be with regards to the milestones for progress underlying their analytical process.

Due to its position on our Future World Protection List, Vale is excluded from certain L&G funds that apply the FWPL, and therefore receives a vote against the Chair in its AGM.

Outcome and next steps

As investors, we recognise the humanitarian, environmental and economic imperatives for companies to repair damage that they have caused, to make restoration, and to learn from their failings. In our engagements with Vale and with our data provider, we have gained additional insights and understanding of the steps taken – we believe it is important for us to understand thoroughly the parameters that data providers use in their assessments, and to consider the alignment with our overall aims and objectives, and with our Stewardship approach to engagement and escalation.

Our Future World Protection List is updated twice a year (in May and November). We will continue to monitor Vale's status with our data provider, and to seek further clarifications from the company on their ongoing reparation efforts.

37. The methodology for our Future World Protection List is here: Future World Protection List Methodology - November 2025
38. https://unglobalcompact.org/what-is-gc/mission/principles

S: Social Resilience

Our social resilience approach addresses the systemic wellbeing resilience risks we face as a universal owner alongside idiosyncratic human and social capital management risks, with a focus on human rights, diversity, workforce wellbeing, supply chain practices, antimicrobial resistance (AMR), and nutrition. Through targeted company engagement and policy advocacy, we work to strengthen business resilience and support a more stable, inclusive economy.

S: Social Resilience (continued)

Case study: Togolese Republic supported by African Development Fund†

Identify

In May 2025, the Alternative Debt team within our Private Credit division identified a strategic opportunity to support sustainable development in frontier markets with the potential to maintain investment grade credit quality. Togo – a low income West African nation with limited access to long-term, affordable climate financing – faces structural barriers in meeting its sustainable development goals despite clear needs across climate adaptation, biodiversity protection, clean energy access and agricultural resilience. The African Development Fund (ADF), the concessional arm of the African Development Bank (AfDB), sought private capital to cofinance a €200m, 20-year sustainable loan to the Togolese Republic under the country's Sustainable Finance Framework. This created a context where L&G could address a major SDG funding gap while supporting an emerging state's economic and environmental priorities.

Engage

L&G engaged as a key participant in this transaction, which marked our first direct lending exposure to an emerging market sovereign. The ADF provided a Partial Credit Guarantee, which – combined with commercial insurance – enhanced the credit risk profile from Togo's sovereign B+ rating to an AA equivalent, enabling institutional investors to participate while preserving portfolio risk standards. L&G also acted as Co-Mandated Lead Arranger, alongside Deutsche Bank – the first instance of the AfDB partnering with a nonbank lender in this way. The facility's proceeds are earmarked for environmentally and socially aligned investments, including climate adaptation, biodiversity preservation, pollution control, sustainable agriculture, and clean, affordable energy. Robust governance mechanisms were embedded; funds are segregated under Togo's Sustainable Finance Framework, with annual impact reporting and externally audited disbursements. The collaboration reflects senior level endorsement from both AfDB leadership and the Togolese Government, positioning the transaction as a milestone in mobilising private capital for sustainable outcomes in frontier markets.

Outcomes

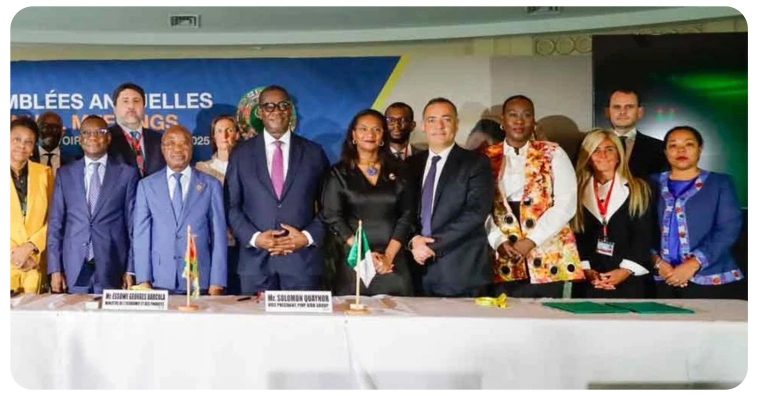
The transaction establishes a replicable model for insurance-backed sovereign financing in frontier markets, enabling access to long-term, competitively priced capital for countries that traditionally face prohibitive borrowing costs. For Togo, the credit enhancement structure reduces sovereign interest payments and lowers fiscal strain while improving visibility among global investors. The financing supports critical environmental and social programmes aligned with national SDG targets, reinforcing strong governance signals about Togo's commitment to sustainable development. For L&G, the deal expands its private credit impact footprint and demonstrates leadership in innovative blended finance structures. The partnership strengthens relationships with AfDB, contributes to closing the global USD $4 trillion SDG funding gap,[39] and accelerates investment into high impact sectors across Africa. As noted by AfDB and Togolese officials, the deal enhances market confidence, strengthens Togo's economic governance profile, and lays the groundwork for future sustainable financing under more favourable conditions.

“

This transaction marks a significant milestone in Togo's sustainable development journey. By leveraging the Fund's guarantee products, Togo is not only accessing long-term, affordable capital but also enhancing its visibility among international investors. This operation is strengthening confidence in the country's credit profile and lays the groundwork for future market-based financing under increasingly favorable conditions.

”

(Source: Solomon Quaynor, Bank Group Vice President for Private Sector, Infrastructure and Industrialization, via African Development Bank press release)



(Image Source: The African Development Bank Group)

Quote from the AfDB (Solomon Quaynor – Group Vice President for Private Sector Infrastructure and Industrialisation):

39. World Investment Report 2023 | UN Trade and Development (UNCTAD)

S: Social Resilience (continued)

Income inequality Engagement Campaign

In 2023, we initiated a campaign on the living wage, selecting 15 of the largest food retailers round the world, with the aim of encouraging them to pay the living wage to employees in their own operations and supply chain. We set out that for companies within this campaign that did not make progress following engagement, we may consider a vote against the re-election of the Chair in their 2025 AGMs.

Given the positive progress that we have seen from other companies under this campaign, for example at Coles†, Sainsbury's† and Seven & I Holdings†, it is clear that there are meaningful steps that can be taken by large food retailers towards paying the living wage across their own operations and supply chains. We would emphasise that we have been looking for progress towards these long-term goals. We would note further that we co-filed resolutions on the living wage at Walmart†, Kroger† and Target† in 2024, drawing this issue to the board's attention. Since the launch of our engagement campaign, two companies have been taken over, and we are no longer invested in another, which has reduced our engagement campaign list to 12 companies.

As this engagement campaign concludes, we can report that we have voted against the re-election of the Chair at each of these companies: Target Corporation (USA), The Kroger Co (USA), AEON Co. Ltd† (Japan), Walmart (USA). As the Chair was not up for re-election, a vote against his compensation was applied at Carrefour SA† (Europe).

Case study: Sainsbury's plc†

Identify

In 2024/25, Sainsbury's was selected by the Platform for Living Wage Financials (PLWF) to be assessed in its engagement program. The PLWF is an alliance of international investors representing over €7 trillion of assets under management. L&G Asset Management is a member of the PLWF. The coalition encourages, supports and monitors investee companies to enable living wages and living incomes in global supply chains. This is done by assessing the public disclosure of companies on their policies and practices around living wages mainly for their supply chain workers but also for their own employees. This also covers access to remedy and purchasing practices. Disclosure is scored against the PLWF methodology.

Engage

As part of our 2023 income inequality engagement campaign, we engaged with the CEO, the Chair and Investor Relations to encourage them further on their journey and to request additional disclosures. L&G Asset Management also led the engagement on behalf of the PLWF with the CEO to discuss the initial assessment outputs and to gain further clarification.

Outcomes

When their disclosures were assessed in 2025, Sainsbury's was considered to be meeting our minimum expectations under our 2023 Income Inequality campaign. Therefore, we did not vote against the Chair. Our engagement with Sainsbury's as part of our campaign may have contributed to improved disclosure by the company because when their disclosures were assessed by the PLWF, the outcome was that not only were they placed in the 'advanced' category, but they were also the best performing company within the eight food retail companies that were assessed. Their disclosure of their supply chain companies were considered as best practice.

S: Social Resilience (continued)

Diversity

We understand the importance of diversity for both the companies in which we invest, and for wider society. The business case and evidence are clear: improving diversity may allow companies to benefit from harnessing all available talent, with potential positive impacts on performance. More diverse organisations make better strategic decisions, show superior growth and innovation, and exhibit lower risk – all significant measures for investors.[40] L&G has long been an advocate of the importance of diversity on corporate boards, within both executive leadership teams[41] and management teams, as well as across the wider workforce. We consider this issue to be financially material across all sectors. Our global diversity principles set out our expectations and approach.

Gender diversity

Globally, we voted against directors at over 2,000 companies in 2025,[42] 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; 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.

Gender diversity at executive leadership level

In 2022, we set out our policy to vote against FTSE 100 and S&P 500 companies with all-male executive leadership teams, and we followed up with a letter campaign and engagement programme.

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

Ethnic diversity on boards

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,[43] in 2025 we voted against 27 companies under this principles expectation (11 UK FTSE 350 companies and 16 Russell 1000 companies).

40. McKinsey & Company, "Diversity matters even more – the case for holistic impact" (2023); Living Institute, "The Impact of *DEI on Business Performance and Profitability" (2024)
41. Executive leadership team for the purposes of this document, refers to the level of individuals who are key decision makers, and report directly to the chief executive officer. These teams are often referred to as the Executive Committee, Senior Leadership, the C-Suite, Named Executive Officers.
42. A similar figure to 2024 and slightly below 2023 (c.2,175). Source: L&G
43. As stated in our 2023 Active Ownership report, p.93: Active ownership: 2023

S: Social Resilience (continued)

Case study: Deere & Co†

Identify

We believe a diverse mix of skills, experience and perspectives is essential for a company and its board to function and perform optimally. Studies demonstrate that a good level of diversity can improve business resilience and decision-making.[44] Our approach to diversity and expectations of companies are set out in our global diversity principles.

Engage

This was a event driven engagement, the objective being to understand the company's approach to the diversity-related topics being raised by a number of shareholder resolutions that were on the ballot for their 2025 AGM.

We met with the company ahead of their AGM specifically to discuss some of the diversity-related shareholder resolutions on the ballot, and to better understand the company's approach to the issues being raised.

The resolutions in question were as follows:

- Resolution 4 – Report on Statistical Differences in Hiring Across Race and Gender
- Resolution 5 – Report on Effectiveness of Efforts to Create a Meritocratic Workplace
- Resolution 7 – Report on a Civil Rights Audit

The engagement was led by our Investment Stewardship team.

The engagement influenced our voting actions in the following way:

We voted against resolution 4 because the company already discloses data that breaks down its workforce based on race and gender. Furthermore, the code of conduct provides that all employees are treated fairly and that its workforce should represent the communities they serve. Investors can determine hiring practices from the data the company already provides. Therefore, we considered the proposal request as unnecessary.

We instructed a vote against Resolution 5; however, this resolution was withdrawn. We engaged with the company and were informed that they have not walked back from their policies on equal opportunities, which are reinforced by their code of conduct. In addition, the company's 2024 sustainability disclosures and metrics document provides information on its hiring practices and mentoring programmes for different types of workers, along with workforce data and retention rates. Finally, the company's engagement score shows an improvement in employee sentiment towards the company.

We voted in favour of Resolution 7 because we believe such an audit to be a transparent way in which the company can demonstrate that its code of conduct is operating as it should, and that there are no inequalities based on gender or ethnicity, which may cause potential legal and/or financial risks to the company. This is also consistent with our previous voting stance on this topic.

Outcomes

The vote outcomes were as follows:

Resolution 4 – 97.5% voted against

Resolution 5 was withdrawn at a late stage by the proponent, following their own engagement with the company, which they felt reconfirmed the company's commitment to the issues being raised. Our vote rationale above (which would have been applied had the resolution stood) expressed similar findings.

Resolution 7 – 29.1% voted in favour

We will continue to assess shareholder proposals on a case-by-case basis, and to engage with companies where we wish to further our understanding. We will continue to assess, on a quantitative basis, companies' alignment with our diversity expectations, as set out in our published diversity policy.

44. For example: Why diversity matters even more | McKinsey and Report — As You Sow.

S: Social Resilience (continued)

Human rights

Human rights issues can present significant financial risks to investors, including legal, regulatory, operational, and reputational impacts. Addressing human rights within operations and value chains helps companies establish safeguards to carry out economic activities while minimizing risks and costs. For instance, companies with poor human rights records or inadequate risk management may struggle to secure financing for projects and be more exposed to fines and sanctions.

As set out in our Human Rights Policy, we believe that human rights issues have the potential to be financially material for investors, and that managing the business elements of human rights within operations is essential for companies in minimising the risks from human rights violations (e.g. losing social licence to operate, trade barriers, supply chain disruptions, reputational damage and legal liability).

As a continuation of our 2024 human rights campaign, we identified consumer sector subsectors with elevated exposure to labour related risks and will conduct follow-up engagements accordingly. Building on the commitments made in our previous dialogues, we intend to assess companies' progress not only in publishing comprehensive human rights policies, but also in operationalising them through strengthened due diligence frameworks, enhanced grievance mechanisms, and more robust oversight processes. This 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.

Human rights integration into the L&G ESG score:

In December 2023, we strengthened our focus on human rights by introducing a new policy and initiating a targeted email campaign in 2024. Our campaign indicated that companies with strong human rights management often embed these considerations in their business strategies and operations, beyond board oversight and policy commitments. Companies have shared that integrating robust human rights governance at various operational levels strengthens risk management processes.

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. The L&G ESG score is utilised in a number of equity and fixed income index funds.

S: Social Resilience (continued)

Case study: CLP Group†

Human rights and climate

Identify

CLP† is an engagement target for L&G on human rights and climate change, through collaborative engagement on PRI Advance for human rights (since 2023) and direct engagements on human rights and climate issues. This aligns with our thematic stewardship and regional priorities, which emphasise human rights as responsible business conduct and climate change as a systemic risk. We have engaged CLP on human rights and its managed coal phase-out in Australia, specifically at Mount Piper Reserve Capacity in New South Wales (NSW).

Key human rights objectives include:

- Adopting and publishing a group-level human rights policy beyond existing labour standards
- Conducting human rights due diligence following risk mapping
- Establishing grievance mechanisms accessible to employees, contractors, supply chain workers and affected communities, with KPI reporting
- Strengthening supply chain human rights management
- Committing to a responsible minerals policy for renewables and battery supply chains

On climate, our engagement objective is to understand the bottlenecks and rationale for CLP's decision not to close Mount Piper earlier, but to maintain it as reserve capacity until the early-to-mid 2030s. This is closely linked to NSW's climate and energy policy, which targets a 50% emissions reduction by 2030 and net zero by 2050 while ensuring grid reliability. Mount Piper provides essential firming and system security services as NSW expands renewable energy zones, transmission infrastructure and long-duration storage. Current constraints – such as intermittent renewable generation, delayed transmission roll-out and limited commercial storage – necessitate its flexible reserve role.

Engage

In 2025, we continued collaborative engagement with PRI Advance and direct engagements with CLP as a follow-up to our 2024 human rights letter campaign and climate discussions. Our approach remains focused on constructive dialogue, reinforcing expectations on human rights and climate transition.

We have maintained active participation within PRI Advance, contributing to engagement strategy and messaging.

Direct engagement with CLP has included calls to deepen understanding of human rights risks and progress on climate commitments, particularly around Mount Piper's transition to reserve capacity. These discussions aim to clarify bottlenecks and timelines for decarbonisation while monitoring progress on renewable and storage investments.

Engagement has primarily involved CLP's sustainability and investor relations teams, as well as the company secretary, with escalation to senior management where necessary. Our global co-lead continues to lead our involvement, ensuring alignment with our stewardship priorities.

Outcomes

To date, our voting actions on human rights have not been directly influenced by this engagement, but outcomes may inform future decisions. CLP remains on our Future World Protection List due to its thermal coal operations [its failure to phase out Mount Piper in Australia by 2030 (OECD country)], which carries voting implications.

Progress has been made on human rights engagement. CLP has acknowledged the importance of strengthening its human rights approach and expressed willingness to review its current practices. While our stated objectives have not yet been fully met, the company has shown openness to further dialogue and benchmarking against best practices.

From 2025 collaborative engagements, we encouraged CLP to consider the following next steps and offered support where needed:

- Develop a standalone human rights policy with a clearly defined scope, governance, and accountability for implementation
- Clarify plans to operationalise human rights due diligence, including identifying responsible parties, mitigation measures, KPIs, and processes for updating risk levels
- Establish and implement grievance channels for affected stakeholders and report on grievance data (number, type, location, resolution). Channels should be legitimate, accessible, predictable, equitable, transparent, and free from retaliation

On climate, while our engagement objective next step is ideally for CLP to commit to an earlier phase-out of Mount Piper, we recognise the limitations imposed by NSW's climate and energy policy, including delayed transmission infrastructure, intermittent renewable generation, and lack of long-duration storage. These constraints make Mount Piper essential for grid stability as reserve capacity until the early-to-mid 2030s. We continue to monitor progress on renewable and storage investments.

S: Social Resilience (continued)

Antimicrobial resistance ('AMR'): public policy update

Identify

The World Health Organization (WHO) describes AMR as one of the top 10 global public health threats facing humanity today.[45] Research published ahead of the United Nations General Assembly's second High-Level Meeting on AMR in September 2024 posits that if no action is taken to stem the rise of AMR we could face a $1.7 trillion annual reduction in global economic output by 2050, and current annual direct healthcare costs of $66 billion could rise to $159 billion in 2050.[46] Our stewardship efforts throughout the year focused on shaping policy environments, contributing to global governance frameworks, and raising AMR's profile among investors and decision makers worldwide.

Engage

At the 2024 High-Level Meeting, the AMR Declaration adopted by the General Assembly called for the creation of the Independent Panel on Evidence for Action against Antimicrobial Resistance (IPEA). During the 2025 consultation process, we submitted written feedback stressing that the panel's governance must be transparent, evidence-driven and accessible to qualified observers. We urged broadened access to plenary sessions beyond governments and UN bodies, enabling technical and scientific experts – including investors – to contribute meaningfully. We also advocated for strong transparency measures, including annual public reporting to ensure accountability as the panel evolves. Our involvement reflects the growing recognition that long-term investors have a vital role in addressing the economic and societal implications of AMR.

Throughout the year we were invited to participate in various AMR events. We spoke at the inaugural Conference on Global Sustainability in Geneva, a cross industry event that brought together policymakers, academics, and business leaders to address systemic sustainability challenges. Our contribution centred on the economic consequences of AMR and the importance of coordinated policy action.

We also took part in a daylong workshop on 'Market Solutions for Antimicrobial Effectiveness' at Adam Smith's Panmure House in Edinburgh, where we worked with economists, scientific experts and policy specialists to explore market based mechanisms capable of restoring antimicrobial effectiveness. Additionally, during World AMR Awareness Week, we were invited as a panel speaker at The Nobel Prize to Now event at the Royal Society of Medicine, focusing on how to keep AMR at the forefront of political and financial agendas despite competing global crises.

We also engaged UK peers and clients at the ESG Imperative conference, where we co-hosted a session with Trinity College, Cambridge on why AMR requires urgent attention from long-term investors. Our presentation explained the biological drivers of resistance, highlighted the rising economic costs of AMR-related pressures on health systems, and outlined how investors can help incentivise responsible antimicrobial stewardship across sectors.

Outcome

These events collectively provided an opportunity to elevate AMR within global sustainability dialogues, expand investor awareness, and strengthen the case for multi stakeholder action which we believe is essential to address and manage the escalating global threat of AMR. Through our advocacy, we continued positioning AMR as one of the issues we focus on within our Social Resilience theme.

45. Source: WHO Antimicrobial resistance, accessed 5 February 2026.
46. The full paper can be read here: WOAH Documentary Portal - Record accessed on 5 February 2026.

G: Corporate Governance

Corporate governance is the strategic anchor that enables companies to remain resilient and agile amid accelerating global change, from climate risk to technological disruption. We view governance as the broad system of rules and practices that safeguard and enhance long-term value. Our engagement approach is therefore tailored in supporting the effectiveness of this system, while reflecting each company's specific context in our engagement activity.

Investor rights

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. However, as these actions unfold, and we observe changes to both investors' and corporates' behaviour, we are concerned that in some markets, the collective impact is dismantling the foundations of shareholder democracy and corporate governance to a point that will be hard to rebuild, potentially negatively impacting both stakeholders. Through the year we have continued to express our concerns on this issue, working in partnership with investor groups and peers on the topic of investor rights.

One share, one vote

In 2024, we joined the Investor Coalition for Equal Votes (ICEV), co- founded in 2022 by UK asset owner Railpen and the Council of Institutional Investors (CII) to advocate for one-share-one-vote structures. Its steadily growing membership now includes US, UK, and global investors with a combined $4.5 trillion AUM.[47] ICEV aim to engage across the value-chain, pre-listing, to influence the number of companies coming to the market with dual vote structures. The coalition's engagement with advisors, aims to ensure their clients fully understand both the institutional investor perspective and the risks of listing with dual-class share structures (DCSS). We are active participants in the ICEV regular meetings and have contributed to a number of high-profile engagements during the year. In 2025, ICEV increased its visibility with banks advising IPO clients and held meetings with leading banks, seeking to shape governance expectations pre-listing. There has been a particular focus on the US and European markets.

Alongside this, the coalition deepened its work on transparency for DCSS, initiated engagement with proxy advisers to standardise DCSS vote reporting and strengthened its global network through collaboration with organisations including CII, the International Corporate Governance Network (ICGN) and major public pension funds. We have had a longstanding vote position on one-share-one-vote and have recently strengthened our voting policy on this issue beyond the US.

Italy legislative reform

In 2025, Italy introduced significant governance reforms which included potential optouts from shareholder rights protections and changes to AGM formats. As a member of ICGN, we contributed to a final ICGN letter setting out concerns regarding weakened minority shareholder protections, proposed changes to the board slate regime, and the continued allowance for closed-door AGMs. In 2025, the 30th Anniversary Conference of ICGN was held in Milan amid the debate, where one of the co-leads of Investment Stewardship, attended and presented.

US legislative reform

During 2025, we saw an increase in activities across the US market at federal and state level that, when taken collectively, signal a significant weakening of corporate governance standards and shareholder rights. We have closely monitored these developments. As we witness the relaxation of many historic rules and laws that govern companies in the US, we emphasised during our 2025 Non-Executive Director event, that we look to boards and management to uphold effective corporate governance practices, maintain independent directors and leadership, and promote transparent and accessible methods of communication with their shareholders.

Japan corporate governance

Japan's corporate governance landscape continues to shift, with signs of steady transformation becoming increasingly visible across the market. Companies are unwinding longstanding cross shareholdings, appointing more independent directors, and improving board diversity.

These developments have been reinforced by efforts by Japan's Financial Services Agency (FSA) and the Tokyo Stock Exchange. Through our stewardship activities, we have remained closely engaged with companies and policymakers, supporting the translation of these reforms into durable governance improvements.

One milestone was the regulator's call on annual disclosure timelines, an area we have engaged on for many years and first wrote about in 2020. Earlier publication of annual securities reports reflects sustained investor pressure for greater transparency ahead of AGMs. With only a handful of early adopters, best practice has not yet formed. These remain very early steps, but the shift reinforces the importance of timely, decision useful disclosure for constructive shareholder dialogue.

A further development in 2025 was the finalisation of new disclosure standards by the Sustainability Standards Board of Japan (SSBJ). These IFRS-aligned standards introduce phased mandatory reporting from 2027 and strengthen expectations on climate-related disclosures. This follows ongoing engagements and our direct submission to the SSBJ consultation in 2024, which called for alignment with global standards and clearer implementation guidance.

Policy and corporate engagement increasingly reinforced each other in 2025, particularly in the context of Japan's climate transition. We continued to call on boards to strengthen oversight of transition strategy, improve the robustness of scenario analysis, and align disclosures with emerging global standards, while bringing investor perspectives directly into policy discussions through collaborative platforms.

We have also continued our focus on diversity, recognising its continued importance to board effectiveness and Japan's shifting workforce. Speaking at the Osaka World Expo allowed us to draw attention to the persistent structural obstacles that constrain leadership progression in Japan, and to explore how changing work dynamics can support broader, more inclusive routes into senior roles.

47. ICEV; as at March 2026.

G: Corporate Governance (continued)

Case study: Sumitomo Mitsui Trust Group†

Identify

We believe companies should put in place a board and key committees that are appropriate for the size and complexity of the business. In our view, the optimal size of a board is between 10 and 15 directors, with a mix of executive and independent members to facilitate open discussion and diversity of thought.

Additionally, board committees ensure that specific directors are responsible for key board functions, as well as to allow for independent discussions relating to audit and control functions, director incentivisation and board composition. We expect key board committees to consist solely of independent directors to avoid potential compromise of these important oversight functions by the presence of executive directors.

Engage and escalate

We have been engaging with Sumitomo Mitsui Trust Group (SuMiTG)† for several years, discussing governance and sustainability issues with its President (Representative Executive Officer) and senior management members. Discussions included the company's climate change policies; shareholder rights and value considerations around its strategic shareholding practices; and voting issues covering governance aspects, including independence of committees and board diversity.

Our open and fruitful discussions with the President over the past few years have led us to support SuMiTG in its reduction policy of strategic shareholdings[48] to zero in the near term, a commitment that we are actively monitoring.

Our voting activities and disclosures have also been discussed with the company to clarify our expectations around board and committee independence and gender diversity; especially around the Chair being a member of the Remuneration Committee.

In meetings following the 2024 AGM and ahead of us finalising our vote on the June 2025 AGM, the company also discussed its thoughts on the reduction in the number of board members and the proportion of internal directors to outside directors towards FY2025.

Outcome and next steps

Ahead of the 2025 AGM, we noted that the board-proposed ballot provided for a reduction in board size to 13 members, from 16 at the 2024 AGM, with the reduction coming entirely from the refreshment and resignation of internal directors. This resulted in a majority independent outsiders making up the SuMiTG board, and also increased the gender representation from 12.5% to 23.1% after the 2025 AGM. Notably, the board also decided to ensure fully independent Remuneration and Nomination Committees by removing two internal directors from these committees: the Chair of SuMiTG and the Chair of Sumitomo Mitsui Trust Bank (SuMiTB), the Group's main operating subsidiary. The Audit Committee was also reshaped with higher independence.

Given the governance improvements across board balance and committee compositions, as well as the company's continued reduction of strategic shareholdings and commitment to reduce such holdings to zero, we were able to support the re-election of all directors at the 2025 AGM.

We are looking forward to continuing our engagements with the company and its incoming President when he takes up the role in April 2026, and thank President Toru Takakura for his continued open dialogue, remaining available to him in his new role of Chair.

48. Refers to shareholdings held as a conventional stable shareholder, as defined by SuMiTG. The company has adopted this term instead of "cross shareholdings" and announced in May 2021 its policy, in principle, not to hold any strategic shareholdings.

G: Corporate Governance (continued)

Case study: Asia (ex-Japan) corporate governance public policy engagement

Identify and Engage

In 2025, we advanced our corporate governance public policy engagement across Asia, building on the momentum of our 2024 initiatives. Our efforts focused on three regional priorities: enhancing board quality, strengthening investor rights, and improving capital management practices. These activities continued to be supported by our longstanding collaboration with the Asian Corporate Governance Association (ACGA) across key markets.

A central pillar of our work was continued participation in ACGA-led market dialogues, which played an important role in shaping reforms and elevating investor expectations across the region. Korea remained a focal market given the significant pace of reform over the past 18 months, driven by legislative changes, the expansion of the Corporate ValueUp Programme and strengthened minority shareholder protections. Despite this progress, stewardship practices remain uneven, board independence continues to face scrutiny, and shareholder activism is rising, indicating deeper structural shifts underway.

In November 2025, we participated in the ACGA Korea Delegation for the second time, following our earlier visit in March 2024. Our engagement involved discussions with regulators, market institutions, and domestic investors on the country's rapidly evolving corporate governance landscape. These key stakeholders included the Korea Listed Companies Association, National Pension Service, Korea Corporate Governance Forum, Financial Services Commission, Financial Supervisory Service, Ministry of Justice, Korea Exchange, and the Korea Institute of Corporate Governance and Sustainability.

Two policy themes emerged from the dialogue. First, on Corporate Governance ValueUp Reform[49], we acknowledge that while momentum has been building, only 167 listed companies have disclosed ValueUp[50] plans, with major chaebols remaining largely inactive. We reiterated the need for cultural and structural shifts, supported by stronger incentives, to deliver sustainable, long-term value. Second, on the revision of the Korean Stewardship Code, we noted positively that the forthcoming update is expected to introduce formal evaluations of signatories and to place greater emphasis on stewardship quality, outcomes, and accountability.

Beyond our engagement in Korea, we also engaged with the Malaysian market through the CII roundtable and discussions with the Securities Commission Malaysia, offering early perspectives on the upcoming Corporate Governance Framework ahead of its public consultation. In Singapore, we contributed to a MAS/SGX supported Stewardship Asia study examining how high-quality investor–company engagement can foster trust and drive corporate value creation.

Next steps

In the year ahead, we will further integrate value creation and governance enhancement themes, including board effectiveness, transparency, and capital efficiency expectations into our company level engagements across priority markets. By helping shape policy dialogue and articulating clear stewardship expectations, we aim to contribute to more effective governance ecosystems and support resilient, long-term value outcomes for clients.

49. Korea's Corporate ValueUp Reform is a government-led corporate governance and capital markets reform initiative, launched in February 2024 by the Financial Services Commission (FSC), aimed at addressing the "Korea discount, the persistent undervaluation of Korean listed companies relative to global peers. Its core objective is to improve capital efficiency, governance quality, transparency, and shareholder returns, primarily through board-led, voluntarily disclosed value enhancement plans, supported by incentives and market pressure rather than strict

50. As of 11.05.25 https://biz.chosun.com/en/en-finance/2025/11/05/ZSDQMYZQXVAS7ONIQKU2KXKJUY/

G: Corporate Governance (continued)

Remuneration

We have long-established, publicly available guidelines on our minimum expectations of pay practice globally, with separate documents produced for the UK and US markets. Our experts meet with remuneration consultants annually to discuss any changes to our policies and market developments. We also regularly meet with other investors to ensure our guidelines continue to evolve in detail.

Given the ongoing trend towards increased UK pay competitiveness, we continued to see significant pay rises being proposed in 2025, as well as structural changes to bonus deferral and long-term incentives to more closely align with US practices.

This included a small number of companies seeking flexibility to introduce hybrid schemes that comprise both time-based restricted shares and performance share awards. Companies also sought to reduce the deferral element under the annual bonus, in some cases – at the largest international companies – to remove deferral altogether.

When considering proposals to increase pay quantum in light of market competitiveness and recruitment or retention issues, our assessment takes into account the appropriateness of the peer group used in determining the targeted pay levels, the strategic rationale behind the proposed change, and the performance of directors and the company they lead.

While acknowledging competitive pressures, we discourage over-reliance on frequent benchmarking and would not expect pay to be increased automatically each year. Benchmarking alone should not be used to justify a substantial increase to pay levels.

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 in 2025 (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.

G: Corporate Governance (continued)

Case study: Anglo American plc†

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.

Anglo American is also included in L&G's engagement-led investing strategy – an approach that seeks to support companies in creating long-term shareholder value while reducing emissions and advancing the energy transition. This strategy complements our existing stewardship activities.

Having previously been transparent about our views on the company's proposed takeover by BHP Group†[51], we have been equally transparent about our support for the proposed merger with Teck Resources†[52], and the latter formed a substantial focus of our engagement in 2025, along with related remuneration proposals.

Engage and escalate

In 2025, we undertook a series of six meetings and multiple email exchanges with Anglo American, led by both our Investment Stewardship and Climate Solutions teams. Engagements involved senior leadership, including the CEO, Head of Sustainability, and several board members.

Anglo was identified as a strategically significant company within the 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 proactively 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[53], 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.

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 in-flight LTIP awards, which would have guaranteed minimum vesting levels of its 2024 and 2025 awards subject to the merger proceeding[54], 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.

These changes were not aligned with our 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 position to the market, we pre-declared our votes ahead of the EGM.

Outcome and next steps

Following our pre-declaration, and in response to significant shareholder concern, the company announced[55] the withdrawal of the remuneration resolution (Resolution 2) ahead of the EGM. The proposed merger resolution with Teck Resources was subsequently approved by shareholders at the EGM (99.17% votes FOR).[56]

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 the company and will continue to engage on future remuneration plans (ahead of its pay policy renewal at the 2026 AGM), decarbonisation of operations, and opportunities to seek to capture value from low-carbon materials.

51. Top Anglo shareholder backs break-up plan as clock ticks for BHP; FT, 20 May 2024. https://www.ft.com/content/29cddb5f-449b-464a-b7f6-3d7bf577204a?syn-25a6b1a6=1
52. Shareholders back Anglo's 'once in a generation' deal with Teck Resources; FT, 9 September 2025. https://www.ft.com/content/43699918-cbbe-46b5-96ae-78c33c35a387?syn-25a6b1a6=1
53. Shareholders back Anglo's 'once in a generation' deal with Teck Resources; FT, 9 September 2025. https://www.ft.com/content/43699918-cbbe-46b5-96ae-78c33c35a387?syn-25a6b1a6=1
54. Ibid.
55. Anglo American PLC, Regulatory news announcement; 8 December 2025.
56. Anglo American PLC, Regulatory news announcement; 10 December 2025.

G: Corporate Governance (continued)

Case study: Toronto-Dominion Bank†

Identify

The board of directors is responsible for running the company on behalf of its shareholders, also taking into account other stakeholder interests. As part of this, we believe efficient governance and control structures are important for building a sustainable business.

We believe a board should comprise a diverse mix of skills, experience and perspectives in order to function and perform optimally, avoid ‘group think’ and have the requisite skills to deal with pertinent risks and commercialise on opportunities.

Engage and escalate

In October 2024, Toronto-Dominion Bank† received a record $3 billion fine from US regulators due to anti-money laundering failures.

In considering our vote ahead of the company’s April 2025 AGM, we paid particular attention to board composition and skillsets, in the context of the necessary actions to address the failures penalised. We encouraged disclosure of the attributes and skills that individual directors bring to the board, and how these fit with the combined skillset of other incumbent directors and with the long-term strategic direction of the business.

We spoke with the Board Chair and other representatives from the company on culture and whistleblowing processes, board evaluation activities, the resulting desirable skillsets and necessary board refreshment. We also had a number of email-based exchanges on this topic to set out our questions and explain our expectations.

We undertook a detailed review of the experience, skillset and backgrounds of each of the nominees proposed at the 2025 AGM, both incumbent and new. In doing so we determined that further board refreshment and banking experience was needed to build an appropriate collective skillset and strong governance structures, including managing the necessary remediation process.

While the company provided appropriate information on the appointment processes and skills of newly appointed directors, we were not able to determine a similarly strong process undertaken in respect of incumbent directors.

In terms of escalation, our voting at the company's 2025 AGM demonstrates our concerns, emphasising our belief that further board refreshment was required. In total, we voted against seven incumbent directors, including the re-election of the Board Chair and other members of the Risk and Audit Committees.

Outcome and next steps

The low levels of support for the re-election of a number of the directors against whom we voted indicate broader investor dissatisfaction with governance at the bank – with the former Audit Committee Chair receiving below 58% support from shareholders and others ranging between 71.4% and 99.6% for newly appointed directors.

G: Corporate Governance (continued)

Case study: Edinburgh Worldwide Investment Trust plc†

Identify

Saba Capital's ask to appoint three nominees to replace the full existing board of Edinburgh Worldwide Investment Trust plc (EWIT)† lacked sufficient detail regarding its future strategy for the trust, vital and financially material information expected by investors, given the intended substantial restructure of the trust's board and handover of power to the nominees being proposed under resolutions 7-9.

Saba Capital is a US hedge fund that started campaigning for change in 2024 at a number of UK investment trusts that were deemed by the activist to underperform, with high discounts to Net Asset Value (NAV) amongst the concerns cited. This campaign resulted in requisitioned shareholder meetings at seven investment trusts[57] in early 2025, with Saba buying into each trust with varying substantial holdings.[58]

For more background, including our vote decisions at the time of the 2025 shareholder resolutions, please see page 19 of our Q1 2025 Quarterly engagement report.

Engage and escalate

The dissident (Saba Capital) appeared to have taken on board shareholder concerns raised during its previous campaign and has provided some information on the nominees' skills and rationale for their appointment and nomination process, considering each candidate to be independent.

The incumbent EWIT board equally appeared to have been responsive to the contention of underperformance and has effectively managed to reduce the trust's discount to NAV.

Upon review of the recent proposals at EWIT's requisitioned meeting on 20 January 2026, Saba's strategy appears broadly unchanged from its previous attempt at the shareholder meetings in early 2025. Consequently, given the potential conflicts on interest between Saba, its nominees, and long-term investors, we again voted against all proposals, opting to keep the running of EWIT in the hands of the incumbent board at this time.

Given the importance of the vote to the future of EWIT, as well as the likely tight vote with much of the outcome heavily relying on retail investors placing their votes during what is a quiet time of the year, we chose to pre-declare our vote intentions and notified the company of our public statement of support. Additionally, we also recalled any shares out on loan to be able to vote on behalf of our clients with the full voting power attached to our holdings.

Outcome and next steps

Each of the resolutions to remove the existing board and appoint three new directors was narrowly defeated at the EGM, with 53.2% of shares voted against Saba Capital's proposals, reflecting support for the incumbent EWIT board of 92.7% of independent shareholders (excluding the Saba Capital holding). While a win for the board, this result represents a reduction in proportional shareholder support from the 2025 campaign, when 63.8% of shares voted rejected Saba Capital's proposals.

We will continue to work with industry bodies like the Investor Forum and the Association of Investment Trust Companies to seek to ensure that all shareholders' best interests are represented in shareholder meetings at UK investment trusts.

57. Baillie Gifford US Growth Trust (USA), CQS Natural Resources Growth & Income (CYN), Edinburgh Worldwide Investment Trust (EWI), European Smaller Companies Trust (ESCT), Henderson Opportunities Trust (HOT), Herald Investment Trust (HRI) and Keystone Positive Change Investment Trust (KPC)
58. Shareholdings in each trust, as at 18 December 2024, as disclosed by Saba via Association of Investment Companies news page.

Active engagement: the numbers

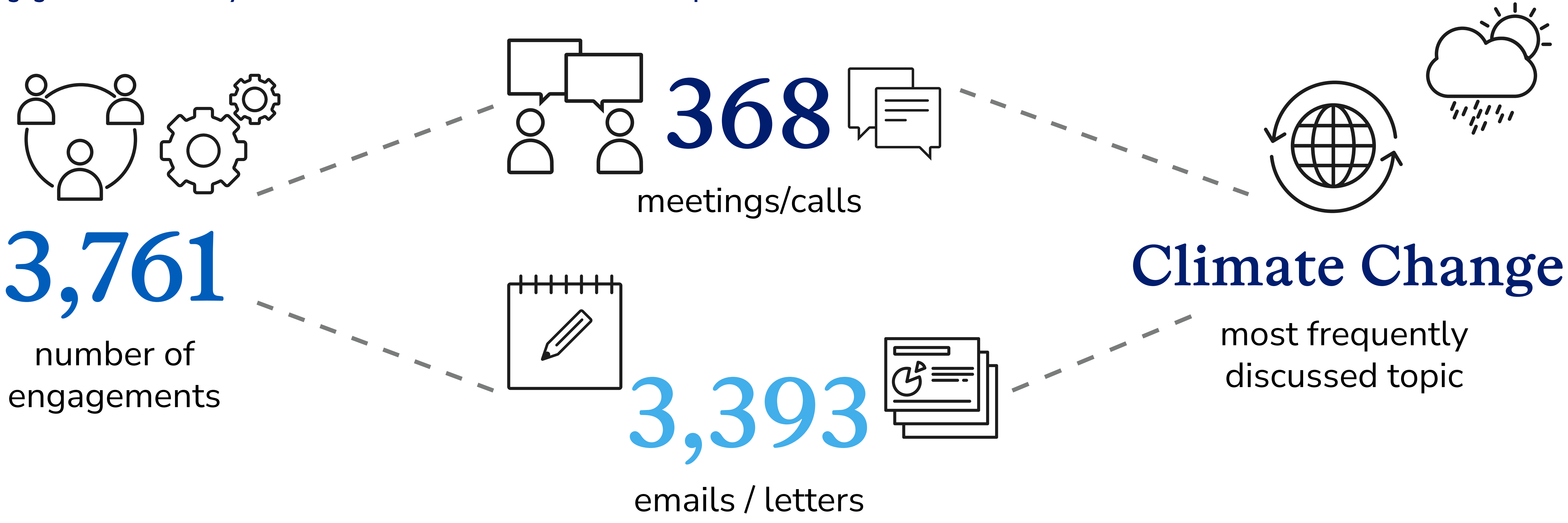
- **Our Investment and Investment Stewardship teams undertook a combined 3,761 engagements in 2025**
- **The most frequently engaged companies in 2025 were BP Plc† and Barclays Plc†, closely followed by Shell Plc†**
- **Climate change continued to be the most frequently discussed topic, with 2,703 engagements**

We believe our Investment Stewardship themes of climate and nature, social resilience and corporate governance 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 drive change.

We structure our engagement approach around defined objectives – either insight-driven, to deepen our understanding of a company's strategy and risks, or outcome-oriented, to drive measurable change aligned with our stewardship goals. We also engage on event-driven matters and maintain key strategic relationships. Where progress falls short of expectations, we hold companies accountable through stewardship measures such as voting, public statements, or collaborative actions.

We regularly engage with senior executives and non-executive directors. In 2025, the teams' engagements took the form of calls and video conferences, as well as email communications and email-based engagement campaigns to inform and drive outcomes in line with our thematic priorities. Meetings and calls are normally attended by the stewardship sector lead and may include portfolio managers and research analysts across asset classes. Depending on the topic, a thematic expert may also be present, for example, on remuneration or climate change.

2025 engagement numbers by our Investment and Investment Stewardship teams

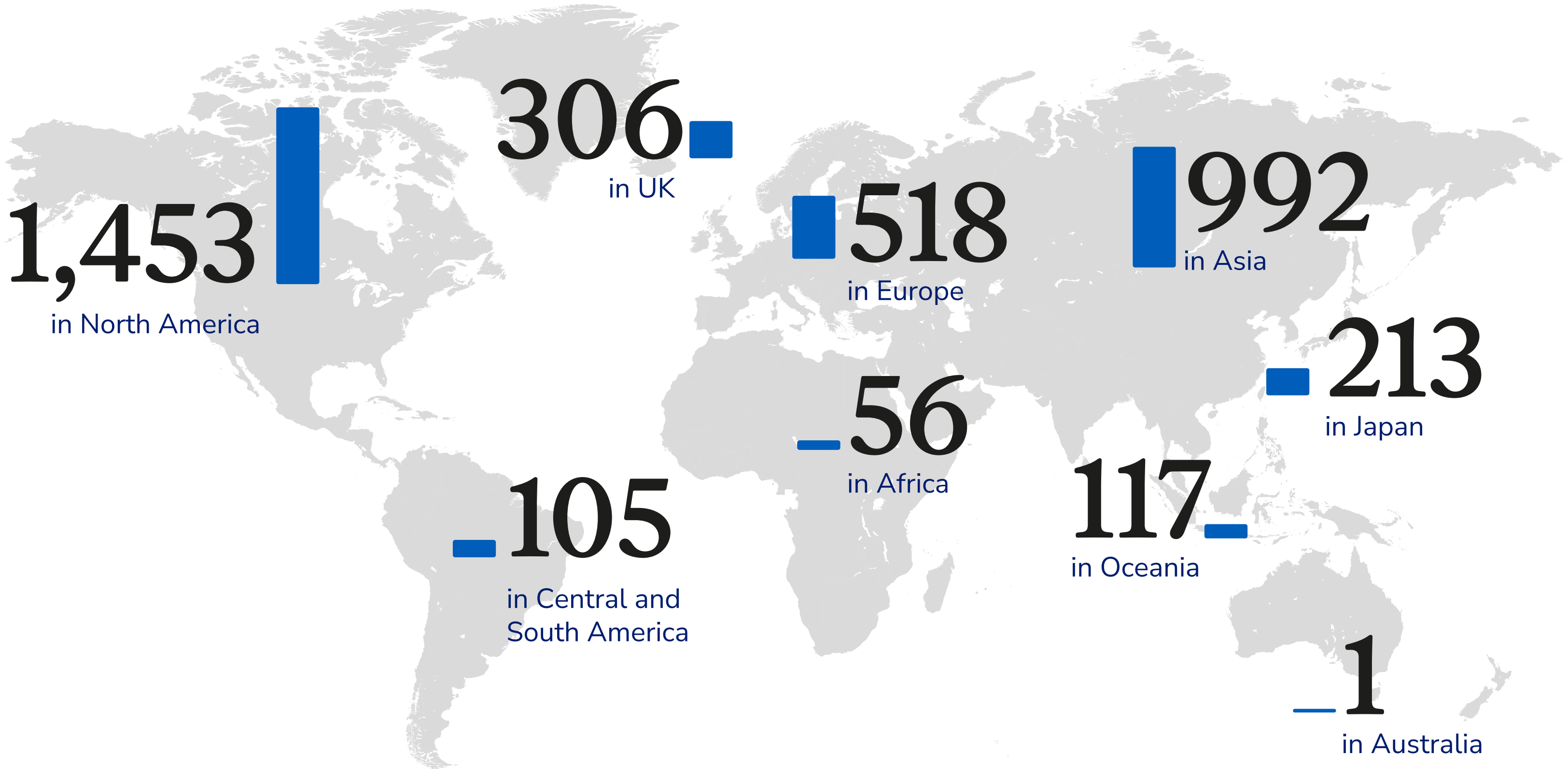


Active engagement: the numbers (continued)

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

2,703
Climate change

1,282
Deforestation

168
Remuneration

105
Strategy

80
Climate Mitigation

Policy engagement

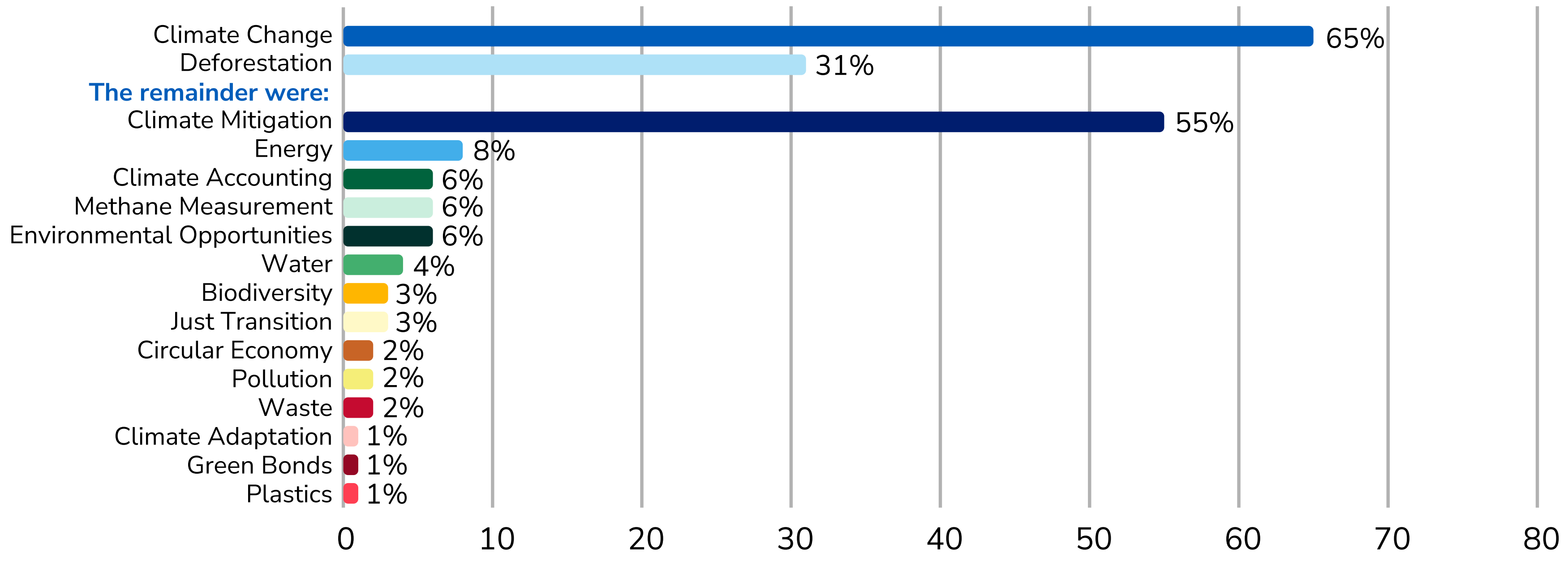
Category	TOTAL	Climate & nature	Social resilience	Governance	All themes
Academia	2	0	1	1	0
Civil Society	1	0	1	0	0
Government Ministry / Department	14	4	1	9	0
Government Regulator	3	1	0	2	0
Industry Association	60	23	4	30	3
Multilateral Organisation	6	1	5	0	0
Non-Governmental Organisation (NGO)	40	19	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

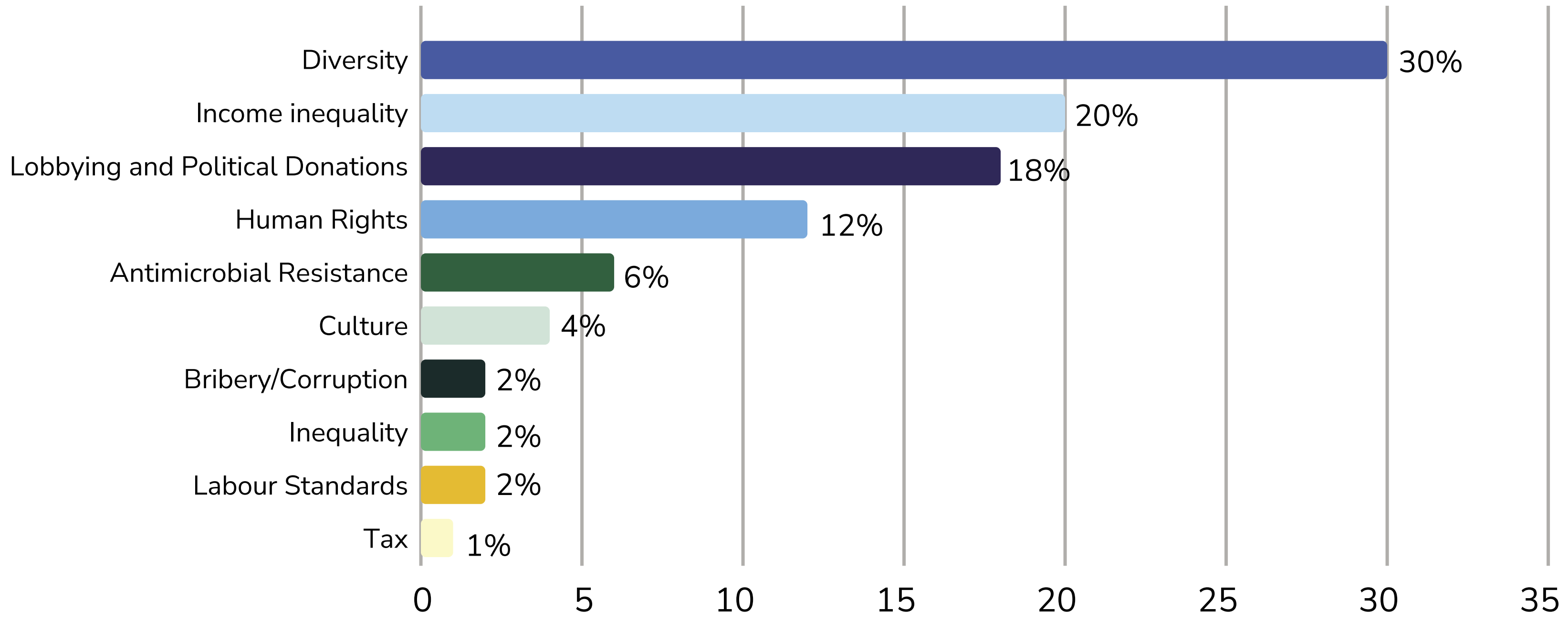
Region	
Asia	70
Europe	43
Global	19
North America	17
Oceania	12

Active engagement: the numbers (continued)

Breakdown of Environmental Engagements (corporate)



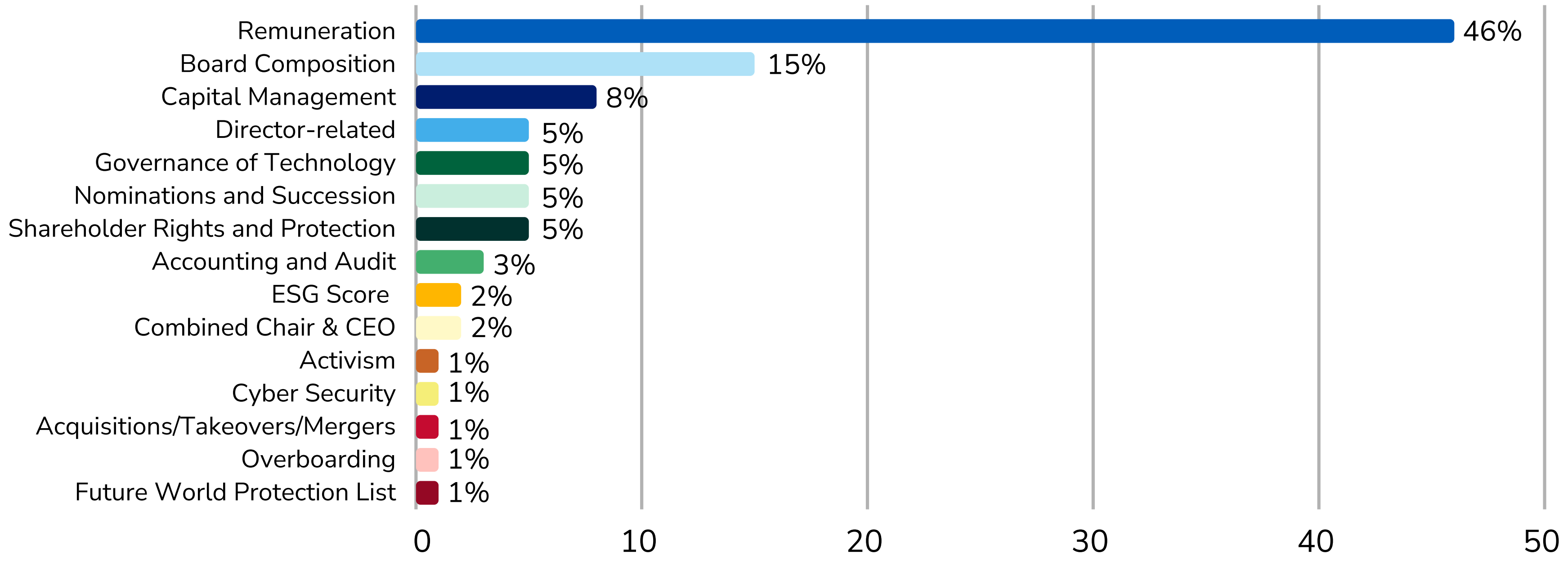
Breakdown of Social Engagements



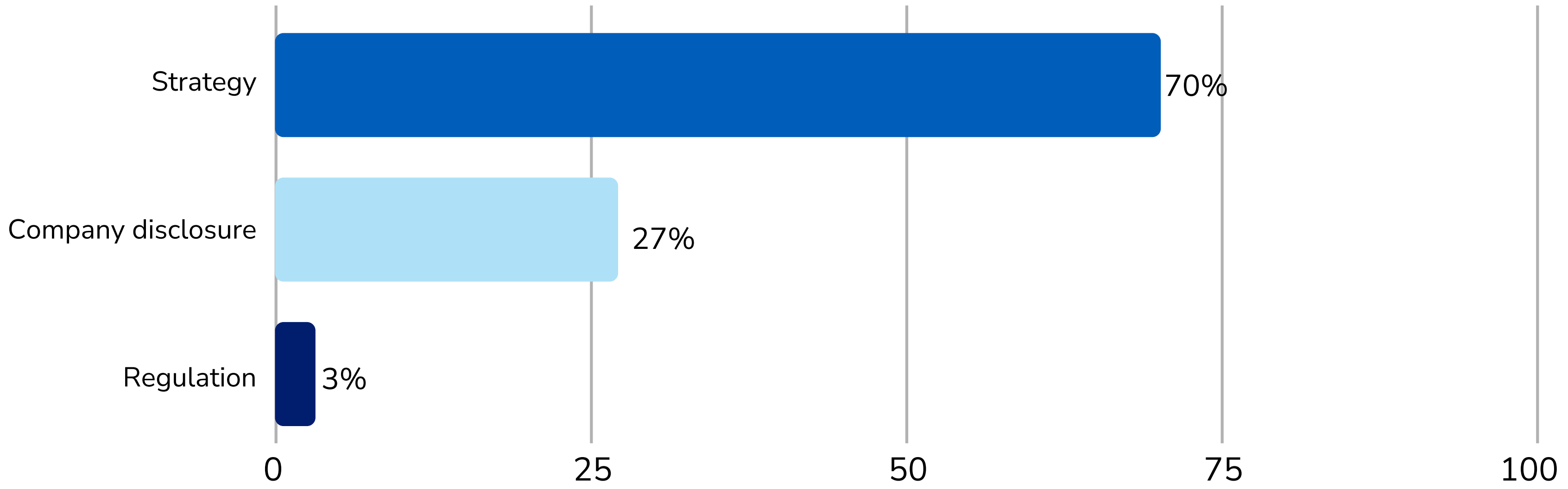
Top 5 companies based on the numbers of engagements

- 13 BP PLC†
- 13 Barclays PLC†
- 12 Shell PLC†
- 11 Unilever PLC†
- 8 Anglo American PLC†

Breakdown of Governance Engagements (corporate)



Breakdown of Other Engagements (corporate)



Voting statistics by region

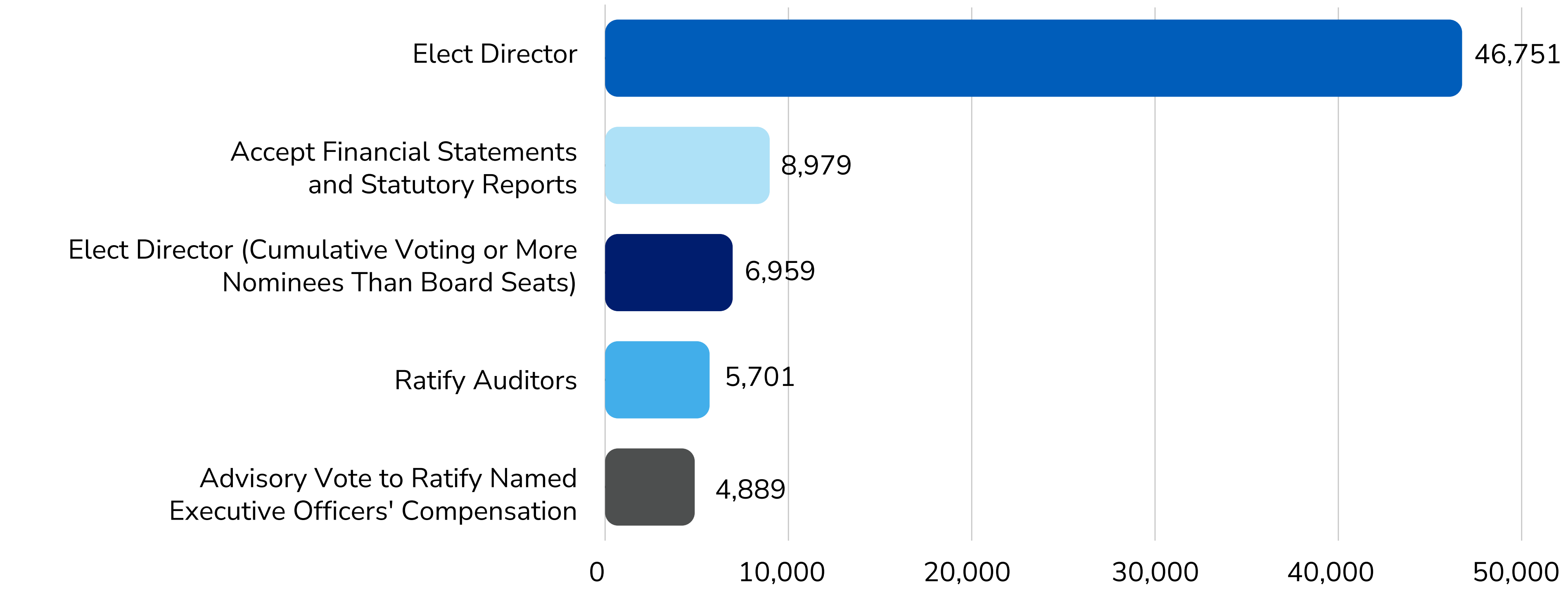
Our analysis shows that, globally, our voting stance differed from ISS recommendations in around 13% of votes in 2025. Where our stance differed, the majority of votes were usually cast against management – particularly around director elections, remuneration, audit, and shareholder proposals on environmental and social topics.

Global

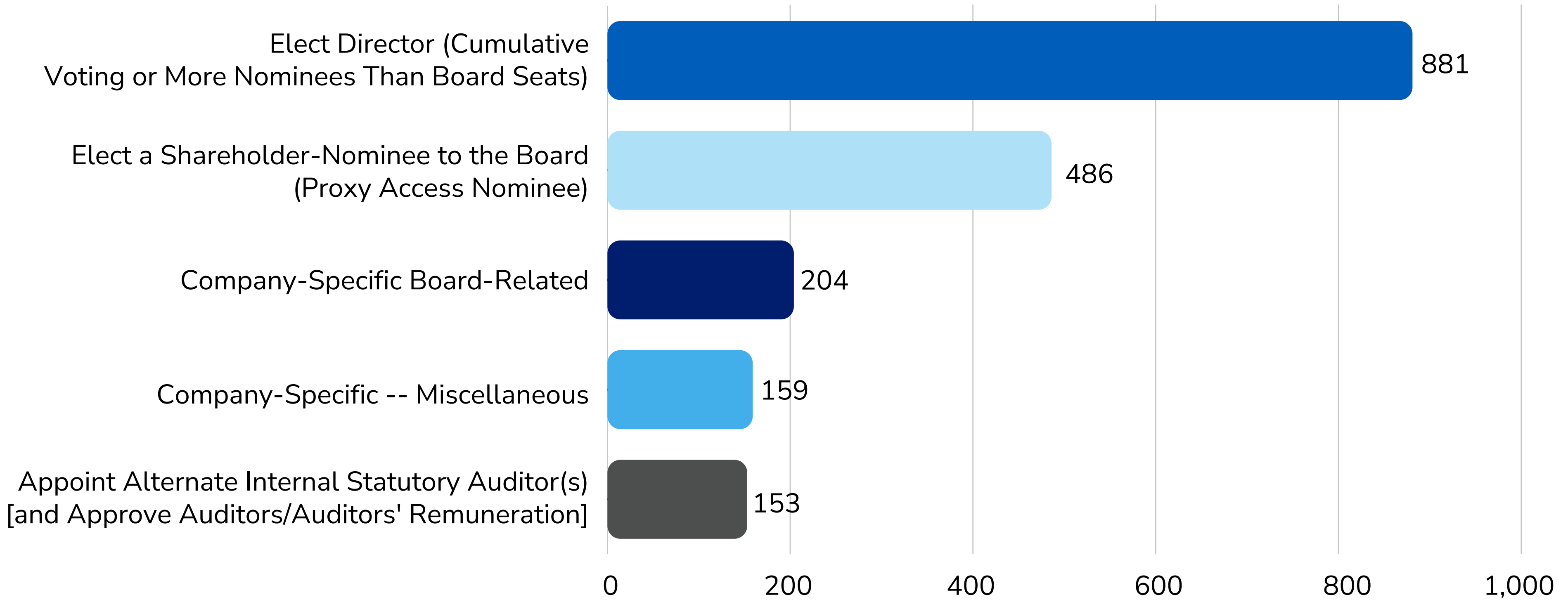
Proposal category	Total for	Total against	Total abstentions	Total
Management	**107236**	**35969**	**2005**	**145210**
Routine Business	20104	2118	1	**22223**
Director Election	38308	14810	1992	**55110**
Compensation	8299	7570	0	**15869**
Audit Related	8092	1580	6	**9678**
Capitalization	10428	1673	1	**12102**
Director Related	8871	3012	2	**11885**
E&S Blended	184	0	0	**184**
Strategic Transactions	2778	1256	0	**4034**
Non-Routine Business	3648	560	0	**4208**
Company Articles	4321	2541	0	**6862**
No Research	47	402	3	**452**
Miscellaneous	923	169	0	**1092**
Takeover Related	844	80	0	**924**
Social	314	126	0	**440**
Mutual Funds	56	0	0	**56**
Environmental	18	14	0	**32**
Procedural/Non-Equity	1	58	0	**59**
Shareholder	**2286**	**1340**	**10**	**3636**
Capitalization	91	1	0	**92**
Director Election	1144	496	10	**1650**
Audit Related	164	40	0	**204**
Corporate Governance	103	35	0	**138**
Company Articles	79	120	0	**199**
Compensation	59	69	0	**128**
Director Related	157	143	0	**300**
Miscellaneous	80	106	0	**186**
Social	109	36	0	**145**
E&S Blended	12	63	0	**75**
Environmental	97	67	0	**164**
Non-Routine Business	175	80	0	**255**
Routine Business	16	84	0	**100**

Number of	Values
No. resolutions	148846
AGM Resolutions	123992
No. companies voted	10769
EGM Resolutions	24854
No. AGMs	10732
No. EGMs	5199
Meetings	15931
No. companies where voted against management/abstained on at least one resolution	8980

Most popular management resolutions



Most popular shareholder resolutions



* Resolutions voted exclude do-not-vote instructions. Votes are shown as "for" and "against" the proposals.

As at 31 December 2025.

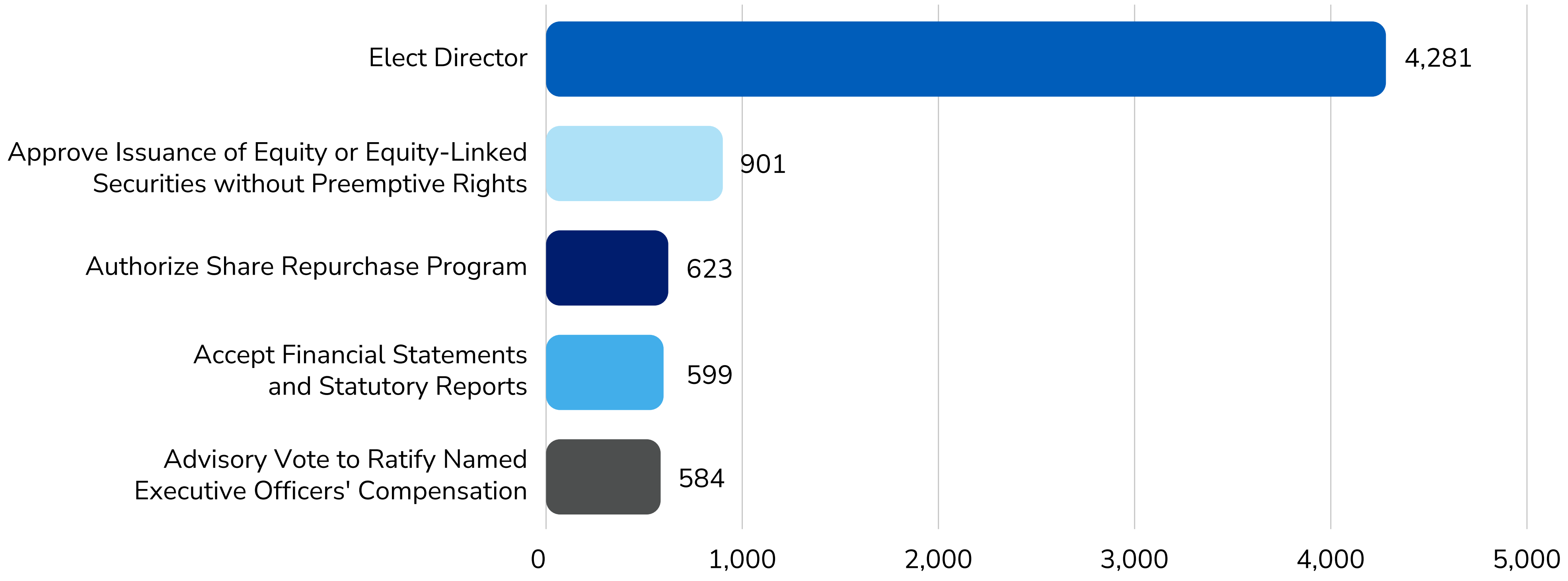
Voting statistics by region (continued)

UK

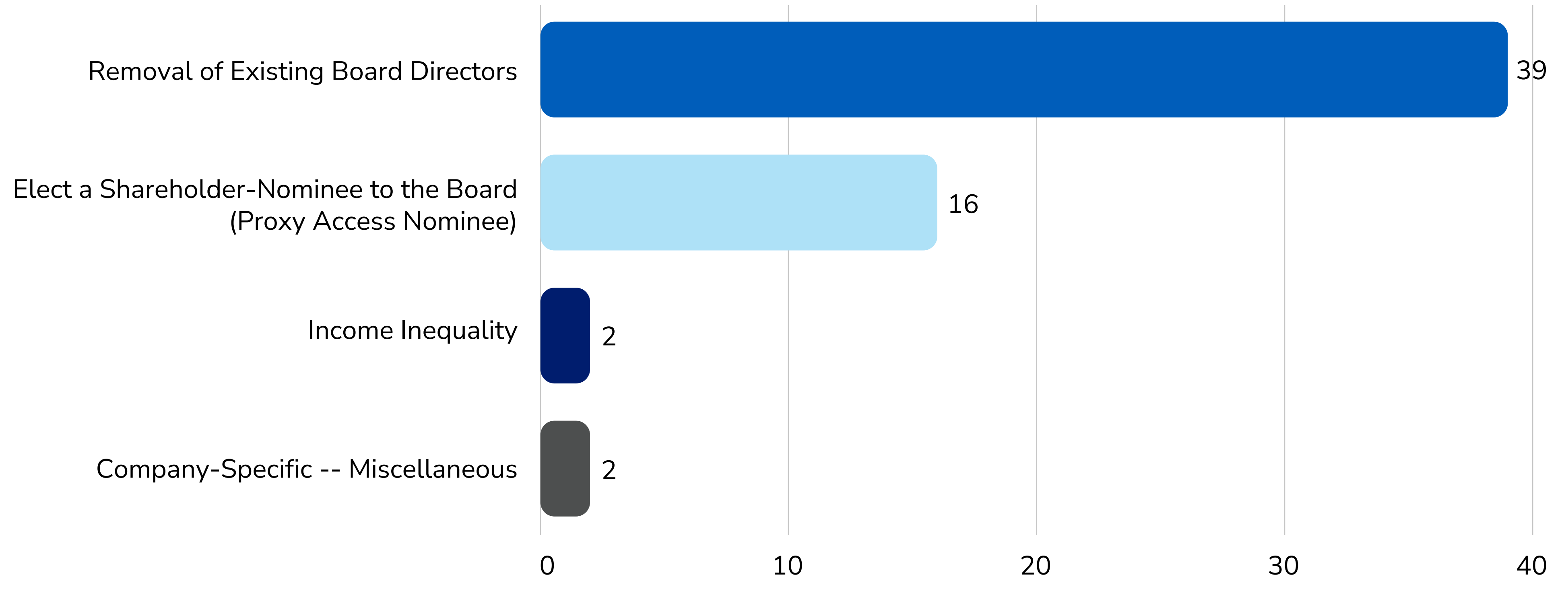
Proposal category	Total for	Total against	Total abstentions	Total
Management	**10101**	**668**	**1**	**10770**
Routine Business	1113	9	0	**1122**
Compensation	811	172	0	**983**
Audit Related	1159	3	0	**1162**
Director Election	4006	275	1	**4282**
Capitalization	2101	164	0	**2265**
Takeover Related	428	1	0	**429**
Strategic Transactions	103	32	0	**135**
Social	202	0	0	**202**
Environmental	5	2	0	**7**
Mutual Funds	50	0	0	**50**
Company Articles	81	9	0	**90**
Director Related	19	0	0	**19**
Miscellaneous	19	1	0	**20**
No Research	2	0	0	**2**
Non-Routine Business	2	0	0	**2**
Shareholder	**4**	**58**	**0**	**62**
Director Election	1	54	0	**55**
Environmental	0	1	0	**1**
Miscellaneous	1	1	0	**2**
Social	2	0	0	**2**
Compensation	0	1	0	**1**
Director Related	0	1	0	**1**

Number of	Values
No. resolutions	10832
AGM Resolutions	10431
No. companies voted	618
EGM Resolutions	401
No. AGMs	606
No. EGMs	217
Meetings	823
No. companies where voted against management/abstained on at least one resolution	325

Most popular management resolutions



Most popular shareholder resolutions



* Resolutions voted exclude do-not-vote instructions. Votes are shown as "for" and "against" the proposals.

As at 31 December 2025.

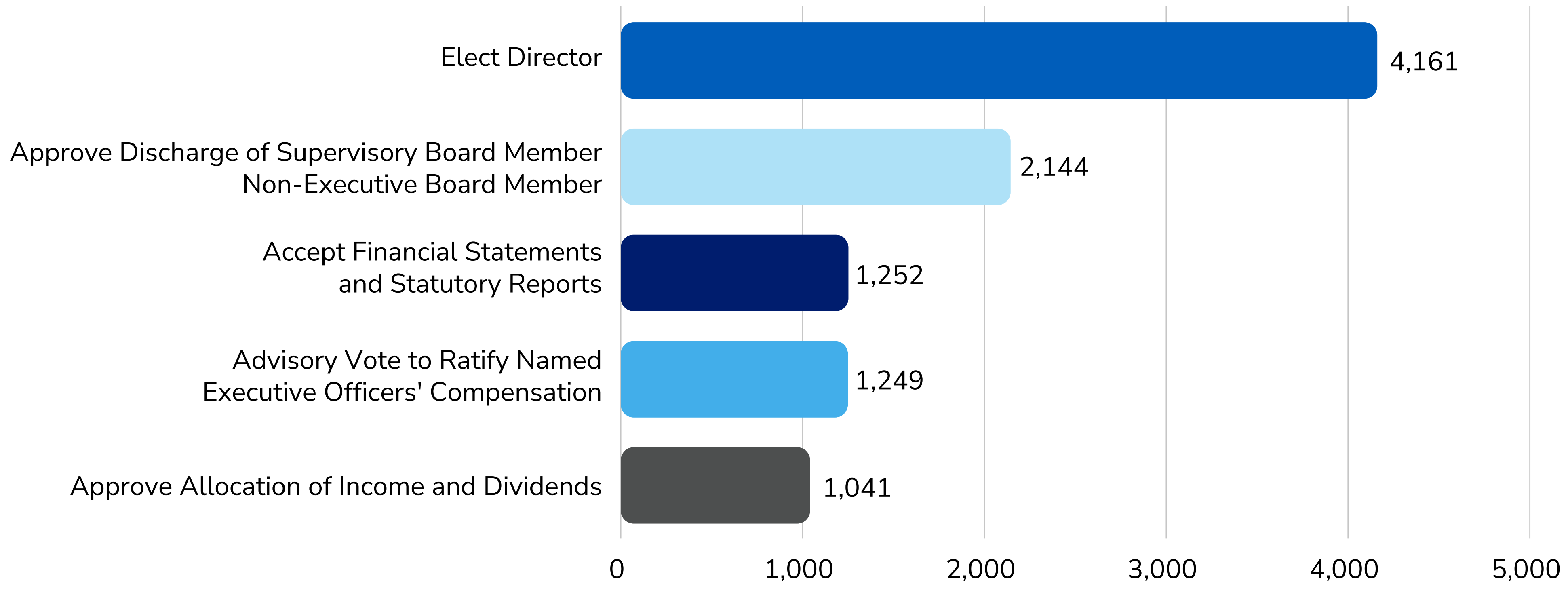
Voting statistics by region (continued)

Europe ex UK

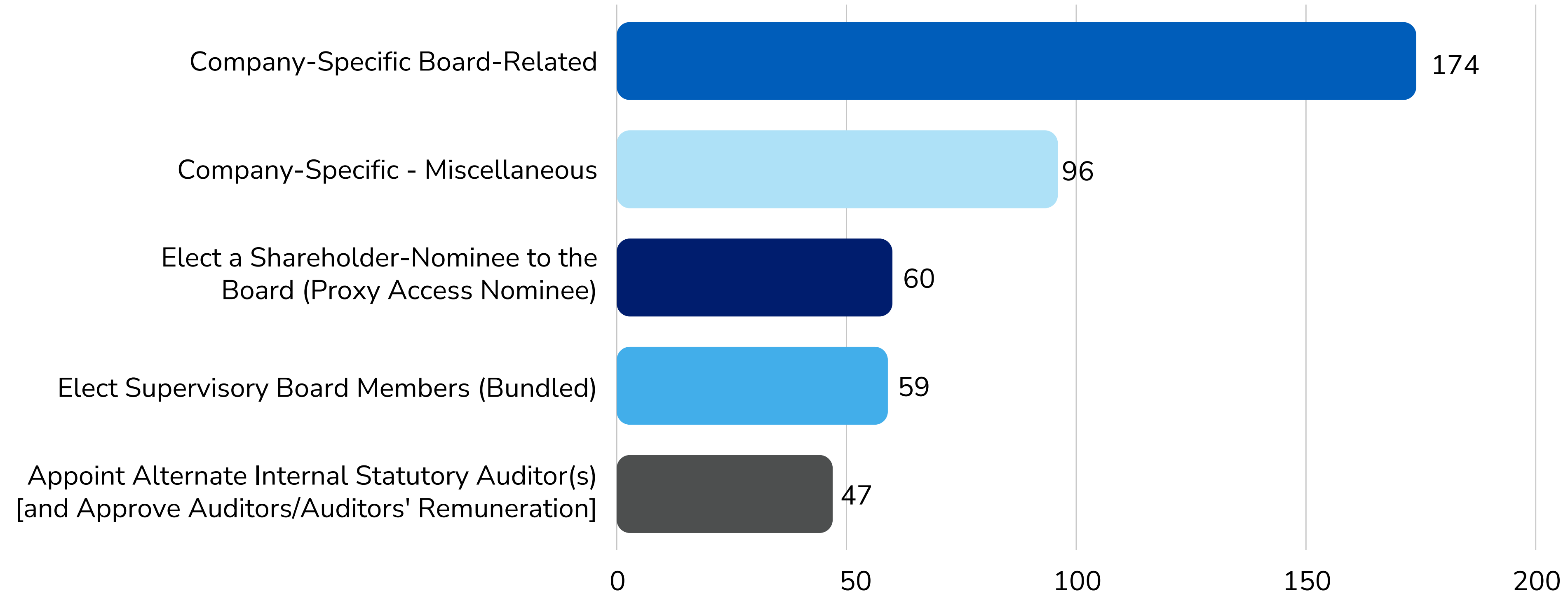
Proposal category	Total for	Total against	Total abstentions	Total
Management	**20253**	**5662**	**94**	**26009**
Routine Business	4935	270	0	**5205**
Compensation	2281	1966	0	**4247**
Director Related	4483	565	1	**5049**
Audit Related	1599	195	6	**1800**
Director Election	3532	1574	87	**5193**
Capitalization	1958	376	0	**2334**
E&S Blended	167	0	0	**167**
No Research	42	396	0	**438**
Strategic Transactions	126	9	0	**135**
Company Articles	540	85	0	**625**
Miscellaneous	200	21	0	**221**
Takeover Related	27	12	0	**39**
Non-Routine Business	302	24	0	**326**
Social	50	106	0	**156**
Mutual Funds	2	0	0	**2**
Environmental	8	5	0	**13**
Procedural/Non-Equity	1	58	0	**59**
Shareholder	**234**	**350**	**7**	**591**
Audit Related	36	22	0	**58**
Director Related	83	114	0	**197**
Director Election	64	110	7	**181**
Miscellaneous	35	67	0	**102**
Non-Routine Business	1	7	0	**8**
Compensation	1	14	0	**15**
Company Articles	12	3	0	**15**
Environmental	0	9	0	**9**
Social	1	4	0	**5**
Capitalization	1	0	0	**1**

Number of	Values
No. resolutions	26600
AGM Resolutions	25158
No. companies voted	1430
EGM Resolutions	1442
No. AGMs	1495
No. EGMs	302
Meetings	1797
No. companies where voted against management/abstained on at least one resolution	1306

Most popular management resolutions



Most popular shareholder resolutions



* Resolutions voted exclude do-not-vote instructions. Votes are shown as "for" and "against" the proposals.

As at 31 December 2025.

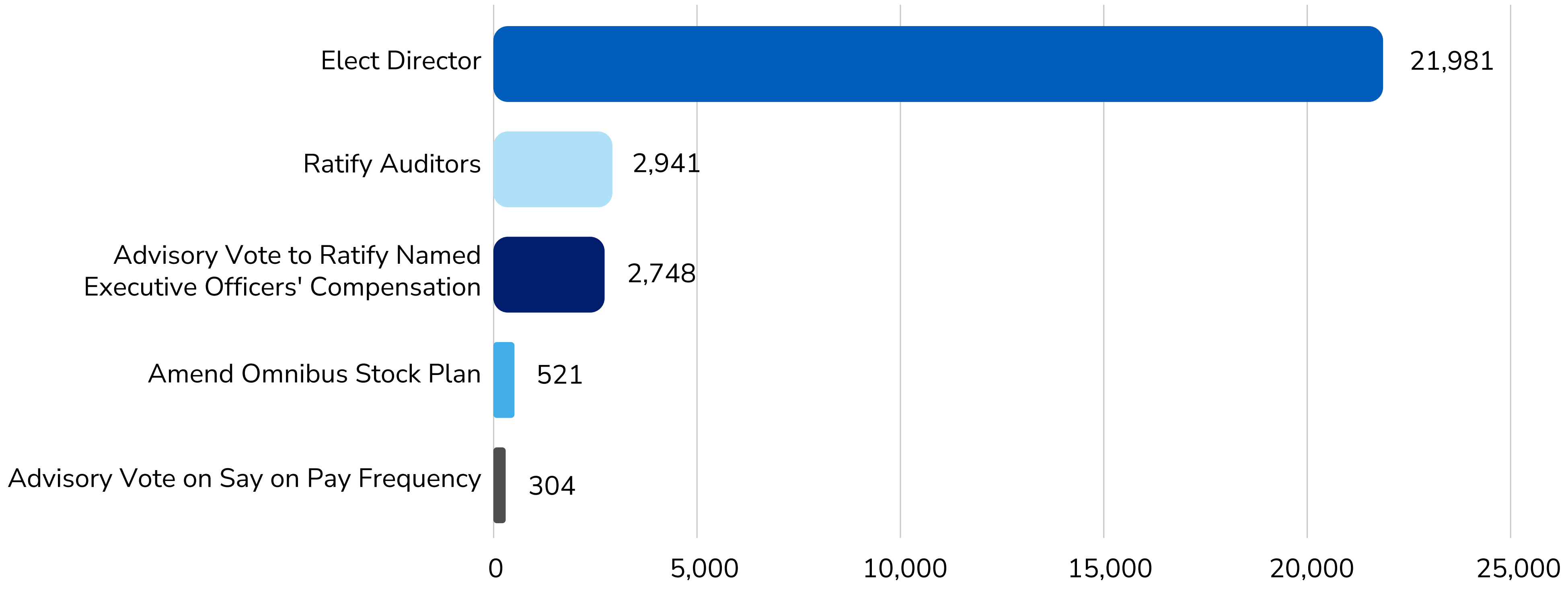
Voting statistics by region (continued)

North America

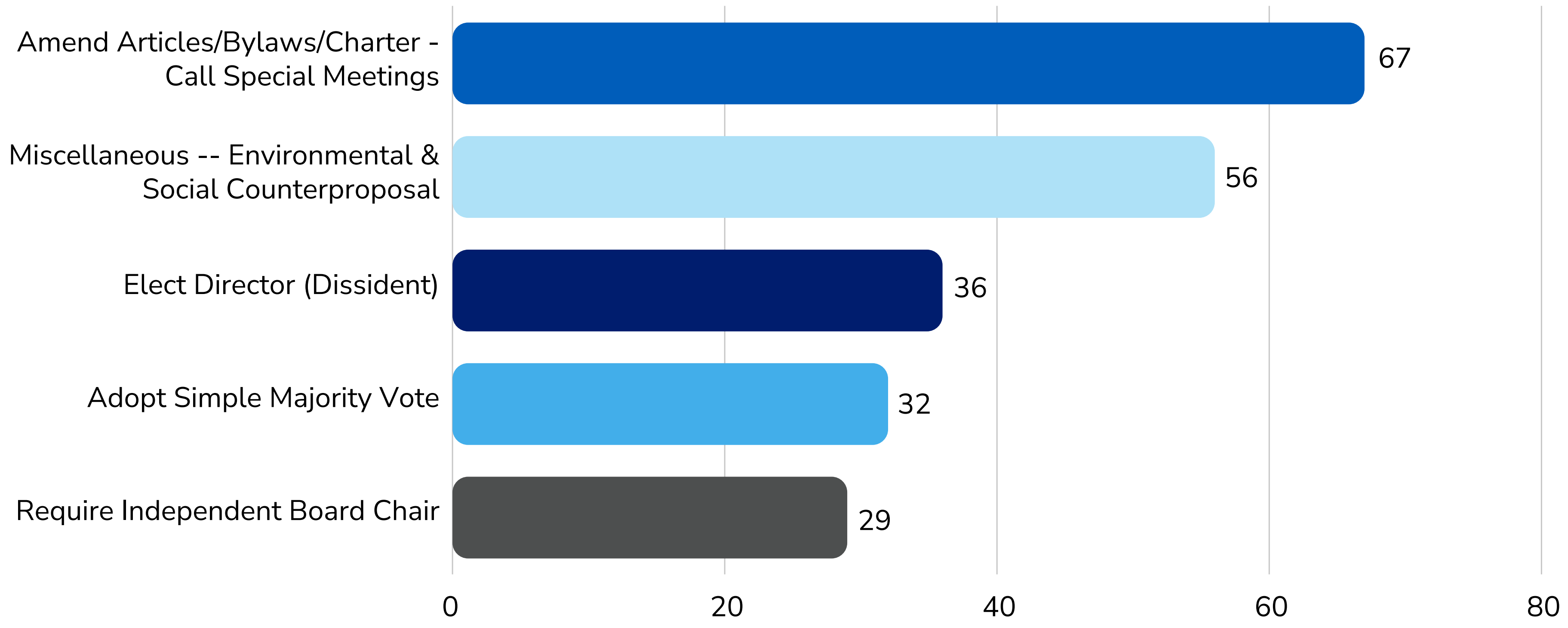
Proposal category	Total for	Total against	Total abstentions	Total
Management	**17184**	**14051**	**8**	**31243**
Director Election	12708	9375	5	**22088**
Audit Related	2148	1142	0	**3290**
Compensation	861	3309	0	**4170**
Company Articles	118	14	0	**132**
Miscellaneous	30	6	0	**36**
Takeover Related	347	56	0	**403**
Routine Business	110	17	0	**127**
Capitalization	311	56	0	**367**
Strategic Transactions	213	21	0	**234**
Director Related	314	49	0	**363**
Environmental	2	0	0	**2**
Non-Routine Business	4	0	0	**4**
No Research	3	6	3	**12**
E&S Blended	5	0	0	**5**
Mutual Funds	4	0	0	**4**
Social	6	0	0	**6**
Shareholder	**382**	**237**	**0**	**619**
Corporate Governance	82	31	0	**113**
Director Election	18	18	0	**36**
Social	102	29	0	**131**
E&S Blended	12	62	0	**74**
Compensation	24	25	0	**49**
Environmental	79	15	0	**94**
Director Related	48	16	0	**64**
Miscellaneous	2	16	0	**18**
Routine Business	7	6	0	**13**
Non-Routine Business	3	3	0	**6**
Company Articles	4	16	0	**20**
Audit Related	1	0	0	**1**

Number of	Values
No. resolutions	31862
AGM Resolutions	31059
No. companies voted	3339
EGM Resolutions	803
No. AGMs	3267
No. EGMs	272
Meetings	3539
No. companies where voted against management/abstained on at least one resolution	3278

Most popular management resolutions



Most popular shareholder resolutions



* Resolutions voted exclude do-not-vote instructions. Votes are shown as "for" and "against" the proposals.

As at 31 December 2025.

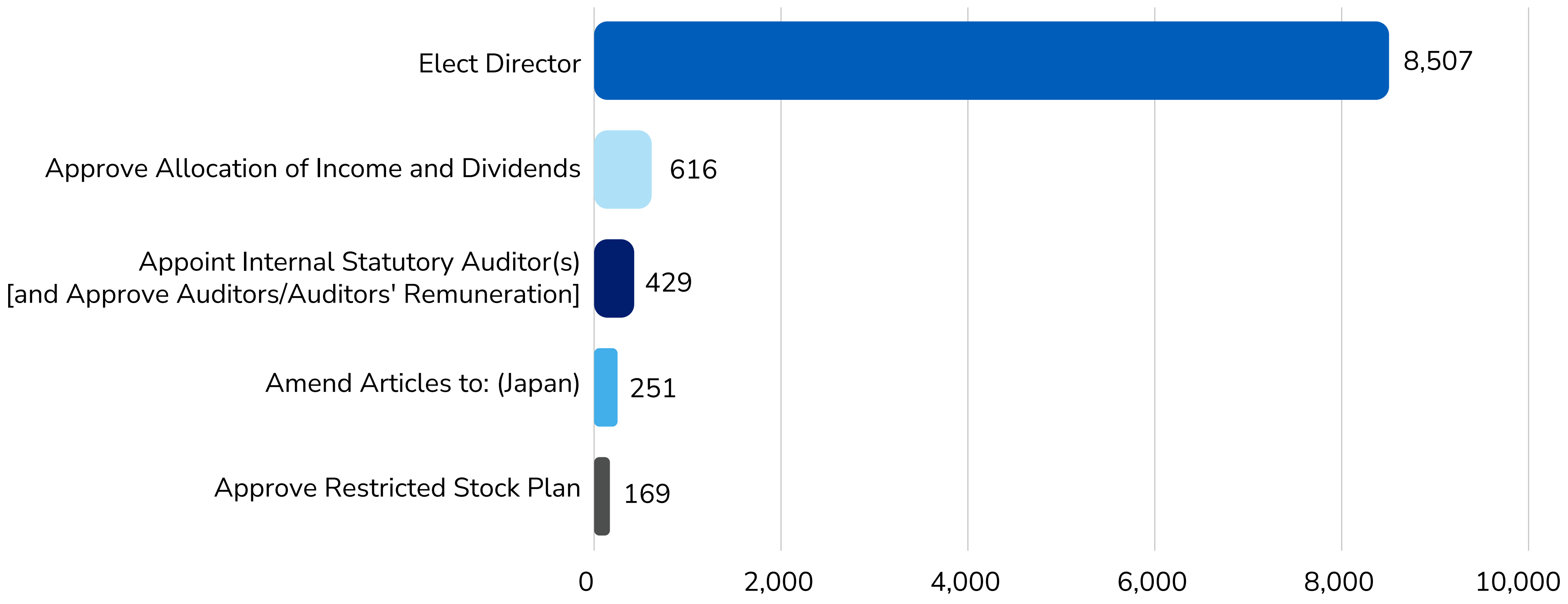
Voting statistics by region (continued)

Japan

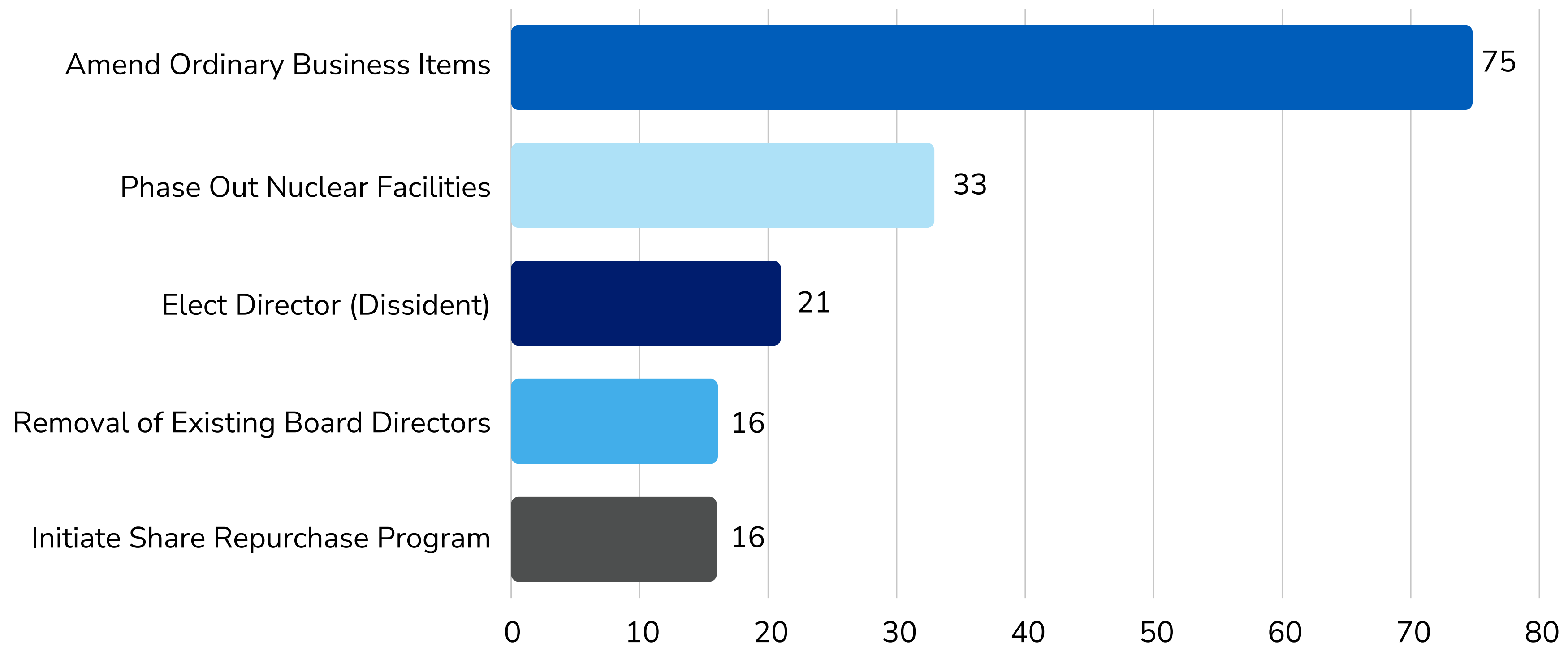
Proposal category	Total for	Total against	Total abstentions	Total
Management	**9705**	**924**	**0**	**10629**
Strategic Transactions	20	4	0	**24**
Company Articles	222	29	0	**251**
Director Election	7840	667	0	**8507**
Director Related	582	138	0	**720**
Compensation	389	69	0	**458**
Routine Business	625	1	0	**626**
Takeover Related	0	10	0	**10**
Audit Related	13	1	0	**14**
Capitalization	6	5	0	**11**
Non-Routine Business	7	0	0	**7**
Miscellaneous	1	0	0	**1**
Shareholder	**95**	**200**	**0**	**295**
Non-Routine Business	16	25	0	**41**
Director Related	18	8	0	**26**
Environmental	8	39	0	**47**
Routine Business	9	78	0	**87**
E&S Blended	0	1	0	**1**
Compensation	19	8	0	**27**
Director Election	15	37	0	**52**
Capitalization	6	0	0	**6**
Audit Related	0	2	0	**2**
Social	4	2	0	**6**

Number of	Values
No. resolutions	10924
AGM Resolutions	10659
No. companies voted	990
EGM Resolutions	265
No. AGMs	951
No. EGMs	49
Meetings	1000
No. companies where voted against management/abstained on at least one resolution	541

Most popular management resolutions



Most popular shareholder resolutions



* Resolutions voted exclude do-not-vote instructions. Votes are shown as "for" and "against" the proposals.

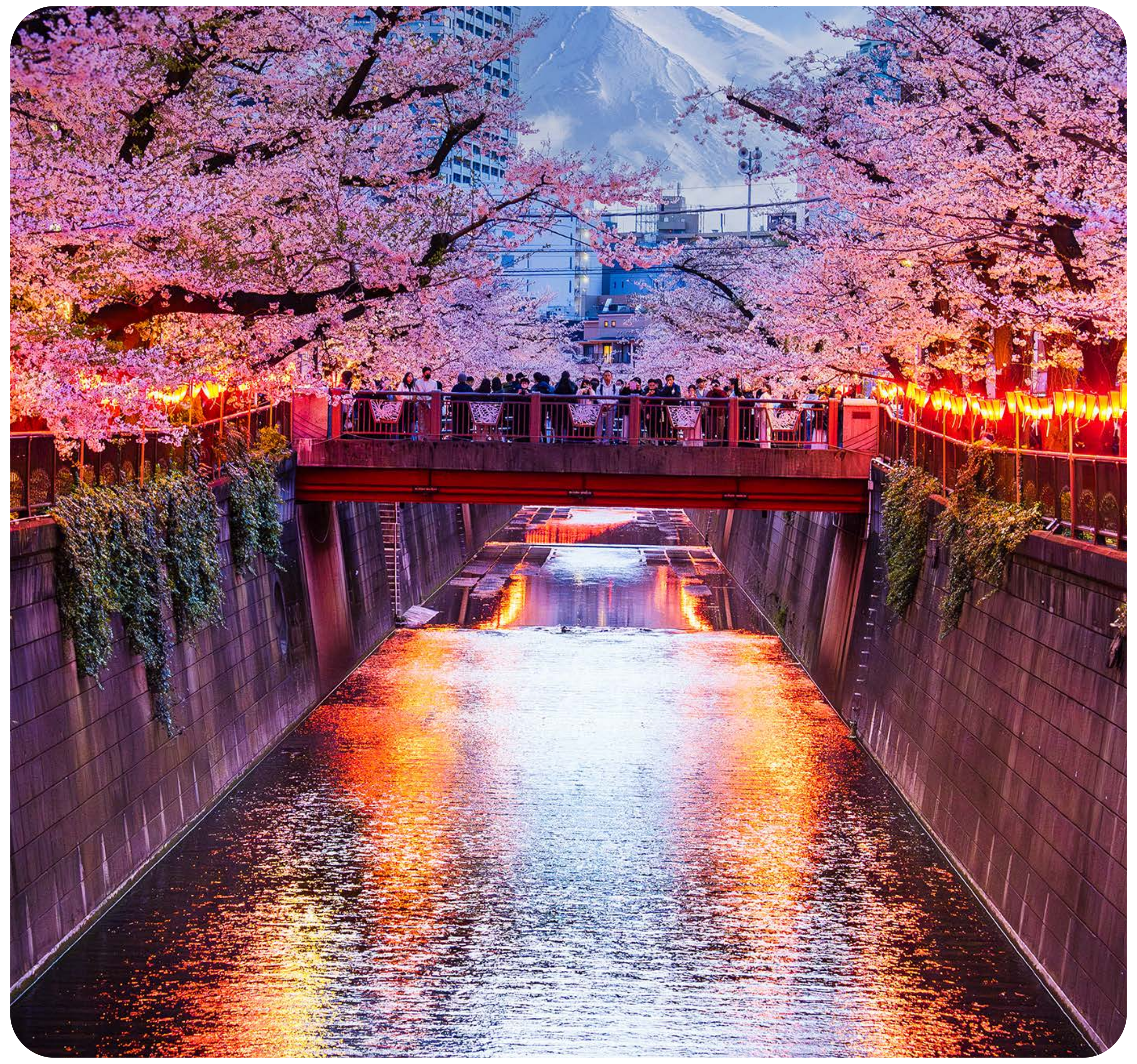
As at 31 December 2025.

Voting statistics by region (continued)

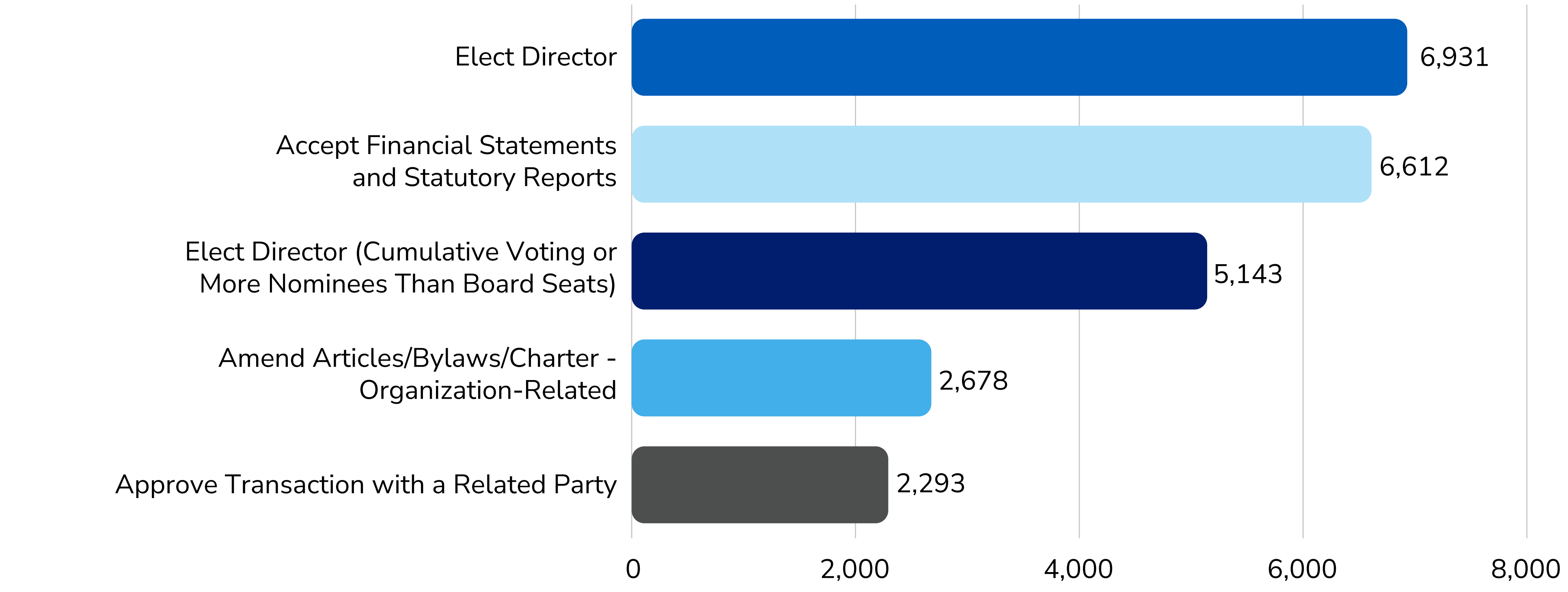
Asia Pacific (excluding Japan)

Proposal category	Total for	Total against	Total abstentions	Total
Management	**41441**	**12820**	**66**	**54327**
Routine Business	11078	1679	1	**12758**
Director Election	9039	2294	64	**11397**
Compensation	3138	1774	0	**4912**
Audit Related	2794	214	0	**3008**
Capitalization	5636	1012	1	**6649**
Non-Routine Business	2186	385	0	**2571**
Director Related	2015	1803	0	**3818**
Company Articles	2749	2356	0	**5105**
Strategic Transactions	2128	1161	0	**3289**
Miscellaneous	608	118	0	**726**
Social	28	19	0	**47**
Environmental	3	5	0	**8**
Takeover Related	39	0	0	**39**
Shareholder	**1430**	**440**	**0**	**1870**
Capitalization	84	1	0	**85**
Director Election	967	236	0	**1203**
Audit Related	72	7	0	**79**
Company Articles	63	101	0	**164**
Compensation	15	21	0	**36**
Miscellaneous	39	20	0	**59**
Non-Routine Business	155	45	0	**200**
Corporate Governance	19	4	0	**23**
Director Related	6	1	0	**7**
Environmental	10	3	0	**13**
Social	0	1	0	**1**

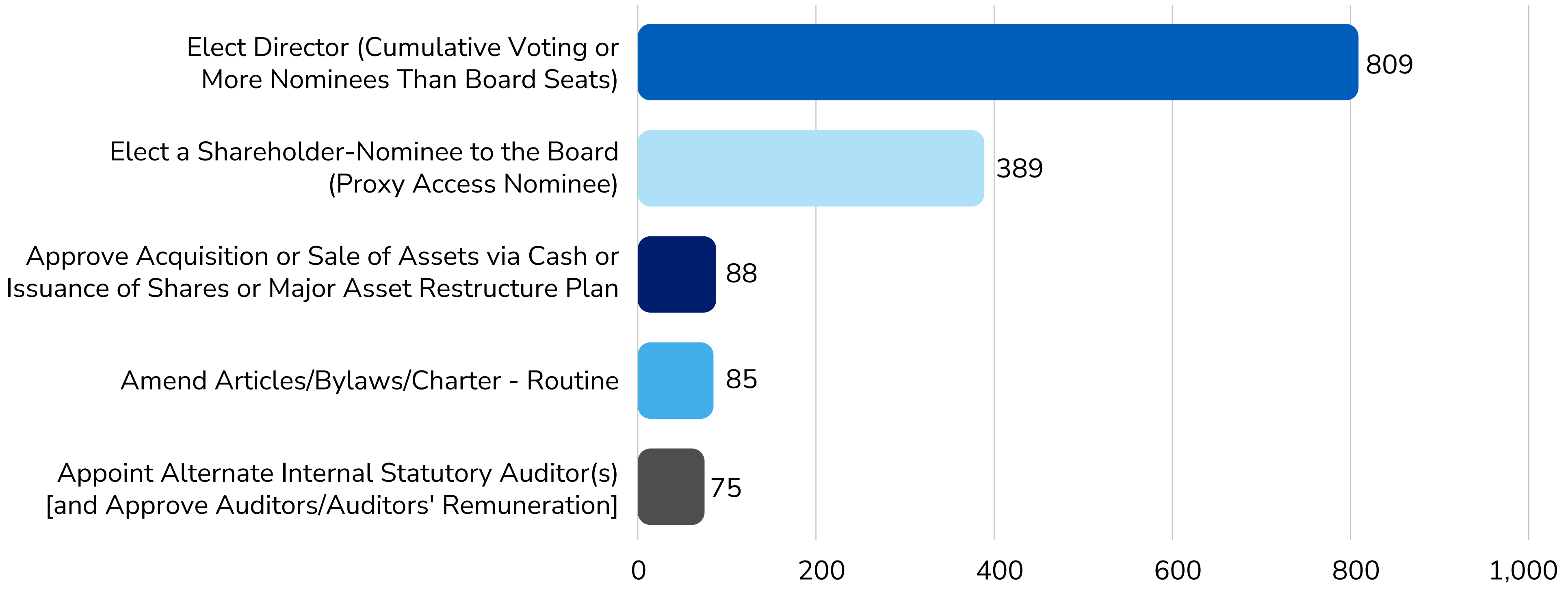
Number of	Values
No. resolutions	56197
AGM Resolutions	36013
No. companies voted	3825
EGM Resolutions	20184
No. AGMs	3781
No. EGMs	4053
Meetings	7834
No. companies where voted against management/abstained on at least one resolution	3056



Most popular management resolutions



Most popular shareholder resolutions



* Resolutions voted exclude do-not-vote instructions. Votes are shown as "for" and "against" the proposals.

As at 31 December 2025.

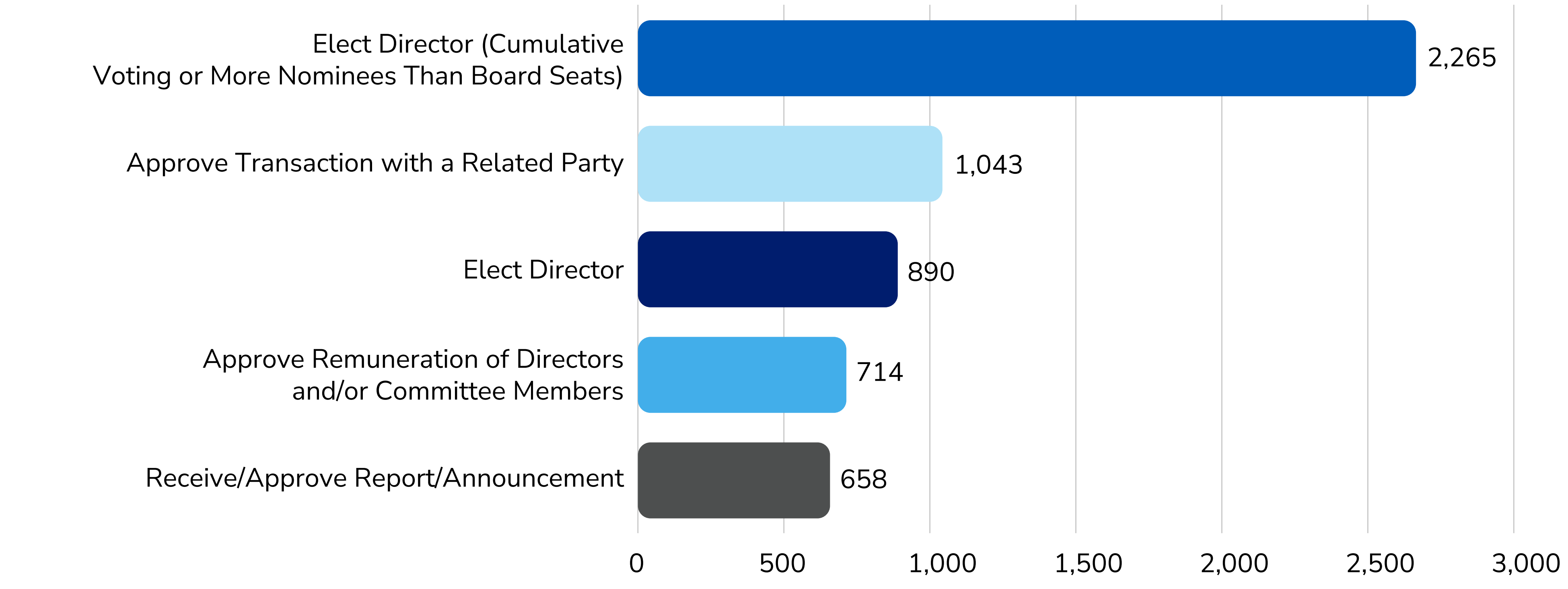
Voting statistics by region (continued)

Rest of the World

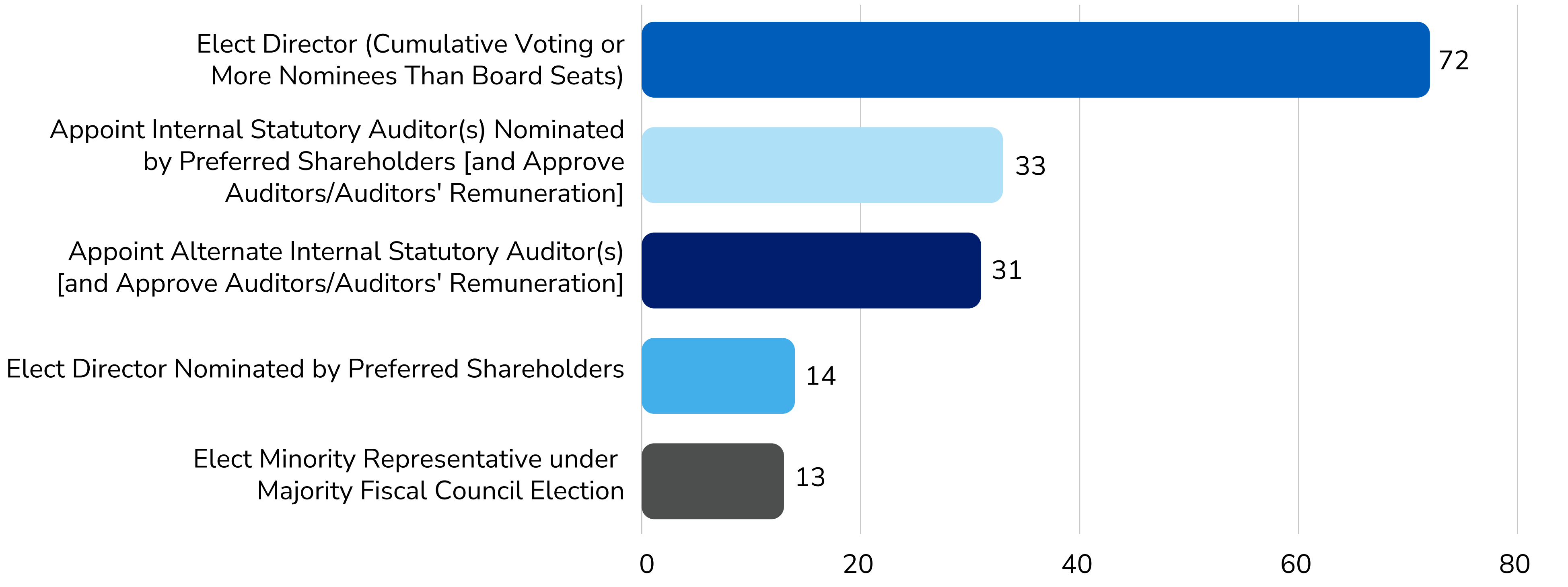
Proposal category	Total for	Total against	Total abstentions	Total
Management	**8552**	**1844**	**1836**	**12232**
Strategic Transactions	188	29	0	**217**
Non-Routine Business	1147	151	0	**1298**
Company Articles	611	48	0	**659**
Capitalization	416	60	0	**476**
Routine Business	2243	142	0	**2385**
Director Related	1458	457	1	**1916**
Compensation	819	280	0	**1099**
Director Election	1183	625	1835	**3643**
Audit Related	379	25	0	**404**
Miscellaneous	65	23	0	**88**
Takeover Related	3	1	0	**4**
Social	28	1	0	**29**
E&S Blended	12	0	0	**12**
Environmental	0	2	0	**2**
Shareholder	**141**	**55**	**3**	**199**
Director Election	79	41	3	**123**
Audit Related	55	9	0	**64**
Miscellaneous	3	2	0	**5**
Director Related	2	3	0	**5**
Corporate Governance	2	0	0	**2**

Number of	Values
No. resolutions	12431
AGM Resolutions	10672
No. companies voted	567
EGM Resolutions	1759
No. AGMs	632
No. EGMs	306
Meetings	938
No. companies where voted against management/abstained on at least one resolution	474

Most popular management resolutions



Most popular shareholder resolutions



* Resolutions voted exclude do-not-vote instructions. Votes are shown as "for" and "against" the proposals.

As at 31 December 2025.

Stakeholder engagement and knowledge sharing

UK stakeholder roundtables series: July 2025

The Investment Stewardship team reviews its policies regularly and takes into account client and stakeholder feedback to ensure our engagement topics, escalation and voting stances remain aligned and consistent.

In July 2025, we hosted around 40 stakeholders including NGOs, consultants and clients in our London office for a series of roundtable discussions on thematic and sector-led engagement to drive market-wide changes. By inviting a range of stakeholders, we brought together different perspectives. We focused on the following themes:

- Climate and nature
- Social resilience

And incorporated specific sector focus discussions on:

- Consumer goods (human rights)
- TMT, utilities, real estate (AI and data centre energy usage)
- Responsible mineral sourcing: nickel in the electric vehicle value chain

In these discussions, led by our subject-matter experts within the Investment Stewardship team, we encouraged an open exchange of views on questions such as engagement on systemic risks (versus portfolio-specific engagement), data challenges and engagement on complex, fast-moving issues where both the issue itself and potential objectives are in a state of flux.

Our annual NED event: speaking directly to the directors of investee companies

We held our annual Non-Executive Director ('NED') event in November. It was attended by more than 100 non-executive directors and governance executives from companies headquartered in North and South America, Europe and the UK, as well as Asia and Australia. The objective of this event was transparency: through a broader invitation and outreach, we wanted to invite companies with whom we may not engage directly to hear about our expectations of them on financially material themes, and to illustrate how this may translate into our voting and engagement activities.

We covered a range of topics including:

- Our engagement approach
- Climate and nature
- Governance
- Social resilience
- Cross-sector value chain engagements

Members of our Investment Stewardship team ran the sessions during the event.

Stakeholder engagement and knowledge sharing (continued)

Case study: Conflict of interest: Assura / Primary Health Properties (PHP) †

Identify

In May–August 2025, Assura faced competing proposals. Our objective was to safeguard client value and ensure a transparent process while managing potential conflicts across different mandates (e.g., holdings in Assura versus PHP).

Through our integrated **GREGs** process – bringing together Stewardship, **two different Active Equity portfolio managers** (one holding Assura and another holding PHP), **a senior real estate credit analyst,** and **Index** – we coordinated internal views and external engagement on the competing proposals for Assura plc. We used both direct company dialogue and a collective engagement facilitated by the Investor Forum to press for process clarity at the issuer level, while routing market sensitive questions (e.g., tender mechanics for passive holdings) through the appropriate Index/Corporate Actions channels. This collaboration supported an aligned investment position across strategies and culminated in acceptance of PHP's offer.

Stewardship convened colleagues across relevant fund management teams with holdings in Assura and PHP across asset classes to share analysis on valuation, offer structure, market dynamics and operational considerations.

- **Direct issuer dialogue:** We joined management discussions to understand strategic rationale and process.
- **Collective engagement:** Via the Investor Forum, we supported a letter to the Assura Chair seeking clarity on process and shareholder consultation.

Questions on tendering and passive implementation were handled by Index/Corporate Actions, with Stewardship maintaining an engagement and governance focus, preserving information barriers where appropriate.

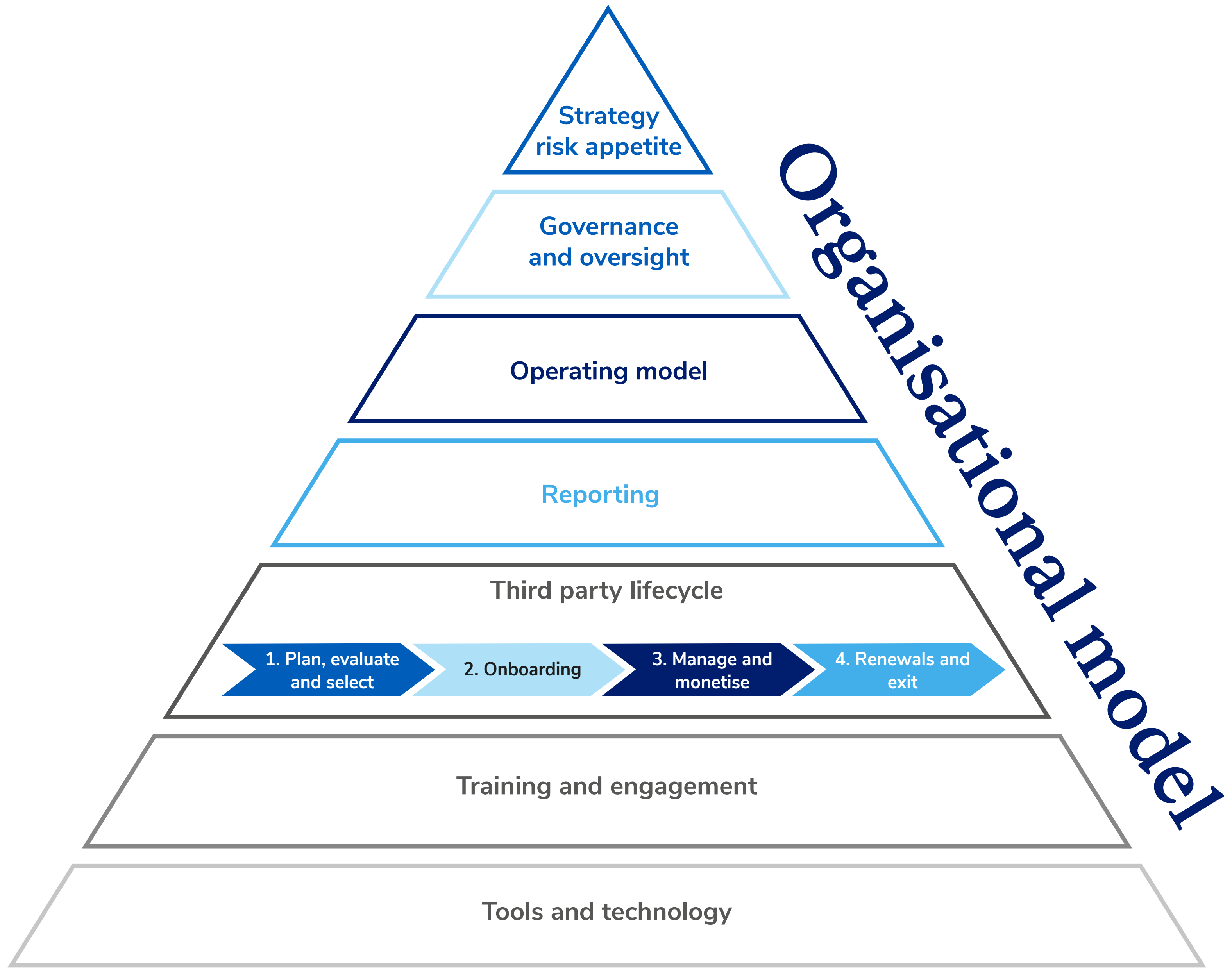
Outcomes

Assura: Because the transaction proceeded as a takeover offer, there was no shareholder vote at Assura; therefore, no stewardship vote was required at the target company.

PHP: PHP convened a shareholder meeting in relation to the transaction, and we supported the PHP resolutions.

Activities with third-party service providers

Provider	Oversight method	Examples of activity in 2025	Examples of outcome
ISS - Voting provider	Quarterly performance management reviews. We escalate issues to senior individuals at ISS where necessary. Attend client events and participate in policy surveys to seek to influence voting stance on important topics and voting items globally. We also review ISS' policy alignment with our own public stance and take into account third-party research on ISS' voting recommendations.	Timeliness, the quality of their research and the application of our voting policy. Feedback on policy development. The impact of regulatory reforms in the US. Use of AI in research.	An example of collaborative engagement as part of an investor working group has been provided in the Investor Rights section of this report above. Confirmation the execution of our voting activity is not impacted by current regulatory reforms in the US.
Custodian network - Facilitating vote instructions	Monitor the votes cast on our behalf to ensure they are executed in accordance with our policy intentions, with additional quality checks on short-notice vote instructions.	Identification of excessive vote deadlines imposed in some markets.	Engagement through the custodian relationship to understand and escalate the concerns. Discussions are ongoing with the custodians, other investors and collaborative groups.
Sustainalytics - Data provider	Quarterly performance management review. We escalate issues to senior individuals at Sustainalytics where necessary. Review of ESG data from a quality perspective as reported on page 20 on ESG data quality	Review and discussion on changing data metrics, continuation of individual data metrics, changing data coverage and changing methodologies.	Ongoing monitoring of changes to human rights research methodology being applied in Sustainalytics Global Standards Screening and company research. Changes to the L&G ESG Score to reflect data quality, and improvements in companies meeting minimum expectations, particularly regarding corporate disclosures.



Policies and processes – quick links

Policy name	Summary	Updates in 2025
Corporate Governance Principles - Global	Our Global Corporate Governance Principles sets out our expectations of investee companies and outlines our approach to voting and engagement. This document is reviewed on an annual basis and updated accordingly.	Minor amendments applied in relation to board composition in the US and Japan. In the US, permitted board mandates increased from 4 to 5. This aligns with other markets globally and reflects the improved board tenure in the US. With regards to board composition in Japan, we set out our forward-looking expectation that from 2027, Topix 100 companies should be majority independent. This aligns with other major markets globally and reflects the improved independence levels on Japanese boards.
Executive Remuneration Principles – UK	Our Executive Remuneration Principles – UK are designed to assist company boards in their decision-making on remuneration proposals and supports our engagement and voting approach on this topic. This document is reviewed on an annual basis and updated accordingly.	Minor amendments applied in relation annual bonus and bonus deferral to reflect market practice, and inflation since the bonus thresholds were last reviewed.
Executive Remuneration Principles – North America	Our Executive Remuneration Principles – North America, are designed to assist company boards in their decision-making on remuneration proposals and supports our engagement and voting approach on this topic. This document is reviewed on an annual basis and updated accordingly.	Minor amendments applied in relation to private jet use for personal use.

Stewardship Code Index (2026)

This report should be read in full to obtain a comprehensive understanding of Legal & General Investment Management's ("L&G") stewardship activities during the reporting period.

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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