



Q1 2024

Quarterly engagement report

Global engagement that seeks
to deliver positive change

Our mission

We aim to use our influence to ensure:



1. Companies integrate environmental, social and governance (ESG) factors into their culture and everyday thinking



2. Markets and regulators create an environment in which good management of ESG factors is valued and supported

In doing so, we seek to fulfil LGIM's purpose: to create a better future through responsible investing.



Our focus

Holding boards to account

To be successful, we believe companies need to have people at the helm who are well-equipped to create resilient long-term growth. We aim to safeguard and enhance our clients' assets by engaging with companies and holding management to account for their decisions. Voting is an important tool in this process, and one which we use extensively.

Creating sustainable value

We believe it is in the interest of all stakeholders for companies to build sustainable business models that are also beneficial to society. We work to ensure companies are well-positioned for sustainable growth, and to prevent market behaviour that destroys long-term value. We engage directly and collaboratively with companies to highlight key challenges and opportunities, and support strategies that can deliver long-term success.

Promoting market resilience

As a long-term investor for our clients, it is essential that markets are able to generate sustainable value. We aim to use our influence and scale to address issues impacting the value of our clients' investments are recognised and appropriately managed. This includes working with key policymakers, such as governments and regulators, and collaborating with asset owners to bring about positive change.



Action and impact

This quarter, we shine a spotlight on our Nature Framework and new Health Policy, give an update on our Climate Impact Pledge engagement, and discuss corporate governance in South Korea.



Environmental | Society | Governance

ESG: Environment: Climate and Nature



Nature

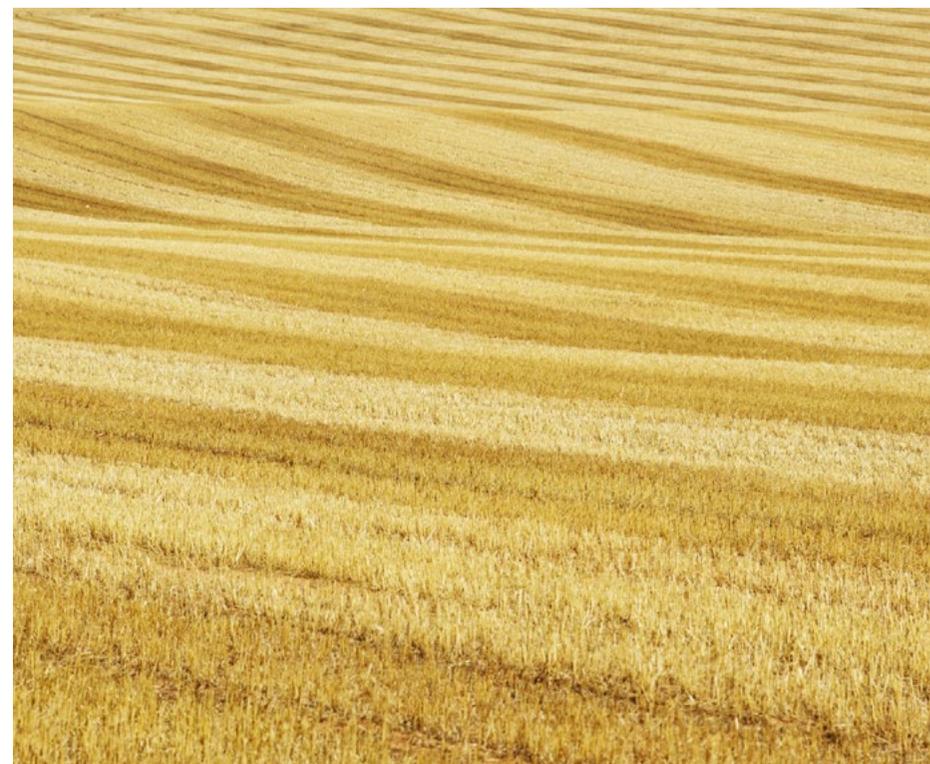
Our Nature Framework

We believe nature-related risks could have significant macroeconomic implications and lead to risks to financial institutions and financial stability. We support the Kunming-Montreal Global Biodiversity Agreement’s mission of taking urgent action to halt and reverse nature loss by 2030, and the vision of living in harmony with nature by 2050. Protecting and restoring nature across markets will be hugely complex, requiring both public and private sector commitment, collaboration, and urgent action.

Nature is one of LGIM’s strategic investment stewardship themes. We have structured our [Nature Framework](#) across four key sub-themes: natural capital management; deforestation; circular economy; and water, with a highlight on ‘agriculture’. These themes are focused on addressing the five direct drivers of nature loss,¹ as identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES).²

LGIM’s Nature Framework			
Natural Capital Management	Deforestation	Circular Economy	Water

In our recently published [Nature Framework](#), we set out our approach to addressing the issues of nature change and biodiversity loss, including the commitments we have made, key stakeholders with whom we will engage, and more detail on each of our nature sub-themes.



1. Climate Change; Land / Freshwater/ Ocean use change; Natural resource use; Pollution; and Invasive Alien Species
 2. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) is an independent intergovernmental body established by States to strengthen the science-policy interface for biodiversity and ecosystem services for the conservation and sustainable use of biodiversity, long-term human well-being and sustainable development. It was established in Panama City, on 21 April 2012 by 94 Governments. It is not a United Nations body. However, at the request of the IPBES Plenary and with the authorization of the UNEP Governing Council in 2013, the United Nations Environment Programme (UNEP) provides secretariat services to IPBES.



Climate

SEC Climate Rule: Policy update

The US Securities and Exchange Commission (SEC) announced its [final rule](#) to enhance and standardise climate-related disclosures by public companies. LGIM welcomes this rule and has [advocated for mandatory climate disclosure from the US](#) to improve data consistency and comparability across markets. We view this as an important first step in the US market to help level the playing field for investors and companies alike, ensuring investors have better information to help make long-term decisions.

The SEC rule will require certain issuers to disclose, where material, Scope 1 and 2 emissions, information on identified climate-related risks, climate-related targets and goals, approach to scenario analysis, and oversight of climate risks by the board and management, among other details. The rule also requires independent assurance on Scope 1 and 2 emissions, further enhancing the quality of reported data to investors. The rule, however, leaves the determination of materiality up to the issuer rather than investors, and does not go as far as mandatory disclosures in other jurisdictions that require disclosure of value chain emissions.

LGIM believes that climate change carries significant risks to society and long-term financial stability and has been calling for increased transparency and disclosure on what we consider to be material climate-related information through the [LGIM ESG Scores](#) and the [Climate Impact Pledge \(CIP\)](#). While we support the disclosures required by the SEC rule, we believe there is additional climate-related information that is material to investors as they make informed decisions on climate-related risks. This includes disclosures on relevant Scope 3 emissions and the alignment of a company's lobbying activities with the goals of the Paris Agreement, which we advocate for through both our CIP engagements and the [ESG Score methodology](#).

We applaud the important initial step by the SEC to require climate-related disclosures, and LGIM will continue to raise the bar on the disclosures that investors expect from companies to address the climate crisis.



Methane emissions: from corporate collaboration to policy pressure

In our last [Quarterly Engagement Report](#), we shared an update on our collaborative work with the Environmental Defense Fund (‘EDF’), encouraging oil and gas companies to be more transparent about the actions they are taking to measure and reduce methane emissions in the oil and gas sector as part of ongoing efforts to address the long-term climate risks in our clients’ portfolios.

Turning to policy level engagement on this front, building on the momentum across global jurisdictions to increase standards on methane emissions monitoring and reporting in recent years, the Canadian government’s environmental agency, Environment and Climate Change Canada (ECCC) released its [draft methane emissions standards rules](#) at the end of 2023. LGIM America continued its advocacy for setting robust standards aimed to tackle methane emissions more meaningfully by signing [a joint letter](#) with other North American investors, sent to the Minister for of Environment and Climate Change, to support and strengthen the ECCC’s rule. While we support these initial steps, we believe that swift implementation, narrower exceptions, and broader compliance would help reduce methane emissions and limit the effects of climate change, thereby also helping us as investors to limit the impact of climate change on our portfolios.

Climate Impact Pledge engagement update

LGIM’s Climate Impact Pledge is our climate engagement programme, targeting companies in 20 ‘climate-critical’ sectors around the world, to help them transition to net zero and to hold them accountable for their progress.³

During the quarter, we finalised our 2023-2024 climate engagement cycle with 100+ ‘dial-mover’ companies; ‘dial-mover’ companies are chosen for their size and potential to galvanise action in their sectors. We had an approximate 85% response rate as at end of March 2024 and held engagements with approximately 76% of the companies we selected. Full results of our Climate Impact Pledge engagement programme will be published on [our dedicated website](#) in our annual update report in June.

Setting absolute minimum standards for emission-intensive sectors

LGIM’s [Climate Impact Pledge score](#) includes a quantitative data-driven assessment that analyses over 5,000 companies across a range of metrics, based on the TCFD framework. As part of its biannual update, we have introduced absolute minimum standards that will drive climate voting for emissions-intensive sectors. Where a company fails to meet these, they may be subject to a vote against the chair of the board. This will be applicable from this AGM season.

3. For full information about the Climate Impact Pledge programme, please visit our dedicated website, here: [Climate Impact Pledge | Climate change | LGIM Institutional](#)

Absolute minimum standards apply to the following sectors:

Sector	Data point	Data provider
Oil and Gas*	Disclosure of methane emissions	Bloomberg
Mining	No expansion of thermal coal mining capacity	Urgewald
Utilities**	No expansion of thermal coal power generation capacity	Urgewald

* Climate Impact Pledge oil and gas sector except oil and gas refining and marketing sub-industry

** Climate Impact Pledge electric utilities and multi-utilities sectors, except water and gas utilities sub-industries

We expect oil and gas companies to have disclosed methane emissions at least at some point over the past three years. This is because methane emissions, while shorter lived than carbon emissions, are more potent contributors to climate change and, we believe, should be a company’s responsibility to calculate and manage; yet methane disclosure globally can be much improved.⁴ In both this edition and previous editions of this report,⁵ we have provided updates of our engagements specifically on methane emissions disclosures.⁶

We expect mining companies and electric utilities to refrain from making new investments in thermal coal mining or power generation expansion, as this is

incompatible with achieving net-zero by 2050 under the International Energy Agency’s (IEA’s) net zero emissions scenario.⁷

Refreshing our minimum standards

The range of data points by which we rate companies under the Climate Impact Pledge varies according to sector. Some data points are also considered minimum standards.⁸ We identify a company for vote sanctioning where it does not meet sufficient minimum standards, depending on where it is listed, and whether it is above the median market cap size of its sector.

This quarter, as part of our biannual update, we have added new minimum standards, reflecting the expectations outlined in our published [net-zero sector guides](#), on which our direct engagement is based. New additions include assessment of climate lobbying activities for all companies and methane emissions reduction trajectory for oil and gas companies, among other metrics such as sustainable agriculture and recycling of materials.

Until now, our threshold for Japanese companies has been limited to meeting one minimum standard. In 2024, with the rate of progress in Japan having accelerated over the past few years, we have raised our expectation of the number of minimum standards to be met from one to three.

All of LGIM’s voting activity can be viewed on our [vote disclosure website](#), listed by company. Voting data is available one day after the conclusion of the relevant meeting. As stated above, we will be providing a full update of our Climate Impact Pledge results in our annual report, to be published in June.

4. [Methane and climate change – Global Methane Tracker 2022 – Analysis - IEA](#)

5. For example, [Q4 2023 Quarterly engagement report \(lgim.com\)](#)

6. We would draw attention particularly to our collaborative work with EDF: chosen for their size and potential to galvanise action in their respective sectors.

7. International Energy Agency: [Net Zero Emissions by 2050 Scenario \(NZE\) – Global Energy and Climate Model – Analysis - IEA](#)

8. For more information about our scores and rankings, please visit this page: [LGIM Climate Impact Pledge score](#)

Significant votes

Company name	Skandinaviska Enskilda Banken AB*
ISIN	SE0000120784, SE0000148884
Market cap	US\$29 billion (Source: Skandinaviska Enskilda Banken (SEB-A.ST) - Market capitalization (companiesmarketcap.com) 08 April 2024)
Sector	Banks
Issue identified	The banking sector has a significant role to play in the global transition to net zero, given its position in financing not only those activities which may worsen climate change, but also those which stand to mitigate its effects.
Summary of the resolution	Resolution 23: Instruct Board of Directors to Revise SEB Overall Strategy to be in Line with the Paris Agreement Goals AGM date: 19 March 2024
How LGIM voted	Against the resolution (i.e. in line with management)
Rationale for the vote decision	A vote against this proposal was applied following detailed consideration and internal discussion. LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of Scope 1, 2 and material Scope 3 greenhouse gas ('GHG') emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal. We consider the principles of the proposal to be broadly supportable. However, the drafting of the proposal and demand for a climate strategy that seeks to immediately halt new fossil fuel extraction is too vague and does not consider the nuances in an orderly transition to a net-zero emissions economy.
Outcome	LGIM will continue to monitor the bank's activities and progress against its published targets. ⁹
Why is this vote 'significant'?	This vote is significant due to its subject matter of climate (one of our global stewardship themes), and how we consider shareholder resolutions. We would also direct readers towards our 2024 pre-declaration blog for more information about our voting on climate change .

9. Please note that at the time of publishing, the meeting results have not yet been made available.

* For illustrative purposes only. Reference to a particular security is on a historic basis and does not mean that the security is currently held or will be held within an LGIM portfolio. The above information does not constitute a recommendation to buy or sell any security.



Case studies Climate: APA*

Identify

APA is Australia's largest energy infrastructure business. Under our Climate Impact Pledge campaign, we have been engaging with the company directly since 2022; as one of our selected 'dial mover' companies, we believe it has the scale and influence across its industry and value chain for its actions to have positive reverberations beyond its direct corporate sphere.

In our engagements with them, which are guided by our qualitative assessment criteria as set out in our [multi-utilities sector guide](#), in terms of 'red lines' the company was identified as lagging our expectations on climate-related lobbying activities.¹⁹

Engage and escalate

In early 2022, we set out our expectations for [management-proposed 'Say on Climate' votes](#) and the criteria we consider in assessing whether to support them. [Say on Climate: empowering shareholders to drive positive change \(lgim.com\)](#).

We expect companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of Scope 1, 2 and material Scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with the 1.5°C goal.

As a consequence, when APA Group brought its climate transition plan to a vote, we were unable to support it: although the plan presented Scope 1 and 2 goals for the medium and long term on a path to achieving net zero emissions by 2050, no Scope 3 targets were included. The company noted that these would be finalised no later than 2025.

We initiated engagement with the company after this vote, and met with them for the first time in early 2023 as part of our Climate Impact Pledge engagement, and we have continued to build the relationship, setting out our expectations as per our net zero guide, and working with the company to understand the hurdles it faces and the challenges to meeting these expectations.



Outcome

We were very pleased that, in our meeting with them in early 2024, APA confirmed that they will include a Scope 3 goal in the 2025 refresh of their Climate Transition Plan, and they outlined their proposed Scope 3 reduction pathway. The company noted that feedback from the 20% of investors, including LGIM, who voted against their proposed Climate Transition Plan in 2022, had solidified their decision to commit to a Scope 3 target.

This demonstrates the effect of our engagement strategy, fully aligned with our voting policy, to encourage progress towards decarbonisation. We look forward to continuing our engagement with the company on their decarbonisation pathway and journey to net zero.

Climate: GREGs deep dive: the auto industry and electric vehicles

As one of the 'climate-critical' sectors captured within the [Climate Impact Pledge](#), and a sector to which LGIM has exposure in its portfolios, our Global Research and Engagement Groups ('GREGs') have been delving deeper into our investment and stewardship research on the future of electric vehicles, which have an important role to play in the transition to net zero.

Overview

The global electric vehicles ('EV') market has been facing several headwinds; while growth continues, it is at a slower pace than previously anticipated.

At the same time, overcapacity, particularly in China, has led to pressure on margins: companies that were early adopters and moved heavily into EVs have been the most impacted, as have those with larger exposure to China, where EV pricing pressure is especially acute and where the internal combustion engine (ICE) market may be moving away from growth.

Original equipment manufacturers that have pursued a more hybrid-heavy strategy and have moved more slowly to EV roll-out appear to be better positioned in the current environment.

Overall, this may mean slower EV uptake and roll-out (outside China), and an extended life for more hybrid-heavy strategies.

It raises the question as to what the short-to-mid-term market environment means for the sector's climate transition and for LGIM's expectations of companies in this regard.

Conclusions and next steps

The GREG team's conclusion was that the long-term direction of travel remains intact – vehicle emissions standards are still on the tightening trajectory (albeit with some uncertainty in the US, in the run-up to elections) and a pivot away from the corporate strategies and investments laid out for electrification over the long-term is unlikely to be the answer.



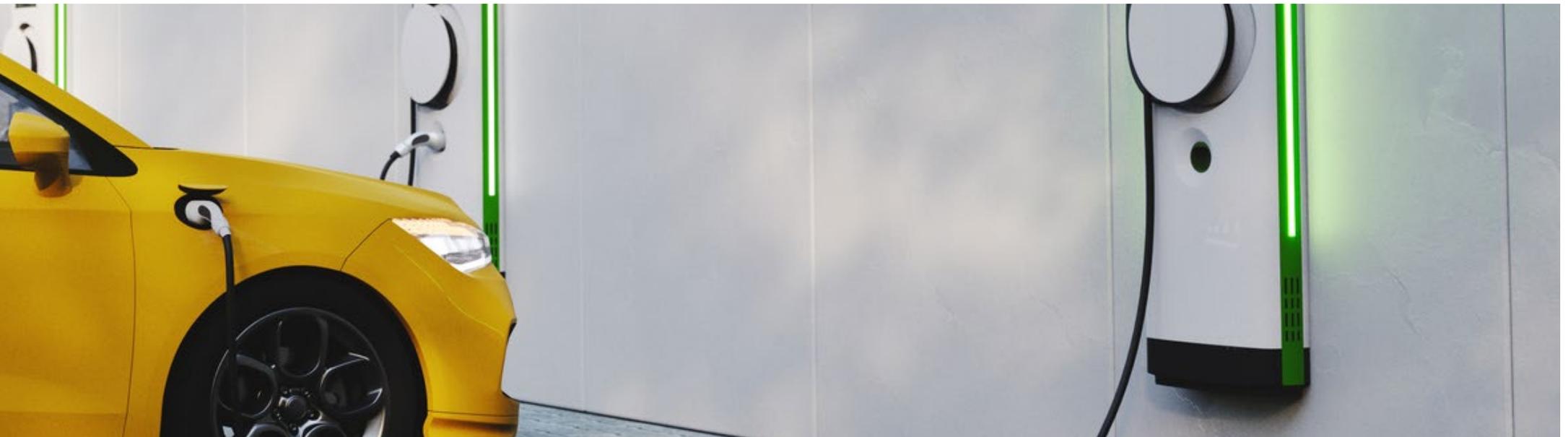
That said, a ‘stronger hybrid market for longer’ in our view has the potential for both positive and negative climate outcomes – and this very much depends on how cars are driven and their real-world emissions. Which is why, as a result of this deep-dive and to help inform our judgement on the future role of hybrids, we will be exploring with companies whether there is greater scope for disclosure of real-world emissions data. Our current expectations of the autos sector are set out in our [net zero guide](#).

We will also be seeking assurances from automotive companies that any shifts in company strategy or product portfolios do not jeopardise objectives relating to reduction in fleet emissions.

There are two public policy considerations that we come away with:

- First, infrastructure and affordability are two key obstacles to the next stage of EV roll-out. While the sector may still be able to support affordability improvements, infrastructure should be a top priority for any government that wants to reach 100% vehicle electrification – more needs to be done
- Secondly, there is a fine balancing act between protectionism and market access: government objectives to accelerate the EV transition may be harmed by policies that look to restrict the inflow of more affordable imports.

As the geopolitical landscape becomes more complex, we will increase our focus on corporate lobbying disclosure and activity, seeking transparency and alignment between climate commitments and action.





Environmental | Society | Governance

People: diversity, health, human capital management, human rights and modern slavery

Diversity

Racial equity audits: an AGM update

We believe that racial equity audits (sometimes called ‘civil rights audits’) can help companies mitigate the risks of discriminatory practices and realise the opportunities of a more diverse workforce and customer base. Such proposals remain primarily a US phenomenon, and we expect once again to see shareholder proposals filed at companies, requesting that they undertake a racial equity audit.

LGIM’s voting stance

Last year, we published a [blog](#) setting out our supportive stance on proposals of this type: Our view is that racial equity audits can be a positive tool for identifying and ameliorating racial inequities in a business. We also believe that conducting a racial equity audit is a smart business practice in the sense that companies are only relevant to the extent that they serve and benefit the communities in which they operate. It is crucial to consider racial equity when developing products and services for an increasingly diverse customer base, in addition to an increasingly diverse workforce.

This year, we have seen more convergence of views in terms of what a racial equity audit should be – while shareholder proposals have broadly requested these reports, there has been little real consensus about what they should contain. While there is still a degree of variation in the reports that companies produce in response to these requests, we are seeing business practices emerge in terms of what constitutes a robust racial



equity audit. As with audits of other business areas, we would expect due diligence to be thorough and independent, and we would anticipate that as more companies undertake these practices, greater commonality and comparability will continue to develop.

Third-party recognition

We are pleased to have been [recognised by Majority Action](#) for our voting stance on racial equity audits. Having published our [diversity policy](#) in late, setting out our expectations of companies, we will continue to exercise voting rights in line with our policies, to broaden the reach of our direct campaign work with companies and other stakeholders.

Health:

Our health policy

We believe there is a strong link between social health and economic health. Every year, poor health costs approximately 15% of global GDP in the form of premature deaths and the lost productivity potential of workers.¹⁰ Poor worker health is projected to cost US employers alone US\$575 billion a year in lost productivity due to chronic illnesses and injuries. Further, the health-related, but often hidden, costs of the global food system, relating to the impacts of obesity and undernutrition, pollution, pesticides and antimicrobial resistance, are estimated to amount to US\$6.6 trillion.¹¹

LGIM has identified two key areas of health – AMR and nutrition – which we deem as systemic risks; we will therefore initially prioritise these two areas as ‘sub-themes’ within our overall ‘Health’ theme. This does not prevent us from considering other areas that impact human health, that may also raise systemic risks, and that may potentially have a negative effect on our clients’ assets.¹²

In our recently published [Health Policy](#), we set out our approach to how we as investors aim to use our influence to mitigate risks in these important areas, including the sectors we plan to focus on and the stakeholders with whom we will engage.



10. McKinsey Global Institute, Prioritizing health: A prescription for prosperity, July 2020. Available here: <https://www.mckinsey.com/industries/healthcare/our-insights/prioritizing-health-a-prescription-for-prosperity#/> and also cited here: <https://shareaction.org/what-we-do/unlocking-the-power>

11. Growing Better: Ten Critical Transitions to Transform Food and Land Use, The Global Consultation Report of the Food and Land Use Coalition, September 2019, pp 13, 24, 38, 181; available here: <https://www.foodandlandusecoalition.org/wp-content/uploads/2019/09/FOLU-GrowingBetter-GlobalReport.pdf>

12. E.g. In Q4 2023 LGIM joined the Investor Initiative on Hazardous Chemicals (IIHC). Further, we explore and consider the interlinkages between health and our other strategic priority themes such as climate change and nature.



AMR: updates BEAM Alliance, Basel

A member of our team was invited to speak on a panel on the topic of *'The true value of antimicrobial products'*, joining economists, representatives from the pharmaceuticals and healthcare industries, and NGOs as part of this annual conference, bringing together a wide range of participants to [discuss strategies and challenges related to innovation in the field of AMR](#).

Participation in these high-profile international events reflects LGIM's leading position among investors on this issue and enables us to share our perspective as investors on AMR and the risks it presents, and to explore solutions with stakeholders from a range of industries and organisations.

WHO consultation on antimicrobial manufacturing effluent guidance

In line with the World Health Assembly [global action plan on AMR](#), the World Health Organisation sought feedback on its draft guidance on "waste and wastewater management in pharmaceutical manufacturing with emphasis on antibiotic production". LGIM responded to this [consultation](#), as we believe that appropriate management of pharmaceutical processes for manufacturing antibiotics is a crucial step in tackling the spread of AMR.

Significant votes

Company name	DR Horton Inc*
ISIN	US23331A1097
Market cap	US\$51.66 billion (source: https://companiesmarketcap.com/dr-horton/marketcap/ 02 April 2024)
Sector	Consumer, cyclical: Home builders
Issue identified	A lack of gender diversity on the executive committee. LGIM's diversity policy for UK FTSE100 companies and US S&P500 companies includes gender diversity expectations for the executive committee, as well as the company board: LGIM's diversity approach and expectations - policy document - categorisation .
Summary of the resolution	Resolution 1f: Elect Director Benjamin S. Carson, Sr. AGM date: 17 January 2024
How LGIM voted	We voted AGAINST resolution 1f (i.e. against management recommendation).
Rationale for the vote decision	As part of our campaign on gender diversity at executive leadership team level, we had written to DR Horton in 2023, setting out our expectations and the vote escalation we would apply against the chair of the board, should our expectations not be met. Since 2022, our policy has stated that we will vote against FTSE 100 and S&P 500 companies that have all-male executive leadership teams. Therefore, a vote against was applied due to the lack of gender diversity on the company's executive leadership team, which LGIM expects to include at least one woman.
Outcome	86% of shareholders voted for the resolution. LGIM will continue to engage with companies on gender diversity, and to implement our global and regional voting policies on this issue.
Why is this vote 'significant'?	This vote is significant as it relates to the escalation of our activities on one of our core stewardship themes, gender diversity, more information can be found in our diversity policy .

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Case studies

Nutrition: Nestlé*

Identify

As the largest food company in the world,¹³ Nestlé sets an example for the rest of the industry in terms of driving positive change and raising market standards.

There is a clear link between poor diets and chronic health conditions such as obesity, heart disease and diabetes. These in turn may lead to increased healthcare costs and decreased productivity, both of which will have negative impacts on the economy and, ultimately, on our clients' assets.

Engage

In the fourth quarter of 2022 we co-signed, with our peers, letters to 12 food and beverage manufacturers, under the leadership of ShareAction's Healthy Markets Initiative. Nestlé was among the companies we wrote to. In the individually tailored letters, we encouraged the companies to do more in several areas. These included, for example, transparency around their nutrition strategy, demonstrating progress on their nutrition strategy, committing to disclosures around the proportion of the company's portfolio and sales associated with healthy food and drinks products (using government-endorsed nutrient-profiling models), and setting targets to increase the proportion of these sales. We also praised companies for the positive steps taken so far.

Following the letter, together with the Healthy Markets Initiative, we met with Nestlé several times. In late 2022, Nestlé announced that they would report on their global portfolio using the nutrient profiling system Health Star Rating (HSR) – we were pleased to see this development. We continued to meet with Nestlé as part of this collaboration during 2023 to discuss our ongoing concerns, particularly regarding their plans not just to monitor but also actively to increase their sales of healthier products.

In September 2023, Nestlé announced a new nutrition target which we believe is not ambitious enough. Our views, as part of ShareAction's response at the time, are detailed [here](#).

13. [The 10 largest food manufacturers in the world by revenue - FoodIndustry.Com](#)

14. See application of the Health Star Rating, section 2, introductory paragraph, here: [HSR System Calculator and Style Guide v8.pdf \(healthstarrating.gov.au\)](#) or here: [Health Star Rating - How to use Health Star Ratings](#)

Our main concerns are:

- Nestlé's new target is broadly in line with the company's current overall growth guidance, meaning if sales of unhealthier products increase in line with this guidance, there would be no improvement linked to consumer health and diets
- Some of the products counted as 'nutritious' by Nestlé are outside the scope of government-endorsed nutrient profile models (including commercial baby foods and coffee).¹⁴ By increasing sales of out-of-scope products classified by Nestlé as nutritious, the company could meet its target without having any positive impact on public health

Escalate

Reflecting our shared concerns with ShareAction, we agreed in early 2024 to co-file a shareholder resolution at Nestlé's AGM, calling on the company to:

- Set key performance indicators (KPIs) regarding the absolute and proportional sales figures for food and beverage products according to their healthfulness, as defined by a government-endorsed Nutrient Profiling Model
- Provide a timebound target to increase the proportion of sales derived from these healthier products

These requests are intended to address our main concerns and strengthen the link between Nestlé's targets and real-world impact by increasing the proportion of healthier food available in consumer markets.

We will monitor the company's response and actions, and continue our engagement with them on this crucial issue.

Environmental | Society | Governance

ESG: Governance

ACGA Korea Working Group delegation: Seoul

As members of the Asian Corporate Governance Association ('ACGA'), we attended the Korea Working Group delegation visit to Seoul in March 2024.

Our membership enables us to broaden our stewardship reach in countries and regions where, historically, corporate governance has taken place behind closed doors, and where the number of controlling shareholders is high. Here, we provide a high-level summary of activities and discussions, demonstrating the value of collaborative engagements with both corporate, regulators and other non-corporate stakeholders, in terms of understanding the key drivers of market improvements, and where we can most effectively aim to use our influence as an asset manager.

AGM attendance

For international investors, in-person attendance at South Korean AGMs is challenging: paperwork, attendance formalities and permissions are complex, and instructions on how to attend often lack necessary details. Additionally, meetings have been traditionally held in Korean and often with no interpreter present, unless a large delegation of foreign investors has requested to attend, adding to the potential challenges for international investors to exercise shareholder rights during AGMs.

Through this delegation, we were able to secure attendance at some Korean company AGMs, a new experience for us, and one which provided valuable insights into governance behaviours and the relationship between companies and their shareholders.

Corporate Value-up Program

The South Korean government's Corporate Value-up Program is intended to enhance the value of listed companies by improving market transparency, improving accessibility to capital markets, and strengthening protections for shareholders.¹⁵ As part of the ACGA

delegation, we were able to witness how companies are implementing their own 'Value-up' programmes as part of this initiative, and to better understand the hurdles blocking progress in areas such as disclosures and high levels of family ownership of corporates, and also to understand what incentives might help shift behaviour to embrace greater transparency and desire to align more closely to accepted international market standards.

Policy and regulatory engagement

After two days of meetings discussing with industrial associations, NGO and academics about capital market reform in South Korea and the Corporate Value-up Program, we met with various government authorities, including:

- The Financial Supervisory Service (FSS) that was established in 1999 as a fully integrated supervisory authority with the mandate of financial supervision across the entire financial sector
- The Financial Services Commission (FSC) which is a government agency with the statutory authority over financial policy and regulatory supervision
- The Commercial Legal Affairs Division of the Ministry of Justice (MOJ) that works closely with the FSC in implementing and enforcing financial policies and regulations in the Korean capital market
- The Korea Exchange (KRX), which is the leading agency driving the Corporate Value-up Program and also setting ESG disclosure guidance for the listed market

Government authorities and other affiliates appear to be very focused on restoring investors' confidence in the South Korean market, increasing accessibility of international investors to the South Korean capital market, promoting reform in protecting general shareholders, and promoting corporate value-up protect shareholder values.

15. [Press Releases - Financial Services Commission \(fsc.go.kr\)](https://www.fsc.go.kr)

Company engagements

During the delegation trip, we also took the opportunity of scheduled collaborative engagements with two South Korean-listed companies. The opportunity to meet with them in person provided us not only the chance to further our engagement discussions, but also an avenue for us to strengthen our relationship with the companies. We believe a solid relationship is essential, in particular to enhancing the foundation of 'engage-ability' of our investee companies in the region.

Our membership of the ACGA enables us to broaden our stewardship reach in countries and regions where, historically, corporate governance has taken place behind closed doors, and where the number of family majority-owned businesses is high.

Transparency:

Mandatory English corporate disclosures in Japan

The Tokyo Stock Exchange (TSE) is proposing a revision to the listing rules to introduce mandatory disclosure of certain Japanese and English corporate documents from April 2025.¹⁶ The documents within scope are the earnings reports and timely disclosure information. The TSE's proposal would require also that the English translation is published at the same time as the Japanese version, with a preference for full disclosure but also accepting excerpts or summaries.

LGIM's view

We believe corporate disclosures and transparency are crucial for investors to be able to accurately price in risk.

The availability of timely and accurate information is a necessity, and where information is only available in part or after a delay, we believe that this impedes not only the efficiency of investment decision-making, but also the dialogue between a company and its shareholders. We also believe that disparities in translation and the timings of release of translated materials may place some shareholder groups at a disadvantage.

LGIM's actions

We attended a meeting with TSE representatives in London to provide feedback on this issue directly. In our meeting with them we also took the opportunity to discuss other stewardship topics that are currently in the spotlight for us in Japan, including gender diversity, board independence and tenure, and climate change.

We also provided formal written comments on the proposal. We are fully supportive of increased disclosures in English and would advocate for the goal of even more comprehensive bilingual disclosures. We particularly advocate for expanding the scope of the rules for simultaneous English disclosures to include the Corporate Governance Report without delay and the annual securities report (Yuho) over time.

We believe translating the Corporate Governance Report would not be overly burdensome but understand that of the Yuho (only one out of five Prime-listed companies providing any English translation and merely 5% translating the report in full) may require a phased approach. In this regard, we would be keen to see a proposed timeline, so that companies have sufficient time to prepare.

We also continue to highlight the long-standing issue regarding the timing of the Yuho publication (in its original Japanese form, regardless of translation). Investors need to have access to the Yuho well ahead of the AGM to make informed voting decisions. To address this issue, we would be supportive of regulatory changes, such as streamlining the disclosure requirements for the pre-AGM business report and financial statements, and extending the AGM window, as we have [outlined previously](#).

Ultimately, we believe that timely, transparent information is vital for investors, and this proposal goes to the heart of the matter. We believe these proposed rules would improve dialogue and understanding between companies and investors, and enable investors to make more accurate, timely decisions, and to challenge management more effectively.

16. [u5j7e50000029ja.pdf \(jpx.co.jp\)](https://www.tse.go.jp/eng/ir/2024/04/240101.pdf)

Significant votes

Company name	Apple Inc.*
ISIN	US0378331005
Market cap	US\$2.6 trillion (Source: https://companiesmarketcap.com/apple/marketcap/ 08 April 2024)
Sector	Technology
Issue identified	In line with our published expectations , we believe companies like Apple should be transparent in their uses of AI and their risk management processes.
Summary of the resolution	Resolution 7 – Report on Use of AI AGM date: 28 February 2024
How LGIM voted	For resolution 7 (against management recommendation)
Rationale for the vote decision	<p>We met with the company to discuss these topics, and it did not commit to increasing transparency and disclosures around AI at this time. Apple is among several companies that have outsized influence on the integration of AI into our economy.</p> <p>We pre-declared our vote intention on our 2024 pre-declaration blog.</p> <p>Our rationale for the vote decision was that a vote in favour of the proposal was warranted, as we believe investors would benefit from further disclosure and transparency on the company's use of and internal governance over artificial intelligence.</p>
Outcome	37.5% shareholders voted in favour of this proposal.
Why is this vote 'significant'?	This vote is significant as it relates directly to one of our six global stewardship themes: Digitisation. We published our expectations of companies regarding governance of AI on our blog last year.



GREGs case study: Bayer*: litigation risks and management changes

Identify

As a leading pharmaceuticals and crop science company, Bayer plays a significant role in global food production and security. However, Bayer faces meaningful reputation risks regarding ongoing glyphosate litigation related to its Roundup herbicide product. Since 2018, following the closure of its acquisition of Monsanto, Bayer has faced over US\$16 billion total charges or payments related to glyphosate litigation,¹⁷ litigation which remains ongoing and poses still meaningful risks to Bayer's ability to deleverage its balance sheet while investing for future growth in its pharmaceuticals business.

Bayer's recently appointed new CEO has embarked on a programme to revamp and simplify Bayer's internal governance, and he has made clear his comfort with potentially restructuring the business mix of Bayer.

How Bayer manages the ongoing litigation and how it implements changes to its business structure have profound implications for its investors. As Bayer potentially faces not only litigation risks but also diminished growth prospects in its core pharmaceuticals business, LGIM has sought to guide Bayer away from a path that eschews, we believe, investing for long-term growth in exchange for short-term equity gains.



17. [Bayer's Roundup Costs Could Top \\$16 Billion as Provisions Mount - Bloomberg](#)



Engage

LGIM's Stewardship and Investment teams have met with members of Bayer's supervisory board (December 2021, January 2024), with its ESG team (January 2023), and its new CEO (May 2023, March 2024). We also met with Bayer multiple times in 2019 and 2020, illustrating our history of engagement with the company. Additionally, we have engaged with Bayer's investor relations and treasury teams via numerous email exchanges.

In our meetings, we have sought to ascertain how Bayer will fund and manage ongoing litigation risks. This would include soliciting its views regarding employing controversial legal strategies like the 'Texas Two Step'.¹⁸ We have always made clear that Bayer cannot settle its legal challenges in a manner that creates long-lasting harm to its balance sheet in exchange for potentially short-term gains for its shareholders.

Specific to our meetings with the Bayer CEO, we made clear our views that a break-up of Bayer that does not support a growing pharmaceuticals business would make little sense and that the balance sheet should be deleveraged.

Escalate

LGIM used a recent bond deal marketing call as an opportunity to advocate for a clearer message from Bayer regarding its view of what its 'core' business is.

LGIM remains engaged with Bayer, and the company's capital markets day held March 2024 affirmed our expectations that the crop science business and the pharma business should not be broken up.

18. [Texas Two-Step Bankruptcy: Meaning, Criticism, Example \(investopedia.com\)](#)



Regional updates

Global - Q1 2024 voting summary

Management proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Management (Total)	12782	3756	299	76%	22%	2%
Director Election	4634	1248	285	75%	20%	5%
Audit Related	591	110	12	83%	15%	2%
Compensation	1132	868	0	56%	43%	0%
Capitalization	1186	112	0	91%	9%	0%
Routine Business	1716	501	0	77%	23%	0%
Strategic Transactions	417	74	0	85%	15%	0%
Company Articles	774	186	0	81%	19%	0%
Director Related	1648	432	1	79%	21%	0%
Social	55	22	0	71%	29%	0%
Takeover Related	95	6	0	94%	6%	0%
Non-Routine Business	370	61	0	86%	14%	0%
No Research	13	118	1	7%	64%	1%
Mutual Funds	10	0	0	100%	0%	0%
Miscellaneous	115	17	0	87%	13%	0%
E&S Blended	26	0	0	96%	0%	0%
Environmental	0	1	0	0%	100%	0%

Voting data shown is “For” and “Against” the resolution. Please note that for shareholder resolutions, a vote “For” the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients’ investments across all developed and emerging markets globally, where possible. Source: LGIM, as at 31.03.2024.

Global - Q1 2024 voting summary

Shareholder proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Shareholder (total)	369	188	5	66%	33%	1%
Director Election	187	102	5	64%	35%	2%
Audit Related	67	4	0	94%	6%	0%
Miscellaneous	66	23	0	74%	26%	0%
E&S Blended	2	5	0	29%	71%	0%
Social	14	4	0	78%	22%	0%
Environmental	3	9	0	25%	75%	0%
Compensation	3	3	0	50%	50%	0%
Company Articles	3	16	0	16%	84%	0%
Non-Routine Business	4	4	0	50%	50%	0%
Routine Business	5	0	0	100%	0%	0%
Director Related	7	18	0	28%	72%	0%
Corporate Governance	8	0	0	100%	0%	0%

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	13151	80%
Against	3944	81%
Abstain	304	90%

Number of	Values
Resolutions	17477
AGM Resolutions	13039
EGM Resolutions	4438
AGMs	1205
EGMs	1088
Meetings	2293

Number of companies where LGIM voted:	Values
In Total	2001
For in all resolutions	572
Against or Abstain in at least one resolution	1429



 UK - Q1 2024 voting summary

Management proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Management (Total)	1185	56	3	95%	4%	0%
Routine Business	138	1	0	99%	1%	0%
Compensation	88	9	0	91%	9%	0%
Director Election	433	26	3	94%	6%	1%
Audit Related	139	0	0	100%	0%	0%
Social	22	0	0	100%	0%	0%
Capitalization	256	14	0	95%	5%	0%
Takeover Related	53	0	0	100%	0%	0%
Mutual Funds	8	0	0	100%	0%	0%
Strategic Transactions	33	2	0	94%	6%	0%
Company Articles	5	1	0	83%	17%	0%
No Research	0	3	0	0%	50%	0%
Miscellaneous	9	0	0	100%	0%	0%
Non-Routine Business	1	0	0	100%	0%	0%

UK - Q1 2024 voting summary

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	1185	96%
Against	56	98%
Abstain	3	100%

Number of	Values
Resolutions	1247
AGM Resolutions	1162
EGM Resolutions	85
AGMs	73
EGMs	49
Meetings	122

Number of companies where LGIM voted:	Values
In Total	106
For in all resolutions	72
Against or Abstain in at least one resolution	34

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible. Source: LGIM, as at 31.03.2024.



Europe ex UK - Q1 2024 voting summary

Management proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Management (total)	2569	654	56	78%	20%	2%
Routine Business	624	50	0	92%	7%	0%
Director Related	646	59	0	91%	8%	0%
Audit Related	183	19	5	88%	9%	2%
Director Election	483	188	51	66%	26%	7%
Compensation	222	260	0	46%	53%	0%
Capitalization	212	37	0	85%	15%	0%
Non-Routine Business	33	4	0	89%	11%	0%
Social	11	18	0	38%	62%	0%
Strategic Transactions	17	4	0	81%	19%	0%
Company Articles	81	8	0	91%	9%	0%
E&S Blended	24	0	0	96%	0%	0%
No Research	10	1	0	91%	9%	0%
Miscellaneous	23	6	0	79%	21%	0%

Europe ex UK - Q1 2024 voting summary

Shareholder proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Shareholder (total)	14	62	0	18%	82%	0%
Audit Related	0	1	0	0%	100%	0%
Miscellaneous	1	12	0	8%	92%	0%
Environmental	0	5	0	0%	100%	0%
Social	3	1	0	75%	25%	0%
Director Election	6	34	0	15%	85%	0%
Company Articles	0	1	0	0%	100%	0%
Director Related	4	8	0	33%	67%	0%

Number of	Values
Resolutions	3381
AGM Resolutions	3123
EGM Resolutions	258
AGMs	188
EGMs	58
Meetings	246

Number of companies where LGIM voted:	Values
In Total	223
For in all resolutions	32
Against or Abstain in at least one resolution	191

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	2583	79%
Against	716	81%
Abstain	56	89%

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management.

We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.
Source: LGIM, as at 31.03.2024.



 North America - Q1 2024 voting summary

Management proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Management (total)	1145	699	8	62%	38%	0%
Director Election	832	402	0	67%	33%	0%
Audit Related	97	73	7	55%	41%	4%
Compensation	50	213	0	19%	81%	0%
Capitalization	34	1	0	97%	3%	0%
Strategic Transactions	39	2	0	95%	5%	0%
Takeover Related	40	3	0	93%	7%	0%
Director Related	22	2	0	92%	8%	0%
Miscellaneous	3	0	0	100%	0%	0%
No Research	3	1	1	60%	20%	20%
Mutual Funds	2	0	0	100%	0%	0%
Company Articles	10	0	0	100%	0%	0%
Routine Business	12	2	0	86%	14%	0%
Non-Routine Business	1	0	0	100%	0%	0%

North America - Q1 2024 voting summary

Shareholder proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Shareholder (total)	30	16	0	65%	35%	0%
E&S Blended	2	5	0	29%	71%	0%
Social	11	3	0	79%	21%	0%
Environmental	3	4	0	43%	57%	0%
Compensation	1	3	0	25%	75%	0%
Routine Business	3	0	0	100%	0%	0%
Audit Related	2	0	0	100%	0%	0%
Company Articles	0	1	0	0%	100%	0%
Corporate Governance	7	0	0	100%	0%	0%
Director Related	1	0	0	100%	0%	0%

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	1175	63%
Against	715	63%
Abstain	8	75%

Number of	Values
Resolutions	1898
AGM Resolutions	1755
EGM Resolutions	143
AGMs	178
EGMs	57
Meetings	235

Number of companies where LGIM voted:	Values
In Total	232
For in all resolutions	26
Against or Abstain in at least one resolution	206

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management.

We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible.
Source: LGIM, as at 31.03.2024.



● Japan - Q1 2024 voting summary

Management proposed resolutions:

Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Management (total)	1497	212	0	88%	12%	0%
Routine Business	102	0	0	100%	0%	0%
Director Election	1175	152	0	89%	11%	0%
Company Articles	38	5	0	88%	12%	0%
Audit Related	1	1	0	50%	50%	0%
Strategic Transactions	2	1	0	67%	33%	0%
Takeover Related	0	3	0	0%	100%	0%
Compensation	61	17	0	78%	22%	0%
Director Related	115	32	0	78%	22%	0%
Capitalization	1	1	0	50%	50%	0%
Non-Routine Business	2	0	0	100%	0%	0%

Japan - Q1 2024 voting summary

Shareholder proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Shareholder (total)	7	4	0	64%	36%	0%
Non-Routine Business	3	3	0	50%	50%	0%
Routine Business	2	0	0	100%	0%	0%
Compensation	2	0	0	100%	0%	0%
Audit Related	0	1	0	0%	100%	0%

Number of	Values
Resolutions	1720
AGM Resolutions	1700
EGM Resolutions	20
AGMs	159
EGMs	6
Meetings	165

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	1504	88%
Against	216	88%
Abstain	0	0%

Number of companies where LGIM voted:	Values
In Total	165
For in all resolutions	45
Against or Abstain in at least one resolution	120

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible. Source: LGIM, as at 31.03.2024.



Asia Pacific ex Japan - Q1 2024 voting summary

Management proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Management (total)	4143	1529	3	76%	22%	2%
Director Election	1361	331	3	75%	20%	5%
Capitalization	453	33	0	83%	15%	2%
Routine Business	262	402	0	56%	43%	0%
Company Articles	427	142	0	91%	9%	0%
Director Related	537	255	0	77%	23%	0%
Non-Routine Business	212	35	0	85%	15%	0%
Compensation	518	257	0	81%	19%	0%
Strategic Transactions	263	57	0	79%	21%	0%
Social	3	3	0	71%	29%	0%
Miscellaneous	51	9	0	94%	6%	0%
Audit Related	55	5	0	86%	14%	0%
No Research	0	0	0	7%	64%	1%
Takeover Related	1	0	0	100%	0%	0%

Asia Pacific ex Japan - Q1 2024 voting summary

Shareholder proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Shareholder (total)	259	53	0	83%	17%	0%
Director Election	148	35	0	81%	19%	0%
Audit Related	44	1	0	98%	2%	0%
Miscellaneous	63	9	0	88%	12%	0%
Company Articles	2	4	0	33%	67%	0%
Non-Routine Business	1	1	0	50%	50%	0%
Director Related	1	3	0	25%	75%	0%

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	4402	76%
Against	1582	76%
Abstain	3	100%

Number of	Values
Resolutions	6006
AGM Resolutions	3214
EGM Resolutions	2792
AGMs	457
EGMs	671
Meetings	1128

Number of companies where LGIM voted:	Values
In Total	1010
For in all resolutions	311
Against or Abstain in at least one resolution	699

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible. Source: LGIM, as at 31.03.2024.



Rest of World - Q1 2024 voting summary

Management proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Management (total)	2243	606	229	72%	19%	7%
Strategic Transactions	63	8	0	89%	11%	0%
Director Election	350	149	228	48%	20%	31%
Compensation	193	112	0	63%	37%	0%
No Research	0	113	0	0%	80%	0%
Capitalization	230	26	0	90%	10%	0%
Non-Routine Business	121	22	0	85%	15%	0%
Audit Related	116	12	0	91%	9%	0%
Routine Business	578	46	0	93%	7%	0%
Director Related	328	84	1	79%	20%	0%
Miscellaneous	29	2	0	94%	6%	0%
Company Articles	213	30	0	88%	12%	0%
Social	19	1	0	95%	5%	0%
Takeover Related	1	0	0	100%	0%	0%
E&S Blended	2	0	0	100%	0%	0%
Environmental	0	1	0	0%	100%	0%

Rest of World - Q1 2024 voting summary

Shareholder proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
Shareholder	59	53	5	50%	45%	4%
Director Election	33	33	5	46%	46%	7%
Audit Related	21	1	0	95%	5%	0%
Director Related	1	7	0	12%	88%	0%
Miscellaneous	2	2	0	50%	50%	0%
Company Articles	1	10	0	9%	91%	0%
Corporate Governance	1	0	0	100%	0%	0%

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	2302	86%
Against	659	84%
Abstain	234	87%

Number of	Values
Resolutions	3225
AGM Resolutions	2085
EGM Resolutions	1140
AGMs	150
EGMs	247
Meetings	397

Number of companies where LGIM voted:	Values
In Total	265
For in all resolutions	86
Against or Abstain in at least one resolution	179

Voting data shown is "For" and "Against" the resolution. Please note that for shareholder resolutions, a vote "For" the resolution is a vote against management. We aim to keep abstentions to a minimum. Where there are no legal or practical impediments, we vote on our clients' investments across all developed and emerging markets globally, where possible. Source: LGIM, as at 31.03.2024.

Global engagement summary



In Q1 2024, the Investment Stewardship team held

193



engagements

with

154



companies

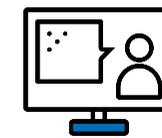
(vs. 481 engagements with 421 companies last quarter)

Breaking down the engagement numbers - Q1 2024

Breakdown of engagement by themes

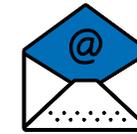


Engagement type



129

Company meetings



64

Emails / letters

Top five engagement topics*



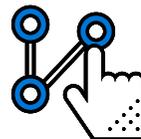
78

Climate Change



47

Remuneration



36

Strategy



24

Board Composition

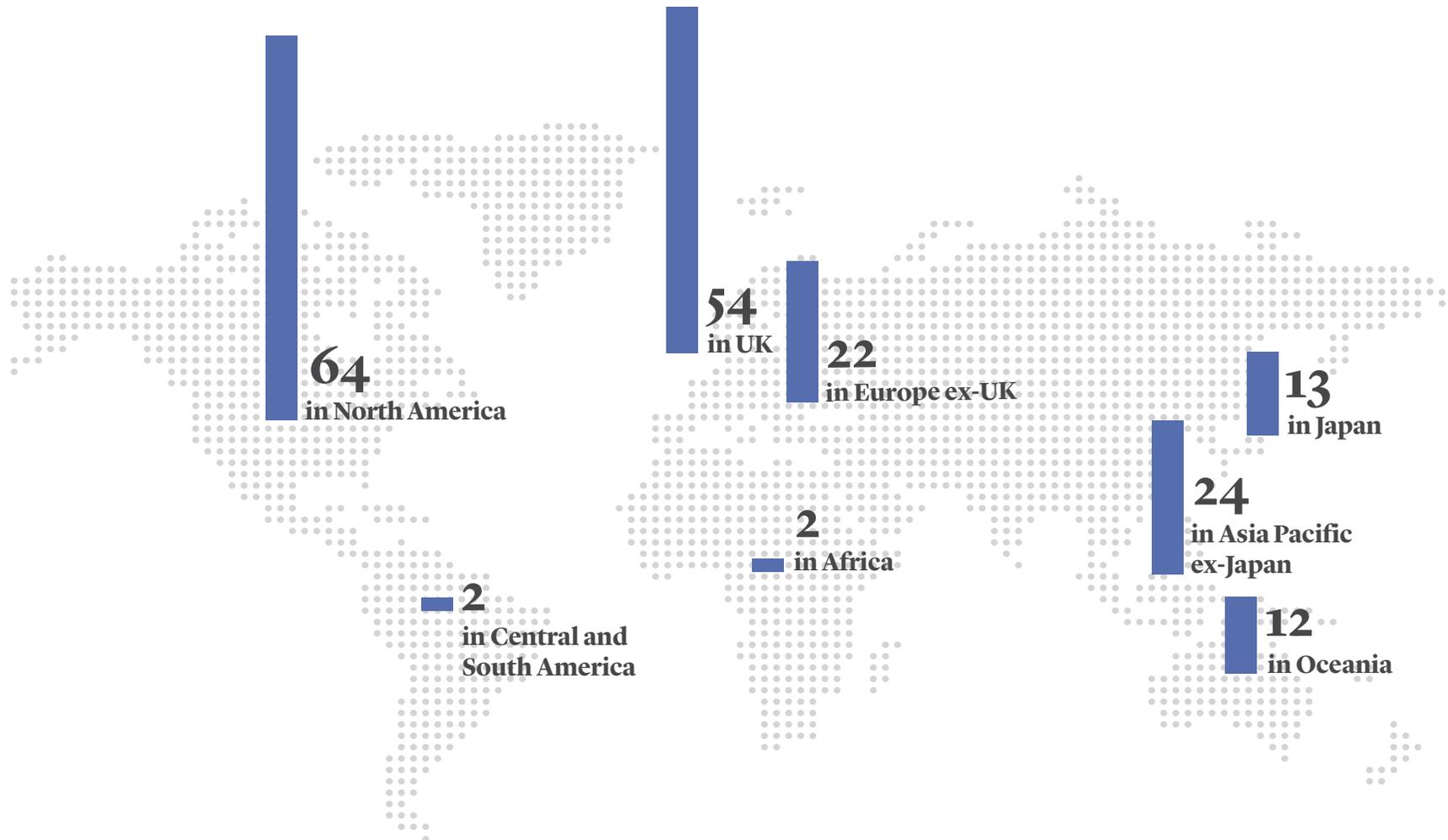


24

Climate Mitigation

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

Regional breakdown of engagements





Contact us

For further information about LGIM, please visit lgim.com or contact your usual LGIM representative



* *For illustrative purposes only. Reference to a particular security is on a historic basis and does not mean that the security is currently held or will be held within an LGIM portfolio. The above information does not constitute a recommendation to buy or sell any security.

Key Risks

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

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LGIM Global

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USA: Legal & General Investment Management Ltd. (a U.K. FCA authorized adviser), LGIM International Limited (a U.S. SEC registered investment adviser and U.K. FCA authorized adviser), Legal & General Investment Management America, Inc. (a U.S. SEC registered investment adviser)

Japan: Legal & General Investment Management Japan KK (a Japan FSA registered investment management company)

Hong Kong: issued by Legal & General Investment Management Asia Limited which is licensed by the Securities and Futures Commission.

Singapore: issued by LGIM Singapore Pte. Ltd. (Company Registration No. 202231876W) which is regulated by the Monetary Authority of Singapore.

The LGIM Stewardship Team acts on behalf of all such locally authorized entities.