



Q4 2024

# Quarterly engagement report

Global engagement to  
deliver positive change

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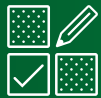


# Our mission

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





# Our focus

## Holding boards to account

To be successful, companies need to have people at the helm who are well-equipped to create resilient long-term growth. By voting and engaging directly with companies, we encourage management to control risks while seeking to benefit from emerging opportunities. We aim to safeguard and enhance our clients' assets by engaging with companies and holding management to account for their decisions. We believe 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. Our investment process includes an assessment of how well companies incorporate relevant ESG factors into their everyday thinking. 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. In doing so, we believe companies should become more resilient to change and therefore seek to benefit the whole market. We use our influence and scale to ensure that 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.



## Global Investment Stewardship themes

Our Investment Stewardship activity is structured around six core themes:

- **Climate:** Keeping 1.5°C alive
- **Nature:** Supporting a world that lives in harmony with nature, recognising the economic value of natural capital
- **People:** Improving human capital across the corporate value chain
- **Health:** Safeguarding global health to limit negative consequences for the global economy
- **Governance:** Strengthening accountability to deliver stakeholder value
- **Digitisation:** Establishing minimum standards for how companies manage digitisation-related risks

We believe these themes are financially material to our clients' portfolios, often pose systemic risks and opportunities, and cover areas where we believe LGIM as an asset manager can influence change.

# Action and impact

In this edition, we highlight key engagements across our global stewardship themes, with a focus on climate policy engagements, an update on our human rights campaign, and governance in Japan.







# Environmental | Society | Governance

# ESG: Environment: Climate and Nature



## Climate

### Improving corporate climate and nature disclosure through CDP's campaign

For the fourth year in a row, LGIM has been a signatory of CDP's annual campaign to encourage companies to disclose climate (and now, nature) information. CDP is a highly respected and widely used global disclosure programme and dataset for environmental information.<sup>1</sup>

#### The results

Having signed onto CDP's 'non discloser campaign' once again for 2023-2024, we are pleased to see that, according to CDP:

- Around 2,000 companies were targeted through this campaign
- Some 350 now disclose via CDP: c.160 for climate change, c.50 for forests and c.200 for water security

#### Why is disclosure important?

As a large investor, we believe that good disclosure is important for providing investors with financially material information that is used in decision making and engagement activity. While disclosures of climate-related information have been steadily improving, many less mature areas of risk and opportunity related to nature, in particular, still present challenges in terms of companies' lack of awareness, willingness or ability to disclose decision-useful information.

By adding our voice to the CDP campaign, alongside our peers, we demonstrate to companies how important this information is to long-term investors. The increase in company disclosures demonstrates the progress of this campaign, driven by the collective efforts of like-minded investors, and co-ordinated by CDP.

1. [AboutUs - CDP](#)

### 'Green steel': Arcelor Mittal\* site visit

#### Background: our engagement with Arcelor Mittal

We have been engaging with Arcelor Mittal on climate change since 2020 and have been in regular contact with the company, regarding the steps they are taking to decarbonise their business.

#### Site visit

A member of our Investment Stewardship team was invited, alongside other investors, to attend a site visit to Arcelor [Mittal's Sestao steel plant](#), to learn about and observe their decarbonisation technologies, and gain a deeper understanding of the steps they are taking, and the challenges they face as a company and as part of the steel industry as a whole in reaching net zero. The plant produces low-carbon-emissions steel, which has a significantly lower CO2 footprint than traditional steelmaking and uses the Electric Arc Furnace processes. In addition to seeing these processes in action, including the thin slab direct casting process, the company representatives enabled insightful discussions among the investor attendees.

#### Our observations and next steps

It was an incredibly insightful trip. Seeing this scale of engineering in person really puts a company's decarbonisation efforts, and the challenges they face, into perspective. One of our key 'take-aways' was the role of policy and demand creation in shaping decarbonisation efforts, which emphasises for us the importance of continuing to broaden our engagement across value chains, and of continuing to use our influence as an asset manager to encourage effective decarbonisation at the policy level.



## Climate Impact Pledge: our next cycle of engagements

Over the quarter, we have begun our next cycle of engagements with our c.100 'dial mover' companies under our Climate Impact Pledge.

Across 20 'climate critical sectors', we have selected these companies for in-depth engagement on account of their scale and influence across their sectors and value chains, and their potential to drive market-wide improvements. In our engagements for the 2024-2025 cycle, we will be increasingly focused on outcome-driven objectives, reflecting the progress over time from commitments and targets to climate transition plans, actions and investments, and to interrelated nature dependencies. We will report on the results of our next engagement cycle in June 2025.

## Climate policy engagement in Japan

### Policy statements on Japan's Nationally Determined Contribution (NDC) and the 7th Strategic Energy Plan

We contributed to the formation of the Japan Climate Leaders Partnership's (JCLP) [updated policy statement](#) which makes three core proposals on greenhouse gas emission reduction, renewable energy expansion, and the policymaking process. Following the release of this statement in November, we joined a discussion with the Japan's Minister of Environment, Keiichiro Asao, to discuss the urgency of bold policy action. We also attended a meeting with the Bipartisan Group for Realizing Carbon Neutrality (a cross-party group composed of members from both the ruling and opposition parties in Japan's Diet) and have held meetings with other relevant ministries (Japan Ministry of Economy, Trade and Industry (METI) and Ministry of Environment (MOE)).

Meanwhile, we contributed to the Asian Investors Group on Climate Change's ('AIGCC') [Position Paper on Japan's Strategic Energy Plan](#), which was published in October. We were also given the opportunity to present the paper's 10 investor recommendations in a closed-door workshop and spoke on a panel alongside a policymaker and academic.



## Policy roundtable

Early in the quarter, through our membership of the 'AIGCC', we participated in a roundtable discussion on "Enabling Higher Private Sector Finance Through Japan's Energy Plan." Attendees included, in addition to our asset management peers, representatives from METI, MOE, as well as the Japan FSA.

Some of LGIM's key points contributed during the session included:

- Emphasising the importance of enhanced grid decarbonisation
- Calling for stronger public policies to restrict coal
- -The importance of transparent forward-looking policies aligned with a 1.5°C trajectory to enable companies to manage their energy transition adjustments

2024 has been a pivotal year for climate policy in Japan, as the changes made to the Strategic Energy Plan will shape the country's future trajectory towards net zero. Our increased participation this year, through both policy engagement (including our work through the JCLP and the AIGCC) and, on the corporate side, on climate lobbying (for example, our shareholder resolution at Nippon Steel), have been targeted at using our influence as an asset manager to help shape that future journey towards net zero.

## IIGCC: Climate Transition Working Group

### Background: who are the IIGCC?

LGIM has been a member of the Institutional Investors Group on Climate Change ('IIGCC') since 2011; a collaborative initiative for European investors, the IIGCC brings together over 400 members in its aim of driving progress towards net zero and a sustainable future, in line with the Paris Agreement. Initiatives co-founded by the IIGCC include the CA100+, Nature Action 100 and the Net Zero Asset Managers Initiative, of which LGIM is also a member.<sup>2</sup> The IIGCC also engages with policymakers on successful implementation of the Paris Agreement and on how to decarbonise the real economy.

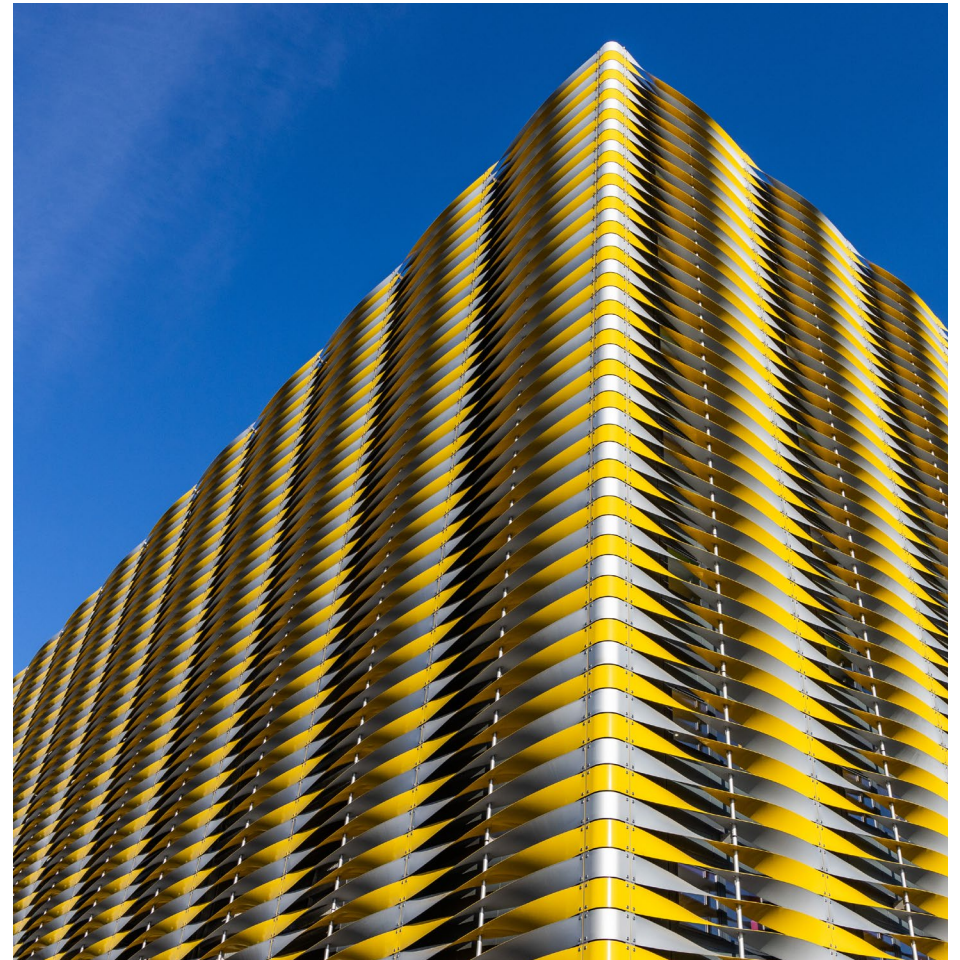
### What did LGIM do?

As a member of the IIGCC Transition Working Group, we provide feedback on the IIGCC's draft methodologies, including its assessments for carbon measurement and benchmarking. In the final quarter of 2024, we participated in the latest Group meeting. Feedback from asset managers who may in future engage with this data is essential in terms of determining robustness and applicability, and discussing challenges, particularly regarding Scope 3 emissions. Alongside our peers, we provide important input into these methodologies.

At the Transition Working Group meeting, the IIGCC also presented its guidance on assessing targets for gas from utility companies, which has since been released.

### Next steps

On account of the IIGCC's influence and links to both the corporate sphere and policy dialogue, we will continue our collaboration. Future areas where we will input into guidance will include nature and carbon 'lock-in' (where infrastructure investment choices prolong or even perpetuate fossil fuel dependency).



2. Source: [About us](#)



## European Chemicals decarbonisation; collaborative engagement with ShareAction

LGIM has been a member of the ShareAction’s Chemical Decarbonisation Investor Coalition since 2021, a collaboration aiming to engage with 13 leading European chemical companies, to encourage them to align their decarbonisation strategies with the goal of limiting global warming to 1.5°C. The chemicals sector is responsible for over 6% of global greenhouse gas (GHG) emissions and is crucial to a multitude of manufactured goods and industrial processes with 95% of manufactured products relying on this sector.

### Objectives

The collaborative engagement has been focused on the following objectives:

1. Set out and disclose a plan over the short, medium, and long term, with time-bound targets, to:
  - a. phase in electrified chemical production processes
  - b. increase energy consumption from renewable energy sources
  - c. transition to emissions-neutral feedstocks
  - d. phase out woody biomass from energy generation
2. Set Scope 3 emissions targets that are aligned with 1.5°C (covering all relevant upstream and downstream emissions)
3. Explicitly commit to align capital expenditure plans with the objective of limiting global warming to 1.5°C; and disclose future capital spending on new and existing assets

Engagement has been through a combination of letters outlining key requests from the coalition (which we have co-signed over the years), followed by direct engagements with selected companies. As part of this coalition, we have also provided a joint submission to the Science Based Targets initiative (SBTi) on their consultation for draft guidance for the chemical industry contributing to the development of the Chemicals Sector Target-Setting Criteria.

## Engagement focus: Yara International\*

Following a three-year engagement, in December 2024, we met (as part of the coalition) with Yara International’s CEO for the first time to discuss their upcoming transition plan and capex strategy. This engagement was in response to a shareholder resolution filed by ShareAction and four coalition investors, which LGIM voted in favour of at Yara’s 2024 AGM. The objective of the engagement was to continue dialogue with the company to include ambitious Scope 3 targets and implementation plans in its upcoming Transition Plan, which is due to be published in 2025. The aim was to clearly convey the coalition’s expectations to Yara’s leading executive during a pivotal period of planning.

In terms of next steps, we will monitor Yara’s progress in this regard and analyse their forthcoming Transition Plan. This will determine the future direction and objectives of our engagement.



## GREGs case study: Volvo Car AB\*

### Identify

We selected Volvo Car for engagement as we view the company as a technology leader within the European automotive landscape. We have commenced an engagement with a view to understanding the nuances of the regulatory backdrop and how it influences product strategy decisions. We would also like to understand the ability of Volvo and other companies in the automotive sector to provide more detailed disclosure on plug-in hybrid emissions, which would approve transparency around the technology, which is a critical tool in the objective of cutting vehicle emissions in Europe.

### Engage

We have begun an engagement with Volvo, making initial contact with the company with a view to arranging a more detailed walk through of their views on the regulations around plug-in hybrid technology. We have submitted questions to the company regarding this engagement and are awaiting the company's response.

### Next steps

This engagement is at the early stages so the next steps will be to discuss with the company their responses to the questions we have submitted to date. Our objectives from this engagement are:

- To ensure we understand the current regulatory framework in a manner consistent with how it is viewed by the industry
- To understand the limitations around disclosure of plug-in hybrid electric vehicle ('PHEV') emissions data currently held by Volvo and other original equipment manufacturers ('OEMs')
- Depending on the other responses, to discuss a framework for more proactive disclosure of real-world PHEV emissions to provide greater transparency to stakeholders

## GREGs case study: Solvay SA\*

### Identify

We engaged with this company as a non-European competitor flagged legislative adjustments to the EU Emission Trading System (coming into place on 01 January 2025) that they expect to favour domestic producers over non-EU producers. We wanted to confirm that the conclusions this competitor came to were in line with Solvay's thinking, whilst gaining a deeper understanding of the legislative changes and their implications.

### Engage

We approached the topic during a face-to-face meeting with the company's management (CEO/CFO) in December 2024. We now understand that under the proposed changes, for emissions to be in scope of the ETS its no longer necessary for CO2 to be actually emitted into the atmosphere. Instead, if CO2 is incorporated into the finished product, related emissions should be considered in scope of the EU ETS (unless the CO2 is permanently bound in the product). The change applies to the production of glass, which is the key end market for soda ash. Currently, EU glass producers are responsible for paying for soda ash-related emissions that occur during glass production. Under the changes, the soda ash producers will be responsible for these downstream emissions. Therefore, EU glass producers that choose to source soda ash produced in the EU would no longer need to pay, but if they import the soda ash, this payment remains an obligation. Solvay agreed with competitor's comments that the changes will incentivise customers to use soda ash produced in the EU. The company also noted that as they will now have to bear the cost for these downstream emissions, whilst the EU will provide more free allowances, decarbonisation becomes ever more important.

### Next steps

The engagement has helped inform our understanding of the new legislation and the implications. We will arrange a meeting in future to clarify some outstanding points, along with discussing the actual impact seen on the industry (i.e. any supply implications) once the changes come into place. We will continue to engage with Solvay on the progress of their energy transition as this is important for reducing their carbon-associated costs.





<b>Company name</b>	<b>BHP Group Ltd*</b>
<b>ISIN</b>	AU000000BHP4
<b>Market Cap</b>	US\$135.3 billion (Source: ISS, 18 December 2024)
<b>Sector</b>	Basic materials: mining
<b>Issue identified</b>	The mining and diversified metals sector produces minerals that are essential to the energy transition. As such, we believe that long-term, responsible investors, such as LGIM, can support these companies as they decarbonise. Earlier this year, we <a href="#">published our updated assessment framework for mining companies' climate transition plans</a> .
<b>Summary of the resolution</b>	Resolution 13: Approve Climate Transition Action Plan AGM, 30 October 2024
<b>How LGIM voted</b>	In favour of Resolution 13 (in line with management recommendation)
<b>Rationale for the vote decision</b>	We have been engaging with BHP for a number of years on the topic of climate change and, most recently, on their Climate Action Transition Plan. We note that BHP has made significant strides in carrying out its core role in the transition in a sustainable manner and has demonstrated this through the substantial alignment of its Climate Transition Action Plan (CTAP) with our framework for assessing mining company transition plans. Therefore, LGIM voted in favour of Resolution 13.
<b>Outcome</b>	92.2% voted in favour of Resolution 13 Going forwards, we will assess the disclosure of progress on BHP's plans for the development of a more targeted methane measurement, management and mitigation strategy, as well as the plans it is executing to support the decarbonisation of steelmaking. We will also continue to engage with BHP to ensure resilience whilst navigating the dynamic market for metallurgical coal.
<b>Why is this vote 'significant'?</b>	The mining and diversified metals sector is an essential part of the energy transition. In order to support its transition plans, we want companies within the sector to meet our <a href="#">minimum expectations</a> .

## Nature

### COP16: Reflections

Two members of our Investment Stewardship team attended the COP16 Global Biodiversity Summit in Colombia, alongside our peers, global leaders, and stakeholders across multiple industries, and policymaking and regulatory representatives.

Engagement across the multilateral system helps address nature-related risk and changes how we understand the value we derive from nature. We were at COP15 for the negotiations for the Global Biodiversity Framework ('GBF'), and following a somewhat challenging but positive COP16 in Colombia, it is clear that we need to continue to accelerate public and private action. Below, we highlight three main areas of agreement, consideration and development:

- **Resource mobilisation** – meeting the targets of the GBF (US\$200 billion p.a. by 2030<sup>3</sup>). Whilst agreement could not be reached in Colombia, there were two relevant topics: 1) reform of government subsidy programmes in a way that does not degrade nature (we have been working on this topic for several years, including engagement with the G20<sup>4</sup>); and 2) how the public and private sector can work more closely together to protect and restore nature
- **Digital sequencing information** – Parties advanced the operation of the mechanism (the 'Cali Fund') to ensure fair and equitable benefit-sharing from 'Digital Sequencing Information' of genetic resources from plants and animals. This demonstrates a different policy step that pushes companies to improve their understanding of the value nature provides us, and to change their relationship with nature
- **Multilateral and domestic coordination** – agreement to enhance multilateral and domestic policy coordination, particularly between the interrelated topics of nature, climate, and health

3. [Target 19](#)

4. See for example [How can Europe reap the environmental rewards from subsidy reform and align with the Paris Agreement?](#)

## Agriculture

A continuous thread throughout these areas is the topic of agriculture, and particularly government subsidy programmes. One primary challenge is agreeing the definition of "regenerative agriculture", which can lead to conflicting aims and outcomes, and hinder progress. We have addressed this topic in our blog, here: [LGIM Blog: Regenerative agriculture: But what do you mean?](#)

We believe that an "outcomes"-focused approach may yield more productive results and while COP16 did not supply an agreed definition, the role of agriculture in protecting and restoring nature, and the necessity of ensuring stability of global food supplies, was a recurrent theme. In our [Nature Framework](#), we set out our approach to agriculture which permeates each of our nature "sub-themes" (deforestation, circular economy, water and natural capital management).

### Climate, nature and food transformation

At COP16, we joined over 70 global leaders from across civil society, indigenous peoples, business and finance in signing an open letter to Presidents Gustavo Petro (Colombia) and Luiz Inácio Lula da Silva (Brazil), requesting that they take the following actions:

- Strengthen national climate plans to deliver a triple win for people, nature and food security
- Scale up investment for nature and food system transformation
- Support the full and effective participation of farmers, indigenous peoples, and local communities across climate, food system and nature policy development, decision-making and monitoring

By recognising the role of the Presidents of Colombia and Brazil in climate and nature leadership and the interconnectedness of these challenges with global food systems, we are adding our voice to the weight of global stakeholders emphasising the importance of action and our support for the positive steps taken on these issues demonstrates our public commitment to collaborative engagement at the highest level. The full letter and list of signatories can be found here: [Letter: United action on climate, nature and food transformation](#)



## Deforestation case study: Colgate-Palmolive\*

### Identify

As part of our commitment to using best efforts to tackle commodity-driven deforestation impacts in our investment portfolios by 2025, our deforestation campaign aims to engage with portfolio companies<sup>5</sup> on deforestation as risk management approach and is linked to voting outcomes. We outline to companies our deforestation expectations (to have both a deforestation policy and programme in place),<sup>6</sup> we assess their performance annually against these, and apply vote sanctions to laggard companies.

In addition, we engage with companies identified as having high deforestation exposure, but that stand out as strategically prioritising and managing this topic. We have selected Colgate-Palmolive for engagement, due to its potential to galvanize action in its sector, as well as for its significant exposure to forest-risk commodities such as palm oil, paper, cattle, and soy.

### Engage

We have been engaging with Colgate-Palmolive since November 2022, just after the initial publication of our deforestation policy. In addition to written communications, we have met with company representatives twice (in 2022 and 2024).

Our engagements have been focused on their deforestation approach as well as challenges and opportunities in meeting their deforestation commitments. We have engaged with the Chief Sustainability Officer and explored how the company is ensuring supplier compliance and increased traceability across commodities as well as grievance mechanisms robustness and key escalations for non-compliance. We have also sought to encourage increased board oversight of deforestation and prioritisation of this issue within the company's risk management agenda.



### Next steps

We note that the company meets our minimum expectations on deforestation, as set out above. They have also demonstrated further progress. In addition to appreciating responsible sourcing as a critical issue, they have been building relationships and furthering engagement with their suppliers, including ending relationships with those found to be non-compliant. In terms of monitoring, they have introduced satellite imaging, and are undertaking the complex process of mapping palm oil derivatives. Additionally, the company has a 'grievance log' for palm oil for 2023. In terms of oversight, we note that the frequency of board-level updates on deforestation has increased.

In our next engagement with the company in 2025, we will focus on traceability progress across key commodities, collaborations and work done with their peers to eliminate deforestation. We will also continue to discuss the company's work on mapping and addressing deforestation risks across their supply chain.

5. In deforestation-critical sectors for which we have data. 'Deforestation-critical' sectors or 'high-risk' sectors are defined using Ceres' Investor Guide to Deforestation and Climate Change. We also follow Deforestation-Free Finance guidance on which GICS sub-industries to cover.

6. Further detail can be found in our deforestation policy: [LGIM Deforestation policy](#)





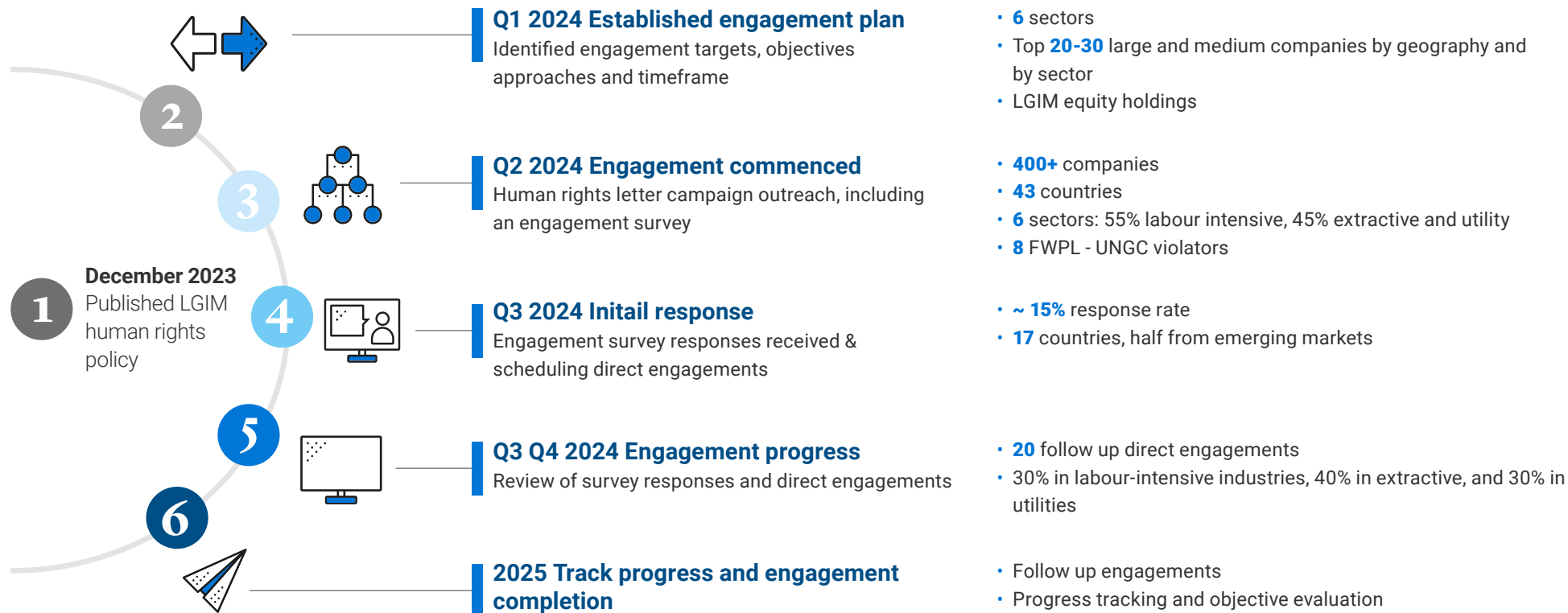
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# People and Health

## People: Our human rights campaign: summary of results so far

Regular readers will recall that in our [Q3 Quarterly Engagement Report](#), we introduced our first human rights campaign. Being now at a stage to begin to collate the results, the graphic below summarises the campaign outline and next steps:



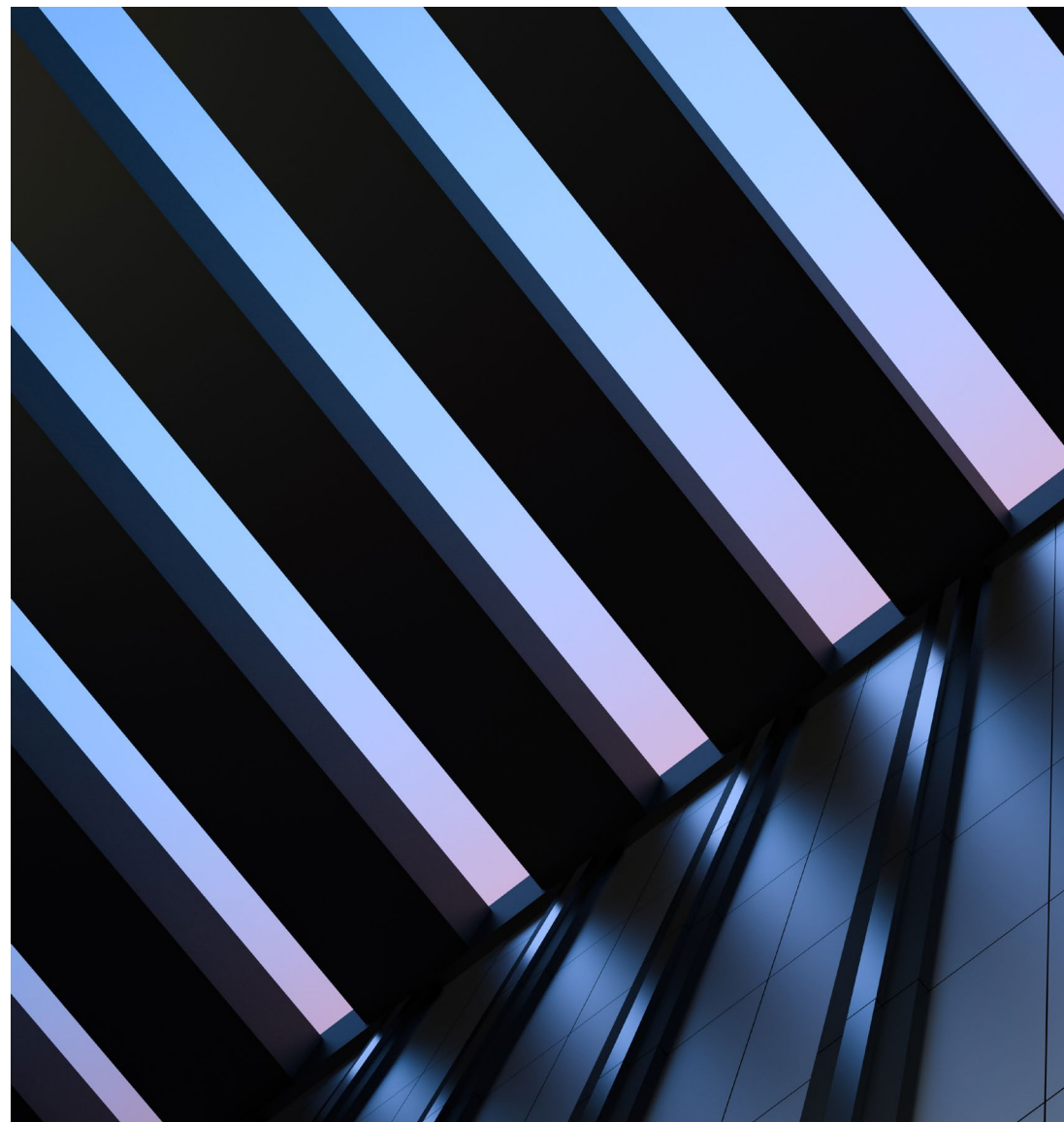
## What have we learned so far?

In analysing the engagement responses so far, we would draw out the following observations:

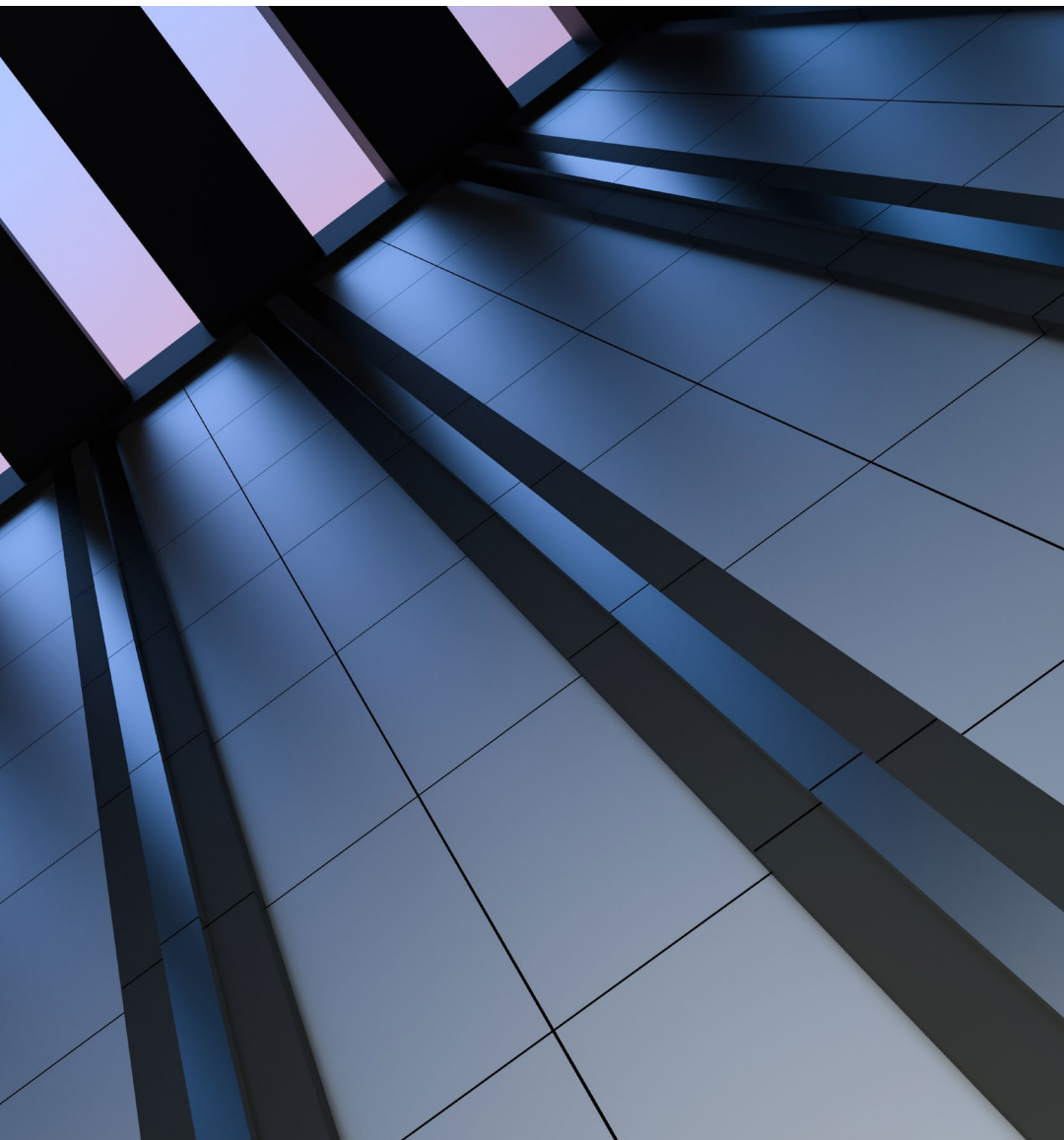
- Companies that responded to our survey have been receptive to engaging on human rights. Through our engagement so far, we have seen some confirmation of a disconnect in many cases between a company's policy commitments and the efficacy of their human rights risk management
- Companies that demonstrated the most comprehensive human rights management showed a holistic understanding of their operation and supply chain risks, and took a granular, often bottom-up, approach to addressing these risks
- 95% of respondents reported strong awareness of human rights issues demonstrated through published policies and board oversight
- When asked to demonstrate effective human rights management beyond policy commitments through risk identification, remedy access, and preventive actions, the percentage of companies acknowledging those measures to be in place dropped to 75% – compared to a 98% confidence rate of overall awareness of human rights
- In our survey as part of our human rights campaign, we sought to understand how companies manage secondary impacts. Climate impact emerged as the top concern for about 50% of the respondents, especially within the auto, utilities, and extractive industries. Artificial intelligence was also cited as a key challenge from 16% of responded companies to manage

## Our next steps

As we draw the first stage of our human rights engagement campaign to a close, we will continue to assess what we can learn from our survey responses, and to select a smaller number of companies for future engagement, using our broader research to drive meaningful dialogue with companies whose positive practices and developments have the potential to improve human rights standards across their industries and supply chains.







## Health: AMR around the world

### How do we approach AMR?

In comparison to many of our other global Investment Stewardship themes, antimicrobial resistance ('AMR') is at a more nascent stage. This means that a significant part of our focus is dedicated to raising awareness with national and global institutions that can take the necessary steps to mitigate the systemic risk posed by AMR.

The final quarter of 2024 was a busy quarter for AMR and in this summary, we describe the events in which we participated to evidence how LGIM is using its position as a global asset manager to work on raising awareness about AMR risk and the urgency of taking action among global stakeholders and policymakers.

### Recent developments

Regular readers of our [Quarterly engagement reports](#) will recall that LGIM, through the [Investor Action on AMR](#), had called on government officials and policymakers to take concrete steps to mitigate AMR at UN General Assembly's ('UNGA') second high-level meeting on antimicrobial resistance, which took place in September 2024.

We view the UNGA Declaration as a positive step forward and welcome the establishment of an independent scientific panel by 2025. However, we were disappointed that the target of a 30% reduction of antimicrobials used in livestock was diluted in the final declaration to a 'meaningful reduction'.

### AMR in the Middle East

Following the UNGA Declaration, November saw a flurry of AMR policy activity. We were delighted to be invited to speak during [the Fourth Global High-Level Ministerial Conference on AMR](#) in Jeddah, Saudi Arabia, discussing The Future Economic Impact of AMR & Sustainable Financing Initiatives in Containing AMR for the Health of our Ecosystem. Other attendees included representatives from Ministry of Health, Kingdom of Saudi Arabia, AMR Action Fund, Carb-X, the World Bank and the Center for Global Development. During the panel discussion, we were able to emphasise the role

institutional investors can play in combatting the rise of AMR. Our corporate holdings which span multiple sectors that (i) can contribute to the rise of AMR, (ii) are negatively impacted by AMR or (iii) can stem the rise of AMR.

### AMR online: annual World AMR Awareness Week

The annual World AMR Awareness Week took place in the following week. LGIM was invited to speak alongside representatives from World Health Organisation (WHO), Sandoz and mPharma on a webinar organised by the Access to Medicine Foundation (ATMF) and WHO on Mobilising pharma to act on the AMR Political Declaration.

### AMR in Europe

LGIM, together with FAIRR, was invited to participate in and present at the UK-Northern Europe AMR Workshop organised by the UK Science Innovation Network at the UK Embassy in Stockholm. Government representatives from Sweden, Finland, Norway, Denmark, Latvia, Estonia and The Netherlands participated as well as representatives from GSK, Pfizer, Novo Nordisk Foundation, Trill Impact, ReAct, Pharmadanmark, Innovate UK, ARMoR and World Bank. Dame Sally Davies, UK Special Envoy on AMR and Otto Cars, Professor and Founder of ReAct, chaired sessions.

During these events, we were again able to underscore and discuss the important role we as institutional investors can play in stemming the rise of AMR. Meaningful connections were also made.

What does our participation in policy meeting settings bring?

Our participation in these various events and meetings has two aims:

- i) To raise and improve the awareness of policymakers and government officials that the asset management industry considers AMR to be a systemic and financially material risk

7. As detailed in our Q4 2023 report

8. As detailed in our [Q2 2024](#) report

9. For example, Darden Restaurants, as detailed in our [Q3 2024](#) report



- ii) To work with a broad set of stakeholders to identify how asset managers can best use their influences as effective partner in the global battle against the rise of AMR

Development of national and international strategies to combat AMR is vital in order to provide the impetus for effective actions to be taken. While policy engagement remains a core focus of our work on AMR, it is also supported by our corporate engagement and our voting activity, including our collaborative work in the restaurant sector with FAIRR,<sup>7</sup> our co-filing of shareholder resolutions at McDonald's\*,<sup>8</sup> and our voting in support of AMR-related shareholder resolutions at other companies.<sup>9</sup>

Our approach will continue to be grounded on these two strategies of raising awareness among policymakers and international stakeholders with the power to drive change, and on supporting these activities through our voting and company engagement. Further details on our health theme can be found in our [Health Policy](#).



<b>Company name</b>	Westpac Banking Corp*
<b>ISIN</b>	AU000000WBC1
<b>Market Cap</b>	US\$71.1 billion (source: ISS, 19 December 2024)
<b>Sector</b>	Financial: banks
<b>Issue identified</b>	The specific issue here was gender diversity at board level. We believe a diverse mix of skills, experience and perspectives is essential for a company and its board to function and perform optimally. LGIM has long been an advocate of the importance of diversity on corporate boards, within both executive leadership teams and management teams, as well as across the wider workforce. We consider this issue is sector agnostic, in that it is financially material across all sectors.
<b>Summary of the resolution</b>	Resolution 5b – Elect Margaret Seale as Director AGM, 13 December 2024
<b>How LGIM voted</b>	For Resolution 5b (in line with management recommendation)
<b>Rationale for the vote decision</b>	Our <a href="#">diversity policy</a> sets out our expectations regarding gender and ethnic diversity, and where we will apply vote sanctions against companies. A vote in favour was applied, despite the proportion of women on the Board having fallen below one-third of board members as at the 2024 AGM. However, support was warranted, given the Company exceeded its goal of 40% female directors by the 2024 year-end, with some recent board changes at the AGM throwing it out of kilter.
<b>Outcome</b>	94.2% voted in favour of Resolution 5b. We expect companies to increase female participation both on the board and in leadership positions over time and will monitor Westpac's performance in this regard.
<b>Why is this vote 'significant'?</b>	This vote is significant because it relates directly to one of our sub-themes (diversity), within our Investment Stewardship 'People' theme. It is also an example of where, after a manual review, we overrode our policy vote decision due to the reasons outlined in the rationale above.







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# ESG: Governance

## Corporate governance in Japan

### Background: what is the issue?

In terms of corporate governance, Japan operates within distinct parameters that differ in many respects from other regions and countries. While acknowledging certain features unique to Japan, we believe nevertheless that there are improvements that could be made, reflective of developments elsewhere in the world, that would strengthen the governance of Japanese companies.

Areas of focus for LGIM's Investment Stewardship team have included gender diversity, board independence and cross-shareholdings, to name but a few. In addition to addressing these topics in our individual company engagements, we believe in the power of collaborative initiatives in driving the nationwide developments we seek, and therefore place great emphasis on our targeted regulatory and stakeholder engagement on these themes. Our local presence in Japan is vital in attending these collaborative meetings and demonstrating our commitment.

### LGIM's recent actions

As a member of the [Asian Corporate Governance Association](#) ('ACGA'), we attended a delegation in late September 2024 in Japan at which, amongst other topics, diversity was an area of focus with the Cabinet Office Gender Bureau Department and the Tokyo Stock Exchange ('TSE').

Subsequently in the fourth quarter, we were pleased to be named in [an open letter to regulators](#), sent specifically to the TSE, Japan FSA, METI, the Cabinet Office, and the Keidanren (the Japanese Business Federation).

In the letter, LGIM is called out specifically in the sections providing recommendations on strategic shareholdings, timely provision of information during AGM season, board effectiveness, diversity targets, and board structure. Regular readers of this report and of the LGIM blog will identify the continued thread of our observations and recommendations which we have published over the years.<sup>10</sup>

We also continue to work closely with the ICGN, with a recent example being our input into the [ICGN statement](#) that was shared at the Japan FSA's [Expert Panel on the Stewardship Code meetings](#), held in October and November 2024. In addition to our remarks on the universal ownership perspective of stewardship and the need to remove barriers to collaborative engagement, our input included governance-related calls for companies to:

- Provide timely disclosures of company information ahead of the AGM and allow better board access (and board training where needed) to help engagement discussions become more effective
- Publicly disclose investor relations email addresses
- Make AGMs more accessible and inclusive

### Next steps

Nationwide changes in corporate governance require time, consideration and support from a broad set of stakeholders. We have seen progress over the years, which encourages us in terms of future developments. Our collaborative work with these stakeholders will remain pivotal to our efforts in this field. On the corporate engagement side, in addition to meeting with companies directly to encourage improvements, we will continue to publish our [expectations of Japanese companies](#), and to vote in line with these at their AGMs.

10. For example, our blog post on the 2024 AGM season in Japan [LGIM Blog: Reflecting on the 2024 Japan AGM Season](#) and p.22 of our [Q1 2024 Quarterly Engagement Report Q1 2024 Quarterly engagement report](#).

## Case study: Qantas Airways\*

### Identify

Our engagement with Qantas dates back to 2020, since which time the Australian airline has faced a number of controversies over its treatment of both customers and staff during the COVID-19 pandemic (for both of which the company has been ordered, through legal action, to provide redress).

These controversies highlighted governance issues that have been a staple ingredient of our engagement with the company (alongside climate change). On governance, the specific issues we addressed in 2024 were:

- Over-boarding (time commitment of directors)
- Succession
- Remuneration

### Engage and escalate

We met with Qantas four times during 2024, including discussions with the new Chair. Since the controversies mentioned above, both the Board Chair and the Chair of the Remuneration Committee have been replaced and the board has undergone a degree of refreshment, bringing average tenure down to three years. Our discussions with the company helped us to gain a closer understanding of stability of the board, the timeframes over which over-boarding of the chair can reasonably be corrected, and the steps taken by the remuneration committee to hold relevant directors and executives accountable for their actions.

This was reflected in our voting decisions at the company's AGM at the end of October. While over-boarding was a concern for the new board chair, we understand that he cannot abruptly end his tenure at the other companies where he has board seats. As a consequence, we voted for the re-election of Chair at Qantas (but note that we vote against his re-election at other companies where he serves on the board).

The other director election that became a focus for us was of a Non-Executive Director ('NED') who was serving on the board at the time of the COVID controversies. Failure to provide oversight of the board at that time, in addition to the mishandling of executive compensation were the prime considerations in assessing our vote. However, given the significant refreshment of the board since that time, the departure of many culpable directors, and the actions of the new remuneration committee chair (discussed below), we voted for the re-election on account of the need for some stability on the board at a turbulent time. We would note that this NED also brings significant industry experience.

The final vote of significance was regarding the remuneration report which, after consideration, we supported. The new remuneration committee chair has taken what we consider to be sufficient action against the directors responsible for previous misconduct at the company, including a notable and highly publicised clawback of over AU\$9 million from the former CEO.<sup>11</sup> Despite some concerns, we considered in light of the steps taken and the explanations we received during our engagements with the company, that support for these actions by the remuneration committee was warranted.

### Next steps

The significant changes to the board and the new steps being taken at Qantas are encouraging. While there are a number of areas that we will continue to monitor, we take a positive view of the changes the company has made. In addition to our focus on governance, we will also continue our engagements on climate change with the company, under our Climate Impact Pledge, and monitor progress.

11. [Qantas cuts Alan Joyce final pay packet by \\$9.3m after review finds 'considerable harm' to brand | Qantas | The Guardian](#)



<b>Company name</b>	<b>Microsoft Corp*</b>
<b>ISIN</b>	US5949181045
<b>Market Cap</b>	US\$3.26 trillion (source: ISS, 02 January 2025)
<b>Sector</b>	Information technology: software and services
<b>Issue identified</b>	We believe that the governance of risks and opportunities relating to the development and use of artificial intelligence ('AI') is financially material for companies. AI should drive long-term innovation, productivity and value creation. To secure these gains, we believe investors must engage with companies and policymakers on baseline expectations for governance, risk management and transparency.
<b>Summary of the resolution</b>	Resolution 7: Report on Risks of Using Artificial Intelligence and Machine Learning Tools for Oil and Gas Development and Production Resolution 8: Report on Risks Related to AI Generated Misinformation and Disinformation Resolution 9: Report on AI Data Sourcing Accountability AGM: 10 December 2024
<b>How LGIM voted</b>	Against Resolutions 7 and 8 (in line with management recommendation) For Resolution 9 (against management recommendation)
<b>Rationale for the vote decision</b>	Our previous engagement with Microsoft specifically about the governance of artificial intelligence and the steps they are taking regarding risk management and opportunities has further informed our voting decisions. Regarding Resolution 7, after careful consideration, we believe that the concerns by the proposal raised do not present significant material risks at this time. The company provides sufficient disclosure on its approach to providing services to energy sector customers. We therefore voted against this resolution. Regarding Resolution 8, we consider at the present time that the company is a leader in its disclosures, governance processes and mitigation steps it is taking on risks posed by its operations from generative AI. We therefore voted against this resolution. Regarding Resolution 9, the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models. We therefore voted in favour of this resolution.
<b>Outcome</b>	Resolution 7: 9.7% voted "for" Resolution 8: 18.7% voted "for" Resolution 9: 36.2% voted "for"
<b>Why is this vote 'significant'?</b>	These three votes are significant due to their relevance to our Investment Stewardship theme of 'Digitisation', relating to the governance of artificial intelligence and the expectations that we have published of companies: <a href="#">LGIM Blog: How we'll press for safe AI</a>

<b>Company name</b>	<b>African Rainbow Minerals Ltd*</b>
<b>ISIN</b>	S01680107
<b>Market Cap</b>	US\$1.8 billion (Source; ISS, 06 January 2025)
<b>Sector</b>	Metals and mining
<b>Issue identified</b>	Remuneration: financial performance and health and safety. We expect for the majority of the annual incentive to be linked to the delivery of financial performance. For companies in high-risk sectors, where the health and safety of employees is key, we would expect a health and safety modifier to be introduced to the annual incentive to ensure that board members are held accountable for any loss of life within the workplace.
<b>Summary of the resolution</b>	Resolution 8: Approve Remuneration Implementation Report AGM, 06 December 2024
<b>How LGIM voted</b>	Against Resolution 8 (against management recommendation)
<b>Rationale for the vote decision</b>	Bonus outcomes are based on below target achievement of the financial metric, adjusted upwards by the group safety modifier due to the improved lost time injury frequency rates ('LTIFR'). There is limited disclosure on the manner the bonuses were determined, and the upward adjustment by the safety modifier may be a cause for concern in light of the fatality recorded during the year. We therefore voted against the resolution.
<b>Outcome</b>	94.9% investors voted in favour of the resolution.
<b>Why is this vote 'significant'?</b>	This vote is significant as it pertains to one of the fundamental aspects of our corporate governance expectations of companies: remuneration. We publish our expectations in our global corporate governance and responsible investment policy.









# Regional updates

## Global - Q4 2024 voting summary

### Management-proposed resolutions:

Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Management</b>	<b>8977</b>	<b>2583</b>	<b>493</b>	<b>74%</b>	<b>21%</b>	<b>4%</b>
Routine Business	805	83	0	91%	9%	0%
Capitalization	1440	108	0	93%	7%	0%
Director Election	2747	972	491	65%	23%	12%
Audit Related	703	97	1	88%	12%	0%
Non-Routine Business	384	62	0	86%	14%	0%
Director Related	494	125	0	80%	20%	0%
Company Articles	429	94	0	82%	18%	0%
Miscellaneous	124	31	0	80%	20%	0%
Takeover Related	137	8	0	94%	6%	0%
Compensation	835	707	0	54%	46%	0%
Strategic Transactions	831	161	1	84%	16%	0%
Mutual Funds	16	0	0	100%	0%	0%
No Research	4	132	0	2%	80%	0%
Social	24	3	0	89%	11%	0%
E&S Blended	3	0	0	100%	0%	0%
Environmental	1	0	0	100%	0%	0%



## Global - Q4 2024 voting summary

Shareholder-proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Shareholder</b>	<b>370</b>	<b>110</b>	<b>0</b>	<b>77%</b>	<b>23%</b>	<b>0%</b>
Director Election	214	65	0	76%	23%	0%
Director Related	6	5	0	55%	45%	0%
Audit Related	70	2	0	97%	3%	0%
Miscellaneous	53	19	0	74%	26%	0%
Non-Routine Business	1	2	0	33%	67%	0%
Compensation	1	1	0	50%	50%	0%
Company Articles	8	6	0	57%	43%	0%
Corporate Governance	3	0	0	100%	0%	0%
Environmental	6	6	0	50%	50%	0%
E&S Blended	1	0	0	100%	0%	0%
Social	7	4	0	64%	36%	0%

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	9347	99.70%
Against	2693	10%
Abstain	493	97.40%

Number of	Values
Resolutions	12576
AGM Resolutions	6676
EGM Resolutions	5900
AGM	718
EGM	1457
Meetings	2175

Most Popular Resolutions	Number of Resolutions
Elect Director	3205
Elect Director (Cumulative Voting or More Nominees Than Board Seats)	1037
Ratify Auditors	551
Advisory Vote to Ratify Named Executive Officers' Compensation	449
Approve Transaction with a Related Party	407

Number of companies where LGIM voted:	Values
In Total	1813
For in all resolutions	802
Against or Abstain in at least one resolution	1005

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 December 2024.



## UK - Q4 2024 voting summary

Management-proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Management</b>	<b>1128</b>	<b>73</b>	<b>1</b>	<b>94%</b>	<b>6%</b>	<b>0%</b>
Mutual Funds	15	0	0	100%	0%	0%
Miscellaneous	7	0	0	100%	0%	0%
Company Articles	12	1	0	92%	8%	0%
Capitalization	226	25	0	90%	10%	0%
Strategic Transactions	25	4	0	86%	14%	0%
Routine Business	139	3	0	98%	2%	0%
Compensation	95	14	0	87%	13%	0%
Director Election	406	26	1	94%	6%	0%
Audit Related	140	0	0	100%	0%	0%
Takeover Related	50	0	0	100%	0%	0%
Social	13	0	0	100%	0%	0%
No Research	0	0	0	0%	0%	0%



## UK - Q4 2024 voting summary

Shareholder-proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Shareholder</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>
Director Election	0	2	0	0%	100%	0%

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	1128	100%
Against	75	4%
Abstain	1	0%

Number of	Values
Resolutions	1207
AGM Resolutions	1141
EGM Resolutions	66
AGM	76
EGM	42
Meetings	118

Most Popular Resolutions	Number of Resolutions
Elect Director	433
Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights	96
Accept Financial Statements and Statutory Reports	76
Advisory Vote to Ratify Named Executive Officers' Compensation	73
Authorize Share Repurchase Program	71

Number of companies where LGIM voted:	Values
In Total	105
For in all resolutions	61
Against or Abstain in at least one resolution	43

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 December 2024.



## Europe ex UK - Q4 2024 voting summary

Management-proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Management</b>	<b>882</b>	<b>390</b>	<b>10</b>	<b>68%</b>	<b>30%</b>	<b>1%</b>
Company Articles	29	9	0	76%	24%	0%
Miscellaneous	42	6	0	88%	12%	0%
Director Election	239	94	9	70%	27%	3%
Audit Related	102	27	1	78%	21%	1%
Compensation	66	66	0	50%	50%	0%
Director Related	95	13	0	88%	12%	0%
No Research	0	132	0	0%	90%	0%
Non-Routine Business	14	1	0	93%	7%	0%
Routine Business	220	21	0	91%	9%	0%
Capitalization	43	9	0	83%	17%	0%
Strategic Transactions	28	6	0	82%	18%	0%
Takeover Related	1	3	0	25%	75%	0%
E&S Blended	2	0	0	100%	0%	0%
Social	0	3	0	0%	100%	0%
Mutual Funds	1	0	0	100%	0%	0%

## Europe ex UK - Q4 2024 voting summary

Shareholder-proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Shareholder</b>	<b>29</b>	<b>33</b>	<b>0</b>	<b>47%</b>	<b>53%</b>	<b>0%</b>
Director Election	10	17	0	37%	63%	0%
Miscellaneous	10	6	0	62%	38%	0%
Non-Routine Business	0	2	0	0%	100%	0%
Compensation	0	1	0	0%	100%	0%
Director Related	4	4	0	50%	50%	0%
Audit Related	4	1	0	80%	20%	0%
Company Articles	1	2	0	33%	67%	0%

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	911	99.80%
Against	423	39.50%
Abstain	10	0%

Number of	Values
Resolutions	1359
AGM Resolutions	842
EGM Resolutions	517
AGM	103
EGM	109
Meetings	212

Most Popular Resolutions	Number of Resolutions
Elect Director	276
Ratify Auditors	69
Authorize Board to Fix Remuneration of External Auditor(s)	38
Elect Chairman of Meeting	36
Miscellaneous Proposal: Company-Specific	34


Number of companies where LGIM voted:	Values
In Total	198
For in all resolutions	70
Against or Abstain in at least one resolution	127

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 December 2024.





 North America - Q4 2024 voting summary

Management-proposed resolutions:

Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Management</b>	<b>1054</b>	<b>693</b>	<b>1</b>	<b>60%</b>	<b>39%</b>	<b>0%</b>
Capitalization	34	5	0	87%	13%	0%
Company Articles	6	4	0	60%	40%	0%
Takeover Related	55	4	0	93%	7%	0%
Miscellaneous	5	0	0	100%	0%	0%
Strategic Transactions	47	5	1	89%	9%	2%
Compensation	40	208	0	16%	84%	0%
Director Election	717	406	0	63%	36%	0%
Audit Related	127	55	0	69%	30%	0%
Routine Business	13	2	0	87%	13%	0%
Director Related	10	4	0	71%	29%	0%

## North America - Q4 2024 voting summary

Shareholder-proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Shareholder</b>	<b>18</b>	<b>8</b>	<b>0</b>	<b>62%</b>	<b>28%</b>	<b>0%</b>
Compensation	1	0	0	100%	0%	0%
Corporate Governance	3	0	0	100%	0%	0%
Director Related	1	0	0	100%	0%	0%
Environmental	2	2	0	50%	50%	0%
Company Articles	0	1	0	0%	100%	0%
E&S Blended	1	0	0	100%	0%	0%
Social	7	4	0	64%	36%	0%
Non-Routine Business	1	0	0	100%	0%	0%
Director Election	2	1	0	33%	17%	0%

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	1072	98.60%
Against	701	1.40%
Abstain	1	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 December 2024.

Number of	Values
Resolutions	1789
AGM Resolutions	1582
EGM Resolutions	207
AGM	185
EGM	68
Meetings	253

Most Popular Resolutions	Number of Resolutions
Elect Director	1110
Ratify Auditors	170
Advisory Vote to Ratify Named Executive Officers' Compensation	143
Adjourn Meeting	49
Amend Omnibus Stock Plan	37

Number of companies where LGIM voted:	Values
In Total	250
For in all resolutions	32
Against or Abstain in at least one resolution	217



## Japan - Q4 2024 voting summary

### Management-proposed resolutions:

Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Management</b>	<b>362</b>	<b>76</b>	<b>0</b>	<b>83%</b>	<b>17%</b>	<b>0%</b>
Routine Business	29	1	0	97%	3%	0%
Director Election	265	61	0	81%	19%	0%
Director Related	37	13	0	74%	26%	0%
Company Articles	15	0	0	100%	0%	0%
Compensation	8	1	0	89%	11%	0%
Capitalization	2	0	0	100%	0%	0%
Strategic Transactions	3	0	0	100%	0%	0%
Audit Related	2	0	0	100%	0%	0%
Miscellaneous	1	0	0	100%	0%	0%



## Japan - Q4 2024 voting summary

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	362	100%
Against	76	0%
Abstain	0	0%

Number of	Values
Resolutions	438
AGM Resolutions	395
EGM Resolutions	43
AGM	42
EGM	9
Meetings	51

Most Popular Resolutions	Number of Resolutions
Elect Director	326
Appoint Internal Statutory Auditor(s) [and Approve Auditor's/Auditors' Remuneration]	34
Approve Allocation of Income and Dividends	29
Amend Articles to: (Japan)	15
Elect Alternate/Deputy Directors	14

Number of companies where LGIM voted:	Values
In Total	51
For in all resolutions	11
Against or Abstain in at least one resolution	40

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 December 2024.



## Asia Pacific ex Japan - Q4 2024 voting summary

Management-proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Management</b>	<b>4623</b>	<b>1204</b>	<b>1</b>	<b>79%</b>	<b>21%</b>	<b>0%</b>
Audit Related	291	14	0	95%	5%	0%
Non-Routine Business	326	61	0	84%	16%	0%
Capitalization	1043	65	0	94%	6%	0%
Company Articles	222	64	0	78%	22%	0%
Director Election	1028	342	1	75%	25%	0%
Miscellaneous	58	17	0	77%	23%	0%
Director Related	218	75	0	74%	26%	0%
Compensation	437	373	0	54%	46%	0%
Routine Business	293	49	0	86%	14%	0%
Strategic Transactions	667	144	0	82%	18%	0%
No Research	4	0	0	29%	0%	0%
Takeover Related	31	0	0	100%	0%	0%
Social	4	0	0	100%	0%	0%
Environmental	1	0	0	100%	0%	0%



## Asia Pacific ex Japan - Q4 2024 voting summary

Shareholder-proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Shareholder</b>	<b>323</b>	<b>65</b>	<b>0</b>	<b>83%</b>	<b>17%</b>	<b>0%</b>
Director Election	202	43	0	82%	18%	0%
Director Related	1	1	0	50%	50%	0%
Audit Related	66	1	0	99%	1%	0%
Miscellaneous	43	13	0	77%	23%	0%
Company Articles	7	3	0	70%	30%	0%
Environmental	4	4	0	50%	50%	0%

How LGIM Voted	Number of Votes	% Alignment with Management Recommendations
For	4946	99.80%
Against	1269	6.80%
Abstain	1	0%

Number of	Values
Resolutions	6226
AGM Resolutions	1635
EGM Resolutions	4591
AGM	249
EGM	1161
Meetings	1410

Most Popular Resolutions	Number of Resolutions
Elect Director	941
Elect Director (Cumulative Voting or More Nominees Than Board Seats)	544
Approve Transaction with a Related Party	385
Authorize Share Repurchase Program	275
Approve Share Plan Grant	235

Number of companies where LGIM voted:	Values
In Total	1090
For in all resolutions	583
Against or Abstain in at least one resolution	504

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 December 2024.



## Rest of World - Q4 2024 voting summary

### Management-proposed resolutions:

Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Management</b>	<b>928</b>	<b>147</b>	<b>480</b>	<b>60%</b>	<b>9%</b>	<b>31%</b>
Routine Business	111	7	0	94%	6%	0%
Capitalization	92	4	0	96%	4%	0%
Director Election	92	43	480	15%	7%	78%
Strategic Transactions	61	2	0	97%	3%	0%
Non-Routine Business	44	0	0	100%	0%	0%
Company Articles	145	16	0	90%	10%	0%
Director Related	134	20	0	87%	13%	0%
Compensation	189	45	0	81%	19%	0%
Miscellaneous	11	8	0	58%	42%	0%
Audit Related	41	1	0	98%	2%	0%
Social	7	0	0	100%	0%	0%
E&S Blended	1	0	0	100%	0%	0%
Takeover Related	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 December 2024.



## Rest of World - Q4 2024 voting summary

Shareholder-proposed resolutions:						
Proposal category	Total for	Total against	Total abstentions	For %	Against %	Abstain %
<b>Shareholder</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>
Director Election	0	2	0	0%	100%	0%

How LGIM Voted	Number of Votes
For	928
Against	149
Abstain	480

Number of	Values
Resolutions	1557
AGM Resolutions	1081
EGM Resolutions	476
AGM	63
EGM	68
Meetings	131

Most Popular Resolutions	Number of Resolutions
Elect Director (Cumulative Voting or More Nominees Than Board Seats)	493
Approve Remuneration of Directors and/or Committee Members	160
Elect Director	119
Elect Member of Audit Committee	109
Amend Articles/Bylaws/Charter -- Routine	54

Number of companies where LGIM voted:	Values
In Total	119
For in all resolutions	45
Against or Abstain in at least one resolution	74

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 December 2024.

# Global engagement summary



In Q4 2024, we held

348



engagements

with

284



companies

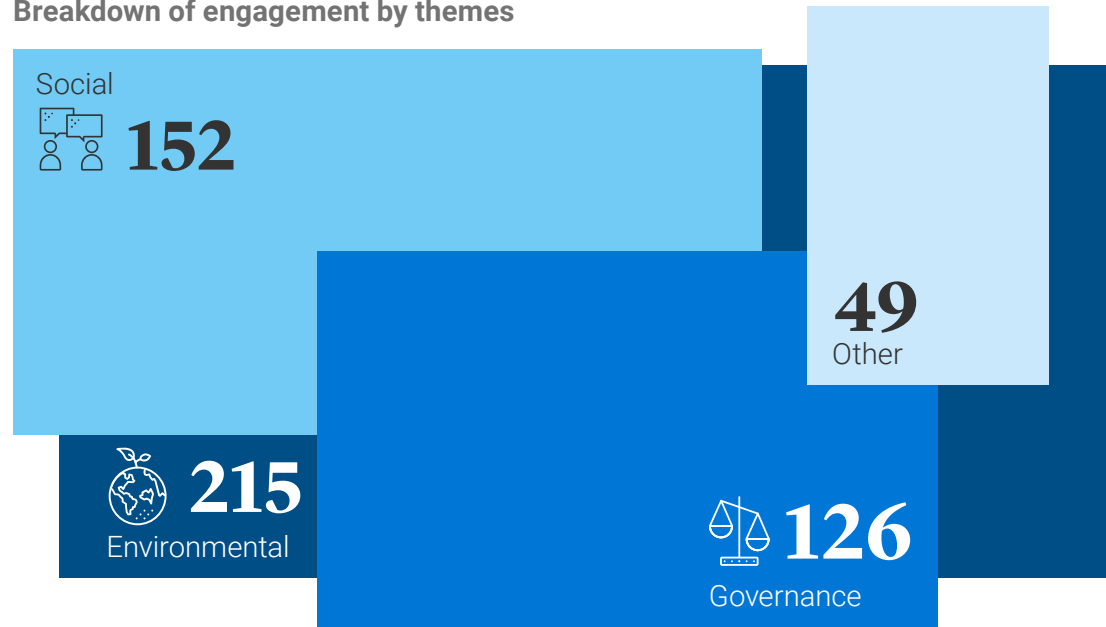
(vs. 493 engagements with 446 companies last quarter)

279 of these engagements were undertaken by the Investment Stewardship team, 34 involved both the Investment Stewardship and Investment teams, and 35 were undertaken by the Investment team.



## Breaking down the engagement numbers - Q4 2024

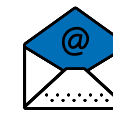
### Breakdown of engagement by themes



### Engagement type



**92**  
Company meetings



**250**  
Emails / letters



**2**  
Phone



**4**  
Other

### Top five engagement topics\*



**100**

Climate Change



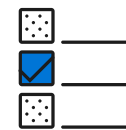
**61**

Remuneration



**59**

Climate Mitigation



**48**

Diversity

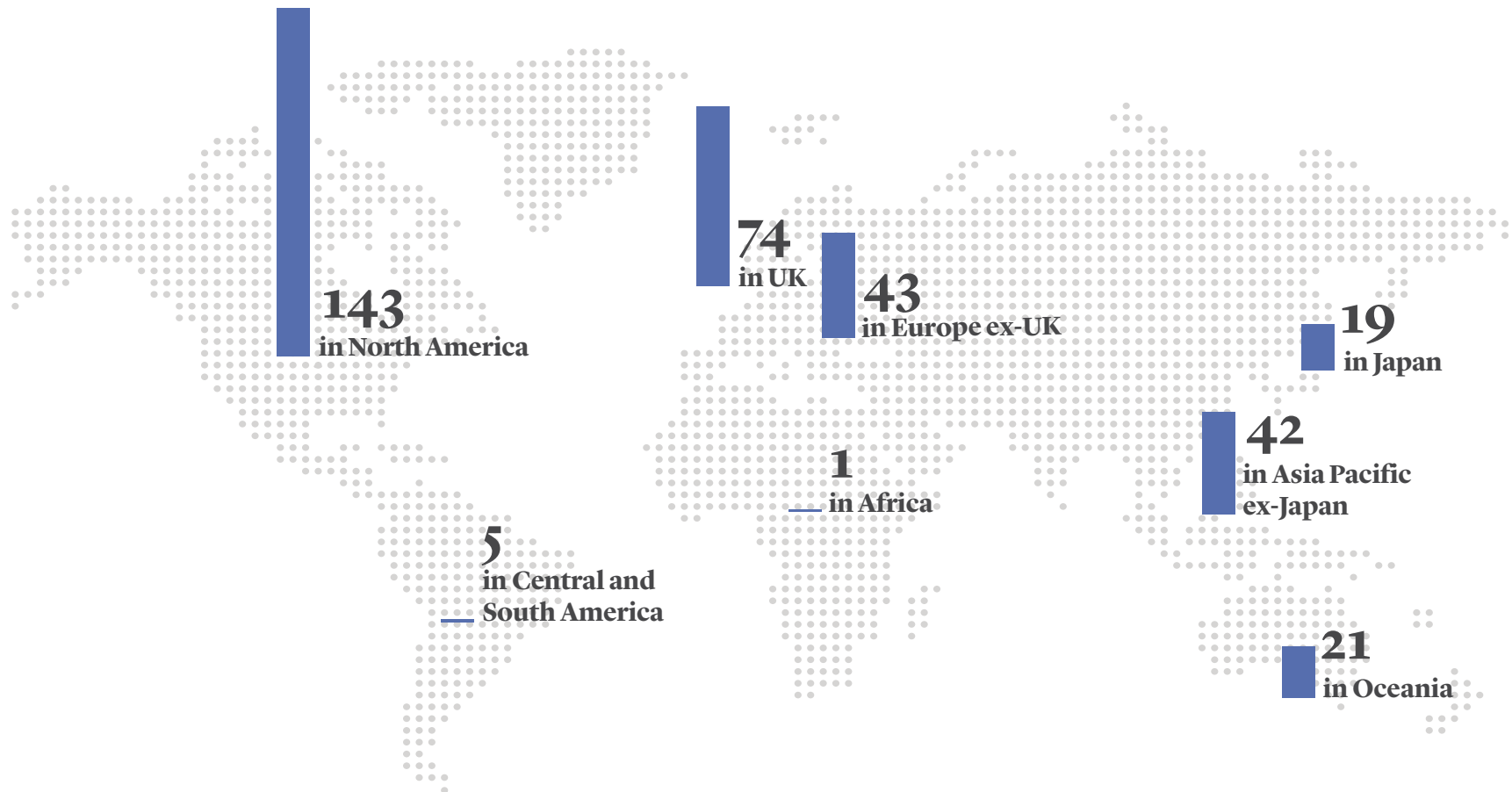


**37**

Strategy

\*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](http://lgim.com) or contact your usual LGIM representative



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**\*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.

Assumptions, opinions and estimates are provided for illustrative purposes only. There is no guarantee that any forecasts made will come to pass.

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

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