

Implementation Statement

Clifford Chance Pension Scheme

Purpose of this statement

This Implementation Statement has been prepared by the Trustee of the Clifford Chance Pension Scheme ("the Scheme") and relates to the Money Purchase section of the Scheme. It covers the Scheme year to 30 April 2026 and provides information on:



The extent to which the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year;



A summary of the voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes;



A summary of any changes to the Statement of Investment Principles (SIP) over the period; and



A description of how the Trustee's policies, included in their SIP, have been followed over the year.

As at 30 April 2025, the Trustee maintained two separate SIPs for the Scheme covering the Final Salary and Money Purchase sections respectively. This Implementation Statement provides details in relation to the Money Purchase section only. A separate Implementation Statement has been provided for the Final Salary section.

The voting behaviour is not given over the Scheme year end to 30 April 2026 because investment managers only report on this data quarterly, therefore the Trustee has provided the information over the year to 31 March 2026.



Conclusions

Based on the information received, the Trustee believes that the investment managers have acted in accordance with the Scheme's policies on exercising rights (including voting rights) and engagement activities.

The Trustee is supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

Stewardship policy

The Trustee's SIP in force at 30 April 2026 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. The SIP was reviewed and updated in September 2024 to incorporate wording in relation to the Trustee's policy on investing in illiquid assets, and has been made available online here:

[https://pensioninformation.aon.com/cliffordchance/fileviewer.aspx?FileID=14376&FileName=2024%2009%20DC%20SIP%20\(Clifford%20Chance\)%20v2.0.pdf](https://pensioninformation.aon.com/cliffordchance/fileviewer.aspx?FileID=14376&FileName=2024%2009%20DC%20SIP%20(Clifford%20Chance)%20v2.0.pdf)

At this time, the Trustee has not set stewardship priorities/themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

The Trustee has delegated the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks and ESG considerations to its investment managers.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The majority of the Money Purchase section's assets are invested in Legal and General's (L&G's) range of Target Date Funds (TDFs) which are managed exclusively by Legal & General Investment Management (L&G). The TDFs use a blend of underlying pooled funds, also managed by L&G, and target five-year retirement windows (referred to as vintages). As pooled investment funds, the Trustee delegates responsibility for carrying out voting and engagement activities to L&G.
- For the other Money Purchase assets that were held over the year, with Aviva, Clerical Medical (now Scottish Widows) and Utmost Life and Pensions, the Trustee has taken a proportionate approach to the disclosures, as the assets under management are relatively small compared to the Final Salary section assets and the Money Purchase assets invested with L&G. Following the year end the Trustee has agreed to transfer the majority of other Money Purchase assets over to L&G and therefore, the Trustee has decided not to obtain specific fund-level information on voting behaviour for these assets and has instead provided an overview of voting behaviour at provider level.
- The Trustee understands the importance of carrying out periodic reviews of the voting and engagement information of its investment managers to ensure they align with its own policies. The Trustee undertook an initial review of the stewardship and engagement activities of the current managers at its February 2024 meeting and was satisfied that its policies were reasonable, and no remedial action was required at that time.
- The Trustee reviewed the voting policies of L&G and was satisfied with its approach to exclude controversial weapons, adult entertainment, gambling, oil sands, thermal coal and tobacco. The Trustee also agrees with L&G's stewardship priorities, focus on material issues that are not only important to its clients but also those that pose a risk to the long-term value of its assets. This includes Climate change, human rights, health etc.

How the SIP has been followed over the year

In the Trustee's opinion, the SIP has been followed over the year in the following ways:

Objectives and Policy for Securing Objectives

- *To ensure that in setting the investment strategy of the Money Purchase section of the Scheme, the Trustees primary objectives are:*
 - 'asset choice' to ensure members have an appropriate choice of assets for investment.
 - "return objective" to enable members to benefit from investment in "growth" assets until they approach retirement, when they will be able to switch to "matching" assets which are more related to the format of the benefits they are expected to take at retirement.

The Trustee provided a range of investment options throughout the Scheme year for the members to invest their Money Purchase savings. The funds offered included TDFs, which automatically switch the investment into lower risk investments as the member nears their retirement age. Additionally, members have been provided with access to equity, multi-

asset (including With Profits), annuity aware, bond and cash funds, which therefore ensures members have an appropriate choice of assets for investment. **Choosing Investments**

- To ensure the investment options offered to members of the Money Purchase section are deemed appropriate, given the profile of the membership. Also to act in the best financial interest of the scheme and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk*

The Trustee has appointed L&G as the Scheme's primary Defined Contributions provider, which provides a range of funds available for members to invest in through the L&G platform. This has been expanded to provide suitable like for like funds to members who transferred funds from the legacy Voluntary Contribution ("VC") arrangements. A summary of the investment options available is set out in the SIP.

The Trustee has also set a 'default' investment strategy, which considered:

- The need for appropriate diversification of asset classes.
- The differing investment priorities for members, dependent on their term to retirement.
- The format in which members are expected to take their benefits.

Throughout the year, the Trustee reviewed the options available to all members of the Scheme. As a result, to ensure members have access to a suitable range of asset classes, the Trustee is in the process of transferring member assets currently invested with Aviva and Scottish Widows to L&G. Impacted members will have access to a much wider range of investment choices after this transfer, expected to take place on 24 September 2026.

The Balance between Different Kinds of Investments

- Recognising that the key source of financial risk arises from the fund selection for the Money Purchase section*

The Trustee ensures that the asset allocation changes over time as the membership profile evolves with continuous observation. This is evident in the update to the SIP in September 2024, to incorporate a policy on illiquid assets. The Trustee has made no new manager appointments over the year. The Trustee believes the transfer discussed in the section above will help impacted members to select investments appropriate to the members' unique needs.

Implementation of the investment arrangements

- To obtain and consider proper written advice from its investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriate investments*

Over the year, the Trustee monitored the L&G funds via quarterly monitoring reports provided by the investment manager, along with bi-annual reports covering L&G, Aviva, Scottish Widows and Utmost funds provided by the Trustee's Money Purchase section investment adviser (Howden).

Additionally, the performance of the Money Purchase section's funds has been reviewed and compared against performance of suitable peers in the DC default provider space biannually. This helped the Trustee to assess the continued suitability of the L&G default options relative to other options available in the market.

An annual assessment of whether the members of the Scheme receive 'good value' for the costs and charges that they take on, is included within the annual Chair's Statement. A 'value for members' assessment was conducted for the reporting period of 1 May 2025 to 30 April 2026.

Investment Risk Measurement and Management

- *Recognising that risk in a defined contribution scheme lies with the member themselves*

The Trustee takes account of this in the selection and monitoring of the investment managers and the choice of funds offered to members, and in setting the default investment strategy for the L&G and Utmost Life and Pensions arrangements. This is covered in sections above.

The Trustee communicated with impacted members being transferred to L&G, clearly outlining investment options available to them acknowledging that risk lies with the members themselves.

Expected Returns on Assets

- *Assess the returns achieved by the fund managers, within the Money Purchase section, against performance benchmarks set by the Trustee in consultation with the advisers and fund managers.*

Over the Scheme year, the Trustee monitored the investment performance of the Scheme's unit-linked Money Purchase funds against suitable benchmarks. Performance was broadly in line with expectations and did not require any further action.

Realisation of Investments/Liquidity

- *Recognising the risk in holding assets that cannot be easily realised should the need arise.*
- All of the funds held in the Money Purchase section are daily dealt and therefore realisable at short notice through the sale of units in pooled funds. However, the redemption of any With Profits holdings at any time other than the maturity date of the policy (or in the event of death) may result in the application of a market value reduction. The Trustee is currently in the process of consolidating legacy arrangements into L&G's platform to improve member outcomes and reduce governance complexity. As part of this process, the Trustee has analysed the additional costs to members associated with transferring away from With profits holdings including the possibility for Guarantees and Market Value Reductions.

Consideration of financially material and non-financial matters

- *To consider how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Scheme and its members*

The Trustee expects its investment managers to take account of financially material considerations (including climate change and other ESG considerations) as the managers consider appropriate where relevant to financial performance. ESG credentials was also one of the factors that led to L&G's appointment as the Scheme's main defined contribution provider.

The Trustee considers the responsible investment policies and practices of L&G, as the main pooled investment manager to the Money Purchase section. This includes the degree to which ESG factors are integrated through the range of investment options provided through the Money Purchase section.

The Trustee does not take into account any non-financial matters (i.e. matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments, but does offer an ESG fund to members as a self-select fund.

Stewardship

- *Recognising its responsibilities as owners of capital and believing that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments*

The Trustee has delegated the exercise of rights attached to investments to its investment managers. This includes voting rights, engagement with issuers of debt and equity and other relevant persons about relevant matters including the strategy, risk, performance and any ESG considerations.

The voting behaviour of the investment managers is set out below in the 'Voting Data' section.

Costs & Transparency

- *To understand all the different costs and charges, which are paid by the members*

The Trustee collects details of the costs and charges borne by members invested in the Money Purchase section funds and, where possible, reports these in the annual Chair's Statement. As discussed above, the Chair's Statement also includes a section that assesses whether the members receive 'good value' for these costs and charges that they take on.

Costs were explicitly considered as part of the transfer to L&G work over the year to ensure members receive value. The high fees associated with the funds invested with Aviva and Scottish Widows were a key factor leading to the decision to transfer to L&G.

The most recent copy of the Chair's Statement can be found in the Trustee Report and Accounts but also online at:

<https://pensioninformation.aon.com/cliffordchance>

**Prepared by the Trustee of the Clifford Chance Pension Scheme
August 2026**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's portfolio on behalf of the Trustee over the year to 31 March 2026, as investment managers only provide data quarterly. The table includes the voting data for the underlying L&G funds with material Scheme assets invested and for which voting activity is relevant i.e. the funds that make up the TDFs and have at least some equity exposures.

Manager	L&G	L&G	L&G
Fund name	Diversified Multi-Factor Equity Fund	Future World Multi-Asset Fund	Retirement Income Multi-Asset Fund
Structure	Pooled	Pooled	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.		
No. of eligible meetings	4,066	9,732	10,763
No. of eligible votes	38,705	100,087	110,137
% of resolutions voted	99.9%	99.9%	99.9%
% of resolutions abstained ¹	0.9%	0.8%	0.9%
% of resolutions voted with management ¹	77.8%	75.5%	75.8%
% of resolutions voted against management ¹	21.3%	23.7%	23.3%
% of resolutions voted against proxy voter recommendation ¹	12.3%	13.9%	13.5%
Proxy voting advisor employed	L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G, and L&G does not outsource any part of the strategic decisions. To ensure L&G's proxy provider votes in accordance with their position on ESG, L&G have put in place a custom voting policy with specific voting instructions. ISS provides supporting research and reporting, alongside regular reviews to assess service quality, policy implementation and ensure alignment with evolving best practice and regulation.		

¹ As a percentage of the total number of resolutions voted on

The table below provides links to the policies from the investment managers of the Scheme's Additional Voluntary Contribution (AVC) arrangements.

Provider	Link to Policy
Clerical Medical and Scottish Widows	Please refer to Scottish Widows' stewardship report here and its Responsible Investment and Stewardship framework here
Utmost Life and Pensions	Please refer to Utmost Life and Pensions (JP Morgan Asset Management's) 2025 stewardship report here
Aviva	Please refer to Aviva's voting policy here and its responsible investment policy here

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a “significant” vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme’s stewardship priorities / themes. At this time, the Trustee has not set stewardship priorities for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

As with last year, for this year’s implementation statements the Trustee has delegated to the investment manager(s) to define what a “significant vote” is. L&G is continuing to evolve its approach to provide clients with access to significant vote information, however at present L&G’s Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at L&G’s annual Stakeholder roundtable event, or where L&G notes a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an L&G engagement campaign, in line with L&G Investment Stewardship’s 5-year ESG priority engagement themes.

L&G publicly discloses its vote instructions on its website at: <https://vds.issgovernance.com/vds/#/MjU2NQ==/>

L&G has provided a selection of votes which it believes to be significant. In the absence of agreed stewardship priorities / themes, the Trustee has selected 3 votes from each fund, which cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

A summary of the significant votes provided is set out below.

L&G, Diversified Multi-Factor Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	SK hynix, Inc.	Hyundai Motor Co., Ltd.	Tesla, Inc.
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	2.17%	0.88%	0.71%
Summary of the resolution	Resolution 6: Elect Ko Seung-beom as Outside Director to Serve as an Audit Committee Member	Resolution 2.7: Amend Articles of Incorporation (Director Title Change)	Resolution 1a: Elect Director Ira Ehrenpreis
How the manager voted	For (with management recommendation)	For (with management recommendation)	Against (against management recommendation)

	Vote 1	Vote 2	Vote 3
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is L&G's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Director Election: A vote for is applied as no major concerns have been highlighted.	Articles of Incorporation: A vote for is applied as L&G supports amendments that strengthen shareholder rights and participation. These reforms to the Korea Commercial Code that included mandatory cumulative voting and the introduction of hybrid shareholder meetings were introduced to strengthen shareholder participation and oversight. L&G will assess their effectiveness in practice rather than on a purely procedural basis.	Independence: A vote against is applied as L&G expects the Chair of the Remuneration and Nominations/Governance Committees to have served on the board for no more than 12 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Classified Board: A vote against is applied as L&G supports a declassified board as directors should stand for re-election on an annual basis. Average board tenure: A vote against is applied as L&G expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A vote against is applied because the company's current level of gender diversity on their board does not meet L&G's minimum expectations. Board accountability: A vote against is applied as part of L&G's escalation strategy as we expect companies to implement majority supported shareholder proposals. Nomination and Corporate Governance Committee - Accountability: A vote against the Nominating and Corporate Governance Committee Chair is warranted in light of the board's unilateral adoption of a bylaw that materially restricts shareholders' litigation rights.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate L&G's position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	Pre-declaration: This shareholder resolution is considered significant due to director	Pre-declaration: This shareholder resolution is considered significant due to	Thematic - Diversity: L&G views gender diversity as a financially material issue for

	Vote 1	Vote 2	Vote 3
	elections taking place during the first proxy season following reforms to the Korean Commercial Act, which enhanced expectations around board and audit committee independence and oversight.	amendments to the Articles of Incorporation following reforms to the Korean Commercial Code aimed at strengthening shareholder rights and participation, including cumulative voting and hybrid shareholder meetings.	their clients, with implications for the assets we manage on their behalf.

L&G, Future World Multi-Asset Fund

	Vote 1	Vote 2	Vote 3
Company name	SK Hynix, Inc.	Prologis, Inc.	Hyundai Motor Co., Ltd.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.64%	0.47%	0.41%
Summary of the resolution	Resolution 3: Elect Cha Seon-yong as Inside Director	Resolution 1a: Elect Director Hamid R. Moghadam	Resolution 2.2: Amend Articles of Incorporation (Cumulative Voting)
How the manager voted	For (with manager recommendation)	Against (against manager recommendation)	For (with manager recommendation)
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Director Election: A vote for is applied as no major concerns have been highlighted.	Joint Chair/CEO: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Articles of Incorporation: A vote for is applied as L&G supports amendments that strengthen shareholder rights and participation. These reforms to the Korea Commercial Code that included mandatory cumulative voting and the introduction of hybrid shareholder meetings were introduced to strengthen shareholder participation and oversight. L&G will assess their effectiveness in practice rather than on a purely procedural basis.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	L&G considers this vote to be significant due to director	Thematic - Board Leadership: L&G considers this vote to be	Pre-declaration: L&G considers this vote to be significant due to

	Vote 1	Vote 2	Vote 3
	elections taking place during the first proxy season following reforms to the Korean Commercial Act, which enhanced expectations around board and audit committee independence and oversight.	significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.	amendments to the Articles of Incorporation following reforms to the Korean Commercial Code aimed at strengthening shareholder rights and participation, including cumulative voting and hybrid shareholder meetings

L&G, Retirement Income Multi-Asset Fund

	Vote 1	Vote 2	Vote 3
Company name	SX Hynix ,Inc.	Hyundai Motor Co., Ltd.	Microsoft Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.15%	0.30%	0.29%
Summary of the resolution	Resolution 5: Elect Kim Jeong-gyu as Non-Independent Non-Executive Director	Resolution 2.3: Amend Articles of Incorporation (Duties of Directors)	Resolution 1f: Elect Director Satya Nadella
How the manager voted	For (with management recommendation)	For (with management recommendation)	Against (against management recommendation)
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is L&G's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Director Election: A vote for is applied as no major concerns have been highlighted.	Articles of Incorporation: A vote for is applied as L&G supports amendments that strengthen shareholder rights and participation. These reforms to the Korea Commercial Code that included mandatory cumulative voting and the introduction of hybrid shareholder meetings were introduced to strengthen shareholder participation and oversight. We will assess their effectiveness in practice rather than on a purely procedural basis.	Joint Chair/CEO: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	L&G will continue to engage with the company, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	Pre-declaration: L&G considers this vote to be significant due to director elections taking	Pre-declaration: L&G considers this vote to be significant due to amendments to the Articles	Thematic - Board Leadership: L&G considers this vote to be significant as it is in application

Vote 1	Vote 2	Vote 3
place during the first proxy season following reforms to the Korean Commercial Act, which enhanced expectations around board and audit committee independence and oversight.	of Incorporation following reforms to the Korean Commercial Code aimed at strengthening shareholder rights and participation, including cumulative voting and hybrid shareholder meetings.	of an escalation of their vote policy on the topic of the combination of the board chair and CEO.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's bond and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	L&G	L&G	L&G
Fund name	Diversified Multi-Factor Equity Fund	Future World Multi-Asset Fund	Retirement Income Multi-Asset Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	2,502	2,969	3,141
Number of entities engaged on behalf of the holdings in this fund in the year	1,790	2,078	2,218
Number of engagements undertaken at a firm level in the year	2,911	2,911	2,911

L&G provide firm level data annually, therefore the figure provided is an estimate using the L&G quarterly stewardship reports. These reports can be found on the following website: www.lgim.com/uk/ad/responsible-investing/.

Over the Plan year, L&G engaged with investee companies across a wide spectrum of issues and these engagements have been broken down into the following broad categories;



(Source: L&G's ESG Impact Reports Q2 2025 – Q1 2026. Total sums to greater than 2,911 as some engagements fall under multiple categories.)

Of these engagements, the most frequent topics covered the following:

- Climate Change
- Deforestation
- Remuneration
- Climate Mitigation
- Strategy
- Board Composition
- Capital Management

Examples relating to L&G's engagement activity are provided in the below extracts which have been taken from its Q1 2026 ESG Impact Report.

Environmental – Climate: UK Water Utilities

As providers of essential infrastructure, UK water utilities play a critical role in supporting public health, environmental protection and economic stability. L&G consider the sector to be of systemic importance, given its exposure to growing challenges relating to water stress, ageing infrastructure, pollution incidents, and climate change impacts such as flooding and drought. These risks are financially material, with the potential to impact long-term returns through regulatory intervention, reputational damage and the need for substantial capital investment.

L&G have engaged extensively with a number of UK water utilities over recent years, focusing on improving environmental performance, transparency, and governance oversight. In this quarter, L&G continued to emphasise the importance of robust pollution reduction targets, enhanced disclosure around leakage and sewage discharge, and clear capital allocation strategies aligned with environmental outcomes. Engagement has taken place both directly with company management teams and collaboratively through industry initiatives, enabling L&G to communicate consistent expectations across the sector.

As a result of ongoing engagement, several companies have strengthened their commitments to improving operational performance, including clearer targets on leakage reduction, increased investment in infrastructure upgrades, and more comprehensive disclosure of environmental metrics. While L&G view these developments as positive steps, they continue to stress the importance of sustained progress and credible delivery against targets. Looking ahead, L&G will maintain engagement pressure on the sector, particularly as regulatory scrutiny intensifies, to ensure companies are managing environmental risks effectively and delivering resilient, long-term value.

Deforestation- Health: Antimicrobial Resistance

Antimicrobial resistance (AMR) represents a significant and growing systemic risk to global health and economic stability. L&G recognise that the overuse and misuse of antibiotics in food production and healthcare settings can accelerate resistance, undermining the effectiveness of life-saving medicines. This presents both a societal challenge and a financially material risk, as companies exposed to AMR-related issues may face regulatory changes, supply chain disruption, and reputational damage.

L&G have continued their policy and corporate engagement on AMR during the quarter, working with policymakers, industry groups and companies to drive improved practices. This includes encouraging companies in the food and healthcare sectors to adopt responsible antibiotic use policies, increase transparency in reporting, and align practices with international standards such as those set by the World Health Organization. L&G have also participated in collaborative initiatives aimed at raising awareness of AMR as a financial risk, reinforcing the role investors can play in influencing better outcomes.

Through these engagements, L&G have observed gradual progress, with some companies strengthening their antibiotic stewardship policies and enhancing disclosure around usage practices. However, implementation remains uneven across sectors and geographies. L&G therefore plan to continue their engagement efforts,

particularly in advance of key global policy milestones, to support stronger regulatory frameworks and encourage companies to adopt best practices. They believe sustained investor pressure will be critical in addressing AMR and mitigating its long-term economic and societal impacts.

Governance – Capital Markets Reform: Global Corporate Governance

Strong corporate governance frameworks are essential to ensuring efficient capital markets and protecting investor rights. L&G consider ongoing global governance reforms to be a key area of focus, particularly as changes in market structures and regulation have the potential to affect transparency, accountability and shareholder protections. Weak governance standards can lead to misaligned incentives, poor capital allocation and increased risk for investors.

During the quarter, L&G engaged with regulators, industry bodies and policymakers on a range of governance reforms aimed at improving market functioning. This included participation in discussions on disclosure requirements, shareholder rights, and the balance between market competitiveness and investor protection. L&G also contributed to collaborative initiatives and consultations, leveraging their scale and expertise to advocate for governance standards that support long-term value creation.

L&G view recent developments in global regulatory discussions as encouraging, particularly where policymakers have demonstrated a willingness to engage with investor perspectives. However, they remain cautious about proposals that could dilute investor safeguards in pursuit of increased market competitiveness. Looking ahead, L&G intend to continue engaging with both regulators and companies to promote high-quality governance standards, emphasising the importance of transparency, accountability, and alignment with shareholder interests in delivering sustainable financial performance.