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Royal London Asset Management Voting and Engagement

Quarterly Overview

31 March 2026

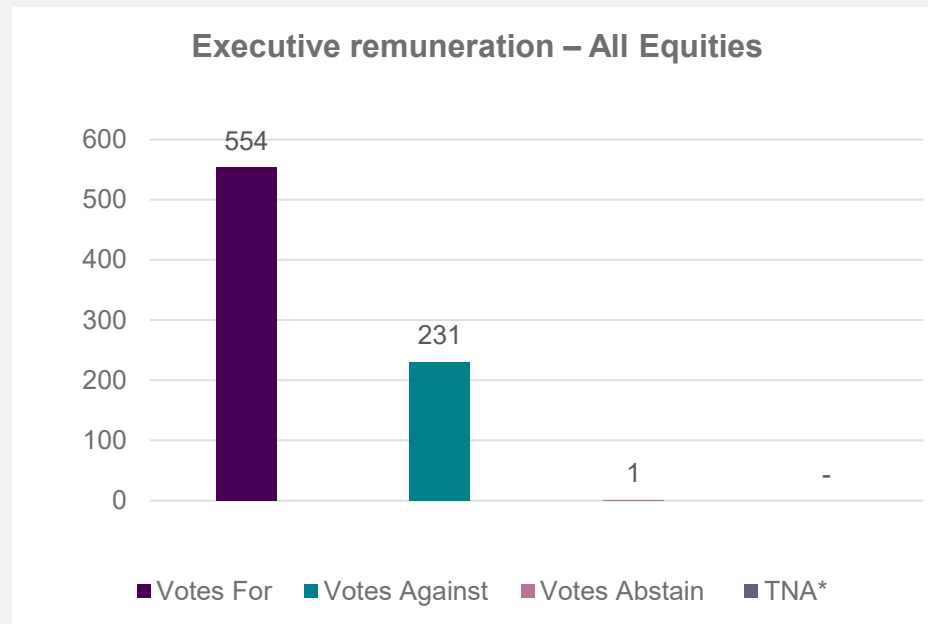
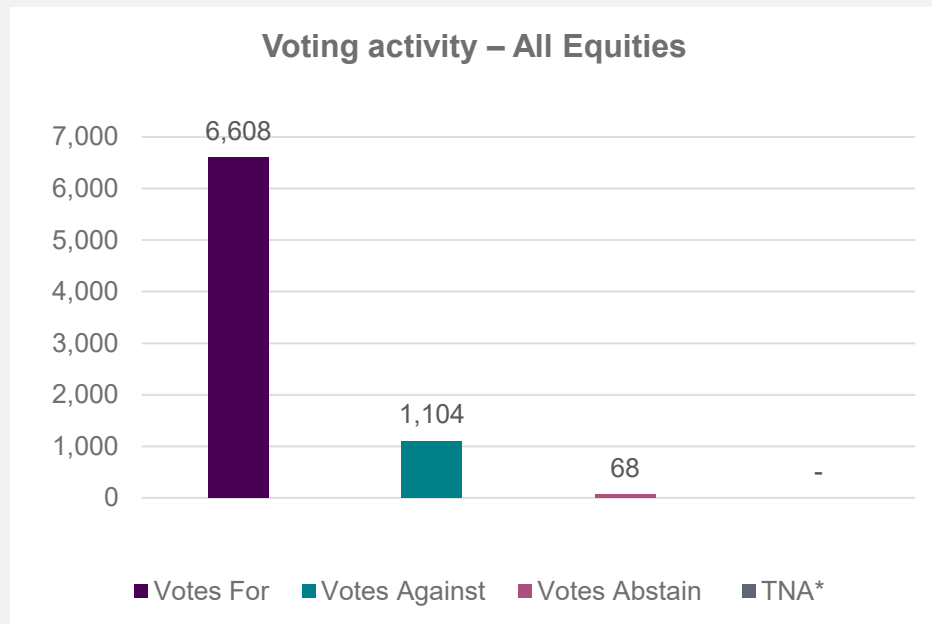
Executive Summary

Q1 2026 Highlights

- During this quarter, we have continued with our multi-year thematic engagement programmes across Royal London Asset Management's four themes: climate, nature, people and governance.
- Within Q1, we engaged with 33 companies representing 28.39% of our financed emissions as part of our Net Zero Stewardship Programme. Our efforts included 11 meetings, and 21 written correspondences with these companies.
- We engaged with a number of mining and energy companies, including Anglo American Plc, Shell Plc and Vale SA, to discuss the credibility of their net-zero strategies, with a particular focus on Scope 3 emissions, downstream decarbonisation and transition planning.
- We engaged with companies across sectors on nature, human rights and sustainable and ethical AI, including discussions with Unilever Plc, Tesco Plc, John Lewis Partnership Plc, Sylvamo Corporation and RELX Plc to enhance transparency, governance and disclosure around emerging environmental and social risks.
- We engaged with Lloyds Banking Group Plc, Barclays Plc, NatWest Group Plc and HSBC Holdings Plc as part of our long-running engagement with banks on just transition.
- Voted “against” the shareholder proposal requesting a report on risks and costs associated with China at Apple Inc. The requested disclosure was not considered likely to provide sufficient additional value at this time, given the breadth of information already publicly available and the rapidly evolving nature of the topic, which limits the usefulness of additional company-specific reporting.
- Voted “for” the shareholder proposal regarding ethical policies and compliance frameworks at Novonosis AS. Enhanced transparency around the company's ethics policies and compliance arrangements is considered supportive of stronger governance practices and improved board oversight.
- Voted to “abstain” the shareholder proposal requesting a third-party review of accessibility and disability inclusion practices at The Walt Disney Company. While the company already provides a degree of disclosure in this area, we are supportive of an independent review to further assess and strengthen its approach, leading us to take a balanced position.

Royal London Asset Management - All Equities

During the quarter, we voted a total of **7,780** resolutions at **667** meetings, voting differently to our internal policy recommendations **3.1%** of the time.



*Take no Action – we endeavour to vote all meetings other than in markets where voting would result in share blocking

Source: RLAM, voting data as of 31 March 2026

Notable Votes

Apple Inc

Advisory Vote on Executive Compensation – abstain: We abstained due to concerns that the long-term incentive framework remains overly concentrated around a single measure, with pay outcomes appearing highly replicable across incentives, raising questions on the stretch and resilience of performance assessment.

Shareholder Proposal - Report on Risks and Costs Associated With China – against: We voted against as the requested disclosure was not considered likely to provide sufficient additional value at this time, given the breadth of information already available and the rapidly evolving nature of the topic.

Chemring Group Plc

Remuneration Report – against: We voted against as, despite engagement and context provided, we would prefer greater stretch in LTIP targets—particularly threshold set above external forecasts and maximum outcomes more stretching than brokers' expectations.

Authority to Issue Shares w/o Pre-emptive Rights – against: We voted against due to concerns regarding potential dilution, particularly when considering the combined non-pre-emptive issuance authorities.

Authority to Issue Shares w/o Pre-emptive Rights (Specified Capital Investment) – against: We voted against for the same reason, given dilution risk from the combined authorities.

Diploma Plc

Authority to Issue Shares w/o Pre-emptive Rights – against: We voted against due to concerns regarding potential dilution, particularly when considered alongside related issuance authorities.

Authority to Issue Shares w/o Pre-emptive Rights (Specified Capital Investment) – against: We voted against for the same reason, reflecting cumulative dilution risk.

ME Group International Plc

Waiver of Mandatory Takeover Requirement – against: We voted against the waiver due to concerns over the potential for creeping control by the founding shareholder and the associated entrenchment risks.

Notable Votes

Novo Nordisk

Remuneration Report – against: We voted against the remuneration report due to concerns over exit arrangements and payments made to the former CEO, which we do not consider to be fully aligned with long-term shareholder interests.

Novonosis AS

Remuneration Report – against: We voted against the remuneration report due to insufficient performance disclosure, which limits our ability to assess the rigour of target-setting and the appropriateness of remuneration outcomes.

Election of Chair (Cornelis “Cees” de Jong) – abstain: We abstained due to concerns regarding elevated nature-related risks and the company’s repeated failure to respond to engagement, alongside concerns linked to the nominee’s responsibilities for remuneration oversight.

Election of Vice Chair (Heine Dalsgaard) – abstain: We abstained as the nominee is not independent and sits on an audit committee that lacks sufficient independence, which we consider important for effective oversight.

Election of Director (Kasim Kutay) – abstain: We abstained as the nominee is not independent and serves on the remuneration committee, which we do not consider sufficiently independent.

Shareholder Proposal Regarding Ethical Policies and Compliance Frameworks – for: We supported the proposal as enhanced transparency around ethics policies and compliance frameworks can strengthen governance and support effective oversight.

Renew Holdings Plc

Authority to Issue Shares w/o Pre-emptive Rights – against: We voted against due to concerns regarding potential dilution, particularly when considered alongside related issuance authorities.

Authority to Issue Shares w/o Pre-emptive Rights (Specified Capital Investment) – against: We voted against for the same reason, reflecting cumulative dilution risk.

Notable Votes

Roche Holding AG

Compensation Report – against: We voted against the compensation report due to concerns with the remuneration framework, including the absence of performance conditions on long-term awards, limited target disclosure, and pay outcomes that appear insufficiently aligned with sustainable value creation, alongside concerns regarding significant salary increases.

Executive Compensation (Short-Term) – against: We voted against due to poor disclosure, limiting our ability to evaluate pay outcomes and the robustness of incentive design.

Executive Compensation (Fixed and Long-term) – against: We voted against due to continued concerns regarding poor disclosure, which undermines transparency and accountability in remuneration arrangements.

Elect Severin Schwan as Board Chair – against: We would prefer a fully independent chair, noting the absence of a lead independent director and concerns regarding committee independence.

Elect André Hoffmann – against: The nominee is not independent and serves on the nominating committee, which we do not consider sufficiently independent.

Elect Jörg Duschmalé – against: The nominee is not independent, serves on the audit and remuneration committees (which should be fully independent), and as remuneration committee chair is linked to ongoing concerns regarding pay practices.

Elect Jörg Duschmalé as Compensation Committee Member – against: For the reasons above regarding independence and remuneration oversight.

Appointment of Auditor – against: We opposed the appointment due to concerns regarding auditor independence, given the length of tenure.

Transaction of Other Business – against: We voted against as the proposal lacked sufficient detail on what “other business” may entail, creating potential governance and shareholder value risks.

Tyson Foods, Inc.

Elect John H. Tyson – against: We would prefer the appointment of a fully independent chair.

Elect Mike D. Beebe – against: As a governance committee member, we remain concerned about the absence of a credible Scope 3 strategy, lack of interim 2030 targets, and insufficient progress on nature-related risk management, despite multiple engagement attempts.

Elect Maria Claudia Borrás – against: For the same governance committee accountability concerns on Scope 3, interim targets and nature risk.

Elect Maria N. Martínez – against: For the same governance committee accountability concerns on Scope 3, interim targets and nature risk.

Elect Cheryl S. Miller – against: For the same governance committee accountability concerns on Scope 3, interim targets and nature risk.

Elect David J. Bronczek – against: We remain concerned about the company’s multi-class structure without a reasonable sunset, alongside the continuing concerns on Scope 3, nature-related risk management and limited diversity disclosures.

Notable Votes

Tyson Foods, Inc. continued

Elect Olivia L. Tyson – against: The nominee is not independent and serves on the remuneration committee, which we do not consider sufficiently independent.

Advisory Vote on Executive Compensation – against: We voted against due to concerns regarding remuneration practices, including the use of upward discretion on bonuses, retention/one-off elements, and overall pay-for-performance alignment.

Shareholder Proposals:

Disclosure of Vote Results by Share Class – for: We supported improved transparency on voting outcomes, particularly for non-controlling shareholders.

Report on Environmental and Health Harms from Waste Lagoons – for: We supported the request for additional disclosure given the potential materiality of impacts.

Report on Impact of U.S. Immigration Policy Changes – for: We supported additional disclosure into this area.

Visa Inc

Elect Denise M. Morrison – against: We opposed due to the nominee's role on the remuneration committee and our longstanding concerns regarding remuneration.

Elect William J. Ready – against: We opposed due to concerns regarding the nominee's time commitments, given other positions held.

Advisory Vote on Executive Compensation – against: We voted against as, despite engagement, key concerns remain—particularly regarding bonus discretion and short performance periods—and have not been sufficiently addressed.

Amendment to Certificate of Incorporation to Limit the Liability of Certain Officers – against: We voted against as the amendment may reduce accountability by limiting liability for breaches of the duty of care, and the board has not demonstrated a compelling need.

Shareholder Proposals:

Independent Chair – against: We voted against as the company already meets the intent of the proposal.

Right to Act by Written Consent – for: We supported as written consent can enable shareholders to act on important matters between annual meetings.

Report on Risk Management Concerning Deepfake Content – against: We voted against as the proponent did not provide a sufficiently compelling rationale and we have no material concerns at this time.

Report on ROI of Inclusion Programs – against: We voted against as there was insufficient evidence that the company's approach to inclusion programs has been contrary to shareholder interests.

Notable Votes

The Walt Disney Co

Ratification of Auditor – against: We voted against due to concerns regarding auditor independence, given the length of tenure.

Shareholder Proposals:

Report on Discrimination Risk of Charitable Match Program – against: We voted against as existing policies and disclosures were considered adequate.

Report on ROI of Climate Commitments – against: We voted against as the proponent did not make a compelling case for additional reporting given existing disclosures.

Cumulative Voting – against: We voted against as cumulative voting may not be compatible with majority voting and could create unintended board vacancies.

Third-Party Review of Accessibility and Disability Inclusion Practices – abstain: We abstained as, while the company provides some disclosure, we are supportive of an independent review.

WH Smith Plc

Accounts and Reports – abstain: We abstained due to concerns arising from accounting failures, ongoing regulatory scrutiny and uncertainty pending the FCA review, and continuing governance and leadership changes. We withheld support until the board can demonstrate that the control environment has been fully restored and remediation is clear.

Appointment of Auditor – against: We voted against the auditor appointment as the auditor served during the restatement period and, in light of material findings identified in subsequent work, we have serious concerns regarding the auditor's suitability to continue.

Authority to Issue Shares w/o Pre-emptive Rights – against: We voted against due to concerns regarding potential dilution, particularly when considering the combined non-pre-emptive issuance authorities.

Authority to Issue Shares w/o Pre-emptive Rights (Specified Capital Investment) – against: We voted against for the same reason, reflecting cumulative dilution risk.

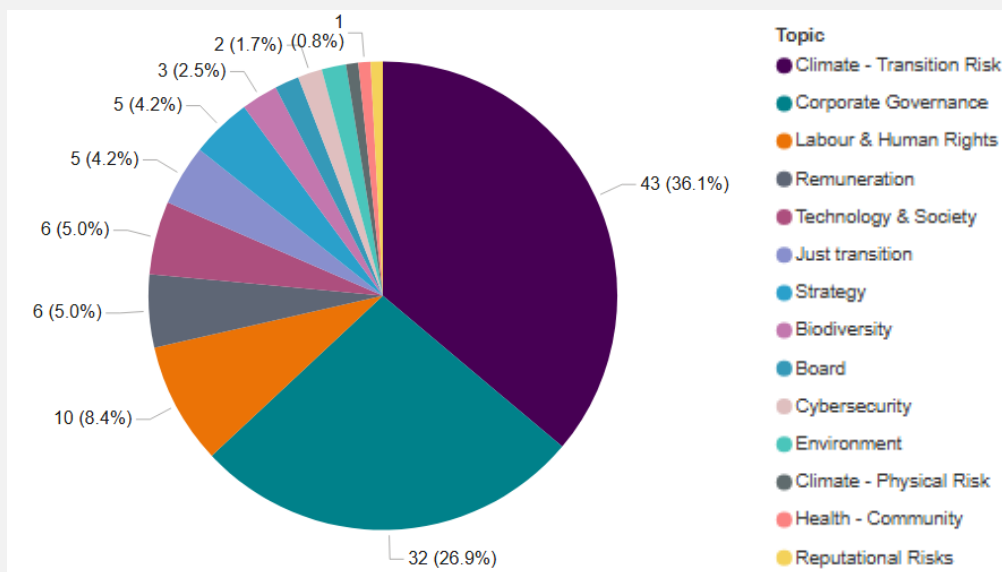
Engagement

Engagement overview

During Q1 of 2026, Royal London Asset Management engaged with **81** investee companies on **99** separate occasions. A breakdown of topics discussed, by percentage of our overall engagement activity, can be seen in the chart below.

In addition to the above engagement activity, we sent **29** voting engagement letters and emails, advising investee companies of our voting rationale in the instance of an abstain or against management's recommendation vote during the quarter.

Engagement activities by topic



Source: RLAM, please note engagement data is for the period between 1 January 2026 to 31 March 2026. During this period, we conducted 81 interactions with various companies, addressing 99 different topics.

Engagement Progress: Governance

Workplace culture:

Company: Tesco PLC

Purpose: Tesco PLC, a UK food retailer, was engaged to discuss how it identifies and manages human rights risks in its food and agricultural supply chains. The discussion focused on how the company assesses risk across different products and geographies, oversees suppliers, and addresses issues related to migrant workers, land rights and higher-risk supply chains.

Outcome: Tesco described how it assesses and prioritises human rights risks across its supply chain using multiple lenses, including geography, product risk and workforce vulnerability, focusing action on higher-risk products where leverage is greatest. Recent progress includes strengthened supplier oversight, initiatives to improve worker transport safety, and supplier capability-building to support more effective prevention and remediation of human rights risks. It also acknowledged ongoing challenges, particularly in relation to migrant workers and the need for collaboration across industry and with policymakers to address structural risks. Tesco indicated it will consider enhancing its public disclosures, including on land-use risks, and we agreed to continue engagement to monitor progress and encourage further improvements.

Company: John Lewis Partnership PLC

Purpose: We engaged John Lewis Partnership PLC, a UK retailer, to discuss how it identifies and manages human rights risks in its food and agricultural supply chains, how these risks inform business decision-making, and how the effectiveness of due-diligence processes is monitored over time. The discussion focused in particular on remediation practices, grievance mechanisms, audit effectiveness, land rights, including Free and Prior Informed Consent (FPIC), and supply-chain health and safety.

Outcome: John Lewis shared updates on its approach to human rights due diligence, including how it refreshes its assessment of key risks and uses a combination of internal reporting, supplier information and external sources to guide its engagement. The company emphasised a remediation-first approach, working with suppliers to address issues rather than defaulting to contract termination. The company outlined its processes for tracking worker concerns, reviewing audit findings, and engaging suppliers to implement corrective actions over time. The company highlighted ongoing programmes aimed at improving worker livelihoods and addressing salient risks in sectors such as agriculture and fisheries. John Lewis acknowledged that investor-facing reporting on health and safety metrics and grievance outcomes, and the effectiveness of its programmes could be clearer. The company indicated it would consider how reporting could be strengthened and we agreed to continue engagement to monitor progress and encourage greater transparency over time.

Engagement Progress: Climate

Net Zero:

Companies in scope: Companies contributing to 50% of Royal London Asset Management's financed emissions, please see [2024 Net Zero Stewardship Programme CTA supplement](#).

Purpose: As part of the Net Zero Asset Managers initiative (NZAM), our primary engagement objective is to evaluate and influence companies, which represent at least 70% of Royal London Asset Management's financed emissions by 2030, to adopt emissions reduction targets and climate transition plans that are reinforced by credible science-based methodologies. Our Climate Transition Assessment methodology is based on 12 indicators. Through this approach, we expect to influence real-economy decarbonisation in pursuit of Royal London Asset Management's target.

Within Q1, we engaged with 33 companies representing 28.39% of our financed emissions as part of our Net Zero Stewardship Programme. Our efforts included 11 meetings, and 21 written correspondences with these companies.

Company: Anglo American PLC

Purpose: Anglo American PLC, a mining company, was engaged to understand how it approaches the management of downstream Scope 3 emissions, which represent most of its carbon footprint.

We explored the company's view of what constitutes a credible transition plan for mining companies' downstream emissions, particularly those linked to steelmaking, and how such an approach could support transition finance.

Outcome: Anglo American shared that it had introduced a new downstream Scope 3 emissions target covering steelmaking emissions from its iron ore products. It also highlighted the role of its higher-grade iron ores in enabling lower-carbon steel production. The company noted that assessing the credibility of transition plans ultimately sits with investors, but the new target represents a clear step forward in addressing its largest source of emissions.

Engagement Progress: Climate

Company: Shell PLC

Purpose: We engaged Shell PLC, an energy company, as part of RLAM's Net Zero Stewardship Programme to gain clarity on its climate strategy and key priorities ahead of the company's 2026 Annual General Meeting.

Outcome: Shell provided clear responses to questions on our engagement priorities and appeared receptive to suggestions made. We welcomed the additional disclosures the company had published on liquefied natural gas (LNG) following investor requests and discussed its upcoming AGM and a shareholder resolution filed by 'Follow This'. Shell expressed confidence in meeting its 2030 climate targets while continuing a modest growth in LNG and oil production and outlined its approach to new exploration and low-carbon investment.

We communicated our desire for the reintroduction of a mid-term Scope 3 emissions target in its 2027 energy transition strategy, noting that the company expressed reluctance to 'take ownership' of Scope 3 emissions. We encouraged the company to provide greater clarity on its approach to emissions offsets, including timing, scale and quality. Shell agreed to follow up on the calculations behind recent asset divestments and to continue dialogue as its strategy evolves.

Company: Vale

Purpose: Vale SA was engaged to assess its net zero strategy, with a focus on Scope 3 emissions from steelmaking, pathways to green steel, and the role of policy and demand signals in enabling decarbonisation across the steel value chain. The engagement also sought to understand capital allocation between Scope 1–3 decarbonisation, progress on the company's green steel 'megahubs' concept, and Vale's approach to responsible mining standards and external assurance.

Outcome: Vale outlined progress against its Scope 1–3 targets and explained that recent Scope 3 reductions largely reflect changes in sales volumes and customer mix rather than structural shifts in steelmaking. The company described its 'megahubs' concept as a medium- to long-term pathway to enable lower-emissions steel production, while noting that demand, carbon pricing and policy frameworks remain key constraints. Vale highlighted active policy engagement, including support for the European Union's Carbon Border Adjustment Mechanism (CBAM) and ongoing evaluation of external assurance schemes but has not yet committed to a specific responsible mining certification. We will continue engagement to monitor delivery of green steel initiatives, encourage clearer disclosure of timelines and milestones, and seek greater clarity on the role of external assurance in supporting credible transition outcomes.

Engagement Progress: Climate

Just transition:

Company: HSBC Holdings PLC

Purpose: We engaged HSBC Holdings PLC, a UK-listed bank, to understand how it integrates social considerations into its climate transition strategy, including impacts on workers, communities, and regional economies.

Outcome: HSBC now formally acknowledges the importance of a just transition and has taken initial steps to embed it into its strategy, such as updating internal governance and including social factors in its sector and regional engagement frameworks. While no single 'best-in-class' mechanism has emerged, the bank's development of inclusive product design and regional support for small and medium sized businesses demonstrates clear progress. Further work is needed to ensure these commitments are consistently applied across its financing activities.

Company: Lloyds Banking Group Plc

Purpose: Lloyds Banking Group PLC, a UK-listed bank, was engaged to explore how it is considering social risks, such as community resilience and customer inclusivity, as it transitions to a low-carbon economy.

Outcome: Lloyds has begun integrating just transition principles into its climate strategy, highlighted through early implementation of region- and sector-focused lending criteria that reflect social and customer considerations. Through its lending to Community Development Financial Institutions, Lloyds demonstrates core just transition principles, fairness, inclusion and place-based support, within its community lending activity. Through our engagement, Lloyds has demonstrated meaningful improvements in product design and regional support initiatives. It acknowledges the need to further align these efforts across all financing activities.

Company: Barclays PLC

Purpose: We engaged with Barclays PLC, a UK-listed bank, to gain clarity on how social dimensions, such as workforce impact and community vitality are being reflected in its climate transition planning.

Outcome: Barclays now recognises the importance of just transition and has begun embedding social factors into its internal frameworks and sector strategies. While specific tools are still emerging, the bank has shared early examples of social considerations being incorporated into new product frameworks and just transition is a component of its Transition Finance Framework, e.g., targeted support to ensure that impacted communities benefit from the low-carbon energy transition. Barclays acknowledged that more consistent, measurable application of these principles is required across its business.

Engagement Progress: Climate

Just transition:

Company: NatWest Group PLC

Purpose: NatWest Group PLC, a UK-listed bank, was engaged to explore how it considers the broader social impact, on workers and regions, when providing finance to clients through its transition strategy.

Outcome: NatWest formally recognises the need for a just transition approach in its climate planning and has taken initial steps to reflect social aspects in lending and client engagement strategies. In particular, its Human Rights Report, an early version of which RLAM provided feedback on, demonstrates how financial institutions can align climate strategy with human rights principles. The bank illustrated improvements such as regional analysis and product design aligned with just transition goals. We will monitor how these considerations are scaled.

Engagement Progress: Nature

Biodiversity & nature:

Company: Sylvamo Corporation

Purpose: We reached out to Sylvamo Corporation, a paper manufacturer, to discuss how it identifies and manages climate- and nature-related risks across its operations and forestry assets. The engagement aims to focus on forest management, nature impacts and how physical climate risks are assessed and reflected in longer-term planning.

Outcome: The letter marked the continuation of a dialogue with the company on climate and nature-related risks. We set out areas where clearer information would support investor understanding, including how Sylvamo assesses climate physical risks such as drought and wildfire, how these risks influence forest management and capital spending, and how nature considerations are integrated into its broader sustainability approach. We will continue engagement to seek greater clarity and to encourage alignment with evolving best practice on climate resilience, nature and biodiversity.

Company: Unilever

Purpose: Unilever PLC, a consumer goods company, shared information on how it identifies and manages nature- and climate-related risks across its operations and supply chains. The information focused on areas where nature impacts are most material, including regenerative agriculture, deforestation-free sourcing and water stewardship.

Outcome: Unilever outlined how its sustainability commitments are being translated into action through programmes focused on landscape protection, regenerative agriculture and water stewardship. The company described progress in scaling regenerative farming practices and using basin-level water risk assessments to inform sourcing and product innovation, including the development of water-efficient products. It also acknowledged that measuring and reporting outcomes remains an evolving area, with more robust data expected over the coming years. We will endeavour to continue engagement to monitor progress, encourage clearer disclosure on outcomes and methodologies, and assess how nature-related risks are reflected in longer-term planning.

Engagement Progress: Governance

Sustainable and ethical AI:

Company: RELX PLC

Purpose: RELX PLC, an information and analytics company, was engaged to discuss its approach to ethical and sustainable AI, with a particular focus on governance, customer due diligence for sensitive use cases (including government contracts), safeguards against misuse, and emerging environmental impacts of AI. The engagement sought to understand how responsible AI principles are operationalised across the business, how human rights risks are assessed, and how oversight is exercised at senior and board level, in line with our expectations on responsible and ethical AI.

Outcome: The engagement provided greater insight into RELX's responsible AI governance, including a combination of senior-level oversight and distributed operational responsibility across teams, as well as ongoing updates to its responsible AI principles. The company described training, due diligence processes, and technical safeguards, and outlined emerging work on human rights impact assessments and AI-related emissions accounting. However, concerns remain around customer due diligence outcomes, measures to ensure products are not misused, and public disclosure of how AI-related risks are managed in practice. We will continue engagement to seek clearer evidence of how these risks are identified, mitigated and overseen, and to encourage alignment with evolving best practice on responsible AI governance, human rights due diligence, and sustainable AI.

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Please note that voting and engagement practices may not apply uniformly across all Royal London Asset Management funds or strategies, as each has distinct investment objectives. For details specific to your investment, please refer to the relevant fund prospectus.

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