

LGIM leads peers in demanding climate action

LGIM supported the vast majority of shareholder votes on climate change in the US in 2017 – more than the six largest asset managers in the world combined – as part of our efforts to press companies to address long-term environmental risks.

The 10 largest asset managers on average voted in favour of just 21.5% of such resolutions, according to a CERES/Fund Votes report.¹ By contrast, LGIM voted in favour of 95.5% of them, our analysis of the voting data shows.

Most of the 89 resolutions demanded increased disclosure by companies, including the publication of sustainability reports, greater analysis of the business impact of a 2°C rise in global temperatures and information on

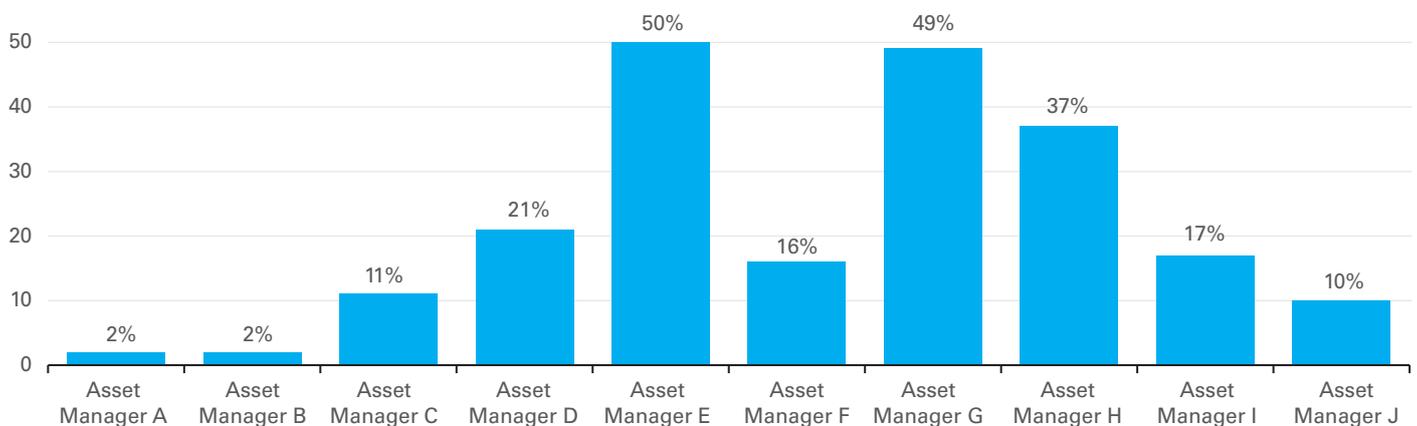
spending on lobbying. Some called for the implementation of specific targets for renewable energy procurement or greenhouse gas reduction.

One example is a resolution that called on ExxonMobil to report on the impact of global steps designed to keep climate change to 2°C; our support, together with that of other shareholders, helped to pass the measure. Another example is a resolution that called on ConocoPhillips to disclose its lobbying activities.



A report from ShareAction,² meanwhile, found cases when investors voted both for and against resolutions that were virtually identical, but filed at different companies. The report praised LGIM for being a “consistent supporter” of climate-related votes. Our leadership role in urging companies to take action to meet the challenges posed by climate change follows the introduction of LGIM’s Climate Impact Pledge.

Support for climate change resolutions in 2017 from the 10 largest asset managers



LGIM supported 95% of climate change shareholder resolutions in 2017

Sources: Ceres/FundVotes survey of US asset manager votes. LGIM were not included in the original survey. LGIM voting record was compared to the Ceres resolutions database. Asset Managers are not shown in order of AUM.

1. <https://www.ceres.org/news-center/blog/four-mutual-fund-giants-begin-address-climate-change-risks-proxy-votes-how-about>
 2. <https://shareaction.org/press-release/investors-inconsistent-climate-votes/>



This is a targeted process where we work directly with companies to bring about positive change, excluding those that do not meet the required standards after a certain engagement period.

We recognise many other investors are working hard to push companies to tackle environmental and social issues. In particular, we welcome the growing shareholder interest in improved environmental disclosures

from companies, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures, which LGIM supports.³

Increased transparency from companies would improve market efficiency. Investors at present lack consistent, comparable and reliable data to ascertain fully which companies and industries face the greatest risks from climate change – and which are best-placed to capture the opportunities stemming from the shift to a low-carbon economy.

Through its voting, engagement and investment solutions, LGIM is leading the way to accelerate the transition to a sustainable future.

3. <https://www.fsb-tcfd.org/publications/final-recommendations-report/>

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