

Press release

16 April 2019

Gender diversity drives record number of LGIM votes against UK chairs

Eighth Active Ownership annual report highlights continued quality of engagement, with 52% of companies now based outside the UK

Legal & General Investment Management (LGIM), one of the largest investors in the UK stock market, has voted against the highest number of UK chairs in 2018 on the issue of gender diversity. This is according to the Corporate Governance team's annual Active Ownership report, released today.

The report reveals that LGIM voted against over 100 UK chairs in 2018, up from just 13 in 2016, using their voting power to influence change and having strengthened its voting policies last year.

The report shows that the lack of diversity on boards is not unique to the UK: while some European markets like France, Germany and Sweden have made good progress promoting gender diversity at board level, gender diversity at the executive level also remains extremely low.

Recognising this global issue, LGIM has voted against all-male boards of S&P 500 companies since 2017 and now does so globally. It has also announced that from 2020, the company will vote against the largest 100 companies in the S&P 500 and S&P TSX North American indices where there are currently less than 25 percent of women on boards.

Dame Helena Morrissey, Head of Personal Investing at LGIM, commented:

"Frankly, it's disappointing that we continue to have to make our voices heard as investors by voting against so many chairs on diversity issues but we are not going to go away! LGIM will continue to be active on this issue until we see boards protecting companies from 'groupthink' by becoming more diverse."

"Acting on behalf of all our customers, LGIM has long used the shareholder vote to create changes that are in the interests of investors, for example, by actively supporting the vast majority of climate change resolutions. Legal & General has also invested £50million in our Gender in Leadership (or GIRL) fund, a UK equity tracker fund that tilts investments towards those companies doing the most for women in their workforce and away from companies doing the least. We believe in putting our money where our mouths are and that investors can do more to create the world we all want to live in. We would love to see other investment companies doing the same; the equality ball is in all our courts."

In addition to voting against chairs on gender diversity issues and launching the Gender in Leadership fund in 2018, LGIM also aims to drive gender diversity by engaging with companies on other levels, promoting diversity projects like the 30% Club, Girlguiding UK's saver badge and sponsoring the upcoming UK championship of mixed gender sport, korfbal.

The Active Ownership report also revealed that LGIM voted against 3,864 company directors globally, a 37 percent increase from 2017, having strengthened its voting policies last year. Votes against chairs of boards on diversity and audit related issues hit record highs in the UK, while executive pension contributions became a more prominent area of engagement. Climate change, board effectiveness and remuneration continued to drive engagement globally, with over half of company engagement outside of the UK.

LGIM's Corporate Governance report Active Ownership is available [here](#). Please remember 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.

Ends

Notes to editors

Legal & General Investment Management

Legal & General Investment Management is one of Europe's largest asset managers and a major global investor, with total assets under management of £1trillion¹. We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Throughout the past 40 years we have built our business through understanding what matters most to our clients and transforming this insight into valuable, accessible investment products and solutions. We provide investment expertise across the full spectrum of asset classes including fixed income, equities, commercial property and cash. Our capabilities range from index-tracking and active strategies to liquidity management and liability-based risk management solutions.

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¹LGIM internal data as at 31 December 2018. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions.