

# Vanguard Asset Services Limited

## Section 172 Statement

The Board of Directors of the Company both individually and together, consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company (having regard to the matters set out in section 172(1) of the Companies Act 2006) during the year ended 31 December 2023, and in doing so have had regard to a range of matters including:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between the Company's members.

In particular:

- As referred to in this Strategic Report (see the 'Business strategy' section above), Vanguard's core purpose is: *"To take a stand for all investors, to treat them fairly and to give them the best chance for investment success"*. The Board's long-term strategy planning and decision making is directly aligned to this purpose and designed to have a long-term beneficial impact for the Company and to deliver success for investors. In furtherance of this, the Board ensured that key strategic initiatives were delivered across the year, the Company operated in line with its financial control tolerances and took account of its applicable legal and regulatory requirements and obligations. As noted in the 'Business strategy' section, in 2024, the Board will continue to focus on growing the existing business, expanding services capabilities, launching additional products, and focusing on risk management.
- The Board understands that Vanguard's crew are fundamental to its success and looks to take into account crew interests proactively and in a meaningful way –

please refer to the section below entitled '*How we engage with our employees*' for further detail on this.

- Fostering relationships with service providers, investors, and other stakeholders (such as industry bodies and regulators) is integral to the success of the Company, which is recognised by the Board – please refer to the section below entitled '*How we engage with our stakeholders*' for further detail in this regard.
- The Board recognises the important role which Vanguard plays in the community. Vanguard, through its community stewardship programme, has consistently looked to give back to its communities over the course of the year, supporting non-profit organisations, and encouraging crew to support charitable activities with their personal time, talent, and funds. The Board also recognises the role Vanguard has with respect to the environment and ensures that this is a consideration in decision-making and strategy.
- Conduct and culture is integral to Vanguard's business and is a key consideration in the actions and planning undertaken by the Board. Key cultural values are embedded within the business and reinforced at both management and Board level. In addition, Vanguard crew must adhere to a code of ethics which sets out the expectation and framework around Vanguard's strong conduct/culture ethos. Vanguard's policies on a wide range of business and ethics related practices are regularly reviewed and updated as necessary to ensure continued compliance with legal and regulatory requirements and good industry practice.
- The Board at all times, in alignment with Vanguard's core purpose, acts fairly and responsibly with respect to its investors. As referred to above, Board strategy and planning is aimed at ensuring long-term success for the Company and investors.
- The Board will continue to keep engagement methods under review to ensure they remain effective.

### *How we engaged with our crew in 2023*

Vanguard is committed to creating a workplace where crew can thrive and do their best work for our investors.

Crew engagement is one of the ways the Company, both at Board and management level, ensures that this is the case by taking account of employee interests. Engagement (and ensuring crew are kept up-to-date) is conducted via a number of channels (for example, via weekly business updates, town halls and crew surveys) and across every aspect of the crew experience at Vanguard, including onboarding,

day-to-day work, career development opportunities and annual assessments. In 2023, the Board remained highly engaged in relation to crew's well-being through regular updates on responses to annual surveys and more regular focussed "pulse" surveys and the oversight of return to office arrangements set by management.

In response to the crew engagement outlined above, meaningful action planning is formalised and implemented, so that crew experience positive and tangible improvements within the workplace.

### *How we engaged with our stakeholders in 2023*

Vanguard relies on service providers and suppliers in the delivery and operation of its services. Establishing and maintaining good relationships ensures that services are delivered effectively and at efficient cost. Relationship teams manage and interact with key service providers across the business: providing service providers with confidence, trust and transparency in respect of the way Vanguard operates. The Board also maintains direct relationships with key service providers and continued to collaborate with them to drive the highest standards possible and drive good outcomes for investors.

Vanguard also ensures that it fosters and maintains its key relationships with regulators, other authorities, and industry bodies. The Company looks to be proactive in this regard, seeking engagement with these stakeholders, as appropriate, and implementing change projects, as and when required. The Board ultimately oversees these relationships, ensuring that the Company meets all expectations and requirements in this regard.

# Vanguard Asset Management Limited

## Section 172 Statement

The Board of Directors of the Company both individually and together, consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company (having regard to the matters set out in section 172(1) of the Companies Act 2006) during the year ended 31 December 2023, and in doing so have had regard to a range of matters including:

- the likely consequences of any decision in the long-term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between the Company's members.

In particular:

- As referred to in this Strategic Report (see the 'Business strategy' section above), Vanguard's core purpose is: *"To take a stand for all investors, to treat them fairly and to give them the best chance for investment success"*. The Board's long-term strategy planning and decision making is directly aligned to this purpose and designed to have a long-term beneficial impact for the Company and to deliver success for investors. In furtherance of this, the Board ensured that key strategic initiatives were delivered across the year, the Company operated in line with its financial control tolerances and took account of its applicable legal and regulatory requirements and obligations. As noted in the 'Business strategy' section, in 2024, the Board will continue to focus on growing the existing business, expanding services capabilities, launching additional products, and focusing on risk management.
- Fostering relationships with service providers, investors, and other stakeholders (such as industry bodies and regulators) is integral to the success of the Company, which is recognised by the Board. Refer to the section below entitled *'How we engage with our stakeholders'* for further detail in this regard.

- The Board recognises the important role which Vanguard plays in the community. Vanguard, through its community stewardship programme, has consistently looked to give back to its communities over the course of the year, supporting non-profit organisations, and encouraging crew to support charitable activities with their personal time, talent, and funds. The Board also recognises the role Vanguard has with respect to the environment and ensures that this is a consideration in decision-making and strategy.
- Conduct and culture is integral to Vanguard's business and is a key consideration in the actions and planning undertaken by the Board. Key cultural values are embedded within the business and reinforced at both management and Board level. In addition, Vanguard crew must adhere to a code of ethics which sets out the expectation and framework around Vanguard's strong conduct/culture ethos. Vanguard's policies on a wide range of business and ethics related practices are regularly reviewed and updated as necessary to ensure continued compliance with legal and regulatory requirements and good industry practice.
- The Board at all times, in alignment with Vanguard's core purpose, acts fairly and responsibly with respect to its investors. As referred to above, Board strategy and planning is aimed at ensuring long-term success for the Company and investors.
- The Board will continue to keep engagement methods under review to ensure they remain effective.

### *How we engaged with our stakeholders in 2023*

Vanguard relies on service providers and suppliers in the delivery and operation of its services. Establishing and maintaining good relationships ensures that services are delivered effectively and at efficient cost. Relationship teams manage and interact with key service providers across the business: providing service providers with confidence, trust and transparency in respect of the way Vanguard operates. The Board also maintains direct relationships with key service providers and continued to collaborate with them to drive the highest standards possible and achieve good outcomes for its investors.

Investors are at the heart of Vanguard's core purpose. Vanguard has established dedicated teams, processes and procedures allowing it to be as efficient and effective as possible in meeting investor expectations and understanding their needs. Being aware of investor needs allows Vanguard to make informed decisions about what products and services to offer. The Board is at the forefront of this: as referred to in this Strategic Report (see the 'Business strategy' section above), the Company has further built out Vanguard's UK Personal Investor offering during the

year and intends to develop this further in 2024, driving scale with digital and technology.

The Board continues to consider its obligations under the Consumer Duty regulation (the "Duty"), following achieving substantive compliance for open products by 31 July 2023. The Duty Champion for the Company continues to support the Board in considering the Duty in all relevant discussions and to challenge the Company's management on how it continues to consider the Duty, focusing on ensuring good outcomes for customers. The Board continues to note that the regulation's high and clear standards of consumer protection and its requirements to put its customers' needs first remains aligned with Vanguard's core purpose.

Vanguard also ensures that it fosters and maintains its key relationships with regulators, other authorities, and industry bodies. The Company looks to be proactive in this regard, seeking engagement with these stakeholders, as appropriate, and implementing change projects, as and when required. The Board ultimately oversees these relationships, ensuring that the Company meets all expectations and requirements in this regard.