



Our Climate and nature transition plan 2026

Our journey to net zero
Legal & General Group Plc

Contents

Investing for the long term. Our futures depend on it.

About L&G

Established in 1836, we are a leading financial services group and a major global investor, helping to safeguard people's financial futures, improving the lives of our customers and creating value for shareholders

Addressing climate change and tackling nature loss have long been a part of our strategy. They are material financial issues, and are key to sustainable growth.

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Reporting on our progress



Annual report and accounts



Social impact report



Climate and nature report



Climate and nature glossary



Progress - at a glance

Here are our key highlights:

We remain committed to our long-term ambitions, and seek to ensure that our interim goals continue to reflect the actions and outcomes of our approach to achieving net zero.

 We include all our detailed targets and commitments on page 33 and 34 of our 2025 Climate and nature report

35%

Greenhouse gas (GHG) investment emissions intensity reduction from 2019 baseline)

26%

Reduction in operational footprint (Scope 1 and 2 (location)) from our 2021 baseline¹

49%³

Reduction of carbon intensity of occupier energy use per square metre across real estate equity assets

80%

Our Climate Impact Pledge covers 80% of total carbon emissions attributable to corporate and equity holdings⁴

76%

76% of suppliers by spend have set science based carbon reduction target² (against our new target of 80% by end 2026)

A

Uplifted Climate Change CDP⁵ score from A- in our last transition plan to A.

1. In line with SBTi guidance our scope 1 & 2 target baseline is annually reviewed to reflect business & portfolio changes.
2. We define a target as science-based if it is aligned to SBTi criteria i.e. is a mid-term reduction target with enough ambition to align with the global net zero trajectory.
3. Emission reductions have been supported by occupier data quality improvements, through the replacement of benchmark with actual data.
4. As at 31 December 2025..
5. CDP – Carbon Disclosure Project.

£4.4bn

Investments in transition finance

100%

Of directly procured electricity from renewable sources

Senior manager statement



“
For an investor with our scale, responsibilities and time horizons, addressing these issues is integral to delivering sustainable returns.

”
Carl Moxley
Group Climate Director

Our purpose is ‘investing for the long term. Our futures depend on it’. We take a long-term approach, improving the lives of our customers, supporting economic resilience, and creating enduring value for all our stakeholders. This purpose guides the decisions we make.

Climate change and the degradation of nature cannot be ignored. A thriving natural environment underpins resilient growth, while escalating physical and transition risks pose real economic consequences. For an investor with our scale, responsibilities and time horizons, addressing these issues is integral to delivering sustainable returns.

Since our last transition plan, we have made strong progress and our ambition remains unchanged. This transition plan update continues to set out why climate and nature matter to L&G, and how these considerations are embedded into our business strategy, investment processes, and how we act. Our roles as asset owner, asset manager and managing our operations, provide us with a broad ability to support the transition, open new opportunities for our clients and customers while ensuring our business remains resilient under a range of possible future outcomes.

But we recognise that the journey is far from complete. Achieving a genuine economy-wide transition requires approaches that go beyond our own business. We must continue to support real-world emissions reductions, respond to rising physical climate risks, and address the deep interdependence between climate and nature. Nature, in particular, plays a critical role in climate stability, economic productivity and long-term asset performance, and it is an area where we are accelerating our focus.

Our commitment to action remains as important today as it was when we first set out our transition strategy three years ago. We will continue to work closely with companies, clients, policymakers and partners across the financial system to drive meaningful progress and support a just, orderly and investable transition.

The Board, Executive Risk Committee and Group Management Committee provide clear oversight and ownership of our climate and nature strategy. Through this, L&G has a strong track record of leadership and delivery, and we are well positioned to help shape a more resilient, prosperous and sustainable economy. This plan outlines how we will continue to play our part.

Carl Moxley
Group Climate Director

What has changed since our last transition plan

We continue to deliver against our transition ambitions, promoting a 1.5°C Paris-aligned transition while investing for the long term. Here we highlight our progress since our 2023 transition plan and our evolving approach to navigating this complex landscape.

The external environment

The need to reduce GHG emissions remains urgent to limit the most severe impacts of climate change. Global progress has been too slow to place the world firmly on a pathway consistent with limiting warming to 1.5°C, the threshold identified by climate science to minimise¹ risks. While scientific pathways indicate that 1.5°C remains technically possible with accelerated actions, delays have heightened uncertainty and increased the scale of effort now required across economies and financial systems.

The physical impacts of climate change are becoming more evident, with extreme weather events increasing in frequency and severity. Just over the last 3 years, global heat records were broken monthly from May 2023 to May 2024; hurricane Beryl became the earliest category 5 hurricane in the Atlantic; wildfires swept through California and Europe; and floods devastated parts of Texas, Spain and Bolivia. These events cause tragic loss of life and growing financial losses. They underscore the importance of accelerated mitigation and the need for adaptation, resilience and effective risk management.

Against this backdrop, the global policy and geopolitical environment is increasingly fractured. Climate ambition has diverged across jurisdictions, reflecting differing economic priorities and political pressures. And yet, a broad market-led transition is underway. Investments, innovation and cost reductions are reshaping how businesses are making decisions.

Notably, in the first half of 2025 renewable energy overtook coal as the largest source of global electricity generation² for the first time, driven by economics³ as much as regulation. This shift demonstrates how transition momentum can be swift when markets, technology and capital align – although further scale and pace are needed to meet global climate goals.

How our approach has evolved

Our latest climate scenario analysis highlights that transition risks may arise under a wide range of plausible pathways, including those where there is no further policy action. We believe that delayed or disruptive policy action could materially increase transition risk, as deeper and more rapid decarbonisation would then be required to meet climate goals.

Execution of our transition plan continues to progress well. As set out in our annual Climate and nature report, we have met our interim decarbonisation targets, continue to scale investment in climate and nature solutions and have maintained active engagement of financially material environmental issues.

Alongside execution, we continue to refine our approach through cross-industry engagements and ongoing dialogue with our clients and suppliers.

Internally, we have simplified our operating model by bringing two divisions together into a single Asset Management business. This creates a more connected L&G, with sharper strategic focus and more disciplined capital allocation. Our transition plan is structured to reflect this organisational shift, setting out targeted actions we will take as an asset owner, asset manager and within our own operations. While this evolution will shape how we deliver our climate objectives, our strategic ambition remains unchanged.

We published our 2023 transition plan to support our stakeholders in understanding our approach to a transition. Since then, our clients have continued to broaden their climate strategies, including increasing emphasis on investments that contribute to real world emissions reductions. Achieving global climate goals will require unprecedented levels of investment, with investors balancing risk-adjusted returns alongside impact considerations. We will continue to promote a 1.5°C Paris-aligned transition as we believe failure to do so will increase economic costs that will be needed to manage the increasing and material systemic risks. Our targets and strategy are informed by science and global ambition, and we will continue to review our approach to ensure that it remains in the interests of our shareholders and customers.

Given that warming is likely to continue until at least mid-century across all plausible scenarios, we expect physical risks to increase over time and continue to strengthen our approach to building resilience within our portfolios.

These evolutions require approaches that look beyond portfolio-level decarbonisation to support genuine transition outcomes, address growing exposure to physical climate risks, and reflect the interdependence of climate and nature. We share our clients' priorities and continue to work closely with them, offering tailored solutions to navigate these complex and rapidly evolving challenges.

1. <https://www.ipcc.ch/sr15/>.
 2. <https://ember-energy.org/latest-insights/global-electricity-mid-year-insights-2025/>.
 3. <https://www.irena.org/Publications/2025/Jun/Renewable-Power-Generation-Costs-in-2024>



Connecting climate, nature and people

A successful climate outcome cannot be achieved in isolation. It requires a systemic response which takes account of and also impacts the wider natural environment. The three areas of material interdependency we have identified remain the same as in 2023. We have incorporated these into our transition planning:

Area of interdependency



Climate change and the natural environment

The reduction of GHG emissions relies to a large extent on a healthy and biodiverse natural environment; one in which organic matter is able to optimise carbon storage, for example, healthily functioning forests, peatlands, mangroves, wetlands and other sustainable modes of agriculture. Expanding agriculture is responsible for most of the world's tropical deforestation. Hence our ambition to eliminate agricultural commodity-driven deforestation, focusing on palm oil, soy, beef, pulp, paper, cocoa, coffee and rubber, from the underlying holdings within both our own and client investment portfolios, through successful company engagement.



Supporting communities' transition

Climate goals impact society and likewise societies and communities can impact on the achievement of climate goals. We continue to invest in sustainable and affordable housing to meet the needs of our population whilst also trying to minimise the ongoing operation of houses on the environment. Our goal is from 2030 onwards, for all new homes to be capable of being operational net zero carbon. Our aim is to deliver environmentally and socially positive housing and workplaces at scale.



Our people at the heart of our transition

Our transition is dependent on our people, who will be the ones to change how we invest and the products and services we offer. Likewise our people are dependent on us in order to effect this transition. We need to allow them to use their judgement and expertise, support them and upskill them in the areas required for a successful transition, for example in designing financial products that create value and support net zero outcomes or building a new generation of low-carbon housing.

Timeline showing our progress on climate and nature

- 2016 ● **Launch of CIP**
Engaging with 84 large companies to assess their progress in transitioning to a low carbon economy
- 2019 ● **Commitment to net zero and publication of first TCFD aligned report**
Announced target for becoming net zero By 2050
- 2020 ● **Implementing goals aligned to Paris agreement**
Announced a target to halve the carbon emissions of our proprietary asset portfolio by 2030
- 2021 ● **Committed to set SBTi targets**
With validated targets published in 2023
- 2022 ● **Support for Kunming-Montreal global biodiversity framework**
Asset Management commits to supporting efforts to halt and reverse nature loss by 2030
- 2023 ● **First Climate transition plan published**
Setting out roadmap to net zero by 2050, including operational and investment targets
- 2024 ● **First investment in nature strategy**
Invested in Ecuador's debt conversion for nature, supporting forestry and freshwater conservation
- 2025 ● **\$235 million Nature & Social Outcomes Strategy Launched**
Focussing on emerging markets, biodiversity, and social infrastructure. Total commitment to sustainable development exceeds \$1.1 billion.

Context and strategy

Our businesses work together to deliver our strategic purpose and generate value for our shareholders, customers and communities. Climate change and nature loss do not fundamentally change our business model, but they do impact on how we execute our strategy

	 Institutional Retirement	 Asset Management	 Retail
Our businesses	<ol style="list-style-type: none"> We provide institutional pension risk transfer solutions, guaranteeing the retirement income for corporate pension scheme members. We also provide in-house Asset owner capabilities to our Retail business. 	<ol style="list-style-type: none"> We are a global investor across public and private markets. Our clients include individual savers, pension scheme members and global institutions, who invest alongside L&G's own balance sheet¹. We also act as an Asset manager for our Institutional Retirement and Retail businesses. 	<ol style="list-style-type: none"> We provide retirement and protection solutions to help our customers have better long-term financial outcomes. We provide investing on behalf of our workplace customers.
Our role	Asset owner 	Asset manager 	Asset owner  Asset manager 
Climate context	<p>Climate change and the accelerating loss of nature are material to the long term performance of our assets, which underpin our retirement offerings with exposure to long-dated fixed income and private markets investments.</p> <p>As climate change reshapes both physical conditions and economic systems, it is driving shifts in investment allocation and altering asset risk profiles over the longer term, alongside creating new opportunities.</p>	<p>Climate change and nature loss are financially material to the long-term success of the companies and assets in which we invest on behalf of our clients. These forces are reshaping economic activity, asset valuations and risk-return profiles across markets and sectors, with implications across asset classes and investment horizons. They also present significant investment opportunities, including innovative strategies and technologies and infrastructure that support the transition away from carbon emissions.</p>	<p>Climate change remains a systemic issue that will result in societal changes on an unprecedented scale. Our retail products must be resilient to financial and / or market changes caused by climate change and nature loss, so we continue to increase our understanding of how to incorporate climate and nature considerations into the products we offer.</p>
Our incentive to act	<p>To match our long-term business liabilities, we have experience in investing for the long term and managing risk, this includes the impact from climate change and nature loss. Our investment horizon creates opportunities to invest in opportunities that support the transition and real world decarbonisation.</p>	<p>Embedding climate and nature considerations is central to our commitment to promote the value of investing for the long term, and drive long-term value for our clients. Active engagement enables us to manage systemic risks, support credible company response and unlock long-term value, including through underperforming transition assets. These capabilities also help us to attract and retain clients through supporting risk management, access to transition opportunities and investment in resilient alternative and real assets. We use our expertise to support our clients to meet their investment objectives.</p>	<p>We must support our customers through their financial life cycle. Strengthening our climate capabilities enables us to support customers at key life stages through guidance, targeted support and resilient product design, while meeting demand for solutions that protect long-term value.</p>
AUM/ business size	<p>£105.3 billion combined AUM across Institutional Retirement and Retail retirement and protection businesses²</p> <p>Our operations </p>	<p>£1.2 trillion AUM²</p> <p>Our operations </p>	<p>Retail retirement and protection AUM managed by the Institutional Retirement business.</p> <p>£113.9 billion Workplace and Retail savings AUM²</p> <p>Our operations </p>

1. Our Asset Management business, via Private Markets, is also an Asset Owner within the £3.0 billion of non-annuity proprietary assets.

2. As at end 2025

Our transition plan at a glance

Our purpose

Investing for the long term. Our futures depend on it.

Our Execution Strategy

Using climate and nature considerations to shape our investing, risk management and operations

Asset owner

Reducing the intensity of our financed emissions:

- Undertake responsible and climate aligned investing to decarbonise our proprietary assets.

Investing in the transition where it creates long term value:

- Investing in technology, infrastructure solutions and transitioning companies.
- Investing in nature-based solutions.

 [Read more on page 10](#)

Asset manager

Contributing to a net zero-aligned transition as an asset manager with £1.2 trillion of AUM:

- Work with industry to develop and enhance our collective approach to climate investing.
- Work with clients to achieve their net zero targets through solutions-led investment products.

Decarbonising real estate equity:

- Deploying our real estate net zero roadmap.

 [Read more on page 16](#)

Our operations

Decarbonising our operations:

- Improve the energy efficiency of our occupied offices and real estate that we actively manage.
- Enhance the efficiency of new homes brought to the market.
- Manage business travel emissions.
- Engage with our employees.

 [Read more on page 18](#)

Adaptation and nature

- Further embed nature into governance, investment, risk and procurement frameworks.
- Build our understanding of, and strategic approach to, adaptation.
- Deliver internal training on wider climate and nature-related issues throughout the group.

Our Engagement Strategy

Engaging to support long term value creation and a more resilient economy

Asset owner

Working for outcomes to ensure our business remains resilient:

- Stay actively engaged with developments in policy, regulation, frameworks, and industry best practice, both directly and via engagement with global associations.
- Partner with our Asset Management investee engagement activities to encourage our investments to transition.

 [Read more on page 22](#)

Asset manager

Drive greater action to address financially material climate and nature risks in the real economy consistent with our fiduciary duty:

- Deepen engagements with companies and policymakers to address bottlenecks.
- Engage with underperforming transition companies to unlock potential value.
- Expand the universe where companies are held to account through voting under the CIP.

 [Read more on page 23](#)

Our operations

Decarbonising our operations:

- Engage with our key suppliers on their net zero strategies.
- Engage with occupiers, managing agents and facilities managers across real estate assets.
- Engage with leading industry bodies, to remain abreast of emerging best practices and standards.

 [Read more on page 25](#)

Adaptation and nature

- Deepen engagement on nature issues across all stakeholders.
- Engage to a greater extent on adaptation-related issues across all stakeholders.

Oversight and governance

Looking ahead

What we will achieve in the short and medium term:

Asset owner

We will continue to incorporate climate change and nature outcomes into how we invest our assets.

Through reducing the intensity of our financed emissions.

by **2050**

Net zero asset portfolio aligned with a Paris objective.

by **2030**

50% reduction in GHG emission intensity¹.
Phase out investment-related thermal coal and oil sands exposures.

On an ongoing basis we will:

- Disclose deforestation risk and mitigation activities in our portfolio.
- Continue to invest in technology, infrastructure solutions, transitioning companies and nature-based solutions.
- Engage on climate and nature-related topics with developments in policy, regulation, frameworks, industry best practice, and through our asset management partnerships.

Asset manager

We will continue to contribute to a net zero-aligned transition as an asset manager with £1.2 trillion of AUM.

Through focusing our efforts on real world decarbonisation, consistent with our fiduciary duty.

by **2050**

Working in partnership with our clients to manage 100% of AUM in alignment with net zero emissions.

For our real estate equity – achieve net zero carbon by 2050 or sooner in line with our net zero roadmap.

by **2030**

Target net zero operational carbon within the sustainable DC property fund.
Reduce downstream leased real estate portfolio GHG emissions per square meter by 55% from a 2019 base year.

On an ongoing basis we will:

- Continue to be at the forefront of industry best practice in climate investing.
- Engage with companies to set and deliver against Science Based Targets, which has the greatest impact on climate transition.
- Deepen our engagement, moving beyond disclosure to using our investor voice to address the bottlenecks in the transition.
- Review how our interim plans and targets can best reflect achievement of our objectives, taking into account evolving client and industry approaches.

Our operations

We will continue to change the way we operate our businesses.

Through actively decarbonising our operations.

by **2050**

Net zero operational carbon footprint.

by **2030**

We will reduce our absolute Scope 1 and 2 GHG emission by 42%² from our 2021 baseline.

Our core occupied offices (scope 1 & 2 emissions) and our business travel will operate with net zero carbon emissions³.

On an ongoing basis we will:

- Maintain 100% renewable electricity procurement.
- Continue to deliver against wider environment targets e.g. we aim to minimise the water consumption and waste generation in our core offices
- Extend our engagement with our supply chain to help ensure our procurement partners share our long term ambitions.

1. From a 2019 base year.

2. Inline with SBTi guidance our scope 1 & 2 target baseline is annually reviewed to reflect business & portfolio changes.

3. Applies to offices L&G employees occupy where L&G has direct operational control, as defined by the Global Real Estate strategy.

Our Execution Strategy

Overview

Our execution strategy sets out the actions we are taking to support our business. It focuses on areas where we have more direct control to drive meaningful progress against our climate goals.

This section sets out the operational levers, investment decisions and business processes we use to deliver our climate and nature ambition. These include investing in and implementing climate solutions; working with our clients to support their investments needs; improving energy efficiency within our own operations and the real assets we manage; and embedding sustainability criteria into our decision making.

Because these actions sit largely within our remit, we can define timelines, allocate resources, monitor performance and hold ourselves accountable for delivery. Our execution strategy represents our most measurable pathway to achieving our climate ambitions.

As a financial services group, these actions are dependent on external factors such as an enabling policy environment, availability of assets that meet our investment needs, credible decarbonisation within the companies and sectors we invest in and technological advances.

“ Execution of our transition plan is aligned with our purpose, generating long-term value for our customers and shareholders.”

”
Andrew Kail
Group CFO

Key targets

2030

50%
portfolio GHG emissions
intensity reduction

42%
reduction in operational
footprint (scope 1 and 2
(location)) from 2021
baseline¹

2050

Net zero
across our asset portfolio,
AUM and operational
carbon footprint

Investing in the transition

As well as seeking to decarbonise by reducing the intensity of our financed and operational emissions, we continue to prioritise origination and investment into assets which actively promote decarbonisation and nature conservation.

To date the group has invested:

- Climate finance -£4.4 billion in transition finance: including renewable energy, green bonds and other solutions.
- Nature and social outcomes - over \$1.2 billion (across proprietary and retail assets) in private debt financing for nature conservation and sustainable development in emerging markets (EMs): including debt conversions for nature in Belize, Ecuador and Gabon, offering much-needed support for marine, forestry, and freshwater conservation.
- Nature-based solutions - in a 155-hectare area of land in southern England to work towards creating our own high-quality, high-integrity carbon credits and biodiversity units. We are also using this as a test case with a view to potentially scaling this model.

 [Read more page 12](#)

1. In line with SBTi guidance our scope 1 & 2 target baseline is annually reviewed to reflect business & portfolio changes.

Asset Owner

Asset owner

Reducing the intensity of our financed emissions

- Undertake responsible and climate-aligned investing:
 - target 50% reduction in GHG emission intensity by 2030
 - phase out investment-related thermal coal and oil sands exposures by 2030
 - ongoing commitment to disclose deforestation risk and mitigation activities in our portfolio
 - divestment where investee companies are ultimately unable to meet our guardrails

Investing in the transition where it creates long term value

- Investing in technology and sustainable infrastructure solutions and transitioning companies.
- Investing in nature-based solutions.

Nature and adaptation

- Further embed nature into relevant frameworks
- Build our understanding of, and strategic approach to, adaptation.

Business context

We continue to incorporate climate, and increasingly nature, into how we invest our £108.3 billion of proprietary assets¹, where we act as an asset owner and our shareholders are directly exposed to the associated risks. This is where our primary climate and nature risk exposure lies.

Asset owner investments, where we have greater control than client assets, are central to our retirement offerings across our Institutional Retirement and Retail businesses. The combined pot of £105.3 billion², primarily invested in fixed income asset classes to back customer pension payments, covers global Pension Risk Transfer (PRT) business within our Institutional Retirement and Individual Annuity and Lifetime Mortgage businesses within Retail. Our Asset Management business also has a balance sheet portfolio within the remaining £3.0 billion² of proprietary assets, acting as a foundation to scale our Private Markets businesses, alongside other shareholder assets.

Climate change and nature loss pose risks to these assets, but we also see significant opportunities in investing in companies, governments and private market assets to fund the transition.

Across our proprietary assets, our investment approach seeks to maximise our impact on the real economy and support the transition to a low-carbon economy. This is a key component of our overarching organisational net zero commitment.

Outlook and dependencies

We remain ahead of our 2030 decarbonisation target trajectory and have made good progress to date on our overall ambition, as explained in further detail below.

Our transition will be dependent on investee entities having, and delivering on, their decarbonisation targets; as well as the delivery of government policy, and the availability of attractive assets for investing in the transition. The world is not currently on a pathway that will limit global warming to 1.5°C, which increases the risk of us not meeting our long-term commitments.

The lack of reliable, accurate, verifiable, consistent climate and nature-related data continues to make accurate disclosures and assessments of both opportunities and risks challenging.

“

Supporting the climate transition is important. As climate-driven risks intensify, investing proactively in future-proofed and socially beneficial assets is essential to protecting our policyholders and shareholders through a strong and resilient balance sheet.

”

Gareth Mee,
CEO Institutional Retirement

1. We define proprietary assets as total investments to which shareholders are directly exposed, minus derivative assets, accounting loans and cash and cash equivalents

2. As at 31 December 2025

Our Execution Strategy continued Asset Owner

Reducing the intensity of our financed emissions

Undertaking responsible and climate aligned investing:

Objective:

We are committed to a net zero asset portfolio in line with a Paris objective, by 2050, for our £108.3 billion of proprietary assets. We define this commitment as net zero carbon emissions by 2050, alongside rapid, deep and sustained reductions in other GHG emissions and we see this as a key component of our overarching organisational net zero commitment. This commitment is supported by interim milestones, as described on page 8, and we report our progress against this commitment in our annual climate and nature reporting.

Our transition approach:

Our investment strategy balances short- and long-term responsibilities to policyholders and shareholders, aligned with regulation, and a well-diversified portfolio across sectors is central to this.

In the near term, we focus on credible carbon reductions and supporting others to do the same. Having exceeded our interim reduction target of 18.5% by 2024 (from 2019), we are on track for a 50% cut by 2030 and also for phasing out coal and oil sands by then. We also commit to protecting carbon sinks through deforestation policies and expect nature-based solutions to offset residual emissions for net zero in the long term.

As a long-dated, bond-heavy investor, our decarbonisation approach involves:

- transitioning to lower-carbon investments through new business flow
- phasing out high carbon legacy holdings

We depend on investee companies' decarbonisation and monitor alignment with transition pathways, engaging through Asset Management to drive climate action and applying exclusions where guardrails aren't met. Our targets align with SBTi and NZAOA frameworks, where relevant.

Decarbonising our balance sheet is prudent risk management, supported by:

1. Portfolio measurement and targets
2. Active engagement
3. Environmental escalation
4. Policies and exclusions
5. Monitoring and reporting

We track financed emissions via carbon intensity metrics, report annually under the TCFD recommendations, and use temperature and climate alignment metrics to guide engagement and issuer decisions. Climate scenario analysis informs risk on valuations and credit ratings.

Our environment escalation process governs high-carbon exposures (in addition to other wider environmental considerations) and acts as an early warning system. Policies on fossil fuels and deforestation, applicable across the portfolio and updated annually, guide exclusions through Investment Manager Agreements (IMAs). Reporting and metrics evolve as tools and analysis improve.

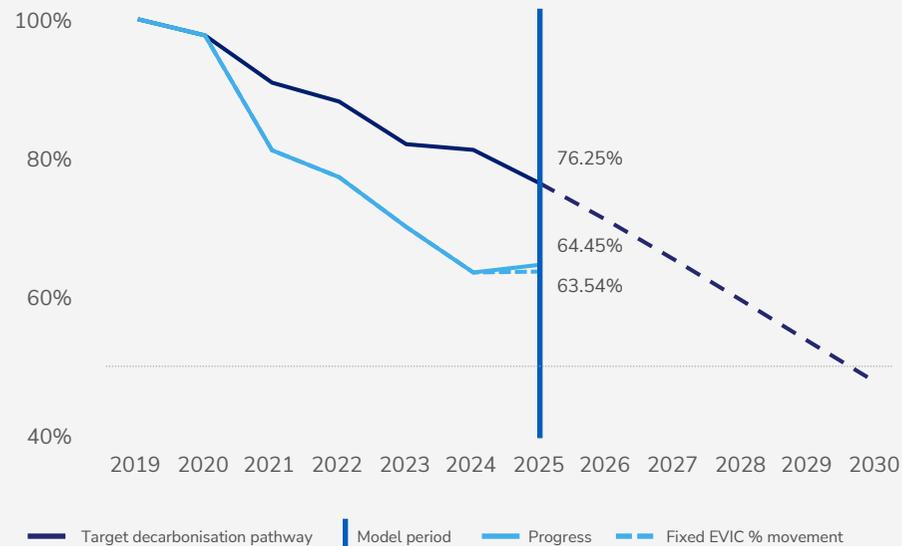
Outlook and dependencies

Our portfolio assessment relies on high-quality, comparable climate-related disclosures across industries and jurisdictions. This data is essential for identifying risks and steering investments toward our decarbonisation goals while meeting disclosure requirements.

Our approach aligns with our planned reduction trajectory, but success depends on government policies and the climate targets of investee firms. Economy-wide decarbonisation is critical, and we engage companies to set targets, disclose progress, and implement transition plans.

Portfolio repositioning may involve frictional costs, managed within existing processes. We review our approach annually, balancing fiduciary duties to policyholders and shareholders with broader economic considerations. While engagement remains our primary strategy, we will divest where investee companies ultimately fail to meet our objectives.

Group investment portfolio target decarbonisation pathway



Our Execution Strategy continued Asset Owner

Investing in the transition where it creates long term value

Investing in technology and sustainable infrastructure solutions and transitioning companies

Objective:

We are committed to directing our investments to support the transition across our asset portfolio. We see a significant investment opportunity within the transition. By investing in technology, sustainable infrastructure climate solutions and transitioning companies, we are also supporting the transition to a low-carbon economy and mitigating our exposure to climate and nature risks.

In line with this objective, we are committed to reporting progress on investment in nature-based solutions and defining associated financing criteria on an ongoing basis.

Our Transition Approach:

We invest across a range of asset classes, each with considered strategies to support the transition to net zero. We do not consider social, environmental and economic good to be mutually exclusive. While we describe our investment strategy for investing in the transition, sustainable investments incorporate broader social and environmental considerations. We describe below our approach for our:

1. Private (direct) credit and infrastructure debt
2. Property/real estate and infrastructure equity
3. Listed (traded) bonds and equities

Investing in technology and sustainable infrastructure solutions

(i) Private (direct) credit and infrastructure debt

As at 31 December 2025, Asset Management actively managed £20 billion of private credit investments on behalf of the group, across corporate, infrastructure, alternative and real estate debt.

With a focus on the transition, the annuity portfolio continues to prioritise origination and investment into assets which actively promote decarbonisation and nature conservation.

The group has invested more than:

- £1.2 billion in clean energy projects, including solar and wind farms, geothermal plants, and energy storage assets; and
- £0.3 billion in debt conversions for nature, which target habitat and biodiversity conservation in emerging markets.

In addition, we have £5.8 billion of lifetime mortgage loans held within our annuity portfolio. We are actively seeking ways to enhance insight into the energy efficiency of properties going forward by including EPC ratings within property valuations. Such insight enables us to develop our products to further support our climate-related goals, while we continue to evolve our flood risk due-diligence under higher global warming scenarios

Due to the nature and size of the annuity portfolio, we have some exposure to fossil fuel-related assets. These exposures are regularly monitored and are constrained by carbon budgeting, our SBTs and wider corporate commitments. We have a similar focus on our private credit allocations managed by external asset managers.

In line with our fossil fuel policy, we will not invest in new oil, gas and associated energy infrastructure projects that are not aligned with 'Paris'-objectives. This is consistent with the NZAOA oil and gas position¹. Our approach ensures we are thoughtful in how we support a transition, by considering regional and global energy infrastructure needs.

Our Proprietary assets

Our proprietary assets are the £108.3 billion of assets that Legal & General own and where we control the investment strategy. Our proprietary assets contain both direct and traded securities across different asset classes.

	Direct investments ² 2025 £m	Traded securities ³ 2025 £m	Total 2025 £m	Total 2024 £m
Equities	1,400	672	2,072	2,948
Bonds ⁴	27,067	60,678	87,745	87,172
Derivative assets	–	41,625	41,625	49,195
Property	6,839	–	6,839	5,955
Loans	194	1,070	1,264	2,714
Financial investments	35,500	104,045	139,545	147,984
Cash and cash equivalents	187	2,714	2,901	3,757
Other assets	1,040	–	1,040	1,479
Total investments	36,727	106,759	143,486	153,220
Retained US portfolio ⁵	2,780	4,108	6,888	–
Total investments + Retained US portfolio	39,507	110,867	150,374	
Non-retained US portfolio			3,705	
Total Proprietary Assets¹			108,289	97,554

1. We define proprietary assets as total investments to which shareholders are directly exposed, minus derivative assets, accounting loans and cash and cash equivalents.
2. Direct investments, which generally constitute an agreement with another party, represent an exposure to untraded and often less volatile asset classes. Direct investments also include physical assets, bilateral loans and private equity, but exclude hedge funds.
3. Traded securities are defined by exclusion. If an instrument is not a direct investment, then it is classed as a traded security.
4. Bonds include lifetime mortgage loans of £5,756 million (31 December 2024: £5,861 million).
5. Retained US portfolio includes the investment portfolio of the US PRT business that the Group will continue to be exposed to after completion of the sale.

Investment due diligence

We integrate our commitment to support a low-carbon economy and society into our investment decision-making processes. Our due diligence on new investments includes an assessment of the proposed investment against our climate change objectives, including both quantitative and qualitative ESG indicators. This is scrutinised at our investment committees, considering both the risks and opportunities within each asset.

Borrower engagement

This is covered under our Asset owner engagement strategy on page 22 .

1. <https://www.unepfi.org/industries/position-on-oil-and-gas-sector/>

Our Execution Strategy continued Asset Owner

Partnerships with asset managers

In 2025, L&G and Blackstone announced a strategic partnership to accelerate growth ambitions, including leveraging Blackstone's private credit origination platform to access a pipeline of diversified investment-grade assets, predominantly from the US. The partnership has been incorporated into our transition strategy and we have structured our expected allocation to safeguard decarbonisation performance whilst maintaining commercial competitiveness. The partnership includes dedicated allocations to renewable infrastructure such as solar and wind generation, along with associated systems where Blackstone bring deep expertise and a proven track record.

In addition, Asset Management owns a 40% equity stake in Pemberton Asset Management, a top five European alternative credit manager and a member of the Net Zero Asset Managers initiative (NZAMi). L&G has cornerstoned 12 Pemberton-managed funds with £1 billion of commitments, while our annuity portfolio has also committed c.£900 million to their managed structured credit vehicles. Of c.£27.1 billion assets under management, over €9 billion is ESG-linked lending (as at 31 December 2025), with 62 investments as of end 2025 featuring sustainability-linked terms tied to borrower emissions-reduction targets.

Our asset manager due diligence remains a powerful tool for ensuring alignment with our sustainability principles. Both partnerships strengthen our climate transition plan and the asset classes under their remit align with our strategic objectives.

Property/real estate and infrastructure equity

We have significant investments in property, managed through our Asset Management business as part of our wider £20 billion real estate platform. Building on our long-standing track record in commercial property, in 2025 we made a £2 billion impact investment commitment to drive regional growth across the UK, targeted at housing, infrastructure and urban regeneration, in support of the UK Government's ambition to unlock economic growth across the UK. This builds upon our equity stake in Taurus, announced in 2024, which committed up to \$200 million to high growth real estate sectors in the US. Our strategic approach to this asset class is covered in the 'Our Operations Execution Strategy' section in pages 18 - 19.

On infrastructure, we are further investing in renewable energy and digital infrastructure:

- In renewable energy, L&G is a longstanding investor in, and partner of NTR, a leading European renewable energy developer and operator. L&G brings institutional scale to the market through cornerstone investment in all three of its renewable energy funds, including the L&G NTR Clean Power (Europe) Fund (CPEF) III, managed by Asset Management. CPEF III recently closed with commitments of more than €600 million¹ of our own and third-party capital, underscoring strong confidence in renewable infrastructure as a source of climate impact and long-term returns.
- In 2025, L&G announced the first close of the L&G Digital Infrastructure Fund ("LDIF"), totalling c.€600 million in commitments and associated co-investments of our own and third-party capital. The rapid expansion of digital infrastructure, particularly data centres, is anticipated to deliver wider economic and societal benefits by improving efficiencies across decarbonising sectors and supporting advances in medical and scientific research.

- However, the environmental and societal impacts of delivering these benefits must be recognised and managed. We have developed a proprietary and targeted risk and opportunity framework assessing material ESG factors as a part of investment due diligence, directly engaging on expected ESG-related performance and monitoring performance against key ESG-related KPIs.

Investing in transitioning companies

(ii) Listed (traded) bonds and equities

Our proprietary assets listed portfolio is also mostly managed by Asset Management.

Our corporate listed bond portfolio is managed against a benchmark, into which we integrate our climate strategy and related policies, including our escalation process with leverage expertise across the company.

We also integrate our new business-related asset selection which, further to our overall asset allocation strategy, can drive increased transition financing through a combination of green bonds (£2.1 billion as at end 2025) and issues with favourable temperature alignment scores. Such metrics are also considered in our listed equity allocation.

As called out for private credit and in line with our fiduciary duty, we maintain a well-diversified portfolio across all sectors. As such, we have some exposure to fossil fuel-related companies.

HARP

L&G provided a large tranche of debt financing in the landmark £3 billion transaction to upgrade the Haweswater Aqueduct in August 2025, the largest potable water aqueduct in the UK, serving 2.5 million people across Cumbria, Lancashire and Greater Manchester for the past 70 years via a 110km pipeline. The project will involve the construction of 52km of replacement tunnels with a design life of 120-years to support reliable and high-quality water supply to communities across the region for generations to come.

Investing in nature-based solutions

Providing investment returns via high integrity nature-based solutions to assist offsetting unabated carbon

As mentioned above, we have invested more than £0.3 billion in debt conversions for nature, which target habitat and biodiversity conservation in emerging markets.

In addition, in support of the long-term need for negative emissions, we are actively working towards creating our own nature-based solutions on land that we own, that can grow sustainably and have a lasting impact.

We are focusing primarily on a 155-hectare area of land we own in southern England, while we are exploring further opportunities to scale. The initial site will help us test how these projects could be used to meet a need for high quality carbon and biodiversity credits whilst optimising returns on the land that we own.

1. €607 million has been raised from investors, which includes €584 million of commitments to the Fund and €23 million in deployed and allocated co-investment capital alongside the Fund

Our Execution Strategy continued Asset Owner

Monitoring and reporting

The metrics around transition opportunities and risks continue to evolve. We are committed to increasing investment in climate and nature solutions where this creates long term shareholder and customer value. We also continue to evolve our transition finance exposure with the inclusion of green bonds alongside our temperature alignment metrics.

As we have previously called out, our transition will also be dependent on investee entities having, and delivering on, their decarbonisation targets; as well as the delivery of government policy, and the availability of attractive assets for investing in the transition. We will continue to engage, but we are heavily reliant on the actions of others.

This dependency is particularly important in relation to the underlying methodology supporting the SBTi temperature rating metrics, which rely on investee companies adopting science based targets. The methodology sets a default temperature (3.2 degrees) where there is no target, and this has a very significant impact on our overall results given the proportion of companies that have not yet set their own targets. Whilst there continues to be progress, with over 40% of of global market capitalisation¹ having science based targets, we do not have confidence that this target is achievable in the short term as it would rely on a very significant shift and adoption over 2026.

Nevertheless, we believe that a longer term trajectory target and perspective remains important. As a result, we had identified these targets as “focus areas” last year and have been engaging with the release of the longer term SBTi Financial Institution Net Zero Standard in June 2025, as part of the associated expert advisory group, which has further considered “portfolio climate alignment” target requirements. We are also supporting wider industry developments on this topic. As these discussions and industry best practice evolve, we will review our “portfolio climate alignment” target approach over 2026 and will provide an update on this review within our 2026 Climate and nature reporting.

We will report under these metrics annually, in annual climate and nature reporting, as part of meeting the metrics and targets recommendations of the TCFD. We continue to enhance our tools and metrics, including evolving our approach to alignment with the ISSB standards and future UK Sustainability Reporting Standard (SRS) requirements.

Outlook and dependencies for investing in the Transition

We continue to seek investment opportunities which will further support decarbonisation of the real economy, particularly in real estate and infrastructure, within our strategic asset allocation.

Our performance against transition investment metrics, including investments in renewable technology and infrastructure, is impacted by the availability of assets with a suitable risk return profile appropriate for our risk appetite requirements. The faster the economy transitions, the wider we expect our investment universe to be.

Strategic Commitment	Target
We are targeting a net zero asset portfolio by 2050, in line with a 'Paris' objective, and continue to evolve our interim targets against this objective.	We will reduce portfolio GHG emission intensity by 50% by 2030 and increase financing of low-carbon technology and infrastructure ² .
We have set SBTs in accordance with the SBTi.	<p>Focus area: Align the (SBTi-defined) portfolio temperature score for our listed equity, corporate bonds and corporate loans portfolio, within our shareholder investments as follows:</p> <p>from 2.4°C at end 2021 to 2.1°C by end 2026, covering portfolio company scopes 1 and 2.</p> <p>from 2.9°C at end 2021 to 2.5°C by end 2026, covering portfolio company scopes 1, 2 and 3.</p>
	We commit to maintain the emissions intensity of our electricity generation project finance portfolio, within our shareholder investments, at or below 0.060 KgCO ₂ e/kWh from 2021 through 2030 and only finance 1.5°C aligned electricity generation projects.
	We commit to reduce our real estate investment portfolio GHG emissions by 58% per square metre by 2030 from a 2019 base year.
We will continue to evolve our thermal coal exclusion criteria, phasing out investment-related coal and oil sands exposures by 2030 ³ .	Coal exclusions restrict new investments in issuers with more than 5% revenue exposure to either thermal coal mining or power production without 2030 or earlier thermal coal phase-out plans.
We will report progress in the pursuit of eliminating agricultural commodity-driven deforestation in our investment portfolios ⁴ and we will increase investment in nature-based solutions.	<p>We will disclose deforestation risk and mitigation activities in our portfolio.</p> <p>We will report progress on investment in nature-based solutions and defining associated financing criteria.</p>

1. <https://sciencebasedtargets.org/reports/sbti-trend-tracker-2025>

2. From a 2019 base year.

3. Investment with more than 5% revenue exposure by 2030.

4. Focusing on palm oil, soy, beef and leather, pulp and paper, cocoa, coffee, and rubber sectors.

Our Execution Strategy continued

Asset Owner

Nature and adaptation

Further embed nature into relevant frameworks

We recognise that, as with climate change, our biggest exposure to the risks from nature loss is through our £108.3 billion of proprietary assets. We appreciate that nature-related risks could have significant macroeconomic implications and be a source of risk to financial stability.

Our approach to managing nature-related risks is driven from our Nature Framework, which is further described on page 17. Alongside these engagements, we are building our understanding of the group proprietary assets' exposure to nature-related risks. We started by focusing on risks that cross the climate and nature risk nexus (such as risks from deforestation), while also referring to TNFD guidance for financial institutions. This also helps us to consider how investments can be channelled towards nature-positive outcomes.

Deforestation

One area of particular focus relating to the nexus of climate and nature-based risks, relates to deforestation. Investment deforestation risk exposure generally arises from deforestation activity within complex investee supply chains making related data collection and measurement activities challenging.

Building on our Deforestation Policy within our Asset Management business, we can assess companies based on sector, commodity, geography, and controversies or incidents related to deforestation and human rights in operations and supply chains. We categorise companies according to their degree of potential exposure to commodity-driven deforestation and its associated risks. We use data from a range of third-party providers and our analysis is informed by Global Canopy's guide, Deforestation Free Finance¹.

We continue to build up our nature data capability while noting that specific and locality-driven risks arise within complex operational and investee supply chains, where data collection and measurement activities are particularly challenging. It is an area of focus for us, and our existing mitigations include:

- Asset Management's Deforestation Policy and engagement (described above).
- Internal risk assessment, with 10%² exposure to issuers identified in datasets with potential deforestation risks, as published in our annual Climate and nature reporting.

• Policies and Exclusions

- We have developed and will continue to evolve our investment deforestation policies. We have in place exclusions in relation to violators of the UN Global Compact standards which include deforestation controversies and on names called out as engagement laggards through the CIP, where an insufficient zero deforestation policy, among other climate considerations, has led to an exclusion restriction. We will continue to leverage the activities of Asset Management's stewardship and engagement approach as set out in the Asset Management deforestation policy to engage on this topic.
- We continually review our approach, including our evolving investment due diligence as data sources improve, against industry best practice, including the NZAOA Deforestation guidance and SBTi Financial Institution Deforestation recommendations.
- Outside of deforestation and, as described above, we run an environment related escalation process to apply further governance on our active portfolio management approach. In addition to an initial focus on accelerating the portfolio's decarbonisation trajectory, this initiative continues to be extended to cover nature-related risks. To date, focus has been on management of water, with five companies assessed.
- We continue to enhance our tools and metrics, and climate and nature reporting remains an evolving analysis. We will report our Nature metrics annually, in annual climate and nature reporting, as part of meeting the recommendations of the TNFD.

Build our understanding of, and strategic approach to, adaptation

We are an early adopter of the TNFD framework because we recognise that nature-related risks could have significant macroeconomic implications. We have been developing a set of metrics to begin reflecting our impacts and dependencies on nature, much as we have done in recent years to demonstrate our progress in addressing climate change. As reported in our Climate and nature report, 35%–47%² of our holdings are currently exposed to a set of sectors considered to have material nature-related dependencies and impacts

As an early adopter of these metrics, it is noticeable that agreed methodologies, and access to the data which support them, are much less mature than for climate risks and we continue to develop out our capability in line with industry developments.

Climate resilience in Private Markets

We have enhanced our climate modelling capabilities for real estate equity to assess how acute events, such as floods and storms, may affect asset values, operations, and long-term resilience. This forward-looking analysis combines external data with proprietary methodologies to estimate financial impacts under different warming scenarios, helping identify risk concentrations, evaluate resilience measures and inform strategic decisions.

1. <https://guidance.globalcanopy.org/>

2. As at 31 December 2025.

Asset Manager

Asset manager

Contributing to a net zero aligned transition as an asset manager with £1.2 trillion of AUM, with the ambition of 100% net zero aligned AUM by 2050 or sooner

- Work with industry participants to develop and enhance our collective approach to climate investing.
- Work in partnership with our clients to achieve their net zero targets through solutions-led investment products aligned with their goals, including on related aspects of nature.

Decarbonising real estate equity

- Deploying our real estate net zero roadmap.
- Aligning the Sustainable DC Property Fund with its 2030 commitment of achieving operational net zero carbon.

Nature and adaptation

- Further embed nature into investment frameworks and considerations.
- Build our understanding of, and strategic approach to, adaptation.

Business context

In Asset Management, we believe we have a duty to our clients to seek the long-term success of the companies in which we invest. We view responsible investing as critical to fulfilling this duty; by taking action on climate and nature issues now, we aim to help produce better economic outcomes for our clients. We are committed to embedding climate and nature considerations across asset classes and management styles because we believe that incorporating financially material sustainability criteria, where relevant to our clients, can create long-term value and drive positive change.

To deliver on this ambition, we offer a range of climate and nature-aligned capabilities across asset classes. Our integrated responsible investment framework outlines how we aim to create value through aligning relevant strategies towards clear, consistent, and demonstrable sustainability objectives.

Since we set our net zero aligned AUM by 2050 ambition in 2021, we have worked towards our interim threshold of managing 70% of eligible net zero aligned AUM by 2030 (excluding government securities and derivatives). This includes 100% of L&G's own listed investments, which are already managed to net zero aligned objectives.

At the constituent, fund and firm level, we monitor progress towards achieving our goals. We provide regular reporting for our clients and report through annual disclosures such as TCFD and the EU Sustainable Finance Disclosure Regulation. We will continue to outline our minimum standards and drive for improvements across the companies in which we invest.

Outlook and dependencies

Asset Management is one of Europe's largest asset managers, managing assets for internal and external clients. We are a market leader in providing investment solutions for UK pension scheme clients. We are leveraging opportunities that complement our existing core capabilities, whilst innovating and creating further solutions for our clients. Our full AUM, including our responsible investment AUM, is below:

We assess our approach towards our overall strategic target of total AUM net zero aligned by 2050 on a regular basis. We have made tangible progress towards this overall aim, through our actions and active engagement.

Our progress towards meeting our interim target has been as expected to date but we foresee increasing challenges with the accelerated adoption of climate investment required over the next few years. Therefore, we will review how our interim plans and targets can best reflect achievement of our net zero 2050 objective, taking into account evolving client and industry approaches.

Our progress is dependent on a supportive policy environment, increased data quality and availability, and the willingness of firms to integrate financially material climate and nature considerations.

	2025 £bn
Index	
A diversified range of pooled index funds, providing a wide choice and the ability to pursue specific benchmarks efficiently. In addition, segregated solutions are offered to institutional clients providing large scale customisation against established market capitalisation weighted and alternative indices.	558
Active Strategies	
A range of pooled and segregated active fixed-income funds. The L&G liquidity funds offer institutional investors a solution for their cash management requirements across a range of core currencies. The liquidity funds aim to deliver competitive returns with a high level of diversification, whilst focusing on capital preservation through portfolios of high quality, liquid assets.	172
Multi Asset	
Multi-asset funds for retail and institutional clients, built using our expertise in asset allocation which is informed by an in-house research capability. The underlying asset classes may be managed on an active or passive basis within L&G.	122
Solutions	
A range of pooled and bespoke solutions to help de-risk defined benefit pension schemes. These solutions will usually combine active or passive underlying portfolios with derivative overlays designed to meet clients' specific requirements.	274
Private Markets	
L&G's private markets platform manages private assets across real estate, infrastructure and private credit across a range of solutions for pension schemes and institutional clients. As a leading investor and owner-operator in private markets, L&G looks to meet the needs of our stakeholders by fostering long-term relationships and delivering positive outcomes.	71
Total	1,197

Our Execution Strategy continued Asset Manager

Work with industry participants to develop and enhance our collective approach to climate investing

We will continue to contribute to industry best practice in climate investing, through thought leadership and regular dialogue with clients and market participants. Our existing frameworks have sought to drive credible, clear and consistent outcomes for public and private market funds. The responsible investment framework standardises exclusions, sets clear sustainability criteria, drives measurable outcomes, and aligns with regulatory and market standards. Our net zero approach sets out standards for net zero aligned funds and portfolios, guiding product development and ensuring consistency with regulatory expectations. We believe that climate investing has to evolve to solve the global challenge, and will increase our focus on how investments contribute to reductions in real world emissions. We will continue to evolve our frameworks to reflect emerging client needs and changes in external standards.

Work in partnership with our clients to achieve their net zero targets through solutions-led investment products aligned with their goals, including on related aspects of nature

We use a range of tools to integrate climate and nature considerations into our investments. These include: our ESG Score, which assesses companies on climate and biodiversity factors; the CIP, our flagship engagement programme, for more details see our Asset Management engagement strategy in pages 23 - 24; and our Active SDG Framework, which evaluates company alignment with the UN Sustainable Development Goals.

We also apply the Future World Protection List (FWPL) on applicable funds, our exclusion list for perennial violators of UN Global Compact (UNGC) principles and companies involved in controversial weapons and high-carbon activities.

Examples include thermal coal and oil sands. Recent updates include a “no new coal” rule to ensure alignment with our clients’ climate goals.

We have been at the forefront of industry developments on net zero-aligned investing, evolving from a focus on portfolio-level carbon intensity reductions and exclusions, towards an increased emphasis on forward-looking alignment and engagement to drive real world outcomes. This perspective is central to our Climate Action fund, which targets companies that are both critical to the transition and lagging in progress. Through analysis, active engagement and clear expectations for progress, we aim to unlock shareholder value on behalf of our clients, whilst seeking to drive real-world emissions reductions.

In Private Markets, we continue to invest in solutions that deliver real-world climate and nature benefits, guided by our four-pillar sustainability framework targeting inclusive economy, health, wellbeing and quality of life, climate mitigation and resilience, and protecting and enhancing nature. This includes through our infrastructure platform, where we are investing in solutions that support the energy transition such as the L&G NTR Clean Power (Europe) Fund, which supports Europe’s decarbonisation by investing in wind, solar and energy-storage projects.

The Nature and Social Outcomes strategy¹, launched in 2025, is committed to investing \$235 million in emerging markets to advance nature conservation and sustainable development. The strategy leverages innovative, credit-enhanced financial structures and deploys capital through projects that aim to deliver strong commercial returns alongside measurable positive outcomes for people and the environment.

We will continue to invest in sustainable financing opportunities in emerging markets, aiming to build on L&G’s current total commitment of \$1.2 billion (£860 million).

Decarbonising real estate equity

Deploying our real estate net zero roadmap

Our real estate equity portfolio is committed to achieving net zero carbon by 2050 or sooner. Although this is a key asset management activity, we discuss our strategic approach to real estate in our Operations section, as it falls within our Scope 1& 2 reporting, please see page 19.

Nature and Adaptation

Further embed nature into investment considerations through our engagement with the real economy

We will continue to embed nature-related risks into our investment and risk management frameworks. Following a review of our key exposures to nature risks, our current focus is around the four themes of land, water, enabling solutions, and the links between climate and nature. Our CIP includes around a dozen nature-related indicators, including biodiversity, deforestation, circularity and water, in addition to climate-related indicators. We will continue to ensure we focus our corporate and policy engagement priorities to enhance our impact on managing key risks and better support value creation. For more details see our Asset Management engagement strategy in pages 23 - 24.

Deforestation: we view this as a financially material environmental risk. We have incorporated our expectations into a Deforestation Policy which looks for companies in high-risk sectors to have a public policy and a clear action plan, and this is reflected in our voting approach. As referenced above, these expectations are also included in the CIP. We have seen gradual improvements in company disclosures since the introduction of our Deforestation Policy in 2022.

We will continue this work. We also encourage alignment with the SBTi’s Forest, Land and Agriculture (FLAG) guidance to support global climate and nature goals.

Following updates to both our policy and proprietary assessment tools for deforestation risk, we have strengthened our engagement with companies we assess as having high potential for exposure combined with relatively weak deforestation risk management.

Biodiversity Net Gain in Real Estate: in Private Markets, we are also responsible for £20 billion AUM in UK real estate equity assets, including an increasing pipeline of new development projects. We are integrating measures to manage and mitigate the associated impacts on natural ecosystems and biodiversity loss and to drive value. We have developed a guidance document to support the implementation of regulations and alignment with Biodiversity Net Gain (BNG) planning requirements.

Build our understanding of, and strategic approach to, adaptation

In Private Markets, we are working with specialist partners to deepen our understanding of physical climate risks across our real estate portfolio. Detailed asset-level modelling has helped us assess current and future risks from a range of climate hazards and scenarios.

This analysis underpins our Climate Resilience Framework, which ensures that forward-looking climate risks are consistently assessed, monitored and integrated into investment decisions. To operationalise this framework, we have developed a climate adaptation toolkit providing practical guidance for key stakeholders in incorporating resilience measures throughout the asset lifecycle. This includes enhanced due-diligence requirements for new investments and clear risk management steps for higher risk existing assets. Together, these measures aim to protect asset value and reduce the risk of assets becoming stranded in a changing climate.

1. <https://group.legalandgeneral.com/en/newsroom/press-releases/l-g-s-total-commitment-to-nature-conservation-and-sustainable-development-in-emerging-markets-hits-over-1bn-with-launch-of-nature-and-social-outcomes-strategy>

Our Operations

Our operations

Decarbonise our operations

- Improve the energy efficiency of our occupied offices and real estate that we actively manage.
- Enhance the efficiency of new homes brought to the market.
- Manage business travel emissions.
- Engage with our employees.

Adaptation and nature

- Further embed nature into relevant frameworks.
- Build our understanding of, and strategic approach to, adaptation.
- Deliver internal training on wider climate and nature-related issues from board level down the organisation tailored accordingly.

Business context

The emissions linked to the operation of our businesses, whilst smaller than those driven by our investments, are key to the success of our transition plan. We therefore have greater direct control over these emissions as we have both the opportunity and the strong commitment to manage and reduce them effectively. These emissions are created by the £20bn of assets we own within our real estate equity, and our housing and urban regeneration businesses, alongside the activities of our 10,548 employees working predominantly in the UK but with a wider global presence.

Our objective

Our objective is simple, to reduce emissions from our operations in line with our SBTi validated targets and our wider net zero and nature ambitions. In doing so, not only will we actively drive emissions reductions, but we will also future proof our businesses by minimising our exposure to climate and nature risks and strengthening our overall performance. Our actions will also support the long term value of our portfolios delivering commercial advantages, protecting future value, and enhancing the performance of the assets we own and manage.

The table opposite outlines our strategic commitments for our operations and the pages which follow provide examples of how we execute our operational strategy.

1. Inline with SBTi guidance our scope 1 & 2 target baseline is annually reviewed to reflect business & portfolio changes.
 2. Applies to offices L&G employees occupy where L&G has direct operational control, as defined by the Global Real Estate strategy.
 3. We define a target as science-based if it is aligned to SBTi criteria i.e. is a mid-term reduction target with enough ambition to align with the global net zero trajectory.

Outlook and dependencies

The success of our transition to net zero will ultimately be defined by the decisions we make. External dependencies also have a role to play in our transition, for example, we are reliant on electricity grids decarbonising at their committed pace to enable us to meet our targets.

Net zero standards, as well as reporting guidance, continue to evolve, and we may need to adapt our strategy to align with industry best practices and emerging technological advancements.

Our actions to manage our operational footprint to 2030 may not lead to a linear annual reduction, as we are in a period of business growth. This means that we may see an increase in our absolute carbon footprint before the impact of our carbon reduction and energy efficiency actions result in a more rapid reduction in carbon to achieve our 2030 targets. We plan to scale up these initiatives to 2030, as well as seeking new innovative solutions to support our operations.

“

In delivering our business strategy, from procurement choices to employee working practices, we build key environmental considerations into our decisions.

”

Katie Worgan
Group COO

Strategic Commitment	Target
We will reduce our energy usage in line with our journey to net zero and source energy from renewable sources.	We will reduce absolute scope 1 and 2 GHG emissions by 42% by 2030 ¹ . From 2030, our occupied offices (scope 1 and 2) will operate with net zero carbon emissions ² . All new homes delivered from 2030 will be enabled to operate at net zero carbon, both regulated and unregulated energy.
We will use hybrid working practices and technology to actively reduce the business miles we travel in line with our commitments to net zero.	From 2030, our group-wide business travel will operate with net zero emissions.
We will protect the natural resources we use through the implementation of sustainable procurement principles.	By end of 2026, 80% of our suppliers, by spend, will set a science-based carbon reduction target ³ .
We will protect and minimise the use of water resources in the spaces we create and occupy.	By 2030, our core occupied offices ² will consume a maximum of 22 litres of water per person per day (lpppd) in line with the Real Estate Environment Benchmark (REEB). Zero water pollution incidents.
We aim to minimise and design out waste through the careful implementation of the principles of the circular economy.	We will continue to divert 100% of waste from landfill in all offices and directly delivered housing development projects where we are responsible for waste management.

Our Execution Strategy continued

Our Operations

Our transition approach

Our transition approach for operational emissions is mainly driven by our near term SBT to reduce scope 1 and 2 emissions by 42% from our target baseline¹ and our longer term net zero ambition. These pathways are integrated into our core business plans to ensure that decarbonisation keeps pace with planned business growth.

Decarbonise our operations

Improve the energy efficiency of our occupied offices and real estate that we actively manage and enhance the efficiency of new homes brought to the market

Most of our operational emissions arise from real estate equity activities, guided by our real estate net zero roadmap², established in line with the Better Building Partnership's climate change commitments.

Our key actions are at asset-level, and include implementation of programmes and processes to support decarbonisation, such as:

- Net zero audits: for all new real estate acquisitions and targeted existing assets, informing sustainability plans and retrofit projects.
- Integrated Energy Solutions (IES): on-site renewable energy strategy to assess opportunities for development of on-site renewable generation, electric vehicle charging and microgrids.
- New developments and major refurbishments: required to set net zero targets and carry out operational and embodied carbon studies. These have been updated to align with the emerging UK Net Zero Carbon Buildings Standard.

- Gas removal: our Affordable Homes and Suburban Build to Rent businesses, where we mainly acquire homes from developers, are targeting a staged phase-out of gas from acquisitions, having already committed to this for direct delivery schemes. For our landlord-controlled areas, we are aiming to phase out all landlord gas by 2030. Where this cannot be met for an asset, a clear decarbonisation plan will be established.

The Sustainable DC Property Fund has also taken steps to align with its 2030 commitment, carrying out net zero audits for all assets, and completing a pilot assessment under the emerging UK Net Zero Carbon Buildings Standard.

We also have a target for the offices we occupy, from 2030, our occupied offices will operate with net zero emissions³. This target informs our location strategy, a key part of which is our move to a new head office in 2027, which modelling indicates will be twice as efficient as our current office.

Manage business travel emissions

Our target is for group-wide business travel to operate with net zero emissions from 2030.

We continue to strengthen our governance on when and how employees travel for business purposes, and from 2026 we will link carbon and finance budgets. We also continue to improve sustainability information at the point of travel booking, to support more sustainable travel choices.

We continue to have dependency on the overall sustainability of the travel sector in achieving this target and recognise the need for high integrity carbon offsetting arrangements in the short to medium term to reduce emissions whilst this sector continues to decarbonise. We intend to meet these requirements through our own nature restoration project within Pudding Wood (see pages 9 and 13) and through our nature partnerships.

Engage with our employees – Skills for the future

We continue to upskill our people across the group on climate and nature-related issues from board level down, tailored accordingly. We are building climate and nature capability across our organisation through tailored internal training. At a more senior level our focus is currently on raising awareness around climate scenario analysis to ensure our boards and senior leaders understand climate-related risks and opportunities under different future pathways and how inputs to these models impact the credibility of outputs.

We also have an ESG training academy to upskill our employees on key climate and nature topics and have initiated a Climate & Nature Symposium, drawing together expertise from across the different businesses within the group to share all the opportunities and challenges we face across these topics.

Adaptation and nature

Further embed nature into relevant frameworks

Biodiversity is a key aspect of responsible property management due to the interactions between assets and nature throughout the real estate value chain. We are therefore aligning all new developments with BNG planning requirements, supported by internal guidance to facilitate regulatory implementation.

For existing real estate assets, the Industrial Property Investment Fund (IPIF) partnered with ecology consultants Biora to develop a biodiversity strategy. Initial baselining was conducted for over 40 sites using satellite and AI based assessments. This analysis will support the Fund in determining the ecological and commercial considerations associated with delivering BNG.

Building our understanding of, and strategic approach to, adaptation

Adaptation and resilience are important considerations for our operations. We have worked closely with physical climate risk specialists to conduct granular physical climate risk analysis across all real estate portfolios. This work has informed an enhanced due diligence process and the development of a Climate Adaptation Toolkit to support resilience planning throughout the asset lifecycle.

Our carbon removal strategy

We have, and will continue to, prioritise emissions reductions; however, we recognise that to achieve net zero status, we will require high quality carbon offsets to address residual emissions.

Given the ongoing challenges with the voluntary carbon offsetting market, we are creating our own nature-based solutions project and nature partnerships to generate robust nature-based carbon credits to balance carbon from our offices and business travel. We are currently growing and funding the nature-based solutions we know we will require in future years to meet our net zero commitments.

This approach ensures credible offsets, ensuring additionality and delivering wider community benefits.

1. In line with SBTi guidance our scope 1 & 2 target baseline is annually reviewed to reflect business & portfolio changes.

2. https://blog.landg.com/asset/4a7a45/globalassets/ljim/_document-library/capabilities/ra-equity-net-zero-carbon-roadmap.pdf

3. Applies to offices L&G employees occupy where L&G have direct operational control, as defined by the Global Real Estate strategy.

Our Engagement Strategy

Overview

Our engagement strategy outlines how we advocate for and promote positive climate and nature outcomes. It seeks to work with partners who we are dependent on if we want to see real world impacts from our climate ambitions. It recognises that the changes needed to decarbonise require system wide transformation, and is targeted to safeguard and drive long-term value for our clients, customers and shareholders.

This includes working with policymakers, industry bodies, suppliers, clients, customers and wider stakeholders to support shifts in regulation, policy, market standards and best practice.

Through transparent dialogue, advocacy and participation in sector and global initiatives, we encourage alignment with science-based transition pathways and nature-positive approaches. While outcomes cannot be guaranteed, strategic engagement enables us to amplify our impact, help shape enabling environments, and support the systemic changes required to meet long-term climate and biodiversity goals.

We held 4,130 engagements on financially material climate and nature issues in 2025, and we have seen tangible improvements against our minimum standards.

“ By identifying financially material risks and engaging at scale with clear, measurable outcomes, we are well positioned to help investee companies in building resilience by mitigating climate and nature-related risks to their businesses

”
Eric Adler
CEO Asset Management

Key targets

2026 (end of)

80%
of suppliers by spend to have sent a science-based carbon reduction target¹

2050

Net zero
carbon across our real estate equity platform

Case study

Fortum

Challenge

In early 2022, Fortum committed to become carbon-neutral by 2050 and published disclosures outlining its plan. We believed it needed to go further in developing a resilient strategy that would support sustainable value creation. As a result, we co-led investor engagement within the Climate Action 100+ initiative (CA100+).

Impact

In 2025, the SBTi approved Fortum's 1.5°C-aligned emission reduction targets. The company also disclosed its transition plan, which included detail on how it would meet its emissions reduction targets. Furthermore, in April 2025, the company published its most recent Climate Lobbying Review, taking our feedback into consideration.

We recognise Fortum's progress on its transition approach and we have publicly supported its meaningful improvement. As a result, in 2025 we stepped back from our co-lead position within CA100+, and have focused our engagement efforts on other companies to bridge the gap between their plans and the benchmarks we hold them to.

1. We define a target as science-based if it is aligned to SBTi criteria i.e. is a mid-term reduction target with enough ambition to align with the global net zero trajectory

Introduction

Climate change and nature loss present interconnected and material risks to the financial system which can only be successfully addressed via collective action. We believe that constructive engagement with companies, policymakers and all key stakeholders is the best way to catalyse this collective action, ensure continued progress towards net zero and safeguard and drive long-term value for our clients, customers and shareholders. This in turn helps to ensure a more supportive policy and regulatory framework and assists investees and suppliers to implement changes in their own organisations thus advancing credible, transparent and effective climate and nature action. We review our engagement strategy at least annually, to ensure it is still aligned with our key priorities and risk appetite.

Our engagement spans the following categories and our focus might be different, but still consistent, depending on the role we are engaging for, whether as an Asset owner, Asset manager, for our Operations or as a financial services Group:

1. UK and international regulators, governments, policy makers, standard setting bodies and multilateral organisations:

By engaging with key decision makers we aim to drive clarity and certainty on the vision for a net zero economy, ensuring this is underpinned by a supportive regulatory and policy framework; advocating for the integration of nature considerations into net zero action and pathways, and for consistent and decision useful disclosures and reporting. We also advocate for unlocking of private finance to increase climate action and adaptation.

We seek to improve sustainability standards across the markets in which we operate and invest, both as an asset owner and asset manager, by sharing our expertise and sectoral insights to help tackle systemic market issues.

This engagement is via consultation responses, working groups, round tables and government initiatives.

2. Industry bodies and initiatives bringing industry participants together:

We work with industry bodies, forums and platforms to help drive climate and nature action across markets and geographies and assist in developing workable frameworks and best practice. We work to ensure the voice of long term investors is heard, protect the interests of our clients, assist in developing sector best practice and advocate for outcomes that address issues and dependencies specific to our sectors. We focus on those bodies where we feel the greatest impact can be achieved.

3. Our value chain:

This includes our clients and customers (both retail e.g. life insurance customers through to pension plan policyholders and institutional clients such as large investors), investees, suppliers, occupiers of the buildings we control and stakeholders of our nature-based solutions project. With targeted communication and working together we can help our value chain to also decarbonise.

4. All system-level engagement:

Via partnerships and funding high quality research we aim to shine a light on specific issues, thus raising awareness of the need to act now to avoid the worst risks of climate change and nature loss and catalyse wider action. We also support development of sustainability knowledge in future cohorts of industry decision makers and employees with real-world application, to ensure positive action on climate and nature can continue to be made in the years to come.



Asset Owner

Asset owner

Working for outcomes to ensure our business remains resilient:

- Stay actively engaged with developments in policy, regulation, frameworks, industry best practice both directly and via engagement with global associations.
- Encourage our investments to transition by partnering with our Asset manager investee engagement activities.

Adaptation and nature

- Deepen engagement on nature issues across all stakeholders.
- Engage to a greater extent on adaptation-related issues across all stakeholders.

We will continue working for outcomes to ensure our business remains resilient

Staying actively engaged with developments

As a Group (including Asset owner activities) we engage to keep abreast of developments in policy, regulation, frameworks and industry best practice. We input our expertise and knowledge to help shape these, so there is certainty and a supportive and enabling framework for the sectors we are active across. Recent engagement examples include regular dialogue with the UK Government, active participation at COP30 and responding to regulatory and policy driven consultations from the PRA and Department for Energy Security and Net Zero (DESNZ) respectively.

Alongside this we have had ongoing engagement with the NZAOA and SBTi in relation to financial sector decarbonisation, while we are signatories to the Sustainability Principles Charter for the Bulk Annuity Process.

Finally, we also advocate for more consistent disclosures to ensure the risks from climate and nature are clearly shown and are comparable, as this ensures more robust investment decision making.

Encourage our investments to transition

Our Asset Management business does this on the group's behalf, with climate and nature identified as a key theme within our Investment Stewardship activities and summarised in our annually updated CIP programme and Nature Framework. More information on this aspect of our engagement approach is given in the Asset manager activities of this plan.

Adaptation and nature

- Deepen engagement on nature issues across all stakeholders.
- Start engaging more on adaptation-related issues across all stakeholders.
- We also engage with sovereigns, particularly in relation to policy and regulation considerations, to create the most effective investment environment for scaling long-term investment into the transition.
- Increased engagement with borrowers pre- and post-investment is being used to improve disclosure and drive more positive outcomes across the portfolio. This includes working with borrowers to incorporate ESG considerations into deal structures, such as the development of sustainability-linked loan structures and the incorporation of ESG reporting covenants. Sustainability-linked loan structures incentivise a borrower to achieve specific sustainability-related targets and have been used across several sectors, including to support housing associations with their net zero transition.

Outlook and dependencies

- As an Asset Owner – we value active engagement across our whole portfolio, executing this through our Asset Management approach to encourage our investments to transition, seek more consistent disclosure and protecting the value of our assets.
- Our portfolio emissions directly relate to the carbon footprint of our investee companies and counterparties. An important aspect of our decarbonisation strategy is through active engagement across the economic landscape, and specifically investee companies, to support sector and economy-wide decarbonisation. Alongside close monitoring of the political and regulatory landscape, we will continue to engage with policymakers, regulators and investee companies in support of climate action. While there are challenges in measuring the impact of our engagement, our strategy is based on active engagement with consequences.

Asset Manager

Asset manager

Drive greater action to address systemic climate and nature risk in the real economy consistent with our fiduciary duty:

- Deepen engagements with companies and policymakers with a particular focus on using an investor voice to address bottlenecks in the transition.
- Engage with underperforming transition companies to unlock potential value.
- Expand the share of companies assessed under the Climate Impact Pledge held to account through a vote for their disclosures and actions on climate transition.

We will continue to drive greater action to address systemic climate and nature risk in the real economy consistent with our fiduciary duty

Deepen engagements to address bottlenecks in the transition

Our Investment Stewardship Process

We aspire to safeguard and drive long-term value for our clients by addressing financially material and systemic risks and opportunities across climate, nature, social resilience, and corporate governance. Guided by our universal ownership approach, we leverage L&G's expertise in markets, sectors, and companies to partner with investee firms, hold them to account, and support a conducive policy environment. As part of our Global Research and Engagement Groups, our investment stewardship team works directly with investment teams across asset classes, drawing on sector and asset-class expertise.

Adaptation and nature

- Deepen engagement on and analysis of climate adaptation and nature.

We believe in collaboration and, where aligned with our global strategy and reflecting regional context, we work with peers, industry groups, NGOs, academia, and civil society. We are members or supporters of multiple associations and initiatives focused on sustainability.

Expand the share of Climate Impact Pledge (CIP) companies eligible for potential vote sanctions

We believe climate change and nature degradation are financially material issues for our clients' portfolios and that recognising risks and opportunities in scaling solutions for a low-carbon transition is key to long-term value creation. Across value chains, sectors, and geographies, the imperative to act on systemic issues of climate change and nature degradation is increasingly pressing.

Our CIP is a two-fold engagement programme promoting best practices across portfolio holdings, aiming to raise market standards on climate and nature strategies and governance and processes that help overcome barriers, improve performance and enhance transparency. The CIP covers 56% of corporate securities by value that Asset Management invests in on behalf of clients and 80% of carbon emissions attributable to our corporate and equity holdings as of 31 December 2025.

Data-driven assessment

The CIP focuses on 20 climate-critical sectors, creating a global universe of 5,000+ companies. These sectors span value chains, covering demand and supply sides crucial for market-wide transition.

- Company assessments align with the TCFD framework, now part of IFRS S2 developed by the ISSB.
- We use c.80 data points leveraging in-house climate modelling and third-party data.
- A traffic-light system compares companies' climate disclosures and performance against defined metrics, including 'minimum standards'.
- We write to companies with assessments, encouraging improvement and highlighting potential voting implications, supporting IFRS S2 reporting.
- Assessments are public. We publish sector minimum standards, data providers, indicators, and methodology on our microsite.
- We integrate nature-related metrics into quantitative assessments, as natural capital management is key to net zero.
- We notify companies at risk of a vote against the chair, ahead of AGMs, encouraging them to engage with our published criteria.

Deepen engagement on and analysis of climate adaptation and nature

Our quantitative assessment is complemented by direct 'dial-movers' engagements, consisting of companies selected across regions and value chains, for size and sector influence. We carry out in-depth assessment and engagement with the aim of driving greater action in the real economy, and with a focus on identifying and removing bottlenecks that are preventing companies from aligning with a clean energy transition. We encourage alignment with net zero and climate resilience. If a company does not meet sector 'red-lines' we may vote against the chair at its AGM, considering overall progress on climate and nature. As more data becomes available, we will further deepen our engagement on climate adaptation and the mitigation of nature-related financially material risks.

We may pre-declare voting intentions or divest for applicable funds. Ongoing engagement aims to support improvement for potential reinstatement. We are encouraged by progress and we will look to expand the universe where companies are held to account through our voting, as we work to drive change for long-term client value.

Outlook and dependencies

The outlook reflects an expanding, data-driven focus on accelerating real-economy transition across climate-critical sectors, supported by rising expectations on both climate and nature performance. Progress is dependent on high-quality data to effectively assess company performance, supported by a favourable policy environment which encourages transparency, accountability, and market-standard setting.

Our Engagement Strategy continued Asset Manager

Measuring progress: our 2025 CIP results

- 245 companies identified for votes against in the quantitative stream, a 46% improvement versus 2024
- 28 companies identified for votes against in the qualitative stream, a 24% improvement versus 2024
- Following improvement, 1 company reinstated in applicable funds: Cosco Shipping Holdings
- 15 companies remain on the CIP divestment list (for applicable funds)¹

Engage with underperforming transition companies to unlock potential value

Engagement Process and Goals

In 2023, we launched our Climate Action strategy, an innovative, engagement-led investment approach that goes beyond traditional exclusion methods. Instead, our strategy confronts climate change directly by investing in companies with high emissions or those whose products have a significant impact on the emissions of others, and then actively engaging with them to drive real-world outcomes. The strategy was developed in partnership with AP7, the Swedish government pension fund.

The investment team works closely alongside our market-leading Investment Stewardship team to design bespoke engagement plans for each portfolio company, ensuring that our climate objectives are closely linked to financial materiality and the potential to unlock shareholder value on behalf of our clients.

How Do We Measure Success for the Climate Action strategy?

Success is measured through a combination of quantitative and qualitative metrics. Engagement progress is monitored and reported at both the portfolio and company level quarterly to a dedicated internal working group for the strategy.

- Coverage: 100% of portfolio companies to have been engaged within the last 12 months.
- Progress Tracking: Track the status of engagement objectives over time.
- Meetings and Outcomes: We assess whether engagement meetings and outcomes were successful, partially successful, or failed to meet objectives.
- A core belief of the Climate Action strategy is that, over time, our engagement successes and subsequent company actions will lead to real-world emissions reductions.

To maximise real-world impact, we require robust tools to monitor climate data at the aggregate portfolio level. Traditional portfolio carbon intensity analysis is not fit for purpose, as the decarbonisation signal is often dominated by trading and market movements. We cannot trade our way to climate alignment; ultimately, the companies we invest in and engage with must deliver the decarbonisation.

Outlook and Dependencies

Looking ahead, the success of the Climate Action strategy depends on several key factors: corporate willingness, a conducive policy environment and increased data disclosure. These in turn must be supported by positive market dynamics and a demonstration that decarbonisation drives innovation, efficiency, and brand value.

Engagement with wider financial services stakeholders

Credit Rating Agencies

In 2025, we engaged with the three major credit rating agencies on integrating climate risks into rating methodologies and sustainability assessments. Progress has been made, but integration into formal ratings remains inconsistent. We will continue advocating for consistent coverage and direct inclusion of net zero considerations in ratings.

Stock Exchanges

Stock exchanges are pivotal in advancing climate and nature-related disclosures. After initial outreach to Asian exchanges on TNFD adoption, we engaged Singapore Exchange (SGX) and Bursa Malaysia to align with the Kunming-Montreal Global Biodiversity Framework and embed clear disclosure expectations and implementation roadmaps.

Consultants

We worked closely with investment consultants on climate priorities through meetings and educational initiatives. Discussions increasingly centre on net zero strategies, the 'brown to green' transition, and transition mandates. We will continue engaging to understand requirements and deliver solutions aligned with client needs.

Century Pacific Foods

Identify

In 2025, we selected Century Pacific Food Inc. for engagement due to confirmed or potential exposure to cattle-linked inputs and timber-related packaging, as identified by our proprietary deforestation assessment tool.

Engage

Following limited written responses to our outreach, we applied a vote sanction against the Chair at the 2025 AGM. We subsequently undertook deeper engagement on cattle-linked sourcing, timber packaging, regulatory developments and nature-related frameworks.

The company confirmed quantified reporting and TNFD alignment are still under consideration. At present, the company is prioritising TCFD/IFRS S1-S2 reporting and has commissioned a climate risk assessment.

We discussed the potential for a public, time-bound, zero deforestation policy and programme covering cattle/dairy and timber, no such policy is in place at this time.

In 2026, we hope to see progress on Century Pacific Food's deforestation approach and we will monitor their progress.

Companies are divested from selected funds with £236 billion in assets in total (as at 31 December 2025), including funds in the Future World Fund range, Asset Management's ESG Fund ranges, and the established standard default investment options in L&G Workplace Pensions and the L&G Mastertrust. Companies are divested up to a pre-specified tracking-error limit. If the tracking-error limit is reached, holdings are reduced rather than fully divested. Asset Management's total AUM was £1,176 billion as at 31 December 2025.

Our Operations

Our operations

Decarbonising our operations:

- Engage with our key suppliers on their net zero strategies.
- Engage with occupiers, managing agents and facilities managers across real estate assets.
- Engage with leading industry bodies, to remain abreast of emerging best practices and standards.

Adaptation and nature

- Deepen engagement on nature issues
- Engage to a greater extent on adaptation-related issues.

We will continue decarbonising our operations

Engage with our key suppliers

The procurement of £978 million of goods and services, from over 2,000 suppliers, has associated impacts on climate and nature. We engage with our key suppliers to encourage their decarbonisation which in turn assists our decarbonisation pathway. Our suppliers are the experts in their fields and we aim to work in collaboration with them to build efficient carbon reduction innovations in our supply chain.

We need our supply chains to reduce their carbon emissions at pace to meet our net zero ambitions. Therefore, since our last transition plan, we have set a science-based target¹ which focuses on engagement with our key suppliers to help monitor the actions they take within their business, to deliver improvements in the emissions from across our value chain.

Our target is, 'By end of 2026, 80% of our suppliers, by spend, will set a science-based carbon reduction target¹'. During 2025, to assist our supply chain partners to take steps to meet our target, we

commenced a supplier outreach programme, which we will deploy further over the coming years, including holding our first Power in Partnership Supplier Sustainability Summit.

This is a targeted programme, focusing on engaging with our key suppliers on net zero and wider environmental topics, to help encourage action and share best practice, and where appropriate, resources and guidance. Our ultimate aim is to influence our supply chain partners to take action to positively reduce the emissions from our supply chain.

To ensure the future resilience of our supply chain, we will also assess our key suppliers under a range of future climate scenarios.

Engage with occupiers, managing agents and facilities managers across real estate assets

We are working with data platform provider Deepki to support our remote data collection and sustainability reporting capabilities, as well as facilitating engagement with occupiers.

Our engagement programme includes data coverage improvements through the installation of sub metering, net zero collaboration projects

and enhanced net zero clauses in our leases, supported by our digital occupier engagement platform, Vizta.

We are also working with data analytics platform Arbnco, which collects supplier-specific energy consumption data, reducing the need to collect data from occupiers. This is particularly important for improvement in data availability for our housing businesses.

Engage with leading industry bodies

We engage with a range of external experts and industry bodies to help us stay abreast of emerging best practice and standards.

Below are two of a number of examples of how, using a future looking lens, we engage externally on core operational topics on both climate and nature topics:

- We have actively contributed to the development of the new UK Net Zero Carbon Building Standard through working groups and pilot processes, with pilot studies conducted on eight of our real estate assets in 2025. The learnings from these assessments are being used to help advance the standards objectives. They will also help us to update our requirements for new developments and major refurbishments in line with the new Standard.
- We are also part of a Sustainability Network with our travel booking provider, helping to guide the development of new tools and data to better inform travel sector sustainability goals.

Adaptation & nature

Deepen engagement on nature issues and engage to a greater extent on adaptation-related issues

We recognise that responding effectively to a changing climate requires a systemic approach - one that considers the wider natural environment and the need to adapt to a changing world.

We integrate nature and adaptation considerations into our engagement with suppliers, occupiers of real estate assets and

other external partners. This includes understanding how climate impacts interact with the natural world and how these relationships influence resilience, operational performance and long-term value.

Our engagement focuses on encouraging practical actions that strengthen resilience. This includes:

- promoting resource efficiency
- supporting related, relevant initiatives
- encouraging measures that reduce exposure to physical risks.

We also seek to understand how our partners are adapting their operations and decision-making in response to these evolving risks.

Our approach is informed by ongoing learning and cross-sectoral engagement, recognising that best practice continues to develop. By embedding these considerations into day-to-day engagements, we aim to support more resilient operations in a changing world.

We engage with employees in many different ways and view this as an area where we can have a direct impact. We therefore cover this under our Operations Execution strategy on page 19.

Finally, at Pudding Wood, our forestry and habitat creation project near Gatwick, we have been engaging with the community and other local stakeholders, including wildlife organisations and Gatwick Airport, to ensure open dialogue and to inform them of our progress.

Alongside our CDP Alist rating for Climate & Supply chain we also completed the Forest and Water questionnaires for the first time in 2025, achieving B in both, strengthening our external engagement on key nature topics.

Outlook and dependencies

We are reliant on our key partners, e.g. suppliers and occupiers of real estate, to take action at pace to help us deliver our decarbonising strategy.

Net zero standards, as well as reporting guidance, continue to evolve, and we may need to adapt our strategy to align with industry best practices and emerging technological advancements.

1. We define a target as science-based if it is aligned to SBTi criteria i.e. is a mid-term reduction target with enough ambition to align with the global net zero trajectory.

Key risks and uncertainties

Careful risk management is crucial for a successful transition to a low-carbon economy. The transition continues to involve significant levels of uncertainty, which increase the further into the future we look. Our transition plan focuses on our short and medium-term actions, but there are significant risks along the way.

The key risks and uncertainties associated with delivery of our transition plan are set out below including details of how they will be managed or mitigated, accepting some are beyond our control. Note also the cautionary statement on pages 30 – 31 of this transition plan.

Risks and uncertainties	Risk management	Outlook
<p>Dependency on global transition</p> <p>The emissions linked to our investments far exceed those from our own operations. While we engage with companies to decarbonise and may divest where expectations are unmet, maintaining a diverse portfolio means our progress depends on government policies and the climate targets of the businesses we invest in.</p>	<p>Our commitments rely on governments delivering on their own pledges to achieve the 1.5°C Paris goal, such as the UK's commitment in the Climate Change Act 2008 (2050 Target Amendment) Order 2019. We actively monitor and engage with the companies we invest in to support a Paris-aligned outcome and encourage actions that support this objective.</p>	<p>Global efforts to limit warming to the 1.5°C Paris target are increasingly fragmented. While many governments maintain this commitment, others have retreated, and uncertainty persists around the policies and actions needed to achieve it. Geopolitical instability and cost-of-living pressures have shifted priorities toward securing reliable, diverse energy sources. Although further policy developments are expected, their timing and impact remain unclear.</p>
<p>Rapid social change</p> <p>A smooth transition is reliant both on a consistent and stable global consensus about the need to decarbonise and many actions that may result in inequitable impact across society. If the global consensus becomes too fractured and/or transitional actions do not take into account the needs of all in society, there is increased risk that decarbonisation actions are not accepted, resulting in delayed or disruptive transition.</p>	<p>A successful transition must address both social and environmental issues and is dependent on global consensus on the 'why' of the need to take action. We expect our investments to deliver positive impacts in both areas. Our CIP incorporates 'just transition' considerations in sector guides, highlighting key social factors for climate-critical sectors. In housing, we integrate sustainability with financial metrics, including social impact assessments.</p>	<p>Global consensus about climate has become increasingly fractured and polarised, leading to significant regression on climate action in some countries. This not only slows global progress but could lead to a collective-action spiral, where other countries follow suit. Additionally uncertainty persists over how societal inequalities will be addressed within broader climate policies. Meanwhile, rapid advances in artificial intelligence are reshaping how people work, access services, and engage with institutions, thus accelerating social change that will increasingly influence the pace, equity and stability of the climate transition and investment opportunities.</p>
<p>Investment control</p> <p>Of Asset Management's £1.2 trillion AUM, £1.1 trillion is managed on behalf of external clients who retain ultimate investment decision-making. While we set targets to encourage clients to adopt net zero-aligned funds, we cannot mandate changes to their strategies, creating a risk of slower adoption.</p>	<p>We continue to provide a range of investment solutions designed to meet our clients' investment objectives, including net zero-aligned products where appropriate. We have established clear expectations for the companies in which we invest to support the transition to net zero, and we will continue to proactively engage with companies and policymakers to help drive meaningful progress.</p>	<p>In 2020, we established our net zero approach to support our clients in achieving their investment objectives while effectively managing climate risks within their portfolios. Since then, our clients have increasingly diversified their approach to climate investing, expanding their focus beyond simply decarbonising their portfolios. There is now a clear desire for investments to bring about tangible reductions in real world emissions, as well as manage rising exposure to physical climate risks. Additionally, there is growing awareness of the intricate connections between climate and nature. We share these priorities and concerns, and continue to work closely with clients, offering a range of tailored solutions to help them navigate these complex and rapidly evolving issues.</p>
<p>Evolving science and carbon reduction practices</p> <p>Our approach to climate risk is grounded in science. While evidence of climate change is clear, uncertainty remains over its speed, scale, and potential tipping points. Global actions will influence the measures we take, making long-term projections inherently uncertain. Forecasts and forward-looking metrics should therefore be treated with caution.</p>	<p>Climate and emissions disclosure remains an evolving, best-efforts process. While our understanding of climate risk has advanced, the sector has further to go to align on methodologies, timeframes, and scenarios. We disclose our current metrics in this transition plan and outline methodology updates in the additional information section of our climate and nature report.</p>	<p>We will report progress against our transition plan in our annual climate and nature report, including updates on risks, methodologies, and actions we are taking on climate and nature. The plan will be reviewed at least every three years to reflect evolving science, practices and understanding.</p>
<p>New and evolving technologies</p> <p>Rapid advances in digital and clean technologies will bring significant opportunities for decarbonisation but also create new uncertainties. The rapid expansion of AI and data centre infrastructure is contributing significantly to electricity demand growth in some regions, particularly the US. At the same time emerging technologies may scale unevenly creating dependencies on infrastructure, minerals and supply chains that could delay progress and introduce new transition risks.</p>	<p>Our approach is to capture the benefits of innovation while managing the associated risks. We assess new technologies for their potential to reduce emissions and improve resilience, drawing on evidence that emerging technologies are critical in climate mitigation and adaptation. We also consider the implications of advancement in AI, both in terms of electricity demand for data centres and potential offsetting impacts like the acceleration of climate solutions. However, there is a high degree of uncertainty around the potential impacts, and little comprehensive global data, so these are not currently modelled explicitly in our climate scenarios.</p>	<p>New technologies are expected to accelerate progress towards a low carbon economy, with innovations in AI, digital analytics, renewable energy, storage, carbon capture and climate resilience tools offering powerful levers to support the transition. However AI adoption is expected to remain a major driver of electricity demand, increasing pressure on grids, particularly where expansion of clean energy and transmission capacity lags behind. Balancing the benefits of technological advancement with the associated resource and energy requirements will be critical to ensure that innovation accelerates, rather than hinders, an orderly, secure and equitable transition.</p>

Key risks and uncertainties

Risks and uncertainties	Risk management	Outlook
<p>Extended time horizons</p> <p>Achieving our commitments is challenging given the complexity and global coordination required, and the longer timeframes involved. Beyond 2030, uncertainty increases due to reliance on unproven technologies and potential global disruptions impacting on the operating and investment environment. Over extended horizons, non-linear and compounding climate effects, such as permafrost thaw releasing greenhouse gases as well as ancient viruses and bacteria, could accelerate or even make global warming irreversible.</p>	<p>We set interim milestones to track progress. Our climate risk framework ensures commitments are supported by business-level analysis and integrated into divisional strategies. Governance and oversight monitor delivery and enable adaptation, see page 28, and additional information in the Governance and risk management section of our Climate and nature report. We work with the SBTi to align interim targets with 1.5°C and collaborate with industry groups to share best practice.</p>	<p>We will review our transition plan at least every three years to ensure that it reflects the evolving climate science, global context and the operating and investing environment. External factors, or the outcomes from our own actions, may require us to adapt our future targets and actions.</p>
<p>Physical risks</p> <p>Even under a 1.5°C Paris outcome, physical climate risks will persist, potentially impacting asset holdings and insurance liabilities through more frequent severe weather and long-term climate shifts.</p>	<p>Our exposure to physical climate risks depends on the underlying asset. For direct investments, potential losses are assessed during underwriting using scenario analysis. In Private Markets, for real estate flood risk has been identified as the most significant hazard, and detailed asset-level data continues to be gathered to identify resilience needs.</p>	<p>The WMO State of Climate Update for COP30¹ details that warming has accelerated with the global mean temperature for Jan–Aug 2025 approaching 1.42°C above pre-industrial levels. Adaptation planning has advanced, but gaps and maladaptation remain, and finance is critically insufficient; current flows to developing countries are 12–14 times below estimated needs², constraining implementation.</p>
<p>Reliance on scenarios</p> <p>Climate-related risks remain highly uncertain in timing, frequency, and severity. Scenario analysis helps inform our risk management and investment strategy, as well as client advice, by assessing potential impacts on assets and liabilities. However, given the complexity of global energy systems and long timeframes, assumptions in climate and financial models carry significant uncertainty.</p>	<p>Scenario analysis helps assess potential climate impacts but is not a forecast. It relies on assumptions and approximations, and we do not assign probabilities to outcomes. Our 1.5°C Net Zero scenario (see our climate and nature report³) is only one of many pathways to the Paris goal. As scenario analysis evolves within financial services, we continue to invest in models, controls, and expertise to strengthen our capabilities.</p>	<p>Meeting global carbon reduction targets over the next decade will require unprecedented societal change. We use scenario analysis to understand the key trade-offs involved in an energy transition, potential changes in physical risks and crystallise investment-relevant insights on future risks. As climate science and global responses evolve, we may need to adapt our strategies.</p>
<p>Skills for the future</p> <p>As we transform how we invest, operate, and deliver products, we must build future-ready skills and embed climate considerations into our culture and decision-making. We aim to recruit, develop, and retain top talent, though there is a risk of losing key expertise or misalignment with expectations.</p> <p>We also depend on our suppliers to develop ways of decarbonising their own businesses as well as ours. And scaling these solutions requires adequate supplies and training, for example, heat pump installation to replace gas heating.</p>	<p>Through annual workforce planning, we identify areas needing climate expertise and address them via recruitment and training. Our Board conducts an annual skills self-assessment, including climate considerations, which we use to tailor Board members' training. We are raising awareness around climate scenario analysis for our boards and senior executives to ensure this is well understood. Our online ESG Academy provides thought leadership and education to our employees, who in turn support our clients. We also run a biannual Climate & Nature Symposium, drawing together expertise from across the different businesses within the group for knowledge and skill sharing.</p> <p>We actively manage our supply chain to secure sustainable solutions and assess suppliers' readiness to deliver decarbonisation at scale.</p>	<p>Competition for talent across the full range of capabilities and qualifications is intense and demands that the group offers competitive compensation arrangements as well as opportunities for development and an attractive work environment. People with skills in areas such as new technology are particularly sought after across many business sectors, including those in which we operate.</p> <p>New technologies and solutions need to be supported by a skilled workforce to enable our transition. This has been widely recognised, such as through the UK's 2025 Carbon Budget and Growth Delivery Plan, which sets out the need to develop the skills required to support a transition and in order to secure the benefits from it.</p>
<p>Data</p> <p>Limited availability of reliable, consistent, and comparable emissions data makes accurate disclosure challenging. Divergent frameworks and methodologies reduce transparency and comparability. Forward-looking metrics depend on assumptions about policies, technologies, and other uncertain factors.</p>	<p>Where data or methodology changes affect reported climate metrics, we separate these from performance impacts and provide detailed analysis in our climate and nature report. We account for data uncertainty in decision-making models and actively support the development of global standards to improve data quality and comparability across jurisdictions and in both private and public markets.</p>	<p>Whilst progress continues to be made, the financial sector has yet to align on methodologies, timeframes, and scenario definitions. While we monitor and disclose our metrics, calculation approaches continue to evolve with data availability, regulatory expectations, and emerging industry practices</p>
<p>Decarbonisation pathway</p> <p>This is likely to be uncertain and volatile.</p>	<p>We manage our businesses to align with the mitigation of climate change and to be resilient to the risk of different climate outcomes.</p>	<p>The decarbonisation pathway is likely to remain uncertain and volatile due to evolving technologies, shifting policy landscapes and fluctuating market dynamics. These factors create a complex environment where progress may be uneven.</p>

1. <https://wmo.int/publication-series/state-of-climate-update-cop30>

2. <https://www.unep.org/resources/adaptation-gap-report-2025>

3. Our Climate and nature report

Oversight and governance

Monitoring and reporting progress

We manage our businesses to align with the mitigation of the worst outcomes from climate change and to be resilient to the risk of different climate outcomes. Recognising that today's actions shape future exposures, we track progress against planned transition pathways using the primary metrics in the table to the right, which are reported annually in our Climate and nature report.

Governance oversees delivery of our commitments, including alignment of external industry memberships with our ambition to limit warming to a Paris-aligned outcome. While targets are set at group level, divisional expertise informs the process, and commitments cascade to business managers empowered to deliver them.

Independent verification

We have validated our relevant climate targets with the SBTi, covering our principal emission sources: operational carbon footprint (Scopes 1 and 2) and financed emissions. This report also includes additional commitments beyond the SBTi targets. We will continue to disclose assurance details and progress against our climate commitments in future Climate and nature reports.

Shareholder engagement

We will present this plan for an advisory shareholder vote at our 2026 Annual General Meeting. This continued support will help us to take the important long-term decisions on climate and nature in line with our purpose, fiduciary duties, and the interests of our stakeholders.

Our role	Metric	What does it mean?	Metric Measurement
Asset owner	Investment portfolio economic carbon intensity	This is made up from our ownership share of the emissions of the assets we invest in, be they corporations or governments. It includes equities and bonds, but not cash and derivatives, or any assets already covered in our operational footprint. It is measured per unit of investment.	tCO ₂ e emissions/£1m investment. Primary metric using enterprise value including cash (EVIC) as the stock divisor.
Asset owner	Implied portfolio temperature alignment	This measures the implied warming potential of the group investment portfolio aggregated from its individual components.	°C.
Asset manager	AUM to be managed in line with net zero	The percentage of AUM to be managed in line with net zero.	GBP value of AUM in net zero-aligned funds/ total eligible AUM.
Asset manager	Carbon footprint intensity of downstream leased assets	The GHG emissions intensity associated with the downstream leased assets managed in the real estate equity funds.	tCO ₂ e emissions per m ² of the total leased property area.
Asset manager	Engagement metrics	Complex multifaceted engagements, often over longer timeframes, cannot be fully captured by a single metric. We present a range of metrics that seek to demonstrate our impact when viewed as part of our wider engagement strategy.	Range of metrics.
Our operations	Operational carbon footprint	This consists of the operations we directly control, such as the energy in our occupied offices, the energy from our landlord activities in Private Markets Real Estate assets, and from our housing businesses, including the construction of new homes.	Tonnes of carbon dioxide equivalent (tCO ₂ e) emissions.
Our operations	Energy intensity of real estate	For internal management, we are gathering additional information on the main sources of carbon from the buildings we deliver, including via the energy used in the operation of the buildings.	Energy use intensity: (kWh/m ² /year).
Our operations	Supplier Engagement	The approach taken by our suppliers to manage the environmental impact from their activities.	Percentage of our suppliers, by spend, with a science-based carbon reduction target.



Climate and nature report 2025

 Our Board and GEC oversight is described in our Climate and nature report on pages 22-23

Additional information and further resources

Additional information and materials can be found here:

Glossary

group.legalandgeneral.com/climateandnatureglossary

Our detailed targets and commitments are included in the Climate and nature report on pages 33-34.

Our Sustainability reporting centre

group.legalandgeneral.com/en/reporting-hub/Sustainability



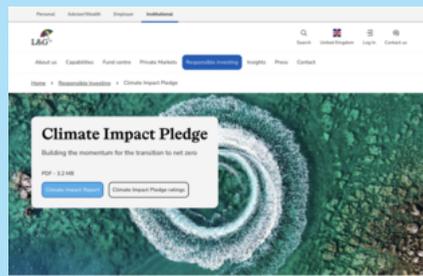
 Our Group annual report and accounts



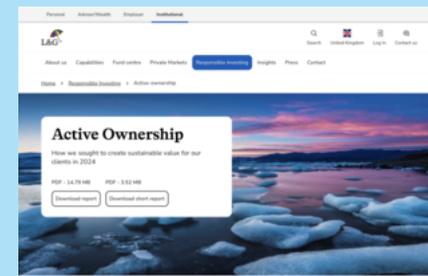
 Our Social impact report



 Our annual Climate and nature report



 Our CIP report



 Our Active ownership report

Cautionary statement

The disclosures in this report, including the metrics, particularly targets, projections, forecasts and other forward-looking metrics, should be treated with caution, in particular given the uncertainty around the evolution and impact of climate change and around broader factors, such as impacts and dependencies on nature.

These disclosures and metrics include but are not limited to estimates of historical emissions and of historical climate change and forward-looking climate and nature-related metrics and estimated climate and nature-related projections and forecasts.

1. The topics addressed in this report such as climate change, impacts and dependencies on nature and associated risks cannot be evaluated in the same way as more conventional financial disclosures.

Primary reasons for this include:

- their unprecedented nature and complexity; the fact that projections of climate change and temperature and impacts on nature are long term as scenarios that play out over at least several decades and are therefore inherently more uncertain
- understanding about climate and nature-related risks continues to evolve
- climate-related and nature-related risks may also interact with non climate-related risks and vulnerabilities and compound impacts in ways not currently anticipated
- climate change, and impacts on nature and biodiversity-loss, and their related risks may be irreversible if certain limits are exceeded
- climate-related and nature-related risks, to a significant extent, arise due to factors outside of our control

- because the physical and transition risks are novel, they differ from the perspective of conventional risk identification, measurement and management (which generally focus on extreme events with a basis in prior experience) and the outcomes are thus more uncertain.
 - This leads to significant uncertainties, assumptions and judgements underlying the disclosures and metrics included in this report that limit the extent to which they can be relied on.
2. The lack of reliable, accurate, verifiable, consistent and comparable data relating to climate and nature makes it challenging to accurately disclose or estimate data or metrics used to assess associated risk and opportunities.

In particular:

- finding the sources for relevant required data remains a challenge as does validating and standardising that data
 - metrics and data, the models and supporting scenarios included in this report rely on third-party sources
 - metrics and data, the models and supporting scenarios included in this report and the measurement technologies, analytical methodologies and services that support them, continue to develop.
3. There is a lack of standardisation, transparency and comparability of disclosure with many diverging disclosure frameworks and methodologies for calculating climate and nature-related disclosures and metrics, in particular, leading to estimates that are not directly comparable.

These differences are compounded by a lack of international coordination on data and methodology standards. Even where methodologies are publicly described, differences across data providers can still make resulting disclosures difficult to compare for investors and others evaluating climate or nature exposure across their holdings. In addition, the methodologies for estimating and calculating GHG emissions or emission intensities and other climate-related and nature-related metrics vary widely in their approaches. This could lead to under or over estimation of implied temperature rises and the attendant climate and nature risks.

4. Disclosures and metrics included in this report may require many methodological choices, estimates, judgements and assumptions about climate change, impact on nature, policies, technologies and other matters that are uncertain or not yet known.
5. Any material change in these variables may cause the assumptions and therefore, the disclosures, metrics and data based on those assumptions, to be incorrect.
6. Climate scenarios are not forecasts; rather they are projections of alternative plausible futures that are designed to build an understanding of the nature and size of changes that may occur in the future. They do not reflect all possible future pathways and, given their long-term nature, are inherently uncertain. These points will also remain relevant, as we expand our analysis to cover nature-related variables. In particular:

- these scenarios and the models that analyse them have limitations that are sensitive to key assumptions and parameters
- these scenarios cannot capture all of the effects of climate and nature-related policy and technology-driven outcomes
- scientific understanding of climate change and impacts and dependencies on nature continues to develop

- models cannot fully capture the range of societal changes that could result from climate change and from nature-related issues
 - over-reliance on a limited number of the same prescribed models or scenarios may amplify systemic climate-related and nature-related risks.
7. This report and the information contained within it is unaudited¹. Further development of accounting and/or reporting standards could materially impact the disclosures, metrics, data points and targets contained in this report. As standards and practices continue to evolve, it may mean subsequent reports do not allow a reader to compare disclosures, metrics, data points or targets from one reporting period to another on a direct like-for-like basis. In addition, the Group's climate risk capabilities and net zero transition strategy and plan and approach towards nature-related issues remain under development and the data underlying these and market practice in relation to the disclosures made in this report will evolve over time. As a result, disclosures are likely to be amended and updated.
 8. Any opinions or views of third parties expressed in this report are those of the third parties identified and not of the Group, its affiliates, directors, officers, employees or agents. By incorporating or referring to opinions and views of third parties, the Group is not, in any way, endorsing or supporting such opinions or views.

Cautionary statement continued

9. While all reasonable care has been taken in preparing this report, neither the Group nor any of its affiliates, directors, officers, employees or agents make any representation or warranty as to its quality, accuracy or completeness and they accept no responsibility or liability for the contents of this material, including any errors of fact, omission or opinion expressed. Some of the information that appears in this report may have been obtained from public and other sources and, while the Group believes such information is reliable, it has not been independently verified by the Group and no representation or warranty is made by the Group as to its quality, completeness, accuracy, fitness for a particular purpose or as to the fact that its use does not infringe any intellectual property or other rights.
10. This report contains forward-looking statements and metrics, such as targets, climate scenarios and emissions intensity pathways, estimated climate and nature-related projections and forecasts. Words or phrases such as 'anticipate', 'effort', 'estimate', 'believe', 'budget', 'continue', 'could', 'expect', 'forecast', 'goal', 'guidance', 'intend', 'may', 'objective', 'outlook', 'plan', 'potential', 'predict', 'projection', 'seek', 'should', 'target', 'will', 'would' or similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements.

The many significant uncertainties, assumptions, judgements, opinions, estimates, forecasts and certain non-historical data underlying forward-looking disclosures and metrics (such as carbon and other emissions metrics) and metrics to assess climate-related or nature-related risk and opportunity outside of carbon exposure may limit the extent to which these climate-related or nature-related metrics are used to better understand risk and evaluate progress towards established strategies, targets, objectives and commitments and could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Any opinions and estimates should be regarded as indicative, preliminary and for illustrative purposes only. The expected and actual outcomes may differ from those set out in this report. It is possible that the assumptions drawn and the judgements exercised may subsequently turn out to be inaccurate. The judgements and data presented in this report are not a substitute for judgements and analysis made independently by the reader.

The statements in this report are based on current plans, expectations, estimates, targets and projections and are subject to significant uncertainties and risks and can be affected by other factors which may result in the Group being unable to achieve the current plans, expectations, estimates, targets or projections. Accordingly, undue reliance should not be placed on these statements.

Factors which may cause actual results, performance or events to differ materially from those expressed or implied in the forward-looking statements include (but are not limited to):

- changes in environmental, social or physical risks
- legislative, regulatory and policy developments, including those addressing climate change or impacts on nature and the way in which and speed at which those developments take place
- the development of standards and interpretations, including evolving practices in ESG and climate and nature reporting
- geopolitical developments which could have a material adverse effect on the markets in which the Group operates
- the ability of the Group, with government and other stakeholders, to mitigate the effects of climate change and impacts on nature effectively
- the delivery of policy actions and achievement of climate reduction targets and any nature-related targets by companies in which the Group invests and in the wider economy.

Please see the Group's latest Annual report and accounts for further details of risks, uncertainties and other factors relevant to the business.

Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and, unless legally required, the Group assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information or for any other reason.

11. The information, statements and opinions contained in this report do not constitute an offer to sell or buy or the solicitation of an offer to sell or buy any securities or financial instruments nor do they constitute any advice or recommendation with respect to such securities or other financial instruments or any other matter.

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