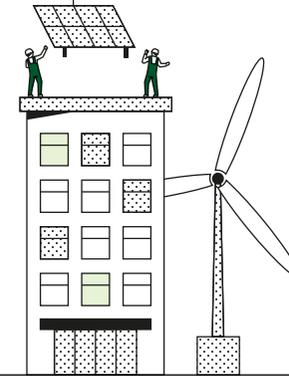
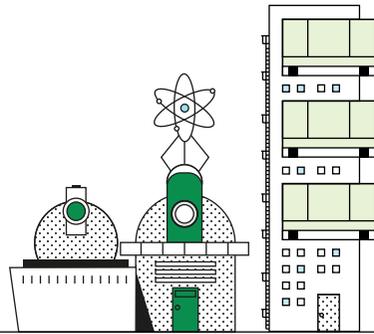




Legal & General Group Plc
Social impact report 2022



Social impact in the spotlight



Welcome to our 2022 social impact report

At Legal & General, 11,500 people are working together to realise our purpose: to improve the lives of our customers, build a better society for the long term and create value for our shareholders. Here's how.



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Summary of our 2022 ESG ratings

Legal & General plc
 Insurance sector
Sustainability Yearbook Member
 S&P Global ESG Score 2022

70 /100

As of February 7, 2023.
 Positive and clear, with industry specific and offset evidence
 Showing strong commitment to responsible investing practices.
 S&P Global 



FTSE4Good

 You can read more about our 2022 ESG ratings on page 62 of this report.

Inclusive capitalism for long-term social good

Legal & General is uniquely placed to make a material difference on a range of social issues. We combine scale, reach and financial strength with the skill, resilience and dedication of 11,500 brilliant people working together.

During 2022, Legal & General continued to work towards its 'North Star': realising our vision of inclusive capitalism, an economic system where long-term investment creates lasting social good.

At the start of the year, we were continuing to put the worst effects of the Covid-19 pandemic firmly behind us and to rebuild. Nobody predicted the speed and scale of the illegal Russian invasion of Ukraine and its effects on economies across the globe.

This event and the subsequent fuel price-led effects on inflation dominated headlines through the year. But the stubborn challenges that Legal & General has been tackling for over a decade, of chronic underinvestment, ageing populations and secular changes to welfare systems, have not gone away amid the acute crises of Covid-19, war and inflation. If anything, the need for deep, structural improvements has been emphasised.

We are well-placed to be the catalyst for tackling these long-term issues because we do not just talk about what needs to be done. We also act: delivering tangible, socially important investments at scale. We manage £1.2 trillion of assets on behalf of our clients. We have around £32 billion of direct investments in sectors such as housing, clean energy and infrastructure, and around 13 million people are insured by, or saving for their pension with, Legal & General.

At its heart, our business is geared around making a difference on a range of social issues. **It's summed up in our ethos of inclusive capitalism.** We use capital, from our shareholders, customers and clients whose money we manage, to invest now in the projects and assets which are needed for tomorrow's economy.

We continue to invest heavily in urban regeneration. 2022 saw new infrastructure investments in the US, with \$500 million seed capital committed across multiple markets; and doubling down on levelling up the UK, with £4 billion pledged to regeneration of the country's West Midlands region.

We're continuing to tackle the UK's housing crisis, building a pipeline of homes across all market segments. Our regeneration and housing businesses are working hard to create better places in which to live and work. And, supported by our partnerships with Oxford and Manchester Universities and University College London's Institute of Health Equity, better jobs and homes will be delivered alongside better health outcomes.

As a provider of financial services which support people through difficult times, we've been conscious of the effect of cost of living pressures, especially on our most vulnerable customers. Improving the long-term financial wellbeing of people whose lives we touch remains an important objective, and in 2022 we created extra value for customers and client companies with the products we supply, while focusing on improving health and wellbeing outcomes.

What our business does is only one part of the picture. How we do it is just as important. As well as capital, our business is rich in people: in experience, knowledge and expertise which are brought to bear every day on the big issues that face society. Thanks to the skill, resilience and dedication of our 11,500 people, Legal & General continues to do its important work of creating social and economic value.

I'm immensely proud to have led this phenomenal group of people for the past eleven years and I look forward to watching the business grow, and reshape society for the better, in the years to come.



Sir Nigel Wilson
Chief Executive Officer

“

As well as capital, our business is rich in people: in experience, knowledge and expertise which are brought to bear every day on the big issues that face society. I'm immensely proud to have led this phenomenal group of people for the past eleven years.”

We combine scale, reach and financial strength

£1.2tn

Assets under management

£32bn

Direct investments

Setting the scene

Together, we're building a more inclusive form of capitalism.

At Legal & General, 11,500 people are working together to realise our purpose: to improve the lives of our customers, build a better society for the long term and create value for our shareholders.

We call this inclusive capitalism and we deliver it through the investments we make, the ways in which we seek to influence other actors in the economy and in how we do business. It is the guiding principle at the heart of the way we make decisions and the impact we aspire to make on the societies we serve.

Most importantly, our commercial success depends on our people. Investing today's capital in tomorrow's growth opportunities to create social and economic value for the long term is only one part of the story. Inclusive capitalism is about more than the end goal of creating an economic system that works better for everyone who is a part of it. It's also about the work our people do every day, no matter their role or where in our global business they work.

People at the heart of purpose

Our people contribute to our purpose in many ways. They use their judgement and experience in deciding where to place investment capital to drive social and economic value. They advise clients on responsible investing and work with regulators, investees, suppliers and others to raise ethical standards in business. They support customers during emotionally and financially difficult times. They design and distribute financial products that create value and build society's financial resilience. They are building a new generation of housing, investing in low-carbon technologies and scouting for new opportunities to invest in financial technologies. And a range of professional support roles enable all this to happen.

How we do things: a culture of integrity

Our aim is to build an organisational culture in which employees act in a **straightforward, collaborative and purposeful** way, and where leadership is **agile, ambitious and authentic**.

As hybrid working becomes the norm in a post-Covid-19 world, we're taking care to ensure that these new ways of working do not erode – but rather reinforce – that culture. We aspire to empower our employees to work together to create value for our customers, shareholders and the communities we're here to serve. You can read more about our approach to strengthening our culture on pages 39-59.

We have an ambitious vision; delivering it begins with us. That is why we take our responsibility as an employer, and as a participant in labour markets through our value chain, extremely seriously. Therefore, we insist on very high standards of business and personal integrity from our people, our suppliers and those doing business with us. This is because we believe that we can only deliver on our ambitions if we have the right foundations for success in place. That includes a commitment to observing the spirit and letter of law and regulation, as well as creating an inclusive environment in which diverse kinds of people can succeed and use their varied experiences to help solve some of the biggest issues facing society.

 You can read more about our work to be a role model for responsible business on pages 37-65 of this report.

“

Our people contribute to inclusive capitalism in many ways: through the work they do every day, and through the culture we are building.”

Emma Hardaker-Jones
Group Human Resources Director



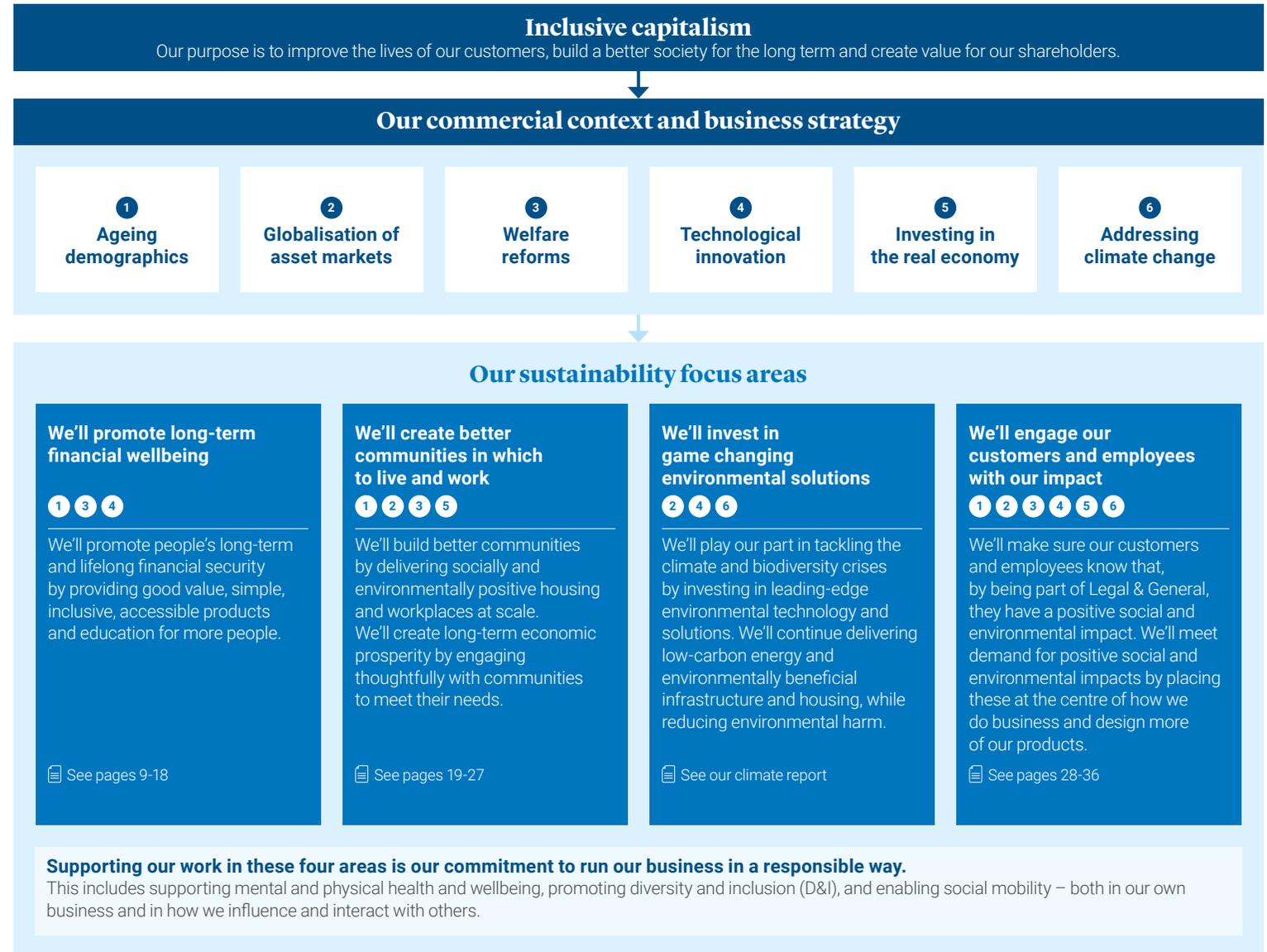
Our approach to sustainability

While this report focuses on our business's social impact, it's important to note that this agenda forms part of our broader approach to running our business in a sustainable and responsible way.

This wider sustainability strategy includes our response to climate change and other environmental issues. It is closely related to our commercial strategy and in service of our principle of inclusive capitalism and our organisational purpose.

We see our social and environmental impact as going beyond simple adherence to the requirements of environmental, social and governance (ESG) considerations. We also see the sustainability agenda and its components as a source of commercial potential for the group. The transition to net zero, the housing crisis and the need to invest in healthcare and other infrastructure all present opportunities for the long-term investment of capital against our future pension liabilities.

See page 6 for more detail on our commercial strategy and how the sustainability agenda helps deliver this.



About our reports

Tackling climate change and other environmental challenges is central to our sustainability strategy. Our work in this area is covered in our climate report.

Aligning with the United Nations Sustainable Development Goals (SDGs)

As supporters of the United Nations Global Compact, we are committed to supporting the SDGs which are most closely related to our commercial strategy. These remain, as in previous years:



3. Good health and wellbeing



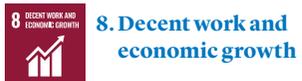
4. Quality education



5. Gender equality



7. Affordable and clean energy



8. Decent work and economic growth



9. Industry, innovation and infrastructure



11. Sustainable cities and communities



13. Climate action

Reporting our progress

This year, for the first time, we're publishing all our sustainability-related reports to coincide with the publication of our annual report and accounts, rather than publishing a separate sustainability report later in the year. This new way of reporting reflects the importance of these issues to our business, and especially the strong links with our commercial growth ambitions.

How we report on ESG matters

Material can be found in three corporate publications, which address the themes of environment, society and governance. We recommend that readers who want to understand our approach to the whole range of sustainability issues read the three publications together.

Annual report and accounts

In our annual report and accounts, we outline our approach to sustainable business. We comment on how our commercial activities contribute to positive environmental and social outcomes. We report in detail the steps we've taken to ensure high standards and quality of governance practices.

Climate report

In our climate report, which is prepared in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we report on our:

- strategy for responding to the climate crisis
- assessment of climate change scenarios
- approach to managing the opportunities and risks
- metrics and targets, including on non-climate environmental matters
- assignment of responsibilities for this work and accountability for delivery.

Tackling climate change and other environmental challenges is central to our sustainability strategy, but our efforts in this area fall in the scope of the climate report.

Social impact report

In this social impact report, we give more detail on our overall approach to sustainability issues and report on our progress towards the areas of focus set out on page 4. The first three chapters of the report focus on these themes, with information about our commercial, operational and not-for-profit activities in each. In the fourth chapter of this report, we present various disclosures on themes including:

- people data
- diversity and inclusion
- statutory gender pay gap information
- our supply chain
- business ethics.

 All publications available on our website: bit.ly/LegalandGeneralInvestors



The commercial context

About our business

Our operating divisions work across four broad lines of business, delivering financial services which contribute to the long-term health of the economy and society. These businesses work together to deploy capital where it's needed, and to ensure we meet our long-term obligations to our clients and customers. We do this by making profitable, environmentally and socially beneficial investments which will create value today and tomorrow.

See our annual report and accounts for more information about our commercial growth drivers and the market opportunities they present.

Our businesses

Institutional retirement

We provide institutional pension risk transfer solutions, guaranteeing the retirement income for corporate pension scheme members.

Capital investment

We use some of our customers' pension assets, as well as the group's shareholder capital, to make long-term investments in assets such as clean energy, housing and SME finance.

Investment management

We are one of the world's largest asset managers and a major global investor.

Retail

We are a leading provider of UK retail retirement and protection solutions and US brokerage term life insurance.

Our commercial strategy

Our commercial strategy is driven by six growth drivers that affect everyone. These are closely linked with our sustainability areas of focus. This is because we see sustainability themes as not only sources of risk to be managed or negative impacts to be mitigated, but also as an important source of commercial potential for the group.



Ageing demographics

As populations live longer, their pensions need to last longer, too. Companies increasingly need to find solutions to their ongoing pension commitments. At the same time, individuals need to ensure that their retirement funds and other assets can finance longer retirements.



Globalisation of asset markets

Asset markets are increasingly globalised and growing. North America, Asia Pacific and Europe are all attractive markets which continue to expand. We look for selective opportunities to build and expand our successful UK business model abroad into markets where we believe we can thrive.



Investing in the real economy

Throughout the UK and beyond, there has been a long-term trend of under-investment in major towns and cities, and we continue to experience a serious housing shortage, while small and medium enterprises can also struggle to achieve scale without access to long-term capital.



Welfare reforms

The plan for adult social care reform in England highlights the continued need to protect people from financial uncertainty. This includes helping people take personal responsibility for saving for their retirement, and safeguarding their financial wellbeing and resilience.



Technological innovation

Consumers, clients and businesses look to digital platforms to help organise their finances and working lives. Technological solutions can increase security, improve the way we work and how we access information. This can mean the difference between success and failure in business.



Addressing climate change

Scientists, policy-makers, markets and regulators increasingly agree that we must limit global warming to 1.5°C to avoid potentially catastrophic impacts of climate change. This requires a transition to a low-carbon economy, which in turn creates risk management challenges but also substantial new growth opportunities, including in innovative technologies and clean energy.

The global context

Despite in-year events, the long-term trends which have shaped our commercial strategy remain relatively stable. These are the secular changes which dominate our strategic thinking.

Our global context

Legal & General's role in the global economy is to match capital with investment opportunities, creating assets with long-term value. We're in a position to influence the development of the economies where we operate but, like others, we're not immune to the effects of macroeconomic trends. And, while we're well placed to generate social and economic good through the work we do, there are certain issues we cannot tackle on our own, and where a wider coalition of public and private sector actors, including investee firms, suppliers, governments, regulators and others, is required in order to make progress.

Responding to new developments

Two major developments either emerged or came into greater focus during 2022: geopolitical instability, acutely felt in the illegal Russian invasion of Ukraine; and the related inflation and cost of living crises. The latter had begun to emerge in the wake of the Covid-19 pandemic and were exacerbated by the effect of the invasion on energy and food prices.

These events have created specific economic conditions, such as significant inflation, which national governments have had to address and which companies like Legal & General have had to navigate carefully. There is information on our response to the cost of living crisis in various places throughout this report.

Geopolitical instability puts pressure on multilateral and global bodies to respond effectively to global issues, including the response to climate change. Meanwhile, the Russian invasion of Ukraine has had the specific effect of increasing short-term demand by some countries for fossil fuels to meet energy

needs in the absence of Russian gas, presenting potential risk to decarbonisation strategies. However, the increased focus on energy security from world leaders should, in the longer term, drive greater investment in renewable energy supply, a more cost effective and potentially more local source of energy for many countries. We address this issue in more depth in our climate report.

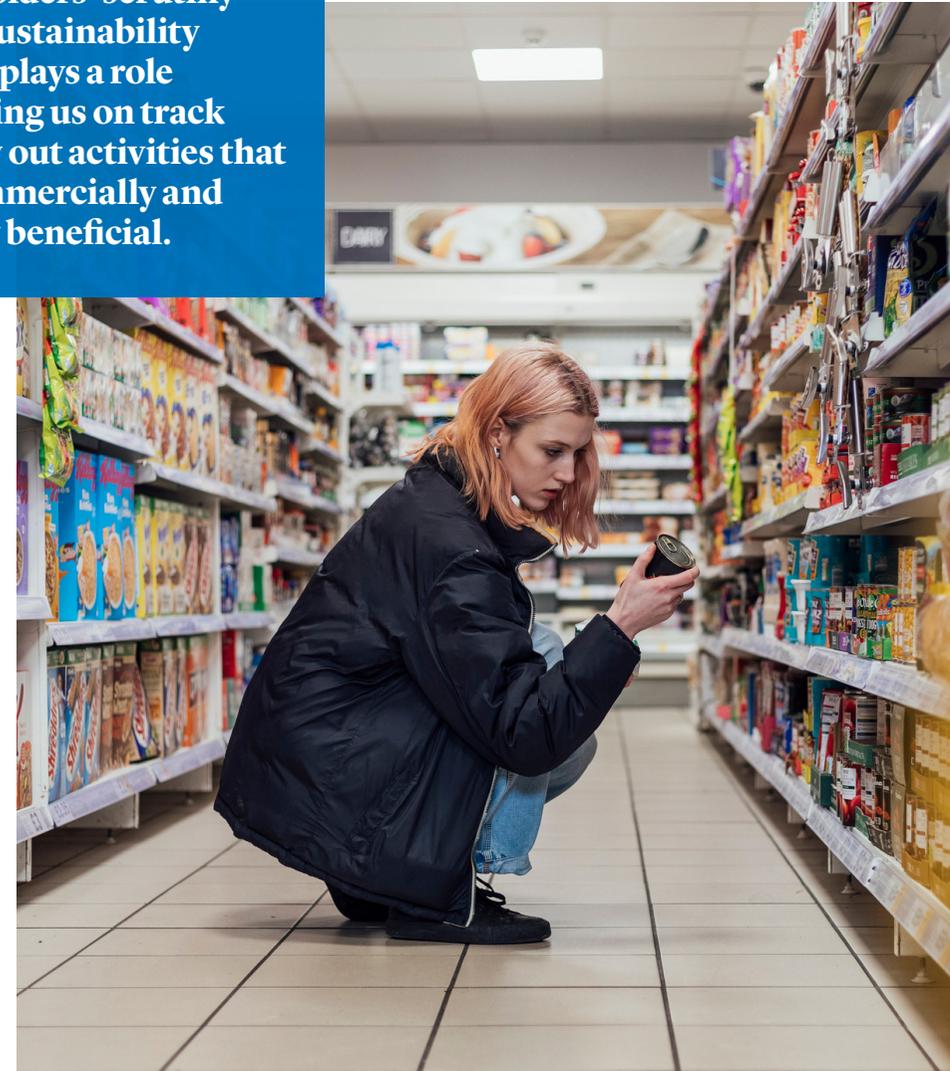
Building long-term economic value, sustainably

Despite in-year events dominating policymakers' attention, the long-term trends which have shaped our approach to identifying our commercial strategy remain relatively stable. Ageing populations, welfare reforms, the climate and biodiversity crises: these are the secular changes which continue to dominate our strategic thinking.

The trend underlying all these is the ongoing scrutiny, from employees, investors, consumers, regulators, politicians and pressure groups, of firms' commitment to addressing sustainability issues. We welcome stakeholders' engagement with our sustainability agenda, because such scrutiny plays a role in keeping us on track to carry out business activities that we know are both commercially beneficial and advantageous for society and the environment.

Despite a backlash against the focus on ESG in certain markets, we anticipate this focus on sustainability, inclusivity, human wellbeing, social impact and good governance, to continue as a major theme for businesses to address.

Stakeholders' scrutiny of our sustainability agenda plays a role in keeping us on track to carry out activities that are commercially and socially beneficial.



Governance

Accountability for building a sustainable business is shared by teams across our business, supported by governance led by our group Board.

Social and environmental sustainability are central to Legal & General's commercial success. Our business model works because we invest today's capital in ways which will drive benefit for years and decades to come.

Accountability for our efforts to build a sustainable business is therefore shared across various commercial and corporate teams in the company. Our governance reflects this.

Roles and responsibilities

Our commercial strategy and business plans, which include oversight of our six growth drivers (see page 6) and therefore the strategic direction for sustainability, are set by the group's Executive Committee (Exco), led by Group Chief Executive Officer Sir Nigel Wilson and comprising executive officers from our operating divisions and corporate functions.

Our Board, led by Chair Sir John Kingman, is responsible for holding the Exco to account for delivery of our business strategy and is ultimately accountable for the long-term stewardship of the group.

The Chief Risk Officer is responsible for ensuring we understand, identify, measure, monitor, control and report risks in line with the risk appetite parameters set by the group Board. The Chief Financial Officer, who is also a Board member, ensures risks connected to our investments are properly managed.

Our sustainability strategy (see page 4) was reviewed by the Exco in September and by the Board in October 2022, allowing executive and non-executive directors to engage formally with this agenda.

Oversight for the delivery of the strategy is the responsibility of the Sustainability team, which reports to our Human Resources directorate. Delivery of specific objectives relating to sustainability is the responsibility of various teams throughout the business (for example, work to quantify, measure and improve the social impact of real estate investment is led by our capital investment and real asset management businesses).

The Exco is the senior decision-making authority on sustainability matters. It meets regularly to ensure continued cooperation between the business divisions and the effective adoption of our culture, a key focus for the group. Exco also ensures efficient operational management and addresses key issues such as diversity, the environment and corporate social responsibility. The Board is the senior governance body and meets eight times a year. For more information on these bodies, see our annual report.

The Global Diversity and Inclusion Council is accountable for governance of our diversity and inclusion activities. It reports to the Board's Nominations and Corporate Governance Committee, comprises senior leaders from across our business divisions and is chaired by the chief executive of our capital investment business, Laura Mason.

Remuneration

Following the addition of an ESG measure to executive directors' annual bonus performance conditions in 2021, we have continued to apply such conditions to executive reward.

Performance against 'strategic objectives' determines 30% of executive directors' bonus opportunity. 'Strategic objectives' covers a range of sustainability-related matters, including customer, culture, and ESG. Environmental performance measures are aligned with the commitments made in our climate report.

Governing our response to climate change

The issue of climate change is central to our risk management and growth agendas and therefore we have separate, complementary governance in place for this specific issue. Please see our climate report for full details of how we manage this.

 See our annual report and accounts for fuller information on our remuneration policies.

Long-term financial wellbeing

In this chapter, we explore the products and services we offer to customers at different life stages. We describe how we're partnering with not-for-profit organisations to help people with their financial wellbeing.

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The UK’s Money and Pensions Service defines financial wellbeing as being “financially resilient, confident and empowered.” While life can be unpredictable, understanding and being in control of personal financial matters can help people feel secure in knowing that if the unexpected happens, they are as well prepared as they can be.

Financial wellbeing issues can affect every part of an individual’s health. Current cost of living pressures are affecting those who might never have felt financially stressed. Whatever someone’s age, life stage or financial position, it’s vital that they’re money confident. This involves understanding finances and taking steps to meet future financial needs.

Alignment with the UN SDGs



Our approach

At Legal & General we’re committed to creating a better financial future for our customers and the communities we serve. We offer a range of products and services that help people manage their current situation and plan effectively for a secure financial future.

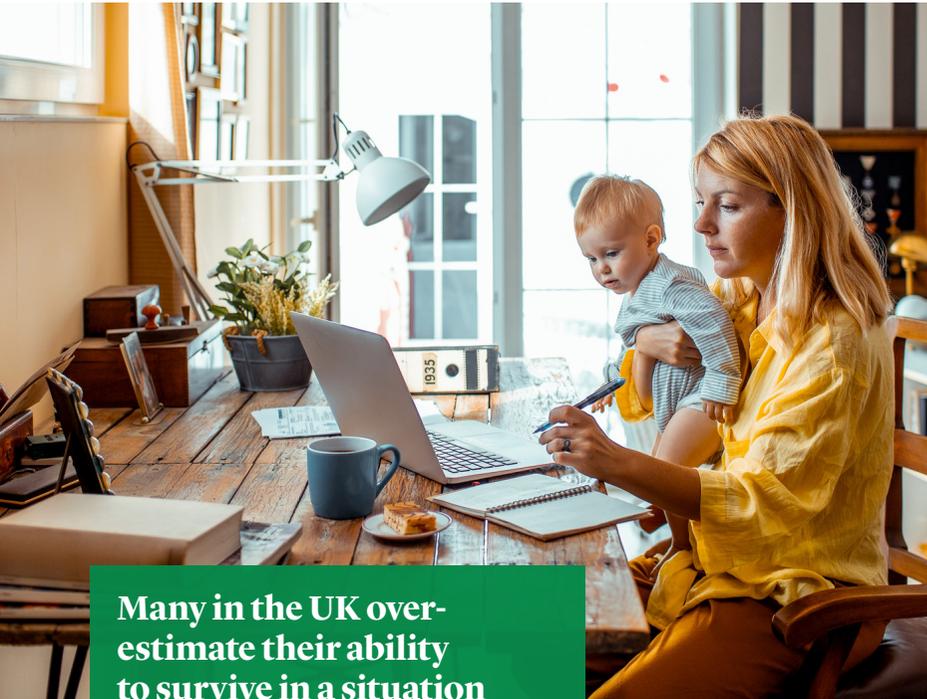
Key highlights

- We created a free **Midlife MOT** course in partnership with The Open University and with the support of the UK Government’s Department of Work and Pensions.
- We invested in innovative mortgage lender **Generation Home**, which helps first-time buyers onto the property ladder.
- We launched a three-year partnership with financial education charity **RedSTART**, whose mission is to improve primary school children’s financial literacy.



Products

As a leading provider of insurance and retirement products, we have a role to play to improve people's long-term financial wellbeing.



Many in the UK over-estimate their ability to survive in a situation of sudden income loss. Our research shows that the average household would be able to meet its needs for only 19 days.

2.5m

pre-retirees planning to delay their retirement due to the cost of living crisis.

Long-term financial wellbeing through our products and services

Through our Retail business, we offer products and services that support individuals' and society's long-term financial wellbeing. We enhance these with extra services aimed at improving our customers' ability to cope with difficult times. This has become particularly important as cost of living pressures impacted more of them. We create additional, targeted value for customers who need it most, at all life stages.

Supporting our customers through the cost of living crisis

This crisis impacted UK households in 2022 and, with it, our research has revealed some important emerging trends. Our Deadline to Breadline report¹ revealed how vulnerable people would be if they suddenly lost their income. Many in the UK overestimate their ability to survive in this situation. Households, on average, think they would have 60 days' worth of savings to meet their financial needs. Our research revealed that the number is closer to 19 days, down from 24 in 2020. At the same time, many people are reducing their savings to help make their money go further or considering removing whatever safety nets they have in place.

This insight is important for financial advisors because it will help them help their clients to make informed decisions that will safeguard their financial futures. To help people better understand their finances and plan for the unexpected, we launched a financial safety net content hub providing free tools and resources to help people improve their financial wellbeing.

Supporting people who had to change their retirement plans

Perhaps unsurprisingly, the crisis is influencing people's plans for retirement, with 2.5 million pre-retirees planning to delay their retirement as a result². Our 2022 'Reclaim Retirement' campaign encouraged people to make financial decisions based on knowledge rather than fear of the unknown. We launched a 'Reclaim Retirement' support hub bringing together links to independent free resources with helpful tips and guidance on maximising retirement. This includes access to our award-winning podcast 'Reworkment', in which broadcaster Angellica Bell connects people with big financial questions to the money experts who have the answers.

 See the 'older people' section on pages 14-16 for more information.

1. Shrinking safety nets: Working families raid savings to meet the demands of rising living costs, Legal & General (bit.ly/LegalandGeneralShrinkingsafetynets)
2. 2.5 million plan to delay retirement due to cost of living crisis, Legal & General (bit.ly/LegalandGeneralCostoflivingcrisis)

Products continued

Supporting our insurance customers' wellbeing

As a leading insurance provider, it's our role to make sure people have all the available options to protect themselves.

We offer our Retail Protection customers access to a personalised Wellbeing Support service, provided by RedArc Assured Limited. It's available to customers who have a policy through an intermediary, some partners, and those customers who submit a policy directly to us or via an aggregator.

The service recognises that we all face hard times in life, from bereavement to illness, and we could all do with a reassuring chat from time to time. That's why we offer it to customers as part of our life protection policy, whether or not they have made a claim.

The phone-based service offers as many calls as the customer needs, as well as information, advice, clinical assessment, and help organising additional services. Registered nurses from RedArc provide practical and emotional assistance, covering a range of areas, including:

- dealing with a serious illness from first diagnosis to returning to work
- bereavement support
- mental health support including counselling and therapy
- carer support
- help at home
- dietary and lifestyle guidance.

Supporting families with sick children

In 2022 we launched Project Smile, an initiative to support the families of children going through a difficult medical diagnosis.

With Project Smile, every time we pay out a claim relating to a child's illness, we send a gift to the child. We choose it according to their preferences; it can range from gift vouchers to a Peppa Pig toy. Recognising that a child's illness affects the whole family, this initiative gives us a unique opportunity to make a difference beyond just dealing with a customer's claim.



Midlife MOT:

The midlife years (40 – 60) can be a time when individuals face complex challenges. They may be wondering about the next stage in their career, juggling support for family members young and old, or thinking about how to fund their retirement.

That's why, in partnership with The Open University, we created a free [Midlife MOT course](#). Supported by the UK Government's Department of Work and Pensions, the course is designed to encourage those in midlife to take stock of their current work, wealth and wellbeing. It helps them to be financially resilient and as prepared for the future as possible.

The course covers topics like budgeting, how to cut spending painlessly, reorganising debts and building investments to supplement pensions in later life. Participants can review their work lives: is it the right time to change job, start a new career or even start a business? The third part of the course explores physical and mental wellbeing.

After taking the course, we want participants to feel more equipped and empowered to:

- review their finances, understand how to improve their current financial position and know what retirement income they'll need
- look at their work life and create a plan for any changes they might want to make for the future
- assess their personal wellbeing and understand any issues they need to address.

The course is free for all to access and we promote it especially to customers whose workplace pension schemes we manage.

Financial technology

We're using the power of technology to help promote individuals' long-term financial wellbeing.

Technology for long-term financial wellbeing

Our Fintech (financial technology) business has the sole purpose of building profitable and socially useful businesses working in the following core areas:

- **workplace:** financial wellbeing, health, payments/neo-banking, workplace savings
- **home:** mortgages, equity, home buying and renting, surveying
- **health:** insurance, protection, health technology, later life care
- **wealth:** wealth accumulation, retirement advice, pension tracing, personal investing.

Investing in financial wellbeing through technology

We're helping to deliver financial freedom through fintech with our investment in Moneyhub, a leading provider of open data and specialist API connections

for banking and finance organisations. It lets customers access accurate, real-time financial data, helping them analyse their spending and saving habits and make better financial decisions.

We've invested in innovative mortgage lender Generation Home, which has the goal to 'make everyone a homeowner'. To do this, it helps first-time buyers onto the property ladder by making it easy for friends and family to support them. It's also cutting mortgage processing times, looking to secure offers for customers 10 days earlier than traditional lenders.

Looking ahead, our Fintech team will continue to set socially useful businesses up for success as they scale, by investing conscientiously and supporting them closely, taking them from 'start up' to 'scale up' to 'grown up'.



Onto

When assessing fintech investment opportunities, we consider our sustainability goals at the evaluation stage. Our investment in electric car subscription service Onto is a good example of our approach. Onto wants to make electric cars affordable, flexible and sustainable. The Legal & General Fintech team is helping Onto expand in line with growing UK and European demand for affordable green transport, supporting the UK's move to net zero and ensuring more people from across the economic spectrum can access electric vehicles.

“

This funding round is a huge milestone for Onto as it sets us off on our journey to Europe. We believe that making it simple and easy to get an electric car is essential to building a sustainable future.”

Rob Jolly
CEO and co-founder, Onto

Salary Finance

We have a long history of making a positive difference through socially responsible investing in fintech. This is demonstrated by our long-standing partner, Salary Finance.

Part-owned by Legal & General, this financial technology company supports financial wellbeing by offering salary-deductible loans, savings and early wage access. Employees of organisations across the UK and US have access to Salary Finance products, reducing the need for them to access higher interest

products like payday loans or black market products. With repayments collected directly from pay, the service helps people improve their financial health and supports their ongoing financial wellbeing as it avoids the stress and financial risk associated with accessing more expensive finance options.

The growth of [Salary Finance](#) shows that the need for trustworthy, easily accessible financial support is keener than ever.

Older people

As people live longer, their pensions need to last longer, too. They need to make sure that their retirement funds and other assets can finance longer retirements.

For many years, Legal & General has been helping customers plan for and achieve long-term financial wellbeing. Our Midlife MOT course, for those aged 40 – 60, was created to encourage people to think about their financial future earlier in life (see page 12 for more information on this).

Nevertheless, external factors continue to play a role in older people's financial wellbeing. Our own research discovered that 2.5 million pre-retirees will have to delay their retirement as a result of the cost of living crisis. Among those delaying it, 1.7 million expect to have to keep working indefinitely either part time (19%) or full time (9%).

Challenging circumstances can make retirement tricky to navigate and plan for. That's why we help our customers think more broadly about the role different products and assets can play. We encourage them to make use of the free, impartial support available offered by organisations like MoneyHelper and Citizens Advice.

46%

of workers aged 55+ have had their plans impacted by external factors such as the Covid-19 pandemic, Brexit and rising living costs.

Our products and services supporting older people

The thought of retirement can be overwhelming: 52% of UK adults have not taken advantage of the free financial guidance available from services like MoneyHelper. Through our communication channels we encourage customers and other members of the public to do so. We have supplemented them with new resources including our 'Reclaim Retirement' hub which makes it easier for people to get help with understanding their options.

Retirement planning: we actively encourage those considering delaying their retirement to make sure they fully understand their financial situation, whether by using tools, research, guidance, or – where appropriate – financial advice. We offer a free retirement planning course, created in collaboration with The Open University, that sets out the steps individuals can take towards a financially secure retirement.

A blended approach: we support older people by giving them a range of products to consider when it comes to retirement income. For example, a customer might want the flexibility of a drawdown option combined with the reassurance of a pension annuity, which provides a guaranteed income for life. We also offer a fixed-term annuity which gives greater flexibility for those who want to bridge their income until another source of pension income kicks in. In uncertain times, people might prefer to fund some of their retirement with a guaranteed income.

Don't be afraid to talk: we want to encourage anyone feeling overwhelmed or anxious about their retirement to call their pension provider. Supporting customers' financial wellbeing is core to what we do. We urge anyone who is struggling to contact us first so they can talk through the issue and understand their options.

Lifetime Mortgages

Our Lifetime Mortgages let customers aged over 55 access the value held in their homes and use the money to support family members, maintain their income and cover other expenses. Our equity economy report⁴, published in 2022 and conducted with the Centre for Economics and Business Research, found that cash accessed by equity release supported nearly £3.8 billion in UK gross value added (GVA).

The report also shows the wider economic benefits that equity release generated. One example is the use of released equity for home improvements, which benefits contractors and their suppliers. Just under £2 billion in GVA was created in this way in 2021. In total, every £1 spent as a result of equity release supports £2.12 of UK economic activity. Spending funded directly by equity release generated more than 45,000 jobs in the UK economy.



4. [the-equity-economy-economic-impact-final.pdf](https://bit.ly/LegalandGeneralTheequityeconomy)
(bit.ly/LegalandGeneralTheequityeconomy)

Older people continued



Care Concierge: a 'lifesaver'

Legal & General's Care Concierge service was 'an absolute lifesaver' when Susannah needed help for a family member. Her uncle, in his 70s, struggled after losing his wife

and was admitted to hospital twice with various health issues.

Susannah felt helpless, until she called us.



Someone suggested I call Legal & General's Care Concierge service and I spoke to the most amazing woman. She was an absolute lifesaver. She gave me some options to think about, including other people I could talk to and where we could access emergency funding. I can't speak highly enough of the Care Concierge service – I don't know what we would have done without them."

Susannah
Care Concierge customer

Care Concierge

To help tackle the challenges presented by the UK's complex later life care system, we continue to develop [Care Concierge](#): our confidential, impartial and one-to-one telephone service through which individuals can better understand and navigate all aspects of later life care. Care Concierge's mission is to support older people and their families through this time, helping them to understand, find and fund the care they need. The service includes:

- guidance from care experts who have decades of experience with social care and can find the right options, helping to ease the practical and emotional pressures facing individuals
- help with understanding what type of care is needed, how to find it and how to arrange it
- guidance on care costs and payment options. This can include explaining the local authority assessment process, top-ups, NHS funding, state benefits or power of attorney
- identifying suitability for regulated advice, including finding specialist advice through a Society of Later Life Advisers-accredited independent financial advisor
- access to online care service information and advice.

During 2021 and 2022, Care Concierge engaged with more than 130,000 people online, and provided guidance to 1,147 customers, helping them and their families understand, find and fund later life care. In the past two years, the service has been available free of charge to:

- all employees of our Group Protection clients – even if the employees are not covered by the Group Protection policy
- customers of our Home Finance business
- those accessing the service via partnership organisations including local authorities, the charities Independent Age, Carers Trust, Elderly Accommodation Counsel, and the care home provider MHA
- UK-based employees of Legal & General.

From 2023, Care Concierge will be provided free of charge to customers and clients across additional Legal & General business divisions, including Workplace Pensions, Retail Protection and Retirement Income.

As well as helping individuals better understand the care system, the service helps our corporate clients add value for their employees, by:

- tackling gender inequality: women are considerably more likely to take on a caring role and the service is therefore particularly of benefit to female employees
- preventing 'brain drain': caring responsibilities frequently affect those in their 40s to 60s, who are typically at the peak of their career. Supporting these employees can help reduce the impact of emotional and practical worry on their ability to deliver in their roles
- reducing employee turnover: on average, 600 people a day give up work to become a carer⁴. Using Care Concierge can help reduce turnover due to caring responsibilities.

130,000

people engaged with our
Care Concierge service online.

1,147

customers provided
with guidance.

4. Key facts and figures, Carers UK

Older people continued

Working with the third sector

We continue to work with third sector organisations to benefit older people's financial wellbeing.

Age UK

In 2022, we entered a new three-year partnership with Age UK, the UK's leading charity for older people, to support their mission of ensuring that no older person has to struggle alone. We're working with them on:

- **a new bereavement support service:** Age UK has identified a need for specialist, locally provided, bereavement support for older people. With our support, the pilot for this launched in August 2022 in London, Sheffield, South Lakeland, and West Sussex. Data and lessons learned from this pilot will be used to support the nationwide rollout of this service
- **a national advice line:** a trusted source of impartial and expert information, Age UK's advice line is the place to which many older people and their families first turn for support. More than 205,900 calls were answered in 2022, thanks in part to our support. Two out of every 10 calls were about social care and almost three out of 10 were about money and finances
- **research into the future of care:** the Covid-19 pandemic impacted older people's health outcomes significantly. But what are their medical, physical, and mental health requirements? How have these changed as a result of the pandemic? What formal and informal care are they accessing? Is it meeting their needs? We have funded research to help answer some of these questions and make sure that older people's care needs are being met

- **information and advice guides:** Age UK information and advice guides are short, easy-to-digest publications for older people and carers. With our support, Age UK updated its 'When Someone Dies' guide: a resource providing information on what to do first, the funeral, dealing with the estate, financial help, and emotional support. In 2022, the guide was downloaded 4,301 times and more than 11,232 hard copies were distributed to those in need.

Carers First

People providing long-term care to a friend or family member have been amongst the hardest hit by the cost of living crisis. Nine out of 10 carers surveyed in 2022 by the charity Carers First revealed they are losing sleep at night because of financial worries. More than half said they were in debt, or close to it, because of their caring responsibilities; and a third revealed that they regularly go without food to make ends meet. In 2022 we sponsored Lighten the Load, Carers First's campaign aiming to provide carers with information about financial support options such as discounts, grants, and benefits.



Through our work with Age UK and Carers First, we've been helping older people to build their financial wellbeing, especially at the times when they're at their most vulnerable.

Younger people

It's never too early to think and talk about finances: having a healthy relationship with money is critical for confidence in dealing with financial matters, and it starts from an early age.



“

Money can be a minefield, no matter your age, and it can be even trickier for children from disadvantaged backgrounds who aren't given the support they need to learn. We want to make navigating all things finance easier for children across the UK.”

Jack Roper

Group Head of Sustainability, Legal & General

Understanding how to budget, managing and paying bills, accessing affordable credit and living within one's means are all life skills that will help improve long-term financial wellbeing and reduce money-related stress. This is important given the link between financial and mental wellbeing.

Supporting young people with their financial education is an important part of our approach to long-term financial wellbeing. Young people who have not got the skills to manage money, access educational opportunities and move into high-quality work, can be affected throughout life, through being less able to live independently and in a financially secure way.

RedSTART's Change the Game programme

Recognising how essential it is to have money management skills and positive financial habits from as early an age as possible, in 2022 we signed a three-year partnership with financial education charity RedSTART, whose mission is to improve financial literacy in primary school children.

Our support will enable RedSTART to deliver a series of age appropriate, immersive, and professionally accredited financial education events to these children.

RedSTART teaches primary school children from some of England and Scotland's most disadvantaged communities how money works and gives them the skills they need to avoid ending up in debt traps. They teach children progressively, building on their previous years' knowledge. RedSTART will enable 47 primary schools to deliver around 175,000 hours of financial education for over 17,000 children and 20 engaged partners. Through the seven years of primary school, they will foster and track pupils' development and provide resources for teachers and parents. To measure efficacy and gather data for public policy development, RedSTART is partnering with King's College London and Boston Consulting Group to evaluate the impact of the programme.

The researchers will report back in 2029, with mid- and full-year reports tracking the programme along the way, allowing for RedSTART to make any extra interventions as needed. The reports will provide a body of evidence that will be presented to the Government to support the case for financial education to be a core subject for all 4.7 million primary school children across the UK.

We will also work closely with RedSTART to expand the programme into Wales, with a plan to launch in six Welsh schools in September 2023.

“

We're delighted that Legal & General is supporting us. Our mission is to transform the life chances of some of the UK's most disadvantaged primary school children by teaching them financial literacy and basic monetary skills. The partnerships we form will ensure that we reach as many children as possible. Legal & General's values match perfectly: supporting people with their long-term financial wellbeing.”

Sarah Marks

CEO, RedSTART

Younger people continued

Other charity partnerships with young people Dare to Dream

For the past three years, our employees based in our Hove, UK, office have been working with 'Dare to Dream', an initiative which seeks to support the resilience, self-awareness and wellbeing of young people who have become disengaged with school. Aided by local influencers and businesses, the charity works with schools, youth clubs, colleges and universities to give young people the confidence they need to fulfil their potential.

Employees from Legal & General have mentored young people through the 'Dare to Dream' initiative, using their own experiences and extensive knowledge to motivate young people. The mentors promote and reinforce core themes that are central to wellbeing, employability and a positive future.

Legal & General employee Tessa Roden was one of the mentors, and commented: "Many of the young people have challenges that influence their behaviour. This programme reinforces the message that young people do not have to be defined by their past or their current circumstances. Simply offering to listen, really listen, can be life-changing for them."

Some of the young adults visited our offices to see the variety of roles available at corporate organisations, from jobs in finance to hospitality and even gardening and groundskeeping.



FastFutures

We continued building our partnership with the digital employability skills programme, FastFutures, in which we were a founding partner in 2020. The programme is aimed towards disadvantaged young people and in the past three years, we have donated £400,000, with over 350 of our employees volunteering to mentor a learner.

The young people have benefited from getting a perspective on their careers and aspirations as well as guidance on CV writing and interviewing. Of the 7,000+ learners enrolled, 69% found a job post-programme.

FastFutures was conceived of as a response to the Covid-19 pandemic, created with the hope of mitigating some of the negative effects of the disruption to young people's education during lockdowns. Free for learners to access, the programme places particular emphasis on reaching young people from diverse and under-represented backgrounds.

Legal & General employees have been involved in the programme through mentoring learners and contributing to panel discussions, as well as acting as assessors at business pitch sessions given by the young people.

More information about FastFutures' successes can be found in the programme's 2022 impact report bit.ly/ImpactStrategicVisionReport.



The Covid-19 pandemic emphasised gaps in young people's skills and exacerbated inequalities. Our investment in FastFutures was our response to both these issues. The programme's success shows its enduring usefulness."

Emma Hardaker-Jones

Group Human Resources Director, Legal & General

Better communities in which to live and work

In this chapter we look at our city regeneration efforts in partnership with local authorities and Government, and the progress we have made in building homes across the UK. We cover how we support small and medium-sized businesses and social enterprises, and our investment in healthcare.

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4	Social enterprises and SMEs	25
5	Healthcare investment	26



The UK's chronic underinvestment in housing and infrastructure has far-reaching impacts. With the cost of living crisis becoming one of the key issues of the day, building better communities in which to live and work is as important as ever.

This means creating accessible, affordable, sustainable housing stock and working with Government and local authorities to target investment in the places which need it most.

Our quarterly Rebuilding Britain Index (RBI) measures the UK's progress in levelling up, surveying 20,000 people each year and tracking social and economic progress across 52 measures, including health and social care, education, housing, jobs and economic prosperity, environment, energy, transport and digital.

In 2022, the RBI remained flat at a score of 64/100, though this hides some significant developments. While the jobs and economic prosperity score has risen for the third successive quarter, both the health and housing scores declined year-on-year.

Alignment with the UN SDGs



Our approach

Our research shows there is a clear link between all forms of built and economic infrastructure with both health outcomes and the UK's sense of wellbeing and happiness.

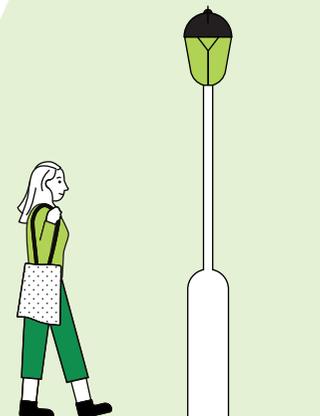
Those satisfied with their local area as a place to live score 20 points higher on health, housing, transport and environment index scores. The most important measure impacting levels of satisfaction with people's local area is access to high quality primary care.

As an investor, asset manager, and housebuilder, we can make a significant difference on these issues. Our aim is to support the regeneration of the whole country, and not just already affluent areas. It's about working with communities to give them what they need, rather than what we want them to have.

We're not just trying to meet minimum standards, but to ensure that what we build and invest in makes a positive impact on people across the world.

Key highlights

- Our partnership with UCL's Institute of Health Equity published one of its key outputs – The Business of Health Equity: The Marmot Review for Industry, which sets out three ways that business can improve people's lives by reducing health inequality.
- Our institutional retirement business committed to investing a further £2 billion of retirement funds into affordable housing over the next five years, helping to create more than 10,000 new homes nationwide.
- We devised a place-based social impact toolkit that can be applied at any stage of the investment lifecycle.



Place-based social impact

Defining place-based social impact

As one of the UK's largest investors in real estate, we will continue to ensure that the developments we deliver drive positive outcomes that contribute to local economies, and help to improve the lives of the communities where we invest, in both the short and the long term.

The social impact of real estate – positive and negative – has been rising up the agenda for the last decade. For Legal & General, 'place-based social impact' is the intentional, additional and attributable economic, social and environmental benefits to communities as a result of our investment in real estate.

As part of our commitment to maximise benefits for the communities in which we invest, we have developed a comprehensive and rigorous toolkit to measure delivery of place-based social impact across an asset's lifecycle. The toolkit is a flexible framework for embedding a consistent and robust approach to social impact planning, delivery, measurement and reporting across the real estate investment lifecycle. It enables us to hold ourselves to account through an evidence-based approach. It will, over time, enable us to aggregate impact and communicate with robust evidence at asset, fund, business, portfolio, city, regional or national levels.

When making investments, the real estate industry needs to consider both the commercial implications and the total impact an asset could have throughout its lifecycle, including the building's impact on its end user and surrounding communities. This is not only the right thing to do, but also contributes to the long-term business case for a development – ensuring it is both profitable and drives positive outcomes throughout its lifetime.

Overview of social impact themes and priorities

The foundation of the toolkit is a comprehensive framework of social impact themes and priorities which our real estate investment can support. The balance will differ by local context.

Inclusive economy



Jobs and skills

Ethical, local and inclusive employment, skills and educational opportunities.

- ✔ Ethical
- ✔ Local
- ✔ Inclusive

Responsible procurement

Responsible sourcing of supplies and services that is ethical, local and inclusive.

- ✔ Ethical
- ✔ Local
- ✔ Inclusive

Equity and affordability

Contributing to the affordability and equity of local places.

- ✔ Affordability
- ✔ Digital inclusion
- ✔ Resilient local economies

Health, wellbeing and quality of life



Physical and mental health

Supporting the health and wellbeing of people and communities influenced by places and buildings.

- ✔ Physical health
- ✔ Mental wellbeing
- ✔ Healthy places and buildings

Quality of life

Supporting the social health, quality of life, vibrancy and safety of communities.

- ✔ Services and amenities
- ✔ Culture and heritage
- ✔ Safety and security

Community and partnerships

Supporting active community engagement and partnerships with local organisations.

- ✔ Civic pride and cohesion
- ✔ Participation and outreach

Climate and nature



Just transition

Enhancing and preserving the local environment and supporting a just transition to net zero.

- ✔ Climate mitigation
- ✔ Climate resilience
- ✔ Local environmental quality

Access to nature

Supporting local access to, and regeneration of, nature and biodiversity.

- ✔ Biodiversity
- ✔ Blue-green infrastructure

Connected places

Supporting sustainable and active transport and infrastructure.

- ✔ Walkability and permeability
- ✔ Low-carbon travel

Place-based social impact continued

Creating positive social impact in Poole

As part of our investment in Poole, UK, including the Dolphin Shopping Centre, we launched 'Kingland' on Kingland Crescent. We offered 10 local independent and small businesses a retail unit with no business rates or rent to pay for two years, to reinvigorate the high street and encourage a cultural hub within the community.

A community partnership was established with stakeholders to understand local needs: notably an ageing population and lack of suitable employment opportunities for working-age people.

A range of smaller sub-projects were then designed, with the aim of:

- providing access to affordable space for local businesses
- offering an improved local health and wellbeing facility
- promoting more sustainable and active means of transport.

Only a year on from launching Kingland, we have begun to see results:

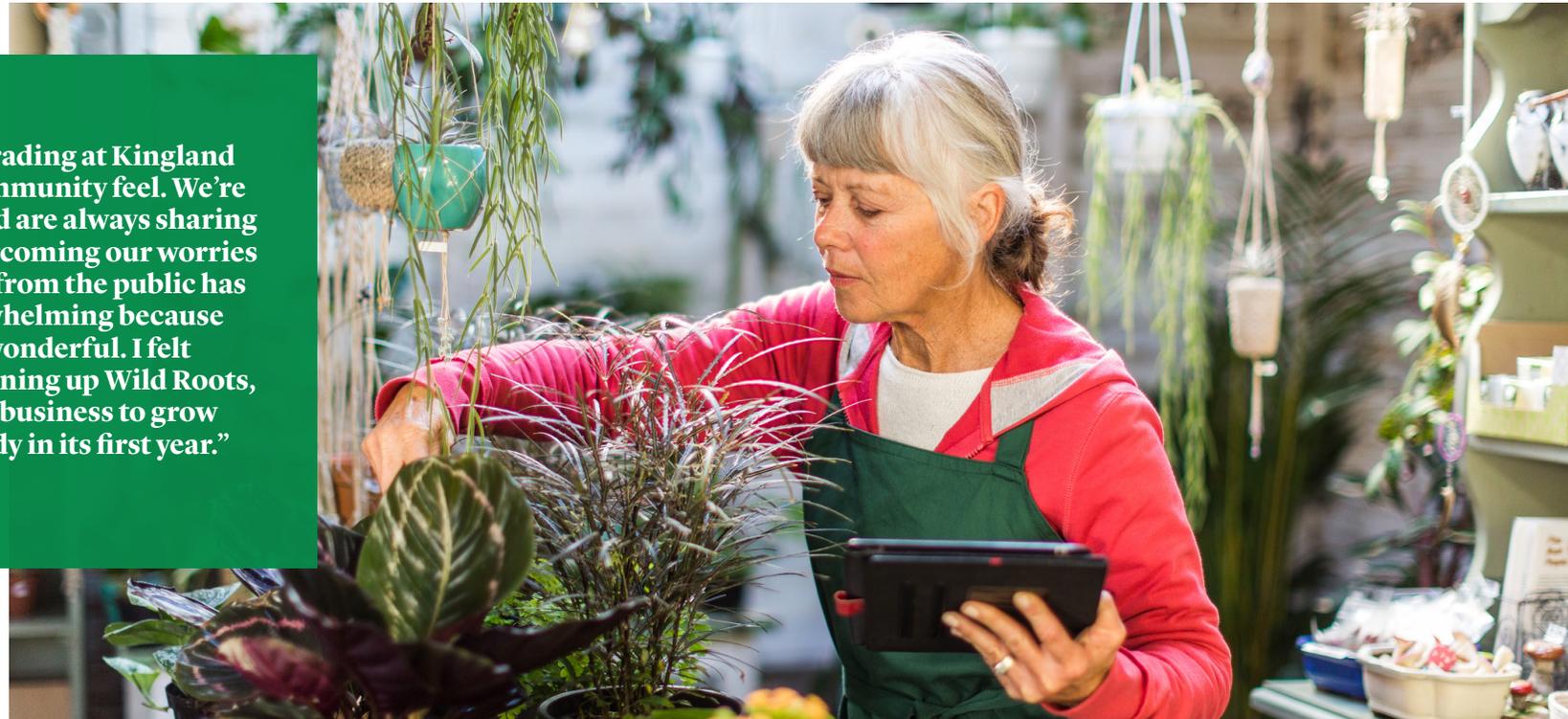
- the initiative has fostered community and commercial benefits, such as the creation of 31 new jobs for local people
- Hope Dean, the owner of plant and homeware shop Wild Roots, has employed five staff members in the past year to accommodate for the company's rapid growth. Since starting the business alone, Hope has sold over 12,000 plants in store and has launched a design service that has installed over 200 plants to enhance office and commercial spaces

- alongside this, the Dolphin Centre has welcomed the NHS University Hospitals' first 'Big Think Clinic' to Dorset, not only tackling patient waiting times, but further diversifying the shopping centre's offering and social impact
- the Poole Adult Skills and Learning Centre was also established in the scheme in partnership with the local council.

“

The best thing about trading at Kingland is undoubtedly the community feel. We're all in the same boat and are always sharing our successes and overcoming our worries together. The support from the public has been sometimes overwhelming because everyone has been so wonderful. I felt very positive when opening up Wild Roots, but never expected my business to grow as much as it has already in its first year.”

Hope Dean
Owner of Wild Roots



City regeneration

Alongside local and central governments, we're investing in towns and cities across the UK. We are aiming to reverse the trend of chronic under-investment, reduce economic inequalities and create better communities in which to live and work.

Investing in our communities means a lot of different things, including creating the infrastructure that people need to prosper, supporting small businesses, and helping to regenerate places which haven't received the attention they need.

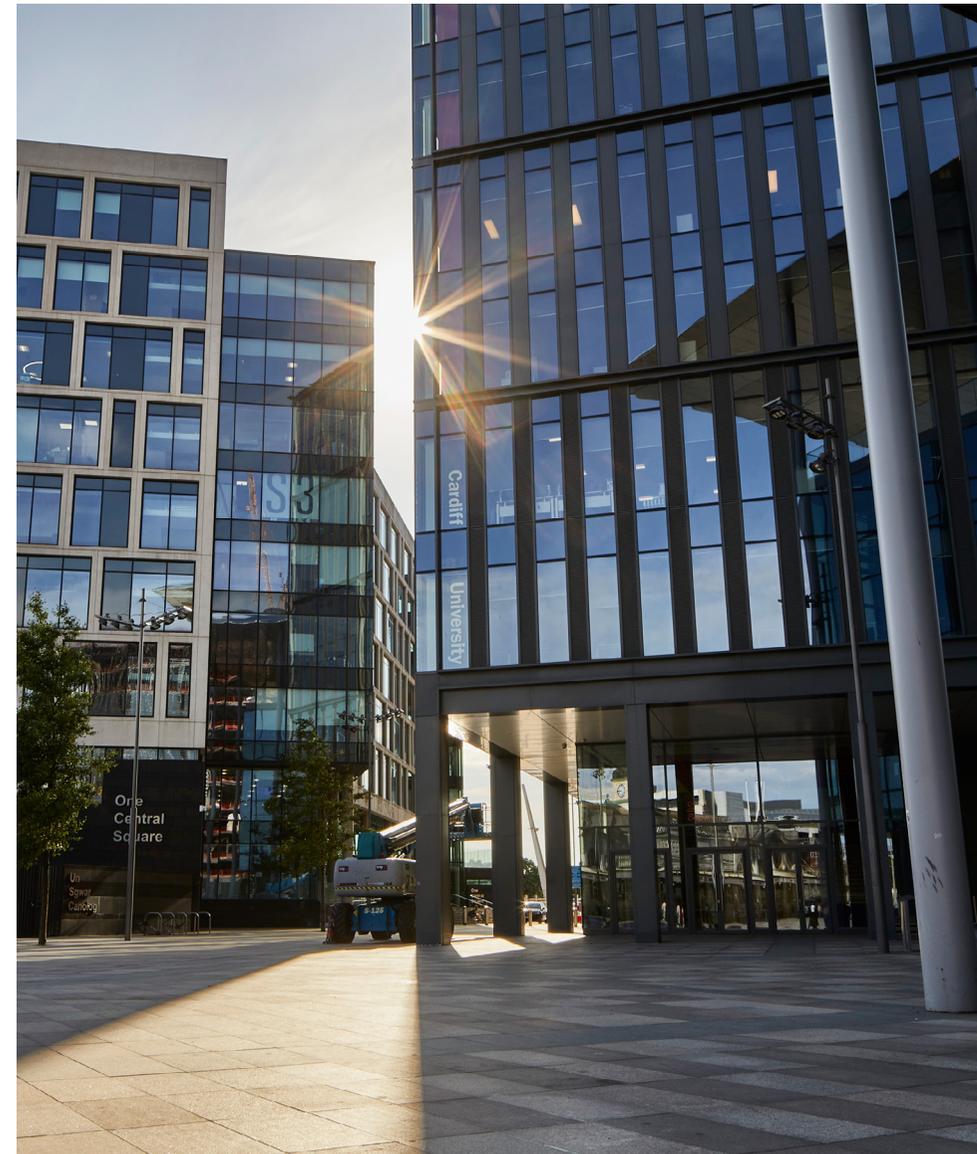
We build long-term partnerships with local government to make capital investments that towns and cities need to help them thrive in the years ahead and rebuild from the negative impacts of both underinvestment and the Covid-19 pandemic.

We have been doing this for many years, but there is still more to be done.

Our 2022 projects included:

- working in partnership with the West Midlands Combined Authority (WMCA) to commit £4 billion to regeneration, housing, and levelling up across the West Midlands. This landmark agreement is our first with a combined authority, and it sets out a commitment to a seven-year programme of investment
- the first scheme for the partnership will be The Junction, a brownfield site in Oldbury which has lain empty for over 20 years. The development will deliver 234 energy-efficient new homes of which nearly 50% will be affordable housing under the WMCA's local definition

- investing a further £200 million in Cardiff to deliver 715 build to rent (BTR) apartments at the former Brains Brewery site in Central Quay. This is part of the overall £1 billion invested in Cardiff. Legal & General's investment in Central Square has been a significant driver in Cardiff becoming one of the fastest growing employment hubs in the UK – upon completion, it will create space for 13,000 new jobs
- starting work on a £300 million Sheffield West Bar development alongside Urbo Limited. This is the single largest private investment deal in Sheffield City Centre and is the culmination of several years' work in the assembly and ground preparation for comprehensive area-wide regeneration. Sheffield West Bar is a cutting-edge mixed-use project which will deliver much needed new grade A office accommodation, housing, and green public spaces on the gateway site and has the potential to create up to 8,000 new jobs.



Housing

The National Housing Federation and the charity Crisis estimate that 145,000 new affordable homes need to be built every year to meet demand. England is facing a chronic under-supply of affordable housing, which will persist without a major increase in capital funding for the sector.

We are one of the UK's largest housebuilders and are investing in sustainable and affordable housing to meet the country's needs.

Housing highlights of 2022:

- Our affordable homes business formed a collaboration with Lovell Partnerships to increase the delivery of affordable homes and mixed tenure sites. We are targeting delivery of 3,000 multi-tenure properties across a five-year period, with all new housing forming part of our commitment to deliver homes which are net zero regulated carbon from 2030. We joined forces with housing association MTVH to create a 50:50 joint venture targeting delivery of 2,500 shared ownership and affordable rent homes over the next seven years.

- We secured an additional £150 million revolving credit facility, bringing in external capital through a 'social loan', to support the delivery of 5,500 new affordable homes. The funding will be used to meet demand for social and affordable rental homes and provide a subsidised route to owning through shared ownership.
- Our later living business, Inspired Villages, started construction on its first two net zero regulated carbon developments, which will deliver over 350 energy-efficient homes.
- Our modular homes business signed a joint venture with VIVID, one of the largest providers of affordable homes in the south of England. The partnership will deliver up to 300 net zero carbon homes per year, with the first being completed in 2023. We were also selected by the City of Wolverhampton as preferred partner for the development of around 400 homes in the city.



Cala Homes embracing biodiversity

Cala Homes, one of our housebuilding businesses, launched its first urban wildlife strategy in 2022. The strategy, which must be applied to all new Cala developments, sets out measures to be incorporated within homes and developments to support urban wildlife. This includes features like bat boxes and hedgehog highways.

This comes at a crucial time as studies reveal the worrying decline in native biodiversity in the UK; this is linked to numerous factors, including modern housebuilding.



See our climate report for more information about our approach to other environmental issues.

Sero Technologies

In January, we invested £5.5 million into Sero Technologies, alongside UK lender Hodge. Sero is an energy technology and services company supporting the transition to net zero across the residential housing sector.

Sero has developed industry-leading digital tools and expertise to design and deliver cost-effective low-carbon solutions for both newbuild and existing homes. They work with landlords, mortgage lenders, housebuilders and more, to plot a pathway to net zero for their homes, ensuring a better outcome for customers and the planet.



The Rebuilding Britain Index is very clear about housing: we need more and better housing for all types of tenure – build to sell, build to rent, affordable housing and later life living. Housing is an issue that can be tackled, especially if we use modern methods of construction to create climate-friendly homes to support people throughout their different life stages.”

Sir Nigel Wilson

Chief Executive Officer, Legal & General

Social enterprises and SMEs

Investing in SMEs

A strong small and medium-sized enterprise (SME) sector forms part of a resilient economy, and therefore supporting this type of business forms part of our approach to 'levelling up'.

The pandemic, followed by the cost of living crisis, including energy prices rising, have had severe impacts on already underfunded SMEs. This has led to imbalances across the UK, as well as SMEs struggling to stay afloat.

Our GP investing and venture capital platforms are actively investing in the real economy and catalysing technological innovation. We continued to lend to SMEs through our GP stake in Pemberton, and through this business, we have increased our SME assets under management to €528.8 million.

In 2022, the venture capital platform invested over £100 million in funds and companies and we now support over 600 companies through our investments. We have continued, with a strong focus on sustainability, our capital backing of some of the most innovative start-ups in the space. These include companies like Onto, the electric vehicle subscription service; VanMoof, the electric bike company; and Smol, the sustainable household goods provider.

Supporting social enterprises

Social enterprises are an important part of the resilience of communities and a source of innovation in local economies, and our funding of our partner CAF Venturesome's SE-Assist programme has helped us play our part in supporting them.

Launched in 2002 as one of the first social investment funds in the UK, Venturesome has made over 700 social investments totalling over £61 million in the 20 years since. Over the last 10 years, we have lent £430,000 through Venturesome and this has been used in 51 social investments to social enterprises in Wales, Greater Brighton/Sussex and Croydon.

See page 60 of this report for information on how we've increased engagement with social enterprises in our own supply chain.

Moving to the cloud

As an example of the work we do, during 2022, Pemberton supported the acquisition of ilionx, a Dutch IT services provider, by a fund overseen by northern European private equity firm, FSN Capital Partners. ilionx offers digital strategy, cloud-oriented application development and data solutions, all services which are fundamental to the Dutch economy.



Healthcare investment

Levelling up healthcare outcomes

UK life expectancy improvements have stalled over the last decade. The health component of our RBI has fallen each quarter since the RBI's April 2021 inception, driven by challenges being felt locally in accessing timely healthcare services.

We're working to help improve healthcare outcomes, including with Business for Health, a business-led coalition supporting long-term sustainable innovation and investment in preventative health and care. It aims to enhance the UK's health and economic resilience, catalysing and facilitating business contributions to enhancing healthy life expectancy and reducing inequalities. We have also been closely involved in the

development of both the Confederation of British Industry (CBI) health council programme and its recently launched Work Health Index. The Work Health Index is one of the UK's first NHS and government-endorsed benchmarking tools aimed at all businesses, helping drive up the standard of UK plc's health offer to employees. Our involvement has been crucial in bringing an investor perspective to a largely government and corporate conversation on the changing role of the employer on health.

Our partnership with University College London's Institute of Health Equity (UCL IHE), which began in 2021, will promote business's role in reducing inequalities in health in the UK and establish a UK-wide

health equity network. In April 2022, the partnership led to the publication of 'The Business of Health Equity: The Marmot Review for Industry', which sets out three ways in which business can improve people's lives by reducing health inequality. It includes a framework by which businesses of all sizes can help create healthier societies: considering their impact on their employees' health, and the impact of their products and services, supply chains, and external influences. The review goes beyond workforce health because most health outcomes are determined by the social determinants of health – the conditions in which we are born, live, grow, work and age. The partnership also led to a roundtable with Professor Sir Michael Marmot, director of the IHE, our Chief Executive Sir Nigel Wilson, and the

North of Tyne Combined Authority's Metro Mayor Jamie Driscoll, to discuss this issue. Discussion also covered the progress the North of Tyne region has made to reduce health inequality and targeted actions to continue this progress in future.

All this builds on the work we have done with Edinburgh University's Advanced Care Research Centre and the University of Oxford's Life and Mind development, where we're investing in research facilities to tackle long-term health issues.

See pages 56-59 of this report for more information about how we're supporting the health and wellbeing of our own employees.



“

Reducing health inequalities is a key part of levelling up. Our own data shows that the UK's housing correlates with health and wellbeing outcomes. Better housing drives better health, and better health in turn creates a virtuous circle: those in very good health perform better across our entire index.”

Sir Nigel Wilson
Chief Executive Officer, Legal & General

Healthcare investment continued

Using our influence to improve health

Our investment management's stewardship team has focused on the topic of antimicrobial resistance (AMR) in recent years.

This term covers the damaging effects of microbes increasing their resistance to the antimicrobial medications developed to fight them, such as antibiotics. AMR is caused by phenomena such as the overuse of antibiotics in industries such as food production, discharge from pharmaceutical manufacturing, and the uncontrolled release of antibiotic agents into the ecosystem, for example through waste water.

To keep this issue on the agenda and prevent AMR becoming 'the next pandemic', we have been collaborating with policymakers and peer companies. In 2022, we sent a policy briefing to global policymakers seeking to engage on the topic of accelerating action on AMR within the water sector.

We have supported shareholder resolutions related to AMR at Hormel Foods Corporation, McDonald's and Abbot Laboratories, and are continuing to engage with policymakers and companies.

Our investment stewardship team has also been tackling the global health concern of obesity. As part of the Investor Coalition on UK Food Policy, led by Rathbone-Greenbank and Guy's and St Thomas' NHS Foundation Trust, we lent our support to a public statement on the importance of the UK government maintaining its strategy to tackle the negative effects of obesity on populations.

Our collaborative efforts on policy engagement continue and are complemented by our company engagements alongside the Access to Nutrition Initiative. Both public policy and the private sector have crucial roles to play in improving the health of individuals and of the broader economy.



It is in businesses' interests to support a healthier population. At its simplest level, a healthier workforce is more productive – physical and mental health problems are expensive for employers. But for almost every sector, achieving better population health creates opportunities and drives economic activity. This was true before the pandemic and has now been sadly demonstrated beyond doubt."

John Godfrey

Director of Levelling Up, Legal & General

Using our influence with policymakers

In December, under the umbrella of Investor Action on AMR, we wrote to the US Congress (Nancy Pelosi, Speaker of the House; Chuck Schumer, Majority Leader; Kevin McCarthy and Mitch McConnell, Republican Leaders of the House of Representatives), urging them to enact the PASTEUR Act in the end-of-year package.

In the letter, we emphasised that we believed the PASTEUR Act would contribute to protecting modern medicine by supporting the development of critically important new antibiotics for bacterial and fungal infections. The Act would create market incentives for the commercialisation of new and novel antibiotics to treat resistant infections. The aim of the Bill, which would disconnect companies' profits from the volume of antibiotics sold, is to address the market challenges that have led many pharmaceutical companies to abandon antibiotic development, thereby weakening the pipeline for innovative medicines. The Act would authorise the US Department of Health and Human Services to enter into subscription contracts for critical-need

antimicrobial drugs. Unfortunately, when the Consolidated Appropriations Act for 2023 was voted upon in late 2022, the PASTEUR Act had been scrapped. The proposed legislation will be re-introduced during the next Congress.

Our policy and collaborative work continue to play a key part of our engagement on AMR, an area where evolution of the regulatory environment remains crucial to tackling these challenges.

Engaging customers and employees with our impact

In this chapter we cover what we are doing to support our customers' wellbeing, both mental and financial. We describe our stewardship engagement and voting intentions in 2022 as one of the world's leading investment management firms, and look at how our employees have been giving back to the communities where they live and work.

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The positive impact companies have on the world is becoming more and more important for our stakeholders: customers, clients, employees and investors, among others.

Our business's guiding principle is to create a more inclusive form of capitalism. Investing in long-term assets that benefit everyone from housing to renewable energy shapes the way we invest, plan, hire and do business. It's important that our customers and employees know that, by being part of Legal & General, they also play a key role in driving positive social and environmental impacts.

Legal & General customers and employees are from all walks of life and many different backgrounds, and some need our support more than others. As a business whose products are so connected to the way people live, we can have a material impact on looking after our vulnerable stakeholders and supporting them during the cost of living crisis.

Alignment with the UN SDGs



Our approach

Over time, our aspiration is that our reputation for creating these positive outcomes for society and the environment will create additional demand for products with social and environmental good at their heart.

Key highlights

- We quickly developed and rolled out cost-of-living training to our customer-facing teams to best support our customers.
- We held a 'Customers in Vulnerable Circumstances' day to educate employees on the role they play in supporting our customers.
- We signed up to StepChange, giving us an established debt advice charity to which to refer our customers.

Vulnerable customers

The Financial Conduct Authority (FCA) estimates that 53% of UK adults display a characteristic of vulnerability. But people often do not see themselves as being vulnerable.

Taking care of our vulnerable customers

It can be tricky to identify a vulnerable customer as there is no 'typical' one. So it is important that our employees understand how their roles, and the decisions they make, can affect and help our vulnerable customers, both directly and indirectly.

Different circumstances or situations can make people vulnerable at any time. They can include significant life events, like bereavement or job loss. Low resilience when hit with financial or emotional shocks can also drive vulnerability. What makes one person vulnerable will not necessarily have the same effect on someone else.

Recognising and responding to vulnerability

Financial products can be complex, which can put some customers at risk. But being more exposed to vulnerability shouldn't stop them from achieving positive outcomes and general financial wellbeing. They might just need more help and support to do so.

Our people are trained to identify characteristics of vulnerability. We adopt a sensitive and fair approach that makes it as easy as possible for our vulnerable customers to access the products, benefits, or services they need. We encourage our people to share any ideas for redesigning our services and processes to support and engage vulnerable customers better.

We also record customers' vulnerable characteristics as they interact with us. This gives our vulnerable customers a more seamless end-to-end experience and stops them from having to repeat themselves.

Our processes help our employees gather enough information either to deal with enquiries from vulnerable customers, or refer them to the right expert advice. When the customer needs more support than we can provide, we guide them to charities and other organisations which are better placed to help them. In 2022 we signed up to work with StepChange, a dedicated debt advice charity. We also work with Cruse Bereavement Support, Samaritans, Macmillan Cancer Support, Dementia UK and Age UK.

Occasionally, customers face crises that are serious enough to affect those employees dealing with them. In these cases, we encourage employees to speak to their line manager, confide in one of our mental health first aiders or use our employee assistance programme, which offers a confidential helpline 24/7. And we regularly update employees on our comprehensive wellbeing benefits.

 See pages 56-59 of this report for more information on our wellbeing provision for our employees

Consumer Duty – what it is and our approach

The FCA's new Consumer Duty comes into effect from 31 July 2023 and it's one of the biggest regulatory changes the financial sector has seen for a long time. The overarching principle of Consumer Duty is: 'a firm must act to deliver good outcomes for retail customers'. It's important to note that the scope of this duty also includes customers with whom the company does not necessarily have a direct relationship.

There is a particular focus on vulnerable customers and given the challenges many people are facing, such as the cost of living crisis, we welcome this new piece of regulation which aligns with our values as a business.

We will be required to demonstrate and evidence that we're delivering good outcomes for our customers across four key areas:

- product and service
- price and value
- consumer understanding
- consumer support.

There are some changes we will need to make to ensure we are fully prepared for when the consumer duty launches. Leading the work to prepare is a cross-business team led by executive sponsor, Bernie Hickman, chief executive of our Retail business. Monthly meetings are held between the working party, our Group Board Chair Sir John Kingman, and our newly appointed consumer champion Laura Wade-Gery, a non-executive director.

Learning from the third sector to help our customers

In 2022 our 'Customers in Vulnerable Circumstances' day helped our home finance team learn more about how they support vulnerable customers.

We brought in third-party organisations and charities with which we have long-standing relationships. These included the Guide Dogs for the Blind Association, the Royal Voluntary Service (RVS) and Co-op Legal Services. They shared their expertise and experiences with our people, running interactive workshops designed to help our employees recognise how they can improve customers' lives and identify vulnerable people. Some of our employees were so inspired by the day that they made plans to volunteer with these organisations in their own time.

We refer our customers to these organisations when they need extra help or support. For example, RVS runs a range of dementia support services. They can help people with practical challenges like transport to hospital appointments.

Supporting customers' wellbeing

Wellbeing and UK plc

At Legal & General, we've always believed in workplace wellbeing. We advocate action for mental wellbeing in the workplace and take a lead in helping employers to protect their people's wellbeing.

More than just a payout: supporting workplace wellbeing

The products and services we design for employers to support their employees are about more than just a financial payout. With physical, financial and social health all inextricably linked, our comprehensive wellbeing support is designed with mental wellbeing at its core to help our clients and their employees when they need it the most. Our outcome-focused wellbeing framework provides the basis for the products and services we provide which includes those set out in the table to the right.



Be well

Clients can get help to support a healthy workforce with 24/7 access to expert resources. Their employees can get help with day-to-day challenges like consumer rights, home and household disputes, health and fitness plans through our employee assistance programme. Among other benefits, clients' employees also get:

- bereavement counselling for their dependents following a death claim
- access to Care Concierge support – a dedicated Legal & General service providing guidance and information about care in later life (see page 15 for more information).



Get better

When employees become ill or are injured and can't work for a prolonged period, they need support to get better and back to work. Through our Group Income Protection product, clients' employees can be supported by an extensive range of rehabilitation services. Our expert team builds a care pathway around the individual by tailoring support to the employee's needs and circumstances. Where appropriate, we'll fund support without the need for a GP referral or NHS waiting lists.



Be supported

Our products are designed to provide a financial safety net so employees don't have to worry about what could happen and can focus on their day-to-day. Financial support through prompt claims payment helps individuals and their families keep on top of their financial commitments and they also get access to other services like counselling, pain management and bereavement support.

Supporting customers' wellbeing continued

New Wellbeing Advisory Board

In 2022, our Group Protection business launched a new Wellbeing Advisory Board, bringing together cross-sector experts to provide simple, accessible and practical guidance.

The team of experts from a range of clinical, occupational, vocational rehabilitation and business consulting fields will work together to share insights and help companies navigate the increasingly complex healthcare landscape impacting their employees. A guiding principle for the Board is that work and health are inextricably linked, and in particular that 'good' work impacts our overall wellbeing and should not be seen as a barrier to recovery.

The Board initially focused on Post-Covid-19 syndrome, the terminology now being used by the National Institute for Health and Care Excellence (NICE) for long-Covid-19 symptoms that extend beyond 12 weeks. The Wellbeing Advisory Board's information and guidance will be aligned and integrated with relevant government initiatives, such as the NICE Covid-19 guidelines and the group risk industry's response to the 'Health is everyone's business' consultation.



Our goal is to cut through the complexity and make it easier for HR teams and anyone involved in sickness and absence management to understand the key principles of any issue or challenge and know where to go and what to do to take positive action to address it.

What Covid-19 has done is put the challenges of health and wellbeing into sharp focus – for employers and employees. Through the work of the Wellbeing Advisory Board we hope to tackle the challenges, evolving thinking to ensure that good work is therapeutic and viewed positively; in short, establishing a wellbeing framework for today's workplace.”

Vanessa Sallows

Claims & Governance Director, Legal & General Group Protection

Improving the lives of the 'hidden workforce'

As a major real estate investor, we're committed to tackling health and wellbeing inequity in the UK property sector. Recognising the crucial role business can play in building a fairer, healthier society, we announced our commitment to reducing health inequalities and improving the quality of life for the 'hidden workforce' (workers including security, cleaners and maintenance) across our owned and operated real estate portfolio. We have called on businesses operating in our portfolio to:

- introduce sick pay policies at the same level as standard pay
- give all workers access to virtual healthcare services (including GP appointments), using appropriate IT equipment to conduct the appointment in a quiet, private space
- provide death-in-service benefit as standard.

We are engaging with our real estate supply chain partners to improve the daily lives of hidden workers across the UK and calling upon the real estate industry to follow our lead, seeking to standardise the sector's commitments to hidden workers.

These commitments were made following research which we commissioned in partnership with the charity Tavistock Relationships to uncover health inequality in businesses across the UK. This research builds on our long-term partnership with Sir Michael Marmot, Director of University College London's Institute of Health Equity (UCL IHE) and professor of epidemiology, to examine how improvements to the design and construction of towns and cities can help to address health inequalities and support 'levelling up' across the UK's regions.

By the end of 2023, more than 500 directly-managed real estate assets will be compliant with the new policies, and by 2024 we aim to achieve 100% compliance.



Through our hidden workers commitment we are proactively addressing health inequality across our real estate portfolio, and we call on others in the sector to do the same.”

Mark Tyson

Head of Property Operations, Legal & General Investment Management Real Assets

Supporting customers during recessionary times

Cost of living pressures began to affect many of our customers in 2022 and appear set to continue in 2023.

We make regular checks to see if we're meeting the needs of our vulnerable customers. In 2022 we saw that cost of living pressures were creating new challenges for many of them. Some were unaware of exactly how much rising energy, food and other costs might affect them. Others felt very sensitive when talking about their financial situation. Engaging with our customers, we saw that the cost of living crisis has hit households which had never struggled with their financial wellbeing before.

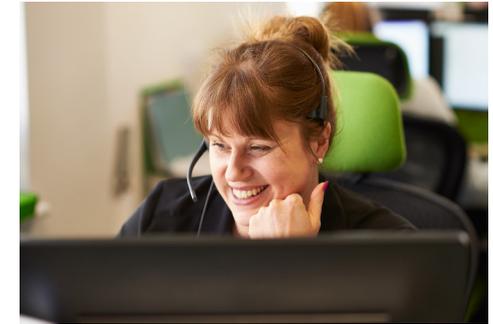
To support them adapting to these challenging and rapidly changing circumstances, we took the actions set out to the right.



Developed and rolled out cost of living training to our customer-facing teams. It made them aware of key triggers to look out for when talking to customers, and which direction to point them in to get the most appropriate form of help.



Made sure customers were fully aware of the personal impact of increased interest rates. This involved asking open-ended questions to gain an accurate understanding of a customer's situation.



Suspended our online drawdown applications. Instead we focused on one-to-one conversations with any customers applying for a drawdown to make sure they understood how interest rate rises could affect their financial situation.



Entered a new relationship with debt advice charity StepChange. We signpost or refer customers in financial difficulty to them for extra help.



Expanded our 'Random Acts of Kindness' initiative, where frontline employees can send food vouchers to customers in financial difficulty.



Developed a new information leaflet for customers. It explained the impact of 'roll up' interest when they were applying for additional borrowing.

Influencing our investees

Influencing through responsible investment management

Our investment management business is a major global investor with total assets under management (AUM) of £1.2 trillion, of which £332 billion is in strategies explicitly linked to ESG criteria. This position enables us to use our influence to ensure:

- companies integrate ESG factors into their culture and everyday thinking
- markets and regulators create an environment in which good management of ESG factors is valued and supported.

It also gives us an opportunity to raise market standards and best practice. We have consistently received A+ rankings for our responsible investment strategy and active ownership by the UN Principles for Responsible Investment (UN PRI), and we remain a signatory of the Financial Reporting Council's UK Stewardship Code for a second year running.

Our three areas of focus are:

- **holding boards to account:** to be successful, companies need to have people at the helm who are well equipped to create resilient long-term growth. By voting and engaging directly with companies, we encourage management to control risks while seeking to benefit from emerging opportunities
- **creating sustainable value:** we believe it is in the interest of all stakeholders for companies to build sustainable business models that are also beneficial to society. We work to ensure companies are well positioned for growth of sustainable values

- **promoting market resilience:** as a long-term investor for our clients, it is essential that the markets in which we invest can generate sustainable value. In doing so, we believe companies should become more resilient to change and therefore seek to benefit the whole market.

Significant environmental issues such as climate change and biodiversity loss all remain a dominant theme of engagement as we continue to hold companies to account on their progress to net zero. For more information, see our climate report.

In 2022, some of our key activity around social and governance issues included:

- an overview of work on key health concerns such as anti-microbial resistance and obesity can be found on page 27 of this report
- expansion of our ethnic diversity campaign:
 - diversity has long been a priority for us with a belief that diversity which stems from the Board will lead to better decision-making, creating more sustainable companies
 - in 2020, we launched a campaign to engage with the largest 100 companies in the UK and the largest 500 companies in the US on ethnic diversity at board level. In 2022, we widened the scope of this programme and are engaging with the companies failing to meet our minimum expectation within the broader FTSE 250 and Russell 1000 indices
 - in the US, we once again supported the Russell 3000 Board Diversity Disclosure Initiative as an investor signatory

- income inequality:
 - ensuring companies take account of the 'employee voice', and that they are treating employees fairly in terms of pay and diversity and inclusion, is an important aspect of our stewardship activities
 - we advocate for all companies to ensure that they are paying their employees a living wage and that this requirement should also be extended to all firms with whom they do business across their supply chains
- bringing ESG into executive remuneration:
 - whilst we believe that a substantial majority of incentive pay should be linked to delivering financial performance, ESG risks can clearly be financially material to a company's medium to long-term value. However, we appreciate that not all ESG metrics are equally suitable across all companies: the balance of importance and relevance will differ from sector to sector. Nevertheless, we believe companies exposed to high levels of ESG risks should include relevant and clearly measurable targets within their directors' pay, and we have set out expectations on high-risk areas: health and safety, oil and gas and climate change
 - our expectations for UK companies have been published on our website in our recently updated UK executive pay principles.

Public policy

We engage with policymakers at an early stage to help them identify and address emerging risks, take steps to tackle systemic market issues and accelerate progress against complex global sustainability challenges.

In 2022, our policy dialogue covered a variety of global issues, for example:

- **human rights:** alongside 39 investors with AUM of over £4.5 trillion, we co-signed a letter to the UK Government in support of a 'Business, Human Rights and Environment Act' which would require businesses to undertake human rights and environmental due diligence across their operations and value chains. We believe such legislation would ingrain a higher and measurable standard of environmental and societal behaviours across the UK market, exerting a positive influence in global markets throughout the value chain
- **sustainable finance:** in the UK, the Financial Conduct Authority (FCA) released the long-awaited consultation on 'Sustainability Disclosure Requirements (SDR) and investment labels' that included a package of measures to strengthen transparency on sustainable investment across the market. We engaged with the FCA over the course of 2022 on this topic and will continue to in 2023, including providing a formal response to the consultation in early 2023.

For more information on these areas and our stewardship and investment activities, including how we use our voting rights to hold companies to account, read our active ownership reports: bit.ly/LGIMActiveOwnershipreport

Playing our part in the community

Our approach to charitable giving is to build long term, mutually beneficial partnerships with not-for-profit organisations and create value for the communities in which we live and work.

For us, charity partnerships are about more than just money. We seek to build long-lasting, mutually beneficial relationships with not-for-profits where we can identify causes and societal outcomes which are important to both parties.

Supporting our people to give back

Volunteering is shown to improve people's wellbeing and sense of belonging, while doing community work together can help cement team culture. We seek to enable our people to do it regularly, and in doing so, benefit them as well as the recipients. We also empower our employees to raise funds for their chosen charities.

In 2022, we matched over £355,000 raised by our people, as well as donating £49,450 in time matching for their volunteering efforts. This formed part of the £2,263,790 we donated to charitable causes in 2022, which also includes corporate partnerships and philanthropy. In the US, over \$545,000 was donated to various charities, including matched funding of employee fundraising.

Over the page, we give a few examples of the kinds of activity our employees were involved in during 2022.

Working with not-for-profits for social benefit

Because we see our not-for-profit partnerships as complementary to our commercial activities, we've included information about them throughout this report, alongside our business commentary.

Here is a summary of our most significant partnerships:

- we worked with Age UK and Carers First to provide services and information for older people and support research into the care sector. See page 16 for more information
- we started a three-year partnership with RedSTART, a financial education charity, whose mission it is 'to transform the life chances of some of the UK's most disadvantaged primary school children'. See page 17 for more information
- we continued to develop our relationship with FastFutures, a digital employability skills programme in which we became a founding partner in 2020. See page 18 for more information
- we celebrated 10 years' partnership with SE-Assist, a social enterprise funding programme delivered with our partner CAF Venturesome. We have loaned £430,000 through the programme in 51 social investments. See page 25 for more information
- our work with the UCL Institute of Health Equity (UCL IHE) led to the publication of a new report setting out ways in which business can improve people's lives by reducing health inequality. See page 26 for more information.

£2.3 million

donated to charitable causes in 2022

£1.5 million

donated to charities working to support the people of Ukraine (by us and our employees)

£200,000

donated to charities which are working to support the cost of living crisis in the UK, Ireland and Bermuda as part of our festive giving campaign

£355,000+

raised by our people in 2022

300+

different charitable causes supported in 2022



Supporting the people of Ukraine

Following the Russian invasion, we donated £1.5 million to charities working to support the people of Ukraine. This was made up of a corporate donation to the Disasters Emergency Committee, employee fundraising, and matched funding.

Our support for Ukraine included setting up an employee network for our people who hosted Ukrainian refugees through the UK Government's Homes for Ukraine programme, where they could come together to share advice and talk through problems.

“

It was great to be able to share my experience of hosting a Ukrainian family, and offer advice to people also considering helping”

Adam Spring

Tech Ops Value Stream Owner, Legal & General

Playing our part in the community continued

As well as the work we do as a corporate donor, we encourage our employees to volunteer, individually or in teams, for local causes, to benefit their wellbeing and team cohesion as well as the recipient charities.

Empowering team volunteering

Our Home Finance Transformation team wanted to volunteer together to maintain a connected team in the hybrid world, and to give back. They worked with our Sustainability team to identify the Woodgate Valley Urban Farm as a place which would benefit from the team's help.

The farm's speciality is providing an educational and hands-on experience, which they would like to open to special educational needs and disability (SEND) groups, but site accessibility is poor.

Our team spent a day widening and improving paths, clearing vegetation, removing litter, and improving plant beds. Thanks to their hard work, the farm can now welcome SEND groups sooner than anticipated and at lower cost.



20 years of making a difference at Legal & General

Senior Risk Consultant Pascal Nsokolo has been at Legal & General for 20 years, and he's been working hard to help communities throughout that time. His family is from Zambia, and his grandfather was the senior chief of Nsokolo village. It's a small village, and their hospital didn't have lights or power – people were giving birth in the dark, or at best with a torch or lamp.

Pascal wanted to help the village get solar power to light the hospital and homes, so he pitched his idea to the our Charity Committee. He was able to get half of the money he needed through our matched funding programme and raised the rest himself. Pascal was a finalist for one of our Annual Awards, the Heart of Legal & General Award. His work has been celebrated as a perfect example of how our people go above and beyond to support those in need.



Building bikes for children with cancer

A team of 11 from our Real Assets Research team volunteered to build bikes for the charity Cyclists Fighting Cancer, which donates bikes to children with cancer to help them regain their physical fitness, improve their mental wellness, and reduce social isolation. After just five hours, the team had built 13 bikes for children of varying ages. The bikes had been chosen specifically for their recipients so each one came pre-allocated with a short story about the child who would be receiving it.

“

It was satisfying to know that each bike would be going to help a child to find freedom on two wheels. Fingers crossed the team did a good job, but chances are the mechanic had to give every single bike a thorough safety check!”

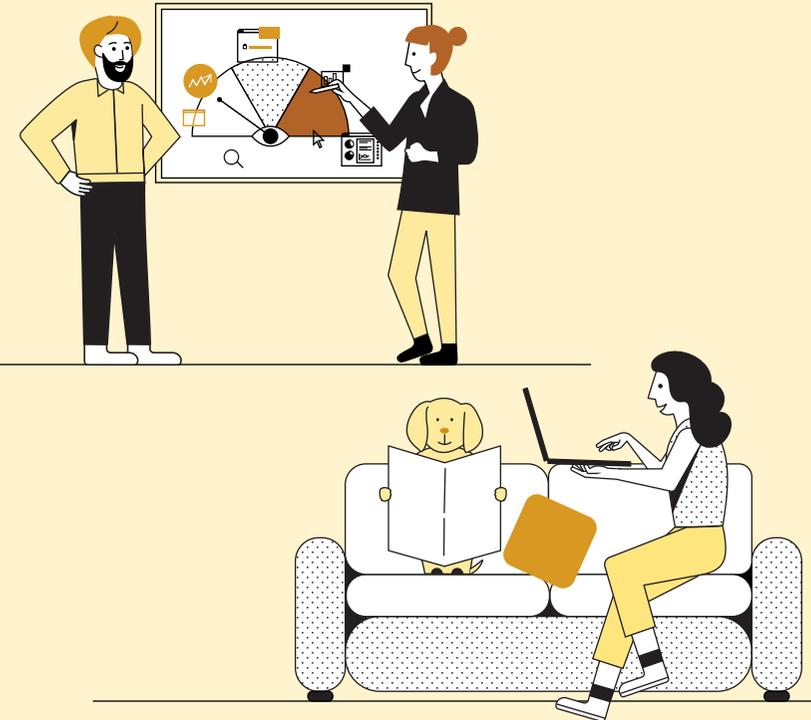
Lushan Sun
Private Credit Research Manager,
Legal & General

Responsible role model

In this chapter, we describe our culture, ethics, and how we're always looking to improve. We include data disclosures, such as our people data and our gender pay gap data, which help provide a view of how we're doing against our targets. We cover the story behind diversity and inclusion at Legal & General, including our gender pay gap disclosure, where we reflect on the ways our efforts are impacting the data, as well as what headwinds we face and what we can do to overcome them. This chapter also includes how we're looking after the health and wellbeing of our employees and running an ethical supply chain.

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Our success depends on a strong and resilient society; to play our part in building this, we need to ensure that we role-model responsible business practices. Our impact is far-reaching, and strong business ethics are key to making that impact positive.

Running our business responsibly is part of our promise to shareholders and employees. Research has shown that people are becoming more engaged with the ethics of the companies they work for and invest in. We have a duty and a commercial incentive to be on the right side of history.

Research shows that younger people are concerned about the state of the world: cost of living, climate change, and healthcare. These are issues where we make a difference.

Meeting stakeholders' needs and answering their calls for societal change is part of remaining a successful, ethical business.

Our approach

We hold ourselves and our employees to high standards when it comes to being a responsible role model. Our culture is ever important; both in retaining employees and in doing the best work we can. We're working to build a workplace where we can all perform at our best, no matter who we are. Creating a diverse workforce and an inclusive workplace is a key strategic priority.

Key highlights

- We set a goal that 40% of our senior roles would be held by women by 2025, and we are currently at 38%.
- Our overall median gender pay gap narrowed to 22.4% from 24.1%.
- We celebrated 25 years' partnership with our recognised UK trade union, Unite.

Alignment with the UN SDGs



Our people

Legal & General is fundamentally a people business. We aspire to empower our employees to work together to create value for our customers, shareholders and the communities we're here to serve. We take our responsibility as an employer, and as a participant in labour markets through our value chain, extremely seriously.

Our people strategy is based on building a thorough understanding of the 11,500 people who work here. Understanding our workforce helps us to meet the needs of employees today. It enables us to support their wellbeing, offer them learning and development opportunities, take steps to build a more inclusive workplace, and engage them on issues that matter to them. It informs our strategic workforce planning process, which we use to identify emerging workplace trends and their implications for our workforce. Our culture reviews, run annually in each of our operating divisions, allow us to assess the extent to which our senior leadership teams are building, developing and protecting our organisational culture.

In the following pages, we set out the steps we've taken to understand, engage with, support, develop and diversify our workforce. We also disclose a range of people data relating to representation and wellbeing, along with our statutory gender pay gap data disclosure.



Culture

Straightforward, collaborative, purposeful: how we do things

Core to our commercial success is a culture in which our people act in line with our expectations of their behaviour. We define our culture as one in which employees act in a **straightforward, collaborative and purposeful** way.

2022 saw the ending of most Covid-19 restrictions. During lockdown and the periods of limited office accessibility between periods of strict home working, we learned that overall our people would value the ability to work in a more flexible 'hybrid' way in future. Our return to offices was based on providing better office spaces for communication, team working and learning, with the option for people to work from home on tasks requiring solitude or focus – or at times when home working helped them balance work and home needs.

To help enable this, we conducted refurbishment of our main offices in London and Hove; continued work on the Interchange, our new Cardiff office which is part of our redevelopment of that city's central square and which we are due to occupy from 2023; and formally opened the office of our institutional retirement business in Stamford, CT, US.

In 2021 we had identified a risk that, thanks to extended periods of remote working, organisational culture may be eroded. We continued to manage this residual risk during 2022 through our employee communication, engagement and development measures.

Listening to our people

During 2022, through our Voice survey, we requested feedback from our entire permanent employee base on two occasions. Voice measures employee sentiment on a range of issues and the data gathered are an important indicator of organisational culture.

Employee satisfaction in October 2022 was 78%, up two percentage points year-on-year, based on an 82% response rate. The survey results revealed strengths in employees' understanding of our expectations about day-to-day behaviour, as well as the extent to which they felt supported in adapting to changes. Meanwhile, lower scores were registered for questions on wellbeing and balance, as well as the extent to which employees collaborate across business lines and departments. These insights seem to provide reassurance that our efforts to protect company culture have had positive effects, while underlining the need to provide for our employees' wellbeing and create opportunities for meaningful collaboration.

📄 See pages 56-59 of this report for more information on how we are supporting employee wellbeing.

Employee representation and engagement

In our core UK business, we recognise Unite as our trade union for collective bargaining. Unite represents employees at the five most junior management grades, which equates to 80% of our UK employee base. Our more senior employees are represented by an in-house Management Consultative Forum.

In 2022, we marked the 25th anniversary of our partnership agreement with Unite with three months of events culminating in a celebratory event at our headquarters. This agreement has formed the basis of our interactions with Unite, whom we consult on themes including pay and reward; health and safety; sustainability and environment; diversity and inclusion; office and workplace design; and the return to work after Covid-19. The partnership agreement puts in place structures and procedures for effective engagement on these matters as well as issues such as business change.

Our US business does not operate in a union or collective bargaining environment. We comply with the Federal WARN (Worker Adjustment and Retraining Notification Act) which offers protection to employees and their families by requiring us to provide 60 days' notice of plant closure or mass 'layoffs'.

In the European Union, we do not have an employee base of such a size that a European Works Council would be required.

To meet the requirements of the revised 2018 corporate governance code, we have a designated non-executive director with responsibility for workforce engagement. In 2022, Nilufer von Bismarck was appointed into this role, replacing Lesley Knox who had held the role since 2019. During the year, Nilufer has met employees across a range of roles and departments and in all our major UK sites.

📄 See our annual report and accounts for Nilufer's review of her activity in 2022.

“

Our partnership was one of the first of its kind and ushered in a new way of collaborative working. It means that both parties, Unite and Legal & General, actively look for 'win-win' situations and respect each other's agendas.”

Pam Edwards

Head of Unite, Legal & General

“

Legal & General is essentially a 'people business' and since taking on this role, I have met hundreds of employees in different locations. I have seen first-hand how we managed through Covid-19, how we are adapting to a changing world of work and how we are responding to the cost of living crisis.”

Nilufer von Bismarck OBE

Non-executive director with responsibility for workforce engagement

Culture continued

Developing our people

We believe that focusing on our employees' personal development inspires and enables each of them to deliver great business outcomes for our company, shareholders and society. We take the view that employees should each own their personal development. We do this by creating an inclusive learning culture, developing our leadership capability, building our core critical capabilities, simplifying the way we work, deepening our partnerships with suppliers and measuring the impact of our solutions.

Personal development at Legal & General is about helping our employees to perform, develop and connect:

- **perform:** access experiences and tools to deliver a great performance today
- **develop:** build the skills and capabilities needed for the future
- **connect:** signpost the people, content and experiences that help employees' skills to stay relevant.

We offer development opportunities for all employees (through our 'leading self' curriculum); for managers (through 'leading others'); and for senior leaders (through 'leading leaders').

During 2022, we created learning and development opportunities to meet these objectives. We invested over £5.2 million in people development, with over 1,800 learning bookings made in the year. We:

- launched data, technology, agile and ESG curricula, building critical capabilities at all levels across the organisation, including use of the apprenticeship levy to build future data talent
- developed leadership and line manager capability through development programmes, a new toolkit, and coaching
- developed our inclusive hiring programme and mentoring platform to support our diversity and inclusion ambitions
- developed online content for behavioural and technical skills.

To ensure that our strategic workforce needs are being met, our people development teams work closely with teams in workforce data and analytics, talent management, executive hiring, diversity and inclusion and wellbeing disciplines.

We keep our people's technical and regulatory knowledge up to date with a rolling programme of annual online training on the following topics:

- data privacy and protection
- supporting vulnerable customers
- fighting financial crime
- health and safety
- personal responsibilities (based on the FCA's five Conduct Rules)
- information security
- whistleblowing.



£5.2m+

invested in learning and development during 2022

People data

As an employer, we seek to develop our people and diversify our workforce and, to do this, we must first understand our people. We regularly track and analyse our people data, using it to set meaningful targets which will drive positive impact throughout the organisation and improve how we do business. We strongly believe that transparency is key to making progress.

The following tables contain people data which illustrate the composition of our workforce at 31 December 2022. 'Junior' grades are typically our most junior four grades; 'middle management' represents the next two grades; and 'senior management' our most senior grades along with directors and other executives. However, we operate a number of grading systems in different businesses and jurisdictions, and this should be taken into account when reviewing this data.

For previous years' data, please refer to our 2021 ESG reporting centre bit.ly/LegalandGeneralSustainabilityreportingcentre

New hires

Ours is a growing business. The group increased its overall headcount by 7% in 2022. 40% of new hires across the whole company were aged under 30 whilst 37% of roles in the UK were filled internally, demonstrating a continued investment in our own talent, giving our people an opportunity to further develop their careers at Legal & General.

Total number of new hires

2,569

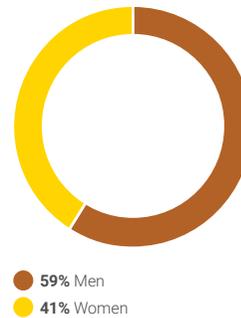
Positions filled by internal candidates

37.4%

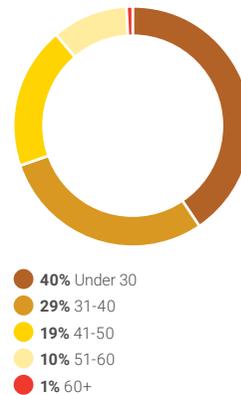
% of positions filled by internal candidates (Core UK only – excluding our housing business)

Deloitte have provided independent limited assurance in accordance with the International Standard for Assurance Engagements 3000 ('ISAE 3000') over the selected metrics identified with a *. Deloitte's full unqualified assurance opinion, which includes details of the selected metrics assured, can be found in the appendix of this document.

New hires by gender



New hires by age



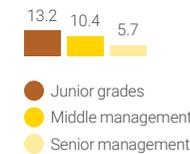
Employee turnover (voluntary)

Despite expectations that 2022 would be the year of the 'Great Resignation', our voluntary turnover rate has remained stable for four years. Total voluntary turnover across the whole global workforce was 11.8%, broadly consistent across gender, business division and location. Voluntary turnover was higher in those aged under 30 which may reflect a tendency among people of this age to change jobs more regularly at the beginning of their careers. Furthermore, a large percentage of these leavers are in our customer services teams, where higher turnover is an industry norm.

Total voluntary turnover

11.8%

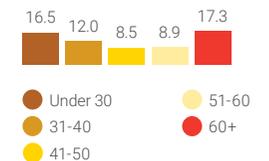
Voluntary turnover by management level (%)



Voluntary turnover by gender (%)



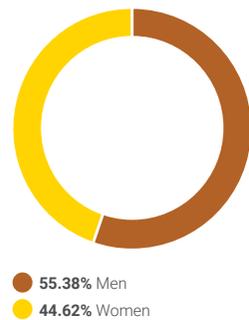
Voluntary turnover by age (%)



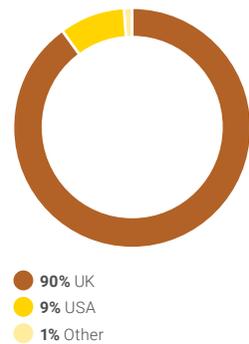
Total number of employees

11,520

Employees by gender*



Employees by country



People data continued

Flexible working patterns

Since the ending of Covid-19 lockdown restrictions, many of our people have greatly appreciated and benefited from hybrid working patterns. The majority of our UK workforce are on some form of hybrid contract which gives them flexibility between the office and home working. The figures below represent our global workforce.

Workforce flexibility (total workforce)

97.2%

Employees on permanent contracts

11.1%

Employees opting to work part-time

2.8%

Employees on fixed-term contracts

8.0%

Employees home based

Parental leave

In the UK we offer our people enhanced parental leave, providing a more generous benefit compared to statutory pay. The figures below are for our core UK and US businesses and do not include employees from our UK housing business.

9,344 in-scope employees were entitled to parental leave and 90% of female employees who returned to work after maternity leave remained with us after 12 months. Our people can access a 'parental leave toolkit' – a digital benefit which offers coaching to mitigate the stress associated with planning parental leave. It helps individuals manage the transition into and out of parental leave with confidence.

Employee parental leave (core UK and US employees)

Total number entitled to parental leave by gender

Male	Female	Total
4,912	4,432	9,344

Total number who took parental leave by gender (started leave in 2022)

Male	Female	Total
11	177	188

Total number who returned to work after parental leave by gender (returned in 2022)

Male	Female	Total
11	186	197

Total number who returned to work after parental leave and were still employed 12 months after return date (returned in 2021)

Male	Female	Total
10	126	136

Return to work and retention rate of employees who took parental leave (based on those who did/did not return in 2021)

Male	Female	Total
71.4%	90%	88.3%

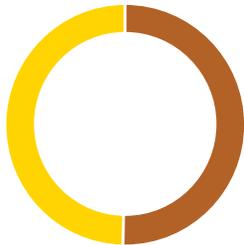
People data continued

Diversity of our workforce

The following graphs show our workforce broken down by seniority and gender. Please refer to pages 49-50 to learn more about how we are working to close the gender pay gap, and pages 46-48 for information on our approach to diversity and inclusion.

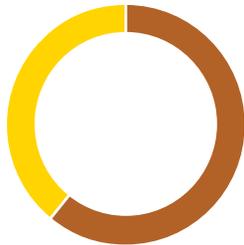
Percentage of Legal & General employees by employment category and gender

Junior grades



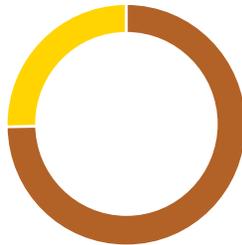
● 50.4% Men
● 49.6% Women

Middle management



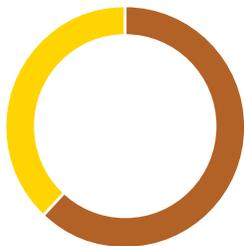
● 60.9% Men
● 39.1% Women

Senior management



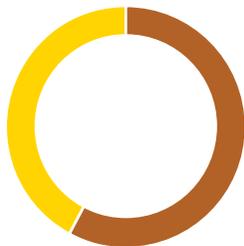
● 74.9% Men
● 25.1% Women

Aggregated management grades



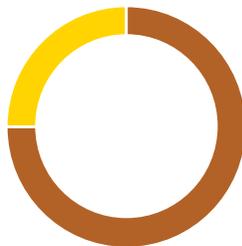
● 62% Men
● 38% Women

Board directors (including non-executive directors)



● 58% Men
● 42% Women

Executive Committee members (direct reports to the Group Chief Executive Officer)



● 75% Men
● 25% Women

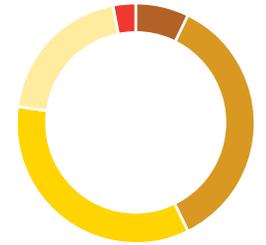
Percentage of Legal & General employees by employment category and age group (excluding Housing subsidiaries)

Junior grades



● 31.1% Under 30
● 28.6% 31-40
● 21.6% 41-50
● 14.8% 51-60
● 3.8% 60+

Middle management



● 7.0% Under 30
● 35.6% 31-40
● 34.5% 41-50
● 19.9% 51-60
● 3.1% 60+

Senior management

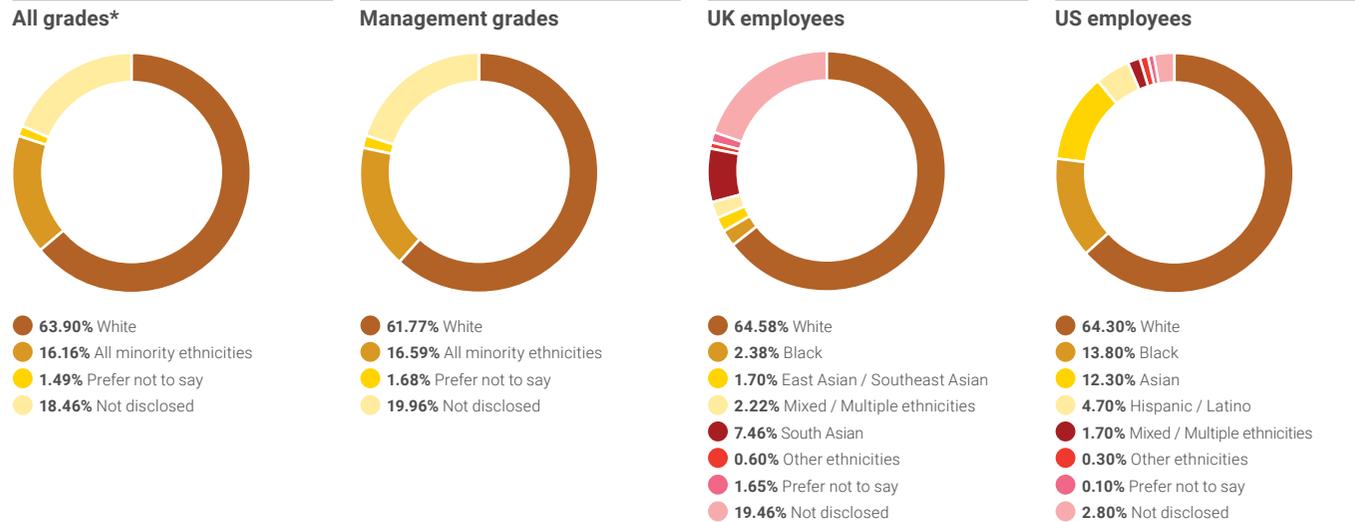


● 0% Under 30
● 13.8% 31-40
● 47.6% 41-50
● 35.1% 51-60
● 3.5% 60+

People data continued

Please see pages 46-48 for our diversity and inclusion strategy.

% of global Legal & General employees by ethnicity (excluding housing subsidiaries)



Deloitte have provided independent limited assurance in accordance with the International Standard for Assurance Engagements 3000 ('ISAE 3000') over the selected metrics identified with a *. Deloitte's full unqualified assurance opinion, which includes details of the selected metrics assured, can be found in the appendix of this document.

We use the following terminology when reporting on ethnic diversity:
Black – which includes Black African, Black Caribbean, African American and all other Black heritages
East & Southeast Asian – which includes Chinese, Japanese and all other East and Southeast Asian ethnicities
South Asian – which includes Indian, Pakistani, Bangladeshi and all other South Asian ethnicities
Asian – which includes all South and East Asian ethnicities and heritages (US-based population only)

Latino, Latinx/ Hispanic – which includes those from Latin American or Spanish-speaking backgrounds or heritages (US-based population only)
Other – which includes Arab, Indigenous, Pacific Islander, American Indian and Alaska Native, and all other minority ethnicities
Mixed – those who identify as having multiple ethnic backgrounds
White – which includes all White ethnicities
Not disclosed – employees for whom we don't hold ethnicity information



Diverse workforce, inclusive workplace

Our vision is to build a workplace where we can all perform at our best, no matter who we are.

There is a clear ethical and commercial logic to ensuring everyone is given the conditions in which to succeed. Not only is it the right thing to do, but we believe that diversity of experience brings diversity of thought and perspective, which in turn drives greater proximity to customers, better-informed decisions, and a culture which more readily embraces innovation.

Ultimately, our action plan is about delivering two outcomes: a more diverse workforce and a more inclusive culture.

We have clear ways to measure both these outcomes as well as clarity on the specific actions we're taking to deliver them.

We have also set internal goals for the representation of minority ethnicities on our Board, in our senior management population and across our workforce as a whole.

These goals are stretching, but we're realistic about what we need to do to meet them and are concentrating our efforts to get there. Our vision, the action plan and measuring our progress are the responsibility of our Global D&I Council, which reports to the Group Board and is chaired by Laura Mason, CEO of our capital investment business.

Our focus

To achieve our goals and create the diverse and inclusive culture we want, we're focusing on early careers, mentoring and sponsorship, and line manager capability.

We have historically focused more on improving gender and ethnic diversity, but we recognise that expanding our view to support other marginalised groups is necessary to create a truly inclusive workplace.

Partnerships with D&I experts ensure we have a sound understanding of best practice. In 2022 we developed new relationships with workplace menopause experts Henpicked, and the Business Disability Forum, to refresh policy on both their areas, to offer care for people experiencing menopause, and to update guidance for managers and support available for those who are disabled, respectively.



Asset Management Diversity Accelerator (AMDA)

In the US, Legal & General Asset Management America have partnered with William Blair and Allstate Investments to create a rotational development training programme across three Chicago asset management firms.

The programme aims to attract graduates who would otherwise not explore careers in asset management, including women

and those from racially and ethnically diverse backgrounds, and targets students at Historically Black Colleges and Universities (HBCUs).

It will give candidates an insight into the world of asset management, and high-performing candidates will have the opportunity to interview with participating firms after the completion of the programme.

Our goals

We've set ourselves ambitious goals around equality and diversity in the workforce.

50%

of our workforce being women by 2025 (currently 45%)

40%

of our senior roles being held by women by 2025 (currently 38%)

40%

of our Group Board positions being held by women (currently 42%)

Diverse workforce, inclusive workplace continued

Early careers

Creating diversity among those who are early in their careers is central to creating a more diverse and inclusive culture. To reach new audiences we work with third parties including, in 2022, Urban Synergy and 10,000 Black Interns.

Through Urban Synergy, 75 students from sixth form colleges in Lewisham, south-east London, joined us for the day, which involved meeting employees through events such as speed mentoring and panel sessions. Not only does this allow us to pipeline potential talent into jobs at Legal & General, it represents our deep commitment to social and economic inclusion.

We began a relationship with the Down's Syndrome Association and will be hiring our first administrative assistant with Down's Syndrome.

Mentoring and sponsorship

Mentoring and sponsorship have been a focus during 2022, because they are proven methods to help retain and progress key talent. In a competitive talent market, we recognise the importance of doing this, particularly for high potential talent from underrepresented backgrounds. We rolled out a diverse talent sponsorship programme, and we have created 52 new sponsoring relationships as part of the introductory cohort, with more to come during 2023.

Our MentorMe tool, which enables employees to find mentors and mentees across the business, grew in 2022, with 1,030 active users and a global presence across the UK, US, Bermuda, Ireland and Hong Kong.

This has resulted in over 2,500 searches and more than 120 mentoring requests sent. We actively use the platform to facilitate connections that support our inclusion ambitions, including for LGBTQ+ community members, multicultural community members, neurodiverse members, and through reverse mentoring.

Our employees' feedback is that MentorMe has been particularly helpful for people who are neurodiverse, making the potentially daunting conversation to ask for mentorship less of a hurdle to involvement.

Line manager capability

Building our line managers' capability is integral to our diversity and inclusion efforts. We hold our leaders to account through our performance management process. A portion of our most senior leaders' variable pay potential is based on their inclusive leadership

and creating an inclusive and productive culture (see page 8 for more on the role of remuneration in ESG governance).

In 2022, we delivered extensive new training for our people managers of all grades to highlight the tools, techniques and skills to support them to make inclusive hiring decisions. Over 135 of our people managers received this training in 2022, and in 2023 we will refresh the content and take more of our people managers through the workshop.

Our hiring processes have become more inclusive, with the first use of a British Sign Language interpreter in an interview taking place during 2022. We will continue supporting candidates to share their accessibility needs with us and making their experience of applying to work at Legal & General as smooth as possible.

We have also taken steps to:

- set clear internal standards for composition of diverse shortlists and track the progress of our recruitment teams in hitting these standards
- anonymise CVs
- ensure balanced selection panels
- create an overall inclusive hiring process through a combination of training and process change.

Line managers benefited from programmes such as 'Introduction to Inclusion', 'Conscious Inclusion', and leadership programmes focused on connection and empathy. We encourage our leaders to make D&I conversations a regular part of their meetings and interactions with their teams and their peers. This helps our aim to create an authentically inclusive culture across our company.

Future of work

Adapting to the ways people want to work has been one of the major challenges following the Covid-19 pandemic. In our vision of the future of work, we want our office designs to be as inclusive as possible. We have worked with our people to identify what needs they have, as well as with our networks, like the neurodiversity network, to test our designs before we put them into practice.

We've specifically looked at the elements of the workplace that have the most impact on people with diverse needs: noise, lighting, access to nature, quiet and accessibility.

We have:

- added acoustic panels into rooms to stop echoes and noise leakage
- chosen indoor lights as close to 'natural' as possible and blinds that allow in more natural light whilst reducing glare on workstations
- created calming environments with plants throughout the office
- created spaces for when people need to focus or take a break; these range from quiet desks to individual sound resistant pods. In our new Cardiff office, we've created indoor 'garden lounges' with special lighting and sound dampening for when people need to decompress
- ensured our offices are fully accessible, including wheelchair height kitchens and tea points and aisles between desks and other areas that are wide enough for wheelchairs.

“

Going into the office can be a really big deal, as logistically there are many more steps to actually getting to your desk. Having small, but meaningful improvements to the office experience takes a lot of anxiety off the weight of physically being in the office. It allows me to look forward to being in the office, as opposed to dreading the experience.”

Tiffany Elliott

Actuarial Technical Lead, Legal & General

Diverse workforce, inclusive workplace continued

Involving our employees

We encourage a culture of curiosity, education and learning, with events like our partnership with the Black Cultural Archives during Black History Month and our International Women's Day panel opening up the conversation for all our employees. We also celebrated South Asian Heritage Month (SAHM) for the first time in 2022.

Our employee networks support our people in meeting like-minded people, helping shape policy and processes, and encouraging learning. In 2022 they were involved in our Future of Work programme, with representatives from the networks joining a working group to provide feedback on office space and other relevant topics.

Particular successes were enjoyed by our neurodiversity network, which grew from 80 to 240 members, and by L&GBT+ Allies, which won the British LGBT Award for Best Employee Network.

Our networks include:

- The Ability Working Group
- Culture Club (ethnicity)
- Disability Network
- Family and Carers Exchange
- Gender balance
- Health and wellbeing
- L&GBT+ Allies (sexual orientation and gender identity)
- Neurodiversity
- Socio-economic mobility
- Women and Tech
- Menopause Peer Support Group.

Although focused on providing a community of support and awareness, our networks aim to work intersectionally and encourage allyship to continue to create a workplace which fosters curiosity and respectful discussion. We have other employee-led groups looking at diversity, inclusion, and culture across our locations and business areas.

Learning about our people

Having accurate people data allows us to identify issues and set meaningful goals and targets. It helps us spot trends and find opportunities to support all our people better. Our Count Me In initiative encourages our employees to disclose their diversity data voluntarily. By helping our people understand the impact of sharing their data with us, the percentage of employees sharing their ethnicity information increased from 69% to 81% in 2022.

We supplement quantitative data with qualitative insights. In late 2022, our Listening Project saw us hold one-on-one conversations with 61 people from different backgrounds and levels of the business.

The themes from the project are being shared with our Group D&I Council and senior leaders during 2023. The insight gained is already being used to inform our ongoing diversity and inclusion strategy.

Women and Tech

One of our employee networks, Women and Tech, was created to make the technology field more accessible to women. It provides a judgement-free safe space for women who are already in, or are considering a career in tech, as well as their allies. They discuss gender-specific issues, provide mutual support in achieving professional and personal goals, and create initiatives to attract and retain women into careers in technology. The network hosts regular events to support its members' career development and provide role models for other women to join the industry.



Gender pay gap

In 2022, we saw a further narrowing of our median gender pay gap from 24.1% to 22.4%. We're pleased to see the continuation of our efforts reflected in the data, and see many opportunities to continue this progress in 2023 and beyond.

In this section, we share the data on our gender pay gap, as well as some context and information about how we're narrowing the gap.

For further information on the actions we're taking to create a more diverse workforce and a more inclusive culture, please refer to the 'Diverse workforce, inclusive workplace' section of this report, on pages 46-48. We prefer to take an intersectional view of D&I, and the gender pay gap, while important, reflects only one aspect of D&I.

For us, gender pay gap reporting complements our wider work on D&I: understanding and improving the experience of the people who work for us is built on a foundation of data, but data alone cannot tell the full story.

Our progress so far

In 2022, our aggregate median pay gap narrowed to 22.4% from 24.1%. This includes a narrowing by 1.2 percentage points in our investment management businesses, and by 1.8 percentage points in Cala Homes, our largest housebuilding business. The detail by reportable entity can be found on pages 51-55

Our median bonus gap also narrowed, from 42.1% in 2021 to 37.6% in 2022. After some anomalies last year due to the Covid-19 pandemic's short-term impact on pay, this is back to our expected trend of closing the bonus gap.

These anomalies were most keenly felt in our housebuilding business. In Cala Homes, our bonus pay gap as reported last year was negligible due to bonuses being removed during the pandemic (which disproportionately disadvantaged male employees). However, it has now normalised at 23.2%. Our more junior employees, who are more likely to be female as we encourage women to join the construction industry with a view to building a career with us, receive significantly lower maximum bonus payments.

Taking action to close the gap

We highlight the work we've done this year with our senior leader community and our recruitment processes on pages 46-48 of this report. This includes:

- setting clear internal standards for composition of diverse shortlists and tracking the progress of our recruitment teams in hitting these standards
- anonymising CVs
- ensuring balanced selection panels
- creating an overall inclusive hiring process through a combination of training and process change.

We are continuing the action areas we identified in 2021, which are set out on the right.

Recruiting from a wider talent pool

Along with the changes we have made to our recruitment process, we continue to seek fresh talent who may not have previously considered a career with Legal & General. We talk about our partnerships with Investment 2020, Urban Synergy and 10,000 Black Interns on pages 46-48 of this report, as well as the Asset Management Diversity Accelerator programme, which aims to attract people from minority ethnicities into our asset management business in the US. We also have a partnership with Black Women in Asset

Management which develops black women as leaders within that industry. In our housebuilding business, we have signed up to the Women in Construction scheme which gives placements to female candidates wanting to move into construction. We've appointed our first female regional Managing Director and are focusing on recruiting women across all areas of our business, alongside going into schools to address girls' negative perceptions of the construction industry early.

Retaining female talent and investing in our employer brand

We are retaining and progressing our female talent through our diverse talent sponsorship programme and through our internal talent mobility framework. We also build inclusion into our hiring processes, which begins with diverse shortlists from our external partners right through to educating our people managers on navigating bias at interview

and selection. On top of this work, our investment management business is taking part in the Diversity Project's Pathway Programme, a world-leading programme that focuses on developing the female portfolio managers of the future. Two of our employees will be participating in the first cohort for 2023.

Ensuring fair reward practices

These action areas are underpinned by fair and equitable reward practices. Diligence and care in reward is fundamental, and we have also ensured we are supporting our lower-paid employees during the cost of living crisis with a targeted payment programme and disproportionately higher salary increases for more junior grades in the 2023 pay review.

We carry out an equal pay review annually, which ensures that men and women receive the same pay for doing comparable work. This is supported by our recognised trade union, Unite, and allows us to address any discrepancies quickly and fairly. Following our pay review announcement, we heard feedback from recent joiners who were impressed with our pay transparency, which is a key element of helping us close the gender pay gap.

Gender pay gap continued

The wider context of the gender pay gap

The inherited pay gap remains an issue which will take significant time to overcome, because the demographic profile of the industries in which we operate remains skewed towards employing more men than women in senior roles.

To address this, we are creating a pipeline of female talent. This means accepting a short-term impact on narrowing of the pay gap for long-term improvement: hiring more women at junior levels temporarily widens the gender pay gap, but in the long term it means more women are available to take up leadership roles.

Driving representation of all kinds can also slow progress on the gender pay gap, but we're careful not to leave anyone behind in the work we do on D&I. Focusing solely on gender does a disservice to other underrepresented communities and fails to address deeper inequity if it is done at the expense of other marginalised groups.

Our focus on intersectional identities aims to address this, and by improving representation of all kinds, our company will become a better place to work for everyone.

Another common problem with addressing the gender pay gap is looking only at the overall numbers, and recruiting senior women in professions where there are more women available in the market. However, this doesn't address industry bias and continues the perception that 'certain jobs or industries are for men'.

What we report: median and mean pay gaps

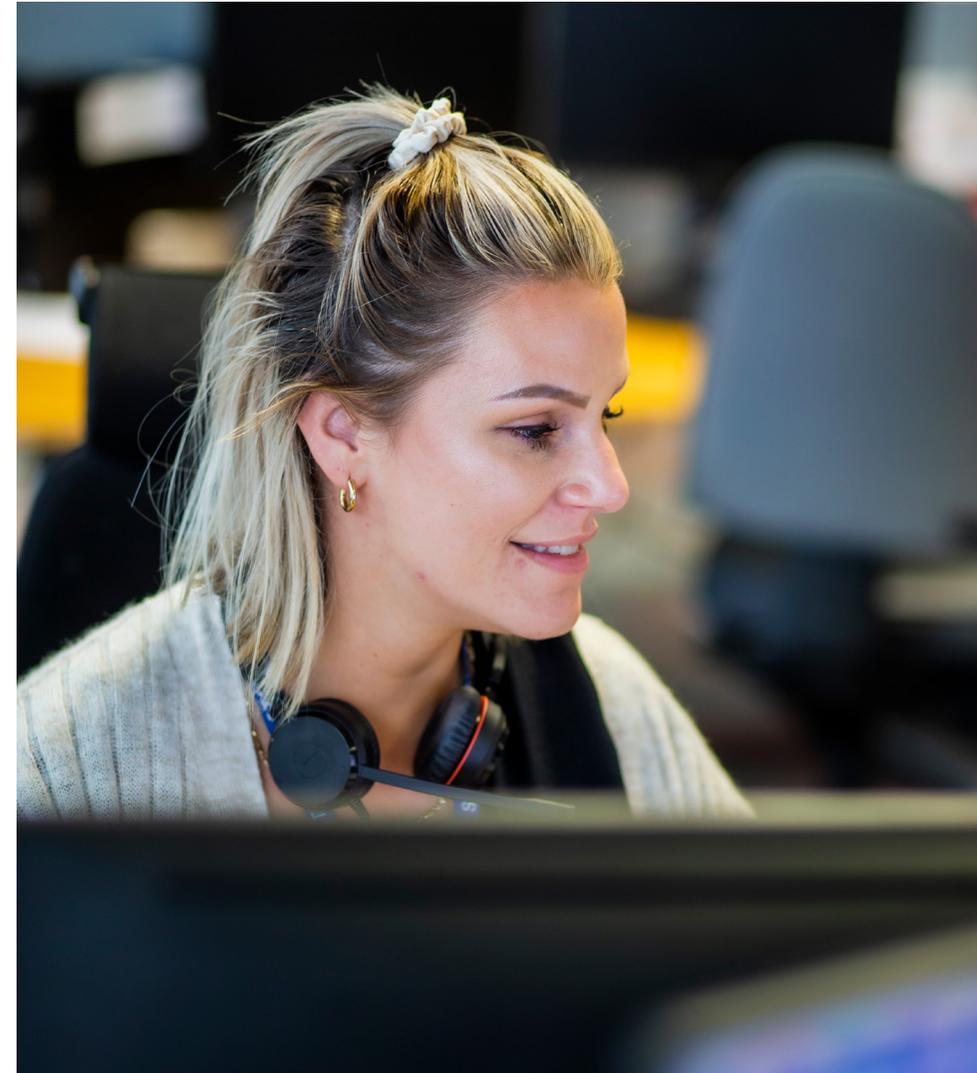
Although we are required to report both median and mean pay gaps, we consider the median gap to be a more useful indicator of the overall pay situation at Legal & General, although we are pleased to see a narrowing of our mean gap in 2022. The mean is more likely to be influenced by outlying pay figures for a small number of individuals, whereas the median ranks individuals from lowest to highest paid, giving a more representative picture of our employees' pay profile.

What we report: our structure

The headline pay gap figures reported here represent the position across our UK operation, aggregating all our reportable entities along with a small number of employees of entities which are too small to report in their own right.

Our operating entities are:

- Legal & General Resources Ltd, which consists of our retail, capital investment and retirement businesses as well as our corporate functions
- Legal & General Investment Management Holdings (LGIM(H)), which comprises our investment management business
- Cala Homes Ltd, a wholly-owned subsidiary housebuilding business
- Legal & General Homes, the employing entity for other parts of our housebuilding business.



Gender pay gap data

Group aggregated – Headcount: 9,597

Difference in mean hourly rate of pay

20.9%

(2021: 26.3%)

Difference in median hourly rate of pay*

22.4%

(2021: 24.1%)

Difference in mean bonus pay

48.5%

(2021: 53.1%)

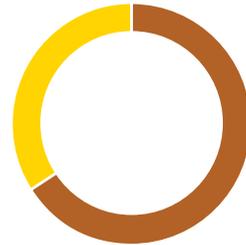
Difference in median bonus pay

37.6%

(2021: 42.1%)

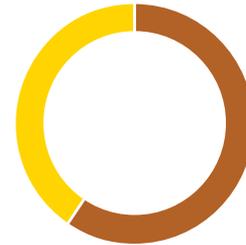
Proportion of male and female employees according to quartile pay bands (%)

Top quartile



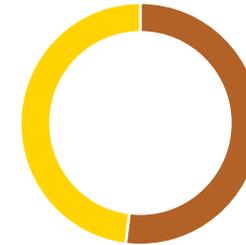
- Male 66.0 (2021: 69.3)
- Female 34.0 (2021: 30.7)

Upper middle quartile



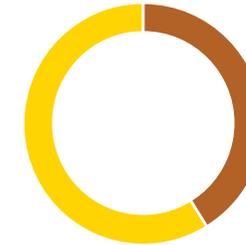
- Male 59.5 (2021: 61.3)
- Female 40.5 (2021: 38.7)

Lower middle quartile



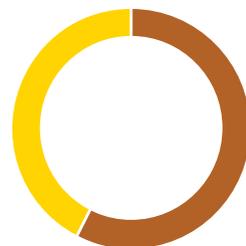
- Male 52.1 (2021: 49.7)
- Female 47.9 (2021: 50.3)

Lower quartile



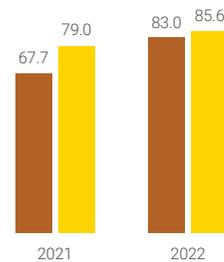
- Male 41.2 (2021: 48.0)
- Female 58.8 (2021: 52.0)

Proportion of male and female employees (%)



- Male 57.7
- Female 42.3

Proportion of male and female employees who received bonus pay (%)



- Male
- Female

Deloitte have provided independent limited assurance in accordance with the International Standard for Assurance Engagements 3000 ('ISAE 3000') over the selected metrics identified with a *. Deloitte's full unqualified assurance opinion, which includes details of the selected metrics assured, can be found in the appendix of this document.

Gender pay gap data are reported as at April 2022. Data coverage is UK-only.

Gender pay gap data continued

LGIM(H) – Headcount: 1,744

Difference in mean hourly rate of pay

19.1%

(2021: 16.8%)

Difference in median hourly rate of pay

15.3%

(2021: 16.5%)

Difference in mean bonus pay

46.4%

(2021: 44.7%)

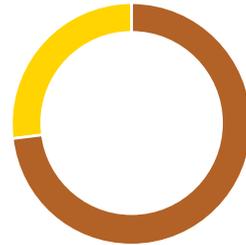
Difference in median bonus pay

33.4%

(2021: 42.5%)

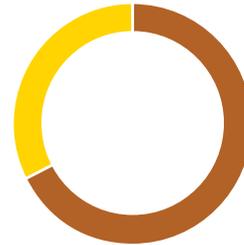
Proportion of male and female employees according to quartile pay bands (%)

Top quartile



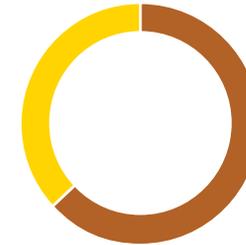
● Male 73.2 (2021: 76.4)
● Female 26.8 (2021: 23.6)

Upper middle quartile



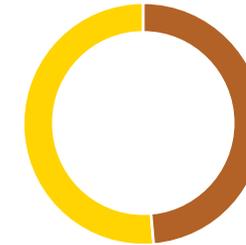
● Male 67.7 (2021: 68.8)
● Female 32.3 (2021: 31.3)

Lower middle quartile



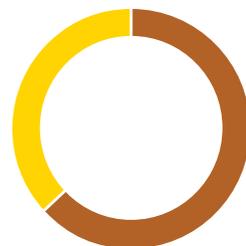
● Male 63.3 (2021: 57.7)
● Female 36.7 (2021: 42.3)

Lower quartile



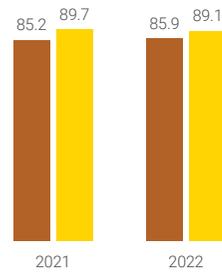
● Male 48.7 (2021: 53.1)
● Female 51.3 (2021: 46.9)

Proportion of male and female employees (%)



● Male 63.2
● Female 36.8

Proportion of male and female employees who received bonus pay (%)



● Male
● Female

Gender pay gap data are reported as at April 2022. Data coverage is UK-only.

Gender pay gap data continued

Resources – Headcount: 5,689

Difference in mean hourly rate of pay

21.7%

(2021: 20.5%)

Difference in median hourly rate of pay

23.9%

(2021: 23.7%)

Difference in mean bonus pay

41.6%

(2021: 42.1%)

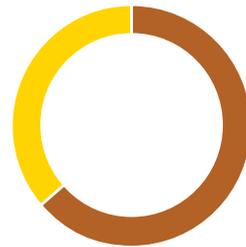
Difference in median bonus pay

40.9%

(2021: 37.8%)

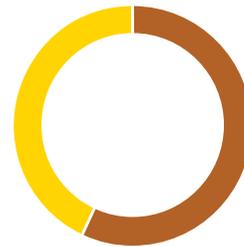
Proportion of male and female employees according to quartile pay bands (%)

Top quartile



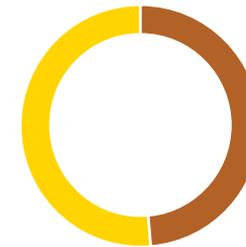
● Male 63.8 (2021: 64.9)
● Female 36.2 (2021: 35.1)

Upper middle quartile



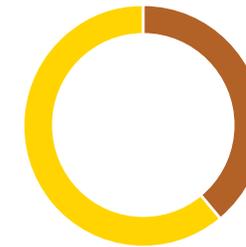
● Male 57.0 (2021: 56.0)
● Female 43.0 (2021: 44.0)

Lower middle quartile



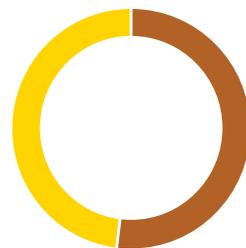
● Male 48.7 (2021: 45.5)
● Female 51.3 (2021: 54.5)

Lower quartile



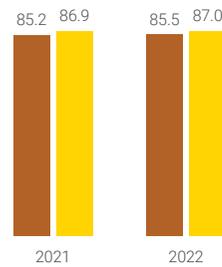
● Male 38.9 (2021: 41.7)
● Female 61.1 (2021: 58.3)

Proportion of male and female employees (%)



● Male 52.1
● Female 47.9

Proportion of male and female employees who received bonus pay (%)



● Male
● Female

Gender pay gap data are reported as at April 2022. Data coverage is UK-only.

Gender pay gap data continued

Legal & General Homes – Headcount: 654

Difference in mean hourly rate of pay

-38.3%

(2021: -27.6%)

Difference in median hourly rate of pay

-29.6%

(2021: -46.7%)

Difference in mean bonus pay

-98.3%

(2021: -2.2%)

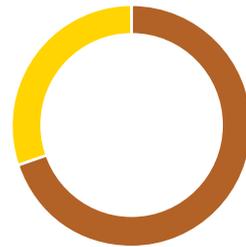
Difference in median bonus pay

-183.7%

(2021: -16.1%)

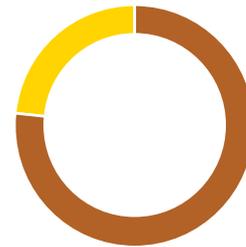
Proportion of male and female employees according to quartile pay bands (%)

Top quartile



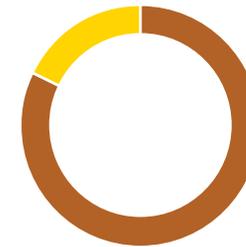
● Male 69.9 (2021: 67.0)
● Female 30.1 (2021: 33.0)

Upper middle quartile



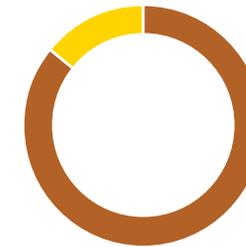
● Male 76.7 (2021: 76.9)
● Female 23.3 (2021: 23.1)

Lower middle quartile



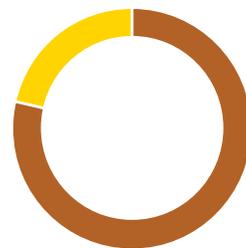
● Male 82.3 (2021: 80.8)
● Female 17.7 (2021: 19.2)

Lower quartile



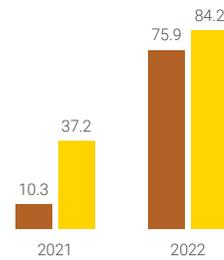
● Male 86.0 (2021: 89.4)
● Female 14.0 (2021: 10.6)

Proportion of male and female employees (%)



● Male 78.7
● Female 21.3

Proportion of male and female employees who received bonus pay (%)



● Male
● Female

Gender pay gap data are reported as at April 2022. Data coverage is UK-only.

Gender pay gap data continued

CALA Homes – Headcount: 1,166

Difference in mean hourly rate of pay

17.4%

(2021: 19.4%)

Difference in median hourly rate of pay

16.9%

(2021: 18.7%)

Difference in mean bonus pay

46.3%

(2021: 4.8%)

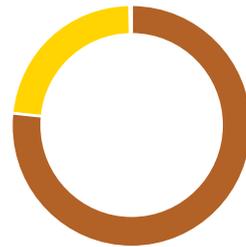
Difference in median bonus pay

23.2%

(2021: 3.4%)

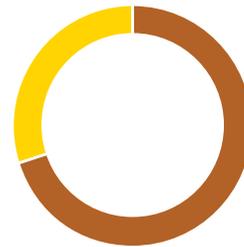
Proportion of male and female employees according to quartile pay bands (%)

Top quartile



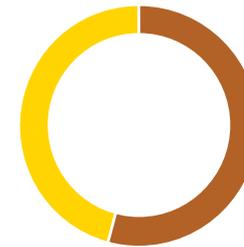
● Male 78.8 (2021: 67.0)
● Female 21.2 (2021: 33.0)

Upper middle quartile



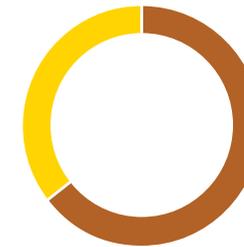
● Male 70.2 (2021: 71.9)
● Female 29.8 (2021: 28.1)

Lower middle quartile



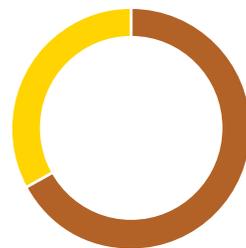
● Male 54.3 (2021: 53.4)
● Female 45.7 (2021: 46.6)

Lower quartile



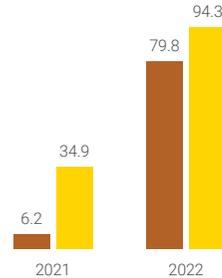
● Male 64.6 (2021: 62.4)
● Female 35.4 (2021: 37.6)

Proportion of male and female employees (%)



● Male 67
● Female 33

Proportion of male and female employees who received bonus pay (%)



● Male
● Female

Gender pay gap data are reported as at April 2022. Data coverage is UK-only.

“ I confirm that the data reported is accurate.”

Emma Hardaker-Jones

Emma Hardaker-Jones
Group Human Resources Director,
Legal & General

Employee health and wellbeing

We aim to create a healthy organisation that brings together healthy people, healthy work and a healthy culture. We take our employees' safety, wellbeing and ability to thrive at work extremely seriously. We recognise the importance of 'psychological safety' – creating a safe and open environment where people can be themselves – in achieving this.

Using data to build our wellbeing strategy

We use insights from sources including employee surveys and data on sickness to inform our strategies and policies on wellbeing topics, including stress, flexible working and diversity and inclusion.

In our October 2022 Voice survey, 72% of employees said they either agreed or strongly agreed with the statement: 'My overall level of personal wellbeing is good'. In addition, 83% of employees either agreed or strongly agreed with the statement: 'I can get the support I need from my line manager'. 69% said that they see Legal & General taking wellbeing as a top priority.

Sickness data

In the UK, we track sickness leave and what the contributing factors are that are causing people to take time off work. Within our total UK workforce, in 2022, 2.4% days were lost across the workforce through sickness leave. Of these, 28% were lost due to psychological ill health. Previously we have only reported figures excluding our housing business and now, thanks to better reporting systems, we are able to provide a complete picture of our UK workforce. This data will continue to be used to understand our people's ill health, what causes it, and how we can prevent and remediate it.

2022 % sickness days (UK inc Housing)	2.4%
2022 % of which were due to psychological illness (UK inc Housing)	27.8%
2022 % sickness days (UK exc Housing)	2.5%
2022 % of which were due to psychological illness (UK exc Housing)	29.8%

The importance of mental wellbeing

Building our people's mental wellbeing and resilience is an important area of focus. During 2022 we continued to encourage our people to speak up about their wellbeing experience and challenges: both anonymously, through our regular employee surveys, and publicly, for example through our internal communication channels.

We offer mental health awareness training to help employees support each other. Our employees can access Unmind, a mental health app which provides clinically tested tools and training. More than 120 of our employees have undertaken mental health first aider training, and we have enhanced our mental wellbeing options via our private medical insurance plan to cover children. See page 57 for full details of what we offer our employees.

Accreditations and recognition

Our efforts to support employee wellbeing have been recognised by the City Mental Health Alliance's award of an 'Achieving' accreditation mark in its annual Thriving at Work assessment.



The summer challenge

Our 2022 summer challenge enabled our employees to connect, reflect, be active, give back and keep learning, all while improving their wellbeing and donating money to meaningful causes.

With the strapline 'Something for Everyone', the challenge was as inclusive and accessible as possible, meaning we actively encouraged and promoted different types of activities that aided wellbeing, from reading a new book, volunteering in the community, or making new social connections to physical activity, such as a virtual trip around the globe completed in 11 days. We pledged £100,000 to global charities chosen by participating employees.

“

1,500 of our employees embraced the challenge of connecting, reflecting, getting active, giving back, and learning – all with the ambition of improving their wellbeing and donating money to causes close to them.”

Toby Wyithe

Community & Engagement Partner, Legal & General

Employee health and wellbeing continued

Wellbeing for all: our 2022 programmes

To help create an environment in which conversations about wellbeing are the norm, and thereby build a sense of psychological safety in our firm, in 2022 we ran various programmes for all employees.

Our **wellbeing fortnight** in February 2022 was designed to encourage employees to take the time to reflect on their wellbeing and consider how to maintain or improve it. The objective was to create conversations between employees and encourage peer-to-peer support. It involved:

- interactive sessions during the week
- sharing various wellbeing resources
- a dedicated session for line managers to learn how to support team members' wellbeing
- sessions designed to help people maintain wellbeing during winter; understand the connections between technology and wellbeing; and manage the relationship between physical and mental health.

In May 2022 we celebrated **mental health awareness week** with a range of in-person and online events, with the aim of helping our people connect with each other and so protect individual wellbeing and collective culture. The week involved:

- a session on balance and wellbeing in the hybrid workplace
- a panel session featuring our Chief Financial Officer and executive sponsor for wellbeing, Jeff Davies, and mental wellbeing ambassador Roman Kemp.

Financial wellbeing and the cost of living

We recognise that cost of living pressures could affect our employees. Working with our union partner, Unite, we made two payments totalling £1,500 to around a third of our UK workforce. We have recently announced a further payment due in July 2023. Our businesses based outside of the UK have taken a localised approach to address this issue.

This supplemented the support we offer our people with their overall financial wellbeing, which is summarised on this page.

1. Hardship fund

This fund helps employees who need urgent financial help because of circumstances beyond their control, where existing benefits are inadequate, and where a payment will make a material difference to the individual's mental and financial wellbeing.

An independent committee evaluates each application individually. Applications are confidential.

Low-cost financial services

All employees have access to Salary Finance's 'Financial Wellbeing Hub' which provides a suite of financial education tools, products and services which aim to help our people:

- understand money better with tips, guides and tools
- access low-interest loans
- build their savings
- apply for an advance on salary
- get access to a credit score, report and coaching for free.

Salary Finance takes loan repayments and savings deposits directly from salaries via payroll meaning our people can take advantage of lower loan rates and use a wider range of criteria than most lenders use when deciding to approve loan applications.

For more on Salary Finance, see page 13 of this report.

2. Everyday benefits for financial wellbeing

We have a range of everyday benefits designed to support financial wellbeing:

- in 2022 we launched our first Workplace ISA, where employees can contribute to a stocks and shares ISA with the convenience of having contributions deducted directly from their salary and the benefit of lower charges
- SmartSpending, which offers employees shopping discounts with hundreds of retailers. In 2022, our employees made over £250,000 of savings using this service
- enhanced income protection support to 66% of base salary for those unable to work due to injury or illness
- a financial coaching pilot, in partnership with Octopus Money, for a test group of 120 employees.

Our employee wellbeing support includes:

Money

- Enhanced income protection support to 66% of base salary for those unable to work through injury or illness.
- Launch of workplace ISA.
- Access to an electric car scheme providing a generous benefits package if employees lease a brand new electric car for personal use.
- Share save schemes.

Health

- Free access for employees globally to Unmind – an app that offers clinical techniques to help manage symptoms of stress, anxiety and depression.
- Private healthcare and access to a virtual GP.
- Enhanced mental health option that now covers children via private medical insurance (new in 2022).
- Access to over 120 mental health first aiders.
- Woman's health hub and menopause support for all female employees. So far 45 employees have used the menopause support.

Life

- Access to an employee assistance programme 24/7, 365 days a year for our people and their immediate families.
- Work+Family Space: access to advice and resources to help employees balance work and caring responsibilities. Additional support for working parents launched in 2022 with eight days of back up care provided for free.
- Care Concierge – help with sourcing later life care for loved ones.

Employee health and wellbeing continued



Health and safety

Since the lifting of Covid-19 restrictions, we have been defining our approach to hybrid working. This includes providing modern, flexible space in our offices through refurbishments that include collaboration spaces, living walls and quiet spaces. Our approach to workplace design accounts for our people's needs, including mobility issues, neurodiversity requirements and hearing and sight impediments to ensure that our spaces are as inclusive as possible. We are also committed to ensuring our workplaces support our employees' physical health and safety as well as their mental and emotional wellbeing.

The operation of our core offices is managed through a health and safety system aligned with ISO45001 and our offices are audited by a leading health and safety consultancy. We have a well established and documented process for identifying health and safety hazards, risks and responding to incidents and near misses. We continue to review and update our risk assessments, which are the cornerstone of our management system. We also use our assessments to form policy, processes and guidance for our people. Procedures and processes are reviewed regularly to ensure compliance with law and best practice.

In 2022, we reviewed our health and safety management systems to reflect our changing working patterns and to ensure we were meeting the needs of the hybrid workforce. This included setting up fire warden and first aid forums, to help people in these critical roles better deliver their roles, and delivering first aid workshops quarterly.

All employees benefit from a range of occupational health services and individual occupational health assessments tailored to specific needs. All employees are required to complete a group-wide health and safety computer-based training module.

We recognise that consultation and communication are essential to drive effective management of health and safety. We have location-specific and group-wide health and safety committees, a partnership with our recognised union, Unite, and a dedicated health and safety page on our intranet site which outlines our management system, guidance and resources. There is a dedicated mailbox for employees to report hazards and ask for assistance. We work in partnership with Unite to support our people in raising and addressing health and safety concerns through their union.

Employee health and wellbeing data

Key health and safety statistics

The table to the right shows health and safety statistics for all our UK employees including our subsidiaries and contractors on sites owned by Legal & General in the UK.

High consequence work-related injuries relate to a work-related injury from which the individual cannot, does not, or is not expected to recover fully to pre-injury health status within six months of the incident taking place.

The main types of recordable work-related injuries for our employees were bruising and abrasions to fingers and thumbs as a result of working on construction sites. For Legal & General workers (contractors) on sites owned by Legal & General owned sites, the main type of injuries were cuts and lacerations of fingers and thumbs. These predominantly took place on our construction sites.

Through comprehensive risk assessment processes that are applied in line with UK health and safety legislation, we determine the likely hazards to which our employees and contractors on our owned sites are exposed. The hierarchy of control is followed to mitigate the risk of accidents to the lowest levels as far as is reasonably practical.

All rates have been calculated per 100,000 hours worked which is the UK standard for reporting. All figures are for our UK employees and contractors working on our owned sites in the UK. Employees in our international offices are not included in the statistics currently.

For previous years' health and wellbeing data, please see our 2021 ESG Data Centre Report bit.ly/LegalandGeneralSustainabilityreportingcentre. Please note that certain criteria for data reporting have been widened this year and therefore a like-for-like comparison may not be possible in all cases.

Key health and safety data for Legal & General employees in the UK (incidents taking place on Legal & General owned sites)

The number and rate of fatalities as a result of a work-related injury

Total number	Rate per 100,000 hours worked
0	0

The number and rate of high-consequence work-related injuries (excluding fatalities)

Total number	Rate per 100,000 hours worked
0	0

The number and rate of recordable work-related injuries (number of injuries/hours worked x 100,000)

Total number	Rate per 100,000 hours worked
146	0.75

The number of hours worked

Total number
19,566,163

Key health and safety data for contractors on Legal & General owned sites in the UK

The number and rate of fatalities as a result of a work-related injury

Total number	Rate per 100,000 hours worked
0	0

The number and rate of high-consequence work-related injuries (excluding fatalities)

Total number	Rate per 100,000 hours worked
0	0

The number and rate of recordable work-related injuries (number of injuries/hours worked x 100,000)

Total number	Rate per 100,000 hours worked
152	1.95

The number of hours worked

Total number
7,779,899

Supply chain

Being a responsible business means taking an active role in what happens outside of our four walls. Understanding the sustainability of our supply chains goes beyond risk avoidance: it is also about positive impact, for people and the planet. Deepening our understanding of the impacts our supply chain can have, as well as improving procurement professionals' knowledge of sustainability, is important to us.

In 2022, our suppliers continued to feel the pressures of volatile trading conditions brought on by the ongoing impact of external factors like Covid-19, Brexit and the invasion of Ukraine. Such pressures increase the likelihood of bankruptcy and at minimum, the impact on supply is inevitable. Therefore, we introduced methods to monitor, escalate and mitigate risks to build a more resilient supply chain, working with suppliers to do so.

We continued to improve our sourcing initiatives, finalising our sustainability sourcing principles. These are now in place for all our procurement and cover our expectations of suppliers in key areas like diversity and inclusion, carbon emissions and the living wage.

Alongside these principles, we are reviewing our supplier code of conduct to align with our sustainability and supplier diversity strategy, removing any contradictions to contract terms and making it clearer and easier for our suppliers to follow.

Supplier diversity

In 2021, we became an active member of the Supplier Diversity Council UK with the goal of providing practical guidelines and support on implementing a supplier diversity programme. We're proud to have been recognised for our work in this area, winning an award⁷ from the Global Sourcing Association commending us for the work we are doing to push the supplier diversity agenda. We are actively taking steps to collaborate with others to formulate tools, templates and practical advice to help organisations promote supplier diversity and embed it into everyday processes.

Social enterprises

Social enterprises are businesses which trade for a social or environmental purpose. They prioritise benefits to people and the planet and use the majority of profits to further their mission. We are committed to increasing our spend with social enterprises. Working with Social Enterprise UK, we will complete an annual audit assessing our spend on social enterprises within our supply chain. We increased our spend with social enterprises by a further 8% in 2022 compared to 2021. Looking ahead, sustainability and supplier diversity will play an increasingly important factor in our buying

decisions. We see many opportunities in further collaborating with suppliers and working alongside them, so we can jointly make a positive difference in how we procure goods and services.



7. bit.ly/GSAProfessionalawardswinner (legalandgeneral.com)

Influencing public policy

Influencing through memberships

We participate in a number of industry bodies and have signed up to a range of sustainability-related standards.

We are members of **Business in the Community** (BITC), a UK-based membership organisation which is 'leading a movement to create a fair and sustainable world in which to live and work'. Our activity with BITC focuses on the themes of diversity and inclusion, social impact and employee volunteering.

During 2022, we gained **Good Business Charter** certification. The Charter commits us to a range of actions to ensure the ethical running of our company, including paying a real living wage, supporting employee wellbeing, engaging with worker representatives, promoting diversity and inclusion, protecting the environment and ethical sourcing practices. Full details of the certification can be found on the Good Business Charter website, <https://www.goodbusinesscharter.com/>

We are participants in the UK division of the **United Nations Global Compact**, as well as being a signatory of the Global Compact.

For a full listing of our industry body memberships and recognitions, please see our corporate website, bit.ly/LegalandGeneralMembershipsandrecognitions.

Our approach to public policy

When approaching public policy work, we have a set of principles by which we engage government and policy makers.

Our public policy principles

- 1** We make no political donations.
- 2** We are politically neutral, working with all parties, officials, regulators and other policy organisations in the jurisdictions in which we operate.
- 3** We work collaboratively both directly and through a range of industry representative bodies.
- 4** We aim to deliver evidence-based, practical proposals for consideration by policymakers.
- 5** We aim to be experts and thought leaders: we are an organisation rich in expertise that we're willing to share with those responsible for formulating public policy.
- 6** We are focused on delivering positive outcomes for customers, shareholders, investment markets, the broader economy and society.

We had extensive engagement with policy makers and regulators throughout 2022. We contributed to consultations on themes including retirement and pensions; sustainability; consumer protection; operational resilience; the future regulatory framework and Solvency II.

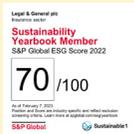


ESG ratings, accreditations and commitments

As a listed company, we are frequently rated by ESG rating providers and proactively participate in a number of ESG indices.

We are committed to working with many organisations to ensure responsible business practice. Working with these organisations provides us with greater access to expert knowledge to help better run our business and share best practice from our perspective.

ESG indices



S&P Global

S&P Global ESG Scores are informed by a combination of verified company disclosures, media and stakeholder analysis, and in-depth company engagement via the S&P Global Corporate Sustainability Assessment (CSA). As of year-end 2022, Legal & General scored within the 90th percentile for the global insurance industry achieving inclusion in the 2023 S&P Global Sustainability Yearbook.



Sustainalytics

Sustainalytics' ESG Ratings measure how well companies proactively manage the ESG issues that are the most material to their business. As of October 2022, Legal & General received an ESG Risk Rating of 17 and was assessed to be low risk. This placed us within the 10th percentile for the insurance industry.



ISS

ISS ESG Corporate Ratings on companies provide investors with in-depth insight to effectively incorporate sustainability into their investment decisions. As of January 2023, Legal & General received a C+ rating, achieving Prime status.



FTSE4Good

FTSE4Good Index Series

The FTSE4Good Index Series is designed to measure the performance of FTSE companies demonstrating strong ESG practices. For 2021, our overall FTSE4Good ESG score was 4.3 enabling us to remain a constituent of the FTSE4Good Index Series.

Accreditations and commitments

WE SUPPORT



United Nations Global Compact

The UN Global Compact is a voluntary United Nations initiative to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The Global Compact supports companies to do business responsibly by aligning their strategies and operations with the Ten Principles on human rights, labour, environment and anti-corruption.



Living Wage Foundation

We are a Real Living Wage Employer (and a member of the Living Wage Foundation), committed to paying our people a fair and respectable wage.



Good Business Charter

The Good Business Charter is an accreditation which organisations in the UK can sign up to in recognition of responsible business practices. It measures behaviour over 10 components: real living wage, fairer hours and contracts, employee wellbeing, employee representation, diversity and inclusion, environmental responsibility, paying fair tax, commitment to customers, ethical sourcing, and prompt payment. An organisation must meet all 10 commitments to receive the GBC accreditation.



The Prince's Responsible Business Network

Business in the Community (BITC)

BITC and its network of business members aim to create a fair and sustainable world in which to live and work. Formed in 1982, BITC is the largest and longest-established membership organisation dedicated to responsible business.

Business ethics

Running our business responsibly is an ethical, as well as a legal and regulatory, obligation. We believe that without ethical practices underpinning our approach to business, we lose the right to take a stance on 'bigger picture' social and environmental issues. That's why we hold ourselves and our employees to high standards when it comes to role modelling responsible behaviour.

It's important to us that all our stakeholders can expect us to behave fairly and to do the right thing. This means adhering to regulatory requirements and principles, including the FCA's Conduct Rules and other country equivalent regulations.

Code of Ethics

Our Group Code of Ethics, which is available on our website, sets out our expectations for how our employees will do business on our behalf. Our commitment to those working, dealing or liaising with Legal & General is that we will:

- 1** Always be open, honest and fair in our dealings with other employees, customers, communities, business partners and suppliers.
- 2** Never tolerate any act of discrimination, harassment or victimisation either among employees or with any individual or organisation with which we are working.
- 3** Operate within all applicable laws, rules and regulations in all areas where we have a presence.
- 4** Safeguard personal data and any information of a non-public nature.
- 5** Empower our people to be accountable for ensuring the decisions they make are responsible and ethical.

For more, see our Code of Ethics on our website bit.ly/LegalandGeneralSustainabilityPolicies.

Inter-personal ethics Bullying and harassment

We are committed to creating a diverse workforce and an inclusive workplace where everyone can succeed, no matter who they are. We will not tolerate any behaviour or act of bullying, harassment, discrimination or victimisation, whether between employees or in their interactions with customers, clients, suppliers or anyone else who does business with Legal & General.

We are committed to creating a work environment where everyone is treated with dignity and respect. Our dignity at work policy (an internal document) covers bullying and harassment of employees in the workplace by other employees, managers, customers, visitors, contractors, and anyone else engaged to work with us. It also applies in other workplace settings including business trips and work-related social events.

For more on our approach to diversity and inclusion in our workplace, please see pages 46-48 of this report.

For more on inter-personal ethics, see our Code of Ethics on our website bit.ly/LegalandGeneralSustainabilityPolicies.

Human rights and modern slavery

Modern slavery remains a significant global issue and as a global organisation we remain committed to playing our part in helping to eradicate it. We are acutely aware that our position enables us to influence, lead and drive positive change in the communities in which we live and work and we take this responsibility very seriously.

We understand our responsibility to prevent, mitigate and remediate where appropriate the risks of human trafficking, forced, bonded and child labour; and to respect human rights in our operations and our supply chain. Whilst we acknowledge that there may be human rights impacts within our value chains, we will not tolerate a culture that does not take these impacts seriously.



Business ethics continued

Our modern slavery strategy is aligned with the United Nations Guiding Principles on Business and Human Rights. This strategy is also supported by our supplier code of conduct and human rights policies, which apply across the Legal & General group and its subsidiaries, and set out our obligations to customers, employees and communities in our own operations and supply chain.

We take any breach of our policies or allegations of labour abuse extremely seriously. We provide independent and confidential whistleblowing hotlines that enable our employees, suppliers and their staff around the world to raise concerns on this or any other issue.

Our human rights agenda holds us and our people to account in operating to high standards within our own business. We are members of the Gangmaster and Labour Abuse Authority Construction Protocol, a Real Living Wage Employer (and a member of the Living Wage Foundation), a signatory to the UN Global Compact and an advocate of the UN Guiding Principles on Business and Human Rights and the UN Sustainable Development Goals. We continue to support behaviours which are consistent with the International Labour Organization's Core Conventions. We have incorporated the internationally recognised Ethical Trading Initiative (ETI) Base Code within our supplier code of conduct.

Key updates in 2022 included:

- launching a training module designed to educate employees on the risk of modern slavery in workplaces, how to spot potential victims of modern slavery and how to report any instances (UK employees only)
- within the Property Development team in the Real Assets business (made up of 11 Development Managers), a modern slavery policy was developed and implemented on all new construction and building refurbishment projects with costs of more than £1 million. We set standards for our consultant project managers to engage and collaborate with

the main contractors to ensure they recognised their responsibilities for preventing and identifying modern slavery and human trafficking in their projects.

For more, see our human rights policy and our 2022 Modern Slavery Statement on our website bit.ly/LegalandGeneralModernslavery.

Financial ethics Anti-bribery and corruption

We will not tolerate any person acting on behalf of the Group participating in any form of corrupt practice, including the acceptance, promise, offer or giving of anything that may be considered a bribe. Our financial crime risk policy applies across the Group and mandates that controls are put in place to prevent and detect such activity. Controls include an annual bribery and corruption risk assessment; regular training; due diligence measures; reporting of suspicions of bribery and corruption; and the control and approval of giving and receiving of gifts and hospitality, political and charitable donations, and corporate sponsorship.

Taxation

Our tax strategy is designed to be sustainable, well governed, fair and transparent. This is underpinned by thorough and comprehensive reporting of our tax affairs through the publication of our annual tax supplement, which includes:

- a summary of our tax policies
- our total tax contribution
- our global tax footprint
- information on our approach to tax governance and tax planning.

Please see our 2022 tax supplement for more information on our tax position.

Cyber and information security

We have an established information security framework which comprises a suite of policies, standards and guidance that apply across the company. As with many organisations, Legal & General faces an ongoing threat of cybersecurity attacks. We do our utmost to ensure minimal disruption to our business operations and to reduce any risks facing our customers and employees.

We are ISO/IEC 27001 certified⁸. This assessment provides independent assurance that we follow industry-standard security management practices.

Our employees have to take a mandatory information security training module. This aims to support and equip our people with the necessary knowledge to identify and respond to security threats, as well as how to operate in a secure manner. This is supported by regular communication on security good practice and an ongoing rolling programme of phishing testing. For further information, please see our [cyber and information security statement](#).

Data privacy

Protecting the personal data of customers is extremely important to us. Customers need to be able to trust us with their personal information which often contains sensitive information.

Our privacy policy can be found on our website bit.ly/LegalandGeneralPrivacypolicy. It relates to our retail customers and/or individual consumers of our goods and/or services, including users of our application-based technology and those individuals who request financial advice, obtain quotes, utilise our services, purchase our products, enter into agreements with us, individuals that we cover under employer sponsored schemes and/or individuals that we may otherwise interact with in the course of our business.



8. The ISO/IEC 27001 certification does not apply to subsidiaries of Legal & General Capital (e.g. CALA and Modular Homes) or our Legal & General America businesses.

Business ethics continued



This comprehensive policy details the type of personal information we might hold about our customers, how and why we use it and the sources of this information. The policy also details how we use the information in accordance with data protection laws.

When things go wrong

We know that, despite our efforts to apply high standards of behaviour to how we run our business, there may be times when things go wrong or we do not meet the standards we set. On those occasions, it is important that we provide a means for redress and remediation. As well as processes and teams dedicated to complaint handling, we offer financial redress where needed, and operate an impartial whistleblowing facility for all our stakeholders.

Whistleblowing

Our whistleblowing policy and procedures allow our employees, as well as suppliers, customers and other third parties, to raise concerns either by a dedicated internal hotline, or through an email address – whistleblowing@landg.com. The whistleblowing policy is proactively communicated to employees and supported by compulsory training programmes for all employees.

Investigations are conducted fairly and impartially and are led by experienced investigators from the Group Financial Crime team or delegated to independent subject matter experts.

In line with regulatory requirements, we have appointed a whistleblowers' champion to challenge our approach periodically and help us to do the right thing. An oversight committee receives quarterly updates on all open investigations.

We do not tolerate retaliation against whistleblowers and any reports of this would be thoroughly investigated and appropriate disciplinary action taken for employees breaching our whistleblowing procedures.

We encourage employees to use the service to raise concerns, whether to do with a process or policy not being adhered to, or to report specific instances of wrongdoing. The latter may include:

- criminal activity
- failure to comply with a legal or professional obligation
- miscarriage of justice
- dangers to health and safety
- damage to the environment
- breach of PRA/FCA rules
- breach of Legal & General's policies and procedures
- behaviour that harms, or is likely to harm the reputation or financial wellbeing of the Legal & General Group
- deliberate concealment of any of the above.

Appendix: independent limited assurance summary for select data



Independent limited assurance summary

Independent Limited Assurance Report to the Directors of Legal and General Group Plc

Independent Limited Assurance Report by Deloitte LLP to the Directors of Legal and General Group Plc on selected Environmental, Social and Governance ('ESG') metrics (the 'Selected Information') within the Social Impact Report of Legal and General Group Plc for the year ended 31 December 2022.

What we found: Our limited assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information, as presented on pages 42, 45 and 51 of the Social Impact Report, and as listed below and indicated with a * in the Social Impact Report, for the year ended 31 December 2022, has not been prepared, in all material respects, in accordance with the Applicable Criteria defined by the directors.

What we looked at: scope of our work

Legal and General Group Plc has engaged us to provide independent limited assurance in accordance with the International Standard on Assurance Engagements ('ISAE') 3000 Revised Assurance Engagements Other than Audits or Reviews of Historical Financial Information 3000 ('ISAE 3000' (Revised)), issued by the International Auditing and Assurance Standards Board ('IAASB') and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented on pages 42,45 and 51 of the Social Impact Report for the year ended 31 December 2022, as listed below and as indicated with a * in the Social Impact Report is as follows:

Selected Information	Unit of Measurement	Reported Amount
Diversity and inclusion: Gender representation across the group	Percentage	44.62% female, 55.38% male
Diversity and inclusion: Ethnicity representation across the group	Percentage	63.90% white, 16.16% all minority ethnicities, 1.49% prefer not to say, 18.46% not disclosed
Median gender pay gap (UK based employees in line with the UK Government's Gender Pay Gap reporting regulations)	Percentage	22.4%

The Selected Information, as listed in the above table, needs to be read and understood together with the Applicable Criteria which can be found on Legal and General Group Plc's website.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted

measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

The Applicable Criteria is internally generated by Legal and General Group Plc. We draw attention to the inherent limitation that the selected information in relation to ethnicity and gender representation data is derived from self-reported data, reported voluntarily by individuals within the organisation. As a result, our procedures did not include validation that self-reported assertions are appropriate.

Directors' responsibilities

In respect of the Selected Information, the Directors of Legal and General Group Plc are responsible for:

- selecting and establishing the Applicable Criteria
- preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria
- publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information
- designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information that are free from material misstatement, including whether due to fraud or error
- providing sufficient access and making available all necessary records, correspondence, information and explanations necessary.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information

- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained
- communicating matters that may be appropriate to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information
- reporting our conclusion in the form of an independent limited Assurance Report to the Directors of Legal and General Group Plc.

Our independence and competence

In conducting our engagement, we have complied with the independence and other ethical requirements of the Institute of Chartered Accountants in England and Wales ICAEW Code of Ethics ('ICAEW Code'). The ICAEW Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied the International Standard on Quality Management 1 ('ISQM 1'). Accordingly, we maintained a comprehensive system of quality including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have confirmed to Legal and General Group Plc that we have maintained our independence and objectivity throughout the period and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

Independent limited assurance summary continued

What we did: key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on Selected Information, we performed the following procedures:

- performed analytical review procedures and considered the risks of material misstatement of the Selected Information
- through inquiries of management, obtained an understanding of the entity, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion
- through inquiries of management, obtained an understanding of internal controls relevant to the Selected Information, the quantification process and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information. We did not evaluate the design of particular internal control activities, obtain evidence about their implementation or test their operating effectiveness
- inspected documents relating to the Selected Information, including board committee minutes to understand the level of management awareness and oversight of the Selected Information
- performed procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations and assessment whether the data had been appropriately consolidated
- performed procedures over underlying data on a sample basis to assess whether the data had been collected and reported in accordance with the Applicable Criteria, including verification to source documentation
- assessed a sample of management's assumptions and estimates in relation to the Selected Information
- accumulated misstatements and control deficiencies identified, assessing whether material
- read the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Use of our report

This report is made solely to the Directors of Legal and General Group Plc in accordance with 'ISAE 3000' (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of Legal and General Group Plc those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than Legal and General Group Plc and the Directors of Legal and General Group Plc, we acknowledge that the Directors of Legal and General Group Plc may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Legal and General Group Plc and the Directors of Legal and General Group Plc as a body, for our work, for this report, or for the conclusions we have formed.

Deloitte LLP

Deloitte LLP
London
7 March 2023