

2015

Legal & General Group PLC
Corporate Responsibility Report

Working together positively.

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EVERY DAY MATTERS



Welcome to our CSR report for 2015

We discuss the economic, social and environmental impact we have day to day and the role we play improving lives through our campaigns around Housing, Income in Retirement, Health, Sustainable property and Corporate governance.

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Introduction

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INTRODUCTION

We report on our people and corporate responsibility performance and how acting responsibly over the long term means we deliver for our customers.

➤ Making our business socially and economically useful - Nigel Wilson



Nigel Wilson, group chief executive officer and chair, group corporate responsibility and ethics policy committee

Our purpose is to be economically and socially useful by improving the lives of our customers, building a better society for the long term and creating value for our shareholders, suppliers and communities.

We pride ourselves on deep thinking and excellent execution. Our medium to long term strategy is driven based upon our five growth drivers of ageing populations, welfare reform, creating real

assets, globalisation of asset markets and digital. Our short term emphasis is on delivering excellent value to customers through competitive pricing and efficient delivery of service.

Two important priorities for me are to increase the supply of affordable housing and improve customers financial resilience by making financial services more accessible.

Our achievements in 2015

Our insight into the needs of vulnerable customers helped us create and improve products and services.

As well as campaigning for solutions to Britain's severe housing shortage, we took action ourselves and continued to invest in house building, especially in the buy-to-rent and modular housing sectors.

Our direct investment programme, where we have committed to put £15 billion into UK infrastructure, including urban regeneration programmes, has now reached £7 billion of investments.

We've taken steps to ensure that economic resilience for UK families is improved and that the problem of exclusion from the benefits of financial services is tackled. Better financial education plays an important role.

We support the need to build a low carbon future through our own investments in clean energy, our commitment to low carbon business operations and put environmental issues high on the agenda of those companies we invest in.

We have £746 billion in assets under management and we seek to influence ethical board behaviour in the companies we invest in, including ensuring executive pay is in line with corporate performance.

Diversity is also a vital issue, both in the boardroom and within our own management structure, where our 50/50 by 2020 gender diversity programme aims to increase the percentage of women in leadership and management positions across our business.

Our US business continues to expand and a key success this year was to put in place independent materiality assessments of our US activities.

I believe we have to embed social responsibility into our culture. Our purpose is to help improve society and to reward our shareholders through our central goal of ensuring that we help customers build financial security.

However our belief in high standards of corporate responsibility mean little unless they are translated to build a better and financially more secure future for all of society.

We need to be trusted by all our stakeholders: our investors who seek fair returns on their investments, our customers who rely on us in times of need, our employees who look to us to provide for their families, our regulators who need to know that we will keep our customer promises, our suppliers whose businesses depend on us and our communities who benefit from our social investments.

The creation of economic value is vital for society. For example, our financial success in generating £1,355 million in profits in 2015 also meant that we made total tax contributions in 2015 of £813 million in the UK and £134 million overseas, which includes taxes borne by us and taxes collected from employees and customers. As well as providing

employment for around 9,000 people we helped over 15 million people globally through insurance cover, building savings or by providing retirement income. Additionally we managed the investments of some 3,000 institutions, including some of the UK's biggest pension funds.

Our employees are crucial to our social responsibility strategy. The pattern of employment is changing. Our traditional retail insurance and savings businesses require fewer people as the businesses digitise and processes become automated. The changes to products and regulation have changed our business model. In 2015 we announced that our Kingswood office would close with the majority of jobs being transferred to Cardiff, Hove and London. However, we also are launching an important new business with many new employment opportunities. Our modular home construction business based in Yorkshire, creating more than 400 new jobs, can help solve the UK's housing shortage through the building of modern, digitally designed homes. Like many of our direct investments we are investing funds from our retirement businesses to enhance the risk adjusted returns available.

The future

Our business continues to evolve. We need to take advantage of increase market inclusiveness, helping many more millions of people enjoy the security and independence that insurance and savings bring.

Our Group Corporate Responsibility and Ethics Committee constantly review the group's environment, social and governance performance (ESG). For example, we're improving transparency in the following areas:

Proving Social Value

We aim to quantify the economic and social impacts of our direct investments in housing, energy, urban regeneration and healthcare.

Carbon balance

Our investments conform to the UN PRI principles for responsible investment. We aim to offer greater transparency and control for our clients to reflect their priorities in respect of ethical investments and environmental screening. We engage with all investee companies on environment, social and governance issues

Service and Culture

We monitor employee and customer satisfaction levels. For example employee survey and net promoter scores. We are currently rolling out new initiatives for vulnerable customers, empathy and business culture. Culture is as important as regulatory compliance.

Working with government

Our work with government supports jobs, growth and financial resilience including through improved housing and pensions. We offer evidence-based solutions to all parties to help positive policy development.

We continue to set ourselves challenging ESG targets for the group which help us do business better or improve the lives of future generations. These are detailed in our [doing business better](#) section including timescales for delivery.

Nigel Wilson

Group Chief Executive Officer

Chair – Group Corporate Responsibility and Ethics Policy Committee

➤ Who we are and what we believe



180 years of improving lives

We first started trading in 1836, which means for 180 years we've helped people protect against unforeseen circumstances in their lives and save for a better and happier financial future. At the end of 2015 we provided insurance cover or looked after the individual savings for more than 15 million people

worldwide, managing the investments of around 3,000 institutional clients. We have over £746 billion in assets under management, being responsible for the savings and investments of individuals, their families, pension schemes and financial institutions. Our large scale gives us an added responsibility to use our economic expertise and investment strength and take a position of leadership in broader society.



Customers come first

Our fundamental company purpose is to help people achieve financial resilience with the protection that insurance and savings bring, helping them build a secure and rewarding future.

We're committed to be there for our customers throughout their lives, aiming to provide products and services that give them outstanding value for money. We want to be accessible to everyone, whatever their age or wealth as our aim is to give people real financial independence.

By serving our customers' needs, we can build financial success for the Legal & General group. Our customers always come first, but there are three other core groups of stakeholders who we want to benefit from the success of our business:

Our shareholders and investors

We're owned by our shareholders so it's important we give them a good return on their investments. Many institutional shareholders invest in our shares to provide investment returns on behalf of pension schemes, providing for many millions of people.

Our people

We employ around 9,000 people in the UK and around the world and seek to build an ever closer engagement with them, listening to their views and understanding how they contribute towards our success.

Our communities and wider society

We aim to deliver real value to our communities, not only by helping people build secure financial futures, but by investing in the towns and cities we live in. We feel we need to help the neediest in our communities through our programmes of working with NGOs.

The complexity of our business means that there are other groups that we engage closely with in order to create financial resilience for our customers:

Our business partners and corporate clients

We work with the majority of the UK's largest companies in all sorts of ways, for example, we provide:

- Pension and protection schemes for their employees
- Financial products and services for their customers
- Services for our own businesses covering functions such as IT, office services, shareholder services and creative services.

The companies we invest in

We invest in other companies' shares, bonds and real assets to generate investment returns for our institutional and retail customers and our customer and shareholder funds.

Governments and regulators

We work with the government and regulators to help build positive solutions to many of society's major financial issues. Our policy work benefits wider society as well as our customers and shareholders.

Non-government Organisations (NGOs), including charities

We work with NGOs to extend the benefits of our social responsibility campaigns beyond our own customers to the most vulnerable people in society. At the same time our people learn from each NGOs vast specialist experience, with both parties sharing experiences for mutual benefit.



What we believe in

Our culture is based around a number of core beliefs which influence our behaviour in everything we do. These are embedded into our board's and our employees' thinking, so that our strategy and actions reflect our understanding of these fundamental beliefs.

Delivering financial resilience

Our corporate goal is to help people achieve lifetime financial independence through personal ownership of insurance and savings products.

Improving social mobility and equality of opportunities

We develop products and services which are accessible to and meet the needs of a very wide range of differing social groups. We have positioned our direct investments in housing and urban regeneration to improve people's quality of life across wide age groups, social classes and geographical locations.

Trust, transparency and ethical business behaviour

We demand the highest standards of ethical behaviour from our board, employees and all our stakeholders. We work to build trust with our customers and act in a transparent way towards all our stakeholders, being one of the founding members of the 'Responsible 100' network.

Diversity

We recognise that we need to work harder to make our company more inclusive and develop greater tolerance towards all people, whatever their background.

Helping vulnerable customers

Our vulnerable customer committee helps ensure that our products and the service we provide meets the needs of people with vulnerabilities, such as the elderly, people with disabilities and the recently bereaved.

Creating a low carbon future

We're committed to reducing our impact in environmental and climate risk. We have set ourselves low carbon targets and have made clean energy a key part of our direct investment strategy.

Community development

Our people in all our UK and international businesses are committed to supporting their communities through volunteering and fundraising. In this way we can reach out to some of the most vulnerable people in society.

Responsibility in investment

The scale of our business and our strength in index funds means we invest in most sectors and most large companies. While we cannot necessarily select those companies we invest in using criteria based solely upon ethical behaviour, we seek to influence boards to act in an ethical and responsible way, focusing on all aspects of environmental, social and governance (ESG).



Living our beliefs

Our purpose is to help our customers achieve financial security while being economically and socially useful. Our success in meeting this prime goal also enables us to reward shareholders, help our communities and invest a growing part of our overall policyholder and shareholder funds into direct investments, which help all parts of society. Our strategic actions are influenced by five growth drivers, which make sure what we do is based upon trends which affect people throughout the world.

1. The effect of ageing populations on our ability to provide retirement finances
2. The need for welfare reform to help people build financial resilience
3. The need to create real assets to help our communities thrive
4. The globalisation of investment markets, affecting people's finances across the globe
5. The growth of digital solutions which help improve access to financial services

Doing the right thing

We're convinced that corporate and social responsibility should be integrated into the 'lifeblood' of companies, affecting everything they do and every relationship they have whether with customers, with suppliers, with governments or the whole of society. We want to see a positive future for all.


We've a legal duty to help over 10 million people in the UK who rely on us for insurance, savings and investments. We also have a responsibility which covers many more people across society who benefit from our investments and are touched by our campaigns. We do this in the UK, the Netherlands, The United States and in India.

We work with people from the third sector, primarily by sharing expertise. This means that we help our charity partners understand more about the financial risks that consumers face in health, housing and providing retirement income. In return, our partners help us understand the key realities that people face in their daily lives. We've described this in more detail in the sections on our campaigns below. Here are just a few examples where our partners have improved our knowledge of key issues:

Housing. We work with Shelter to help us understand the real pressures faced by people who are renting or struggling to get on the housing ladder and how the UK's housing crisis directly affects homelessness.

Income in retirement. Age UK, Alzheimer's Research UK and the Elderly Accommodation Counsel help us understand the difficulties many older people face in their daily lives.

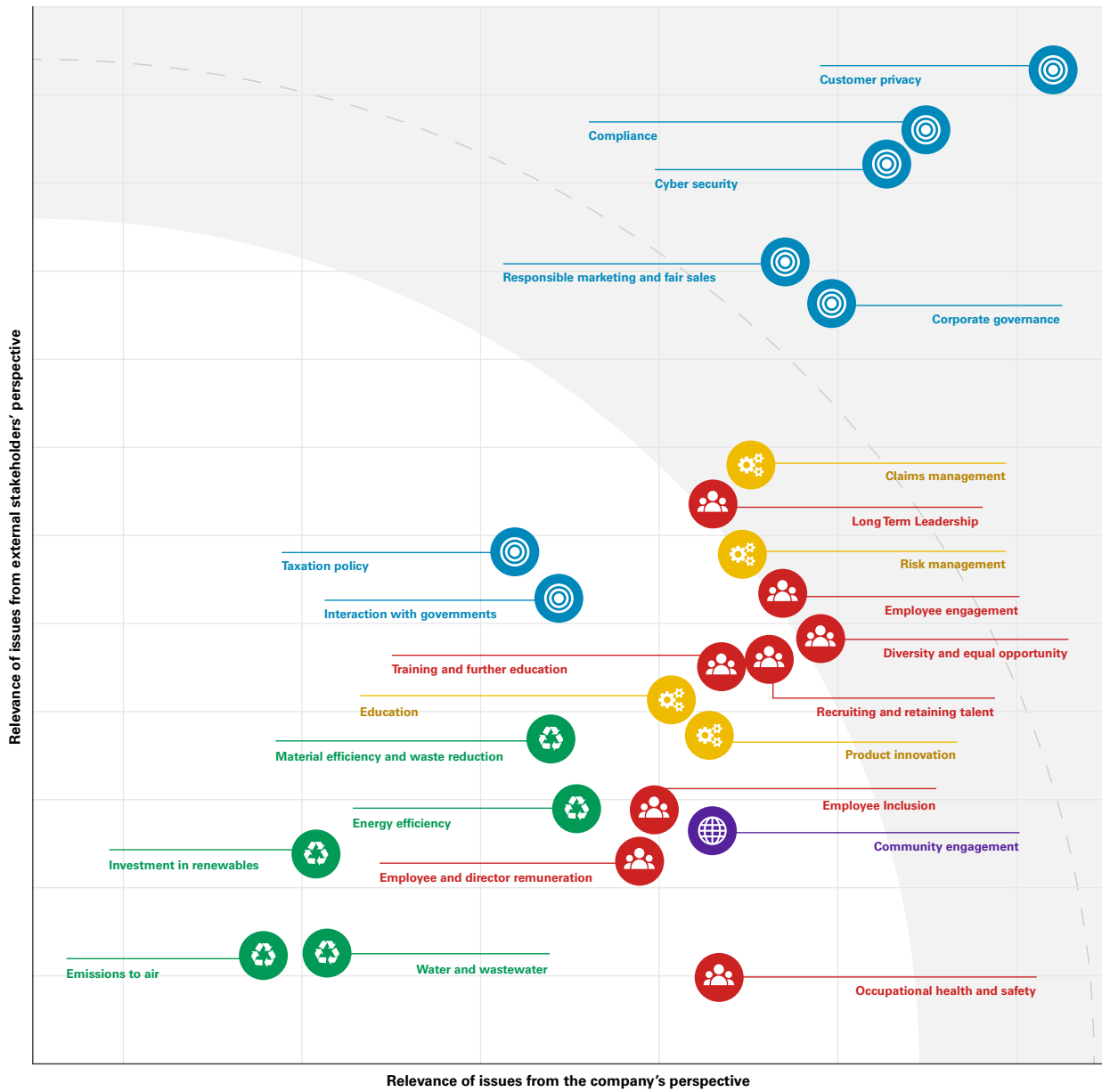
Health. We support charities such as Healthtalk and Clasp to help our employees better understand the pain and suffering associated with coming to terms with major diseases so that our Insurance team can give a more compassionate level of service to our customers and their families.

TARGET	STATUS
Provide 90% of our customers with the ability to transact online with us in the retail business.	 ONGOING

Materiality

Our first **independent materiality assessment** was delivered in 2014. One of our five growth drivers inspires us to diversify our business by expanding internationally. Therefore a vital part of our governance work has been to review our growing US businesses to see what stakeholders expect. We commissioned Schlange & Co to work with our US investment management business (LGIMA) and Legal & General America (LGA) to:

- Understand how stakeholder expectations in the US were similar or different to stakeholders in other parts of the group
- Find out how these businesses sit competitively
- Discover what is expected by stakeholders from these businesses as they grow



The results for our US based companies clearly show which areas of responsible business policy our stakeholders prioritise as being the most important:

- Customer privacy was considered the most relevant CR issue for both businesses, followed by compliance, cyber security, corporate governance and responsible marketing and fair sales
- Internal and external stakeholders expect both cyber security and product innovation to increase in relevance as shown in this table

CR issues relevant to LGA

Governance topics have by far the highest relevance

Business ethics & business integrity	Product responsibility	Employees	Environmental protection
Customer privacy ●	Claims management ●	Long term leadership ●	Material efficiency and waste reduction ●
Compliance ●	Risk management ●	Employee engagement ●	Energy efficiency ●
Cyber security ●	Education ●	Diversity and equal opportunity ●	Investment in renewables ●
Corporate governance ●	Product innovation ●	Recruiting and retaining talent ●	Waste and wastewater ●
Responsible marketing and fair sales ●		Training and further education ●	Emissions to air ●
Taxation policy ●		Employee inclusion ●	
Interaction with governments ●		Employee and director remuneration ●	Corporate citizenship
		Occupational health and safety ●	Community engagement ●

Bold issues = top 10 CR issues relevant to LGA according results of the stakeholder CR survey

Relevance ● very high ● high ● moderate ● low

- While internal stakeholders generally perceive LGA as performing quite positively in addressing these issues, many external stakeholders do not know what LGA is doing with regard to corporate responsibility (CR)
- Most internal and external stakeholders are unaware of how LGA compares to its competitors in addressing these CR issues
- According to internal stakeholders, a total of **10 relevant CR issues** (3 of very high and 7 of high relevance) were identified for LGIMA

CR issues relevant to LGIMA

Governance topics have the highest relevance

Business ethics & business integrity	Product responsibility	Employees	Environmental protection
Compliance ●	Risk management ●	Long term leadership ●	Energy efficiency ●
Customer privacy ●	Product innovation ●	Employee and director remuneration ●	Material efficiency and waste reduction ●
Responsible marketing and fair sales ●	Education ●	Recruiting and retaining talent ●	Waste and wastewater ●
Corporate governance ●	Responsible ownership ●	Diversity and equal opportunity ●	Emissions to air ●
Cyber security ●		Employee engagement ●	Investment in renewables ●
Interaction with governments ●		Employee inclusion ●	
Taxation policy ●		Occupational health and safety ●	
		Training and further education ●	
			Corporate citizenship
			Community engagement ●

Bold issues = top 10 CR issues relevant to LGIMA's Management and Board according results of the stakeholder CR survey

Relevance ● very high ● high ● moderate ● low

- **Compliance, risk management, and product innovation** were considered the most relevant CR issue for LGIMA
- According to LGIMA's Management and Board, **cyber security** is expected to increase in relevance the most, followed by diversity and equal opportunity, employee engagement, recruiting and retaining talent, and training and further education

Methodology

In November 2015 a total of 162 stakeholders provided opinions of our US based businesses. This included board members, employees, NGOs, community groups and regulators.

Competitive benchmarking

We also chose to benchmark both LGIMA's and LGA's performance against competitors. This enabled us to see how well we perform on **CR performance and communication**. Our performance was compared against AIG, BlackRock, NISA, PIMCO, Protective, Prudential, and Transamerica.

Each business was given a relative position in their respective markets.

Results and action for Legal & General America

Following a review of the materiality analysis a number of recommendations were made for the LGA Board.

This included the need to increase local communication to its local stakeholders and make them aware of the strong CR performance that is occurring within the organisation, instead of defaulting to the group's stance i.e.:

- What is the businesses view on emerging health trends?
- Which NGOs do we partner with on health and how have they improved our business?

We have already seen an increase in social media activity about LGA's product performance since the review.



Results and action for Legal & General Investment Management America

We discussed a number of observations with the board including:

1. How we need to develop a better understanding of how our institutional transactions have an impact on US citizens’ lives. For example, by refinancing a US pension scheme we are able to secure more stable pensions for more people. In this way we demonstrate how we are being economically and socially useful.

2. How we could use the balance sheet of these businesses to support US infrastructure. The group has committed to place £15 billion of direct investments in UK housing, urban regeneration, energy and alternative investment. We need to understand how funds from our US Businesses can help US infrastructure grow over the long term.
3. The need for increased transparency and greater investment in our corporate governance resources in the US. This will enable us to show US clients how active we are on ESG interventions in US based companies. Our recently launched corporate governance report highlights that LGIM are continuing to increase corporate governance activity with US Companies. In 2015 we increased the number of our US engagements to 97, from 94 in 2014 and 59 in 2013.

In conclusion, the materiality process showed that because the group now has an increased focus upon the US business, we need to provide a much more of a local narrative. It’s important that we provide content on responsible business policies for US stakeholders.

Where next for materiality?

For 2016–2017 we plan to look at how we can apply an independent materiality process across other parts of our group, including our joint ventures in India.

TARGET	STATUS
Deliver an independent materiality process for each company subsidiary in line with GRI 4.0 reporting to focus the strategy and approach on responsible business.	<input checked="" type="checkbox"/> ACHIEVED

Our campaigns

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CAMPAIGNS

We campaign in important areas which reflect our core corporate purpose of helping people achieve financial security. While these campaigns are predominantly UK focused, we are looking at ways to broaden their scope to better reflect our growing international focus.

➤ Our housing campaign



Our work on housing aims to improve the supply of housing in the UK, for people seeking to buy homes, for people who need to rent homes and to provide accommodation for people in later life. The UK's housing crisis shows little sign of improving, with a severe housing shortage still causing house prices to rise artificially. An added problem is that some elderly people find it difficult to access accommodation suitable to their specific needs. We strongly support bodies that campaign on housing supply issues. One of the most prominent voices we support is that of Shelter, a charity who are dedicated to solving the problems of homelessness and raising housing issues.



Britain's housing crisis

The 2015 general election campaign saw all parties committing to rectifying the UK's housing crisis. Britain's failure to build enough homes means that only around 125,000 new homes are being built each year to support a rapidly growing population when we used to build 400,000 new homes a year in the post war years. The government has announced an intention to deliver 275,000 'affordable' new homes by the end of this Parliament.

Homebuilding forms one part of our direct investment programme, where we have committed to invest £15 billion into socially and economically useful assets in the UK. We invest assets into direct investments primarily to enhance the 'risk adjusted' returns for our shareholders. At the same time we are able to improve people's lives by providing the capital to build new homes.

We invest in housing across the spectrum, covering a wide range of different sectors:

- **Build to Rent**

Since the beginning of 2015, our major area of focus has been to build homes in the rental sector. In 2015 we secured a build to rent site within English City Fund's 'New Bailey' development in Salford and acquired a generation site in Walthamstow, London, which has planning consent for over 300 flats. In February 2016 we secured a build to rent development site in Bristol with planning consent to deliver 168 homes.

- **Build to Sell**

In March 2013, Legal & General Capital (LGC) acquired a 47.75% stake in CALA Homes, alongside Patron Capital, which is now one of the UK's top 10 biggest house builders by revenue.

- **Modular Construction**

In February 2016 LGC announced the launch of its modular housing business, Legal & General Homes, which will seek to modernise the home building industry by providing modern, precision-engineered factory manufactured houses through its new 550,000 square feet factory near Selby, Yorkshire. We expect to deliver our first houses from the factory in Q3 2016.

- **Social Housing**

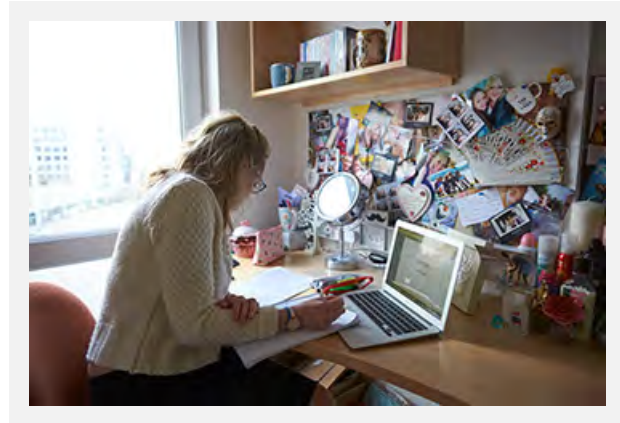
In April 2015 we announced a £50 million, 40 year loan to Chorley Community Housing Ltd to fund a pipeline of 814 new homes over the next three years in the North West of England. At that time our completed transactions included seven loans to the social housing sector.

- **Student Accommodation**

We've invested in student accommodation, building modern student living units in places such as Greenwich, Aberystwyth, Hertfordshire and Southampton.

- **Retirement Villages**

We believe that the UK needs to widen the options available for retirement living and we are looking to invest in retirement villages to supplement our existing investments into care homes and 'last time buyer' housing.



Our work with Shelter

Shelter's core mission is to help people overcome the misery of homelessness. They campaign on a number of housing related issues, which contribute to homelessness such as overcoming the lack of supply of new homes and helping people who rent properties to be treated fairly by landlords. Although our employees work with Shelter at a local level, our main relationship is to support their campaigns to improve the UK's housing stock.

LandAid




Through Legal & General Investment Management's 'Real Assets' team we work with other companies in the property industry to support LandAid. We became a partner in February 2014 and have supported a number of LandAid events.

LandAid works to improve the lives of children and young people in the UK who experience disadvantage due to their economic or social circumstances. They look for ways to apply the generosity and expertise of the industry to this cause, it invests in and adds value

to projects across the UK. Funding buildings, equipment and staff, and providing free property advice, forming partnerships with charities working with some of the most vulnerable young people in the UK.

Housing LIN

The Housing Learning and Improvement Network (LIN) provides innovative new solutions between investors, housing providers and local authorities to give people an affordable home.

TARGET	STATUS
Invest £15bn in UK Infrastructure into socially and economically useful areas, through our direct investment.	 ONGOING
Provide our retail customers and employees with a much better idea of how we are providing economic growth and funding within their local areas.	 ONGOING
Deliver 6 national consumer campaigns that position us as a thought leader in the debate on Housing, Later Life and Health.	 ACHIEVED

➤ Income in Retirement



Despite recent reforms affecting state pensions and workplace pensions, the UK still compares unfavourably with other countries in Europe, with a state pension of around £7,500 per annum compared to over £26,000 in Spain and Germany. Private pension provision is a transitory state. Government reforms are making workplace pensions available to more people, while at the same time higher value defined benefit (DB) pensions are being phased out. Huge levels of inequality exist. Although some people enjoy the benefits of good DB schemes, others struggle to survive on a state pension. Costs of elderly social care continue to rise, with people forced to sell their family homes to meet care home costs. We have a number of third sector partners who campaign on issues affecting the elderly such as Age UK, Alzheimer's Research UK and the Elderly Accommodation Counsel.



Ensuring finances can last through retirement

In October 2012 the government started a six-year process to ensure that all UK employees had a private pension arrangement. In 2011, only 56% of British workers were members of a private pension arrangement. In the private sector, only 42% of people had private pensions, with only 32% of people in an employer's scheme. An auto-enrolment process is starting to improve matters, where employees are auto-enrolled into workplace schemes, with 93% choosing to stay in the scheme. We are one of the biggest insurers in the auto-enrolment process, with 1.8 million people now in workplace pension schemes.

Our commitment to help people manage their retirement finances continues when people have retired. We have worked closely with the government to ensure that people either get advice on how to plan their money in retirement or receive guidance on money matters from 'The Pensions Advisory Service'. Since 2014 people who have saved for retirement using defined contribution (DC) schemes have been given greater freedom over how they use their pensions savings. A key concern is to ensure that savings last throughout retirement, including the need to meet any elderly care costs.

Helping pension schemes manage their future

Our investment and retirement businesses work together to help companies ensure that they can meet their commitments to pay pensions. The trustees of defined benefit pension schemes in the UK need to pay benefits on time and in full. As an investment manager and as an insurance company we are able to offer our clients a wide range of growth investment strategies. We use de-risking insurance strategies such as liability driven investments and bulk annuities, to help manage our liabilities.

Lifetime mortgages

In 2015 we launched our Legal & General Home Finance business, which helps retired people to use the equity in their homes to boost their retirement finances, with a cash lump sum which can be invested to increase their income or could, for example, be used to make home improvements or pay for care in the home. We are talking to organisations like the London Rebuilding Society to create new ways of keeping people in their homes for longer. The decision to take out a lifetime mortgage is a major decision and isn't right for everyone. That's why it's obligatory to seek financial advice and why we are members of the equity release council to ensure high standards of ethical behaviour are provided.

Housing needs

An alternative way for elderly to make use of the equity in their homes is to move to a smaller home, which is more suited for elderly living. Our own analysis of older homeowners shows there are 3.3 million homeowners who are aged over 55 and looking to downsize in future. However suitable property is hard to come by. House builders are failing to meet the needs of the mid-market, with little available between expensive premium housing and low-cost starter homes. We have campaigned for better housing for the elderly and are looking for suitable opportunities to invest in 'last time buyers' housing.

Elderly social care

The cost and quality of long term care remains a desperately serious problem for British elderly people. In 2015, the government announced it was delaying the full implementation of the new Care Act, which sought to cap elderly care costs, to 2020. We are a diverse financial services provider, but still cannot provide a complete solution to help everyone meet their care costs, which can amount to over £39,000 a year. However, the solutions we have invested in include:

- Financing and owning care homes
- Providing finance for people to meet care costs in their own homes, through lifetime mortgages
- Providing insurance for carers

We contributed to the [Law Commissions consultation on event fees in the care sector](#). Our view as a major investor in the care sector is that event fees are unfair for customers. They are also not good for investors in that they make it very difficult to forecast future cashflows to lend against to provide much needed finance into the sector.

Some residential leases require the leaseholder to pay a fee (event fee) when they resell the property, sub-let it, and on certain other circumstances.

Working with charities that help elderly people

- Alzheimer’s Research UK**

Our work with Alzheimer’s Research UK, the country’s leading dementia research charity, helps them to raise public awareness of the condition and provide reliable information about dementia. We helped develop a new website, ‘Dementia Explained’, with input from children and families with experience of dementia and with the guidance of dementia experts.

- The Elderly Accommodation Counsel (EAC)**

The EAC provides information and advice service for older people and their relatives and carers to help them meet their housing and care needs. We support the EAC in their work to ensure that elderly people and those that look after them have access to the best possible information about housing accommodation. We sponsor the EAC’s annual ‘Housing Awards’ where all housing schemes that use the EAC Resident Consultation Service enter


into a competition to identify best practice in specialist housing for elderly people.

- The Royal Voluntary Service (RVS)**

Together with the RVS, we launched a new ‘Home from Hospital’ service at Queen Alexandra hospital, Cosham, Portsmouth. This service used volunteers from RVS to work alongside hospital staff to prepare older patients for going home and supporting them following their discharge with up to six weeks of regular home visits. This proved crucial in helping people settle back home, making a big difference to their recovery.

- Tax Help for Older People**

Our retirement business (LGR) has a longstanding relationship with specialist charity Tax Help for Older People (TOP) to help our older customers understand tax issues. TOP is staffed by ex HMRC employees who work to help customers over the age of 60 whose income is less than £20,000 work out their tax position in later life.

TARGET	STATUS
Deliver 6 national consumer campaigns that position us as a thought leader in the debate on Housing, Later Life and Health.	 ACHIEVED

➤ Health



While we do not provide health insurance, we are the UK's largest provider of life insurance and critical illness cover and provide cover both to individuals and through employee benefit schemes. As well as protecting people's families and lifestyles, we aim to improve the general health and wellbeing of the population, both through personal initiatives and through joint campaigns in the workplace with employers. We work with a number of charities who focus upon health issues.

Our protection expertise

We're the UK's biggest provider of life insurance, and a major player in the corporate market.

Our market-leading position means we have a responsibility to help our customers understand the issues relating to health and the risks associated with life protection. This relates both to individual protection and corporate protection, where our campaigns help businesses improve the health of their employees. We're a leading provider of rehabilitation services to employers, helping businesses manage sickness absence.

We can deliver better outcomes to people by stimulating greater ownership of protection and savings products. We believe that people need to take more responsibility for their own provision. In this way, affordable pensions and life insurance could benefit society.



Commitment to improving health standards

We've been recognised by the Department of Health for our commitment to promoting health and wellbeing in the workplace. This commitment also extends to our individual customers and our employees. For our employees our highly-valued and successful Health and Wellbeing programme regularly encourages our people to lead healthier lives. In addition to providing health checks and advice on healthy eating we run a very popular 'Stepjockey' programme where people are encouraged to measure the physical benefits of regularly walking upstairs.

Our group protection business offers all customers a free Employee Assistance Programme (EAP) provided by Health Assured. EAP can help towards reducing

the impact of absence and improve workplace productivity as employees have access to support and tools whilst they're at work such as telephone counselling, Cognitive Behavioural Therapy (CBT), telephone based bereavement counselling, medical information and specialist advice

Working with Healthtalk


Our partnership with online health information charity [healthtalk.org](https://www.healthtalk.org) provides our customers in the UK and US with access to digital content on how to better deal with health issues affecting their families' lives. Visitors to [healthtalk.org](https://www.healthtalk.org) can access freely available information on specific health conditions by watching video clips and reading about the first-hand experiences of others, based on patient interviews carried out by researchers from the University of Oxford. We funded them to grow their impact and provision of free advice to our customers.

National Childbirth Trust (NCT)

NCT are funding new families health projects designed to help new parents stay healthily while balancing the pressures of being new parents.

Promoting greater understanding of stress and mental health

We work to promote greater understanding of mental health issues in many ways. We are on the advisory panel for the DWP / NHS joint mental health working Group to bring our rehabilitation expertise into the way that job centres are dealing with the impacts of mental health. We supported Mental Health Awareness Week and our CEO, Nigel Wilson hosted a dinner with Lord Dennis Stevenson, who is the Chairman of MQ, the mental health research charity, Kenny Johnston, founder and CEO of CLASP and Louise Aston of Business in the Community (BITC).

TARGET	STATUS
Deliver 6 national consumer campaigns that position us as a thought leader in the debate on Housing, Later Life and Health.	 ACHIEVED

➤ Sustainable property



We are one of the UK's largest and most active institutional investors and, as such, we place an emphasis upon our role in owning and developing the built environment in a sustainable way.

Embedding sustainability best practice throughout our operations is crucial to our future success as a business, and, of course, to ensuring that we deliver maximum returns to investors while protecting the value of their holdings over the long term. We continue to make positive progress. Our strategies are creating value for our investors, landlords, tenants and the communities we serve; protecting our assets against future risk; engaging our stakeholders to ensure we listen and act on their feedback; and making our assets as sustainable as possible.

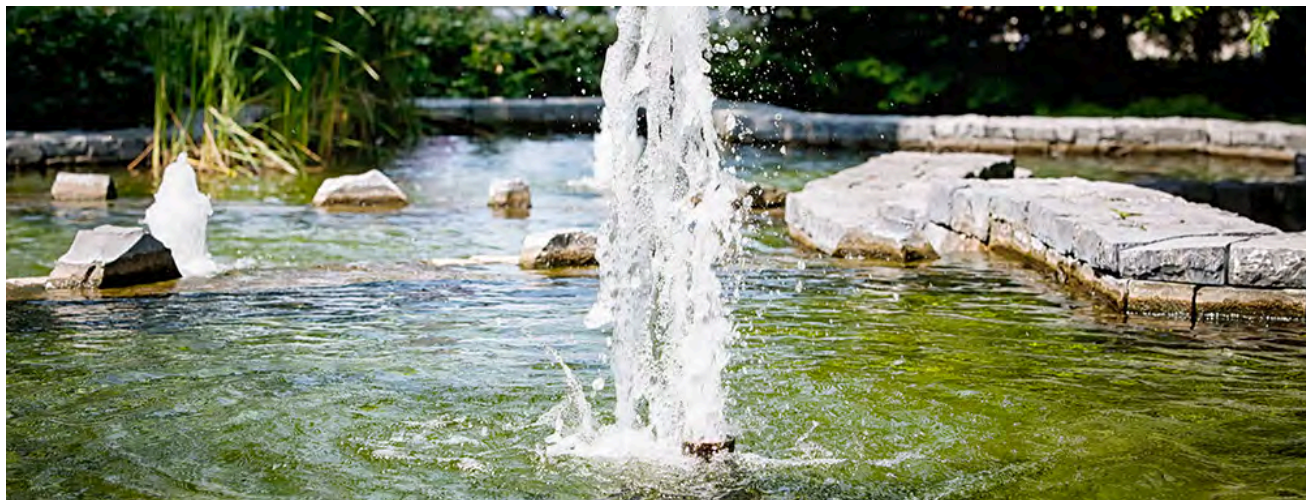
We have a target of a 20% reduction in energy, carbon and water by 2020 compared with our baseline.

Achievements in the 2014-15 financial year:

- We have reduced the carbon emissions across all of our properties by 17%
- Our electricity and fuel use have been reduced by 15% and 23% respectively
- Our overall water use has been cut by 7% thanks to no- and low-cost measures;
- In addition, during 2014, 87% of waste from our sites has also been diverted from landfill

TARGET	STATUS
Property to deliver 20% reduction on 'like for like' properties by 2020.	
Reduce CO ₂ by 2020 on 2012 levels.	🎯 ON TRACK
Reduce Water Usage by 2020 on 2012 levels.	🎯 ON TRACK
Waste diverted to Landfill by 2020 on 2012 levels.	🎯 ON TRACK
As part of our stakeholder engagement, in 2015 we will prioritise working with more tenants to help them reduce their own carbon, water and waste.	🎯 ON TRACK

► Corporate governance



Our vision

Caring for our clients' future by empowering our investments to create long-term sustainable value



"The world of governance continues to evolve rapidly. Our role is to help bring positive change to the companies we invest in, using our influence to ensure that companies integrate environmental, social and governance (ESG) factors into their culture and everyday thinking. We also aim to encourage markets and regulators to create an environment in which good management of ESG factors is valued and supported."

Sacha Sadan - Director of Corporate Governance

2015 corporate governance highlights

- **Index investors, active owners:** In 2015, we voted against at least one resolution at 18% of UK companies, highlighting how index investors are not necessarily passive owners
- **International focus:** 45% of our meetings were with non-UK companies last year, up from 31% in 2014, reflecting our increasing international focus
- **Pay schemes:** We have previously made companies aware that we would vote against complex pay schemes. The number of companies having more than one remuneration scheme is down from 43% three years ago to 18% today
- **Diversity:** We have pushed hard on board diversity and have been complimented by Lord Davies, who conducted the government review into the representation of women on FTSE boards. Five years ago only 12.5% of companies met the target for a quarter of female board members; today that figure is 26.1%. This is a pleasing result, but we are pushing for companies to go further on their talent pipeline
- **Sustainability:** More than a third of meetings in 2015 covered environmental and/or social topics

Thematic engagement highlights

Food waste

The cost of food waste in the UK is estimated to be around £12bn. This affects not only corporate profits, but has a wider environmental and social impact. LGIM has engaged with Tesco, Sainsbury's, WM Morrison and Marks & Spencer to find out what they were doing to tackle food waste and encouraged them to do more.

US board refreshment



Board refreshment and director succession planning are key board tasks and the foundations of a well-functioning board. However, over 100 companies in the S&P 500 have an 'independent' board director who has served for 25 years or more. This raises questions regarding the effectiveness and independence of the director. Our voting policy will evolve over time as we engage on this topic with companies, which may lead to this becoming a future voting issue.

The role of the senior independent director

In the wake of high profile governance failures such as Marconi and Equitable Life, the role of the senior independent director (SID) was established following the Higgs Review of the UK Combined Code in 2003. Thirteen years on, the role of the SID is well established and widely accepted. However, it is not always well understood. During 2015, we worked with the Zygos Partnership to develop a guide on expectations and best practice for the SID role.

The right to nominate directors

In the US market, proxy access was the voting issue of 2015. There is growing consensus among shareholders that proxy access is a key driver of enhanced shareholder value, as board accountability has important implications for long-term shareholder value. In 2015, 86 proxy access shareholder proposals came to a vote, 51 of which received majority shareholder support and that support averaged 54%, a clear indication of the importance of this issue. We supported 93% of these proposals. To date, over 100 of the largest companies in the US have introduced proxy access.

TARGET	STATUS
As a major investor on behalf of our clients we will hold 500 engagements (meetings, calls, responses to letters) with international companies on ESG issues.	 ACHIEVED
Focus on good practice and engagement.	 ACHIEVED

Doing business better

In this section...

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EVERY
DAY
MATTERS

DOING BUSINESS BETTER

We know we have a responsibility to do business better each year for our customers. We need the best solutions, the best service and crucially, the very best people.

➤ Improving our workplace



Because our company purpose is to help customers achieve financial security, we strongly believe we can get the best outcomes for customers if people and technology work together. And because we want to

deliver better service, create loyalty and make Legal & General a great place to work, we must ensure our people are connected to the social and economic value we produce.

TARGET	STATUS
As a founding member of the 30percent Club have at least 30% women on the Group Board.	✔ ACHIEVED
As a signatory to the 50:50 by 2020 ensure through our programmes to have 50% women at all levels within the organisation.	🔄 ONGOING
Roll out Unconscious Bias Training to all people managers across the Group.	✔ ACHIEVED

Employee survey results

To help measure our people's views at work, we run an independent employee survey. In 2015, we focused on colleagues in our businesses in the United States and UK, along with LGIM colleagues in Asia. In total, 7,501 people around the world were invited to share their views, and we achieved an 86% participation rate. We aim to survey colleagues in our joint venture businesses in 2016.

One critical use of the data that this survey provides is as a way to understand employees' views about company ethics and to monitor human rights and employee attitudes within our businesses.

These are the headlines:

1. Employee Engagement Index: 64% (down 14% versus 2014)
2. Leadership Index: 69% (down 5% versus 2014)

We have seen employee engagement drop as a result of reaction to headcount reduction and other change programmes around the business, notably in Kingswood, where uncertainty around the proposals to close the location was high at the time the survey was undertaken.

We regularly poll employees so they can tell us how they think the business is performing. Data shows that there is a relatively stable and high level of belief (78%) that employees feel they're working for an ethical company. However, 14% have a more neutral opinion, which we believe provides an environment of healthy scepticism.

The activity behind these continued good levels of positivity included:

- Sharing our 'social purpose' through video and written content
- Celebrating those who work hard at giving something back
- Sharing customer stories about how we helped them in their time of need

- Sharing longer term views on big social issues: housing, health and income in later life
- Showing the link between good corporate citizenship and good business
- Demonstrating how good governance develops good behaviours in the businesses we invest
- Increasing visibility about the ways our direct infrastructure investments are providing long term capital to parts of society and the economy that need stabilising

World class leadership

We invest in developing ambitious, inspiring leaders who have high expectations in terms of performance and results. Our Leadership Academy enables our leaders and managers to develop, accelerate and expand their leadership skills. In the past year, we continued to enhance and broaden our development offering.

GRADE	ACADEMY PROGRAMMES	SUPPORTING TRANSITION	CONTINUOUS DEVELOPMENT OPPORTUNITIES	INDIVIDUAL DEVELOPMENT OPPORTUNITIES
7/8 LGIM Grade 6/7	Strategic Leadership	Leadership Insights – to help you realise your leadership potential.	Involvement activities that focus on: <ul style="list-style-type: none"> • Encouraging collaboration • Supporting ongoing learning • Current leadership challenges 	<ul style="list-style-type: none"> • Mentoring & Coaching • 360° Leadership Coaching
6 LGIM Grade 5	High Performance Leadership Expert Leader Programme	Development Boards – to help you realise your leadership potential.	These include: <ul style="list-style-type: none"> • Online toolkits • Yammer learning opportunities • Leadership master classes • CSR Development Programmes • Change & resilience curriculum 	<ul style="list-style-type: none"> • Mentoring & Coaching • 360° Leadership Coaching
5 LGIM Grade 4	Every Day Leadership	Development Boards – to help you realise your leadership potential (coming soon).		<ul style="list-style-type: none"> • The Learning Hub • Bespoke learning as required
4 LGIM Grade 3	Every Day Leadership	The First 90 Days toolkit – to help new Legal & General managers, and individuals new to leadership, get to grips with their roles.		<ul style="list-style-type: none"> • The Learning Hub • Bespoke learning as required

We're committed to supporting the development of all employees to build and grow a diverse leadership pipeline. We need to ensure employees have up-to-date skills to meet customer and stakeholder needs.

The '**Strategic Leadership Programme**' is aimed at our top level leadership, aiming to develop their strategic capabilities to enable them to take on broader leadership responsibilities. To date, around 60 senior leaders have participated in the programme. Participants continue to apply their skills and share learning within the leadership network alumni programme.

We launched the '**Expert Leader programme**' for our high potential expert leaders at early to mid-career. This programme helps participants to explore and develop their leadership style, increase their level of influence and impact and help them understand what leadership is all about. 23 delegates have already participated in the programme and we expect a further 24 delegates to attend in 2016.

Our **Group Leadership Mentoring Programme** has been running for three years and offers the opportunity for leaders to be mentors to high potential employees with the aspiration and capability to become influential leaders. Selected members of the senior leadership group have dedicated their time, knowledge, skills, experience and capability to help 138 high potential employees.

Our **Development Boards** are designed to help identify and develop high potential senior managers. In 2015, 16 delegates attended a one day development centre where they undertook a series of challenges to assess their leadership potential and develop career insights whilst observed by HR and senior business assessors.

Employees have access to a diverse range of learning via our online learning portal and our learning partners. The online **Learning Hub** enables employees to access a range of e-learning, books, videos, podcasts as well as register for face to face workshops, training programmes and professional support. More than 23,600 employees accessed The Learning-Hub in 2015 10% higher than in 2014. Early in 2015, we launched the **Change and Resilience learning offer** which is one of the most viewed resources on The Learning Hub.

Health and wellbeing – #fitforthefuture

Both our UK and US businesses invest in health and wellbeing programmes

UK activities

In the UK health and wellbeing is a core part of our engagement strategy. We launched new health and wellbeing proposals in 2015 under the 'My Health, My Money, My Life', wellbeing identity across the group.

Our strategic approach is that we want everyone to 'be better' in the key areas of health, money, life and performance.

Time to Change

One of our key areas of focus in 2015 was our support of our pledge to the 'Time to Change' campaign to remove mental health stigma and discrimination in the workplace.

- Reviewing training programmes, materials and support we offer to colleagues such as coping with stress, resilience, mindfulness, dealing with change and depression, to ensure consistency of approach.
- Launching the Time to Change #Smallthings campaign for 'Time to Talk' day in February 2015 to encourage employees to use the promotional materials in team meetings and hold tea and talk sessions.
- Supporting World Mental Health Day, which took place over the weekend of Saturday, 10 October. Time to Change campaign - #smallthings.
- Accepting the 'Pledge Alumni status', from 'Time to Change' in 2015, to drive forward activity tackling the stigma of mental health in the workplace
- Co-hosting a dinner with Lord Dennis Stevenson from the mental health research charity MQ, for senior business leaders for World Mental Health day
- Joining City Mental Health Alliance in November 2015, a collaborative venture founded by City businesses. The Alliance aims to create a culture of good mental health for City workers, share best practice and increase mental health understanding.
- In September 2015 we launched the Kelaa Mental Resilience app in conjunction with our partnership with Stepjockey and Soma Analytics.

The app gives techniques to help manage stress and boosts mood and mental resilience linking mental wellness with exercise, such as using the stairs instead of taking the lift.

A stair walking challenge was launched on 1 November 2015. A total of 181,092 calories were burned and 1,889,155 steps were taken during the challenge

US activities

Legal & General America is devoted to cultivating the health and well-being of our employees and families. By implementing a holistic approach, our program provides guidance on living and maintaining a healthy lifestyle at work and home. We have a dedicated wellness committee who plans a diverse mix of events and monthly seminars: Yoga, CPR, Body Composition, juicing, flu shots, fitness challenge, smoothie seminar and more.

Healthy Maryland

"Healthy Maryland Business is a statewide movement to create a culture of wellness – an environment where the healthiest choice is easy."

Healthiest Maryland offers tools and programs to help organizations create and implement strategic wellness plans as well as promotes policy and environmental changes.

2015 fun and fitness challenge

We challenged our staff to a four-week challenge where participants worked in teams of four to complete tasks assigned within the fun and fitness challenge calendar.

Prior to the start of the challenge, each participant was provided an opportunity for a health assessment, including weight, body mass index, body fat percentage, and body measurements.

At the end of each week, each participant completed a worksheet and submitted the points that they earned for the week.

At the end of the challenge, the participants could have another health assessment (voluntary) and then:

All points were tallied and recognition was given to those with the most points and most weight lost as an individual and as a team.

- 68 people accepted the challenge
- Congratulations to the 21 participants that weighed in at the end of the challenge, collectively they lost 31.2 pounds (not all participants completed a weigh in at the end of the challenge)

Health fairs

Our US health fairs are designed to provide basic preventive medicine and medical screening to our employees at work.

October – 2015: We had over 220 participants attend the health fair in October 2015, a free event for our employees and their families. The event featured:

- Information table: Sharing wellness resources: seminars, consultations, health assessment, library (wellness book), articles and recipes posted on the intranet.
- Consultation: a body composition analysis for employees which describes the percentages of fat, bone, water and muscle in their body.
- Flu Shots: Our onsite flu clinic provided 140 employees and their family members their 2015 flu vaccine.
- Yoga: SolYoga was on-site to assist our employees with relaxation techniques and massages.
- Anytime Fitness: Gym membership – Free one week trial offered

Vulnerable customers programme. One year on...

As a company we are judged by our customers on our ability to deal with vulnerabilities affecting their lives. Our insight into the needs of vulnerable customers helps us create products and investments which help people through difficult times. We bring in experts to improve our service. These experts are typically charities and social enterprises. In 2015 we delivered a number of initiatives relating to how we deal with vulnerable customers:

Policy issues

Understanding customer vulnerabilities

Legal & General

- Select the **Introduction** to begin making your way through the eLearning.
- Some sections contain **audio**, so you will need to plug in your **speakers or headphones** now.

Introduction

What do we mean by vulnerability?

Preparing for the future

How do we identify and respond to vulnerabilities?

Your promise

Find out more about tuning into vulnerable customers

Listen to Ruth's story

We published our first ever 'Vulnerable Customer Policy' for our employees. We shared this with our stakeholders, including distribution partners, regulators and government to get feedback on its focus and development.

- This has eight questions to ensure that managing directors of our key businesses can prove they have embedded this policy into their business.
- We began deploying an e-learning solution for all employees to highlight the relevance of the vulnerable customer agenda.

1 in 4 customers have vulnerabilities

We use front line surveys with our employees to understand customer vulnerabilities. These surveys focus upon how well our employees are able to cope and where they need training. In 2015 we initially focused upon service-based employees moving on to face-to-face financial advisers. Our research showed that **1 in 4 interactions** with customers identified a customer vulnerability. This resulted in our bringing in experts in to train our employees.

Training our employees

We used the insight received from these surveys to improve our employees' knowledge and understanding of how to deal with vulnerabilities.

Group wide information on our intranet provides employees with "How to" guides from external experts. These on-demand learning modules help employees prepare in advance for discussions with customers.

Organisations that helped train our employees were:

- Ageing Population with **Elderly Accommodation Counsel**
- Alzheimer's and Dementia with **Alzheimer's Research UK**
- Flooding with the RNLI and **Warrior Programme**
- Debt Awareness with **Step Change**
- Terminal Illness with **Marie Curie**
- Dealing with Disability with **New Horizons**

In addition our award winning social investment fund www.se-assist.co.uk has a number of social enterprises funded by Legal & General to help solve later life opportunities. For more details see Rachel Mortimer at <http://www.engageandcreate.com/>

More specialist training for specific business units included:

- Understanding hidden diversity in customers for all of our 'Learning & Development Professionals'
- **Dementia Friends** training for our Retirement and Retail Investments teams
- Dementia Awareness for Insurance and Mature

Savings senior management teams

- **AGE UK 'Call in Time'** for our Mature Savings teams in Hove
- Contact centre Deaf Awareness by **Action on Hearing Loss** for Investments teams in Cardiff
- Our HR First Call teams and Investments were trained by **Maggies** on working through cancer
- **Tax Help for Older People** work with our Retirements on customers on low incomes and smaller pension pots.
- **Samaritans** training for our Bereavement teams in Mature Savings

Critical Friends in reviewing our business

A major investment for us has been to look at how we increase the number of "critical friends" who help us to review existing products and services offered to customers. This complements our existing product life cycle management reviews.

- Our debt recovery processes have been critiqued and enhanced with suggestions from **StepChange**
- Our Power of Attorney processes have been critiqued and enhanced with suggestions from **Action on Elder Abuse**
- Our over 50s life insurance propositions have been critiqued and enhanced with suggestions from **Elderly Accommodation Counsel, Intergenerational Foundation and Royal Voluntary Service**
- The accessibility of our ISA and unit trust business have been critiqued and enhanced with suggestions from the **New Horizons Day Centre**
- Our Mature Savings website and call centre have been critiqued and enhanced with suggestions from **Engage and Create** who are experts at simulating Dementia

Critical Friends also help us with new product development.

- A review of minimum savings limits on saving products with **Fair Finance, Credit Unions and Step Change**
- 'Elder Care Services' new product design with **Elderly Accommodation Counsel, Intergenerational Foundation and Royal Voluntary Service**

We will continue to use surveys and critical friends from the not for profit sector to help improve our service, processes and innovate new products.

Market Inclusion

For a number of years we have been actively publishing and monitoring our market inclusion as a company. With governments spending less on financial safety nets for the citizens and with our

ability to pool risk as insurers and to innovate new products we can measure our ability to include harder to reach markets.

We currently publish UK data only.

	2011	2012	2013	2014	2015
Percentage of UK population according to Fresco	24.90%	26.90%	26.80%	26.40%	n/a
Percentage of our UK customer base	15.90%	14.20%	14.50%	15.30%	16.60%

We're particularly worried about three social groups, which we believe are under more pressure than other to make ends meet let alone worry about the future:

- Green shoots are young students/first jobs and newcomers to financial services. We know that the pressures of finding jobs and getting a secure roof over their heads is getting more difficult.
- Grey days are low earners and only likely to use very basic banking and insurance services. Our work with credit unions shows that there has been a significant increase of people in this area.

- Pink fizz are mainly young singles with busy lives, private renting or mortgaged and credit users. We know getting that first step on the housing ladder can be difficult.

We are pleased to report that our retail business had 16.6% of its customers in these groups in 2015, which increased from 15.3% in 2014 which is a 1.3% increase year on year. For 2016 data we have had to rebase the segments we measure as Fresco has further segmented these harder to reach parts of the market. The current analysis of our customer base is as follows. We will be trending this information over time.

Fresco Segment	% of Legal & General's Retail Customers
Still At Home	0.5%
Starting Out	2.7%
Rising Metropolitans	6.6%
Poorer Parents	9.1%
Working Singles & Couples	6.7%
Home-Owning Families	12.2%
High Income Professionals	10.7%
Older Working Families	14.0%
Mid-Life Social Renters	4.6%
Asset Rich Greys	9.2%
Road To Retirement	15.4%
Low Income Elderly	4.5%


Looking Forward to 2016

As we see an increased expectation from regulators, employees and investors in how we deal with emerging vulnerabilities in society, we have a number of priorities for 2016 for our vulnerable customer committee:

- E-learning for all to provide insight into how this agenda applies to retail and asset management

side of our business, UK and Overseas

- Monthly critical friend reviews on new and existing products
- Business Audits on adherence to the Vulnerable Customer Policy
- Continued UK Infrastructure investment in parts of the economy that need long term funding to reduce consumer vulnerabilities.

TARGET	STATUS
Continue to deliver the Vulnerable Customer Training Programme to improve our customer service scores.	 ACHIEVED

Diversity and inclusion

Our diversity and inclusion beliefs

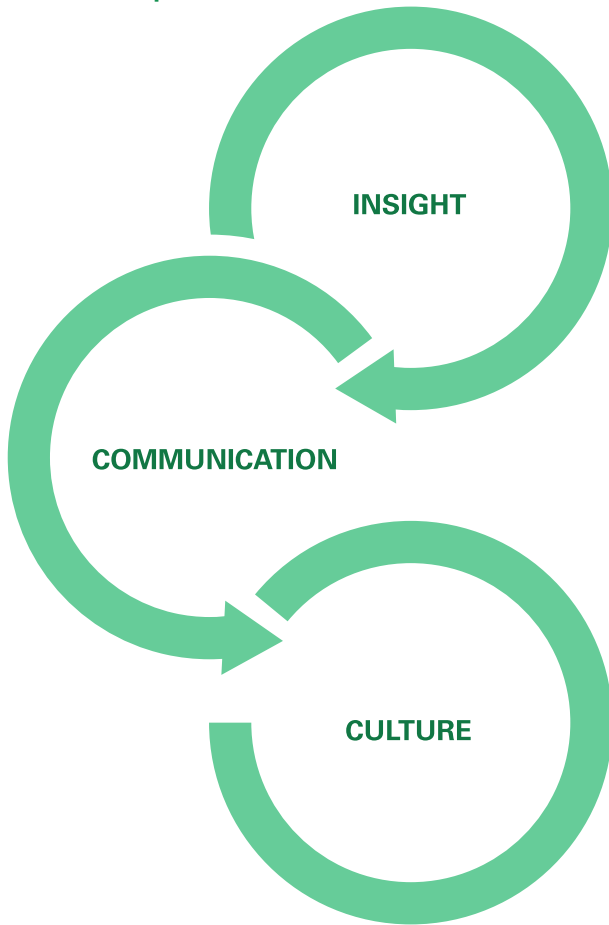


We strive to be a vibrant business that values inclusiveness and embraces difference, where our employees are engaged and empowered to deliver business results because better business decisions come from a diverse set of views."

Our diversity and inclusion activities focus on the following three areas:

1. Culture – creating the right culture for diversity and inclusion to flourish
2. Communication – engaging our leaders, employees, customers and stakeholders in the diversity agenda
3. Insight – understanding where we are now, setting goals and measuring our progress towards becoming more diverse

Gender action plan in 2016...

**Insight**

Understanding where we are, setting targets, measuring our progress

- Setting targets for gender diversity in senior roles
- Divisional action plans on gender diversity
- Annual diversity and inclusion report
- Measuring our progress to 50/50 by 2020

Communication

Engaging our people in the inclusion agenda

- 50/50 by 2020 intranet site and yammer discussions
- Continue the debate and dialogue through 50/50 by 2020 events

Culture

Creating the right culture for inclusion to flourish

- Clear sponsorship from the Board
- Creating a more flexible and agile work environment
- Championing our female role models
- Career sponsorship for pipeline talent
- Making a shift in attracting female talent:
 - One woman on every shortlist
 - Interview training for hiring managers
 - Unconscious bias training for everyone
- Support for working parents
 - Maternity coaching
 - Shared Parental Leave
 - Advice and guidance

► Community and social investment



Supporting employees

We are a long term business and we constantly look at how we impact the communities where our employees live and work. Communities and businesses share huge areas of common interest so it's vital that effective people are building solutions that provide social good.

Impacts on our communities

The economic background remains tough. Therefore we are proud that our employees continue to get involved in grass-roots projects supporting their local communities. We encourage our employees to be good corporate citizens, and aim to inspire them to believe they have a purpose and to recognise the skills they can use in the world around them.

How do we choose the charities we work with?

The main driver is our employees who choose which charities to support. By allowing our employees to choose their own charities we have been able to reach over 1,000 charities. In 2015 we introduced 'time matching' which enables staff to turn their volunteering time into cash for their charities. This has enabled a number of local community groups to obtain desperately needed funding to continue to service their communities. Our employees are at the heart of this.

We introduced 'Pennies from Heaven' and asked people to vote for the charity they wanted the funds to go to. This year Alzheimer's Research UK was chosen.

Our commitment to social investment

In 2015 we continued to provide funding through our award winning SE-Assist a joint venture with Charities Aid Foundation. Our model has now moved into Wales offering a unique package of interest free loans and mentoring support.

We believe all companies can play a key role in accelerating the growth of this sector to understand emerging issues in society supporting regional job growth and ultimately hedge against business risks.

Our social investment fund joint venture with CAF bank is delivering social investments in Sussex, Croydon and Wales. From Ethical supermarkets, lunch clubs for older people, IT for charities, training mums back to work and helping the NHS understand family's needs with dementia patients. Through this valuable investment over 70 jobs have been created, we have invested over £300,000 and provided mentoring to 15 businesses.

We value our employees time

Our commitment to our employees is supporting them to give them time off to volunteer during work, matching their fundraising or turning their own volunteering time into cash for charities. We don't have a charity of the year, instead we support lots of different charities through nominations from employees for dress down days in each location, while continuing to engage with 'Children in Need', 'Comic Relief', 'Text Santa', 'Macmillan coffee morning', Breast and Prostate Cancer and various food collection charities.



Each of our locations has various employee 'making a difference' committees which help drive location involvement and the voice of employees.

Our community programme around our locations provides valuable expertise and money into community projects. We monitor community sentiment towards our offices via social media channels and through networks such as Business Class, Local Economic Networks with other businesses. All of our locations have a biodiversity and travel to work plan to limit our impact upon the environment for example cycle loans.

Chairman's awards

John Stewart our chairman hosted his last community awards before his retirement, attended by all the Group Board team. We had over 100 people nominated and 38 finalists were chosen to attend the awards in Coleman Street, including two from Maryland and one from Chicago.

The final special award for outstanding contribution went to John Stewart for his commitment to charities including being chairman for the Guide Dogs for the Blind for a number of years. His appreciation and understanding of the benefits that working with the charity sector can bring has enabled our SMART scheme (putting our leaders on boards of charities) to continue to grow as himself as sponsor.

TARGET	STATUS
Deliver a regional social investment programme in 3 major UK regions that grows social enterprise growth, impact and jobs creation.	 ACHIEVED
Create £2m of value to the charity sector in the UK and £3m of value as a Group.	 ACHIEVED

Financial inclusion

Every Day Money programme

We continue our 'Every Day Money' programme within schools with 'Development Garden' as our facilitators and our own employee volunteers as table coaches.

The feedback from students when asked "How much do you understand of the money management challenges ahead" shifted from an average of **4.1** out of **10** to **8.2** as a result of the confidence that the programme has given them.

It's about making informed choices. The purpose of the day is to give information to young people to allow them to make informed choices. It will explore what knowledge they currently have of money and

everyday finances, where they get this information from (e.g. parents, teachers, advertising etc.) and will then, by using experiential learning, see how they can make informed choices when they have the correct information.

In Battle, Sussex the programme was delivered with parents as volunteers, learning with their child for the day.

Students feedback quotes from the day on what they learnt:-

- People don't earn as much as you think
- Learnt how we get taxed and where it all goes
- Why it's important to save
- The shocking amount of money left after you've paid for essential

When the students were asked: “what is the best bit of advice they had about money?” and “who gave the best advice about money?” they said:



plan out all my spending so that I know how much money I have to spend and save”

from my best friend



if I want to have a lot of money I need to work hard and he said that if I want to have a lot of money I need to have more responsibility”

from my dad



if you have money, keep half of it on the side because you don't know what you might want”

from my brother



use money wisely and don't spend a lot and don't buy things that you don't need”

my mum has told me this several times



save money for a rainy day

by my Gran

We also delivered ‘Everyday Money the essential’. A 90 minute discussion with students on money aimed at 16-19 year olds. This was piloted in Brighton & Hove Sixth form college. A comment from a student on the session “was great help, I didn't realise the scale of expenses”.

The ‘Rough Guide’ campaign

Summary

This nine-month campaign was aimed to help the ‘financially unconfident’ take control of their finances and to build meaningful relationships with a segment of consumers termed ‘the financially unconfident’.

Strategy

Our research gave us two areas of insight:

1. Following the financial crisis, there was a need to build trust in financial services.
2. 46% of UK adults say that money is a personal matter that simply should not be talked about, despite the fact 87% of internet searches are looking for advice and information about money rather than specific financial products (the advice gap).

Our strategy was therefore:

- Overcome the trust barrier by working with trusted partners to fill the ‘advice gap’;
- Develop a digital-led campaign to reflect the importance of online media to our audience when buying financial products or seeking help.

Together we created the *Rough Guides to Finance* – a series of free eBooks authored by independent personal finance experts.

Each ebook was themed on a life stage which reflected the media's agenda. Coverage analysis over a six-month period showed that life stages, such as starting a family, buying a property, retirement and work life account for a significant amount of national news coverage.

- The eBooks were uploaded to all the popular stores, including Amazon where the first ebook went to #2 in the download chart for personal finance books.
- We developed a dedicated hub on ‘Mail Online’ (*This is How Money Works*), providing editorial content based on each book's theme. People were also encouraged to download the books through display ads.

- The social media activity was supported by sponsored posts across Facebook, Twitter, YouTube and LinkedIn, specifically targeted at the financially unconfident.

Our activities

- We worked with BritMums to host a 'Twitter party' to start conversations amongst influential parent bloggers. We reached 11 million people on Twitter.
- We worked with money bloggers to share the ebooks with their own readers.
- We sent a partner pack to over 50 organisations which gave them ready-made assets to share our campaign across their social channels, blogs and newsletters.

Measurement and evaluation

- We achieved coverage in every national, 15 regional publications, 13 trade titles and 23 broadcast slots over 9 months
- We had a social reach of 27.6m with 135k engagements and 4.5m impressions on the Mail Online hub
- There were 53,000 visitors to the eBook microsite with 6k downloads of the eBooks

Our customers said:



The books will help me to make a decision and I now feel like I could talk to someone about a mortgage whereas before I didn't."



I'm very impressed. L&G give impartial, trustworthy advice which is hard to find."

TARGET	STATUS
Reach and engage over 1 million people in the UK with financial education content.	ACHIEVED

➤ Supply chain standards



Increasing Influence

We've reviewed the scope of our key suppliers to now include LGIM (Legal & General Investment Management). We also risk reviewed the categorisation to ensure that we are appropriately identifying and managing those suppliers whose social and environmental impact had increased and as a result we raised our key suppliers to 286. Our governance framework also continues to include the requirement for suppliers to report their environmental, social and governance performance improvements.

We have policies, processes and controls which reflect our commitment to:

1. Protecting the environment
2. Protecting the employee
3. A safe and healthy workplace
4. Equality, Diversity, Inclusion and Ethics
5. Community Involvement
6. Meeting our Customers' needs

We extend these policies, processes and controls to our suppliers and how we do business with them.

Improvements in governance and policy – enhanced Supplier Code of Conduct

The purpose of our [Supplier Code of Conduct](#) (PDF, 115KB) is to safeguard the relationships between us and our suppliers, to establish standards that ensure our suppliers operate ethically, are environmentally responsible and that workers are treated with respect and dignity. We expect all our suppliers to adhere to our code of conduct, have clear processes to maintain these standards and provide evidence of compliance when required.

In 2015, we made further improvements to our Supplier Code of Conduct and incorporated the requirement to adhere to the **Modern Slavery Act 2015**. We also began the implementation of a new process which aligns with our finance processes and ensures that all new suppliers agree to adhere to our code of conduct prior to being set up.

In 2015, we also made enhancements to our online compliance assessment which is issued to all key suppliers using an online portal. Suppliers are now able to load, review and amend their submissions via the portal making it even easier for them to independently evidence compliance with our policy.

We delayed the issuing of our Supplier Code of Conduct in 2015 to 2016 to enable the incorporation of the Modern Slavery Act 2015 requirements, the alignment with our finance processes and the completion of the developments to online compliance tool.

Benchmarking performance

In 2015 we were successfully recertified for ISO14001 accreditation for Procurement and Supplier Management activities relating to our supply chain operations. This recertification requires the group to be externally audited against the standard.

We continue to validate and improve our approach to supplier management with external organisations.

2015 achievements and continuous improvement

In 2015, we continued to raise the profile of our sustainable supply chain committee whose remit includes ensuring compliance to existing processes and policies and seeking continuous improvement.

The sustainable supply chain committee agreed for the following initiatives to be explored in 2015, and good progress was made:

- Sustainable fish and Red Tractor certified meat. We explored the implementation of a policy that mandates all fish and meat used on our premises is from sustainable sources. In 2015, we implemented agreements with our suppliers to first measure the use of sustainable fish with the objective of mandating its use. We will continue this work in 2016
- 'Drying out' rather than replacing goods. A project specific to our general insurance business, we explored the feasibility of using drying techniques where appropriate on wood and plaster, for damage caused by water on household claims. In 2015, we commenced tender processes which continue into 2016.

Our commitment to raising CSR awareness continued in 2015 with our Group Procurement and Supplier Management function being awarded with a corporate CIPS (Chartered Institute of Procurement & Supply) accreditation for Ethical Procurement and Supply.




The future

We're planning to deliver a number of things in 2016, we will:

- Continue to proactively implement tools, processes and methods to monitor our supply chain for Modern Slavery, in line with Modern Slavery Act 2015.
- Continue to make developments with the initiatives agreed by our sustainable supply chain committee
- Code of conduct – Ensure all key and new suppliers are compliant with our supplier's code which was updated in Q4 2015 to incorporate compliance with the Modern Slavery Act 2015.
- Review opportunities for introducing a reduced CO₂ supply chain

Supply chain targets

- All key and new suppliers remain compliant with our supplier's code which comprises the minimum standards we expect in terms of environmental, labour, equality, ethical conduct, community involvement and payment standards. – In progress, delayed by the incorporation of the Modern Slavery Act 2015.
- Implement a global procurement code by 2016 for all subsidiaries – on track to achieve

TARGET	STATUS
New suppliers are compliant with our supplier code which comprises the minimum standards we expect in terms of environmental, labour, equality, ethical conduct, community involvement, payment standards and the Modern Slavery Act.	 ACHIEVED
Existing key suppliers remain compliant with our supplier code which comprises the minimum standards we expect in terms of environmental, labour, equality, ethical conduct, community involvement, payment standards and the Modern Slavery Act.	 ON TRACK
Implement a Global Supplier code by 2016.	 ON TRACK

➤ Managing environment and climate risks



As with all businesses we rely on a range of natural resources to operate our business. We are constantly looking at ways we can reduce our impacts and improve our environmental performance as a consumer, insurer and investor.

Our long term future

We have built our long term strategy around our key climate and environment risks and the key areas that our 2014 materiality study determined as important.

TARGET	STATUS
By 2020 reduce our carbon emissions per policy by 20% based on 2013 baseline.	🎯 ON TRACK
By 2020 reduce total waste generation per employee by 25% based on 2013 baseline.	🎯 ON TRACK
By 2020 reduce paper consumption per policy by 30% based on 2013 baseline.	🎯 ON TRACK

As a consumer

All businesses require resources to enable them to operate. However, factors like climate change mean there's more pressure on energy, natural resources and the wider environment. Therefore we continue to monitor and govern our consumption of resources and remain committed to meeting the challenge of 'doing more business, with fewer resources and impacts'.

Please refer to the [data centre section](#) of this report for details of our consumption of natural resources.

Our 2015 Highlights include:

- The growth of our property investments has resulted in an increase in our overall carbon. However, our operational energy has decreased by 10% since 2013. Which equates to 15% reduction per policy.
- Our UK business miles have reduced by 21% when compared to our baseline year (2013). This equates to a 25% reduction of miles per policy.
- Carbon associated with our business travel and occupied properties has reduced from 1.62 to 1.44kg per policy, which is an 11% reduction.
- During 2015 we've been unable to exceed our 12.5% reduction in paper consumption in 2014, however, our paper consumed per policy is currently 5.5% lower than our baseline year of 2013.
- Whilst the overall volume of waste generated by our operations remains fairly constant, through gaining a better understanding of the makeup and value of our waste streams we have been able to find alternative routes to landfill and have increased our diversion of waste from landfill from 16.5% to 6.3%.
- We continue to procure all electricity for UK occupied locations and investment properties from renewable tariffs.

As an investor

As a major global investor, LGIM has a fundamental interest in ensuring that shareholder value is not eroded by a company's failure to manage its impact on its natural and social environment. At the same time, LGIM believes that a company's value can be enhanced over time through taking advantage of opportunities which arise from identifying efficiency in its operations.

We engage directly with companies. Environmental considerations, such as climate change, water, biodiversity, waste and other types of pollution, are assessed in their context of the financial materiality, regulatory compliance and industry best practices.

We influence policy decision-makers on key global issues like climate change. We worked with other investors to ensure governments globally curb greenhouse emissions successfully through the United Nations Framework Convention on Climate Change.

We integrate environmental components in our investment process. Our proprietary database allows for ranking of companies in each sector based on key risks to their performance.

We invest in renewables. The Paris climate agreement (COP21) shows a global recognition that the world's energy system needs transformational change, but for this to happen, hard investment decisions need to be made to deliver reductions in carbon emissions and benefits to energy consumers. Legal & General sees clean energy including wind and solar power as key components to delivering lower cost and more secure energy in the long term both for the UK and globally.

In December 2015 Legal & General Capital invested in a clean energy investment and asset management business, NTR Wind Management Ltd and committed to build an onshore wind portfolio targeting assets worth up to £0.5bn. The generating capacity of the assets will be up to 270MW, which could generate sufficient electricity to power up to 170,000 homes and avoid more than 300,000 tonnes of CO₂ per annum across the UK and Ireland.

By using its balance sheet capital to invest in new clean energy for the UK, L&G can lead the way for large scale, long term institutional investment in the decarbonisation of the energy system.

Legal & General Real Assets combines our expertise in Property, Infrastructure and Commercial Lending enabling an integrated investment approach. And with £20.4bn in assets under management (as at 31st December 2015) we can provide sustainable and innovative investment opportunities for our clients.

Creating sustainability within our assets is deeply important to us, and it's why we are determined to provide our tenants with exceptional buildings to work and live in, as well as regenerating areas for local communities, giving them a sustainable future that contributes to their everyday life. We are proud to say our vision and ability is endorsed by GRESB who in 2015 awarded us with 'green stars' for every applicable fund.

As an insurer

It's important that we provide the right cover whilst understanding the needs of our customers during a time of crisis. Customers need to access our services immediately to help minimise damage and wastage. Our 24 hour emergencies call center can provide a dedicated claims manager to respond quickly.

At the end of 2014 we made the decision to create our own building repair called LGRS (Legal and General Repair Solutions), this is used to fulfill building claims repairs where a customer chooses this option in preference to a cash settlement. This strategic move brings us closer to our customers, further simplifies our claims journey, shortens claims durations and reduces claims cost.

What has this meant in practice?

We used to use national building networks to fulfill buildings repairs that in general act as a management function and subcontract the works to regional contractors. It was our intention to remove this layer and contract directly with our own network of regional building contractors. This means that we have greater influence and can better control Health & Safety and environmental impacts.

➤ How we approach public policy



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

We think it's important that people know what we do and what we stand for.

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 we operate in.
3. We will work both collaboratively through a range of industry and trade bodies, and independently.
4. We aim to deliver evidence-based, practical proposals for consideration by policy-makers.
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.

2015 highlights on delivering public policy

We have commented on issues such as:

- supporting jobs and growth through urban regeneration
- changes to the pensions and 'at retirement' market
- financial regulation
- corporate governance
- risk sharing

Our engagement with government

As part of our dialogue, in 2015, we responded to over 50 Government and regulatory consultations, as well as shaping responses from trade and industry bodies. This is approximately 40% more than last year reflecting the continued public policy reforms impacting our business.

We took part in Transparency International UK's 'Corporate political engagement index 2015'.

Our main areas of discussion with Government in 2015 have included:

- Pensions and at retirement market reform

We are closely engaged with HM Treasury following proposals to reform the incentives for long-term saving. We have been strong advocates of ensuring that legislation promotes good value, well-governed pension schemes in the UK where there is a strong incentive to save for the future. That is why we have called on the UK Government to create a meaningful cap of 0.5% on auto-enrolled pensions and to reform the current pensions tax relief system.

- Financial regulation – UK and EU

We are closely engaged with the relevant EU and UK authorities on reforms to both prudential and conduct regulation.

- Urban regeneration

As a long-term investor, we need to invest both our shareholder and customer funds in long-term assets such as infrastructure – from university accommodation, hospitals, social housing and the care sector to commercial and residential property. We have continued to engage with policy makers to help ensure that the legislative framework allows insurers and investment firms to play their full part in delivering jobs and growth. This has included engagement with both policy stakeholders at EU, UK, National and local level.

- Risk sharing

As the UK Government seeks to rebalance the economy, we have continued to discuss with policy makers the opportunities for insurers, both as long-term investors and managers of risk, what more can be done to support the UK and the financial resilience of its citizens.

Political background

The next five years will be a time of likely change. Elections are due in the UK, Europe and the US shortly. Further devolution of powers away from Westminster is likely. We're also aware of the business risk of deterioration of geo-political stability, especially in the Middle East and Eastern Europe.

► Transparency



As a company we continually work to make our business more transparent and explainable to our stakeholders. There are a number of initiatives and opportunities to improve during 2015 that we wanted to highlight.

Opinions on key issues

During 2015 we have increased the amount of opinion we have out there on what we believe are the big issues that matter around housing, health, energy and an ageing population as our strategic objectives.

We do this in two ways

1. Our **CEO's Blog** provides insight to some of the opportunities and solutions that we can play a part in improving the economy, society and the environment
2. We also **invite guest** blogs from partner organisations who we are working alongside to solve some of these opportunities

This provides our stakeholders with a sense of what we stand for, brings us more opportunities from organisations looking to work with us and questions on how we operate.

Scrutinising the way we run our business

During 2015 we continued to work within the www.responsible100.co.uk network to test our processes and policies with leading NGOs. This

involves monthly meetings where NGOs set the standard of good transparency and then the business provide a draft answer to the questions. This gives the business a chance to get feedback on their policy area. In 2015 and early 2016 our policies in the following areas benefitted from NGOs feedback on their approach and performance:

- Whistleblowing
- Tax
- Contribution to a low carbon economy
- Approach to modern slavery
- Carers in the workplace
- Animal testing
- Green technology
- Employee representation
- Unionisation in the workplace

This network provides us with an efficient way of getting feedback on our policy areas.

Critical Friends in reviewing processes and products

As part of our vulnerable customers policy initiative we have increase the number of 'critical friends' to help us to review existing products and services offered to customers. This is very complementary to the Product Life Cycle Management Reviews we already carry out.

New policies developed or revised during 2015

A number of new policy areas have been developed during 2015 across the Group including

- A revised whistleblowing policy
- A new groupwide vulnerable customer policy
- Our policy in response to the UK Modern Slavery Act
- A revised inducements policy
- A revised 'Working with Government policy'
- LGIM climate change policy

Materiality on our US Operations

During 2015 we focused on delivering an independent materiality analysis involving over 165 stakeholders in Legal & General America and Legal & General Investment Management America to recognise the increasing importance of these businesses in the group's growth plans. Full details of this work can be found in the [materiality](#) section.

Looking ahead - emerging pressure points based upon stakeholder feedback



During early 2016 the Group Corporate Responsibility and Ethics Committee reviewed a number of pieces of feedback on the Group's ESG performance from our stakeholders. These are around areas where we need to improve transparency in 2016 and beyond.

- **Proving Social Value** - To attract more finance from social bond funds we were asked to come up with "One Number" for the social impact of our business on a yearly basis. This moved beyond the transparency on providing claims statistics and

product performance data. The typical question being asked is "How many people's lives were improved by you being in business in any given year" This thread of questioning is also increasing in the real asset world where the "Social return on Investment" for buildings is coming to the fore.

- **It's in the balance** - We continue to see an increasing interest in the underlying investments made from the balance sheets in the Group and our subsidiary companies and the underlying assets in our pensions master trust default fund. The need to understand how those assets support decarbonisation in the economy has been raised by our customers and organisations like Share Action and Open Corporates who are campaigning to improve beneficial ownership transparency.
- **Service and Culture**- As a service business we have been asked a number of questions by analysts about the link between employee engagement and customer services levels particularly as we have had a lot of change around our business. There is increased scrutiny of the way that the culture of a business is measured particularly within financial services businesses. We are increasingly being asked for proof points and evidence of our culture as a business.
- **Working with Government** - We have become more active in using long term capital to provide products and services which benefit wider society, many stakeholder are keen to know whether this policy embraces market inclusiveness principles. This is also linked to an increased need for disclosure around taxation at a country by country level.

This feedback is being used to shape our ongoing policy work and has also informed our [forward looking ESG public targets](#) for 2016 and beyond.

TARGET	STATUS
Adopt "Blueprint for Better Business" and "Responsible 100" as core benchmarks on our responsible business performance.	 ONGOING
Deliver a fit for purpose Customer Privacy and Cyber Security policy overseen by Group Board.	 ACHIEVED

► 2016 – 2018 Group targets

Creating a better place to work

We want to create a better and more diverse place to work for our employees and are taking a number of practical actions. We believe that diverse organisations make better business decisions. Our commitments are to:

Help our employees to be more financially resilient

- Deliver a credit union savings and loans relationship in all of our UK offices as part of our employees benefits package in 2016
- Deliver a Shelter designed rental deposit product for all UK employees providing them with interest free finance in 2016

Help future consumers to be more financially resilient

- Deliver a financial education programme which provides 200 UK teachers a year with the ability to run their own financial education programme in 2016

We will involve our employees further in working in our communities

- Deliver community investment programmes around our major locations in the UK and US that get as many employees as possible involved with their money and time

Improving the diversity in our workplace

- We aspire to 50/50 by 2020 – balanced gender diversity at all levels in the organisation. We will increase gender diversity at middle and senior management grades (G5-8 and LGIM G4-7) from 35% to 40% women by the end of 2017.
- We will create diverse shortlists when recruiting – at least one woman on every shortlist for roles at G5+ (LGIM G4+).
- Divisional action plans in place for each business with gender diversity targets aimed at improving the female talent pipeline.
- Roll out unconscious bias training to all employees across the group in 2016.
- Improve our equality index from 78% to 85% across the group in 2016.

Research & Development

We need to better understand the opportunities for our business to innovate our products, services and investments. We improve our knowledge by working with an ever diverse set of stakeholders. We are committed to...

- Deliver at least 6 major not for profit partnerships for Legal & General group businesses that provide us with insights into emerging macro trends that our business needs to better understand in 2016.
- Deliver the 'Mission Led Business Review' for Government on the number, role and support needed for the UK Economy in 2016.
- Deliver a social investment fund in Wales to stimulate new forms of finance and jobs for social enterprises in 2016 and 2017

Responsible asset management

As a major institutional owner of assets we can have a major influence on other businesses because we have an equity, bond, direct investment or landlord to tenant relationship. We are committed to...

With our own balance sheet

- Continue to invest £15 billion into sectors of the economy that are economically, socially and environmentally useful
- Provide our 10 million retail customers with a way of understanding how doing business with Legal & General funds UK Infrastructure by the end of 2016.

As a major Investor

- In 2016 engage with over 500 companies on environmental, social and governance issues
- As an investor we will actively promote:
 - The removal of quarterly reporting and promotion of long-termism.
 - Director succession planning at US listed companies through reducing the length of service on boards.
 - Better board independence on Japanese listed companies.
 - Greater gender diversity in boardrooms, especially in UK mid-cap listed companies.
 - The process and board oversight of cyber

security

- The value of reviewing board effectiveness.
- Greater collective engagement with institutional investors.

As a major commercial property landlord

- Work with the 'British Council of Offices' and the 'Social Value Portal', to establish a standard 'Social Return' on Investment calculation for the real estate sector, producing three case studies on development, refurbishment and fund management, to help demonstrate a forward for the sector"

Buying products and services responsibly

To run our business we rely upon other suppliers to provide products and services which we deliver to our customers. We continue to find ways of improving the standards of our suppliers in emerging areas of regulation and where we think there is a need.

- Implement a consistent global procurement code during 2016 for all our international subsidiaries
- Disclose our position on 'Modern Slavery' as a group working with key external NGOs to guide us.

Environmental performance

As a user of energy and a major investor in the UK energy sector we can influence the UK energy agenda to achieve a reduction in resources being used. We are committed to...

- Increase investments into UK energy infrastructure with our own money and that of our customers that support the transition to a low carbon economy over the next three years.
- By 2020 reduce carbon emission per policy by 20% based on 2013 baseline
- By 2020 reduce operational office water consumption per policy by 20% based on 2013 baseline
- By 2020 reduce total waste generation per policy

by 25% based on 2013 baseline

- By 2020 reduce paper consumption per policy by 30% based on 2013 baseline
- Publish the carbon intensity of our balance sheet assets so that consumers can understand how carbon intensive we are by the end of 2017

Fairness & Transparency

There are a number of policy areas we want to be ahead of regulation and on the side of best practice. To do this there are number of critical friends and networks we use to make sure that we are fit for the future. We are committed to...

- Work with Responsible 100 to have at least six critical friend reviews with NGOs on material policies for the Group to check they are fit for purpose by the end of 2016
- Work with Open Corporates to improve our company structure disclosure to stay ahead of beneficial ownership transparency by the end of 2017
- Deliver the first local sustainability report for India First and LGIM / LGA by the end of 2017
- Launch the new and more inclusive 'speak up and speak out' line working with the Institute of Business Ethics by the end of 2016.

Improve End Customer Service

We have a role in providing our products and services to customers' lives when they most need them. We also realise that in the markets in which we operate lives are changing fast with emerging vulnerabilities such as mental health and dementia increasing the vulnerability in life for more people. We are committed to...

- Deliver an e-learning package for all Legal & General employees to understand their role in dealing with vulnerable customers in 2016
- Deliver a 'critical friend' review of at least one product and process a month to improve our work with vulnerable customers by the end of 2016

About the report

In this section...

- 59 About the report
- 60 GRI index
- 72 Audit statement

ABOUT THE REPORT

This report complements our Annual Report and Accounts for 2015. It provides commentary, disclosures and data on how we achieve our financial success while taking economic, social and environmental factors into account.

About the report

We've written our sustainability report primarily for institutional investors, customers, non-governmental organisations (NGOs), government researchers and others with a particular professional interest in our approach to sustainability.

This report complements our Annual Report and Accounts for 2015. It provides additional commentary on how we achieve our financial success by while taking economic, social and environmental factors into account.

Reporting standards

This year, we reviewed our stakeholder feedback in the US and the results of our materiality analysis to further evolve the transparency of our report, which is aligned to the internationally recognized guidelines of the Global Reporting Initiative (GRI). This report was drafted in accordance with the requirements of the GRI G4 guidelines, including the 'Financial Services Sector Supplement' (FSSS), and meets the criteria **for a 'core' application level**.

The report covers disclosure from all of the Legal & General Group businesses in the UK and subsidiaries in the Netherlands, and the US, with selective disclosure on joint venture in India.

What we report

Every year we identify priority issues by listening to our key stakeholders and assessing them in light of our strategy, purpose and values. Specifically, we assess feedback and queries globally from our customers, shareholders, regulators and NGOs, as well as media commentary. We gather insight from and engage with major investors, through investor road shows and by contributing to various indices and surveys. Our campaigns are a result of how we use the skills and experience to shape new products and understand our customers' needs for the future.

This is our 11th Corporate Responsibility Report. In 2005, we published our first full Corporate Responsibility Report detailing our performance and targets to our critical stakeholders and have since done so every year. This is a continuation of the 2014 CSR report which you can find in our archive.

We haven't restated any data or information. We've increased the scope of the amount of reporting based upon stakeholder feedback in specific areas in 2014.

Timeframe

This sustainability report covers the financial year from January to December 2015 (unless otherwise noted). In some cases, information for early 2016 is also included to give an up-to-date picture. Facts and figures refer to Legal & General Group PLC unless indicated otherwise.

Feedback

We welcome feedback and questions from readers. Please direct them to:

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➤ GRI index











FULLY FULLFILLED PARTIALLY FULLFILLED NOT FULLFILLED

General Standard Disclosures: Strategy and analysis

GRI Indicator	Level of Reporting	Reference	Comment
G4-1 CEO Statement	<input checked="" type="checkbox"/>	CEO Statement	

General Standard Disclosures: Organizational profile

GRI Indicator	Level of Reporting	Reference	Comment
G4-3 Name of the organisation.	<input checked="" type="checkbox"/>	CR Report – About the Report	
G4-4 Primary brands, products, and services.	<input checked="" type="checkbox"/>	Annual Report – What we do Annual Report – Group Consolidated Financial Statements – Balance Sheet Management (Principal products)	
G4-5 Location of the organisation's headquarters.	<input checked="" type="checkbox"/>	Annual Report – Shareholder Information (General information)	
G4-6 Number of countries where the organisation operates	<input checked="" type="checkbox"/>	CR Report – About the Report	
G4-7 Nature of ownership and legal form	<input checked="" type="checkbox"/>	CR Report – About the Report	
G4-8 Markets served	<input checked="" type="checkbox"/>	CR Report – Who we are and what we believe	
G4-9 Scale of the organisation	<input checked="" type="checkbox"/>	Annual Report – Employee Information (Employees) Annual Report – Consolidated Income Statement (Net Sales) Annual Report – Consolidated Statement of Changes in Equity (Capitalization)	

GRI Indicator		Level of Reporting	Reference	Comment
G4-10	Total workforce by employment type, employment contract, and region		CR Report – Employee Data	A new system is being put in place in LGA to provide more data on employee contracts. This will be ready to report on in 2018.
G4-11	Employees covered by collective bargaining agreements		CR Report – Employee Data CSR Website – Collective consultation	
G4-12	Organisation's supply chain		CR Report – Supply Chain Standards	
G4-13	Significant changes during the reporting period regarding size, structure, ownership, or its supply chain		CR Report – Supply Chain Standards	
G4-14	Explanation of whether and how the precautionary approach or principle is addressed		CR Report – Climate and Environmental Management	
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses		Website – Awards and Accolades	
G4-16	Memberships in associations		Website – Awards and Accolades	
G4-17	Operational structure		Annual Report – Independent auditors' report	
G4-18	Process for defining report content		CR Report – Who we are and what we believe CR Report – Even clearer on materiality	
G4-19	List all the material Aspects identified in the process for defining report content.		CR Report – Even clearer on materiality CR Report – Who we are and what we believe	

GRI Indicator	Level of Reporting	Reference	Comment
G4-20	Aspect Boundary within the organization	✓	CR Report – Even clearer on materiality
G4-21	Aspect Boundary outside of the organization	✓	CR Report – Even clearer on materiality
G4-22	Explanation of the effect of any re-statements	✓	CR Report – Who we are and what we believe CR Report – About the Report
G4-23	Significant changes from previous reporting periods in the scope, Aspect boundaries, or measurement methods	✓	CR Report – About the Report

General Standard Disclosures: Stakeholder engagement

GRI Indicator	Level of Reporting	Reference	Comment
G4-24	List of stakeholder groups engaged by the organization.	✓	CR Report – About the Report CR Report – Even clearer on materiality
G4-25	Basis for identification and selection of stakeholders	✓	CR Report – Who we are and what we believe CR Report – Even clearer on materiality
G4-26	Approaches to stakeholder engagement	□	CR Report – Who we are and what we believe CR Report – Even clearer on materiality
G4-27	Key topics and concerns that have been raised through stakeholder engagement	□	CR Report – About the report CR Report – Who we are and what we believe CR Report – Even clearer on materiality

General Standard Disclosures: Report profile

GRI Indicator	Level of Reporting	Reference	Comment
G4-28	Reporting period	✓	CR Report – About the report
G4-29	Date of most recent previous report	✓	CR Report – About the report
G4-30	Reporting cycle	✓	CR Report – About the report
G4-31	Contact point	✓	CR Report – About the report
G4-32	GRI Content Index	✓	CR Report – About the report
G4-33	External assurance policy	✓	CR Report – Group Internal Audit Statement

General Standard Disclosures: Governance

GRI Indicator	Level of Reporting	Reference	Comment
G4-34	Governance structure of the organization	✓	<p>CSR Website – Governance</p> <p>Annual Report – Governance Report – How the Board Operates</p>





General Standard Disclosures: Ethics and integrity

GRI Indicator	Level of Reporting	Reference	Comment
G4-56	Organization's values, principles, standards of behaviour (e.g. CoC and codes of ethics.)	✓	<p>Website – Code of Ethics (PDF)</p> <p>CSR Website – Ethics principles</p> <p>CSR Website – Our policies</p>

Financial Service Sector Supplement

GRI Indicator	Level of Reporting	Reference	Comment
Aspect: Audit			
G4-DMA Disclosure on management approach	<input type="checkbox"/>	CR Report – Doing business better – supply chain standards	
Aspect: Active ownership			
G4-DMA Disclosure on management approach	<input checked="" type="checkbox"/>	LGIM website – Corporate Governance General Policy (PDF) LGIM – Corporate Governance Report	
FS-10 Companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	<input type="checkbox"/>	CR Report – Campaigns – Corporate governance CR Report – Climate and Environmental Management LGIM – Corporate Governance Report (PDF)	We publish a yearly report on our Engagements which measures both the quantity of companies and the changes in behaviours that we have seen.
FS-11 Percentage of assets subject to positive and negative environmental or social screening	<input type="checkbox"/>	CR Report – Corporate Governance CR Report – Investor data	See explanation above

Economic performance (EC)





GRI Indicator	Level of Reporting	Reference	Comment
Aspect: Direct economic value generated and distributed			
G4-DMA	Disclosure on management approach		CR Report – Data Center – Paying Tax <i>Material issue: taxation policy</i>
G4-EC1	Direct economic value generated and distributed (economic value distributed: payment to government by country)		CR Report – Data Center – Paying Tax Annual Report – Strategic Report – Acting responsibly – Tax matters CR Report – Doing business better – Community and Social Investment CR Report – Data Center – Community Data
Aspect: Procurement Practices			
G4-DMA	Disclosure on management approach		CR Report – Doing business better – supply chain standards CR Report – Supplier Data
G4-EC9	Proportion of spending on local suppliers at significant locations of operation		CR Report – Supply Chain CR Report – Supplier Data

Environmental performance (EN)

GRI Indicator	Level of Reporting	Reference	Comment
Aspect: Materials			
G4-DMA Disclosure on management approach	✓	CR Report – Doing business better – Climate and Environmental Management	<i>Material issue: Material efficiency and waste reduction</i>
G4-EN2 Materials used that are recycled input materials	✓	CR Report – Managing environment and climate risks – as a consumer	
Aspect: Energy			
G4-DMA Disclosure on management approach	✓	CR Report – Doing business better – Climate and Environmental Management	<i>Material issue: Material efficiency and waste reduction</i>
G4-EN3 Energy consumption within the organisation	□	CR Report – Data center – Environmental data	
Aspect: Emissions			
G4-DMA Disclosure on management approach	✓	CR Report – Doing business better – Climate and Environmental Management	<i>Material issue: Emissions to Air</i>
G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	✓	CR Report – Data center – Environmental data	Operational consolidation approach used.
Aspect: Effluents and waste			
G4-DMA Disclosure on management approach	✓	CR Report – Doing business better – Climate and Environmental Management	<i>Material issue: Material efficiency and waste reduction</i>
G4-EN23 Total weight of waste by type and disposal method	□	CR Report – Data center – Environmental data	

Labour practices (LA)

GRI Indicator	Level of Reporting	Reference	Comment
Aspect: Employment			
G4-DMA	Disclosure on management approach	<input type="checkbox"/>	CR Report – Doing Business better – Improving our workplace – World Class Leadership
G4-LA1	New employee hires and employee turnover by age group, gender and region	<input type="checkbox"/>	CR Report – Data center – Employee data
Aspect: Occupational health & safety			
G4-DMA	Disclosure on management approach	<input checked="" type="checkbox"/>	CSR Website – Health and safety
G4-LA5	Total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	<input type="checkbox"/>	CSR Website – Collective consultation
Aspect: Training and education			
G4-DMA	Disclosure on management approach	<input checked="" type="checkbox"/>	CR Report – Doing Business better – Improving our workplace – World Class Leadership
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	<input type="checkbox"/>	CR Report – Doing Business better – Improving our workplace – World Class Leadership Careers Website








GRI Indicator	Level of Reporting	Reference	Comment
Aspect: Diversity and equal opportunity			
G4-DMA	Disclosure on management approach		CR Report – Doing Business better – Improving our workplace – Diversity and Inclusion
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity		CR Report – Data center – Employee data
Aspect: Equal remuneration for women and men			
G4-DMA	Disclosure on management approach		<p>Annual Report – Governance – Directors’ report on remuneration</p> <p>Annual Report – Governance – Directors’ report on remuneration – Annual report on remuneration – Remuneration for employees below board- (General Remuneration policy)</p> <p>Annual Report – Governance – Remuneration for employees below board (Annual equal pay audit)</p>
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation		<p>CR Report – Data center – Employee data</p> <p>LGA and Netherlands are currently adapting their systems to report on this information. This will be available 2018. Reporting.</p>

Human rights (HR)









GRI Indicator	Level of Reporting	Reference	Comment	
Aspect: Investment				
G4-DMA	Disclosure on management approach	<input checked="" type="checkbox"/>	CR Report – Doing business better – Climate and Environmental Management – As an investor	<i>Material issue: Environmental, Social and Governance in investment decisions</i>
FS8	Products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	<input type="checkbox"/>	CR Report – Campaigns – Corporate governance CR Report – Campaigns – Sustainable Property	
HR1	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<input type="checkbox"/>	CR Report – Doing business better – supply chain standards CR Report – Doing business better – Transparency	

Society (SO)

GRI Indicator	Level of Reporting	Reference	Comment	
Aspect: Local communities				
G4-DMA	Disclosure on management approach	<input checked="" type="checkbox"/>	CR Report – Doing business better – Communities – supporting employees	<i>Material issue: Employee engagement / Community engagement</i>
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	<input type="checkbox"/>	CR Report – Campaigns – Housing (our work with shelter) CR Report – Data Center – Our Economic Value CR Report – Doing business better – Communities – supporting employees	
FS13	Access points in low-populated or economically disadvantaged areas by type.	<input type="checkbox"/>	CR Report - Vulnerable customers	

GRI Indicator		Level of Reporting	Reference	Comment
FS14	Initiatives to improve access to financial services for disadvantaged people.		CR Report – Financial Inclusion CR Report - Vulnerable customers	
Aspect: Anti-corruption				
G4-DMA	Disclosure on management approach		CR Report – Doing business better – Transparency	<i>Material issue: part of Corporate Governance</i>
G4-SO4	Communication and training on anti-corruption policies and procedures		CR Report – Doing business better – Transparency	All employees, partners and joint ventures are expected to adhere to our ABC Policies.
Aspect: Public policy				
G4-DMA	Disclosure on management approach		CR Report – Doing business better – Transparency CR Report – Public affairs	<i>Material issue: Interaction with governments</i>
G4-SO6	Political contributions by country and recipient/beneficiary		CR Report – Doing business better – Transparency	
Aspect: Anti-competitive behaviour				
G4-DMA	Disclosure on management approach		CR Report – Doing business better – Transparency	<i>Material issue: Part of Corporate Governance</i> Our Group legal department has oversight of anti trust and competition laws. Training on anti trust and competition law is provided to the relevant business teams to ensure there is full awareness of the legal requirements.
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes		GRI Index	There are no anti-competitive, antitrust or monopoly practices legal actions against us.

Product responsibility (PR)

GRI Indicator	Level of Reporting	Reference	Comment
Aspect: Product and service labelling			
G4-DMA	Disclosure on management approach	 CR Report – Doing business better – Financial Inclusion CR Report 2014 – Transparency	<i>Material Issue: Part of Responsible marketing and fair sales</i>
G4-PR5	Results of surveys measuring customer satisfaction	 CR Report – Financial Inclusion CR Report - Vulnerable customers CR Report – Data center – Product and customer data	
Aspect: Marketing communications			
G4-DMA	Disclosure on management approach	 CR Report – Doing business better – Transparency	<i>Material Issue: Part of Responsible marketing and fair sales</i>
G4-PR7	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	 CR Report – Doing business better – Transparency	
Aspect: Customer privacy			
G4-DMA	Disclosure on management approach	 Privacy policy CR Report 2014 – Transparency	
G4-PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	 CR Report 2014 – Transparency	
Aspect: Compliance			
G4-DMA	Disclosure on management approach	 CR Report 2014 – Transparency	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	 GRI Index	Legal & General have had no fines in 2016 for non-compliance with laws and regulations.

Group internal audit statement

Group internal audit (GIA) has performed a risk based review of CSR disclosures, including quantitative data, and the associated processes utilised to collate this information.

Our audit testing has not identified any material inaccuracies in quantitative disclosures.

Group internal audit
April 2016

Data centre

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OUR PERFORMANCE

We appreciate that our stakeholders want to have a look at our long term data on our performance and underlying numbers.

➤ Tax data

We are committed to tax transparency. We have engaged with various NGOs to discuss their concerns about tax responsibility and also our own tax position as a significant investor in other companies. We continue to talk to companies about their tax policy and management as part of our overall environmental, social and governance engagement.

Tax strategy and approach

We aim for our tax affairs to be transparent and sustainable in the long term. Our tax strategy supports our Group strategy and the way we do business. It is clear about what we will and will not do. It is reviewed regularly with responsibility for this and management of tax risks resting with the Group Chief Financial Officer and Chief Tax Officer.

We will:

- Meet all legal requirements; make all appropriate returns and payments.
- Always consider the Group's reputation, brand and corporate and social responsibilities.
- Consider tax as part of every major business decision.
- Discuss in real-time our interpretation of the law with HMRC.
- Operate appropriate tax risk governance processes, including Board oversight.
- Contribute to the development of UK and international tax policy and legislation where appropriate.
- Not undertake transactions whose sole purpose is to create an abusive tax result or which are outside of the Group's risk appetite or are not in line with our Group Code of Ethics.

Paying and collecting taxes is an important part of our role as a business and our contribution to society. We want to pay the right amount of tax, in the right place at the right time and work with HMRC in real time and on a transparent basis.

More information on Group tax is available at:

[2015 Reports and Accounts; Tax Matters](#)

[2015 Group Tax Supplement](#)

Customers, staff and society

Tax is an important and integral part of our business. We recognise that our stakeholders not only include our investors, customers and employees, but also the wider society.

Paying tax is part of how our business contributes to society. Taxes provide public revenues for governments to meet economic and social objectives, including the creation of jobs, generating business for suppliers and building infrastructures.

Our total tax contribution is one of our inputs into wider society and the tables and charts below provide further information of the taxes that we have borne and collected in 2015 in each of the jurisdictions that we operate in.

We work with the charity [Tax Volunteers](#) which provide free expert caring independent advice for older people.

Our [Tax Facts app](#) is packed with useful information, including key dates, tax tips, and calculators.

2015 total tax contributions

Our contribution to governments and society involves more than just corporate income taxes on profits but also employer taxes, irrecoverable VAT and property taxes borne by the Group.

We also collect taxes on behalf of governments such as employee taxes deducted through payroll, policyholder taxes and insurance premium tax.

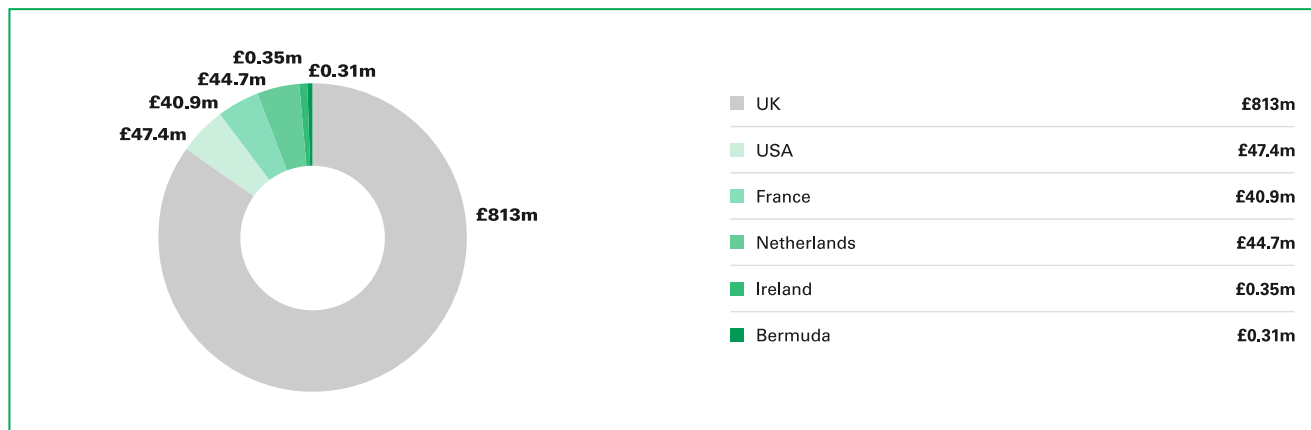
Our total tax contribution which includes taxes borne and collected for 2015 was £947million (2014: £794 million). The majority of our taxes borne and collected arise in the UK. For 2015 this totalled £813 million (2014: £653 million).

Taxes borne are all taxes levied on a company which are its cost and will affect its results. This includes corporate income tax, employer's national insurance contributions (payroll taxes) and business rates. It is a company's direct contribution to tax revenues.

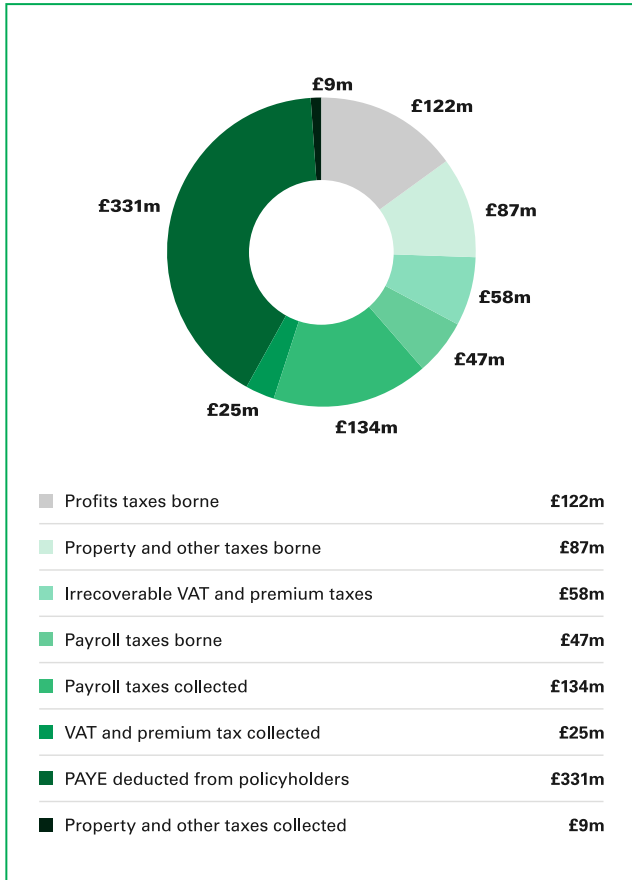
Taxes collected are taxes borne by employees and customers but collected by the Group and paid over to governments. Taxes collected include employee income tax and national insurance contributions (payroll taxes), policyholder taxes and insurance premium taxes charged to customers. It is generated by the company's business activity and is part of its indirect contribution to tax revenue.

The tables and charts below detail the taxes borne and collected by the jurisdiction in which we operate and by the type of tax. They also show our profits analysed by UK and overseas as well as the overseas profits by split by territory.

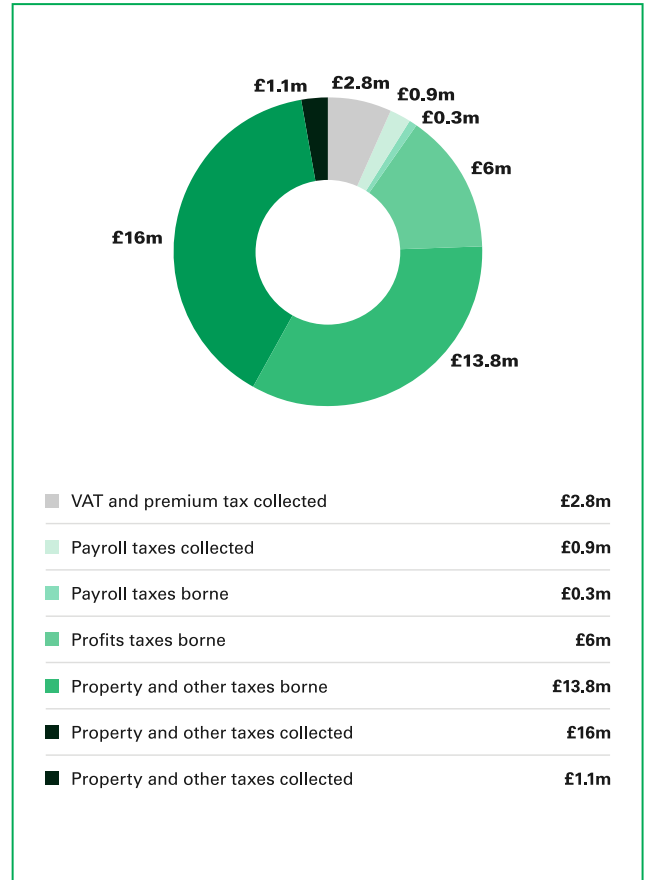
2015 total taxes borne and collected



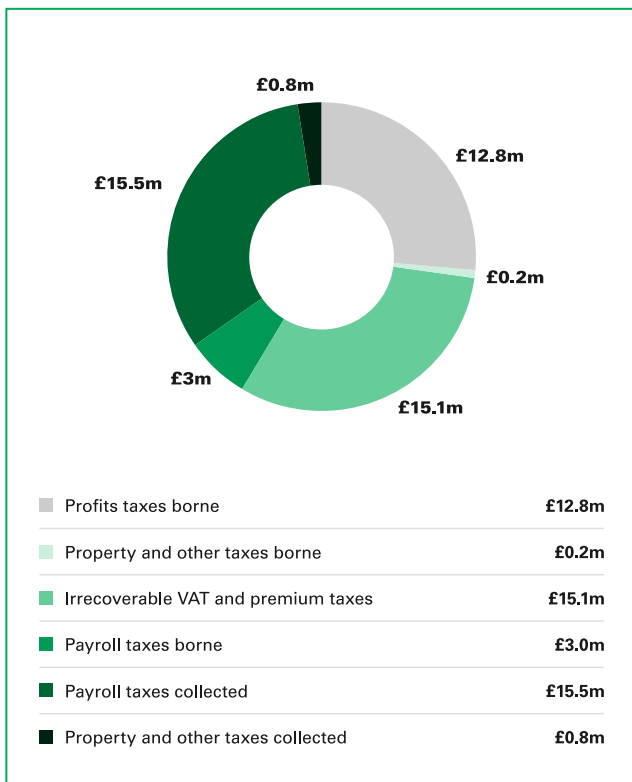
UK taxes borne and collected



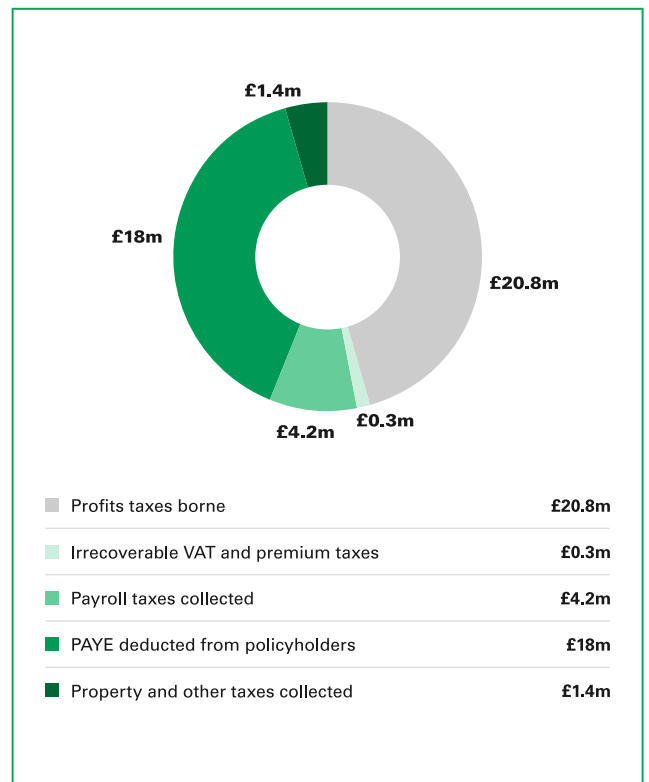
France taxes borne and collected



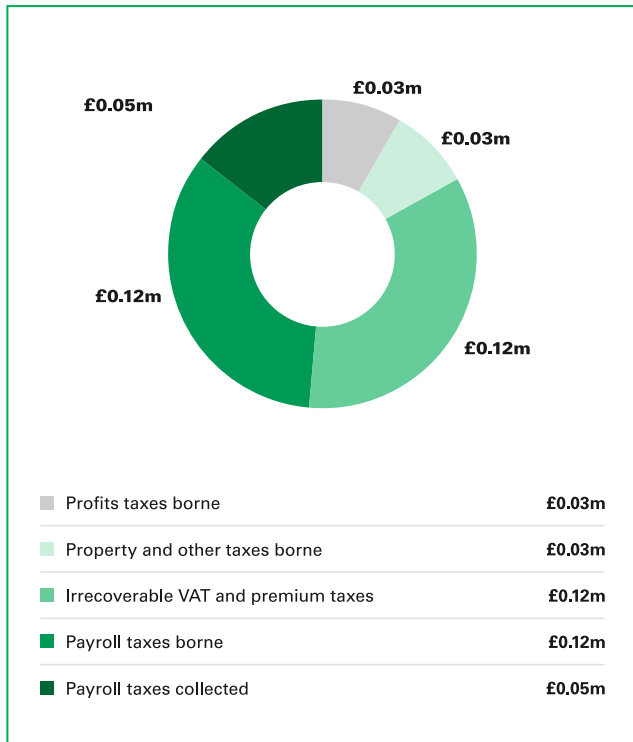
USA taxes borne and collected



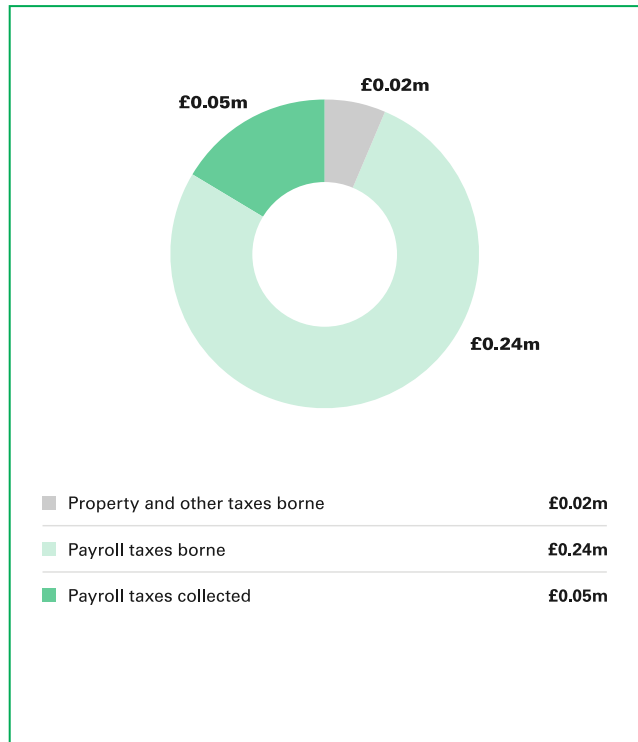
Netherlands taxes borne and collected



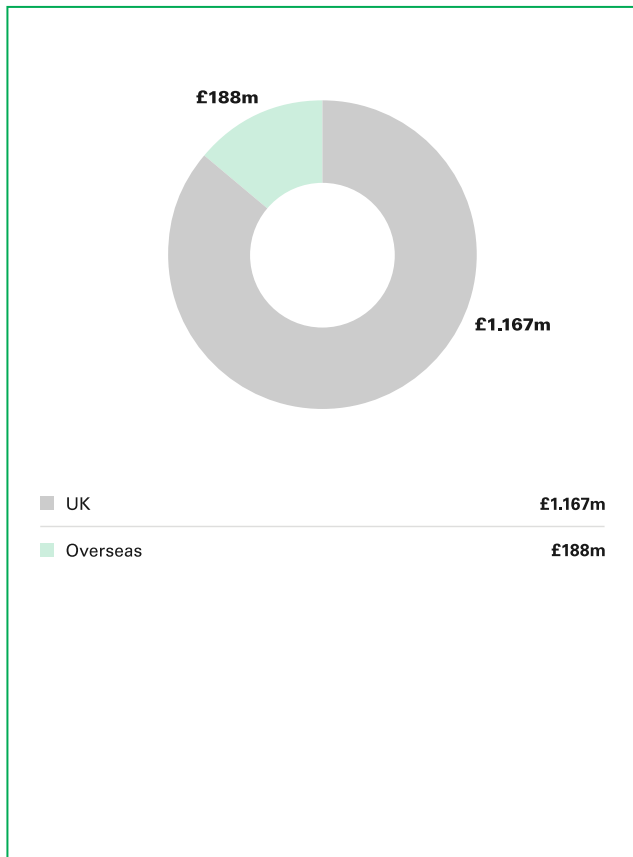
Ireland taxes borne and collected



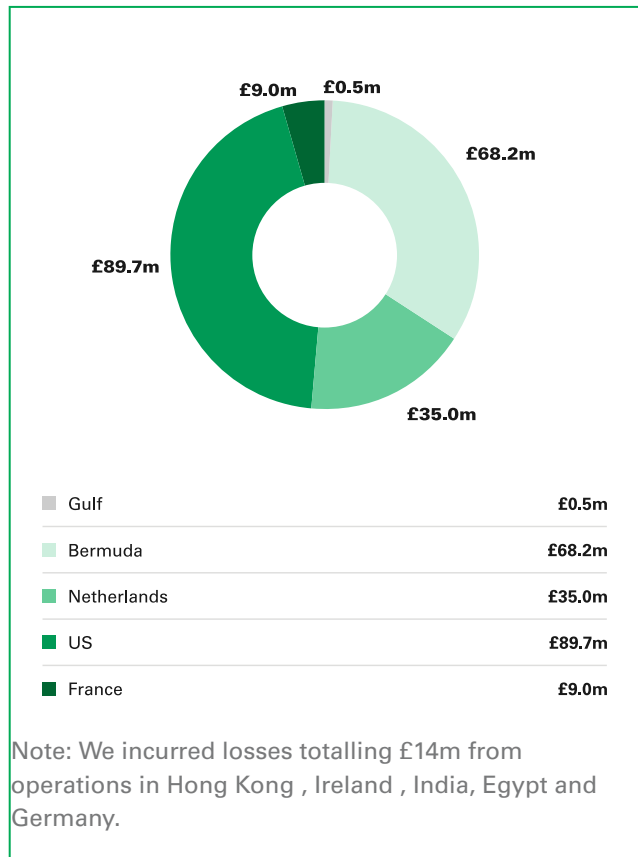
Bermuda taxes borne and collected



Profits: UK & Overseas



Overseas profits split by country



Note: We incurred losses totalling £14m from operations in Hong Kong , Ireland , India, Egypt and Germany.

➤ Product and customer data

Number of retail customers

Quantity	2011	2012	2013	2014	2015
Number of UK customers	6,854,062	7,190,925	7,923,467	8,328,900	8,464,847
Number of UK policies	7,701,911	8,109,422	8,849,465	9,273,882	9,363,961
Number of overseas policies (USA, Netherlands)*	1,090,034	1,159,205	1,294,671	1,300,068	1,370,098
UK complaints (reportable and non-reportable) as a percentage of customers	0.56%	0.58%	0.53%	0.46%	0.42%
US complaints (reportable and non-reportable) as a percentage of customers	n/a	n/a	n/a	n/a	0.0037%
Percentage of UK customers who are not happy with their savings products	0.29%	0.30%	0.28%	0.29%	0.29%

* Previous data included our business in France. We sold this business in Q2 2015.

Paying pensions

Each month we're responsible for paying our customers their pension. We do this for over 700,355 customers each month.

The total number of customers being paid directly dropped in 2015 compared with 2014. This was due to the Pension Reform changes which meant far fewer individual annuities being sold and the volume of deaths of pensioners outstripping the volume of new customers.

	2011	2012	2013	2014	2015
Number of customers being paid directly at end of 2015	613,015	653,184	680,870	707,701	700,355
Total pension payments per annum	£1,126,000,000	£1,333,602,135	£1,410,387,060	£1,466,885,721	£1,574,070,570
Average per annum payment per customer	£1,837	£2,041	£1,831	£2,072	£2,248

Home Finance – Lifetime mortgages

Our lifetime mortgages have allowed our customers to free up some equity within their property allowing our customers to enjoy a more fulfilling retirement.

Home Finance – Lifetime mortgages	2015
Total amount we advanced to customers	£201m
Number of customers	3,550

Protecting customers' houses

	2011	2012	2013	2014	2015
Number of in force customer home insurance policies	1.5m	1.6m	1.8m	1.8m	1.6m
Amount in claims that we paid out to customers to restore/replace homes and possessions	£160m	£135.7m	£132.6m	£156.6m	£130.4m ¹
Approximate number of customers this has helped ²	n/a	n/a	n/a	n/a	74,000

1 Data for claims we paid out in 2015 excludes fees.

2 There may be more than one claim per policyholder.

Critical illness claims

Critical illness	2011	2012	2013	2014	2015*
Percentage of Critical Illness claims paid out to our customers	93.00%	93.10%	93.60%	93.40%	91.50%
The amount of money we paid out to our critically ill customers	£177m	£209m	£242m	£245m	£167m
Number of claims paid	n/a	n/a	n/a	n/a	2,601
Average age of claimants	n/a	n/a	n/a	n/a	46
Claims not paid due to misrepresentation	n/a	n/a	n/a	n/a	2.30%
Claims rejected for not meeting definition	n/a	n/a	n/a	n/a	6.20%

* 2015 data excludes Children's critical illness

Top 5 Conditions claimed and paid

1. Cancer: 62.3%
2. Heart attack: 10.3%
3. Stroke: 5.9%
4. Multiple sclerosis: 4.8%
5. Total and permanent disability: 3.8%

Children's critical illness claims paid

Our 2015 data reports separately on claims we have paid out for children and their families.

Children's Critical illness Claims paid	2011	2012	2013	2014	2015
Percentage of Critical Illness claims paid out to families for children with critical illness	n/a	n/a	n/a	n/a	96.40%
The amount of money we paid out to families	n/a	n/a	n/a	n/a	1.9m
Amount of claims	n/a	n/a	n/a	n/a	106
Average age of child claimants	n/a	n/a	n/a	n/a	7

Top 5 conditions of claims paid

1. Cancer
2. Stroke
3. Child Funeral benefit
4. Benign Brain Tumor
5. Major Organ Transplant

Top 4 age groups

1. 0-4: 44.30%
2. 10-14: 22.60%
3. 5-9: 18%
4. 15+: 15,10%

Death claims

When customers pass away	2011	2012	2013	2014	2015
The amount we paid out to families when someone has unfortunately passed away with life insurance cover	£264m	£274m	£262m	£271m	£277m
The percentage of claims paid when someone passes away	97.80%	97.70%	98.20%	98.30%	97.90%
Amount of claims	n/a	n/a	n/a	n/a	6,856
Average age of claimants	n/a	n/a	n/a	n/a	63
Claims not paid due to misrepresentation	n/a	n/a	n/a	n/a	1.80%
Claims rejected for not meeting definition	n/a	n/a	n/a	n/a	0.30%

Top 5 conditions claimed and paid

1. Cancer: 39.6%
2. Cardiovascular: 21.2%
3. Respiratory Disease: 12.3%
4. Stroke: 4.6%
5. Neurological Disorder: 3%

Terminal illness claims

Terminal illness claims	2015
The amount paid out to our customers and their families.	£94m
Percentage of claims paid	95.1%
Amount of claims	998
Average age of claimants	53
Claims not paid due to misrepresentation	0.90%
Claims rejected for not meeting definition	4%

Top 4 conditions claims and paid

1. Cancer: 99.5%
2. Motor Neurone Disease: 0.3%
3. Liver Disease: 0.1%
4. Multiple System Atrophy: 0.1%

Income protection claims

Income protections pays out if you're unable to work due to accident or sickness.

Income protection	2011	2012	2013	2014	2015
Percentage of claims paid to customers who are unable to work because of health issues	92%	91%	92%	94%	95%
Total paid out to supplement incomes while clients are too ill to work	£1.35m	£1.36m	£1.40m	£1.44m	£1.3m
Number of claims paid	n/a	n/a	n/a	n/a	403
Average age of claimants	n/a	n/a	n/a	n/a	41

Top 5 conditions claims and paid

1. Musculoskeletal: 33.3%
2. Mental Health: 22.1%
3. Cancer: 13.9%
4. Neurological: 10.7%
5. Stroke: 4.5%

Investment and savings products

Our purpose is to provide investment and savings products that help people plan for the future and for retirement. We offer a number of ways for customers to do this with a large range of products and funds to invest in depending upon their needs and approach to risk. Each customer's circumstances are different in terms of how they were advised, what they are saving for and the risks they are prepared to take with their money. We have seen a number of changes with pensions reform where customers now have access to their pension pots from age 55. Customers of Legal & General International have now moved to Canada Life and our with profits fund closed to new business last year. We are currently responsible for £105 billion of customers money.

Providing employment safety nets

Our group protection business provides services to employers who want to protect the wellbeing of their employees. We provided 6,491 cognitive behavioural therapy sessions to help customers recover and return to work has improved our performance in this area.

The most significant health issues we engage with fall under the following categories:-

- 77.9% of **all notified GIP claims** return to work before the end of the deferred period and 82.9% return within the first year of absence;
- 80.0% of **mental health claims** return to work before the end of the deferred period and 86.1% return within the first year of absence;
- 82.4% of **musculoskeletal claims** return to work before the end of the deferred period and 87.1% return within the first year of absence,
- 28.0% of **cancer claims** return to work before the end of the deferred period and 39.5% return within the first year of absence.

	2011	2012	2013	2014	2015
Number of employees of businesses whose lives we insure	2.4m	2.3m	2.3m	1.8m	2.2m
Number of people rehabilitated back to work in that year	875	2,019	2,503	2,193	3,205
Percentage of employees in rehabilitation who return to work in the first year of absence	79.4%	82.3%	82.6%	82.9%	Available Q3 2016
Amount paid out to clients per annum for critical illness cover	£8.2m	£7.1m	£7.2m	£8.6m	£7.9m
Amount paid out to clients whose income we are protecting when they are unable to work	£32.4m	£30.6m	£28.2m	£35.4m	£54.6m
Amount paid out to customers who have died	£213.7m	£201.5m	£201.3m	£222.6m	£213.9m
Percentage of clients we pay out to on critical illness cover	80.6%	79.0%	75.0%	80.1%	70.9%
Percentage of clients we pay out to when the client dies	99.3%	99.1%	99.4%	99.6%	99.8%
Percentage of clients we pay out to when our clients are unable to work	97.8%	99.2%	99.1%	98.1%	98.1%

Economic data

We are a company that develops economic value and a positive benefit for the economies in which we operate. We are at the center of many transactions and financial flows in the UK and overseas.

Area of funding	2012	2013	2014	2015	Further information
Taxation The total taxes borne and collected and paid to UK and overseas governments as a result of us doing business.	£660m	£877m	£794m	£947m	Read more in our annual report and accounts 2015 .
Investment The amount of investment going into businesses on behalf of customers.	£406bn	£450bn	£708.5bn	£746.1bn	Our good governance programme provides more details of how we use this influence to improve others environmental, social and governance performance.
Commercial property investment The amount we invest on behalf of our clients via our property business. We're the third biggest UK commercial property landlord.	£10.4bn	£11bn	£13.56bn	£15bn	Read more about our work in our sustainable property section or the English Cities Fund
Employment The total net salaries we pay our UK employees, which is spent on products and services in the economy.	£238m	£289m	£285m	£298m	Read more about the contribution that our people make to our customers and business in our our employees section.
Procurement The amount that we spend with suppliers to run our businesses in the UK.	£446m	£504m	£527m	£567m	Read more in our sustainable supply chain section.
As an investment for our shareholders The amount in dividends we paid to our shareholders.	£394m	£479m	£668m	£685m	Read more in our annual report and accounts about our dividend policy and approach.
Being there for our customers The total amount paid out to our customers through insurance claims, pensions, life assurance and group protection payments.	£2.19bn	£2.28bn	£2.31bn	£2.69bn	Read more in our product performance section.

* Previous data included our business in France. We sold this business in Q2 2015.

Area of funding	2012	2013	2014	2015	Further information
Contributions to local communities We actively contribute to the Third and not-for-profit sectors in the UK, Netherlands and the USA businesses.*	£3.8m	£4m	£4.2m	£3.2m	Read more about how we did this in our community section.
Amount Invested in Social Investments	n/a	n/a	£280k	£100k	
Amount of Balance Sheet in Direct Investments designed to stimulate Society and the Economy for the long term	n/a	£2.9bn	£5.7bn	£7bn	

* Previous data included our business in France. We sold this business in Q2 2015.

Employee data

Employees Length of Service	0-5	6-10	11-15	16-20	21-25	25+
Legal & General UK	48.63%	20.55%	16.09%	8.26%	2.00%	4.47%
Legal & General America	51.70%	26.65%	9.02%	6.41%	1.40%	4.81%
Legal & General Netherlands	29.7%	38.2%	13.3%	11.5%	1.8%	5.5%

Number of Employees	2011	2012	2013	2014	2015
UK employees	7,323	7,400	7,394	7,222	7,345
Overseas Subsidiary Employees (Netherlands, USA)*	809	944	1,030	1,043	664

* Previous data included our business in France. We sold this business in Q2 2015.

Employee absence*	2011	2012	2013	2014	2015
UK Sickness as percentage of UK Workforce	3.0%	3.4%	3.1%	3.1%	2.9%
Legal & General Netherlands Sickness as percentage of workforce	4.6%	3.1%	1.7%	2.1%	2.7%

* Employee absence in the USA: We don't have a way to accurately capture the data due to the various federal and state laws that allow protected personal use and other than personal use of our sick leave benefit. The protected use of this benefit forbids us, as employer, from using the time away from work to be counted against an employee.

We do have an absenteeism limit of 3% for employees, if they exceed the limit they are counselled. Absenteeism is the only instances that don't fall under the protected leave.

Employee turnover by country	2011	2012	2013	2014	2015
Legal & General America Turnover as a percentage of LGA Workforce	7.30%	6.30%	7.90%	10.28%	10.23% ¹ 19.21% ²
UK Turnover as a percentage of UK Workforce	8.5%	8.1%	10.4%	14.4%	15.5%
Legal & General Netherlands Turnover as a percentage of LGN Workforce	6.4%	4.6%	8.8%	16.0%	10.2%

1 Annualized Employee Turnover not including the Groupwide Reduction in Workforce initiative

2 Annualized Employee Turnover including the Groupwide Reduction in workforce initiative

UK employee union membership	2011	2012	2013	2014	2015
Percentage of UK Employees who are members of Unite	35.5%	34.0%	33.8%	28.8%	39.6%

Unite collectively represents grades 1-5 (up to LGIM grade 4) and has membership of 39.6% across all employees and all grades. Membership of Unite has grown significantly over the last 12 months and is driven partly by the pace of change within the organisation, lack of job security but also by the renewed appetite for access to individual support and representation. Unions in USA and Netherlands do not apply.

Workforce flexibility	2011	2012	2013	2014	2015
Percentage of UK Workforce					
on Full Time Contracts	85.00%	86.00%	85.40%	85.75%	85.62%
on Part Time Contracts	15.00%	14.00%	14.60%	14.25%	14.38%
Percentage of USA Workforce					
who work on a full-time basis	95.00%	95.00%	95.20%	95.72%	95.79%
who work on a part-time basis	5.00%	5.00%	4.80%	4.28%	4.21%
Percentage of LGA Workforce					
who tele-work	n/a	n/a	n/a	n/a	31.86%
who work at the home office	n/a	n/a	n/a	n/a	68.14%
Percentage of Legal & General Netherlands Workforce					
on Full Time Contracts	60%	62%	58%	58%	54%
on Part Time Contracts	40%	38%	42%	42%	46%

2015 UK Headcount by Gender and contract type

	Percentage by gender in Full Time contracts	Percentage by gender in Part Time contracts
Female	41.6%	90.8%
Male	58.4%	9.2%

Average Salary by Grade, Gender and Contract Type (Combined)

Staff Grade Description	Full Time		Part Time	
	Female	Male	Female	Male
Staff	£26.253	£28.892	£25.041	£25.541
Management	£59.540	£66.343	£59.811	£56.727
Leadership*	£135.894	£149.146	£132.154	£130.282
Grand Total	£37.747	£50.092	£31.266	£32.906

* Excludes NEDs & Board

Average Salary by Grade, Gender and Contract Type (UK Business excluding Legal & General Investment Management)

Staff Grade Description	Full Time		Part Time	
	Female	Male	Female	Male
Grade 0 (Cofunds)	£33,098.80	£42,790.82	£32,574.77	£39,555.00
Grade 1	£18,251.16	£18,375.80	£18,992.86	£19,197.10
Grade 2	£21,770.42	£21,635.38	£22,082.21	£22,033.15
Grade 3	£26,282.53	£26,412.52	£26,136.32	£26,567.18
Grade 4	£31,948.62	£33,925.25	£31,976.82	£34,024.31
Grade 5	£46,464.89	£48,132.39	£46,364.82	£44,635.14
Grade 6	£72,579.27	£77,128.42	£75,782.14	£72,575.00
Grade 7&8*	£136,887.81	£157,714.88	£149,916.75	£130,282.00
Grand Total	£32,157.47	£41,358.49	£29,697.70	£31,192.03

* Excludes NEDs & Board

2015 UK leavers by age band

Age Banding	Leavers (Actual)	Turnover (%)
0-25	168	33.1%
26-35	541	21.8%
36-45	377	15.9%
46-55	234	14.6%
56-65	125	26.5%
66+	12	44.4%

2015 UK joiners by age band

Age Banding	Joiners (Actual)
0-25	296
26-35	370
36-45	226
46-55	121
56-65	24

2015 UK joiners and leavers by age band

Location	Joiner					Leaver				
	0-25	26-35	36-45	46-55	56+	0-25	26-35	36-45	46-55	56+
Birmingham GIO	42	67	24	17	6	28	68	35	11	4
Bristol									2	
Cardiff	54	55	22	8	1	9	60	39	16	14
Edinburgh								3		
Homebased		3	6	14	1		3	17	13	9
Hove	54	49	38	23	6	25	66	38	27	23
Ipswich GIO						8	57	26	17	5
Ipswich Suffolk Life	9	9	3	6		20	17	10	6	5
Kingswood	25	26	27	13	5	23	109	98	85	55
LGEA Barnsley	20	9	3	4	1	5	4	1		1
London	41	122	77	24	4	14	106	89	35	13
Non L&G Sales Office		5	5	3			7	4	6	3
Witham/Chelmsford	45	26	19	12		29	38	21	18	6

2015 UK joiners and leavers by gender

Location	Joiner		Leaver	
	Female	Male	Female	Male
Birmingham GIO	63	93	59	87
Bristol			1	1
Cardiff	68	72	61	77
Edinburgh			2	1
Homebased	6	18	15	27
Hove	88	82	91	88
Ipswich GIO			75	38
Ipswich Suffolk Life	14	13	22	36
Kingswood	46	50	187	183
LGEA Barnsley	26	11	8	3
London	99	169	112	145
Non L&G Sales Office	4	9	3	17
Witham/Chelmsford	54	48	61	51

2015 UK leavers by gender

Gender	Leavers (Actual)	Turnover (%)
Female	700	19.3%
Male	757	19.7%

2015 UK joiners by gender

Gender	Joiners (Actual)
Female	467
Male	570

Employee development	2011	2012	2013	2014	2015
Percentage of UK staff agree they have the opportunity to learn and develop at work in Employee Survey	71%	76%	76%	73%	68%
Percentage of Legal & General America staff agree they have the opportunity to learn and develop at work in Employee Survey	78%	81%	79%	85%	83%
Total Investment in Employee Development					
UK (£m)	4.1	1.7	3.6	3.8	3.5
Legal & General America (\$m USD)	n/a	0.3	0.3	0.4	0.2
Legal & General Netherlands (€m)	0.21	0.28	0.31	0.26	0.27

Age Bandings	0-25	26-35	36-45	46-55	55+
UK Business	8.66%	33.37%	31.35%	20.68%	5.94%
Legal & General America	1.00%	18.84%	33.47%	29.66%	17.03%
Legal & General Netherlands	2%	19.00%	38.00%	30.00%	11.00%

Legal & General UK Gender Split	2011	2012	2013	2014	2015
Male	50.30%	50.66%	51.00%	51.12%	51.35%
Female	49.70%	49.34%	49.00%	48.88%	48.65%

Legal & General America Gender Split	2011	2012	2013	2014	2015
Male	n/a	34.49%	34.52%	34.91%	33.87%
Female	n/a	65.51%	65.48%	65.09%	66.13%

Legal & General Netherlands Gender Split	2011	2012	2013	2014	2015
Male	59.00%	59.00%	58.03%	57.89%	55.15%
Female	41.00%	41.00%	41.97%	42.11%	44.85%

UK Employee Gender by Grade

Staff Grade Number	Staff Gender	
	Female	Male
COFUNDS	49.87%	50.13%
1	59.10%	40.90%
2	60.74%	39.26%
3	53.97%	46.03%
4	47.85%	52.15%
5	40.17%	59.83%
6	32.08%	67.92%
7	23.71%	76.29%
8	18.52%	81.48%
	48.65%	51.35%

Key:

- 1 General Employee Grades
- 2 General Employee Grades
- 3 General Employee Grades
- 4 General Employee Grades
- 5 Management Grades
- 6 Management Grades
- 7 Senior Management
- 8 Senior Management

Legal & General Netherlands Gender by Grade

Gender	Staff Gender	
	Female	Male
Scale 3-4 (UK 1-4)	50.00%	50.00%
Scale 5-6 (UK 5)	69.04%	30.95%
Scale 7-9 (UK 6)	40.24%	59.76%
Scale 10+ (UK 7 and 8)	15.38%	84.62%

Legal & General America Gender by Grade

	Staff Gender	
	Female	Male
Officer	25.71%	74.29%
Professional/Managerial	58.49%	41.51%
Support Staff	83.42%	16.58%

UK ethnicity	2011	2012	2013	2014	2015
Bangladeshi	1.70%	1.72%	1.73%	0.25%	0.24%
Black	0.80%	0.85%	0.84%	1.67%	1.67%
Indian	2.30%	2.27%	2.22%	2.20%	2.07%
Mixed	1.70%	1.28%	1.24%	1.23%	1.20%
Other or undisclosed	15.20%	14.93%	16.38%	20.93%	26.74%
Pakistani	0.70%	0.64%	0.54%	0.55%	0.52%
White	77.30%	78.03%	76.76%	73.17%	67.56%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%

Legal & General America Ethnic Origin	2012	2013	2014	2015
American Indian or Alaskan	0.19%	0.00%	0.00%	0.00%
Asian	9.63%	9.79%	10.36%	10.42%
Black or African American	22.16%	21.17%	21.64%	19.04%
Hispanic or Latino	3.66%	3.20%	3.09%	3.01%
Two or more races	2.12%	2.14%	2.00%	1.80%
White	62.24%	63.52%	62.91%	65.53%
Hawaiian/Pacific Islander	0.00%	0.18%	0.00%	0.20%

Our people – Health and safety statistics

	2011	2012	2013	2014	2015
UK employees	7,323	7,400	7,394	7,222	7,345
UK reportable accidents*	7	4	4	3	0
UK incident rate**	96	54	54	42	30
UK fatal accidents	Nil	Nil	Nil	Nil	Nil
UK prosecutions	Nil	Nil	Nil	Nil	Nil
UK dangerous occurrences*	Nil	Nil	Nil	Nil	Nil
UK reportable diseases*	Nil	Nil	Nil	Nil	Nil
UK prohibition notices	Nil	Nil	Nil	Nil	Nil
UK other enforcement notices	Nil	Nil	Nil	Nil	Nil

* As defined by RIDDOR Regulations 1995.

** Reportable incident rate per 100,000 employees.

We continue to monitor health and safety performance via local committees, which report into the Group health and safety committee. The local health and safety committees meet regularly and represent a cross section of departments and also encourage staff to participate and raise awareness across the business. The health and safety committees also include representation from Unite.

Each location has a health and safety committee representing facilities, business units, floors, first aiders and fire wardens. The chair of each committee reports quarterly to the Group Health and Safety Committee chaired by Head of HR, Shared Services.

➤ Investor data

Raising standards in the boardroom

As one of the largest investors on the UK stock market and a major global investor, we want to make sure that companies align their interests with those of their shareholders. Our aim is to improve the performance of companies in which we invest. We focus on all aspects of ESG (Environmental, Social and Governance). In 2015, we campaigned on the issues of board diversity (especially female representation on boards), executive pay, corporate reporting, cyber security (which is an increasingly important concern) and auditor independence. Our corporate governance team, led by Sacha Sadan, attended 545 meetings with 337 companies.

We have a policy of influence through ownership of assets rather than exclusion of assets on behalf of our clients. This means that through providing a significant amount of debt and equity to listed companies we can influence their behaviour on Environmental, Social and Governance Performance irrespective of the clients mandate.

We do have funds with specific mandates as requested by clients.

- Some of our customers want to option for carbon optimised funds if they are concerned that companies in our index are not ready for future environmental legislation.
- Some of our customers prefer exclusions because of legal frameworks in their country for example Holland.

As a company we use our scale to influence companies which we invest. We are on of few fund managers who set forward looking targets on engagement and campaigns for the year ahead.

	2011	2012	2013	2014	2015
Engagements covering environmental and or social topics	82	128	144	188	188
Governance led engagements	238	297	336	401	545
Total funds under management (£b)	371	406	450	709	746

- 100% of our Assets Managed are treated by our Corporate Governance Policy of which a third were led on Environmental and Social issues.
- We apply our Sustainable Property to all of our Commercial Property Portfolio
- Our own balance sheet is backing UK Renewables
- We don't apply screening but we have products which allow our clients to screen.

➤ Supplier data

Our ethos is to source from the best value solution and select suppliers who best meet our business needs. We use a fair and ethical process which doesn't put up barriers to local suppliers or rural suppliers.

	2012	2013	2014	2015
Spend with suppliers	£446m	£504m	£527m	£567m
Number of suppliers	2,005	2,638	2,949	2,430
Number of key suppliers	140	185	206	286
Percentage of supplier spend operating in high risk countries (as defined by FTSE4Good)	9%	14%	16%	11%

All new and existing suppliers adhere to our suppliers code of conduct.

We were last audited and recertified for IOA14001 for Group Procurement and Supplier Management in June 2015. No further audits are required.

Annually suppliers are asked to report on their ESG performance though the supplier code of conduct.

Environmental data

Paper & Biodiversity	Unit	2011	2012	2013	2014	2015
UK paper purchased	tonnes	2,809	2,768	3,201	2,801	3,183
Paper purchased per UK policy	kgs	0.41	0.38	0.36	0.30	0.34
Paper purchased per UK employee	kgs	383.59	374.05	432.92	387.84	412.36
Overseas paper purchased	tonnes	n/a	n/a	88.25	54.00	104.00
Paper purchased per overseas employee	kgs	n/a	n/a	85.68	53.57	114.16
No. of occupied sites with biodiversity action plan	No.	2	2	2	2	3

Whilst our total paper consumption increased in 2015 when compared to 2014 it is still lower than our baseline year of 2013, whilst including for the first time 12 months of data from our Cofunds business.

In addition we have grown our successful direct marketing campaigns, principally our 'Over 50's Life Assurance', including sponsoring affinity marketing mailings.

Travel	Unit	2011/12	2012/13	2013	2014	2015
UK Car based business mileage	miles	6,737,381	6,409,907	6,397,657	5,676,115	5,032,220
UK Car based business miles per policy	miles	0.87	0.84	0.72	0.61	0.54
UK Car based business miles per employee	miles	n/a	n/a	865	786	652
Average CO ₂ rating of UK fleet vehicles	g/km	134	123	121	115	112
Overseas car based business mileage	miles	566,693	1,573,607	859,423	1,144,207	1,061,981
Overseas car based business miles per policy	miles	n/a	n/a	0.66	0.88	0.75
Overseas car based business miles per employee	miles	700	1,560	834	1,135	1,166

Water	Unit	2011/12	2012/13	2013	2014	2015
Metered ¹	CuM	58,901	50,506	53,602	51,917	45,311
Estimated total (metered+estimated) ¹	CuM	63,590	54,556	64,486	58,302	54,486
Total water (metered+estimated) per employee	CuM	8.68	6.91	7.66	6.16	6.31
Water Recycled and Reuse ²	m ³	n/a	n/a	1,362	1,446	1,102

1 Metered and estimated water from UK and International occupied buildings.

2 Grey water is only used at our Hove office.

Carbon Dioxide (CO ₂ e)	Unit	2011/12	2012/13	2013	2014	2015
CO ₂ e Total Group Emissions (Scope 1,2,3) ¹	tonnes	40,118	39,294	38,420	38,036	54,162
CO ₂ e Scope 2 renewable energy ²	tonnes	n/a	n/a	21,002	21,227	38,219
CO ₂ e Scope 1 & 2 non-renewable energy	tonnes	n/a	n/a	12,825	12,241	12,196
CO ₂ e Scope 3 - business travel	tonnes	n/a	n/a	4,885	4,567	3,747
CO ₂ e UK occupied properties ³	tonnes	n/a	n/a	10,521	10,623	10,170
CO ₂ e UK occupied properties per employee	tonnes	1.77	1.51	1.42	1.47	1.32
CO ₂ e UK occupied properties per policy ³	kgs	1.68	1.95	1.19	1.14	1.09
CO ₂ e UK employee business travel	tonnes	2,923	2,986	3,840	3,847	3,308
CO ₂ e UK occupied properties and business travel	tonnes	15,887	13.117 ⁶	14,362	14,471	13,478
CO ₂ e per UK employee	tonnes	2.16	1.95 ⁶	1.94	2.00	1.75
CO ₂ e per UK Policy	kgs	2.06	1.62 ⁶	1.62	1.56	1.44
CO ₂ e Overseas properties ⁴	tonnes	1,950	1,884	1,446	1,538	1,496
CO ₂ e Overseas employee business travel	tonnes	n/a	n/a	753.13	720.41	438.97
CO ₂ e per overseas employees	tonnes	2.41	1.87	1.40	2.30	2.12
CO ₂ e per overseas policies	kgs	1.79	1.85	1.12	1.70	1.37
Fugitive emissions	tonnes	n/a	n/a	571.24	768.73	877.60

1 Total CO₂e emissions data is based on the scope of Legal & General's UK CRC Energy Efficiency Scheme disclosed emissions, Overseas property emissions and UK travel emissions. Calculated following the GHG reporting protocol (2014) and emission factors from UK Government's GHG Conversion Factors for Company Reporting 2014. Please note that CO₂ equivalent is used from 2013 onwards and the 2013 data has been restated. The overall emissions have increased in 2015 as a direct result of phase 2 of CRC scheme which has resulted in the inclusion of an additional 5 investment funds, on top of our original 4 investment funds.

2 100% of occupied property and Investment Property electricity supply is under a renewable energy tariff.

3 Occupied properties include - Group Real Estate, Suffolk Life, Legal & General Surveying Services and Estate Agency Franchising offices.

4 Includes overseas properties Legal & General America (LGA), Legal & General Netherlands (LGN) and Legal & General France (LGF).

Energy used to run our L&G occupied buildings	Unit	2012	2013	2014	2015
Electricity (UK) ¹	MWh	19,623	20,755	19,211	18,980
Gas (UK) ¹	MWh	6,557	6,930	6,100	5,929
Total UK energy use	MWh	26,180	27,685	25,311	24,909
Energy per UK employee	MWh	3.90	3.74	3.50	3.23
Energy per UK policy	KWh	3.41	3.13	2.72	2.66
Overseas electricity use ²	MWh	3,421	3,060	3,359	3,299
Overseas gas use ²	MWh	625	428	473	450
Total Overseas energy use	MWh	4,046	3,489	3,832	3,749
Energy use per overseas employee	MWh	4.01	3.39	3.80	4.12
Energy use per overseas policy	KWh		2.69	2.80	2.65

1 Includes UK Occupied properties - Group Real Estate, Suffolk Life, Legal & General Surveying Services and Estate Agency Franchising offices

2 Includes overseas properties Legal & General America (LGA), Legal & General Netherlands (LGN) and Legal & General France (LGF).

Waste	Unit	2011/12	2012/13	2013	2014	2015
Total UK waste ¹	tonnes	1,024	1,027	949.57	898.81	920.72
Total waste per UK policy	grams	132	134	107	96.73	98.33
Total waste per UK employee	tonnes	n/a	n/a	0.13	0.12	0.12
Direct to landfill (UK)	%	28.0%	18.0%	16.5%	13.0%	6.3%
Waste to landfill per UK employee	kgs	53	29	23.0	16.1	7.5
Waste to landfill per UK policy	grams	n/a	n/a	16.7	12.5	6.2
Total Overseas waste ²	tonnes	n/a	n/a	81.37	91.8	92.2
Total waste per Overseas policy	grams	n/a	n/a	62.85	70.20	65.24
Total waste per Overseas employee	tonnes	n/a	n/a	0.08	0.08	0.10

1 Includes Occupied properties - Group Real Estate, Suffolk Life, Legal & General Surveying Services and Estate Agency Franchising offices

2 Includes overseas properties Legal & General America (LGA), Legal & General Netherlands (LGN) and Legal & General France (LGF).

Waste is collected and treated by a licensed waste management company.

➤ Community data

Total contributions into non profit organisations					
	2011	2012	2013	2014	2015
Amount donated	£3.8m	£3.8m	£4.0m	£4.0m	£3.2m

Charitable UK investments					
Total Contribution	2011	2012	2013	2014	2015
Employee fundraising and matching	£1,584,210.00	£1,572,850.30	£1,802,132.45	£1,708,988.53	£1,432,596.00
Campaign projects and Volunteering	£1,254,186.00	£1,222,596.36	£1,576,692.09	£1,457,431.31	£857,362.00
Health	n/a	n/a	n/a	n/a	£203,000.00
Income in retirement	n/a	n/a	n/a	n/a	£149,500.00
Housing	n/a	n/a	n/a	n/a	£122,400.00
Education – Every Day Money	n/a	n/a	n/a	n/a	£75,000.00
SE Assist – Social enterprises	n/a	n/a	n/a	n/a	£164,200.00
Volunteering recorded 6822 hours	n/a	n/a	n/a	n/a	£143,262.00
Our Group costs (2015 includes Governance)	£261,561.00	£217,479.00	£232,477.00	£247,132.00	£395,773.00

Our overseas employees raised monies for 'not for profits' organisations					
	2011	2012	2013	2014	2015
USA	£674,200.00	£742,688.00	£797,481.09	£996,881.81	£550,309.00
Netherlands	£0.00	£5,234.15	£8,519.00	£132,874.72	£16,000.00
Total	£678,282.00	£754,507.52	£811,940.09	£1,129,756.53	£566,309.00

➤ Notes



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