

Legal and General Group plc

This summary represents the targets disclosed by entities within Legal and General Group plc. The Group has opted to set targets on multiple legal entities that represent coverage of all Group scope 1 and 2 GHG emissions. Scope 3 portfolio targets only cover entities currently holding Group shareholder owned investments and excludes the Group's activities where Legal & General act only as investment manager. This summary provides an overview of the multiple entities covered under the disclosed targets.

Scope 1 and 2: Legal and General Group plc commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year.

Scope 1 and 2 targets cover all entities within the Group, over and above the entities called out for scope 3 portfolio targets below.

Scope 3 Portfolio Targets

Legal & General is an asset owner and its scope 3 Portfolio targets apply to its shareholder owned investments only, which sit within a range of entities. Assets owned by clients or policyholders, where Legal & General act only as investment manager (e.g. unit linked total assets) are not covered by the targets, including Legal & General Investment Management (LGIM). Legal & General has set its SBTs covering those legal entities which currently manage its shareholder investments.

Headline target: Legal and General Group plc portfolio targets cover 47% of its total investment and lending assets by total shareholder investments¹ as of 2021.

As of 2021, required activities made up 47% of Legal and General's total investment and lending assets by total shareholder owned investments while optional activities made up 14% and out of scope activities made up 39%.

Shareholder investments are currently held within the following key asset owner subsidiaries:

Legal & General Assurance Society (LGAS - Asset Owner)
Legal & General America (LGA - Asset Owner)
Legal & General Reinsurance (L&G Re - Asset Owner)
Legal & General Capital Investments Limited (LGCIL - Asset Owner)

¹ Shareholder investments are defined as total investments to which shareholders are directly exposed.

Scope 3 asset class level targets

All targets listed here apply collectively to the shareholder owned investments that currently sit within the four legal entities mentioned above: LGAS, LGA, L&G Re and LGCIL.

Asset class	Method	Target language
Electricity generation project finance	Sector Decarbonization Approach (SDA) / low intensity maintenance target	Legal & General Group PLC commits to maintain the emissions intensity of its electricity generation project finance portfolio, within its shareholder owned investments, at or below 60 gCO ₂ e/kWh from 2021 through 2030 and only finance 1.5°C aligned electricity generation projects. This target currently applies to assets within LGAS, LGA, L&G Re and LGCIL.
Commercial & residential real estate	SDA	Legal & General Group PLC commits to reduce GHG emissions from its real estate direct shareholder owned investments portfolio 58% per square metre by 2030 from a 2019 base year. This target currently applies to assets within LGAS, LGA, L&G Re and LGCIL.
Listed equity, corporate bonds, loans to listed companies	Temperature Rating	Legal & General Group PLC commits to align its scope 1 + 2 portfolio temperature score by total shareholder owned investment within its listed equity, corporate bond and corporate loan portfolio from 2.4°C in 2021 to 2.1°C by 2026. Legal & General Group PLC commits to align its scope 1 + 2 + 3 portfolio temperature score by total shareholder owned investment within its listed equity, corporate bond and corporate loan portfolio from 2.9°C in 2021 to 2.5°C by 2026. These targets currently apply to assets within LGAS, LGA, L&G Re and LGCIL.

The targets disclosed above must be read together with the notes and the caution about each target related assumptions, data quality, risk factors associated with the targets, and other uncertainties included within the Group Climate Report:

[L&G Climate Report](#)

1. Electricity generation project finance: Given that the already very high share of renewable electricity financing results in a lower starting intensity, Legal & General have established a maintenance target that ensures that new investments in this portfolio are linked to either renewable electricity projects or the abatement of existing assets.
2. Temperature rating: Portfolio temperature rating scores are dependent on third-party data scores with multiple aggregation methodologies. We expect this metric to evolve over time as industry data and methodologies develop and will capture the impact of changing methodologies through rebasing previous year scores where appropriate.

Summary of actions

L&G's climate strategy is organised around three pillars of Invest, reducing the carbon intensity of its asset portfolio and investing in clean energy; Influence, using its influence as a global investment manager to encourage clients and broader economy to decarbonise; and Operate, decarbonising its operations. L&G has developed action plans within each of these areas, more details can be found in its 2022 Climate Report:

[L&G Climate Report](#)

- **Electricity generation project finance:**
 - L&G's electricity generation project finance portfolio continues to prioritise origination and investment into assets which actively promote decarbonisation and the group has invested more than £1 billion in clean energy projects, including solar and wind farms, geothermal plants, smart networks and energy storage assets.
 - In addition, L&G has a clean energy private equity business, which invests in a diverse portfolio of businesses in key sectors of the energy transition, covering early stage, growth equity start-up investment and delivery of mature, proven low-carbon assets and infrastructure at scale.
 - L&G will continue to provide at least 80% renewable or other zero-emissions electricity generation project financing and will only finance new capacity from zero-emission sources and additional exposure to existing capacity only if the infrastructure has an emissions abatement plan consistent with limiting warming to 1.5°C with no or limited overshoot.
- **Real estate investment:**
 - L&G has significant investments in property and is committed to reducing emissions across its real estate portfolio.
 - In addition, a shared ambition on sustainability is core to a number of strategic partnerships within its urban regeneration business, with whom they are collaborating to deliver high quality, sustainable places to live and work.
 - Across its portfolio, L&G will produce emission reduction roadmaps for each asset and fund, where the fund specific roadmaps will be considered alongside a wider fund investment strategy.
- **Listed equity, corporate bonds, loans to listed companies:**
 - L&G's largest individual asset class is listed bond portfolio; they also invest in listed equities and provide loans to listed companies. To transition these portfolios over time to align with a low-carbon world, L&G has constructed a set of policies guiding the discretionary portfolios controlled by asset managers. L&G will evolve its investment appetites and company exclusions over time.

- Within its listed equity portfolio, L&G invests in its Climate Impact portfolio, consisting of listed clean energy stocks and other companies in the renewables space.