



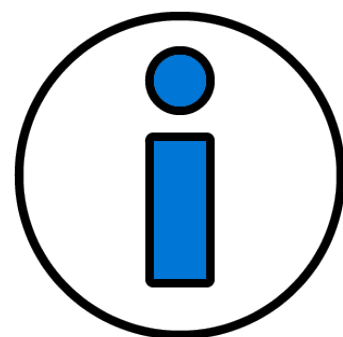
Workplace

Lifestyle

Climate-related financial disclosures report Personal Pension Default Investment Option

Lifestyle ID

n/a



This report has been produced in line with recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD). The first section of the report helps us to measure and manage the direct impact of our investments on the environment. The second section helps us to understand the risks and opportunities that climate change may have on your pension.

Section 1 – Emissions and climate data for the Personal Pension Default Investment Option

This section of the report contains data for carbon dioxide (CO₂) emissions, and other greenhouse gases (GHGs), that when emitted into the atmosphere are responsible for the greenhouse effect (global warming) on the planet. Carbon dioxide equivalent (CO₂e) is a standard way to compare the emissions of different greenhouse gases. The choice of this metric and the below measurement and scenarios follows best practice recommendations from the TCFD.

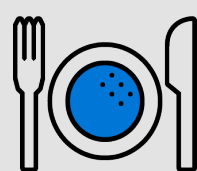
Please refer to the ‘[How we measure and calculate](#)’ section for more details on the metrics below. We aim to use language that’s easy to understand. Where we’ve had to use terms that you may not be familiar with we’ve provided definitions. The terms will be highlighted in **brown** and an explanation of their meaning can be found in the ‘[Terms explained](#)’ section.

<p>Lifestyle profiles automatically move your savings into different funds over a period of time in the approach to retirement. The following climate-related metrics are based on the approximate fund proportions held at three different stages.</p> <p>More information on the lifestyle profiles available to you, including details of the funds used within them, can be found by logging on to https://legalandgeneral.com/myaccount</p>	Growth Phase	The point furthest away from retirement, before fund movements/switching starts.
	Approaching Retirement Stage	Two years away from retirement.
	At Retirement Stage	Reached selected retirement date. Automatic switching of funds stops.

To provide context for the following metrics, 1 tonne of CO₂e approximately represents:



Return flight from London to New York
Source: Planetair travel calculator



138 meat-based meals
Source: Carbon equity



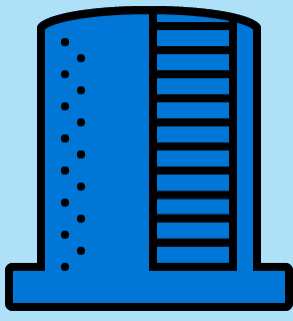
To capture 1 tonne of CO₂ approximately 50 trees must grow for one year
Source: Climate Neutral Group

Climate-Related Financial Disclosures Report

Personal Pension Default Investment Option

Climate metrics - growth stage

Scope 1 emissions



114,460
Metric tonnes **CO₂e**
Asset coverage: 77%

These are greenhouse gas emissions owned and controlled directly by the companies that the Fund invests in. For example, emissions through company vehicles, company office space and equipment, and the energy used in production of goods or services.

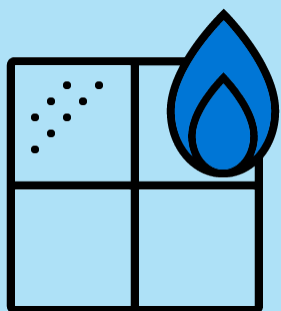
2024 metric figure = 96,028
2024 asset coverage = 74%

24/25 difference = 18,432
24/25 difference = 3%

2023 metric figure = 97,896
2023 asset coverage = 75%

23/24 difference = -1,868
23/24 difference = -1%

Scope 2 emissions



26,113
Metric tonnes **CO₂e**
Asset coverage: 77%

These are greenhouse gas emissions that the companies, which the Fund invests in, make indirectly via consumption of purchased heat, steam or electricity, all of which are produced on its behalf and owned by another.

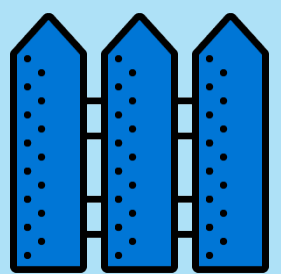
2024 metric figure = 20,478
2024 asset coverage = 74%

24/25 difference = 5,635
24/25 difference = 3%

2023 metric figure = 19,372
2023 asset coverage = 75%

23/24 difference = 1,106
23/24 difference = -1%

Total scope 1 & 2 carbon emissions



140,573
Metric tonnes **CO₂e**
Asset coverage: 77%

The total greenhouse gas/carbon emissions of the Fund, in tonnes of **CO₂e**. It includes Scope 1 and Scope 2 emissions.

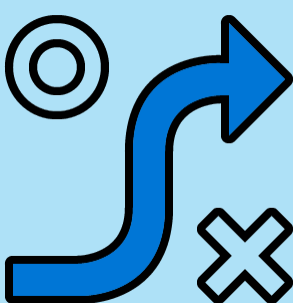
2024 metric figure = 116,506
2024 asset coverage = 74%

24/25 difference = 24,067
24/25 difference = 3%

2023 metric figure = 117,268
2023 asset coverage = 75%

23/24 difference = -762
23/24 difference = -1%

Scope 3 emissions



1,806,476
Metric tonnes **CO₂e**
Asset coverage: 77%

Includes all other indirect **CO₂e** emissions, not included in Scope 2, that occur in a company's value chain. This means the emissions that are generated before or after a company's operations. Scope 3 emissions are not directly owned or controlled by the company. For example, the business travel undertaken by employees, or when a company uses and disposes of products from other suppliers.

2024 metric figure = 1,391,011
2024 asset coverage = 74%

24/25 difference = 415,465
24/25 difference = 3%

2023 metric figure = 973,001
2023 asset coverage = 75%

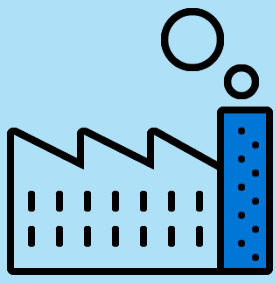
23/24 difference = 418,010
23/24 difference = -1%

Climate-Related Financial Disclosures Report

Personal Pension Default Investment Option

Climate metrics - growth stage

Weighted average carbon intensity (WACI)



154

Metric tonnes **CO₂e** per
£1million of company revenue

Asset coverage: 90%

Weighted average carbon intensity is a standard measurement to understand emissions after adjusting for the size of a company. This metric portrays the amount of carbon produced relative to the varying sizes of companies held within the Fund.

Source: ISS 2025

2024 metric figure = 165
2024 asset coverage = 85%

24/25 difference = -11
24/25 difference = 5%

2023 metric figure = 240
2023 asset coverage = 89%

23/24 difference = -75
23/24 difference = -4%

Total carbon footprint



79

Metric tonnes **CO₂e** per
£1m of our investment

Asset coverage: 87%

A carbon footprint demonstrates activities that result in greenhouse gas emissions. This metric highlights the Fund's carbon footprint relative to activities and market value.

2024 metric figure = 84
2024 asset coverage = 83%

24/25 difference = -5
24/25 difference = 4%

2023 metric figure = 106
2023 asset coverage = 87%

23/24 difference = -22
23/24 difference = -4%

Implied temperature alignment



2.9°C

Asset coverage: 78%

This is the suggested global climate temperature outcome the Fund is compatible with, by the year 2100. The approach reflects the link between companies' carbon emissions and global warming outcomes. The **Paris Climate Agreement** aims to limit global warming to well-below 2°C, ideally 1.5°C.

2024 metric figure = 2.7°C
2024 asset coverage = 75%

24/25 difference = 0.2
24/25 difference = 3%

2023 metric figure = 2.8°C
2023 asset coverage = 81%

23/24 difference = -0.1
23/24 difference = -6%

Climate value at risk



-11.00%

Asset coverage: 61%

This metric aims to analyse the impact of climate change on the present market value of financial assets, under the assumption that it is unlikely climate risks are properly priced into markets today. The metric assesses the potential financial losses that a fund could incur because of climate change and policy, through things like **carbon pricing** and changes in economic productivity. The metric shows the potential risk under a 1.5°C scenario where net zero CO₂ emissions are achieved around 2050.

2024 metric figure = -12.00%
2024 asset coverage = 61%

24/25 difference = 1.00%
24/25 difference = 0%

2023 metric figure = -11.00%
2023 asset coverage = 69%

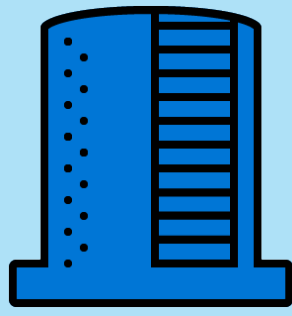
23/24 difference = -1.00%
23/24 difference = -8%

Climate-Related Financial Disclosures Report

Personal Pension Default Investment Option

Climate metrics - approaching retirement stage

Scope 1 emissions



44,390
Metric tonnes **CO₂e**
Asset coverage: 57%

These are greenhouse gas emissions owned and controlled directly by the companies that the Fund invests in. For example, emissions through company vehicles, company office space and equipment, and the energy used in production of goods or services.

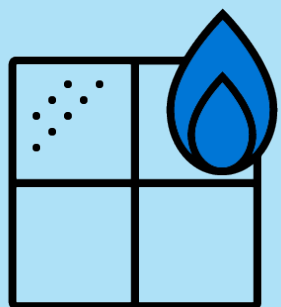
2024 metric figure = 47,065
2024 asset coverage = 54%

24/25 difference = -2,675
24/25 difference = 3%

2023 metric figure = 68,491
2023 asset coverage = 58%

23/24 difference = -21,426
23/24 difference = -4%

Scope 2 emissions



9,916
Metric tonnes **CO₂e**
Asset coverage: 57%

These are greenhouse gas emissions that the companies, which the Fund invests in, make indirectly via consumption of purchased heat, steam or electricity, all of which are produced on its behalf and owned by another.

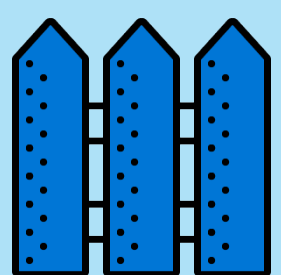
2024 metric figure = 9,821
2024 asset coverage = 54%

24/25 difference = 95
24/25 difference = 3%

2023 metric figure = 13,140
2023 asset coverage = 58%

23/24 difference = -3,319
23/24 difference = -4%

Total scope 1 & 2 carbon emissions



54,305
Metric tonnes **CO₂e**
Asset coverage: 57%

The total greenhouse gas/carbon emissions of the Fund, in tonnes of **CO₂e**. It includes Scope 1 and Scope 2 emissions.

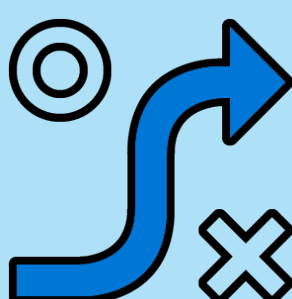
2024 metric figure = 56,886
2024 asset coverage = 54%

24/25 difference = -2,581
24/25 difference = 3%

2023 metric figure = 81,630
2023 asset coverage = 58%

23/24 difference = -24,744
23/24 difference = -4%

Scope 3 emissions



763,089
Metric tonnes **CO₂e**
Asset coverage: 57%

Includes all other indirect **CO₂e** emissions, not included in Scope 2, that occur in a company's value chain. This means the emissions that are generated before or after a company's operations. Scope 3 emissions are not directly owned or controlled by the company. For example, the business travel undertaken by employees, or when a company uses and disposes of products from other suppliers.

2024 metric figure = 707,515
2024 asset coverage = 54%

24/25 difference = 55,574
24/25 difference = 3%

2023 metric figure = 653,836
2023 asset coverage = 58%

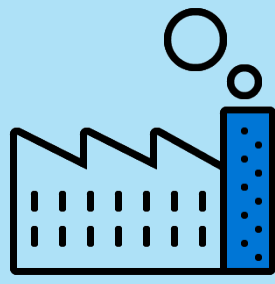
23/24 difference = 53,679
23/24 difference = -4%

Climate-Related Financial Disclosures Report

Personal Pension Default Investment Option

Climate metrics - approaching retirement stage

Weighted average carbon intensity (WACI)



156

Metric tonnes **CO₂e** per
£1million of company revenue

Asset coverage: 90%

Weighted average carbon intensity is a standard measurement to understand emissions after adjusting for the size of a company. This metric portrays the amount of carbon produced relative to the varying sizes of companies held within the Fund.

Source: ISS 2025

2024 metric figure = 177
2024 asset coverage = 85%

24/25 difference = -21
24/25 difference = 5%

2023 metric figure = 236
2023 asset coverage = 86%

23/24 difference = -59
23/24 difference = -1%

Total carbon footprint



81

Metric tonnes **CO₂e** per
£1m of our investment

Asset coverage: 84%

A carbon footprint demonstrates activities that result in greenhouse gas emissions. This metric highlights the Fund's carbon footprint relative to activities and market value.

2024 metric figure = 87
2024 asset coverage = 81%

24/25 difference = -6
24/25 difference = 3%

2023 metric figure = 105
2023 asset coverage = 82%

23/24 difference = -18
23/24 difference = -1%

Implied temperature alignment



2.8°C

Asset coverage: 77%

This is the suggested global climate temperature outcome the Fund is compatible with, by the year 2100. The approach reflects the link between companies' carbon emissions and global warming outcomes. The **Paris Climate Agreement** aims to limit global warming to well-below 2°C, ideally 1.5°C.

2024 metric figure = 2.6°C
2024 asset coverage = 73%

24/25 difference = 0.2
24/25 difference = 4%

2023 metric figure = 2.7°C
2023 asset coverage = 75%

23/24 difference = -0.1
23/24 difference = -2%

Climate value at risk



-7.00%

Asset coverage: 60%

This metric aims to analyse the impact of climate change on the present market value of financial assets, under the assumption that it is unlikely climate risks are properly priced into markets today. The metric assesses the potential financial losses that a fund could incur because of climate change and policy, through things like **carbon pricing** and changes in economic productivity. The metric shows the potential risk under a 1.5°C scenario where net zero CO₂ emissions are achieved around 2050.

2024 metric figure = -8.00%
2024 asset coverage = 57%

24/25 difference = 1.00%
24/25 difference = 3%

2023 metric figure = -8.00%
2023 asset coverage = 65%

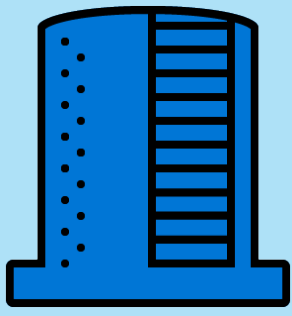
23/24 difference = 0.00%
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Climate-Related Financial Disclosures Report

Personal Pension Default Investment Option

Climate metrics - at retirement stage

Scope 1 emissions



44,390
Metric tonnes **CO₂e**
Asset coverage: 57%

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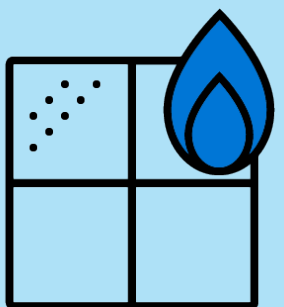
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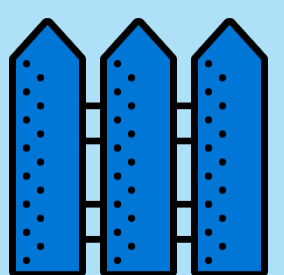
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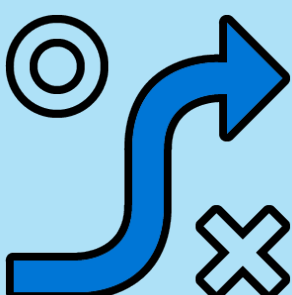
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Scope 3 emissions



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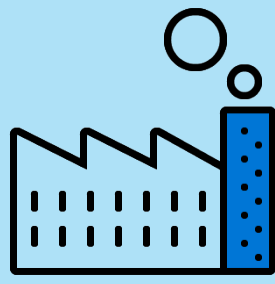
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Climate-Related Financial Disclosures Report

Personal Pension Default Investment Option

Climate metrics - at retirement stage

Weighted average carbon intensity (WACI)



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Implied temperature alignment



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24/25 difference = 1.00%

24/25 difference = 3%

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2023 asset coverage = 65%

23/24 difference = 0.00%

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Climate-Related Financial Disclosures Report

Personal Pension Default Investment Option

How we measure and calculate metrics

Assets that are measured for climate reporting

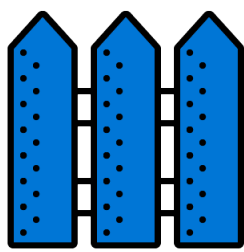
Pension money can be invested in one or more funds containing one or more asset classes. Asset classes include things like equities (company shares), bonds (loans to governments and companies), property and cash. Assets can only be measured for climate reporting where relevant and where sufficient climate data is available to do so.

Therefore according to data availability the asset classes measured are:

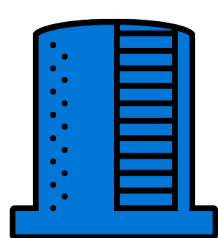
- Equities and corporate bonds for the 'Total carbon emissions', 'Scope 1 emissions', 'Scope 2 emissions' and 'Scope 3 emissions'.
- Equities, corporate bonds and government (sovereign) bonds for 'Weighted average carbon intensity', 'Total carbon footprint' and 'Implied temperature alignment'.

However, some equities or bonds may not be included where meaningful data can't be provided or where they are not included in the asset mix of the fund. Whilst some metrics measure the same assets, the data availability may vary per metric. The **asset coverage** figures provided in the metrics, on the previous page, show the percentage of assets that provided meaningful data and are eligible for this type of climate reporting. The data is sourced and provided by L&G.

How we calculate: Total carbon emissions

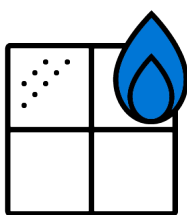


Total including Scope 1 and 2 emissions. We measure this for companies that we hold within a fund's asset mix, through bonds and/or equities. It is based on the share of emissions we will hold in a particular company through the amount of investment held. This is done by calculating the company's overall emission total against the percentage share we have in that company as part of a fund's holdings. The amount of carbon dioxide equivalent (**CO₂e**) calculated per company is then combined into an overall total for the percentage of eligible assets. This includes scope 1 and scope 2 emissions only. Scope 3 emissions are distinct and separate, and as such we do not combine Scope 3 with Scope 1 & 2 emissions.



How we calculate: Scope 1 emissions

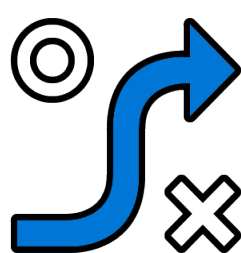
By using the same calculation method for total carbon emissions, we measure this for the proportion of companies that we hold within a fund's asset mix, through bonds and/or equities, for their scope 1 emissions.



How we calculate: Scope 2 emissions

By using the same calculation method for total carbon emissions, we measure this for the proportion of companies that we hold within a fund's asset mix, through bonds and/or equities, for their scope 2 emissions.

How we calculate: Scope 3 emissions



Measured for companies that we hold within a fund's asset mix, through bonds and/or equities. It is based on the share of emissions we will hold in a particular company through the amount of investment held.

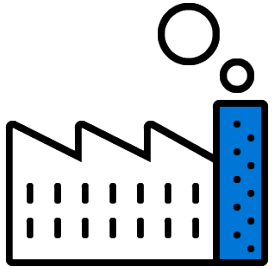
This is done by calculating the company's overall emission total against the percentage share we have in that company as part of a fund's holdings. The amount of carbon dioxide equivalent (**CO₂e**) calculated per company is then combined into an overall total for the percentage of eligible assets. Data quality for Scope 3 emissions can be hampered by poor disclosure and a lack of consistency in the measurement across companies.

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Personal Pension Default Investment Option

How we measure and calculate metrics

How we calculate: **Weighted average carbon intensity (WACI)**



We measure a tonne of carbon dioxide equivalent (**CO₂e**) emissions per £1 million revenue (income generated from company as sourced in year-end financial statements). The overall total is a **weighted average** of all companies and sovereigns (various types of bonds, which are long and short term loans to local and national governments) included within a fund. WACI gives an emissions intensity metric based on the amount of carbon produced for each £1m of revenue generated by the companies invested in.

How we calculate: **Total carbon footprint**



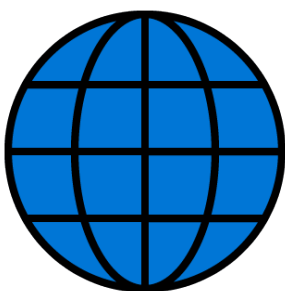
To calculate the total carbon footprint associated with this Fund, we take the ‘total carbon emissions’ figure (which includes data on carbon emissions from a company's operations and purchased energy) and calculate a **weighted average** against the overall market value of all companies and sovereigns (various types of bonds, which are long and short term loans to local and national governments) within a fund. This is a way to measure emissions relative to market size. Carbon footprint also acts as an emissions intensity metric, which is the volume of emissions (metric tonne of carbon dioxide, **CO₂e**) per £1 million of enterprise value. By looking at an intensity value you can adjust for the size of a fund to compare the funded emissions for different fund sizes.

How we calculate: **Implied temperature alignment**



Based on a combination of historical and forward-looking data, activities and targets, a score is calculated for each of the underlying equities, corporate bonds and sovereign/government bonds held within a fund, then combined to give the implied temperature alignment of the overall fund.

How we calculate: **Climate value at risk (CVaR)**



Climate scenario modelling is used to help quantify the expected potential loss to each fund or lifestyle profile under different climate pathways. The CVaR metric assesses the change in value if markets fully priced today the future climate risk for relevant companies, in present value terms of a scenario where global temperature increases are kept to 1.5°C by 2100. This scenario would require immediate, highly ambitious action to address climate change.

Under this condition, the climate modelling translates a company's income and balance sheet information and calculations into security valuation impacts and overall fund level impacts. A security can include equities (shares in companies) or bonds (loans to business and governments).

The Climate VaR metric is from a forward-looking methodology based on various assumptions, approximations and data sources which are subject to change. This brings unknown risks, uncertainties and limitations in the methodology and data used. It is therefore provided for illustrative purposes only.

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Personal Pension Default Investment Option

How we measure and calculate metrics

How we calculate the metrics for this lifestyle profile

We calculate each of these metrics for each of the funds used within the lifestyle profile. For each lifestyle profile stage (growth, approaching retirement and at retirement) we combine the relevant proportions of each fund's metrics to produce one number, reflecting the fund or funds used in the lifestyle at that particular time.

Terms explained

CO₂e

CO₂ stands for carbon dioxide. The 'e' stands for equivalent. CO₂e is a metric that allows comparison of emissions from various greenhouse gases to the equivalent measure of carbon dioxide.

Asset coverage

The percentage of the fund's asset classes that were measured. The asset classes that can be measured are equities (company shares) and government and corporate bonds. Some funds may include one or more of these asset types.

Paris Climate Agreement

To address global warming, the international climate change treaty, the Paris Climate Agreement, aims to limit and hold the world's average temperature rise to well-below 2°C (ideally 1.5°C) by the year 2100. Currently, the Earth is already about 1.42°C warmer than it was in the late 1800s (pre-industrial).

For context, global stock markets imply an average temperature rise of 2.95°C. This is according to the Science-Based Targets initiative (SBTi) 'Taking the Temperature' report: [SBTi-TakingtheTemperatureReport2021.pdf \(sciencebasedtargets.org\)](https://sciencebasedtargets.org/sites/default/files/2021-06/2021-06-01-Taking-the-Temperature-Report-2021.pdf).

Weighted average

A weighted average accounts for the relative importance and size of the different assets that are included. We will hold varying levels of assets within a fund, for example we may hold more shares in one company over another. We use a weighted average to allow for the different importance of the carbon data for assets according to size held, based on the market value at the reporting date. This weighted average paints a clearer picture than an equally split average would.

Carbon pricing

A carbon price is the price that a company would have to pay for each tonne of CO₂e emitted.

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Personal Pension Default Investment Option

Section 2 – Climate scenario and risk analysis

To address global warming, the international climate change treaty, the **Paris Climate Agreement**, aims to limit and hold the world's average temperature rise to well-below 2°C (ideally 1.5°C) by the year 2100. Currently, the Earth is already about 1.42°C warmer than it was in the late 1800s, according to the United Nations' [blog](#).

To help achieve this, the aim is to achieve net zero carbon emissions globally by 2050. Net zero means cutting carbon dioxide (CO₂) to as close to zero as possible, with remaining emissions re-absorbed or removed from the atmosphere, by oceans, forests or carbon capture technology for instance. At the same time, it also requires deep reductions in other greenhouse gases, particularly methane.

This means that we need to move to an economy built on sustainable actions that result in less environmental impact, known as transitioning to a low-carbon economy. This will bring associated transition risks and opportunities. In addition to ongoing risks from the changes in extreme weather events, a successful adjustment will involve significant changes to climate-related policy, regulations and law, use of technology, and business and government strategies.

Depending on how well businesses and governments transition, this will have a ripple effect on areas like reputation and trust, business and market performance, supply and demand of materials and goods.

Against this backdrop, the following scenario analysis, based on climate scenario modelling from L&G, helps us to explore a range of possible climate futures and understand the potential climate-related risks. We assume a multi-asset scenario for our lifestyle profiles, because they use different types of funds through their stages.

We consider three temperature scenarios for this assessment as shown in the following pages. The scenarios have a forecast time horizon to 2050, with narratives defined by their probable temperature outcome in 2100 (compared to pre-industrial temperatures in the 1800s). These are possible pathways, rather than predictions or probabilities. They are an exercise in what could happen, not in predicting what will happen.

Scenario analysis is provided for the representative asset class based on the dominant proportion of assets - Corporate Bonds, Equity, Sovereign Bonds and Multi-Asset. Cash, Derivatives and Private Equity do not have scenario analysis detail at this time

Opportunities

While potential risks have been identified, companies and governments that effectively plan for and participate in the transition to a more sustainable economy over the next 10 years—creating a decade of delivery—can also unlock significant opportunities.

These opportunities are largely concentrated in mature **low-carbon technologies**, such as battery electric vehicles (EVs) and solar and wind power, with a strong emphasis on near-term investment to accelerate their deployment. Investment in early-stage technological innovations and projects over the coming decade will also be essential, alongside preparations to scale up the supply of critical minerals that underpin **low-carbon technologies**.

Over the longer term, further opportunities exist in advanced technologies, including carbon capture and storage, hydrogen technologies, direct air capture, low- or zero-carbon hydrogen and ammonia production, and nature-based solutions. In addition, demand for adaptation services is expected to grow, as the impacts of climate change are likely to intensify relative to today.

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BELOW 2°C ORDERLY TRANSITION SCENARIO

Immediate, ambitious policy and investment action to address climate change succeeds in limiting global warming to well-below 2°C, although warming will most likely exceed 1.5°C.

POTENTIAL RISKS

POTENTIAL FINANCIAL IMPACTS

Short Term: 1-3 years

- Significant climate policy change
- Potential for reputational damage and increased scrutiny from public and regulators over companies' climate-related activities

- Asset values likely to see some volatility, but with low expected financial impact at a global multi-asset portfolio valuation level

Medium Term: 4-10 years

- Climate-related policy accelerates, with a significant expansion in **carbon pricing** across the globe
- Legal cases against large corporates and governments on their climate-related strategies and emissions
- Failure to adapt to technological change and transform business models accordingly
- Warming levels continue to rise

- Equity values, of high-emitting sectors such as utilities and industrials, are at risk
- If successful, legal settlements could, in some circumstances, have material financial impact especially on large corporates
- Likely **asset stranding** associated with those companies that fail to adapt

Long Term: over 10 years

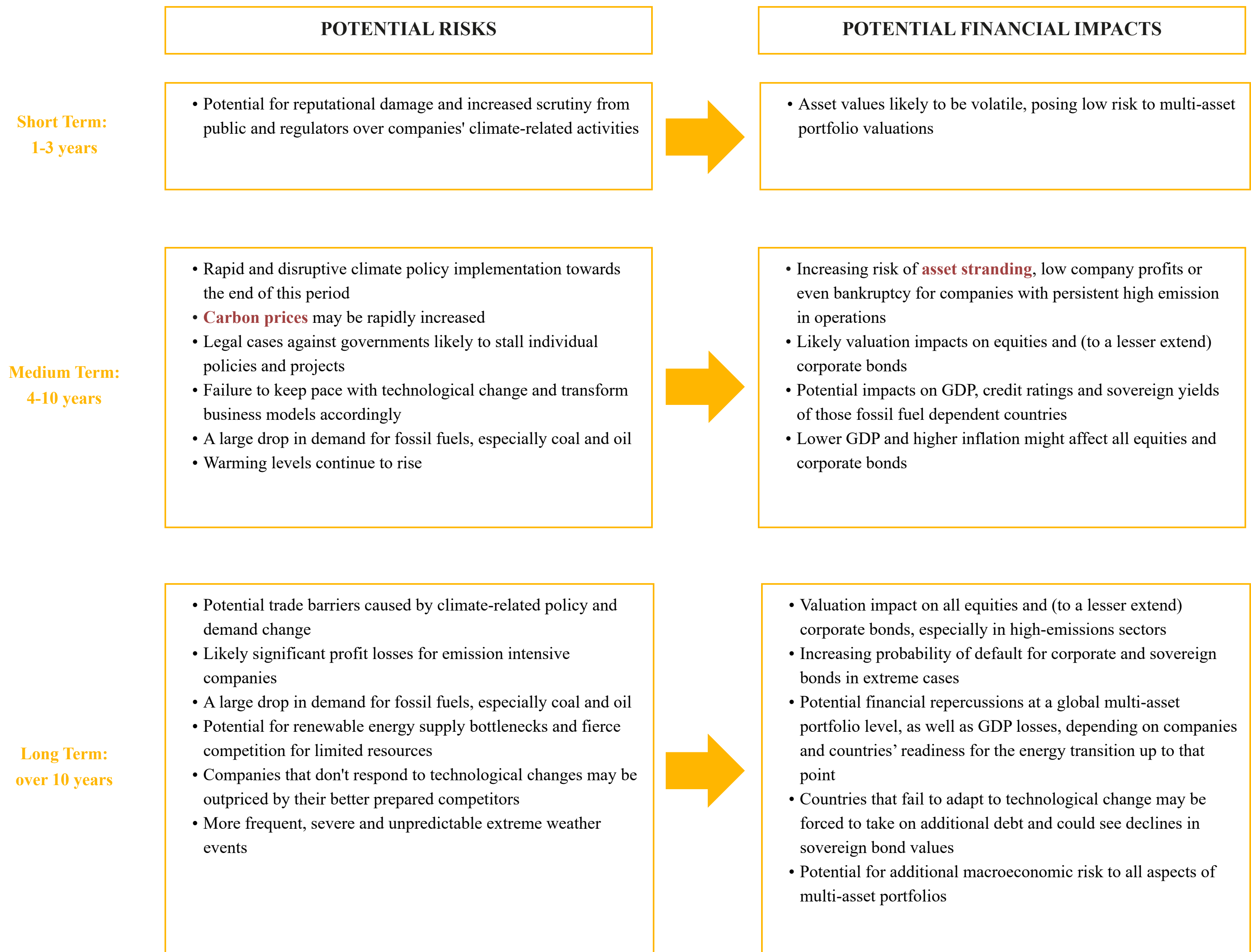
- Carbon prices continue to rise
- Potential trade barriers caused by climate-related policy
- Some risk associated with change in demand for key raw materials such as critical minerals powering **low-carbon technologies**
- A large drop in demand for fossil fuels, especially coal and oil
- Failure to keep pace with technological change
- More frequent, severe and unpredictable extreme weather events

- Likely material financial implications on global equity indices
- Increasing probability of default for corporate and sovereign bonds in extreme cases due to **carbon pricing** increases
- Potential financial repercussions at a global multi-asset portfolio level, as well as GDP losses, depending on companies and countries' readiness for the energy transition up to that point
- Countries that fail to adapt to technological change may be forced to take on additional debt and could see declines in sovereign bond values

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DELAYED BELOW 2°C DISORDERLY TRANSITION SCENARIO

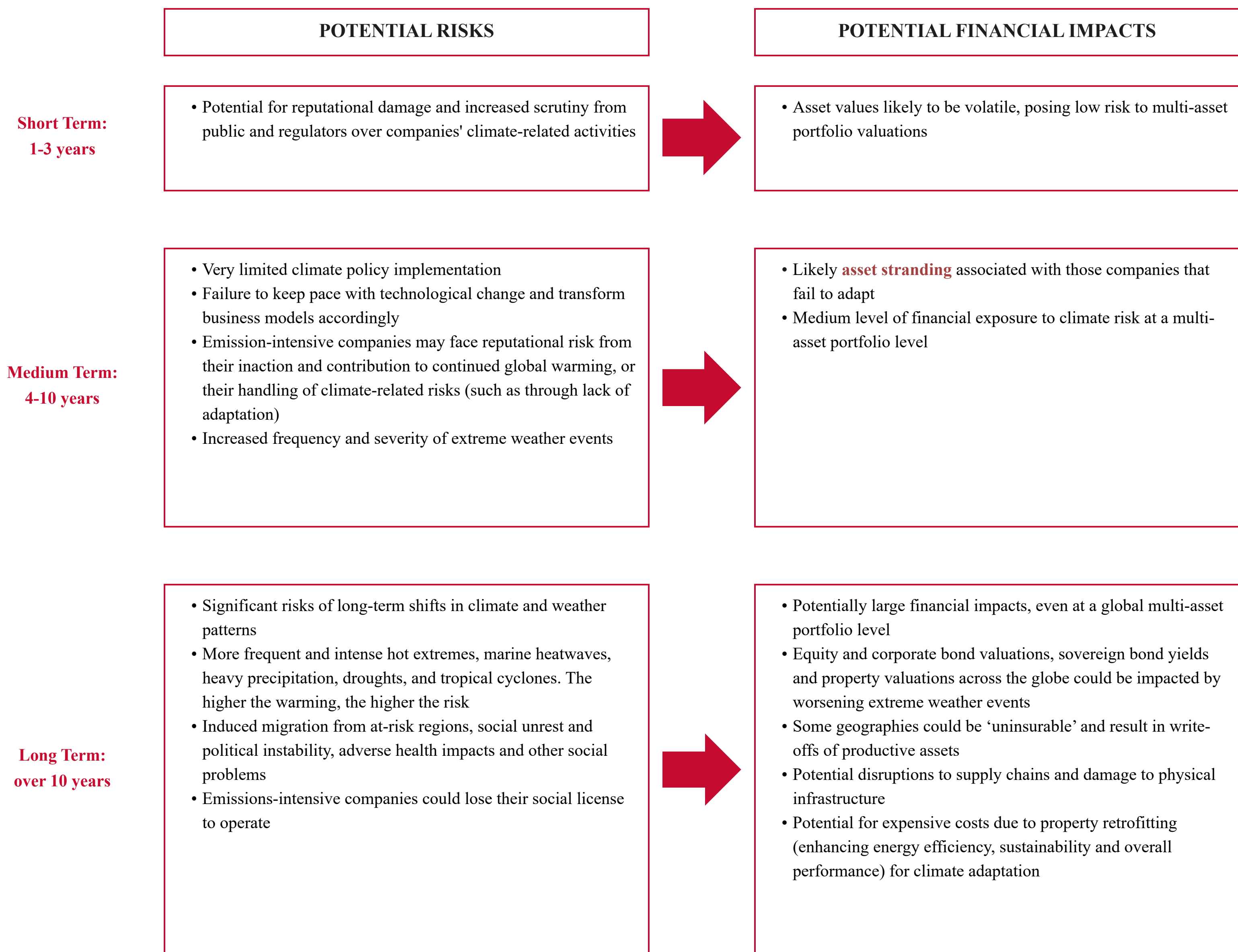
Policy and investment action to limit global warming to well-below 2°C is delayed to 2030, resulting in much more disruptive change. Warming will most likely exceed 1.5°C.



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HOTHOUSE WORLD INACTION SCENARIO

Global inaction on climate change means emissions continue to grow at historical rates, likely resulting in 3-4°C of warming by 2100.



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Terms explained

Carbon pricing

A carbon price is the price that a company would have to pay for each tonne of **CO₂e** emitted.

Stranded assets

This means an asset (such as a coal-fired power plant) that once had value or produced income but no longer does. This is usually due to some kind of external change, including changes in technology, markets, regulations and societal behaviours.

Low-carbon technologies

These are technologies that produce low levels of CO₂ emissions, or no net emissions. Examples include wind turbines, solar power, ground source heat pumps.

Yields

The income generated from an investment, expressed as a percentage.

More information on our approach to climate risk management, governance and strategy, within pension funds is available in the supporting Legal & General entity report section of our website legalandgeneral.com/tcfd

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