



**LGIM Managers (Europe) Limited**

# Statement on Principal Adverse Impacts of Investment decisions on sustainability factors

30 June 2023

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1. FULL PAI STATEMENT

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: LGIM Managers (Europe) Limited, (LEI: 2138007FJWCCJQ6KZM89) (LGIME)
<p>Summary</p> <p>LGIM Managers (Europe) Limited (LGIME) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of LGIME and covers the reference period from 1 January to 31 December 2022. It should be noted that LGIME is a subsidiary of Legal &amp; General Investment Management (Holdings) Limited (LGIMH), (LEI: 213800MCLBTNE3X4NH27) and has delegated investment management to LGIM Limited (LEI: 2138005NNERSR7ODIC73) (LGIM). Hence, this statement refers to investment activities undertaken by LGIM on behalf of LGIME. It should be noted that the data disclosed in the statement relating to principal adverse impacts pertain to investments made by LGIM Ltd on behalf of and/or held in LGIME funds (LGIME Funds) and Individual Portfolio Management (IPM) accounts (Segregated Portfolios).</p> <p>LGIM's Sustainability Policy sets out the framework by which LGIM integrates sustainability risks and opportunities into the investment decision-making process and considers the principal adverse impacts (PAIs) of investment decisions on sustainability considerations. This policy has been formally adopted by entities within the LGIM Group, including LGIME, as of December 2022. Please see <a href="#">LGIM Sustainability Policy</a> for the full sustainability policy.</p> <p>LGIM, on behalf of LGIME, addresses PAIs through a variety of measures, and to varying degrees depending on our assessment of the scale and severity of adverse impacts on the environment, society and economies. We have formalised our commitments to key PAIs including climate change, biodiversity and deforestation by becoming signatories to the Net Zero Asset Managers Initiative (NZAMI), Finance for Biodiversity Pledge, and the COP 26 Commitment on Eliminating Agricultural Commodity Driven Deforestation from Investment Portfolios. We have developed firm-wide policies for these PAIs, as well as a policy for controversial weapons. We implement these firmwide policies through dedicated engagement programmes, such as the Climate Impact Pledge, and exclusion</p>

policies on controversial weapons and coal that cover all non-U.S. actively managed funds and certain index funds, as well as certain segregated mandates, as directed by our clients.

In addition to firm-wide policies, LGIM also seeks to address PAIs through (i) active ownership activities, (ii) insights and actions by the Global Research and Engagement Groups (GREGs), (iii) systematic investment processes such as ESG Factor Evaluation, and (iv) ESG or sustainability strategies in LGIME funds and segregated mandates. Further information on how LGIM, on behalf of LGIME, addressed PAIs can be found below.

### Environmental PAIs

In 2022, we continued to focus on climate change. We increased the coverage of our targeted climate engagement programme, the LGIM Climate Impact Pledge from 1,000 companies in 15 sectors to over 5,000 companies across 20 'climate-critical' sectors. In 2022, c.80 companies were identified as subject to potential voting sanctions for not meeting our minimum standards. We increased the number of companies subject to in-depth engagement under the Climate Impact Pledge to over 100, from 60 in 2021. We took significant steps to enhance our LGIME fund range, including launching three net zero funds, launching four Paris-Aligned Benchmark index funds and ETFs, and introduced reduction targets on carbon emissions intensity/footprint for 17 funds. We incorporated climate factors into our ESG assessment methodologies through the LGIM ESG Score and ESG Factor Evaluation, which were implemented in 23 funds across index and active strategies. Going forward, our NZAMI commitments will continue to direct our efforts towards enhancing more portfolios to meet LGIM's net zero framework requirements.

We enhanced our approach to nature by publishing LGIM's deforestation policy that sets out specific time-bound targets, to complement the biodiversity policy. In 2022 we wrote to around 300 companies from deforestation-critical sectors explaining our expectations and potential consequences if these were not met. As part of this engagement campaign, we identified over 100 companies that would not meet our minimum expectations and were at risk of a vote sanction being applied in the 2023 AGM season. We reviewed and updated our net-zero sector guide assessments to incorporate in more detail our expectations on the essential role of combating deforestation, biodiversity and nature loss. We also added a biodiversity metric to the LGIM ESG Score to assess the strength of companies' biodiversity programmes, and a similar metric was assessed in ESG Factor Evaluation.

Our approach to water and waste centred on both regulatory and corporate engagement. Our regulatory engagement addressed the damage caused by microplastics entering our water systems, water security, and antimicrobial resistance. ESG Factor Evaluation

assessed companies based on their use and policies on water, as well as waste intensity. One issue that LGIM has particularly focused on is antimicrobial resistance (AMR). Following our initial engagements on AMR with water utility companies in 2021, we decided to take a proactive policy-focused approach to progressing this topic. In 2022 we wrote to 11 international organisations including OECD, EBRD and UNEP, asking them to focus on four key areas to push for market-wide improvement on AMR.

#### Social PAIs

We addressed key social PAIs, including UN Global Compact (UNGC), OECD Guidelines for Multinational Enterprises, income inequality and diversity, both gender and ethnic. In 2022, we continued to implement our strategy as laid out in [L&G's Modern Slavery Statement](#). We were vigilant against companies deemed to have violated these norms through exclusion policies such as the [LGIM Future World Protection List](#), that were applied in 62 LGIME funds and ETFs. LGIM also voted against companies on the LGIM Future World Protection List where we maintain a holding in other funds. Launched in 2022, we have joined UN PRI Advance, a new stewardship initiative to advance human rights and intend to develop a policy on human rights.

In 2022, we expanded our collaborative engagement on in-work poverty by joining the Platform for Living Wage Financials (PLWF) to encourage and assess investee companies on their commitment to enable living wages for workers in their supply chain, alongside continued engagement under the Good Work Coalition. During 2022, LGIM held 38 company engagements with 23 individual companies to discuss income inequality.

Since 2020, we have been engaging with companies on their commitments to ethnic diversity and have demanded transparent reporting. The 2022 AGM season was the first voting season during which we placed votes against a company due to a lack of board-level ethnic diversity. We continued to advocate for gender diversity at the board, executive, management and workforce levels. 2022 also marked progress in our stance on gender representation at company board level. At the end of the year, we strengthened our voting policies across North America, the UK and Japan.

#### Approach to Adverse Sustainability Indicators

Several factors were considered to determine the approach, including LGIM's standard ESG metrics, sustainable finance standards, and due diligence on external data providers' offering. The adverse sustainability indicators reported here comprise data from LGIM, and external data providers including Sustainalytics, ISS and Refinitive. It should be noted that the availability and quality of

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data are still very limited across many adverse sustainability indicators within the broad investment universe. Notwithstanding the limitations on data and methodologies, LGIM remains committed to transparency and has on a best endeavours basis represented the adverse sustainability indicators as accurately as is currently practiceable.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	3,308,426 tons CO2e	N/A	GHG corporate emissions data were sourced from ISS while EVIC data were sourced from Refinitiv. Data coverage was above 30%.	<p>LGIM(H), of which LGIME is a part of, has committed to the Net Zero Asset Managers Initiative to work in partnership with our clients to (i) reach net-zero greenhouse gas emissions by 2050 or sooner across all assets under management, (ii) an interim target of 70% of eligible AUM<sup>1</sup> to be managed in alignment with this net-zero ambition by 2030, and (iii) achieving net-zero carbon across our real estate portfolio by 2050. Our overarching ambition is to help decarbonise the real economy. To this end, we have deployed the following policies and programmes:</p> <ol style="list-style-type: none"> <li>1. LGIM's Climate Change policy: <a href="#">LGIMs policy on climate change 2021</a></li> <li>2. LGIM's Net Zero framework: LGIM has set <u>standards</u> for investment portfolios to be considered net zero aligned.</li> <li>3. <u>Active Ownership</u>, in particular our dedicated climate engagement programme, LGIM Climate Impact Pledge:                             <ol style="list-style-type: none"> <li>a. In 2022 under our Climate Impact Pledge 80 companies were subject to potential voting sanctions for not meeting minimum standards, two additional companies (bringing the total to 14) were divested from certain funds that implement investment exclusions under the Climate Impact Pledge, and one company was reinstated.</li> <li>b. In 2022, 23 LGIME funds participated in the Climate Impact Pledge divestment campaign.</li> </ol> </li> <li>4. Exclusions:                             <ol style="list-style-type: none"> <li>a. Our <u>Coal Policy</u> is an exclusionary policy on companies involved in the mining and extraction of thermal coal or thermal coal power generation. This is applied to all LGIME actively managed funds and certain index funds, as well as certain segregated Individual Portfolio Management (IPM) mandates.</li> <li>b. Certain funds and segregated IPM mandates also employ other fossil fuel-related exclusionary policies including but not limited to those that</li> </ol> </li> </ol>
		Scope 2 GHG emissions	954,761 tons CO2e	N/A		
		Scope 3 GHG emissions	N/A	N/A		
		Total GHG emissions	4,263,188 tons CO2e	N/A		
	2. Carbon footprint	Carbon footprint	46.51 tons CO2e/1mn invested	N/A	GHG corporate emissions data were sourced from ISS while EVIC data were sourced from Refinitiv. Data coverage was above 30%.	
	3. GHG intensity of investee companies	GHG intensity of investee companies	119.91 tons CO2e/1mn revenue	N/A	GHG emissions and revenue data were sourced from ISS. Data coverage was above 40%.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies	5.66%	N/A	Fossil fuel exposure data were sourced from Sustainalytics.	

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
		active in the fossil fuel sector			Data coverage was above 40%.  5. Climate-related investment strategies introduced or enhanced through new and existing products: a. LGIM Net Zero: 3 funds were launched or amended in 2022 to meet LGIM's Net Zero framework requirements b. Paris-Aligned Benchmark: We now have 5 index funds and ETFs that track Paris-Aligned Benchmarks in LGIME fund ranges, of which 4 were launched in 2022 c. Carbon emissions intensity or footprint reduction: In 2022, we introduced reduction strategies on carbon emissions intensity for 12 funds, and carbon emissions footprint for 5 funds d. L&G NTR Clean Power Energy Fund was launched in 2022 to target investments in renewable energy infrastructure assets  6. Climate factors incorporated in ESG approaches: a. LGIM ESG Score: The LGIM ESG Score takes into account carbon emissions intensity, carbon reserve intensity, green revenues and temperature alignment, as well as scope of GHG emissions disclosure in assessing companies. In the LGIME fund range, 2 index funds employ tilts using the LGIM ESG Score b. ESG Factor Evaluation: In portfolios that used ESG Factor Evaluation, certain companies that did not meet minimum quantitative or qualitative thresholds had restricted exposure. ESG Factor Evaluation took into account companies' Scope 1 and 2 GHG emissions, GHG emissions intensity, GHG emissions reduction programmes, GHG risk management, renewable energy use, renewable energy programmes, energy efficiency, thermal coal extraction and power generation, oil sands and arctic oil. In the LGIME fund range, 21 funds employed ESG Factor Evaluation
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Production: 13.83% Consumption: 60.78%	N/A	Share of renewable energy production and consumption data were sourced from Sustainalytics. Data coverage for production was below 10% while consumption was above 25%. The low coverage for production may be due in part to the limited number of companies and sectors involved in producing energy. The coverage for consumption may depend on the extensiveness of company disclosure.	7. GREGs: The GREGs, as described in the <a href="#">LGIM Sustainability Policy</a> , conducted several analyses into various issues affecting greenhouse gas emissions to identify how companies were exposed to and managing their risks and hence, opportunities for engagement. The research included but were not limited to the following topics: a. Insurance climate risk
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per	(In GWh/1mn revenue) • Wholesale & Retail Trade & Repair of Motor	N/A	Energy consumption data were sourced by Sustainalytics. Data coverage was below 10% and in most cases, below 1%. The	



Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
		high impact climate sector	Vehicles & Motorcycles: 0.85 • Water Supply, Sewerage, Waste Management & Remediation Activities: 0.63 • Real Estate Activities: 0.71 • Mining & Quarrying: 13.66 • Manufacturing: 12.01 • Electricity, Gas, Steam & Air Conditioning Supply: 7.87 • Construction: 105.96 • Agriculture, Forestry & Fishing: 6.12 • Transportation & Storage: 1.93		low coverage may be due in part to the limited number of companies and sectors involved in each high climate impact sector.  b. Coal phase out in European and U.S. utilities c. Circular economy in basic materials and consumer sectors  Going forward, our NZAMI commitments will continue to direct our efforts towards enhancing more portfolios to meet the LGIM Net Zero Framework requirements. This will require enhancements to data to better assess expansionary plans in coal and oil sands, product enhancements to incorporate the LGIM Net Zero Framework requirements in more funds and collaboration with clients to identify opportunities for alignment to net zero outcomes.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas	5.41%	N/A	Data pertaining to activities negatively affecting biodiversity sensitive areas were sourced from Sustainalytics. Data coverage was above 40%.  LGIM(H), of which LGIME is a part of, is committed to addressing the issue of biodiversity loss, and is a signatory to the Finance for Biodiversity Pledge. We believe that recognising the potential risks from nature, including biodiversity loss and deforestation, is part of our fiduciary duty of managing our clients' assets. Our approach on biodiversity comprises the following policies and programmes: 1. LGIM's Biodiversity policy: <a href="#">LGIMs Biodiversity policy 2021</a> sets out our approach to biodiversity

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
		where activities of those investee companies negatively affect those areas				<ul style="list-style-type: none"> <li>2. LGIM's Deforestation policy: our <a href="#">deforestation policy</a> sets out how LGIM will meet its COP26 commitment to eliminating agricultural commodity-driven deforestation from investment portfolios</li> <li>3. Active ownership:                             <ul style="list-style-type: none"> <li>a. Regulatory and sovereign engagement: Three representatives attended the United Nations Biodiversity conference COP15 in 2022, calling for a global biodiversity framework to halt and reverse nature loss. We are also active members of the Investors Policy Dialogue on Deforestation, including co-chairing a working group engaging on deforestation-free commodity regulations in the UK, US, Europe and China</li> <li>b. Corporate engagement and Climate Impact Pledge: We have introduced enhanced expectations in our net-zero sector guidelines on biodiversity and nature loss in delivering a credible pathway to net zero. We also reached out to around 300 companies on their approach to deforestation, explaining our expectations and potential consequences if these were not met. As part of this engagement campaign, we identified over 100 companies that would not meet our minimum expectations and were at risk of a vote sanction being applied from the 2023 AGM season</li> </ul> </li> <li>4. Biodiversity factors incorporated in ESG approaches:                             <ul style="list-style-type: none"> <li>a. LGIM ESG Score: In 2022, the LGIM ESG Score was enhanced to include a biodiversity metric that assessed the strength of biodiversity programmes in assessing companies. In the LGIME fund range, 2 index funds employ tilts using the LGIM ESG Score</li> <li>b. ESG Factor Evaluation: ESG Factor Evaluation took into account companies' biodiversity programmes. In the LGIME fund range, 21 funds employed ESG Factor Evaluation</li> </ul> </li> <li>5. GREs: Research included circular economy in basic materials and consumer sectors</li> </ul>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee	0.41 tons/1mn invested	N/A	Water emissions data were sourced from Sustainalytics. Data	Water pollution can make water unsafe for human use and disrupts aquatic ecosystems. LGIM has focused on water security, in particular the damage caused by microplastics entering our water system as well as the impact of resistant microbes making its way into our water systems. Our efforts to limit

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
		companies per million EUR invested, expressed as a weighted average			coverage was below 5%.	water pollution has focused largely on regulatory and corporate engagement. <ol style="list-style-type: none"> <li>1. Active ownership:                             <ol style="list-style-type: none"> <li>a. Regulatory Engagement: In 2022 we wrote to 11 international organisations including OECD, EBRD and UNEP, asking them to focus on four key areas to push for market-wide improvement on AMR, including to work in-line with WHO initiatives and to call for the creation of an independent accountability mechanism.</li> <li>b. Company engagement: In 2022 we used our votes to support shareholder proposals which directly addressed AMR.</li> </ol> </li> <li>2. ESG Factor Evaluation: ESG Factor Evaluation took into account companies' water intensity and water policies. In the LGIME fund range, 21 funds employed ESG Factor Evaluation</li> </ol>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	40.26 tons/1mn invested	N/A	Hazardous and radioactive waste ratio data were sourced from Sustainalytics. Data coverage was above 10%.	Our approach to hazardous waste and radioactive waste is in its early stage. In 2022, we factored adverse impacts in waste through ESG Factor Evaluation, which took into account companies' waste intensity. In the LGIME fund range, 21 funds employed ESG Factor Evaluation.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic	Share of investments in investee companies that have been involved in	0.13%	N/A	Data pertaining to violations UNGC and OECD guidelines for Multinational Enterprises were sourced from LGIM's	The UN Global Compact ("UNGC") and OECD Guidelines for Multinational Enterprises ("OECD Guidelines") represent globally agreed standards for human rights, labour rights, the environment, corruption and other norms. Companies whose activities breach such principles may present increased risks due to lax governance and management of their operations, which can

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
	Cooperation and Development (OECD) Guidelines for Multinational Enterprises	violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			<p>Future World Protection List. This proprietary methodology identified perennial violators that were in breach of at least one of the UNGC principles for a continuous period of three years or more. The underlying data used to identify these companies were sourced from Sustainalytics, which takes into account both UNGC and OECD guidelines.</p> <p>The proportion of eligible holdings was 59%.</p>	<p>lead to reputational damage and potential future liabilities. Our approach on these global norms has focused on:</p> <ol style="list-style-type: none"> <li>1. Modern slavery: As part of the L&amp;G Group, LGIM is committed to eradicating modern slavery. <u>Our strategy</u> is aligned with the UN Guiding Principles on Business and Human Rights and supported by our Supplier Code of Conduct and Human Rights policies.</li> <li>2. Exclusions: Our Future World Protection List, which is applied to a subset of our funds, excludes companies that are in breach of at least one of the UNGC principles for a continuous period of three years or more. The data used to identify these companies was sourced from Sustainalytics, which incorporates the OECD Guidelines as well. Certain funds also exclude UNGC violators through their own exclusion policies. In our LGIME fund range, 27 LGIME funds and 35 ETFs employed UNGC exclusions</li> <li>3. Engagement: LGIM voted against companies on the Future World Protection List where we maintain a holding in other funds</li> <li>4. ESG Factor Evaluation: ESG Factor Evaluation took into account and restricted exposure to companies deemed to have breached UNGC principles or involved in severe controversies. In the LGIME fund range, 21 funds employed ESG Factor Evaluation</li> </ol>
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling	46.02%	N/A	Data pertaining to lack of processes and compliance mechanisms were sourced from Sustainalytics. Data coverage was over 40%.	<p>Launched in 2022, we have joined UN PRI Advance, a new stewardship initiative to advance human rights and intend to develop a policy on human rights.</p>	

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
	mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises				
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	23.43%	N/A	Data pertaining to unadjusted gender pay gap were sourced from Sustainalytics. Data coverage was below 5%.	<p>LGIM focuses on in-work poverty because living in poverty can impact a worker in a number of ways, including health (both physical and mental) and productivity. Under our Global Corporate Governance and Responsible Investment Principles, we expect companies to disclose information on their gender pay gap, along with initiatives in place and actions being taken to close any stated gap.</p> <ol style="list-style-type: none"> <li>1. LGIM's policy: In 2022, we introduced a new expectation in our published guidelines relating to income inequality. The aim was to drive the adoption of a living wage strategy and encourage its public disclosure. Under this policy, LGIM will vote against the annual report of those companies that fail to disclose their living wage strategy by 2025.</li> <li>2. Active ownership: During 2022, LGIM held 38 company engagements with 23 individual companies to discuss income inequality. We expanded our collaborative engagement on this topic by joining the Platform for Living Wage Financials (PLWF) to encourage, support, assess and monitor investee companies on their commitment to enable living wages for workers in their supply chain, this is in addition to the continued engagement under the Good Work Coalition.</li> <li>3. Gender pay gap factors incorporated in ESG approaches:             <ol style="list-style-type: none"> <li>a. ESG Factor Evaluation: ESG Factor Evaluation took into account companies' fair remuneration and equal opportunity policies. In the LGIME fund range, 21 funds employed ESG Factor Evaluation</li> </ol> </li> </ol>

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	30.38%	N/A	Data pertaining to board gender diversity were sourced from Refinitiv. Data coverage was above 40%.	<p>LGIM advocates for cognitive diversity in the companies in which we invest as we believe that a suitably diverse mix of skills, experience and perspectives is essential for teams to function and perform optimally.</p> <ol style="list-style-type: none"> <li>1. LGIM's policy on diversity is set out in the Global and Regional Corporate Governance and Responsible Investment Policies that can be accessed here: <a href="https://www.lgim.com/issgovernance">LGIM Vote Disclosures (issgovernance.com)</a></li> <li>2. Active ownership:                             <ol style="list-style-type: none"> <li>a. Regulatory Engagement: During 2022, as part of the 30% Club France Investor Group, we spoke with an influential French MP on the Rixain Law, enforcing gender diversity at Executive Committees. In Japan, we co-signed letters to the FSA and Tokyo Sotkc Exchange on diversity related metrics.</li> <li>b. Company Engagement: We continued to advocate for gender diversity at board, executive, management and workforce levels. In 2022, we voted against 69 companies in the FTSE100 and S&amp;P500 indices for having all-male executive committees. At the end of the year, we strengthened our voting policies in relation to gender diversity across North America, the UK and Japan.</li> </ol> </li> <li>3. Board gender diversity factors incorporated in ESG approaches:                             <ol style="list-style-type: none"> <li>a. LGIM ESG Score: The LGIM ESG Score takes into account the percentage of women on the board. In the LGIME fund range, 2 index funds employ tilts using the LGIM ESG Score</li> </ol> </li> </ol>
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%	N/A	Controversial weapons data were sourced from LGIM's <a href="#">Controversial Weapons Policy</a> . The methodology was proprietary to LGIM, while the underlying data used to identify these companies was	<p>Controversial weapons are illegal in many jurisdictions and in certain ones, it is also illegal to invest in the debt and equity of these companies. LGIM has a widely-applied controversial weapons policy that excludes from its investments those companies involved in the manufacture and production of cluster munitions, anti-personnel landmines, and biological and chemical weapons.</p> <ol style="list-style-type: none"> <li>1. <a href="#">LGIM(H) Controversial Weapons Policy</a></li> </ol>

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
					sourced from Sustainalytics. The proportion of eligible holdings was 59%.	
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	193.41 tons CO2e/1mn	N/A	GHG intensity data pertaining to sovereigns were sourced from ISS. Data coverage was over 50%.	<p>To meet global climate goals, oil consumption will need to shrink dramatically over the coming decades. Our GREGs developed a framework to determine which oil-producing countries were vulnerable under a 1.5°C scenario based on their cost curves and percentage of GDP reliant on oil rents.</p> <p>Agriculture and land-use is a significant contributor to global emissions. We have long been championing a comprehensive, science-based international plan for sustainable agriculture and land-use, including co-leading a collaborative engagement calling for a 1.5C aligned roadmap for agriculture. At the UN Climate Conference in 2022 (COP27), the UN Food Agriculture Organisation announced its commitment to publish a roadmap within the year.</p>
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as	Absolute: 3.08 Relative: 3.17%	N/A	The investee countries subject to social violations were identified using Sustainalytics' methodology. The proportion of eligible holdings was 51%.	<p>In 2022, LGIM was deeply saddened by Russia's invasion of Ukraine. The invasion contravened almost every measurable Environmental, Social and Governance metric.</p> <p>Prior to the invasion, LGIM's exposure to Russia on behalf of our clients was generally through index-based investments in emerging markets.</p> <p>In early March 2022 all relevant equity index providers confirmed the removal of Russia from flagship emerging market benchmarks. On 31 March Russia was excluded from all JPMorgan fixed income indices. Belarus was excluded from all JPMorgan indices on the same date, though</p>

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
		referred to in international treaties and conventions, United Nations principles and, where applicable, national law				<p>it remained part of the standard EMBI indices. The removal of our exposure to Russia and Belarus, in our fixed income index funds, was completed shortly after the exclusion of these countries from the indices mentioned above.</p> <p>In line with our established policy on valuing securities where transparent and up-to-date market pricing is not available, we marked down the value of Russian equity securities to zero on 2 March. Once the various indices also priced the assets at zero, the LGIM portfolios and various indices were aligned.</p> <p>As hard currency fixed income markets continued to operate, and updated pricing was being received by our various pricing providers, no across-the-board fair value pricing adjustment was made to Russian or Ukrainian bond positions.</p> <p>However, certain individual bond positions were adjusted. With regard to local currency bonds, on 10 March we moved local currency Russia government bonds to zero.</p>
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A		LGIME does not have any physical real estate assets in its portfolios.



Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A		LGIME does not have any physical real estate assets in its portfolios.
Other indicators for principal adverse impacts on sustainability factors						
Adverse sustainability indicator		Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Emissions (Table 2)	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	42.15%	N/A	Data pertaining to investments in companies without carbon emission reduction initiatives were sourced from Sustainalytics. Data coverage was above 40%.	<p>Our ambition is to help decarbonise the real economy. To this end, we have deployed the following policies and programmes:</p> <ol style="list-style-type: none"> <li>a. LGIM's overarching Climate Change policy: <a href="#">LGIMs policy on climate change 2021</a>. Additionally, expectations and transition pathways for each key sector we engage with are set out in our net-zero sector guides available here: <a href="#">Climate Impact Pledge   Climate change   LGIM Institutional</a></li> <li>2. LGIM's Net Zero framework: LGIM has set <u>standards</u> for investment portfolios to be considered net zero aligned. As part of the framework, our engagement is focused on issuers responsible for more than 50% of a portfolio's associate emissions that do not have verified science-based targets for net zero</li> <li>3. Active Ownership, in particular our dedicated climate engagement programme, LGIM's Climate Impact Pledge.               <ol style="list-style-type: none"> <li>a. In 2022 under our Climate Impact Pledge, 80 companies were subject to potential voting sanctions for not meeting LGIM's expected minimum standards, two further companies (bringing the total to 14) were divested from certain funds that implement investment exclusions under the Climate Impact Pledge, and one company was reinstated.</li> </ol> </li> </ol>

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
					<p>b. Further, certain funds implement investment exclusions that result from companies failing to meet our minimum expectations as part of our Climate Impact Pledge. In 2022, 23 LGIME funds participated in the Climate Impact Pledge divestment campaign.</p> <p>4. Exclusions:</p> <p>a. Our <u>Coal Policy</u> is an exclusionary policy on companies involved in the mining and extraction of thermal coal or thermal coal power generation. It, however, recognises and exempts companies that have set out clear Paris-aligned plans to phase out coal by 2030 in OECD and 2040 in non-OECD.</p> <p>5. Data enhancements: In 2022, we integrated Science-Based Targets Initiative (SBTi) data into our systems to better understand whether companies had credible transition plans as assessed by SBTi. We also introduced reporting on the percentage of portfolio holdings that approved or committed SBTi.</p>
Human Rights (Table 3)	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0.97	N/A	<p>Data pertaining to severe human rights issues and incidents were sourced from Sustainalytics. Data coverage was above 40%.</p> <p>LGIM takes the issue of human rights very seriously and considers as part of the investment process whether investee companies that are involved in severe human rights issues and incidents, through the following approaches:</p> <ol style="list-style-type: none"> <li>1. Modern slavery: As part of the L&amp;G Group, LGIM is committed to eradicating modern slavery. <u>Our strategy</u> is aligned with the UN Guiding Principles on Business and Human Rights and supported by our Supplier Code of Conduct and Human Rights policies.</li> <li>2. Exclusions: Our Future World Protection List, which is applied to a subset of our funds, excludes companies that are in breach of at least one of the UNGC principles (including those related to human rights) for a continuous period of three years or more. The data used to identify these companies is sourced from Sustainalytics, which incorporates the OECD Guidelines as well. Certain funds also exclude UNGC violators through their own exclusion policies. In our LGIME fund range, 27 funds and 35 ETFs employed UNGC exclusions.</li> <li>3. Engagement: LGIM voted against companies on the Future World Protection List where we maintain a holding in other funds</li> </ol>

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
						<p>4. ESG Factor Evaluation: ESG Factor Evaluation took into account and restricted exposure to companies deemed to have breached UNGC principles or involved in. In the LGIME fund range, 21 funds employed ESG Factor Evaluation</p> <p>Launched in 2022, we have joined the UN PRI working group on human rights and intend to develop a policy on human rights.</p>

**Description of policies to identify and prioritise principal adverse impacts on sustainability factors**

LGIM’s Sustainability Policy sets out the framework by which LGIM integrates sustainability risks and opportunities into the investment decision-making process and to consider the principal adverse impacts (PAIs) of investment decisions on sustainability considerations. This policy has been formally adopted by entities within the LGIM Group, including LGIME, as of December 2022. Please see [LGIM Sustainability Policy](#) for the full sustainability policy.

LGIME, in adherence to the LGIM Sustainability Policy, believes the consideration of sustainability risks reflects a core part of our fiduciary role to act in the best interest of our clients. This starts with identifying key macroeconomic sustainability risks that could result from inaction in response to the world’s environmental or societal challenges. We also believe opportunities arise from long-term sustainability-related structural changes that can be value-creating for investment portfolios. We combine an analysis of these macro

drivers with sector-level and issuer-level analysis to determine whether and how companies and assets are positioned in respect of the sustainability risks that are most relevant to them.

LGIM's global stewardship themes are based on environmental, social and governance issues that direct most of our sustainability-oriented research and engagement. These encompass climate change, low-carbon solutions, biodiversity, board accountability, tax, cyber security and privacy/ data security, health, transparency, income inequality, executive pay, and diversity. These themes represent high-level topics, under which further adverse impacts and areas of focus can arise, including human capital management issues, modern slavery and deforestation.

LGIM's internal processes for identifying and prioritising sustainability risks, PAIs and opportunities are supported by the GREGs which bring together representatives from the Investment and Investment Stewardship teams across regions and asset classes. The GREGs enable LGIM to connect top-down macro and thematic views with bottom-up analysis of corporate and sector fundamentals to understand the materiality of sustainability risks and opportunities and prioritise them accordingly. Combining the capabilities of the Investment and Investment Stewardship teams also enables LGIM to scale and coordinate our engagement efforts with companies at board and executive management levels, across all asset class and investment styles

We believe that to fully understand sustainability risks and opportunities, investors need access to relevant, comparable, consistent and verifiable ESG data across markets, regardless of size, geography or asset class. Therefore, LGIM communicates clear expectations to listed and private investee companies as to what information they should disclose, as well as engaging with occupiers across its directly owned real estate portfolios.

#### Approach to Adverse Sustainability Indicators

The approach to adverse sustainability indicators took into consideration a number of key factors to determine the metric and data source to reflect LGIM's principal adverse impacts:

- Consideration of LGIM's standard ESG data metrics used across investment and business processes, including external reporting, to ensure continuity and consistency;
- Consideration of other sustainable finance regulations and industry initiatives, including but not limited to the Task Force on Climate-Related Financial Disclosures (TCFD), FinDatEx European ESG Template (EET) and Investment Consultants Sustainability Working Group in the U.K.;

- Consideration of LGIM's proprietary approach, such as our Controversial Weapons Policy, and UN Global Compact exclusions as determined in the LGIM Future World Protection List; and
- Due diligence on external data providers' offering for SFDR PAI reporting, in particular the quality of the metrics used to address the relevant adverse sustainability indicators and the coverage of the metrics, including the proportion of reported and estimated data.

The adverse sustainability indicators reported in this PAI statement comprise data from LGIM, as well as third-party data providers including Sustainalytics, ISS and Refinitiv. Where data coverage figures were provided, these were computed based on all assets including corporate and sovereign assets. Where the proportions of eligible assets were provided, the proportion of corporate assets held across LGIME was used for the corporate-related adverse sustainability indicators, while the proportion of sovereign assets held across LGIME was used for the sovereign-related adverse sustainability indicators.

#### Limitations of Data and Methodologies

The accuracy of the data sourced, researched or estimated cannot be fully guaranteed. The availability and quality of data are still very limited across many adverse sustainability indicators within the broad investment universe. For certain indicators, data coverage was below 10%. This is due to a number of reasons, notably the lack of issuer disclosure of relevant information as corporates are currently not compelled by regulation to disclose their entities' adverse sustainability indicators. Hence, this is an issue faced across the industry.

While the data used were largely based on issuer reported information, some researched data and estimates have also been used to broaden data coverage which may introduce additional risk that the data are not fully accurate.

Large variances in data should also be expected across the industry as different data sources and methodologies will have been used. This will limit comparability of the data across reports published by different financial market participants.

Data coverage and quality can be expected to improve over time where corporate disclosure becomes mandatory through regulations such as the EU Corporate Sustainability Reporting Directive, and as the volume and quality of voluntary issuer disclosures improve. Further, methodologies used by LGIM and third-party data providers may also evolve in line with legislation, regulatory guidance, industry best practice and proprietary insights of the respective data providers including LGIM. It should also be noted that there were several technical challenges in aggregating the types and volume of data, for which LGIM will continue to improve frameworks and systems. The various improvements mentioned above may, however, introduce some inconsistencies in the data reported in subsequent reference periods.

In light of the limitations cited above and given there is no practical way of contextualising the data reported in this first year of reporting, it would be prudent to exercise caution in relying on the data as accurate representations of principal adverse impacts. Notwithstanding the limitations mentioned above, LGIM remains committed to transparency and has on a best endeavours basis represented the adverse sustainability indicators as accurately as is currently practicable.

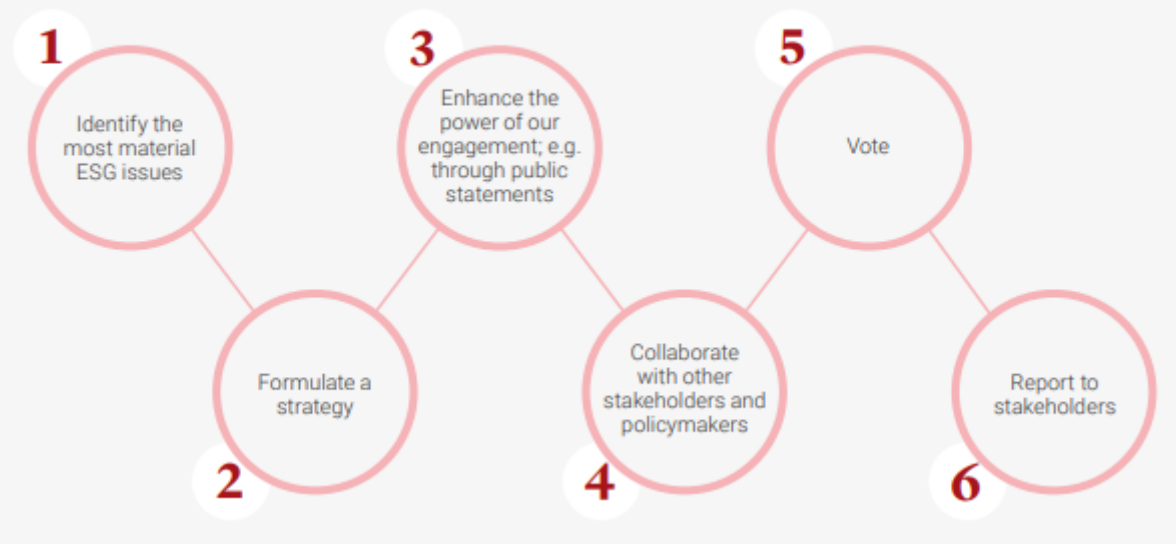
### **Engagement policies**

We believe effective stewardship involves working with companies, regulators, policymakers, peers and other stakeholders around the world to tackle systemic issues, material risks and opportunities - as well as collaborating with our investment experts to identify future challenges. The Investment Stewardship team has successfully campaigned on key issues, from corporate governance to diversity and climate change, escalating action when necessary to reach the desired outcome.

We have a responsibility to use our scale and influence in a transparent, accountable fashion. LGIM will take public positions, even when this causes controversy.

Exercising voting rights is a powerful engagement tool with which to hold company boards to account and raise market standards; it is used extensively by our Investment Stewardship team. Importantly, the team votes with one voice across all of our clients' investments where we have discretion, because it operates independently to - but in collaboration with - our portfolio managers. As part of this process, the Investment Stewardship team also participates in our GREGs. For more detail on how the team prioritises engagement, please see our [Engagement Policy](#).

## How our Investment Stewardship team engages with companies



Our Corporate Governance and Responsible Investment policies (global and regional) set out our expectations of investee companies and outline our approach to voting and engagement. Our policies on climate change, deforestation and biodiversity provide more detail on LGIM's approach and commitments to tackling these issues, and how this will affect our expectations of companies. All our policies are fully compliant with the Shareholder Rights Directive II and available online.

[VDS Dashboard \(issgovernance.com\)](https://www.lgim.com/issgovernance.com)

[LGIM Biodiversity policy](#)

[LGIM Climate Change policy](#)

[LGIM Deforestation policy](#)

**References to international standards**

LGIM as an entity regulated by the Financial Conduct Authority (FCA) has an internal framework of policies, procedures and standards that promote appropriate behaviours and compliance with regulatory principles and requirements across all business activities of the firm. LGIME as an entity regulated by the Central Bank of Ireland (CBI) entity has a separate framework of policies, procedures and standards that promote appropriate behaviours and compliance with regulatory principles and requirements across the firm and specific to the jurisdiction of Ireland. Each entity framework is outlined below with examples of the key frameworks in place:

LGIM and LGIME frameworks



<b>LGIM Code of Ethics</b>	<b>Personal Account Dealing Policy</b>	<b>LGIM(H) Conflicts of Interest Policy</b>	<b>LGIM (Group) Employee Conduct Risk Policy</b>	<b>LGIME Conflicts of Interest Policy</b>	<b>LGIME Market Conduct Policy</b>
<b>Regulator Relationship Policy</b>	<b>Breaches Escalation Guide</b>	<b>SM&amp;CR, Certified and Code Staff attestations</b>	<b>LGIME Whistle Blowing</b>	<b>LGIME IT Cyber-Security</b>	<b>Delegation Policy</b>
<b>Cyber and IT policies</b>	<b>HR Disciplinary, Grievance and Harassment and Bullying Policy</b>	<b>Technology Risk Guidelines</b>	<b>LGIME Fitness and Probity Policy</b>	<b>LGIME Code of Ethics</b>	<b>LGIME Connected Party Transaction Policy</b>
	<b>Remuneration Policy</b>				

LGIME believes that ongoing adherence to and the development of strong responsible investment standards, regulations and frameworks, are fundamental to our commitment to embedding sustainability. Demonstrating this commitment, LGIM is a signatory to the UN Principles for Responsible Investment and implementing its six principles to incorporate and report on ESG activities. LGIM reports in line with the Task Force on Climate-Related Financial Disclosures under Legal & General Group’s Climate Report. LGIM is a signatory to the UK Stewardship Code, submitting on an annual basis to the UK Financial Reporting Council our annual report on the implementation of the Code’s 12 Principles. Additionally, LGIM has signed up to the Net Zero Asset Managers Initiative with a commitment to support the

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goal of net zero greenhouse gas emissions by 2050, in line with global efforts to limit warming to 1.5°C and a commitment to support investing aligned with net zero emissions by 2050 or sooner.

LGIME offers quarterly ESG reports for most LGIME funds that incorporate the following climate-related metrics, amongst others: carbon footprint, weighted average carbon intensity, total carbon emissions, carbon reserves, green revenues, SBTi coverage, implied temperature alignment and climate engagements. The data sources include third party ESG data providers such as ISS and HSBC, as well as proprietary data, in particular implied temperature alignment. Implied temperature alignment is sourced from LGIM Destination@Risk, our proprietary climate change toolkit. We develop our own bottom-up scenarios of how the energy and land systems may evolve to 2050. LGIM Destination@Risk translates these scenarios into company, sector and portfolio-level implications. We use two main metrics: one is climate risk, which describes the potential risk from various climate scenarios to asset valuations, and the other is temperature alignment, which assesses whether companies are contributing to the changes we require to reach global climate commitments, or whether they put them at risk.

#### **Historical comparison**

Historical comparisons are not available as this is the first year of reporting.

## 2. APPENDIX 1: PAI STATEMENT SUMMARY TRANSLATIONS

### 2.1. Samenvatting

LGIME houdt rekening met de belangrijkste ongunstige effecten van haar beleggingsbeslissingen op duurzaamheidsfactoren. Deze verklaring is de geconsolideerde verklaring over de belangrijkste ongunstige effecten voor duurzaamheidsfactoren van LGIME en heeft betrekking op de periode van 1 januari tot en met 31 december 2022. Opgemerkt dient te worden dat LGIME een dochteronderneming is van Legal & General Investment Management (Holdings) Limited, LEI (TO BE INCLUDED): en het beleggingsbeheer heeft gedelegeerd aan LGIM Limited (LEI: 2138005NNERSR7ODIC73) (LGIM). Deze verklaring heeft dus betrekking op beleggingsactiviteiten die LGIM uitvoert namens LGIME. Opgemerkt dient te worden dat de gegevens in de verklaring met betrekking tot de belangrijkste ongunstige effecten betrekking hebben op beleggingen die LGIM Ltd doet namens en/of in LGIME-fondsen (LGIME Funds) en Segregated Portfolios.

Het Duurzaamheidsbeleid van LGIM beschrijft het kader waarmee LGIM duurzaamheidsrisico's en -kansen integreert in het besluitvormingsproces voor beleggingen en om de belangrijkste ongunstige effecten (PAI's) van beleggingsbeslissingen op duurzaamheidsoverwegingen in overweging te nemen. Dit beleid is formeel aangenomen door entiteiten binnen de LGIM Groep, waaronder LGIME, per december 2022. Zie [LGIM Duurzaamheidsbeleid](#) voor het volledige duurzaamheidsbeleid.

LGIM pakt, namens LGIME, PAI's aan door middel van verschillende maatregelen en in verschillende mate, afhankelijk van onze beoordeling van de omvang en ernst van de ongunstige effecten voor het milieu, de samenleving en de economie. We hebben onze toezeggingen aan belangrijke PAI's, waaronder klimaatverandering, biodiversiteit en ontbossing, geformaliseerd door ondertekening van het Net Zero Asset Managers Initiative (NZAMI), de Finance for Biodiversity Pledge en de COP 26-toezegging om de ontbossing van landbouwgrondstoffen uit beleggingsportefeuilles te bannen. We hebben bedrijfsbreed beleid ontwikkeld voor deze PAI's, evenals een beleid voor controversiële wapens. We implementeren dit bedrijfsbrede beleid door middel van speciale engagementprogramma's, zoals de Climate Impact Pledge, en een uitsluitingsbeleid voor controversiële wapens en steenkool voor alle niet-Amerikaanse actief beheerde fondsen en bepaalde indexfondsen, evenals bepaalde gesegregeerde mandaten, zoals aangegeven door onze klanten.

Naast het bedrijfsbrede beleid probeert LGIM ook de PAI's aan te pakken door middel van (i) activiteiten op het gebied van actief eigenaarschap, (ii) inzichten en acties van de Global Research and Engagement Groups (GREGs), (iii)

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systematische beleggingsprocessen zoals ESG Factor Evaluation, en (iv) ESG- of duurzaamheidsstrategieën in LGIM-fondsen en gesegegreerde mandaten. Meer informatie over hoe LGIM, namens LGIME, de PAI's heeft aangepakt wordt hieronder weergegeven.

#### Ecologische PAI's

In 2022 bleven we ons richten op klimaatverandering. We hebben het bereik van ons gerichte klimaatbetrokkenheidsprogramma, de LGIM Climate Impact Pledge, vergroot van 1.000 bedrijven in 15 sectoren naar meer dan 5.000 bedrijven in 20 'klimaatkritische' sectoren. In 2022 zijn c. 80 bedrijven geïdentificeerd die mogelijk een stamsanctie opgelegd zouden krijgen omdat ze niet aan onze minimumnormen voldoen. We hebben het aantal bedrijven dat onderhevig is aan intensieve engagement in het kader van de Climate Impact Pledge verhoogd naar meer dan 100, van 60 in 2021. We hebben belangrijke stappen gezet om ons LGIME fondsenaanbod te verbeteren, waaronder de lancering van drie net zero fondsen, de lancering van vier Paris-Aligned Benchmark indexfondsen en ETF's en de introductie van reductiedoelstellingen voor de koolstofemissie-intensiteit/voetafdruk voor 17 fondsen. We hebben klimaatfactoren opgenomen in onze ESG-beoordelingsmethodologieën door middel van de LGIM ESG Score en ESG Factor Evaluation, die zijn geïmplementeerd in 23 fondsen in index- en actieve strategieën. In de toekomst zullen onze NZAMI-toezeggingen onze inspanningen blijven richten op het verbeteren van meer portefeuilles om te voldoen aan de [net zero raamwerk](#) vereisten van LGIM.

We hebben onze benadering van de natuur verbeterd door [LGIM's ontbossingsbeleid](#) te publiceren dat specifieke tijdsgebonden doelen stelt, als aanvulling op het [biodiversiteitsbeleid](#). In 2022 hebben we ongeveer 300 bedrijven uit ontbossingskritische sectoren aangeschreven om onze verwachtingen uit te leggen en de mogelijke gevolgen als hieraan niet wordt voldaan. Als onderdeel van deze engagementcampagne hebben we meer dan 100 ondernemingen geïdentificeerd die niet aan onze minimumverwachtingen zouden voldoen en het risico liepen om in het AGM-seizoen van 2023 een stamsanctie opgelegd te krijgen. We hebben onze beoordelingen van de net-zero-sectorgids herzien en bijgewerkt om onze verwachtingen over de essentiële rol van het tegengaan van ontbossing, biodiversiteit en natuurverlies gedetailleerder op te nemen. We hebben ook een biodiversiteitsmetriek toegevoegd aan de LGIM ESG Score om de kracht van de biodiversiteitsprogramma's van bedrijven te beoordelen, en een vergelijkbare metriek is beoordeeld in de ESG Factor Evaluation.

Onze benadering van water en afval concentreerde zich op betrokkenheid bij regelgeving en bedrijven. Onze betrokkenheid bij de regelgeving richtte zich op de schade die wordt veroorzaakt door microplastics die in onze watersystemen terechtkomen, waterveiligheid en antimicrobiële resistentie. ESG Factor Evaluation beoordeelde bedrijven op basis van hun gebruik van en beleid voor water, evenals de afvalintensiteit. Een onderwerp waar LGIM zich in het bijzonder op heeft gericht is antimicrobiële resistentie (AMR). Na onze eerste gesprekken over AMR met waterbedrijven in 2021 hebben we besloten om dit onderwerp proactief beleidsgericht aan te pakken. In 2022 schreven we 11 internationale organisaties

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aan, waaronder de OESO, EBRD en UNEP, om hen te vragen zich te richten op vier belangrijke gebieden om aan te dringen op marktbrede verbetering op het gebied van AMR.

### Sociale PAI's

We hebben aandacht besteed aan belangrijke sociale PAI's, waaronder UN Global Compact (UNGC), OESO-richtlijnen voor multinationale ondernemingen, inkomensongelijkheid en diversiteit, zowel gender als etnisch. In 2022 zijn we doorgeslagen met het implementeren van onze strategie zoals uiteengezet in [L&G's Moderne Slavernij Verklaring](#). We waren waakzaam tegen bedrijven die geacht werden deze normen te hebben geschonden door middel van uitsluitingsbeleid zoals de [LGIM Future World Protection List](#), die werd toegepast in 62 LGIME fondsen en ETF's. LGIM stemde ook tegen bedrijven op de LGIM Future World Protection List waar we een belang in andere fondsen aanhouden. In 2022 hebben we ons aangesloten bij UN PRI Advance, een nieuw stewardship initiatief om mensenrechten te bevorderen en we zijn van plan om een mensenrechtenbeleid te ontwikkelen.

In 2022 hebben we onze samenwerking op het gebied van armoede onder werkenden uitgebreid door ons aan te sluiten bij het Platform for Living Wage Financials (PLWF) om bedrijven waarin we beleggen aan te moedigen en te beoordelen op hun inzet om leefbare lonen mogelijk te maken voor werknemers in hun toeleveringsketen, naast onze voortdurende betrokkenheid bij de Good Work Coalition. In 2022 hield LGIM 38 engagements met 23 individuele bedrijven om inkomensongelijkheid te bespreken.

Sinds 2020 zijn we in gesprek met bedrijven over hun toezeggingen op het gebied van etnische diversiteit en hebben we transparante verslaglegging geëist. Het AGM-seizoen 2022 was het eerste stemseizoen waarin we tegen een bedrijf hebben gestemd vanwege een gebrek aan etnische diversiteit op bestuursniveau. We zijn ons blijven inzetten voor genderdiversiteit in het bestuur, de directie, het management en het personeelsbestand. In 2022 boekte we ook vooruitgang in ons standpunt over de vertegenwoordiging van mannen en vrouwen in de raad van bestuur. Aan het eind van het jaar hebben we ons stembeleid versterkt in Noord-Amerika, het Verenigd Koninkrijk en Japan.

### Aanpak van ongunstige duurzaamheidsindicatoren

Verschillende factoren werden overwogen om de aanpak te bepalen, waaronder de standaard ESG-metriek van LGIM, standaarden voor duurzame financiering en due diligence op het aanbod van externe gegevensleveranciers. De ongunstige duurzaamheidsindicatoren die hier worden gerapporteerd omvatten gegevens van LGIM en externe gegevensleveranciers waaronder Sustainalytics, ISS en Refinitive. Opgemerkt dient te worden dat de beschikbaarheid en kwaliteit van gegevens nog steeds zeer beperkt is voor veel ongunstige duurzaamheidsindicatoren binnen het brede beleggingsuniversum. Ondanks de beperkingen in gegevens en

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methodologieën, blijft LGIM zich inzetten voor transparantie en heeft LGIM de ongunstige duurzaamheidsindicatoren zo nauwkeurig mogelijk weergegeven.

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## 2.2. Zusammenfassung

LGIME untersucht die Principal Adverse Impacts (nachteiligen Auswirkungen) seiner Investitionsentscheidungen auf Nachhaltigkeitsfaktoren. Die vorliegende konsolidierte Erklärung von LGIME zu den wesentlichen nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren bezieht sich auf den Referenzzeitraum vom 1. Januar bis zum 31. Dezember 2022. Es wird darauf hingewiesen, dass LGIME eine Tochtergesellschaft von Legal & General Investment Management (Holdings) Limited (LEI: 213800MCLBTNE3X4NH27) (LGIMH) ist und die Anlageverwaltung an LGIM Limited (LEI: 2138005NNERSR7ODIC73) (LGIM) delegiert hat. Daher bezieht sich dieser Bericht auf Investitionstätigkeiten, die LGIM im Auftrag von LGIME durchführt. Es wird darauf hingewiesen, dass sich die in diesem Bericht enthaltenen Informationen über wesentliche nachteilige Auswirkungen auf Anlagen beziehen, die von LGIM Ltd. im Namen von LGIME-Fonds und individuellen Vermögensverwaltungsmandaten, getätigt wurden und/oder von diesen Fonds bzw. in diesen Portfolios gehalten werden.

Die Nachhaltigkeitsrichtlinie von LGIM bildet das Rahmenwerk, nach dem LGIM die Chancen und Risiken von Nachhaltigkeitsaspekten in den Investitionsentscheidungsprozess integriert und die wesentlichen nachteiligen Auswirkungen (PAIs) von Investitionsentscheidungen auf Nachhaltigkeitsfaktoren berücksichtigt. Diese Richtlinie wurde von den Einheiten innerhalb der LGIM-Gruppe, einschließlich LGIME, seit Dezember 2022 offiziell übernommen. Die vollständige Nachhaltigkeitsrichtlinie von LGIM finden Sie über folgenden [Link](#).

LGIM berücksichtigt PAIs im Namen von LGIME durch eine Vielzahl von Maßnahmen und in unterschiedlichem Ausmaß, abhängig von unserer Einschätzung des Ausmaßes und der Schwere der nachteiligen Auswirkungen auf Umwelt, Gesellschaft und Wirtschaft. Wir haben unser Engagement für wichtige PAIs wie Klimawandel, Artenvielfalt und Entwaldung formalisiert als wir die Net Zero Asset Managers Initiative (NZAMI), den Finance for Biodiversity Pledge und die COP 26-Verpflichtung zur Eliminierung der durch Agrarrohstoffe verursachten Entwaldung aus Anlageportfolios unterzeichneten. Wir haben unternehmensweite Richtlinien für diese PAIs sowie eine Richtlinie für umstrittene Waffen entwickelt. Wir setzen diese unternehmensweiten Richtlinien durch spezielle Engagement-Programme, wie dem Climate Impact Pledge und Ausschlussrichtlinien für umstrittene Waffen und Kohle, für alle aktiv verwalteten Portfolios außerhalb der USA sowie für bestimmte Indexfonds und separate Mandate, falls von unseren Kunden gewünscht, um.

Neben unternehmensweiten Richtlinien bemüht sich LGIM auch, PAIs durch (i) Active Ownership-Aktivitäten, (ii) Erkenntnisse und Maßnahmen der Global Research and Engagement Groups (GREGs), (iii) systematische Anlageprozesse wie die ESG-Faktorbewertung und (iv) ESG- oder Nachhaltigkeitsstrategien in LGIME-Fonds und separaten Mandaten zu berücksichtigen. Im Folgenden weiter unten finden Sie weitere Informationen wie LGIM PAIs im Namen von LGIME berücksichtigt.

Ökologische PAIs

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Im Jahr 2022 haben wir uns weiterhin auf den Klimawandel konzentriert. Wir haben unser gezieltes Klima-Engagement-Programm, den LGIM Climate Impact Pledge, von 1.000 Unternehmen in 15 Sektoren auf über 5.000 Unternehmen in 20 klimarelevanten Sektoren ausgeweitet. Im Jahr 2022 wurden ca. 80 Unternehmen identifiziert, die bei Abstimmungen abgestraft werden könnten, weil sie unsere Mindeststandards nicht erfüllen. Wir haben die Anzahl der Unternehmen, mit denen wir im Rahmen des Climate Impact Pledge intensiv zusammenarbeiten, von 60 im Jahr 2021 auf über 100 erhöht. Wir haben wichtige Schritte unternommen, um unser LGIME-Fondsangebot zu erweitern, darunter die Einführung von drei Netto-Null-Fonds und die Einführung von vier Indexfonds und ETFs, die eine Paris-Aligned Benchmark abbilden, und führten für 17 Fonds Reduktionsziele für die Intensität/den CO<sub>2</sub>-Fussabdruck der CO<sub>2</sub>-Emissionen ein. Wir berücksichtigen Klimafaktoren in unseren ESG-Bewertungsmethoden über den LGIM ESG Score und die ESG Faktorevaluation, die in 23 Fonds über Index- und aktive Strategien hinweg implementiert wurden. Auch in Zukunft werden unsere Verpflichtungen im Rahmen der NZAMI bedeuten, dass wir weitere Portfolios anpassen werden, um die Anforderungen der [Netto-Null-Richtlinie](#) von LGIM zu erfüllen.

Wir haben unseren Ansatz zur Umwelt durch die Veröffentlichung der [Abholzungsrichtlinie](#) von LGIM weiterentwickelt, die spezifische zeitgebundene Ziele festlegt und die [Biodiversitätsrichtlinie](#) ergänzt. Im Jahr 2022 haben wir rund 300 Unternehmen aus Sektoren, die bei der Entwaldung eine grosse Rolle spielen, angeschrieben und unsere Erwartungen sowie mögliche Konsequenzen erläutert, wenn diese nicht erfüllt werden. Im Rahmen dieser Kampagne haben wir über 100 Unternehmen identifiziert, die unsere Mindestexpectationen nicht erfüllen würden und bei denen das Risiko besteht, dass sie in den entsprechenden Hauptversammlungen 2023 abgestraft werden. Wir haben unsere Bewertungen im Hinblick auf die sektorspezifische Netto-Null-Richtlinie überprüft und aktualisiert, um unsere Erwartungen in Bezug auf die Bekämpfung von Entwaldung, Artenvielfalt und Naturverlust detaillierter darzulegen. Wir haben den LGIM ESG Score auch um eine Biodiversitätsmetrik ergänzt, um die Biodiversitätsprogramme von Unternehmen zu bewerten. Eine ähnliche Kennzahl fliesst auch in die ESG-Faktorbewertung ein.

Unser Ansatz in Bezug auf Wasser und Abfall konzentrierte sich auf die Zusammenarbeit mit Aufsichtsbehörden und Unternehmen. Unsere Zusammenarbeit mit Aufsichtsbehörden bezog sich auf die Schäden, die durch das Eindringen von Mikroplastik in unsere Wassersysteme, der Wassersicherheit und der antimikrobiellen Resistenz verursacht werden. Die ESG-Faktorbewertung bewertete Unternehmen anhand ihrer Wassernutzung und -richtlinien sowie der Abfallintensität. Ein Thema, auf das sich LGIM besonders konzentriert, ist die Antibiotikaresistenz (AMR). Nach unseren ersten Treffen zu AMR mit Wasserversorgungsunternehmen im Jahr 2021 haben wir uns entschieden, einen proaktiven, politikorientierten Ansatz zu verfolgen, um dieses Thema voranzutreiben. Im Jahr 2022 haben wir elf internationale Organisationen, darunter OECD, EBRD und UNEP, angeschrieben und sie gebeten, sich auf vier Schlüsselbereiche zu konzentrieren, um eine marktweite Verbesserung bei AMR voranzutreiben.



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## Soziale PAIs

Wir haben uns mit wichtigen sozialen PAIs befasst, darunter der UN Global Compact (UNGC), OECD-Leitlinien für multinationale Unternehmen, Einkommensungleichheit und Vielfalt, sowohl geschlechtsspezifisch als auch ethnisch. Im Jahr 2022 haben wir unsere Strategie, wie in der [Erklärung zur modernen Sklaverei](#) von L&G dargelegt, weiter umgesetzt. Wir waren wachsam gegenüber Unternehmen, bei denen angenommen wurde, dass sie gegen diese Normen verstoßen haben, und hielten uns dabei an Ausschlussrichtlinien, wie die [LGIM Future World Protection List](#), die bei 62 LGIME-Fonds und ETFs angewendet wurden.

LGIM hat auch gegen Unternehmen gestimmt, die auf der LGIM Future World Protection List stehen, und deren Anteile wir in anderen Fonds halten. Wir sind der UN PRI Advance beigetreten, einer neuen Stewardship-Initiative, die im Jahr 2022 ins Leben gerufen wurde, um Menschenrechte zu fördern, und die beabsichtigt, eine Richtlinie zu Menschenrechten zu entwickeln.

Im Jahr 2022 haben wir unsere Zusammenarbeit im Bereich Erwerbsarmut durch den Beitritt zur Platform for Living Wage Financials (PLWF) ergänzt, um die Unternehmen, in die wir investieren, dazu anzuhalten, Arbeitnehmern in ihrer Lieferkette existenzsichernde Löhne zu ermöglichen, und entsprechend zu bewerten. Außerdem leisten wir weiterhin Arbeit im Rahmen der Initiative Good Work Coalition. Im Jahr 2022 führte LGIM 38 Unternehmensgespräche mit 23 Unternehmen durch, um Einkommensungleichheit zu erörtern.

Seit 2020 befragen wir Unternehmen zu ihrem Einsatz für ethnische Vielfalt und fordern eine transparente Berichterstattung. Die Hauptversammlungssaison 2022 war die erste Abstimmungssaison, in der wir aufgrund mangelnder ethnischer Vielfalt auf Vorstandsebene gegen ein Unternehmen gestimmt haben. Wir setzten uns weiterhin für Geschlechtervielfalt auf der Vorstands-, Führungs-, Management- und Belegschaftsebene ein. Im Jahr 2022 machten wir auch Fortschritte in unserer Haltung zur Geschlechtervertretung auf Unternehmensvorstandsebene. Zum Jahresende haben wir unsere Abstimmungsrichtlinien in Nordamerika, Grossbritannien und Japan verschärft.

## Ansatz für nachteilige Nachhaltigkeitsindikatoren

Bei der Bestimmung des Ansatzes wurden mehrere Faktoren berücksichtigt, darunter die standardmäßigen ESG-Kennzahlen von LGIM, nachhaltige Finanzstandards und die Due Diligence des Angebots externer Datenanbieter. Die hier gemeldeten nachteiligen Nachhaltigkeitsindikatoren umfassen Daten von LGIM und externen Datenanbietern wie Sustainalytics, ISS und Refinitive. Es wird darauf hingewiesen, dass die Datenverfügbarkeit und -qualität für viele Indikatoren für nachteilige Auswirkungen auf die Nachhaltigkeit im breiten Anlageuniversum noch sehr begrenzt ist. Ungeachtet der Einschränkungen bei Daten und Methoden bleibt LGIM der

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Transparenz verpflichtet und hat sich bemüht, die Indikatoren für nachteilige Auswirkungen auf die Nachhaltigkeit so genau wie derzeit möglich darzustellen.

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### 2.3. Sammanfattning

LGIME tar hänsyn till de huvudsakliga negativa effekterna av investeringsbesluten på hållbarhetsfaktorer. Denna rapport är den konsoliderade rapporten över de viktigaste negativa effekterna på hållbarhetsfaktorer för LGIME och omfattar referensperioden från 1 januari till 31 december 2022. Det bör noteras att LGIME är ett dotterbolag till Legal & General Investment Management (Holdings) Limited, LEI: 213800MCLBTNE3X4NH27 (LGIMH) och har delegerat investeringsförvaltningen till LGIM Limited (LEI: 2138005NNERSR7ODIC73) (LGIM). Denna rapport avser således investeringsverksamhet som bedrivs av LGIM på uppdrag av LGIME. Det bör noteras att data som redovisas i rapporten rör de negativa effekter av investeringar som gjorts av LGIM Ltd på uppdrag av och/eller innehas av LGIME-fonder (LGIME-fonder) och IPM-konton (segregerade portföljer).

LGIM:s hållbarhetspolicy fastställer det ramverk genom vilket LGIM integrerar hållbarhetsrisker och möjligheter i investeringsbeslutsprocessen samt överväger de viktigaste negativa effekterna (PAI) av investeringsbeslut på hållbarhetsöverväganden. Denna policy har formellt antagits av dotterbolag inom LGIM-koncernen, inklusive LGIME, från och med december 2022. Se [LGIM:s hållbarhetspolicy](#) för hela hållbarhetspolicyen.

LGIM, på uppdrag av LGIME, hanterar PAI:er genom en rad olika åtgärder och i varierande grad beroende på vår bedömning av omfattningen och allvaret i de negativa effekterna på miljö, samhälle och ekonomier. Vi har formaliserat våra åtaganden gentemot viktiga PAI:er som klimatförändringar, biologisk mångfald och avskogning genom att underteckna Net Zero Asset Managers Initiative (NZAMI), Finance for Biodiversity Pledge och COP 26 Commitment on Eliminating Agricultural Commodity Driven Deforestation from Investment Portfolios (åtagande att eliminera avskogning som orsakas av jordbruksråvaror från investeringsportföljer). Vi har tagit fram företagsövergripande policyer för dessa PAI:er, samt en policy för kontroversiella vapen. Vi implementerar dessa företagsomfattande policyer genom särskilda engagemangsprogram, såsom Climate Impact Pledge, och uteslutningspolicyer för kontroversiella vapen och kol som omfattar alla aktivt förvaldade fonder utanför USA och vissa indexfonder, samt vissa segregerade mandat, enligt våra kunders anvisningar.

Utöver företagsövergripande policyer försöker LGIM också hantera PAI:er genom (i) aktivt ägande, (ii) insikter och åtgärder från Global Research and Engagement Groups (GREG), (iii) systematiska investeringsprocesser som ESG-faktorutvärdering och (iv) ESG- eller hållbarhetsstrategier i LGIME-fonder och segregerade uppdrag. Mer information om hur LGIM, på uppdrag av LGIME, tar itu med PAI:er finns nedan.

#### Miljörelaterade PAI:er

Under 2022 fortsatte vi att fokusera på klimatförändringarna. Vi har ökat omfattningen av vårt riktade klimatprogram, LGIM Climate Impact Pledge, från 1 000 företag i 15 sektorer till över 5 000 företag i 20 "klimatkritiska" sektorer. Under 2022 identifierades ca 80 företag som föremål för potentiella röstningsstrategier för att de inte uppfyllde våra minimistandarder. Vi har ökat antalet företag som är föremål för

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fördjupat engagemang under Climate Impact Pledge till över 100, från 60 år 2021. Vi har tagit viktiga steg för att förbättra vårt utbud av LGIME-fonder, bland annat har vi lanserat tre nettonollfonder, fyra Paris-anpassade indexfonder och ETF:er samt har infört reduktionsmål för koldioxidutsläppsintensitet/koldioxidavtryck för 17 fonder. Vi har infört klimatfaktorer i våra ESG-bedömningsmetoder genom LGIM:s ESG-poäng och ESG-faktorutvärdering, som implementerats i 23 fonder med index och aktiv inriktning. Om vi blickar framåt kommer våra NZAMI-åtagande att fortsätta att vara riktade mot insatser på att än mer förbättra fler portföljer för att uppfylla LGIM:s [ramverk för nettonoll-](#) krav.

Vi har stärkt vår inställning för naturen genom att publicera [LGIM:s policy för avskogning](#) som fastställer specifika tidsbundna mål, som ett komplement till [policyn för biologisk mångfald](#). Under 2022 skrev vi till cirka 300 företag från avskogningskritiska sektorer och förklarade våra förväntningar och potentiella konsekvenser om dessa inte uppfylldes. Som en del av denna kampanj har vi identifierat över 100 bolag som inte skulle uppfylla våra minimikrav och som riskerade att drabbas av en röstsanktion vid bolagsstämman 2023. Vi har granskat och uppdaterat våra riktlinjer på sektornivå för nettonoll i syfte att mer i detalj införliva våra förväntningar på den viktiga roll som kampen mot avskogning, biologisk mångfald och naturförluster spelar. Vi har också lagt till ett mått för biologisk mångfald i LGIM:s ESG-modell för att bedöma styrkan i företagens program för biologisk mångfald, och ett liknande mått har bedömts i ESG-faktorutvärderingen.

Vår strategi för vatten och avfall har varit fokuserad på reglering och företagsengagemang. Vårt regleringsarbete har handlat om de skador som orsakas av mikroplaster i världens vattensystem, vattensäkerhet och antimikrobiell resistens. ESG-faktorutvärderingen har bedömt företag baserat på deras användning av och policyer för vatten, samt avfallsintensitet. En fråga som LGIM har fokuserat särskilt på är antimikrobiell resistens (AMR). Efter våra inledande samtal om AMR med vattenbolag 2021 beslutade vi att ta ett proaktivt policyfokuserat tillvägagångssätt för att utveckla detta ämne. År 2022 skrev vi till elva internationella organisationer, däribland OECD, EBRD och UNEP, och bad dem att fokusera på fyra nyckelområden för att driva på en marknadsövergripande förbättring av AMR.

#### Sociala PAI:er

Vi har tagit upp viktiga sociala PAI:er, inklusive FN:s Global Compact (UNGC), OECD:s riktlinjer för multinationella företag, inkomstskillnader och mångfald, både könsrelaterad och etnisk. Under 2022 fortsatte vi att införa vår strategi enligt vad som angetts i [L&G:s uttalande om modernt slaveri](#). Vi har varit vaksamma på företag som ansetts ha brutit mot dessa normer genom uteslutningspolicyer som [LGIM Future World Protection List](#), som tillämpats i 62 LGIME-fonder och ETF:er. LGIM har även röstat emot bolag på LGIM Future World Protection List där vi har innehav i andra fonder. Vi har anslutit oss till FN:s PRI Advance, ett nytt initiativ för att främja mänskliga rättigheter som lanserades 2022, och avser att utveckla en policy om mänskliga rättigheter.

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Under 2022 utökade vi vårt samarbete kring fattigdom bland förvärvsarbetande genom att gå med i Platform for Living Wage Financials (PLWF) för att uppmuntra och bedöma portföljbolag utifrån deras åtagande att möjliggöra löner som det går att leva på för arbetstagare i deras leverantörskedja, parallellt med det fortsatta engagemanget inom Good Work Coalition. Under 2022 höll LGIM 38 företagsamtal med 23 enskilda företag för att diskutera inkomstskillnader.

Sedan 2020 har vi fört dialog med företag om deras åtaganden för etnisk mångfald och har krävt transparent rapportering. Årsstämmosäsongen 2022 var den första röstningssäsongen under vilken vi lade röster emot ett bolag på grund av brist på etnisk mångfald i styrelsen. Vi har fortsatt att förespråka en jämn könsfördelning i styrelse, ledning, på chefsnivå och bland medarbetarna. Även 2022 gjorde vi framsteg när det gäller vår inställning till könsfördelningen i bolagsstyrelser. I slutet av året stärkte vi vår röstningspolicy i Nordamerika, Storbritannien och Japan.

#### Förhållningssätt till negativa hållbarhetsindikatorer

Flera faktorer beaktades för att fastställa tillvägagångssättet, inklusive LGIM:s standardiserade ESG-mått, standarder för hållbar finansiering och due diligence-analys av externa dataleverantörers utbud. De negativa hållbarhetsindikatorer som redovisas här omfattar data från LGIM och externa dataleverantörer, inklusive Sustainalytics, ISS och Refinitive. Det bör noteras att tillgängligheten och kvaliteten på uppgifterna fortfarande är mycket begränsad för många negativa hållbarhetsindikatorer inom det breda investeringsuniversumet. Trots begränsningarna avseende uppgifter och metoder upprätthåller LGIM transparens och har på bästa sätt representerat de negativa hållbarhetsindikatorerna så noggrant som för närvarande är praktiskt möjligt.

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## 2.4. Sintesi

LGIME esamina gli impatti principali sulle tematiche di sostenibilità delle sue decisioni di investimento. La presente dichiarazione consolidata riguarda gli effetti negativi più significativi sulle tematiche di sostenibilità di LGIME copre il periodo di riferimento dal 1° gennaio al 31 dicembre 2022. Si tiene a precisare che LGIME è una consociata di Legal & General Investment Management (Holdings) Limited, LEI: 213800MCLBTNE3X4NH27 (LGIMH) e che ha delegato la gestione degli investimenti a LGIM Limited (LEI: 2138005NNERSR7ODIC73) (LGIM). La presente dichiarazione si applica agli investimenti effettuati da LGIM per conto di LGIME. Si precisa che i dati resi noti nella dichiarazione riguardo ai principali impatti sono relativi agli investimenti effettuati da LGIM Ltd per conto dei fondi LGIME (Fondi LGIME) e dei conti di gestione individuale di portafogli (IPM) (portafogli segregati) e/o detenuti in detti fondi e conti.

La Politica di sostenibilità di LGIM stabilisce il contesto necessario per l'interazione dei rischi e delle opportunità di sostenibilità nel processo decisionale d'investimento e tiene conto degli impatti principali negativi (PAI) delle decisioni d'investimento sugli aspetti della sostenibilità. Tale politica è stata formalmente adottata dalle entità del Gruppo LGIM, ivi compresa LGIME, dal dicembre 2022. Per il testo completo della politica sulla sostenibilità, si rimanda alla [Politica in materia di sostenibilità di LGIM](#).

LGIM, per conto di LGIME, contrasta i PAI adottando una serie di misure e modulando gli interventi in base alla propria valutazione della portata e della gravità degli effetti negativi sull'ambiente, sulla società e sull'economia. Abbiamo formalizzato i nostri impegni relativi ai principali PAI, inclusi il cambiamento climatico, la biodiversità e la deforestazione, aderendo alla Net Zero Asset Managers Initiative (NZAMI), al Finance for Biodiversity Pledge e all'impegno della COP 26 per l'eliminazione, dai portafogli di investimento, della deforestazione determinata dalla produzione di derrate agricole. Abbiamo inoltre sviluppato politiche aziendali specifiche per questi PAI, oltre ad una politica contro le armi controverse. Attuiamo queste politiche a livello aziendale attraverso programmi di engagement dedicati, come il Climate Impact Pledge, e politiche di esclusione sulle armi controverse e sul carbone che riguardano tutti i fondi non statunitensi gestiti attivamente e alcuni fondi indicizzati, nonché alcuni mandati segregati, in base alle linee guida fornite dai nostri clienti.

Oltre alle politiche aziendali, LGIM si impegna nella lotta contro i PAI attraverso (i) attività di azionariato attivo, (ii) approfondimenti e azioni da parte del Global Research and Engagement Group (GREG), (iii) processi di investimento sistematici come la valutazione dei fattori ESG e (iv) strategie ESG o di sostenibilità nei fondi LGIME e nei mandati segregati. Maggiori informazioni sulle metodologie utilizzate da LGIM, per conto di LGIME, per contrastare i PAI vengono fornite di seguito.

PAI ambientali

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Nel 2022, LGIM ha continuato a concentrarsi sul cambiamento climatico ampliando la portata del programma di engagement mirato sul clima, LGIM Climate Impact Pledge, passando da 1.000 società in 15 settori a oltre 5.000 società in 20 settori considerati "di rilevanza critica per il clima". Nel 2022 sono state individuate circa 80 società esposte a possibili sanzioni per non aver rispettato gli standard minimi di LGIM. Nel 2021 abbiamo aumentato da 60 a oltre 100 il numero di società oggetto di un engagement approfondito nell'ambito del Climate Impact Pledge. Abbiamo compiuto progressi significativi per migliorare la gamma di fondi LGIME, che include il lancio di tre fondi a neutralità carbonica, quattro ETF e fondi indicizzati basati sul Paris-Aligned Benchmark e l'introduzione di obiettivi di riduzione dell'intensità/impronta delle emissioni di carbonio per 17 fondi. Abbiamo incorporato i fattori climatici nelle nostre metodologie di valutazione ESG attraverso il punteggio LGIM ESG Score e la valutazione dell'ESG Factor Evaluation, in 23 fondi tra indici e strategie attive. In futuro, LGIM continuerà ad impegnarsi nell'iniziativa NZAMI per migliorare il maggior numero di portafogli, e soddisfare i requisiti del quadro di riferimento di LGIM per la [neutralità carbonica](#).

Abbiamo migliorato il nostro approccio alla gestione dell'ambiente pubblicando la [politica di LGIM sulla deforestazione](#), che definisce obiettivi specifici e vincolati nel tempo, all'integrazione della [politica sulla biodiversità](#). Nel 2022 abbiamo avviato una politica di engagement contattando circa 300 società appartenenti a settori critici per la deforestazione, esplicitando le nostre aspettative e le potenziali conseguenze in caso di mancato rispetto. In tale contesto, abbiamo identificato oltre 100 società che non avrebbero rispettato i nostri standard minimi e che rischiavano sanzioni di voto nella stagione delle assemblee generali annuali del 2023. Abbiamo rivisto e aggiornato le valutazioni settoriali della guida sulla neutralità carbonica, per includere in modo più dettagliato le nostre aspettative sul ruolo essenziale della lotta alla deforestazione, alla biodiversità e alla perdita di risorse naturali. Infine abbiamo introdotto un parametro sulla biodiversità per l'attribuzione del punteggio LGIM ESG Score per valutare la forza dei programmi di biodiversità delle aziende e lo stesso parametro è stato incluso nella valutazione ESG Factor Evaluation.

Il nostro approccio alla gestione delle risorse idriche e dei rifiuti si concentra sull'impegno normativo e aziendale. Le nostre attività di coinvolgimento sul piano normativo hanno affrontato i danni causati dalle microplastiche che entrano nei sistemi idrici, la sicurezza idrica e la resistenza antimicrobica. La ESG Factor Evaluation valuta le società in base alla loro gestione e alle loro politiche in materia di utilizzo delle risorse idriche, nonché in base all'efficacia nella gestione dei rifiuti. Un tema su cui LGIM si è particolarmente concentrata è la resistenza antimicrobica (AMR). Dopo le attività iniziali di coinvolgimento sull'AMR con le aziende di fornitura idrica durante il 2021, abbiamo deciso di adottare un approccio proattivo incentrato sulle politiche volte allo sviluppo di quest'area. Nel 2022 abbiamo scritto a 11 organizzazioni internazionali, tra cui l'OCSE, la BERS e l'UNEP, chiedendo loro di concentrarsi su quattro aree chiave per promuovere un miglioramento dell'AMR in tutto il mercato.

PAI sociali



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Abbiamo affrontato i principali PAI sociali, tra cui il Global Compact delle Nazioni Unite (UNGC), le Linee guida dell'OCSE per le imprese multinazionali, la disuguaglianza retributiva e la diversità, sia di genere che etnica. Nel 2022 abbiamo proseguito con l'attuazione della nostra strategia, illustrata nella [Dichiarazione sulla schiavitù moderna](#) di L&G. Attraverso l'adozione di misure di sorveglianza nei confronti delle aziende per cui si è ritenuto che avessero violato tali norme mediante politiche di esclusione – ad esempio la [Future World Protection List](#) di LGIM – che sono state applicate in 62 fondi ed ETF di LGIME. LGIM ha inoltre espresso un voto contrario nei confronti delle società presenti nella LGIM Future World Protection List in cui detiene una partecipazione in altri fondi. Nel 2022 abbiamo aderito a UN PRI Advance, una nuova iniziativa di stewardship finalizzata a promuovere i diritti umani, poiché intendiamo sviluppare una politica sui diritti umani.

Nel 2022 abbiamo ampliato il nostro impegno collaborativo sul tema della povertà lavorativa aderendo alla Platform for Living Wage Financials (PLWF) allo scopo di incoraggiare e valutare le società partecipanti in base al loro impegno a garantire salari di sussistenza ai lavoratori delle rispettive filiere. Inoltre, abbiamo continuato il nostro impegno all'interno della Good Work Coalition. Nel corso del 2022, LGIM ha svolto 38 attività di engagement con 23 società al fine di discutere la disparità retributiva.

A partire dal 2020, abbiamo aperto un dialogo con le aziende sul loro impegno sulla diversità etnica, richiedendo informazioni trasparenti in merito. Nel corso della stagione delle assemblee generali annuali del 2022, abbiamo espresso un voto contrario nei confronti di un'azienda che non ha dimostrato una giusta rappresentanza etnica nel proprio consiglio di amministrazione. Abbiamo continuato a sostenere la diversità di genere a livello di consiglio di amministrazione, esecutivo, management e lavoratori. Nel 2022 abbiamo fatto progressi anche per quanto riguarda la nostra rappresentanza di genere a livello di consiglio di amministrazione. A fine anno abbiamo potenziato le nostre politiche di voto in Nord America, Regno Unito e Giappone.

#### Approccio agli indicatori di sostenibilità avversi

Per definire l'approccio sono stati presi in considerazione diversi fattori, tra cui i parametri ESG standard di LGIM, gli standard di finanza sostenibile e la due diligence sulla fornitura dei dati di terzi. Gli indicatori di sostenibilità avversi qui riportati comprendono i dati provenienti da LGIM e da fornitori di dati di terzi, come Sustainalytics, ISS e Refinitive. Si evidenzia che la disponibilità e la qualità dei dati sono tuttora molto limitate per molti indicatori di sostenibilità avversi nell'ambito del più ampio universo di investimento. Nonostante le attuali limitazioni in termini di dati e metodologie, LGIM si impegna a promuovere la trasparenza e ha adottato tutte le misure necessarie per garantire la massima accuratezza possibile nella presentazione degli indicatori di sostenibilità avversi.

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## 2.5. Resumen

LGIME tienen en cuenta las Principales Incidencias Adversas (o "PAI": Principal Adverse Impact en inglés) de sus decisiones de inversión sobre los factores de sostenibilidad. La presente declaración es la declaración consolidada sobre las principales incidencias adversas en los factores de sostenibilidad de LGIME y abarca el periodo de referencia del 1 de enero al 31 de diciembre de 2022. Cabe destacar que LGIME es una sociedad dependiente de Legal & General Investment Management (Holdings) Limited, IPJ: 213800MCLBTNE3X4NH27 (LGIMH) y ha delegado la gestión de inversiones en LGIM Limited (IPJ: 2138005NNERSR7ODIC73) (LGIM). Por tanto, esta declaración se refiere a actividades de inversión realizadas por LGIM por cuenta de LGIME. Cabe destacar que los datos divulgados en la declaración relativa a las principales incidencias adversas se refieren a inversiones realizadas por LGIM Ltd por cuenta de y/o mantenidas en fondos de LGIME (fondos de LGIME) y cuentas de gestión de carteras individuales (IPM) (carteras segregadas).

La Política de Sostenibilidad de LGIM establece el marco mediante el cual LGIM integra los riesgos y las oportunidades de sostenibilidad en el proceso de toma de decisiones de inversión y considera las principales incidencias adversas (PIA) de las decisiones de inversión sobre los factores de sostenibilidad. Esta política ha sido adoptada formalmente por entidades del Grupo LGIM, incluida LGIME, en diciembre de 2022. Consulte la [Política de sostenibilidad de LGIM](#) para conocer la política de sostenibilidad completa.

LGIM, por cuenta de LGIME, aborda las PIAs a través de variedad de medidas y en diversos grados según nuestra evaluación de la escala y la gravedad de las incidencias adversas sobre el medio ambiente, la sociedad y las economías. Hemos formalizado nuestros compromisos con las PIA clave, incluidos el cambio climático, la biodiversidad y la deforestación, convirtiéndonos en signatarios de la Iniciativa Net Zero de Gestores de Activos (NZAMI), Financiación para el compromiso con la biodiversidad y el Compromiso de la COP 26 sobre la eliminación de la deforestación impulsada por productos básicos agrícolas de las carteras de inversión. Hemos desarrollado políticas para toda la empresa con respecto a estas PIAs, así como una política relativa a armas controvertidas. Implementamos estas políticas en toda la empresa a través de programas de implicación específicos, como el Compromiso de impacto climático, y políticas de exclusión sobre armas controvertidas y carbón que abarcan todos los fondos gestionados activamente fuera de los Estados Unidos y ciertos fondos indexados, así como ciertos mandatos segregados, según lo indique nuestra clientela.

Además de las políticas de toda la empresa, LGIM también busca abordar las PIA a través de (i) actividades de propiedad activa, (ii) conocimientos y acciones de los Grupos de Investigación e Implicación Globales (GREG), (iii) procesos de inversión sistemáticos como la Evaluación de factores ESG y (iv) estrategias ESG o de sostenibilidad en fondos LGIME y mandatos segregados. A continuación, puede obtener más información sobre cómo LGIM, en nombre de LGIME, ha abordado las PIAs.

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## PIA medioambientales

En 2022, continuamos enfocándonos en el cambio climático. Aumentamos la cobertura de nuestro programa específico de implicación climática, el Compromiso de impacto climático de LGIM, de 1.000 empresas en 15 sectores a más de 5.000 empresas en 20 sectores 'climáticos críticos'. En 2022, cerca de 80 empresas fueron identificadas como sujetas a posibles sanciones electorales por no cumplir con nuestros estándares mínimos. Aumentamos la cantidad de empresas sujetas a un compromiso profundo bajo el Compromiso de Impacto Climático a más de 100, frente a las 60 de 2021. Tomamos medidas significativas para mejorar nuestra gama de fondos de LGIME; por ejemplo, lanzamos tres fondos netos cero, incluyendo cuatro fondos con índices de referencia armonizados con el Acuerdo de París y ETFs, e introdujimos objetivos de reducción en la intensidad/huella de las emisiones de carbono para 17 fondos. Incorporamos factores climáticos en nuestras metodologías de evaluación ESG a través de el puntaje ESG de LGIM y la Evaluación de factores ESG, que se introdujeron en 23 fondos de índices y estrategias activas. En el futuro, nuestros compromisos con la NZAMI continuarán dirigiendo nuestros esfuerzos hacia la mejora de más carteras para cumplir los requisitos del [marco neto cero](#) de LGIM.

Mejoramos nuestro enfoque hacia la naturaleza publicando la [Política de deforestación de LGIM](#) que establece objetivos específicos con plazos determinados, para complementar la [política de biodiversidad](#). En 2022, escribimos a unas 300 empresas de sectores críticos desde el punto de vista de la deforestación explicando nuestras expectativas y las posibles consecuencias si no se cumplen. Como parte de esta campaña de compromiso, identificamos más de 100 empresas que no cumplirían con nuestras expectativas mínimas y que corrían el riesgo de que se les aplicara una sanción por voto en la temporada de la Junta General de Accionistas de 2023. Revisamos y actualizamos nuestras evaluaciones orientativas sectoriales sobre neutralidad para incorporar con más detalle nuestras expectativas sobre la función esencial de combatir la deforestación, la biodiversidad y la pérdida de la naturaleza. También incorporamos un parámetro de biodiversidad al puntaje ESG de LGIM con el fin de evaluar la solidez de los programas de biodiversidad de las empresas, y se evaluó una métrica similar en la evaluación de factores ESG.

Nuestro enfoque hacia el agua y los desechos se centró en el compromiso regulatorio y corporativo. Nuestro compromiso regulatorio abordó el daño causado por los microplásticos que entran en nuestros sistemas de agua, la seguridad del agua y la resistencia a los antimicrobianos. La Evaluación de factores ESG evaluó a las empresas en función de su uso y políticas sobre el agua, así como de su intensidad de los residuos. Un problema en el que LGIM se ha centrado particularmente es la resistencia a los antimicrobianos (RMA). Tras nuestras implicaciones iniciales sobre la RAM con empresas de suministro de agua en 2021, decidimos adoptar un enfoque proactivo centrado en políticas para avanzar en este tema. En 2022, escribimos a 11 organizaciones internacionales, incluidas la OCDE, el BERD y el PNUMA, para pedirles que se centren en cuatro áreas clave para impulsar la mejora de la RMA en todo el mercado.

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## PIA sociales

Abordamos PIA sociales clave, incluidos el Pacto Mundial de las Naciones Unidas (UNGC), las Líneas Directrices de la OCDE para Empresas Multinacionales, la desigualdad de ingresos y la diversidad, tanto de género como étnica. En 2022, continuamos implementando nuestra estrategia según se establece en la [Declaración sobre esclavitud moderna de L&G](#). Prestamos atención a aquellas empresas que se considera que han infringido estas normas mediante políticas de exclusión como la [Lista de protección mundial futura de LGIM](#), que se aplicó a 62 fondos y ETF de LGIME. LGIM también votó en contra de las empresas de la Lista de protección mundial futura de LGIM en las que mantenemos participación en otros fondos. Creada en 2022, nos incorporamos a Advance, de UN PRI, una nueva iniciativa de administración para promover los derechos humanos, y es nuestra intención desarrollar una política sobre derechos humanos.

En 2022, ampliamos nuestro compromiso con la colaboración contra la pobreza en el trabajo uniéndonos a la Plataforma para unas finanzas con salarios dignos (PLWF) con el fin de alentar y evaluar a las empresas en las que se invierte en su compromiso con unos salarios dignos para los trabajadores de sus cadenas de suministro, además del compromiso constante en el marco de la Coalición para un buen trabajo. Durante 2022, LGIM dialogó en 38 ocasiones con 23 empresas para abordar la desigualdad de ingresos.

Desde 2020, nos hemos implicado con las empresas en sus compromisos con la diversidad étnica y hemos exigido información transparente. La temporada de la Junta General de Accionistas de 2022 fue la primera temporada de votaciones en la que emitimos votos en contra de una empresa debido a la falta de diversidad étnica en su consejo. Continuamos abogando por la diversidad de género en el consejo, la junta directiva, la dirección y la plantilla. En 2022, también se produjeron avances en nuestra postura hacia la representación por géneros en el consejo de las empresas. Al final del año, fortalecimos nuestras políticas de votación en América del Norte, el Reino Unido y Japón.

## Enfoque hacia los indicadores adversos de sostenibilidad

Se consideraron varios factores para determinar el enfoque, incluidos las métricas ESG estándar de LGIM, los estándares de finanzas sostenibles y la debida diligencia en la oferta de proveedores de datos externos. Los indicadores adversos de sostenibilidad que aquí se indican comprenden datos de LGIM y proveedores de datos externos, incluidos Sustainalytics, ISS y Refinitive. Cabe destacar que la disponibilidad y la calidad de los datos siguen siendo muy limitadas en numerosos indicadores adversos de sostenibilidad en el conjunto del universo de inversión. A pesar de las limitaciones de los datos y las metodologías, LGIM sigue comprometida con la transparencia y, en la base de sus mejores esfuerzos, ha representado los indicadores adversos de sostenibilidad con la mayor precisión que le resulta posible en la actualidad.

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## 2.6. Résumé

LGIME prend en compte les principales incidences négatives de ses décisions d'investissement sur les facteurs de durabilité. La présente déclaration est la déclaration consolidée relative aux principales incidences négatives sur les facteurs de durabilité de LGIME et couvre la période de référence du 1<sup>er</sup> janvier au 31 décembre 2022. À noter que LGIME est une filiale de Legal & General Investment Management (Holdings) Limited, LEI : 213800MCLBTNE3X4NH27 (LGIMH) et a délégué la gestion des investissements à LGIM Limited (LEI : 2138005NNERSR7ODIC73) (LGIM). Par conséquent, cette déclaration se réfère aux activités d'investissement entreprises par LGIM pour le compte de LGIME. Il convient de noter que les données divulguées dans la déclaration concernant les principales incidences négatives relative aux investissements effectués par LGIM Ltd au nom de et/ou détenus dans les fonds LGIME (fonds LGIME) et la gestion de portefeuilles individuels (portefeuilles distincts).

La politique de LGIM en matière de durabilité définit le cadre dans lequel LGIM intègre les risques et les opportunités liés à ce dernier dans le processus de prise de décision en matière d'investissement et prend en compte les principales incidences négatives (PAI, Principal adverse impacts en anglais) des décisions d'investissement sur le développement durable. Cette politique a été formellement adoptée par les entités du groupe LGIM, y compris LGIME, à compter de décembre 2022. Veuillez vous reporter à la [Politique de développement durable de LGIM](#) pour consulter l'intégralité de la politique de développement durable.

LGIM, au nom de LGIME, aborde les PAI par le biais de différentes mesures et à des degrés divers en fonction de notre évaluation de l'ampleur et de la gravité des incidences négatives sur l'environnement, la société et les économies. Nous avons formalisé nos engagements à l'égard des principaux indicateurs des PAI, notamment le changement climatique, la biodiversité et la déforestation, en devenant signataires de l'initiative Net Zero Asset Managers Initiative (NZAMI), de l'engagement Finance for Biodiversity Pledge et de l'engagement de la COP 26 sur l'élimination des portefeuilles d'investissement les produits agricoles liés à la déforestation. Nous avons élaboré des politiques à l'échelle de l'entreprise pour ces PAI, ainsi qu'une politique relative aux armes controversées. Nous mettons en œuvre ces politiques à l'échelle de l'entreprise par le biais de programmes d'engagement spécifiques, tels que le Climate Impact Pledge, et de politiques d'exclusion des armes controversées et du charbon qui couvrent tous les fonds actifs américains et certains fonds indiciels, ainsi que certains mandats ségréges, selon les instructions de nos clients.

Outre les politiques à l'échelle de l'entreprise, LGIM s'efforce également d'aborder les PAI par le biais (i) d'activités d'actionnariat actif, (ii) de réflexions et d'actions menées par les Global Research and Engagement Groups (GREGs), (iii) de processus d'investissement systématiques tels que l'évaluation des facteurs ESG, et (iv) de stratégies ESG ou de développement durable dans les fonds LGIME et les mandats ségréges. Vous trouverez ci-dessous de plus amples informations sur la manière dont LGIM, au nom de LGIME, a abordé les PAI.

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## PAI environnementaux

En 2022, nous avons continué à nous concentrer sur le changement climatique. Nous avons étendu la couverture de notre programme d'engagement climatique ciblé, le LGIM Climate Impact Pledge, de 1 000 entreprises dans 15 secteurs à plus de 5 000 entreprises dans 20 secteurs « critiques pour le climat ». En 2022, environ 80 entreprises ont été identifiées comme susceptibles de faire l'objet de sanctions en matière de vote parce qu'elles ne respectaient pas nos normes minimales. Nous avons augmenté le nombre d'entreprises faisant l'objet d'un engagement approfondi dans le cadre du Climate Impact Pledge, qui est passé de 60 en 2021 à plus de 100. Nous avons pris des mesures importantes pour améliorer notre gamme de fonds LGIME, notamment en lançant trois fonds à neutralité carbone, quatre fonds indiciels et ETF en ligne avec la norme Paris Aligned Benchmark (PAB) et en introduisant des objectifs de réduction de l'intensité/empreinte des émissions carbone pour 17 fonds. Nous avons intégré les facteurs climatiques dans nos méthodes d'évaluation ESG par le biais du LGIM ESG Score et de l'évaluation des facteurs ESG, qui ont été mis en œuvre dans 23 fonds dans le cadre de stratégies indicielles et actives. À l'avenir, nos engagements dans le cadre de l'initiative NZAMI continueront d'orienter nos efforts vers l'amélioration d'un plus grand nombre de portefeuilles afin de répondre aux exigences de LGIM en matière de [cadre de neutralité carbone](#).

Nous avons renforcé notre approche vis-à-vis la nature en publiant la [Politique de LGIM en matière de déforestation](#) qui fixe des objectifs spécifiques assortis d'échéances, afin de venir compléter l'action de la [Politique de biodiversité](#). En 2022, nous avons écrit à environ 300 entreprises des secteurs essentiels pour la déforestation pour leur expliquer nos attentes et les conséquences potentielles si elles n'étaient pas satisfaites. Dans le cadre de cette campagne d'engagement, nous avons identifié plus de 100 entreprises qui ne répondraient pas à nos attentes minimales et qui risquaient de se voir appliquer une sanction de vote lors des assemblées générales d'actionnaires de 2023. Nous avons revu et mis à jour nos évaluations du guide sectoriel relatif à la « neutralité carbone » afin d'intégrer de manière plus détaillée nos attentes concernant le rôle essentiel de la lutte contre la déforestation, la biodiversité et les dommages causés à la nature. Nous avons également ajouté un indicateur de biodiversité au LGIM ESG Score afin d'évaluer la solidité des programmes de biodiversité des entreprises, et un indicateur similaire a été intégré à l'évaluation des facteurs ESG.

Notre approche de l'eau et des déchets est axée sur la réglementation et l'engagement des entreprises. Notre engagement réglementaire a porté sur les dommages causés par les microplastiques qui pénètrent dans nos systèmes d'eau, sur la sécurité de l'eau et sur la résistance aux antimicrobiens. L'évaluation des facteurs ESG a examiné les entreprises en fonction de leur utilisation de l'eau et de leurs politiques dans ce domaine, ainsi que de l'intensité des déchets. La résistance aux antimicrobiens (AMR) est une question sur laquelle LGIM s'est particulièrement penché. À la suite de nos premiers engagements sur l'AMR avec les compagnies des eaux en 2021, nous avons décidé d'adopter une approche proactive axée sur les politiques pour faire avancer ce sujet. En 2022, nous avons écrit à 11 organisations internationales, dont l'OCDE, la BERD et le PNUE, pour leur demander de se

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concentrer sur quatre domaines clés afin de favoriser une amélioration de la résistance aux antimicrobiens à l'échelle du marché.

## PAI sociaux

Nous avons abordé les principaux PAI sociaux, notamment le Pacte mondial des Nations unies (UNGC), les principes directeurs de l'OCDE à l'intention des entreprises multinationales, l'inégalité des revenus et la diversité, tant sur le plan du genre que sur celui de l'origine ethnique. En 2022, nous avons poursuivi la mise en œuvre de notre stratégie, telle qu'elle est exposée dans le document [Déclaration de L&G sur l'esclavage moderne](#). Nous avons été vigilants à l'égard des entreprises considérées comme ayant violé ces normes par le biais de politiques d'exclusion telles que la [Liste de protection LGIM Future World](#), qui ont été appliquées dans 62 fonds et ETF LGIME. LGIM a également voté contre des entreprises figurant sur la liste de protection LGIM Future World et dans lesquelles nous détenons des participations dans d'autres fonds. Lancés en 2022, nous avons rejoint UN PRI Advance, une nouvelle initiative d'actionnariat actif visant à promouvoir les droits de l'homme, et avons l'intention d'élaborer une politique relative à ces droits.

En 2022, nous avons élargi notre collaboration sur la pauvreté au travail en rejoignant la Platform for Living Wage Financials (PLWF, Plate-forme pour un salaire minimum vital) afin d'encourager et d'évaluer les entreprises dans lesquelles nous investissons sur leur engagement à offrir des salaires décentes aux travailleurs de leur chaîne d'approvisionnement, tout en poursuivant notre engagement dans le cadre de la Good Work Coalition. Au cours de l'année 2022, LGIM a organisé 38 actions avec 23 entreprises pour discuter des inégalités de revenus.

Depuis 2020, nous nous engageons auprès des entreprises sur leurs responsabilités en matière de diversité ethnique et nous exigeons des rapports transparents. La saison des assemblées générales 2022 a été la première saison de vote au cours de laquelle nous avons voté contre une entreprise en raison d'un manque de diversité ethnique au sein du conseil d'administration. Nous avons continué à plaider en faveur de la diversité des sexes au niveau du conseil d'administration, de la direction, des cadres et du personnel. 2022 a également marqué des progrès dans notre position sur la représentation des sexes au niveau des conseils d'administration des entreprises. À la fin de l'année, nous avons renforcé nos politiques de vote en Amérique du Nord, au Royaume-Uni et au Japon.

## Approche en cas d'indicateurs défavorables au développement durable

Plusieurs facteurs ont été pris en compte pour déterminer l'approche, notamment les mesures ESG standard de LGIM, les normes de finance durable et la vérification préalable de l'offre des fournisseurs de données externes. Les indicateurs défavorables au développement durable présentés ici comprennent des données de LGIM et de fournisseurs de données externes, notamment Sustainalytics, ISS et Refinitive. Il convient de noter que la disponibilité et la qualité des données sont encore très limitées pour de nombreux indicateurs défavorable aux développement

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durable dans l'univers d'investissement au sens large. Nonobstant les limites des données et des méthodologies, LGIM reste attaché à la transparence et s'est efforcé de représenter les indicateurs défavorable au développement durable de la manière la plus précise possible.



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## 2.7. Sammendrag

LGIME tar hensyn til de viktigste negative virkningene av investeringsbeslutninger på bærekraftsfaktorer. Denne erklæringen er den konsoliderte erklæringen om de viktigste negative virkningene på bærekraftsfaktorene for LGIME og dekker referanseperioden fra 1. januar til 31. desember 2022. Det skal bemerkes at LGIME er et datterselskap av Legal & General Investment Management (Holdings) Limited, LEI: 213800MCLBTNE3X4NH27 (LGIMH) og har delegert investeringsforvaltning til LGIM Limited (LEI: 2138005NNERSR7ODIC73) (LGIM). Derfor refererer denne erklæringen til investeringsaktiviteter utført av LGIM på vegne av LGIME. Det skal bemerkes at dataene i erklæringen knyttet til de viktigste negative virkningene gjelder investeringer foretatt av LGIM Ltd på vegne av og/eller holdt i LGIME-fond (LGIME-fond) og IPM-kontoer (segregerte porteføljer).

LGIMs bærekraftspolicy angir rammeverket som LGIM bruker til å integrere bærekraftsrisikoer og muligheter med i investeringsbeslutningsprosessen, og vurderer de viktigste negative påvirkningene (PAI-ene) av investeringsbeslutninger på bærekraftshensyn. Disse retningslinjene er formelt vedtatt av enheter innenfor LGIM-gruppen, inkludert LGIME, fra desember 2022. Se [LGIMs bærekraftspolicy](#) for den fullstendige bærekraftspolicyen.

LGIM, på vegne av LGIME, adresserer PAI-er gjennom en rekke tiltak, og i varierende grad, avhengig av vår vurdering av skalaen og alvorlighetsgraden av negative virkninger på miljøet, samfunnet og økonomien. Vi har formalisert våre forpliktelser til sentrale PAI-er inkludert klimaforandringer, biologisk mangfold og avskoging ved å signere Net Zero Asset Managers Initiative (NZAMI), Finance for Biodiversity Pledge og COP 26 Commitment on Eliminating Agricultural Commodity Driven Deforestation from Investment Portfolios (forpliktelse til å eliminere landbruksvaredekket avskoging fra investeringsporteføljer). Vi har utviklet retningslinjer for hele bedriften for disse PAI-ene, i tillegg til retningslinjer for kontroversielle våpen. Vi implementerer disse retningslinjene for hele bedriften gjennom dedikerte engasjementsprogrammer, som Climate Impact Pledge, og eksklusjonsretningslinjer for kontroversielle våpen og kull som dekker alle aktivt forvaltede fond (untatt amerikanske fond), noen indeksfond, og segregerte mandater der instruert av kunden.

I tillegg til retningslinjer for hele bedriften søker LGIM også å adressere PAI-er gjennom (i) aktive eierskapsaktiviteter, (ii) innsikt og handlinger av Global Research and Engagement Groups (GREG), (iii) systematiske investeringsprosesser som for eksempel ESG Factor Evaluation, og (iv) ESG eller bærekraftstrategier i LGIME fond og segregerte mandater. Ytterligere informasjon om hvordan LGIM, på vegne av LGIME, adresserte PAI-er finner du nedenfor.

### Miljø PAI-er

I 2022 fortsatte vi å fokusere på klimaforandringer. Vi økte dekningen av vårt målrettede klimaengasjementsprogram, LGIM Climate Impact Pledge fra 1000 selskaper i 15 "klimakritiske" sektorer til over 5000 selskaper i over 20 sektorer. I 2022 ble ca. 80 selskaper identifisert som underlagt potensielle stemmesanksjoner

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for ikke å oppfylle minimumsstandardene våre. Vi økte antallet selskaper som er underlagt dyptgående engasjement under Climate Impact Pledge til over 100, fra 60 i 2021. Vi tok betydelige skritt for å forbedre vårt LGIME-fondutvalg, inkludert lansering av tre nettonullfond, fire Paris-Aligned benchmark indeksfond og ETF-er, og introduserte reduksjonsmål for karbonutslippsintensitet/karbonavtrykk for 17 fond. Vi inkorporerte klimafaktorer i våre ESG-vurderingsmetoder gjennom LGIM ESG Score og ESG Factor Evaluation, som ble implementert i 23 fond på tvers av indeks og aktive strategier. I fremtiden vil våre NZAMI-forpliktelser fortsette å rette vår innsats mot å forbedre flere porteføljer for å møte LGIMs [nettonull-ramme](#) krav.

Vi forbedret vår tilnærming til naturen ved å publisere [LGIMs avskogingsretningslinjer](#) som angir spesifikke tidsbestemte mål for å utfylle [retningslinjene for biologisk mangfold](#). I 2022 skrev vi til rundt 300 selskaper fra avskogingskritiske sektorer og forklarte våre forventninger og potensielle konsekvenser dersom disse ikke ble innfridd. Som en del av denne engasjementskampanjen identifiserte vi over 100 selskaper som ikke ville oppfylle minimumsforventningene våre og som stod i fare for at en stemmesanksjon ble iverksatt i generalforsamlingssesongen 2023. Vi oppdaterte våre nettonull sektorguider for å inkludere i mer detalje våre forventninger på den essensielle rollen til å bekjempe avskoging, biologisk mangfold og naturtap. Vi har også lagt til en biologisk mangfoldsberegning i LGIMs ESG-score for å vurdere styrken av en selskaps biologiske mangfoldsprogrammer, og en lignende beregning ble vurdert i ESG Factor Evaluation.

Vår tilnærming til vann og avfall sentrerer seg om regulatoriskengasjement og bedriftsengasjement. Det regulatoriske engasjementet vårt adresserte skaden forårsaket av mikroplast som kommer inn i vannsystemene våre, vannsikkerhet og antimikrobiell resistens. ESG Factor Evaluation vurderte selskaper basert på dem sitt bruk av retningslinjer for vann og avfallsintensitet. En problemstilling som LGIM har fokusert spesielt på er antimikrobiell resistens (AMR). Etter våre innledende engasjementer for AMR med vannforsyningsselskaper i 2021, bestemte vi oss for å ta en proaktiv retningslinjefokusert tilnærming for å komme videre med dette emnet. I 2022 skrev vi til 11 internasjonale organisasjoner, inkludert OECD, EBRD og UNEP, og ba dem fokusere på fire hovedområder for å presse på for markedsomfattende forbedring av AMR.

## Sosiale PAI-er

Vi adresserte sentrale sosiale PAI-er, inkludert UN Global Compact (UNGC), OECDs retningslinjer for multinasjonale foretak, inntektsulikhet og mangfold, både for kjønn og etnisk. I 2022 fortsatte vi å implementere strategien vår som er beskrevet i [L&Gs erklæring om moderne slaveri](#). Vi var på vakt mot selskaper som ble ansett for å ha brutt disse normene igjennom eksklusjonsretningslinjer som de i [LGIMs Future World Protection List](#), som er brukt i 62 LGIME-fond og ETF-er. LGIM stemte også mot selskaper på LGIMs liste over fremtidig global beskyttelse hvor vi har en eierandel i andre fond. Lansert i 2022, vi har blitt med på UN PRI Advance, et nytt forvaltningsinitiativ for å fremme menneskerettigheter og har til hensikt å utvikle retningslinjer for menneskerettigheter.

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I 2022 utvidet vi vårt samarbeidsengasjement om fattigdom blant arbeidende ved å bli med i Platform for Living Wage Financials (PLWF) for å oppmuntre og vurdere selskaper som er investert i forpliktelsen deres til å muliggjøre levelønn for arbeidere i forsyningskjeden, sammen med fortsatt engasjement under Good Work Coalition. I løpet av 2022 hadde LGIM 38 selskapsengasjementer med 23 individuelle selskaper for å diskutere inntektsulikhet.

Siden 2020 har vi vært i kontakt med selskaper om forpliktelsene deres til etnisk mangfold og har krevd transparent rapportering. AGM-sesongen 2022 var den første avstemningssesongen der vi stemte mot et selskap på grunn av mangel på etnisk mangfold på styrenivå. Vi fortsatte å gå inn for kjønns mangfold på styrenivå, ledelsesnivå og arbeidsstyrkenivå. 2022 markerte også fremgang i holdningen vår til kjønnsrepresentasjon på selskapsstyrenivå. På slutten av året styrket vi stemmeretningslinjene våre i Nord-Amerika, Storbritannia og Japan.

#### Tilnærming til negative bærekraftsindikatorer

Flere faktorer ble vurdert for å bestemme tilnærmingen, inkludert LGIMs standard ESG-beregninger, bærekraftige finansstandarder og tilbørlig aktsomhet for eksterne dataleverandørers tilbud. De negative bærekraftsindikatorerne som er rapportert her, omfatter data fra LGIM og eksterne dataleverandører, inkludert Sustainalytics, ISS og Refinitive. Merk at tilgjengeligheten og kvaliteten på data fortsatt er svært begrenset for mange negative bærekraftsindikatorer innenfor investeringsuniverset. Til tross for begrensningene med hensyn til data og metoder er LGIM forpliktet til åpenhet og har på best mulig grunnlag presentert de negative bærekraftsindikatorerne så nøyaktig som det er praktisk mulig for øyeblikket.

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## 2.8. Resumé

LGIME overvejer de vigtigste negative indvirkninger af sine investeringsbeslutninger vedrørende bæredygtighedsfaktorer. Nærværende erklæring er den konsoliderede erklæring om væsentligste negative indvirkninger på bæredygtighedsfaktorer for LGIME og dækker referenceperioden fra 1. januar til 31. december 2022. Det skal bemærkes, at LGIME er et datterselskab af Legal & General Investment Management (Holdings) Limited, LEI: 213800MCLBTNE3X4NH27 (LGIMH) og har uddelegeret investeringsforvaltning til LGIM Limited (LEI: 2138005NNERSR7ODIC73) (LGIM). Derfor henviser denne erklæring til investeringsaktiviteter, foretaget af LGIM på vegne af LGIM. Det skal bemærkes, at fremlagte data i denne erklæring, som er knyttet til de væsentligste negative indvirkninger, vedrører investeringer foretaget af LGIM Ltd på vegne af/eller indeholdt i LGIME-fonde (LGIME-fonde) og individuelle porteføljeforvaltningskonti (IPM-konti) (Adskilte Porteføljer).

LGIM's bæredygtighedspolitik fastlægger rammerne for, hvordan LGIM integrerer bæredygtighedsrisici og -muligheder i investeringsbeslutningsprocessen og overvejer de væsentligste negative indvirkninger (PAI'er) af investeringsbeslutninger på bæredygtighed. Denne politik er blevet formelt vedtaget af enheder inden for LGIM-koncernen, herunder LGIME, fra december 2022. Se venligst [LGIM Bæredygtighedspolitik](#) for bæredygtighedspolitikken i dens fulde længde.

LGIM, på vegne af LGIME, tager hensyn til PAI'er gennem en række forskellige foranstaltninger og i varierende grad afhængigt af vores vurdering af omfanget og alvoren af negative påvirkninger på miljøet, samfundet og økonomien. Vi har formaliseret vores forpligtelser over for vigtige PAI'er, herunder klimaforandringer, biodiversitet og skovrydning, ved at underskrive Net Zero Asset Managers Initiative (NZAMI), Finance for Biodiversity Pledge og COP 26-forpligtelsen om eliminering af landbrugsråvaredrevet skovrydning fra investeringsporteføljer. Vi har udviklet politikker for hele virksomheden om disse PAI'er, såvel som en politik for kontroversielle våben. Vi implementerer disse virksomhedsdækkende politikker gennem dedikerede engagementsprogrammer, såsom Climate Impact Pledge, og eksklusionspolitikker for kontroversielle våben og kul, der dækker alle ikke-amerikanske, aktivt forvaltede fonde og visse indeksfonde, samt visse adskilte mandater, som anvist af vores klienter.

Ud over politikker, der er gældende for hele virksomheden, søger LGIM også at fokusere på PAI'er gennem (i) aktive ejerskabsaktiviteter, (ii) indsigt og handlinger fra globale research- og engagementsgrupper (GREG'er), (iii) systematiske investeringsprocesser såsom ESG-faktorevaluering, og (iv) ESG- eller bæredygtighedsstrategier i LGIME-fonde og adskilte mandater. Yderligere oplysninger om, hvordan LGIM, på vegne af LGIME, inddrog PAI'er, kan findes herunder.

### Miljømæssige PAI'er

I 2022 fortsatte i vores fokus på klimaforandringer. Vi øgede dækningen af vores målrettede klimaengagementsprogram, LGIM Climate Impact Pledge, fra 1.000

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virksomheder i 15 sektorer til over 5.000 virksomheder på tværs af 20 'klimakritiske' sektorer. I 2022 blev omkring 80 virksomheder identificeret som underlagt potentielle stemmesanktioner for ikke at leve op til vores minimumsstandarder. Vi øgede antallet af virksomheder, der er underlagt dybdegående engagement under Climate Impact Pledge fra 60 i 2021 til over 100. Vi tog væsentlige skridt for at forbedre vores LGIME-fondsudvalg, herunder lancering af tre netto-nul-fonde, lancering af fire Paris-tilpassede benchmark-indeksfonde og ETF'er, og indførte reduktionsmål for CO<sub>2</sub>-udledningsintensitet/fodaftrek for 17 fonde. Vi inkorporerede klimafaktorer i vores ESG-vurderingsmetoder gennem LGIM ESG Score og ESG Factor Evaluation, som blev implementeret i 23 fonde på tværs af indeks- og aktive strategier. Fremadrettet vil vores NZAMI-forpligtelser fortsat styre vores indsats i retning af flere porteføljer, der opfylder LGIM's [netto-nul-rammers](#) krav.

Vi styrkede vores naturtilgang ved at publicere [LGIM's skovrydningspolitik](#) that sets out specific time-bound targets, to complement the [biodiversity policy](#). I 2022 skrev vi til cirka 300 virksomheder fra skovrydningskritiske sektorer og forklarede vores forventninger og potentielle konsekvenser, hvis disse ikke blev opfyldt. Som del af denne engagementskampagne identificerede vi over 100 virksomheder, der ikke ville leve op til vores minimumsforventninger og var i risiko for, at en stemmesanktion blev påført i generalforsamlingssæsonen 2023. Vi har gennemgået og opdateret vores netto-nul sektorvejledningsvurderinger for mere detaljeret at inkorporere vores forventninger til den væsentlige rolle at bekæmpe skovrydning, biodiversitet og naturtab. Vi har også tilføjet en biodiversitetsmetrik til LGIM ESG Score, der vurderer styrken af virksomheders biodiversitetsprogrammer, og en lignende metrik blev vurderet i ESG-faktorevaluering.

Vores tilgang til vand og spild fokuserede på lovgivning og virksomhedsengagement. Vores lovgivningsmæssige engagement adresserede skader forårsaget af mikroplastik, der trænger ind i vores vandsystemer, vandsikkerhed og antimikrobiel resistens. ESG-faktorevaluering vurderede virksomheder ud fra deres brug af og politikker vedrørende vand, samt spildintensitet. LGIM har været særligt fokuseret på ét område, nemlig antimikrobiel resistens (AMR). Efter vores indledende AMR-engagement med vandforsyningsselskaber i 2021, besluttede vi at anvende en proaktiv, politikfokuseret tilgang til at komme videre med dette emne. I 2022 skrev vi til 11 internationale organisationer, herunder OECD, EBRD og UNEP, og bad dem om at fokusere på fire nøgleområder for at presse på for en markedsdækkende forbedring af AMR.

### Sociale PAI'er

Vi behandlede vigtige sociale PAI'er, herunder UN Global Compact (UNGC), OECD's retningslinjer for multinationale virksomheder, indkomstulighed og mangfoldighed, både vedrørende køn og etnicitet. I 2022 fortsatte vi med at implementere vores strategi, som beskrevet i [L&G's erklæring om moderne slaveri](#). Vi var på vagt over for virksomheder, der blev anset for at have overtrådt disse normer gennem eksklusionspolitikker som f.eks. [LGIM's Future World Protection List](#), som blev anvendt på 62 LGIM-fonde og ETF'er. LGIM stemte også imod selskaber på LGIM Future World Protection List, hvor vi bevarer en ejerandel i andre fonde. Siden

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lanceringen i 2022 har vi tilsluttet os UN PRI Advance, et nyt forvaltningsinitiativ til fremme af menneskerettigheder og har til hensigt at udvikle en politik om menneskerettigheder.

I 2022 udvidede vi vores samarbejde om fattigdom blandt arbejdstagere ved at tilslutte os Platform for Living Wage Financials (PLWF) for at opmuntre og vurdere virksomheder, der er investeret i, om deres forpligtelse til at muliggøre leveløn for arbejderne i deres forsyningskæde sammen med et fortsat engagement under Good Work Coalition. I løbet af 2022 afholdt LGIM 38 virksomhedsengagementer med 23 individuelle virksomheder for at diskutere indkomstulighed.

Siden 2020 har vi rakt ud til virksomheder om deres forpligtelser til etnisk diversitet og har stillet krav om transparent afrapportering. Generalforsamlingssæsonen i 2022 var den første afstemningssæson, hvor vi afgav stemmer imod en virksomhed på grund af manglende etnisk mangfoldighed på bestyrelsesniveau. Vi fortsatte med at advokere for kønsdiversitet på bestyrelses-, direktionens-, ledelses- og arbejdsstyrkeniveau. 2022 markerede også fremskridt med hensyn til vores holdning til kønsrepræsentation på virksomheders bestyrelsesniveau. I slutningen af året styrkede vi vores stemmepolitikker på tværs af Nordamerika, Storbritannien og Japan.

#### Tilgang til indikatorer for ugunstig bæredygtighed

Flere faktorer var i betragtning for at afgøre tilgangen, herunder LGIM's ESG-standardmålinger, bæredygtige finansstandarder og due diligence vedrørende eksterne dataleverandørers udbud. Indikatorerne for ugunstig bæredygtighed, som afrapporteres her, indeholder data fra LGIM og eksterne dataleverandører, herunder Sustainalytics, ISS og Refinitive. Det skal bemærkes, at datatilgængeligheden og -kvaliteten af mange negative bæredygtighedsindikatorer i det bredere investeringsunivers stadig er meget begrænset. På trods af begrænsningerne for data og metoder, forpligter LGIM sig fortsat til gennemsigtighed og har på bedste bestræbelser repræsenteret de negative bæredygtighedsindikatorer så præcist, som det i øjeblikket er praktisk muligt.