# Social impact report 2024

Legal & General Group Plc

# Our purpose, which emphasises investing for the long term, motivates our social impact activity.

## Social impact report

This report describes our approach to social impact. It describes how we seek to address important social issues while also seeking to generate long-term value for our customers, clients, employees, shareholders and other stakeholders.

# Contents


## Introduction

2 Chief Executive Officer's statement
3 L&G at a glance
4 Strategy, purpose and sustainability
5 Our impacts, risks and opportunities assessment
6 Our sustainability focus areas
7 Our year in review
8 Governance

## Long-term financial wellbeing

10 Younger people
13 Working age people
14 Older people

## Better communities in which to live and work

17 Place-based social impact
18 The toolkit in action
19 City regeneration
20 Our existing UK regeneration projects
22 Housing
25 Financial support for education and health initiatives in local communities

## Engaging customers and employees with impact

27 Our responsibility to our customers
28 Customers' wellbeing
29 Wellbeing in our value chain
31 Playing our part in the community

## Responsible role model

34 Our people, social impact and culture
35 Understanding our people
36 Developing our people
37 Looking after our people
42 Engaging with others
45 Our approach to responsible investing
47 Our supply chain
48 Protecting human rights
49 Business ethics
50 When things go wrong

## Diversity and inclusion

52 Diversity and inclusion strategy
53 Greater diversity
54 A more inclusive culture
55 Involving our people in inclusion
56 Partnerships and awards
57 Focus on early careers
58 People data
61 Our pay gaps

## Appendix

68 Independent assurance summary
70 Basis of preparation for diversity, gender pay gap and ethnicity pay gap data


## Our reporting suite

Annual report and accounts

Discover more

Climate and nature report

Discover more

Climate transition plan

Discover more

Modern slavery statement

Discover more

# Chief Executive Officer's statement

## Investing for the long term. Our futures depend on it.

> Our purpose, refreshed in 2024, goes to the heart of our social impact approach.
>
> **António Simões**
> Chief Executive Officer

**Since the first days of L&G in 1836, we've understood the importance of taking decisive action to create lasting value for society.**

Our very first investments – in the UK's earliest railways, between Hartlepool and Stockton – and in real estate, in Birkenhead – showed that capital can generate social benefits alongside sustainable, long-term returns for investors. And that idea continues to guide us today, almost 189 years later.

As a leading financial services group, a major global investor, and a significant labour market participant (through our pension and protection products), we can – and do – impact society. In times of instability this is especially true, with stakeholders including employees, shareholders, customers and clients looking to companies like L&G to deliver on their promises while adapting and responding to societal, political and economic shifts.

### Our role

L&G's purpose is: 'Investing for the long term. Our futures depend on it'. This statement, refreshed in 2024, goes to the heart of our social impact approach.

We're at the centre of a shift in responsibility for long term savings and retirement, with greater emphasis on individuals' personal efforts to save for later life. That in turn emphasises the need for greater financial wellbeing. As L&G, we can play a role in building this by meeting customers' needs with valuable products and by engaging them in the importance of saving.

But our role goes deeper than that, and there is much else we can do – from continuing to be a Living Wage accredited employer, to taking steps to protect the 'hidden workforce' – to ensure that more people can build their long-term financial resilience. It's clear L&G has an important role to play.

Economic prosperity is important for individuals but needed at a social level too. We need to mobilise significant quantities of productive finance to solve complex social issues resulting from historic underinvestment. As L&G we do that by investing in the communities where our customers live and work: supporting regeneration, developing commercial real estate and building social housing. And, by using social impact principles, we can do it in ways which aim to generate lasting benefits alongside returns for investors.

### Our strength

Perhaps our most valuable long-term investment is our people. Their in-depth knowledge, commitment to our customers and clients, and passion for L&G drive our success and shape our culture.

We invest in their development and wellbeing, listen carefully to them, and seek to engage them in the future of the business – in return we expect high standards of conduct and capability. The needs and expectations of our stakeholders are ever changing, and we need to remain agile and able to respond quickly. That requires the capacity to innovate and the improved collective decision-making capacity that greater diversity of thought and experience can bring to a workforce.

Our futures depend on the investment decisions we make today. So, it's important that they're taken with care, expertise and the right focus on the long term. As we look to the future, we have talented people and a clear strategy to enable us to make decisions today which will create long-lasting value, as we have done since 1836.

**António Simões**
Chief Executive Officer

# L&G at a glance

## Who we are

Established in 1836, we are a leading financial services group and major global investor, helping to safeguard people's financial futures, improving the lives of our customers and creating value for shareholders.

## What we do

We are one of the world's largest asset managers and provide powerful asset origination capabilities. Together, these underpin our retirement and protection solutions.

### Highlights

**FTSE 100**
Constituent stock

**10,799**
Employees

**80%**
Employee Engagement Index – percent favourable

**28.0%**
Median gender pay gap

**48.8%**
Employees are female

**17.7%**
Employees from a minority ethnicity

### ESG ratings and award recognition

MSCI ESG RATINGS AAA
CCC | B | BB | BBB | A | AA | AAA

Rated MORNINGSTAR | SUSTAINALYTICS

2025 Financial System Benchmark Top 25

Corporate ESG Performance Prime
RATED BY ISS ESG

FTSE4Good

Read more about these on page 44

# Strategy, purpose and sustainability

## Aligning our sustainability objectives with our purpose and our commercial strategy

### Our purpose

**Investing for the long term. Our futures depend on it.**

### Our strategic priorities

#### Sustainable Growth

Our three businesses have reliable earnings and the potential for significant growth. We want to sustainably grow our three businesses, seizing the opportunities for significant growth upside.

#### Sharper Focus

We have sharpened our focus, with a clear set of priorities for those businesses that have the strongest strategic fit and financial performance.

#### Enhanced Returns

We are aiming to deliver enhanced shareholder returns, setting new financial targets and changing our approach to shareholder distributions.

### Our sustainability focus areas

| | |
|---|---|
| We'll promote long-term financial wellbeing | 2, 4 |
| We'll create better communities in which to live and work | 1, 3 |
| We'll invest in game changing environmental solutions | 8, 9 |
| We'll engage our customers and employees with our social impact | 2, 4 |
| We'll run our business in a responsible way | 5, 6, 7 |

### Material impacts, risks and opportunities

1. Accessible and affordable housing
2. Financial inclusion
3. Infrastructure and real estate
4. Health and wellbeing
5. Corporate culture
6. Diversity and inclusion
7. Transparency of reporting
8. Climate change mitigation
9. Biodiversity and ecosystem loss

### Our approach

The idea that capital can generate social benefit alongside sustainable returns for investors has been important to L&G throughout our history, from our early financing of railways and real estate in the 1830s to more recent investments in urban regeneration and clean energy infrastructure.

Our business is evolving, and our stakeholders' needs and expectations are changing. In 2024, we responded by resetting the Group's strategic objectives and refreshing our statement of purpose: 'Investing for the long term. Our futures depend on it.' This statement unites all three parts of our business and reflects our commitment to realise the positive potential of long-term investment for our clients, customers and communities.

We continue to see structural trends – including shifts in responsibility for long-term savings to individuals, economic and geopolitical volatility, a need for productive finance to solve big, societal challenges, and rapid advances in technology – as risks to manage and commercial opportunities to realise. They require a combination of long-term thinking and immediate, decisive action. Our purpose, commercial strategy and sustainability areas of focus recognise this.

Our purpose informs not only what we do, but how we do it. Our 10,799 employees help us realise our purpose in many ways: in their everyday roles as investment, retirement and insurance specialists or in a range of professional support roles; and in the things they do to protect and nurture our culture and serve the communities in which we operate.

Our commercial success depends on our people, which is one of the reasons why much of this report is given over to describing the ways we seek to understand and support our people. It's also why, in 2024, along with our new strategy and refreshed purpose, we reviewed the behaviours we expect of one another at work. See page 34 for more on this.

# Our impacts, risks and opportunities assessment

**During 2023, we undertook a review of sustainability impacts, risks and opportunities (IRO) which are relevant to the Group. The objective was to establish the most material topics for L&G and assess the fitness of our various strategies to respond to them.**

In 2024, in light of our new corporate strategy, we reassessed the findings of the 2023 review to ensure their ongoing alignment. The process used the same taxonomy of issues identified in 2023. This included 201 sustainability topics, grouped into 59 themes and 11 mega-themes. We took 'sustainability topics' to mean themes which originate outside the Group, can be classified as 'ESG concerns', and are interoperable across industries and sectors of the economy.

In considering their relevance to the Group, we considered each topic's ability to affect cash flows, access to finance or cost of capital over the short, medium and long term; the extent to which a given topic is a systemic risk or presents a reputational risks to the Group; and an evaluation of the Group's ability to impact its unfolding.

Taxonomy definition

Assessment of topic relevance and materiality to the Group

Assessment of the fitness of our strategic approach

Governance reviews

We conducted a top-down review of the long-list against the conclusions drawn in 2023 and the Group's sustainability-related strategies. This review concluded that our overall approach to the most material sustainability issues, risks and opportunities remained appropriate. Approval was given via the Group Environment Committee (GEC).

Our review concluded that it is necessary for us to continue monitoring the evolution of sustainability themes, including those risks posed by geopolitical instability and by our maturing approach to nature, biodiversity and ecosystem loss. See our Climate and nature report for more on this.

The table to the right sets out in more detail what we consider to constitute each theme and where our reporting addresses it.

The climate and nature disclosures in our reports, including the metrics, particularly targets, projections, forecasts and other forward-looking metrics, should be treated with caution, in particular given the uncertainty around the evolution and impact of climate change and around broader factors, such as impacts and dependencies on nature. See pages 63 to 64 of our Climate and nature report for our full cautionary statement.

Discover more

## Our results

### Related to social impact

**1 Accessible and affordable housing**

Includes the affordability and availability of housing stock, including age-appropriate housing.

Read more on p22

**2 Financial inclusion**

Includes financial education and the accessibility of financial services across society.

Read more on p9

**3 Infrastructure and real estate**

Includes low-carbon infrastructure, urban regeneration, the development of real estate for emerging industries and the decline of traditional retail.

Read more on p19

**4 Health and wellbeing**

Includes mental, physical, social, interpersonal and financial wellbeing of our workforce and that of companies in our value chain.

Read more on p29 and p37

**5 Corporate culture**

Includes the everyday practices, decision-making and governance mechanisms that define culture.

Read more on p34

**6 Diversity and inclusion (D&I)**

Includes fair hiring practices, the creation of opportunities and development for diverse groups, and the creation of an inclusive culture.

Read more on p52 to p57

**7 Transparency of reporting**

Includes accessibility and balance of reporting and engagement with regulatory/statutory as well as discretionary reporting.

Discover more Annual report and accounts

### Related to climate and nature

**8 Climate change mitigation**

Includes emission abatement, energy transition and transition risk management.

Discover more Climate and nature report

**9 Biodiversity and ecosystem loss**

Includes the impact of climate change and land system change on species.

Discover more Climate and nature report

# Our sustainability focus areas

**In 2022, we set out our sustainability focus areas. These reflect where we have the greatest potential to create social, economic and environmental impact, while seeking to generate returns for our customers, clients and shareholders.**

Through our business, we have the opportunity to tackle issues connected with financial wellbeing and place-making, such as addressing the inadequacy of housing and increasing investment in infrastructure and commercial real estate.

On climate change, we have developed comprehensive strategies underpinned by targets, including those validated by the Science Based Targets initiatives; and continued to mature our approach to the risks and opportunities associated with the threat of nature depletion and biodiversity loss.

Finally, we have developed strategies which address material areas such as D&I and wellbeing, as well as issues which have become more material over time, such as modern slavery and human rights.

Our sustainability areas of focus are defined by reference to our purpose, strategy and understanding the most material issues (see page 9). They are also highly relevant to our business strategy. We continue to focus our sustainability efforts here because we believe that our collective futures depend on the transformative power of investing for the long term.

| | | Our approach: |
|---|---|---|
| **Long-term financial wellbeing** | **We'll promote people long-term and lifelong financial security for people by providing good value, simple, inclusive and accessible products, education for more people.** | L&G can play a role in building a better financial future for the customers and communities we serve, whatever their life stage or financial position. Our services and tools can play a role in building individuals', and society's, long-term financial wellbeing. |
| **Better communities in which to live and work** | **We'll build better communities by delivering socially and environmentally positive housing and workplaces at scale. We'll create long-term economic prosperity by engaging thoughtfully with communities to meet their needs.** | We're a significant investor in towns and cities and we invest in ways which seek to ensure our investment in real estate contributes positively to local communities while delivering on commercial and client priorities. |
| **Engaging customers and employees with our impact** | **We'll make sure our customers and employees know that, by being part of L&G, they have a positive impact. We'll meet demand for these impacts by placing them at the centre of how we do business and design more of our products.** | To achieve maximum impact while seeking strong investment returns, we engage with customers, clients and our employees. We have a duty to look after customers' and clients' best interests, especially those who are particularly vulnerable. |
| **Responsible role model** | **We're committed to running our business in a responsible way. This includes supporting mental and physical health and wellbeing, promoting diversity and inclusion, and enabling social mobility – in our own business and in how we influence and interact with others.** | Robust policies, procedures and processes is just one part of ensuring that we run our business in a responsible way. Also important is how we approach working with others across our value chain and how we respond when things go wrong. |
| **Game-changing environmental solutions** | **We have a transition plan we are delivering against to decarbonise our business and reach net zero. We are integrating our strategy for addressing nature loss into our climate strategy.** | The theme of climate change, environment, nature and biodiversity is addressed in our separate Climate and nature report. |

# Our year in review

**Our purpose, which emphasises investing for the long term, motivates our social impact activity. We've made progress, and there is always more to do.**

## Long-term financial wellbeing

We take a 'life stage' approach to financial wellbeing. We continued our financial education partnership with RedSTART, launched new engagement tools aimed at young adults, and continued to work with older people's charities.

**3,034**
**children attended RedSTART workshops supported by L&G.**

**7.1m**
**video views on our TikTok channel during 2024.**

Read more on p9

## Better communities in which to live and work

Our Social Impact Toolkit allowed us to continue assessing and improving the impact of our real estate investments, while our affordable housing businesses and new fund helped tackle the UK's housing shortage.

**8,500**
**affordable homes in operation/development.**

**£3m**
**health equity fund announced.**

Read more on p16

## Engaging customers and employees with our impact

We recognise our responsibility to our customers and employees and we seek to engage them in the impact we have. We championed the 'hidden workforce', supported clients with employee wellbeing, and empowered our people to 'give back'.

**£5.2m**
**donated to UK civil society organisations.**

**280+**
**non-profits supported.**

Read more on p26

## Responsible role model

We continue to invest in our people, their wellbeing and their skill and expertise. We launched a new sustainable procurement strategy and took further steps to eliminate modern slavery from our operation and supply chain.

**£4.5m**
**invested in developing our people.**

**80%**
**favourable employee engagement index.**

Read more on p33

## Diversity and inclusion

We continued to work towards achieving our vision to build a workplace where we can all perform at our best, no matter who we are. We focused on recruiting and retaining diverse talent, developing our line managers and creating opportunities.

**48.8%**
**of our employees are female.**

**17.7%**
**of employees are from an ethnic minority.**

Read more on p51

# Governance

**Accountability for sustainability activity is shared by teams across our business, supported by governance led by the Group Board.**

## Roles and responsibilities

Our commercial strategy and business plans, which include the strategic objectives announced during 2024, are set by the Group Management Committee (GMC) and approved by the Board. The GMC is a formal committee of the Group CEO, António Simões. Its purpose is to support the CEO in the discharge of those things within his authority as delegated to him by the Group Board, in particular in relation to group-wide strategic and material matters.

Our Board, led by Chair Sir John Kingman, is responsible for the overall leadership of the Group; it is charged with setting the Group's values and standards. In 2024, the Board approved the refreshed statement of our purpose (see page 4). The role of the Board is to promote the long-term sustainable success of the Company, while simultaneously generating value for shareholders and contributing to society.

The Group Chief Risk Officer is responsible for ensuring we understand, identify, measure, monitor, manage and report risks in line with the risk appetite parameters set by the Group Board. The Group Chief Financial Officer, who is also a Board member, is responsible for supporting the Group CEO in establishing Group-wide financial and strategic objectives.

Oversight for the delivery of the sustainability strategy is the responsibility of the Group Responsible Business team. Delivery of specific objectives relating to sustainability matters is the responsibility of various teams throughout the business and in the Group functions.

## Governance of sustainability matters

Overall accountability for the long-term sustainable success of the Group is with the Board. The governance of specific sustainability themes is the responsibility of other bodies, as follows:

The Global Diversity and Inclusion (D&I) Council governs the execution of our D&I strategy. During 2024, it provided periodic updates to the Board through the Nominations and Corporate Governance Committee, comprised senior leaders from across our business divisions and was chaired by the CEO of our Retail business, Laura Mason.

The Group Health & Safety Committee assumed accountability for the governance of modern slavery and human rights matters during 2023 and continued to exercise this accountability in 2024. It is a sub-committee of the Executive Risk Committee which in turn reports to the GMC.

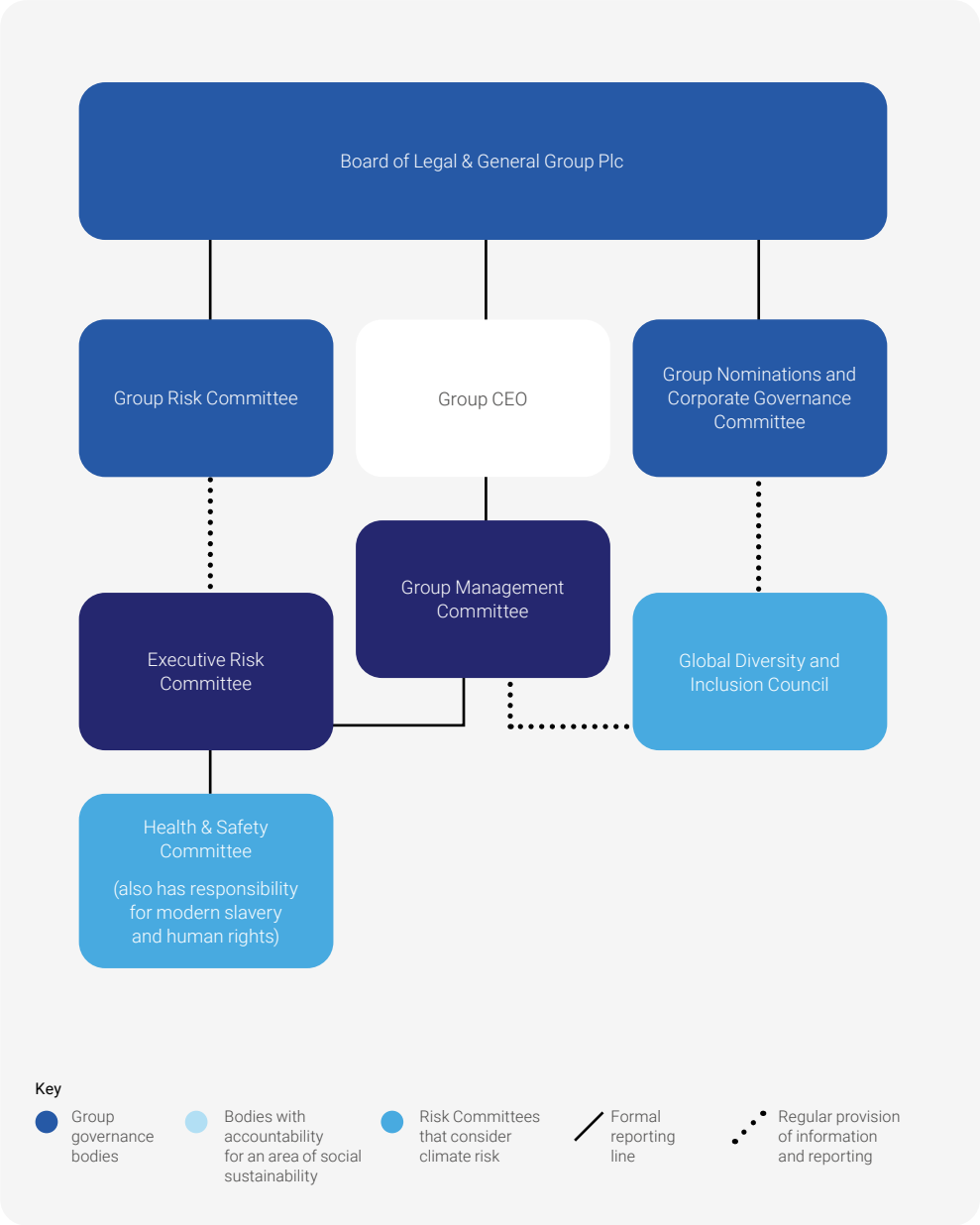
### Remuneration

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

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

### Governing our response to climate change

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



# Long-term financial wellbeing

## Where we are

L&G can play a role in building a better financial future for the customers and the communities we serve, whatever their life stage or financial position. Our services and tools can play a role in building individuals' and society's long-term financial wellbeing. We enhance these with extra services and not-for-profit activities that create additional, targeted value for those who need it most.

## What we have learned

We have continued taking a life stage-based approach to encouraging long-term financial wellbeing, supporting people from a young age, into their working age and through to retirement. This year we deepened our relationships with not-for-profit organisations such as RedSTART, introduced new digital offerings to help people plan for retirement, and conducted a joint study on happiness in retirement.

## What we are going to do next

In 2025, we will continue to work with not-for-profit partners to achieve our mutual objectives, for example, supporting Age UK's Holistic Advice and Support Service and hosting financial education workshops at our offices for RedSTART. We will also focus on enhancing our digital offering for customers, including our new L&G app and our 'A Little Bit Richer' podcast.

# Younger people

**Promoting long-term financial wellbeing by equipping younger people with the financial tools and emotional awareness to make informed decisions can support them throughout their lives.**

## Supporting young people

Ongoing cost-of-living pressures, volatile job markets and the threat of increasingly sophisticated financial crime are among the financial challenges facing young people.

The support young people receive disproportionately favours those who need it less, with those in vulnerable circumstances having a stronger association with poorer financial education. Financial education and career support can help these individuals manage their personal finances confidently, develop long-term financial resilience and move into high-quality work.

Fostering financial capability for young people is an important part of our approach to long-term financial wellbeing. This year, we have partnered with external organisations and developed internal schemes to support young people, creating a laddered approach all the way from primary school through to early careers.

### Primary school

- RedSTART and Cardiff Commitment
- Aim: Continuous, targeted financial education

### Secondary school

- Work experience programme
- Aim: Identify diverse future talent and engage communities with L&G
- Read more about additional programmes we run in the Diversity and inclusion chapter

### Early career

- Cardiff University partnership
- Aim: Attract diverse talent to roles at L&G
- Read more about our additional early career programmes in the Diversity and inclusion chapter

## Younger people continued

**2024 saw us complete our second year of partnership with RedSTART Educate, a charity whose mission is to improve financial literacy in primary school children across the UK. Currently, only 47% of the UK's children and young people receive meaningful financial education.**

### Our partnership with RedSTART

From budgeting and saving to financial fraud and compound interest, RedSTART's 'Change the Game' programme fosters and tracks pupils' practical and emotional skills around money, helping them to manage it today and build resilience to handle their future finances.

**In addition to our financial commitment to RedSTART, we have supported the charity in other ways, notably:**

- engaging our people. A total of 153 L&G employees helped deliver more than 84 workshops for 29 schools and 3,034 pupils in 2024. Our volunteers will continue to support the charity in 2025
- hosting pupils in our offices. In 2024, we extended the reach of our in-office workshops to Cardiff, Hove and London. Across 21 workshops, 583 pupils took part in a financial education workshop, heard from senior leaders at the business, and toured our offices. In 2025, we have scheduled another 15 workshops
- pro-bono support. Two L&G employees helped RedSTART grow its 'Money Management' app's capabilities using AI. The gamified platform represents a bank account on which pupils can practise saving, spending and basic maths. RedSTART plans to roll the app out to pupils in the academic year 2025 – 2026
- helping RedSTART expand. We've connected RedSTART to new schools and regions to support its scaling-up ambition. In Cardiff, L&G provided additional funding and connections to build an entire new hub. This support has contributed to RedSTART being able to serve over 90 member schools and more than 25,000 pupils across seven regions.

> I am writing to you to thank you for giving us an amazing time and some amazing lessons at L&G. The class and I learnt about budgeting, investing, taking risks and much, much more. I enjoyed the rooftop tour and the games we played. We all thought it was an incredible experience in Year 6 that we will never forget for the whole year. Thanks to you and the volunteers, we have now got an insight into what our future will be like. Thank you from Year 6 Class.
>
> **Alieu,**
> Year 6 pupil, Oak Field Primary School, Barry, Cardiff

### Measuring the programme's impact

Our funding has helped RedSTART to commission the Policy Institute at King's College London to conduct a seven-year, randomised controlled trial, in response to the Government's recommendation.

The Institute published its second annual report in 2024. The impact evaluation found that Change the Game had a statistically significant medium-sized positive effect on children's financial knowledge, after two years of implementation. Pupils improved their financial ability, financial mindset, and financial connection as a result of the intervention.

RedSTART aims to use this evidence to inform public policy and to provide a sustainable and scalable delivery framework for the Government to roll out Change the Game to all UK primary schools.

# Younger people continued

## Cardiff Commitment

2024 marked L&G's second year supporting the Cardiff Commitment, which was created in response to rising figures for young people not in education, employment or training in a city where we've invested £1 billion and employ nearly 3,000 people. The partnership's objective is to mobilise Cardiff's social, economic and cultural capital to boost youth engagement and support the city's future prosperity.

**Our activity to support young people to transition into employment includes:**

- primary: We supported 'Open Your Eyes' week, a careers event organised by Cardiff Commitment, for primary and secondary schools in Cardiff. We collaborated with other local businesses, and together supported an estimated 1,158 pupils from 41 classes. Four L&G employees helped showcase career opportunities in finance and dispel misconceptions about the sector
- secondary: We worked with Cardiff Commitment, and the Brighton and Hove Youth Services, to offer work experience to 32 pupils at our Cardiff and Hove offices. Following the programme – which helped students to explore roles and create solutions to real business challenges – two individuals were hired into apprenticeship roles at L&G.

## Supporting students with Cardiff University

In 2023, we began working closely with Cardiff University's Data Science and National Software academies, and have implemented several student insights programmes. For example, in February 2024, L&G employees worked with 17 students to tackle a specific L&G problem. This collaborative way of working allowed us to equip the students with new skills to find innovative solutions in a 'real world' situation, while helping us solve our own problems. We will continue to work with Cardiff University to support students in 2025.

> "It was very enjoyable, I got loads out of it, and it was so nice to also receive a personalised reference. I'm sure the others would agree with me that the week exceeded our expectations, and I would recommend it to anyone considering taking part."
>
> **Work experience student,**
> Participating in the 2024 programme

## Engaging with younger people

**L&G research has shown that 22 to 32-year-olds in the UK could see an income shortfall of £25,000 per year in retirement if they continue saving at current levels. It also found that over a third of young people do not know how their pension works.**

In addition, research we conducted in 2024 demonstrated that people are putting off making pivotal money decisions until they reach key life milestones. But these milestones are getting later, with the average UK adult only engaging with their finances at age 48, resulting in 6.5 million UK adults holding off from engaging with key financial products.

We are encouraging people to think about their finances sooner and build a stronger foundation to help navigate life's uncertainties through our campaigns to encourage 'Gen-Z' and 'young millennials' to access information.

**In 2024, we continued to develop the following:**

Case study

### Our 'A Little Bit Richer' podcast

- Podcasts are an integral part of the lives of people in their 20s and 30s. First launched in 2023, our podcast continued in 2024, covering topics that help listeners make positive financial choices. The show shares relevant content and simple, practical guidance delivered in an upbeat format, with a relatable host and guests, including L&G employees.
- The podcast remained in the top 5% of all podcasts, based on industry benchmarking average download figures in 2024. In 2025, we will build on what we've learned so far, focusing on topics relating to relevant life stages and exploring how decisions can impact long-term financial and wider wellbeing – for example, considering investment over savings and balancing financial reward with wellbeing.

Case study

### Our TikTok channel

- Our TikTok channel was launched in September 2023 and later that year broke industry average engagement for a financial services TikTok channel. In 2024, our following increased by over 262%, gaining a total of 7.1 million video views, helping to empower young people to overcome financial vulnerability, break down complex topics and dispel money myths.
- Over the past 12 months, 70.5% of our reached TikTok audience has been aged 25 – 34, and 18.1% has been aged 18 – 24.

# Working age people

**As a UK market leader in life insurance, workplace pensions and retirement income, we are well positioned to help improve the long-term financial wellbeing of working age people, many of whom will also fall under the category of 'younger people'.**

Our Retail business offers a range of products and services that promote long-term financial wellbeing.

This year, we continued to create additional services to enhance value and support working age people to plan for their retirement, including the launch of two new digital offerings: the L&G app and our Guided Retirement Planner.

## L&G app

Our new app, launched in September 2024, makes it easier for L&G Workplace pension members to take control of their financial futures by managing their pension whenever and wherever they need to by allowing them to:

- track their pension value and performance
- explore and manage their investment options
- view their full transaction history
- access all documents in one place
- access additional support through a help centre
- plan for their retirement.

The app reached a 4.6 rating on iOS and 4 on Android, and was downloaded and logged into by over 180,000 users by the end of 2024.

In 2025, the app will continue to be enhanced to offer a wider range of financial wellbeing tools and products to help more users manage their finances while planning for their futures.

## Guided Retirement Planner

In November 2024, a new digital-first Guided Retirement Planner journey was launched to help guide people over 55 towards better retirement outcomes. It is currently available to our 5.4 million direct contribution workplace members.

Based on deep member insight, advanced analytics and behavioural science, the journey proactively nudges and engages with users, providing simple, tailored support that aims to increase levels of understanding and financial confidence in pension savings. It does so by guiding members through six simple steps: setting lifestyle goals, understanding financial health, setting income goals, exploring retirement options, taking action to meet goals and adjusting the plan.

> **Retirement decisions can be daunting, and each person's situation is unique. By leveraging deep consumer insights, human-centred design and advanced technology, we are able to better tailor the experience and guide our members to make better decisions for their future. This innovative launch is a market first, showcasing our dedication to putting our customers at the heart of everything we do, empowering them to make informed financial decisions with confidence.**
>
> **Paula Llewellyn**
> Chief Customer & Strategy Officer, Retail

By presenting members with a holistic view of their finances – including pensions, savings, investments and property wealth – they can better understand potential income shortfalls and plan ahead for their retirement. To support members even further, they also have access to web chat, phone-based support and financial advisors through the journey.

In the first month, with limited promotion, over 8,000 members started the journey, and with regular enhancements, it will offer smarter solutions and provide continuous support for members throughout their retirement.

## Bank of Family

In addition to the products and services that we offer, we commission in-depth research and insight to understand the financial issues our customers are likely to be facing.

For eight years, L&G has been conducting research on 'Bank of Family' – whereby parents, grandparents and other family members lend financial support for property.

Our 2024 research with the Centre for Economics and Business Research moved away from simply looking at family gifting for property, while also highlighting the difficult choices people face as they balance their financial resilience against their aspirations or their desire to help loved ones.

We have used the findings of this thought leadership to continue to guide customers and their clients to tools, guidance and products to navigate the tough financial decisions associated with gifting, including the following:

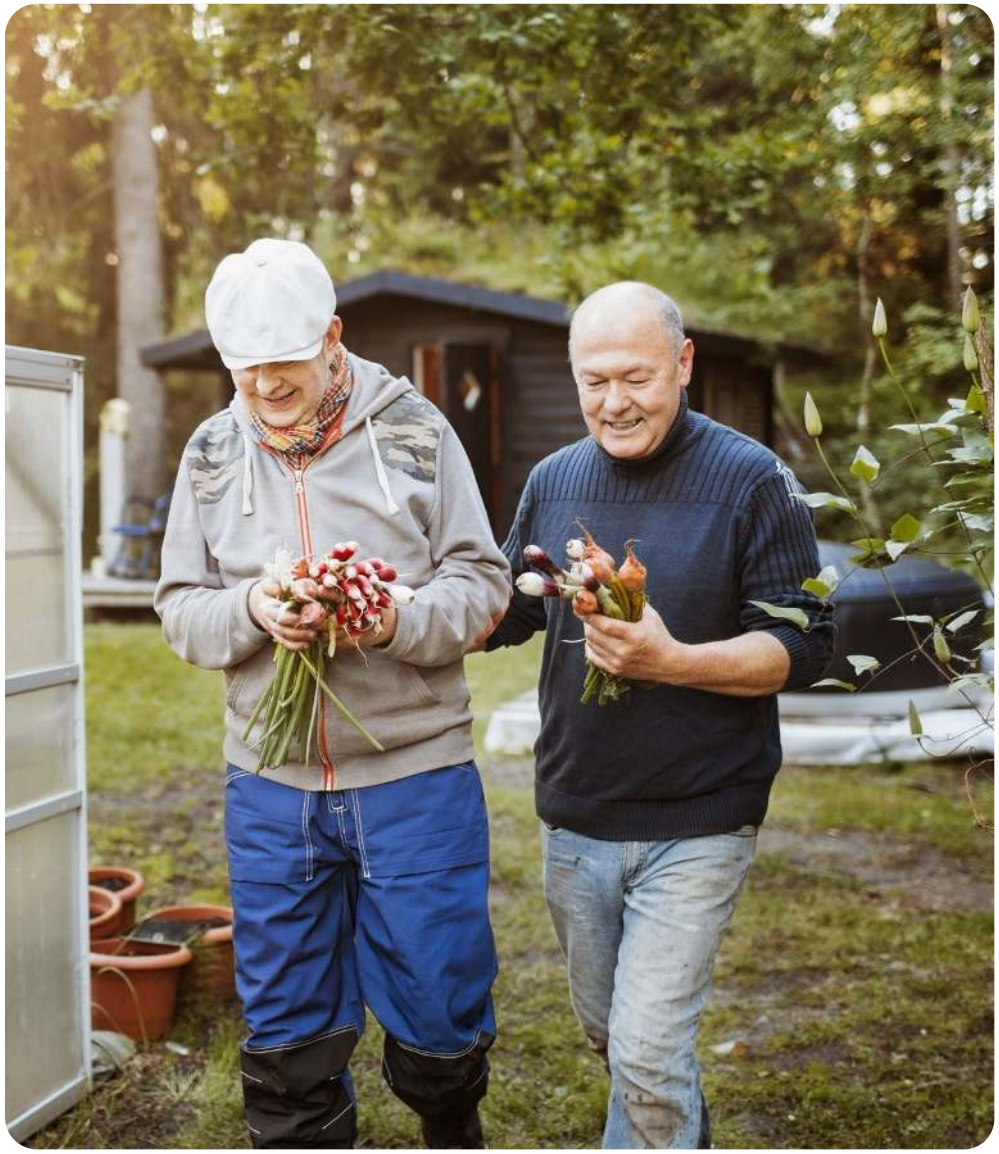
- using our free 'Guide to gifting' to gain useful information to maximise support, from impactful gift ideas and understanding inheritance tax, to non-financial ways to help loved ones such as childcare support
- while getting on the housing ladder is an important step for many, it can be important to take advice to understand and balance the potential long-term impact of pausing, delaying or opting out of pension saving
- highlighting products that could help family members to financially help their loved ones and identifying the pros and cons of using these. This includes our traditional lifetime mortgages and Payment Term Lifetime Mortgages.

### Key findings include:

- Families gifted £9.2 billion this year – the highest amount since L&G began its Bank of Family research.
- One in seven recipients (15%) have prioritised a home now over pension saving.
- Half of family members (49%) providing financial support say giving the money has left them feeling less secure about their own financial position.
- By 2026, gifting from parents and grandparents is set to soar, with contributions predicted to reach £11.3 billion.

# Older people

**Money plays a crucial role in unlocking the things that make us happy, especially in retirement. This highlights the importance of people ensuring they can plan for and finance the retirement they want.**



We are now working and living for longer than ever. And for many people, pension provision has moved from defined benefit to defined contribution. That means we all either have or will have more personal responsibility for our later-life income choices. We are doing so against a backdrop of major national and international social and economic challenges. For many years, L&G has been helping customers plan and achieve long-term financial wellbeing, particularly in tough times.

For example, we continue to offer various Lifetime Mortgage products, giving customers the flexibility to choose an option that will meet their individual needs. This includes our first-of-its-kind Payment Term Lifetime Mortgage, which was launched at the end of 2023.

But unlocking happiness in retirement doesn't just come from product innovation. Helping people look at established products with fresh eyes is just as important – as our recent research into annuities shows.

## Happiness in retirement research

In 2024, our annuity sales reached an all-time high of £2 billion, indicating that more people place value on having financial certainty.

While improved annuity rates have been one driver of this growing demand, we conducted research which suggests increasing awareness of the other benefits that a guaranteed income can provide.

> **The study shows having a predictable income is key to unlocking the other elements of life that make us happy.**
>
> **Lorna Shah**
> Managing Director, Retail Retirement

Our joint study with independent Danish thinktank the Happiness Research Institute explored those benefits by examining the lives and finances of 3,000 UK retirees. It looked at the connection between financial security and wellbeing in retirement, and the link between annuities and happiness.

Strong social connections and good health play a vital role in a rewarding retirement, but our research also shows that having a predictable income is key to unlocking the other elements of life that make us happy.

The study found that retirees who buy an annuity score more positively across multiple wellbeing measures than those who don't. They report greater satisfaction with their current lives, relationships, free time and social activities. They are also 51% more likely to report lower levels of stress than those without one.

The advantages for annuity-holders go beyond wellbeing considerations. They also include benefits around managing finances in retirement. And people with an annuity are more likely to report the highest level of financial confidence compared with people without one (24% versus 21%).

This research can help us and our clients find ways of helping people make retirement planning and saving choices that improve their happiness levels:

- for advisors and wealth managers, these findings underscore the enabling nature of a stable income in later life. Perhaps the customer wants to spend more time with their loved ones, make the most of their free time or enrich their social lives
- combining a guaranteed income from an annuity with money from other sources, such as investments or drawdown, can give customers flexibility, while allowing them to cover essential expenses and grow other assets
- our simple-to-use Annuity Calculator provides a helpful estimate of potential guaranteed income in retirement. It's a useful tool to draw on alongside planning conversations.

## Older people continued

## Working with charities to support older people

In our 2022 and 2023 Social impact reports, we reported on a multi faceted, two-year partnership with Age UK which supported older people and their financial wellbeing with four projects.

Age UK is a trusted source of advice and support on a range of topics, including financial wellbeing, which is provided nationally through the Age UK Advice Line and Information Guides, and locally by Age UK branches. One need identified by Age UK is for the availability of local benefits advisors – knowledgeable people who are accessible face-to-face to help older people identify and access relevant unclaimed benefits. Based on the programmes delivered by Age UK to maximise older people's income, an average amount identified in welfare benefits per person is approximately £3,500 per annum. In many cases, these are life-changing amounts with significant positive impacts on the quality of their lives going forward.

In 2024, we committed to supporting Age UK's Holistic Advice and Support Service, including expanding access to benefits advisors in three regions that currently lack this support. We will work with Age UK in 2025 to deliver this project and report on its progress in future Social impact reports.

## Care Concierge

**With one in four adults who provide unpaid care for a loved one reporting that they are in 'not good health', being able to navigate the adult social care system effectively is an increasing priority for many of the 5.8 million unpaid carers across the UK.**

Following the success of making our Care Concierge service available to the majority of Retail customers in 2023, this year we continued to roll out the service, which offers:

- a confidential, impartial telephone and online service (with digital services available out of hours)
- unlimited access to information provided by specialists who can offer support to help minimise the impact on the health and wellbeing of those faced with navigating care for themselves or an adult loved one
- step-by-step guidance on identifying the right care, regardless of what type
- help to understand care costs and payment options such as NHS funding, state benefits and powers of attorney
- access to useful resources including information guides and our online Care Costs Calculator.

Additionally, in 2024, we made Care Concierge available to volunteers from three charities (National Trust, Scouts Association and Cancer Research UK) and to clients of four non-profit organisations which support older people and carers (Independent Age, Carers Trust, Methodist Homes (MHA) and Elderly Accommodation Counsel). Through these organisations, we supported almost 200 people via phone calls and provided online information to almost 1,500 people in 2024.

To expand the remit of the service further for our Retail customers and key not-for-profit partners, from January 2025, we will cover all adults with care and support queries – not just those in later life, free of charge.

- In 2024, more than 22,000 people engaged with the service through our telephone team or website, a 46% increase year on year.
- In 2024, more than 2 million L&G Workplace and Group Protection members were made aware of their access to Care Concierge through their employer.

> "Just being able to talk that over with my Care Consultant, Nikeisha, who I'd absolutely call out as being exceptional, was so helpful.
>
> She always followed up with me after our calls and made me feel as though I could come back to her if I needed to, that I'd never reached the end of the support Care Concierge can provide. You're just so trustworthy. I'd have a conversation and know that it was going to be followed up. It was so nice to have a trusted friend to help you through the process."
>
> **Helen,**
> Care Concierge user

# Better communities in which to live and work

## Where we are

As a significant investor in the UK's towns and cities, we have an opportunity to use capital in ways which will benefit society while delivering on commercial and client priorities. We do this by seeking to ensure our investment in real estate contributes positively to local communities, often in partnership with others.

## What we have learned

Applying our Social Impact Toolkit (which launched in 2023) to our diverse range of property funds, while also engaging stakeholders in its use, has provided challenges and opportunities to learn. In 2024, we worked to address these challenges, working closely with tenants, community groups and other stakeholders.

We have also continued responding to the nationwide housing affordability crisis through our subsidiary business, L&G Affordable Homes, and by launching a new Affordable Housing Fund in our Private Markets business.

## What we are going to do next

Our Affordable Housing Fund will invest in well-designed, affordable rent housing in areas of acute need across England. It will also align with L&G's commitment to achieve net zero by 2050.

In 2024, we announced a new £3 million 'Health Equity' Fund, which will (in 2025) award grants to support place-based projects from not-for-profit organisations across the UK. £1 million of this will be deployed as a trailblazer fund for the Northeast of England.

# Place-based social impact

## Our scale, expertise and leadership position as one of the UK's largest investors means we are well placed to contribute to creating a better future for communities through the investments we make in real estate, housing and infrastructure.

**We do this by seeking to ensure our investment in real estate contributes positively to local communities while delivering on commercial and client priorities. We define social impact in this context to mean the intentional, additional and attributable economic, social, and environmental benefits to communities resulting from our investment in real estate.**

To help us achieve this, we use our place-based social impact toolkit which includes social impact themes and priorities to support the development of strategies for funds, assets, subsidiaries, and partnerships.

## Social impact toolkit at a glance

Our social impact toolkit is based on impact management principles. It can be embedded flexibly and at different stages of the investment lifecycle, rather than using a 'one size fits all' approach. It considers:

- local needs and context: drawing on local authority information and strategies, local area data and high-quality community engagement
- local and community partnerships: the toolkit provides a common language for engagement with local government and community partners, enabling us to align with partners on their priorities and define shared goals
- measurement: evidencing how social impact has been delivered in a way that responds to local needs and priorities, including through a range of KPIs that focus on real-world outcomes for people.

## Overview of social impact themes and priorities

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

### Overview of social impact themes and priorities

Read more on p5

### Inclusive economy 1 2

**Jobs and skills**

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

**Responsible procurement**

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

**Equity and affordability**

Contributing to the affordability and equity of local places.

### Health, wellbeing and quality of life 4 8

**Physical and mental health**

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

**Quality of life**

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

**Community and partnership**

Supporting active community engagement and partnerships with local organisations.

### Climate and nature 8 9

**Just transition**

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

**Access to nature**

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

**Connected places**

Supporting sustainable and active transport and infrastructure.

The numbers in the diagram relate to our sustainability impacts, risks and opportunities

# The toolkit in action

**In 2023 we reported our progress applying the toolkit with our housing businesses and urban regeneration joint ventures. Our challenge in 2024 has been to apply the social impact toolkit to our diverse range of property funds and to engage stakeholders in its use. This has required demonstrating how it works and how it can add value. In 2024:**

- we successfully applied the toolkit's framework across the full range of the property lifecycle, from new development projects to fully managed assets, as well as to assets where occupiers control all operations, proving its scope and flexibility
- we expanded the number of funds and assets that have established social impact strategies from four to six
- we successfully applied 11 rounds of training for all key stakeholders in using the framework
- we established a group of seven regional Social Impact Ambassadors, who will provide specialist local support for property teams in the application of the toolkit.

The flexibility of the toolkit's framework and the scope and scale of the performance metrics that it accommodates are two of its strengths. However, we learned in 2024 that this also makes data collection and reporting more challenging, requiring additional time and resourcing.

Another lesson learned in 2024 was that we are reliant on stakeholders to apply the toolkit for us in many cases, and those stakeholders may not always have the requisite skills and capabilities. We are identifying additional support where this is needed.

The toolkit represents a new structured approach to the emerging area of identifying and implementing place-based social impact initiatives, as opposed to a refinement of a well-established process. As a result, the fundamental lesson from 2024 has been that adopting a new method in an emerging area has taken longer and required more effort than we originally anticipated. In 2025, we aim to:

- continue rolling out the toolkit, so that each fund has its own place-based social impact strategy, and all funds have asset-level strategies in place for all priority assets
- conduct quarterly measurement and performance reporting
- consolidate the Social Impact Ambassadors network
- upgrade performance benchmarking: as data collection and reporting increases, we aim to improve our understanding of what 'good' looks like, to enable performance benchmarking and targeting.

Case study

## Working in partnership with HMRC

**Some asset classes we invest in include freehold and leasehold property in the UK focusing on high quality and newly developed real estate and low-risk tenants like public sector organisations and investment-grade corporates. Funds that contain these assets provide incomes that rise annually with inflation, to clients like defined benefit pension scheme trustees.**

In 2024, we used our toolkit to work with HMRC, a tenant in two of our assets, to deliver place-based social impact through career, employability and workplace seminars to pupils from local schools.

This was done in partnership between landlord and tenant, allowing L&G to deliver social impact jointly with HMRC.

- At the India Buildings – an office in Liverpool and an HMRC regional office – 29 pupils from West Derby School attended a and career seminar jointly hosted by HMRC and L&G, covering tax facts, Q&A about careers in both HMRC and the property industry, and a tour of the office building.
- In Stratford, London, in HMRC's new headquarters, 25 pupils from London Academy of Excellence attended a similar work and career day, jointly hosted by HMRC and L&G.

Case study

## Crayfields Park

**Crayfields Park is a 22-acre, mixed-use commercial estate located on the edge of Greater London and Kent. Surrounded by greenery and situated on the River Cray, the estate is located in the St Paul's Cray ward of the London Borough of Bromley. Local police report that it has been a well-known site for anti-social behaviour such as fly-tipping, which negatively affects the community.**

### Community partnerships that improve quality of life and a sense of security

In 2024, the site manager worked with the Metropolitan Police to increase police presence in creative ways by making it possible for Police Dog Handling Units to use the site for training purposes. The site's mixture of a variety of different building types and open landscape provided an ideal training ground for dogs and handling teams, while the increased police presence during nights and weekends, and the use of official police dog signage advising that it was an active training location, contributed to an increased sense of security for the community and lower incidents of fly-tipping. The site manager has reported that fly-tipping incidents reduced by 75% as a result and that the success of the partnership means that they plan to continue it in 2025.

In another example of community partnerships which improve the quality of life for local people, the site manager helped make it possible for local pupils with special education needs and disabilities (SEND) to participate in a work experience programme by working alongside the site's landscaping services provider.

Eight pupils from Riverside School worked alongside the landscaping team, gaining experience of a workplace environment, learning new skills such as painting, and learning about the essential health and safety considerations that are required to safely do landscaping work as part of a team. The landscaping service provider also gained valuable experience in organising and facilitating work experience initiatives like this, paving the way for potential future sessions.

# City regeneration

**Long-term underinvestment in the UK's towns and cities has resulted in larger geographical differences than many other developed countries on multiple measures, including productivity, pay, educational attainment and health.**

Some of the areas with the most significant deprivation are found in the UK's successful cities, including Birmingham, Manchester, Leeds, Glasgow and Cardiff. These cities also trail behind international comparators when it comes to productivity and incomes.

In 2024, we continued to address these economic challenges by investing in assets that support society's needs today, while seeking to hold their value in tomorrow's economy. From affordable housing to urban regeneration projects and science parks, we're investing to provide people with better places to live and businesses with the infrastructure they need to create jobs for tomorrow's economy.

Regeneration of towns and cities

## Projects announced in 2024:

### Investing in digital infrastructure and regeneration in the London Borough of Newham

Working with Goldacre and sineQN, specialist digital infrastructure investment and data centre development firms respectively, in 2024 we secured planning permission for a £750 million hyperscale data centre investment in Newham, London.

Driven by increased demand from digitalisation, including cloud migration and growth in AI, the need for data storage and processing continues to accelerate. The development will create over 1,000 skilled jobs during construction and operation phases, and is aiming to attract 500 high-growth data businesses to the Borough. It's also expected to contribute £88 million to Newham's Gross Value Added, a measure of the value of goods and services produced in an area, industry or economic sector.

### Affordable housing fund

This year, we launched a new Affordable housing fund to speed up the delivery of affordable housing across England, a vital ingredient for levelling up towns and cities. See pages 22 to 24 for more information.

# Our existing UK regeneration projects

## 2018

### Bruntwood SciTech

**Overview**

Co-founded as a joint venture by L&G and the property developer Bruntwood, Bruntwood SciTech is a leading specialist property provider serving the UK's innovation economy.

This joint venture provides specialist lab and office space, serving as the 'connective tissue' between leading research universities, NHS Trusts, civic regional leadership and high-growth enterprises and global businesses, turning the surrounding regions into resilient economic hubs.

**What we are delivering**

Launching with 1.3m sq. ft. of real estate, Bruntwood SciTech has expanded to 11 locations and a community of over 500 companies, and 5m sq. ft. in the development pipeline.

## 2019

### Oxford University Development, Oxford

**Overview**

A partnership between L&G and the University of Oxford. The aim is to provide new innovation facilities and homes for staff and students.

**What we are delivering**

**Oxford Life and Mind building.**

Will be the new home of the University's departments of Zoology, Plant Sciences and Experimental Psychology.

**Begbroke Science Park.**

A new innovation district which extends Oxford's existing Begbroke Science Park. The first phase will provide new facilities for the University's Mathematical, Physical and Life Sciences departments, and space to incubate spin-out companies.

**Court Place Gardens.**

The first residential site to be delivered through the OUD Partnership. It will deliver 71 new houses designed for graduates with families once completed in the 2024 – 2025 academic year.

## 2021

### Innovation District (ID) Manchester

**Overview**

Building on Bruntwood SciTech, L&G's joint venture with property developer Bruntwood, this mixed-use scheme will deliver hotels and 1,300 homes, and is anticipated to support the growth of the UK's science and technology infrastructure.

**What we are delivering**

4m sq. ft. of mixed-use scheme comprising offices, hotels, 1,300 homes and the largest public space in the city of Manchester.

## 2022

### Sheffield West Bar Development, phase one

**Overview**

A partnership between L&G, Urbo and Sheffield City Council, with Phase one announced in 2022. This partnership will deliver much-needed new, grade A office accommodation, housing and green public spaces.

**What we are delivering**

**No. 1 West Bar Square.**

A 100,000 sq. ft. of grade A office building with retail accommodation on the ground floor.

**Soho Yard.**

A £78 million development consisting of 368 build-to-rent apartments.

**West Bar Square.**

Landscaped public space for Sheffield residents and visitors.

# Our existing UK regeneration projects continued

## 2022

### West Midlands Combined Authority

**Overview**

A seven-year partnership and L&G's first commitment with a combined local authority. The first scheme of this partnership will be turning a brownfield site which has lain empty for 20 years into new homes.

**What we are delivering**

**The Junction.**

A brownfield site in Oldbury which will be turned into 234 new energy-efficient homes, 50% of which will be for affordable housing, as defined by the West Midlands Combined Authority.

### Cardiff

**Overview**

A long-term, privately funded development in Cardiff, delivered in partnership with the Welsh Government and Rightacres Property, and will see new offices, homes and investment in local and regional transport infrastructure delivered.

**What we are delivering**

**Central Quay and Central Square.**

1,033 build-to-rent apartments across both locations.

**The Interchange.**

120,000 sq. ft. of grade A office space at Central Square and home to 2,500 L&G employees.

**Employment Hub.**

13,000 jobs upon completion in the new developments: BBC Wales, HMRC, Cardiff University and others.

**Parkgate Hotel.**

170 bedrooms located next to the Principality Stadium, in partnership with the Welsh Rugby Union.

£200 million in financing for public transport, including for Wales & Borders rail franchise to improve train services.

## 2023

### Loft Lines, Titanic quarter, Belfast

**Overview**

A residential development in Belfast, Northern Ireland.

**What we are delivering**

627 new one-, two- and three-bed apartments, including resident facilities such as a gym, dedicated work-from-home space, podium gardens and terraces. Will also include 11,000 sq. ft. of commercial space.

According to Belfast City Housing Land Summary, there have been 363 rental homes completed in Belfast city centre since 2015. Loft Lines would represent a 172% increase in total housing delivery since 2015.

# Housing

**Affordable and accessible housing remains a chronic need in the UK. The average number of new affordable homes completed each year in England has been under 55,000 per year for the past decade – far lower than the National Housing Federation's recommendation of 145,000 homes per year until 2031.**

**Our role as a direct investor, developer and operator of residential property means we can make a positive impact in helping to solve this problem. We do this both through direct investment in property and through deployment of third-party capital. Our objective in developing affordable housing is to combine social purpose with attractive returns, creating value for investors alongside meeting a social need.**

L&G's enduring commitment to build and operate affordable housing reflects the opportunity to secure steady, inflation-linked returns alongside the need to deliver positive social impact within local communities.

During 2024, we took action to increase investment in affordable housing across a new Affordable Housing Fund, operated by L&G Affordable Homes, one of our subsidiary businesses.

**6,500**

**Total number of new homes to date delivered by L&G Affordable Homes in operation.**

**70%**

**L&G Affordable Homes are at or below their Local Housing Allowance rate.**

## Affordable Housing Fund: bringing third party capital into the sector

In 2024, we launched a new Affordable Housing Fund with the aim of speeding up the delivery of affordable housing across England, while delivering secure returns for investors. Many of these are public sector pension funds such as the Local Government Pensions Scheme, one of the largest such public sector pension funds in the country.

The Fund aims to positively impact hundreds of people's lives by investing in well-designed, purpose-built affordable rent and shared ownership housing in areas of acute need and demand across England. The homes will align with L&G's commitment to achieve net zero by 2050. The pipeline consists of new-build, energy-efficient affordable housing stock, >95% of which has an EPC rating B or higher.

## L&G Affordable Homes: developing and operating high quality affordable homes

We address the operational aspects of developing and managing affordable housing through L&G Affordable Homes, a subsidiary business which builds shared ownership, social and affordable rented homes across the UK, pioneering institutional investment in the UK's affordable housing sector.

Leveraging its wide network and established developer partnerships, it now comprises 8,500 homes: 6,500 in operation and 2,000 in development.

## Assessing L&G Affordable Homes' impact

Data on performance across key indicators, including supply, targeting and affordability of homes, was gathered and analysed by an independent third party, The Good Economy, and publicly disclosed in August 2024. This data assesses the overall effectiveness of our activities in this area, and while it reflects the situation as at the end of the 2023 calendar year, it nevertheless provides a useful overview of the impact this business has. L&G wishes to thank The Good Economy for use of data from their August 2024 L&G Affordable Homes impact report.

### Supply of affordable homes

While we are targeting increasing the supply of affordable homes, between 2022 and 2024, this happened at a slower pace than the original target of 3,000 homes per year due to challenging macroeconomic headwinds in 2023 and 2024. In 2025, we expect to grow our pipeline by c. 3,600 homes, which will take us to our long-term ambition of 3,000 homes handed over each year.

### Areas of high deprivation

Our portfolio is marginally weighted in favour of more deprived parts of the nation.

**40%**

**of properties in the portfolio are in the 40% most deprived local authorities in England.**

**LGAH Geography by Deprivation and Housing Affordability**

- Higher deprivation and low affordability
- Higher deprivation
- Low affordability
- Other areas

**Location of Property**

- Properties (Operational)

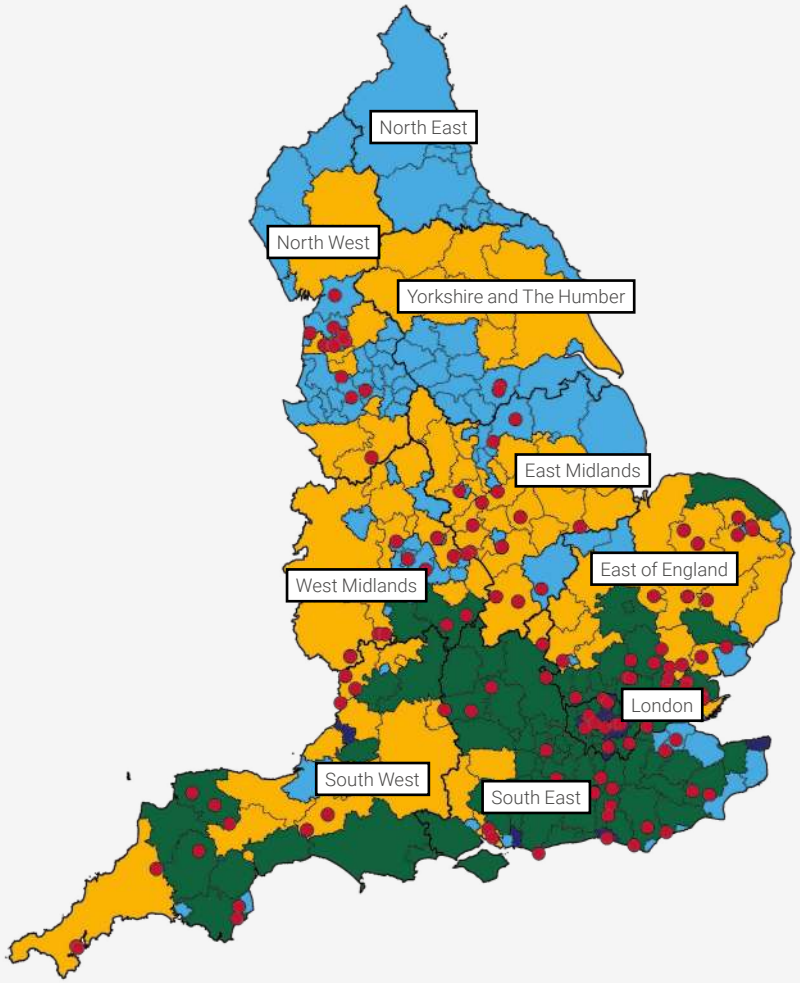



**Table 1: Affordable Homes' impact on supply of homes**

| Operational portfolio only | 2021 | 2022 | 2023 | 2024 | Change from 2021 |
|---|---|---|---|---|---|
| Total number of operational homes | 1,685 | 3,032 | 4,336 | 5,683 | +237% |

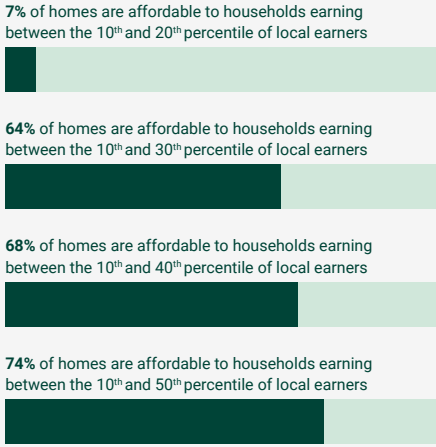
# Housing continued

### Affordability of rental homes compared to the open market:

L&G Affordable Homes is delivering homes significantly below open market rates. On average, residents pay 62% of the amount they would pay to rent an equivalent-sized home on the local open market.

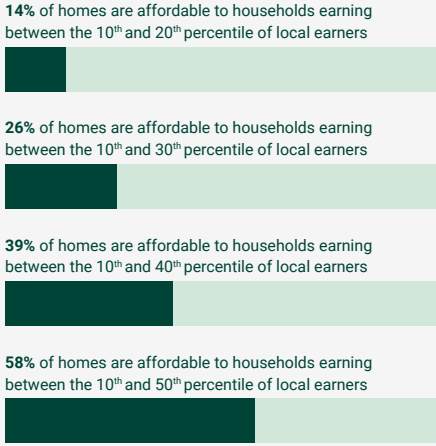
None of the homes delivered by L&G Affordable Homes exceeded 80% of open market rents.

### Affordability of rental homes compared to local wages:




On average, L&G Affordable Homes' rental homes are affordable to 64% of local households – based on local wages – across its portfolio.

### Affordability of shared ownership portfolio compared to local wages:




On average, L&G Affordable Homes' shared ownership properties are affordable to 55% of local households.

## Targeting of new homes to areas most in need

While there is a general need for affordable housing across the country, L&G Affordable Homes' portfolio is marginally weighted in favour of more deprived areas:

- 40% of properties delivered by L&G Affordable Homes are in the 40% most deprived local authorities in England
- 52% of properties delivered by L&G Affordable Homes are in the 40% least affordable local authorities in England – another indicator of housing need.

The data above shows that shared ownership homes mostly serve middle-income households. This is largely to be expected, as shared ownership targets first-time buyers who cannot afford the full market cost of a property, most of whom fall into this demographic.

## L&G Affordable Homes rent compared with Local Housing Allowance (LHA)

LHA rates affect how much help people on benefits receive when renting from a private landlord. They are used to calculate housing benefit and the housing element of Universal Credit and depend on factors such as age, number of people living in the same residence, disability or care needs, and rent levels in the area.

L&G Affordable Homes rental homes demonstrate strong affordability for lower-income households, including those in receipt of housing benefits, with 70% of the homes being at rents at or below their LHA rate.

However, The Good Economy, our independent third-party evaluator, pointed out that low-income households subject to the benefit cap and who live in areas of severely constrained affordability where LHA is high, may still struggle to afford these homes.

# Financial support for education and health initiatives in local communities

## Tackling health inequality

### Health Equity Fund launch

In 2024, we announced a new £3 million 'Health Equity' Fund, in partnership with Sir Michael Marmot and the University College London (UCL) Institute of Health Equity. This £3 million fund will award grants to support place-based projects from not-for-profit organisations across the UK. These will be initiatives which directly address the social determinants of health – non-medical social and economic factors, including housing, education, infrastructure and quality of work – which have an influence on local and national public health. It will provide grant funding of up to £75,000 per project. Of the £3 million total, £1 million will be deployed as a trailblazer fund for the Northeast of England. Further updates on this fund and its impact will be shared in 2025.

## Supporting other organisations to upskill their employees

As a large employer headquartered in the UK, we use our Apprenticeship Levy funds to upskill existing employees and Future Talent prospects, helping us diversify our talent pool and invest in building the skills our business will need for the future.

While we prioritise spending the levy on our own people and their development (see page 57), we also use levy funds to pay for apprenticeship training courses for smaller organisations based in England which don't pay the levy or larger ones which have exhausted their levy funds.

We introduced our levy transfer initiative in 2024, allowing us to support organisations and fund apprenticeships that demonstrate alignment to our purpose through one or more of the following pillars:

- climate and nature
- health and wellbeing
- inclusive economy.

We have committed over £1.2 million to fund 71 apprenticeship training courses at 13 organisations by 2031, with £87,351.20 paid in 2024. Apprenticeships range from Level 3 up to Level 6 Honours degrees and are for people in roles as diverse as early years practitioners, paramedics, a software development technician and a corporate responsibility and sustainability manager.

Recipients supported so far include public sector and not-for-profit organisations, charities our people support, and an investee small business. Through this initiative, we are addressing critical skills shortages and deepening relationships with organisations in our value chain and beyond, while helping them retain staff, build morale and engagement, and promote diversity and inclusion in their workplaces.

In 2025, we will continue to identify opportunities to support organisations using our apprenticeship levy funds, prioritising existing business partners, businesses within our supply chain and not-for-profits with whom we have relationships.

> "The funding from L&G has really changed my career. Without it, I couldn't have paid for the training I needed to move forward. It's tough to work and study at the same time, but it feels great to learn new things and improve at my job. It's been a big help not just for my own development, but also for contributing more to our team."
>
> **Michelle**
> Early Years Practitioner apprentice, Rosewood Nursery

# Engaging customers and employees with impact

## Where we are

Using capital to generate social benefit while seeking strong returns is core to what we do. To achieve it while maximising impact, we seek to engage our customers and our employees and where possible, get them involved. We also have aduty to look after our clients', customers' and employees' best interests, especially those who arein some way particularly vulnerable.

## What we have learned

We continue to work to ensure our products and services are delivering good outcomes for our customers. The FCA's Consumer Duty has helped us to focus on customers' needs closely. We've also continued to build resilience in our value chain through engaging with clients and tenants on issues such as workforce wellbeing, including for members of the 'hidden workforce'.

## What we are going to do next

2025 will see us continue to work with partners on platforms like the Wellbeing Advisory Board and throughout our value chain to promote the resilience of workforces where we invest and provide services. We also know that our people love to give back to their communities and will continue to ensure we nurture a culture that allows them to do this.

# Our responsibility to our customers

**As a business whose products can have a significant effect on people's livelihoods, we have a responsibility to listen to customers in order to understand their needs and provide suitable and reliable products and services. It's particularly important that we look out for and support vulnerable customers.**

## Looking after our most vulnerable customers

The UK's Financial Conduct Authority (FCA) defines a vulnerable customer as someone who, due to personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care. According to the most recent data available from the FCA, 53% of adults display a characteristic of vulnerability.

There is no 'one-size-fits-all' definition of vulnerability. Major life events, physical and mental health or illness, decreased resilience and capability, or experience of crime, fraud and scams can all drive vulnerability. What makes one person vulnerable won't necessarily have the same effect on someone else. Customer vulnerability is complex and dynamic.

During 2024, we continued to take steps towards ensuring that our most vulnerable customers are protected and supported by:

- establishing a new Customer Outcomes team and rolling out new Vulnerable Customer treatment standards to strengthen our approach and commitment to ensuring good outcomes for vulnerable customers
- removing the minimum age limit for customers to access Care Concierge. Originally available to our customers and clients as a free service to help them find and fund later-life care, we removed the qualifying age limit for Care Concierge in 2024 to make the service available to any customers seeking care for other needs such as learning disabilities. See page 15 for more information about this service
- continuing our partnership with Co-op Legal Services, providing discounted fees for Power of Attorney for L&G customers coping with serious illness or anticipated bereavement
- continuing to work with StepChange and Royal Voluntary Service to signpost vulnerable customers to relevant support and advice on areas including physical and mental ill-health, isolation and financial wellbeing challenges.

## Consumer Duty: what it means

The FCA's Consumer Duty sets higher and clearer standards of consumer protection in the financial services sector. It means that customers should expect to receive communications they can understand, products and services that meet their needs and represent fair value, and that they get the support they need, when they need it.

The overarching principle of the Consumer Duty is that we must act to deliver good outcomes for retail customers across four areas:

- we must consider the needs, characteristics and objectives of customers at all stages of the product design process, including idea generation, development, testing, launch and review, to ensure products and services meet their needs
- we must appropriately test our products and services to ensure they will meet the needs of customers
- we must anticipate the needs of disabled customers and provide reasonable adjustments to enable them to use our products and services – providing information in Braille, audio or other formats for customers with a visual impairment, for example
- we must monitor whether any given group of customers is experiencing different outcomes than other customers and take appropriate action when necessary.

## Consumer Duty: year two progress

Over the past two years, we have been diligent in our approach to putting measures in place that ensure we are delivering good outcomes for our customers. Our Consumer Duty programme has brought together people from across the business to deliver a consistent solution for customers and has equipped us with the tools and guidance to embed Consumer Duty across everything we do. In 2024:

- all value-for-money assessments were completed on time and all products passed their latest review
- our Retail Protection team worked with external partner Fairer Finance to rewrite our Income Protection Policy Benefit Terms and Conditions. The resulting document's readability scoring improved from 'over 18 years' to 'under 12 years', a successful result as it means the document has become easier to understand. Consumer feedback on layout and structure, and use of explanations and worked examples throughout, was also positive. These lessons will be used to enhance other Protection product documentation in future
- a new online claims journey was developed by our Retail Protection team, making L&G the first life insurance provider in the UK to introduce this functionality. It means customers can now monitor progress of their claim 24/7, leading to reduced completion time
- our Institutional Retirement business received the Crystal Mark from the Plain English Campaign for the clarity of our documentation
- we commissioned PwC to complete an independent review of our products. While we were reassured that most issues raised were being managed or mitigated, the assessment provided additional areas we can improve in, such as how differing medical opinions in determining terminal illness are reconciled and the flexibility of legacy life insurance products.

> **Over the last two years, there has been extensive work across the business to ensure our products and services are delivering good outcomes for our customers. The Consumer Duty programme has really challenged everyone at L&G to see things through the eyes of a customer and put ourselves in their shoes. As a result, good customer outcomes have become more central to how we operate.**
>
> **Laura Wade-Gery,**
> Group Board Non-Executive Director and the Board's Consumer Duty Champion

# Customers' wellbeing

## More than a pay-out: promoting customer wellbeing with holistic support

As a provider of group protection and other workplace financial products, we have an opportunity to support employees across the economy to remain healthy, happy and productive.

The products and services we design for our customers, which includes employees of our clients' businesses, represent more than just a financial payout if something goes wrong. Our 'Be Well. Get Better. Be Supported.' framework provides holistic support to help customers manage their mental and physical wellbeing and gets them back on track to employment when appropriate.

## Be Well

**We provide a range of support to help employees remain healthy and thrive in the workplace, including:**

- Employee Assistance Programme (EAP) – provides free, day-to-day wellbeing support and fully accredited and qualified counselling services.

### Employees using our EAP provided their employers with*:

**33%**
**reduction in presenteeism (continuing to work when not well)**

**22%**
**reduction in absenteeism and workplace distress**

- On-demand health and wellbeing platform and app – gives employees a wide range of tools and resources to take control of their mental and physical health, such as a digital gym, hundreds of healthy recipes, podcasts and meditation sessions, and a wellbeing webinar series.

### We see employees taking control of their wellbeing through*:

- almost 60,000 sign-ups to our wellbeing platform

**15,000**
**digital gym classes taken**

**10,000**
**meditation sessions heard**

- virtual GP and online physiotherapy – quick access to GP, physiotherapy and mental health services, including child mental health consultations.

### Employees are returning to work faster*:

**37%**
**saw a faster return to work using the service**

**65%**
**avoided taking time off work**

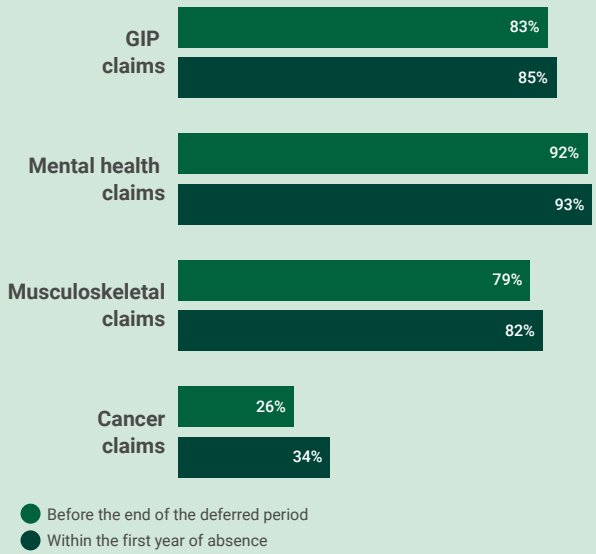
## Get Better

**Support to help customers back to good health and work when the unexpected happens, including:**

- quick access to fully funded treatment – access to qualified specialists in mental health, physiotherapy or vocational rehabilitation, all fully funded by L&G.

### Supporting our people with a variety of conditions.

Group Income Protection (GIP) claims (% of employees able to return to work).




## Be Supported

**Where possible, we provide fast claims payments when the unexpected happens*:**

**Group Life Assurance**
**£249.4m**
**Total paid**

**Top 4 claims paid:**
- Cancer
- Heart disease
- Neurological
- Respiratory

**Average claim paid:**
**£181,104**

**Group Income Protection**
**£73.7m**
**Total paid**

**Top 4 claims paid:**
- Cancer
- Neurological
- Mental health
- Musculoskeletal

**Average claim paid:**
**£21,840**

**Group Critical Illness**
**£26.2m**
**Total paid**

**Top 4 claims paid:**
- Cancer
- Heart Attack
- Stroke
- Multiple Sclerosis

**Average claim paid:**
**£90,195**

'These claims are supported by data covering the period 1st January, 2023 to 31st December, 2023, the period from which the most recent data is available. In 2024, we continued to support clients and employees with the same support under our 'Be Well. Get Better. Be Supported.' framework and plan to disclose further updates in 2025.' This caveat applies to any claim in the preceding section which has an *.

# Wellbeing in our value chain

## New in 2024

### The UK's first virtual cancer survivorship clinic

In 2024, we enhanced our 'Be Well. Get Better. Be Supported.' framework by launching a new partnership with Perci Health to support customers living with and beyond cancer.

Data from GRiD, an industry body for the group risk protection sector, show that only 4% of people with cancer have returned to work after early or active intervention, despite cancer making up 27% of claims in the insurance sector.

Perci Health provides specialist clinical and vocational rehabilitation through virtual clinics with a large team of multidisciplinary cancer experts, focused on the physical, psychological and practical effects of cancer. The aim is to maximise the likelihood of returning to work, whenever appropriate, following a period of prolonged absence and treatment for cancer.

> "With the changing cancer care landscape and growing population of people living beyond a cancer diagnosis in the UK, high-quality support for the survivors of cancer has never been more important, and L&G are at the forefront of addressing this emerging problem for their employer clients."
>
> **Kelly McCabe,**
> Co-founder and CEO, Perci Health

## Enhanced vocational rehabilitation support for customers

In 2024, we launched a new partnership with Ergocom to provide comprehensive career assessment and coaching for employees of Group Protection client businesses unable to continue in their roles due to illness or injury. An overview of this offering is show in the diagram to the right.

### Tailored support

Post-claim referral-only service designed to meet the specific needs of each employee.

### Comprehensive assessments

Ergocom's Vocational Redirection Assessment evaluates strengths, needs, and career potential, identifying a suitable, alternative role for the employee.

### Detailed reporting

Ergocom will provide a comprehensive report including vocational goals, career options, job roles and training requirements.

### Expert guidance

Employability Specialists will provide insights on funding for training, volunteering, self-employment, and even veteran resources.

## Wellbeing Advisory Board

Our Wellbeing Advisory Board, which launched in 2022, continues to help customers unravel, understand and act on all the health and wellbeing information that is available.

The Advisory Board produces guidance and support that is sourced and developed by a group of experts from across a range of clinical, occupational and vocational rehabilitation fields.

In 2024, the Advisory Board continued to provide and enhance expert opinion, insight and support on post-Covid recovery and financial wellbeing – two topics launched in 2023. But it also turned its attention to burnout, a state of emotional, mental and often physical exhaustion brought on by prolonged or repeated stress. It is most often caused by problems at work, but burnout can also appear in other areas of life.

The Advisory Board produced a series of targeted guidance and support documents for employers, employees and the self-employed, as well as case studies and a webinar, all aimed at helping customers recognise, mitigate and prevent burnout. In 2025, the Advisory Board plans to highlight the new topic of intergenerational wellbeing.

# Wellbeing in our value chain continued

## Hidden workers

**'Hidden workers' play an integral role in our economy, yet often go unseen. They keep our buildings safe, clean and well maintained but are often not directly employed by the organisations on whose sites they work – including across the sites which form part of L&G's real estate portfolio.**

In December 2022, we announced commitments to reducing health inequalities and improving the quality of life for hidden workers (including workers in security, cleaning and maintenance) across our direct supply chain, calling on partners to commit to:

- introducing sick-pay policies, without a three-day wait before Statutory Sick Pay (SSP) starts and at the same level as standard pay
- giving all workers within our properties access to virtual GP healthcare services 24/7
- death-in-service benefit as standard.

### Safer sick pay

No one wants to get sick, but when we do, we want to know that we can take time off to get better without worrying about being able to pay the bills.

A quarter of UK workers receive only minimum SSP if they need to take time off work due to illness. At £116.75 per week, the UK's SSP is among the less generous sick pay rates by international standards. Someone working full time on minimum wage would lose more than 70% of their earnings if they had to live on SSP. And to begin receiving it, workers need to lose three days' pay first. This is why we included safe sick pay in our hidden worker commitments.

In 2024, we met our commitment to achieve 100% coverage for people in dedicated roles in our real estate portfolio and who are directly contracted by L&G in our Real Estate business. This equates to 469 people now covered by sick pay and hidden work commitments.

In 2024, our partners surveyed members of the hidden workforce to better understand the impact L&G's hidden workforce commitments were having. In a survey of 92 cleaners in the South, across two of our supply chain partners, we found:

- 86% said the new benefits influenced their decision to stay with their employer
- 93% said the benefits made their jobs feel more secure.

> L&G have been an outstanding champion of the safe sick pay scheme and transformed the lives of hundreds of workers in their property division as a result. Their hidden workers scheme is to date the most impressive employer-led effort to champion a new way of doing things here in the UK and lead by example – both within the facilities management sector and into the wider economy.
>
> **Amanda Walters**
> Director, Centre for Progressive Change

> I asked for a GP appointment, there was a 2 week wait to see my own doctor! I called Virtual GP and was given a timeslot. The doctor called in the time slot, the same day.
>
> He really took his time with me, and I did not feel rushed in any way. I called them in the morning, and it was all sorted by the afternoon. Very impressed.
>
> **Anonymous cleaner**
> Hidden worker survey participant

# Playing our part in the community

## Working in partnership with civil society

Civil society sector organisations devote themselves to solving social challenges by providing support, services and solutions. This gives businesses like L&G the opportunity to play a crucial role in this process by providing resources to help scale, enhance and implement these solutions.

At L&G, we do this through corporate charitable giving; providing gifts-in-kind support, for example, in the form of knowledge and expertise; and by incentivising and encouraging our people to give back to their communities.

We donated £6,065,343 to civil society sector organisations globally in 2024. This includes £499,452 in employee matching, the total donated by our US divisions (converted to GBP), and a second installment of funding for the Advanced Care Research Centre at the University of Edinburgh.

**In 2024, we continued to work with and support the following partners and initiatives:**

### RedSTART Educate

From budgeting and saving to financial fraud and compound interest, RedSTART's Change the Game programme fosters and tracks pupils' practical and emotional skills around money. See page 11 for more information about progress and impact in 2024.

### Birkbeck, University of London

Working together to develop a pipeline of leaders who can help shape a better and more sustainable world, through teaching content-creation, bursaries and thought leadership. Highlights from 2024 include the launch of the 'L&G Sustainable Leaders Bursary', whereby five students from underprivileged backgrounds received £5,000 each to support with studying; running a workshop with students looking at developing climate change scenarios; and launching a 'minor subject' pathway for students in sustainability.

### Store Community Interest Company (CIC)

Store CIC addresses the social imbalance in art, design and architecture education by providing after-school clubs and support in applying for creative courses to young people from underrepresented backgrounds in the London Borough of Hackney.

### Manchester Street Engagement Hub

A partnership between voluntary sector organisations, Manchester City Council, Greater Manchester Police and CityCo, the Street Engagement Hub provides services such as mental and physical wellbeing support; money, debt and employment advice; access to accommodation; and signposting, to people in Manchester who are experiencing homelessness.

### Forged @ Foundry Business Plan Challenge

Delivered in partnership with Bournemouth, Christchurch and Poole (BCP) Council, higher education providers, and local entrepreneurs based in The Dolphin Centre, which is an L&G asset, the Forged @ Foundry Business Plan Challenge awarded young entrepreneurs with seed funding, in-kind office and retail space, and business mentorship. This initiative was an extension of the asset's place-based social impact strategy which was highlighted in our 2023 Social impact report.

**In 2024, we announced support for four new partnerships in the UK:**

### Royal Botanic Gardens, Kew

L&G is helping fund Kew's Nature Unlocked programme, the aim of which is to research the value of UK biodiversity to inform nature-based solutions to critical challenges that we face, such as climate change and food security.

### Carbon Community

Based in Wales, Carbon Community's 11-hectare carbon trial is studying two nature-based approaches to accelerate and enhance the ability of forests to sequester carbon. This landmark trial was launched in 2021 and L&G is helping to fund their continuing research.

### Age UK

Age UK is the UK's leading charity for older people. L&G's funding will be used to help support the provision of bespoke, holistic support to older people and their loved ones, including increasing access to in-community advisors who can help people identify and claim relevant benefits.

### Trussell

Trussell is an anti-poverty charity and community of foodbanks. In addition to emergency food, food banks also provide practical support and advice on money matters to people on the lowest incomes to ensure they are able to access the money they should be getting and manage their outgoings.

Case study

## L&G Asset Management America community

In 2024, nine L&G employees spent time volunteering for Habitat for Humanity Chicago, in the Greater Grand Crossing neighbourhood on the South Side of Chicago.

Habitat for Humanity Chicago helps families and communities achieve strength, stability and self-reliance through housing, beautification and development projects.

The team was spread across four homes, working on siding trim, soffits, windows and framing the garage of one of the homes.

Habitat for Humanity Chicago doesn't just provide homes to families who need them. Eligible beneficiaries also participate in the Affordable Homeownership programme, which involves volunteering, including spending 100 hours on a build site. Coincidentally, the future owners of one of the homes L&G volunteers were working on, a woman named Keosha, was volunteering on-site the same day. They worked together to help Keosha get one step closer to moving in.

# Supporting our people to give back

## CARE teams

An employee-led network of teams based in our large UK office locations, CARE – which stands for Community, Action, Responsibility and Environment – plans and delivers community investment activities local to each office community.

CARE teams are provided with a budget and given autonomy to deliver the activities each community needs. The team co-chairs are also provided coaching and leadership development.

Organising sustainable food workshops for employees, managing office collection points for local and national charities, volunteering at local schools' careers fairs, volunteering to clean up and maintain local outdoor spaces, raising money for local charities, and spearheading our Cardiff office's response to flooding caused by winter storms – these are just a few of the activities delivered by our CARE network in 2024.

## Expanding volunteering leave

Our people based in the UK have access to paid time off to volunteer. In 2024, we extended this benefit outside of the UK for the first time to international employees in our Asset Management division who are based in Australia, Germany, Ireland, Italy, the Netherlands, Sweden, Switzerland, Hong Kong, Japan and Singapore.

### Cardiff

Christmas present collection for patients at Noah's Ark Children's Hospital, Cardiff.

### Solihull

Sponsored and volunteered for Let's Feed Brum, one of Birmingham's leading homeless charities.

### London

Hosting a children's party and organising a collection of items for families with children undergoing cancer treatment.

### Hove

Volunteering for Hove-based loneliness charity Together Co's Winter Warmer event.

## Incentivising team fundraising

Our people know best what their communities need, which is why we match the money they individually raise for eligible community organisations. We expanded this incentive in 2024 to include team-based fundraising: eligible teams of three or more employees who collectively raised money for charity had their fundraising matched up to £2,500 per team member. 28 teams comprising 344 employees raised an additional £45,861, exceeding our expectations of participation and impact in year one.

## L&G America

In 2024, our people from L&G America held their second annual Community Day in April, timing the event to coincide with Earth Day. From our office in Frederick, Maryland, our people volunteered for Frederick County Parks and Recreation, helping to clear trails and plant new plants in the children's garden at the Fountain Rock Park and Nature Center, a local park.

Our people from our Stamford, Connecticut office helped clean up and beautify the local Mill River Park Collaborative park, clearing storm debris and leaves, protecting gardens and planting native flowers.

**In 2024, we donated...**

**£5.2m** to UK civil society organisations, including £499,452 in fundraising and time matching

**$1.1m** to US non-profits

**280** different civil society organisations

**In 2024, our people...**

**10,069+** spent 10,069+ hours volunteering

**154+** spent time volunteering for 154+ different community causes

# Responsible role model

## Where we are

We're committed to running our business in a responsible way. This includes supporting mental and physical health and wellbeing, providing safe and healthy workplaces, promoting inclusion and enabling social mobility – in our own business and in how we interact with others. We're committed to responsible investing and to working with third parties to ensure we do all we can to protect human rights in our operations, supply chain and value chain.

## What we have learned

Having a robust set of policies, procedures and processes is just one part of ensuring the business is run in a responsible way. Also critical is employee engagement, for example via training and in-house events and working with third parties including suppliers to ensure our commitments are met. During 2024, we launched our first sustainable supply chain strategy and took further actions toward eliminating modern slavery from our operation and value chain.

## What we are going to do next

In 2025, we will continue with our responsible business commitments, including to employee wellbeing, where we will focus on expanding mental health support across the company; and to further improving our practices in supply chain management. We'll assess where and how data and technology can help with our reporting systems to ensure we have the information we need to make better-informed decisions.

# Our people, social impact and culture

**We expect our employees to enact our values both internally and externally, and this includes our commitment to be a responsible business.**

The impact of our people embracing and embedding these principles helps ensure our customers, suppliers and communities are treated fairly. In return, we seek to build a culture which respects and values our people.

## Our culture

Across L&G, it is our shared values, beliefs, behaviours and attitudes that shape our culture. As we move into 2025 with a new strategy and refreshed purpose, we have developed a new set of behaviours to drive results and increase our impact: 'challenge positively', 'commit together' and 'act decisively'.

These behaviours are designed to guide our employees in how to work together, defining how we get things done, deliver our strategy and realise our purpose. How we work and interact with one another shapes our culture, and our behaviours provide a clear framework so we can hold ourselves to account.

In 2023, we incorporated behavioural assessments into our performance review cycle because we believe how our people do their job is just as important as what they achieve. This meant our people received a separate performance rating for how they demonstrated their behaviours alongside a rating for what they achieved. We continued to embed this in 2024 with any bonus payment defined by both what and how employees delivered throughout the year. In 2025, this process will continue, with employees focusing on the new set of behaviours.

## Our most valuable long-term investment

Ours is a diverse, multi-generational workforce. This is beneficial because of its potential to foster innovation and creativity through diversity of thought, and we believe it is the source of commercial advantage. See our Diversity and inclusion chapter for more information on our commitments and actions to increase diversity in our business.

Our work to develop our people begins with understanding them, their needs and their aspirations, and developing plans to support them to address these along with the needs of our other stakeholders. We use a variety of data and insights to inform our strategic workforce planning processes, including input from our people.

# Understanding our people

**The steps we take to meet our people's needs and build a strong culture are based on thoroughly understanding them and involving them in shaping our company. We do this in a range of ways, with the insights we gain informing the actions we take.**

## Listening to our people

As with previous years, in 2024 we ran our annual Voice survey – requesting feedback from our global permanent employees and fixed-term contractors. Voice measures employee sentiment on a range of issues, and the data gathered is an important indicator of organisational culture. Voice results help us assess where our strengths are and where we need to improve.

In 2024, the Voice survey questions were evolved to align with our new strategy and direction. We introduced new questions on themes including performance management, wellbeing and reward. We'll ask these same questions in future years, enabling us to review trends over time and measure the impact of our transformation work.

The 2024 Voice survey had a response rate of 83%, up four percentage points year on year. Employee satisfaction was 80%, up one point year on year. This is the last year we will publish an employee satisfaction score, as we are moving towards a new 'engagement index' – a combination of responses to multiple questions covering pride, satisfaction, recommendation and intent to stay. We have moved to an engagement index because it gives us a better insight into our employees' investment in L&G and a greater indication of their belief in our vision. In 2024, this engagement index was 80% favourable, which is seven percentage points higher than the industry benchmark.

2024 was a year of change at L&G, with a new CEO, new leadership and new strategy. We asked our employees their thoughts on our strategic direction, and 69% of people cited feeling confident about the strategic direction of the Company, which is eight percentage points above the industry benchmark.

Change can lead to employees feeling unsettled, which can be revealed through channels such as employee surveys. Some question scores decreased year on year. For example, the personal wellbeing score fell by four percentage points, suggesting employees are starting to feel the effects caused by the uncertainty of change. As a result of this, personal wellbeing has been identified as an area for additional focus in 2025.

Our inclusion score showed that 84% of employees agree that people from different backgrounds and opinions can be themselves and thrive at L&G (up five percentage points year-on-year). And the support our people receive from their line manager was our highest-performing question, scoring 86. We recognise the importance of enabling and equipping our managers to continue supporting their teams effectively during organisational change.

### Employee representation: UK

In our core UK business, we recognise Unite as our trade union for collective bargaining. This covers 81% of our UK employees.

Our long-standing partnership with Unite (now in its 28th year) continues. Our mutual objective is to work together to further the success of the business and to achieve fairness and equality in the treatment of employees. Our collective agreement is included in employee contracts for those on relevant grades in the UK, and all new starters, regardless of grade, receive an induction from Unite as part of their onboarding.

As an employer, we recognise Unite's right to represent its members across a range of issues, including:

- reward and benefits
- diversity and inclusion
- grievance, disciplinary and performance improvement
- health and safety and wellbeing
- environmental, social and governance (ESG)
- employees' terms and conditions
- training, development and career opportunities
- redundancy and employability
- office and workplace design.

Throughout the year, Unite actively raised awareness of its support and services, through both in-person events at our offices and digital communications. Unite representatives are provided time off to represent their members.

Since 2006, our more senior managerial grades have been represented collectively by an in-house Management Consultative Forum (MCF). MCF representatives serve on a voluntary basis and come from various business areas and locations.

### Employee representation: international

Our US business does not operate in a union or collective bargaining environment, but we comply with the Federal WARN Act (The Worker Adjustment and Retraining Notification Act). The act offers protection to employees by requiring employers to provide notice 60 calendar days in advance of covered 'mass layoffs'. The notice should be given to affected workers or their representatives (union environments); to the appropriate state dislocated worker unit; and to the appropriate unit of local government. A mass layoff occurs when there is a reduction in force that results in an employment loss at a single site of employment during any 30-day period of either: (1) at least 33% of the employees, excluding part-time employees, and at least 50 employees in total; or (2) at least 500 employees, excluding part-time employees. Other circumstances may apply and 'mini' state leave laws could apply if an office is in a covered location. In the European Union, we do not have an employee base of such a size that a European Works Council would be required.

### Employee representation to our Board

To meet the requirements of the 2018 UK Corporate Governance Code, we have a designated Non-Executive Director with responsibility for workforce engagement, Nilufer Kheraj. Throughout 2024, Nilufer met employees across a range of roles and departments and in all our major UK sites. See our Annual report and accounts for Nilufer's review of her activity in 2024. From April 2025, Carolyn Johnson will take on this role on behalf of the Board.

**80%**

**employee satisfaction voice survey score, up one point year on year**

**80%**

**engagement index, seven points higher than the industry benchmark**

# Developing our people

## Our approach to development

Ensuring that our employees continue to learn, regardless of their age, role or position, is important to us because it enhances skills, keeps us abreast of the changing needs of customers and societies, and fosters personal growth.

In 2024, our people development focused on four key areas:

- **Purpose:** aligning our focus for learning and development with our people and organisational priorities.
- **People:** developing our leaders, managers and employees to lead and perform with the critical skills needed for business-as-usual delivery and in the context of change.
- **Potential:** delivering a new leadership assessment model and tools for building high-performing teams.
- **Platforms:** reviewing our learning platforms to deliver against our learning strategy.

In 2024, we invested £4.45 million in people development through a blend of in-house and external training.

Our overall approach to learning and development focused on enhancing the accessibility of our learning, including increasing our 'in-the-moment-of-need' offerings such as videos, top tips and how-to guides; investing in our senior leaders and management with tailored development programmes; and building change readiness through our 'Leading Through Ambiguity and Change' offering.

## New developments in 2024

Our 'Impactful Conversations' series, launched in 2023, has now been expanded into a five-module programme, designed to support individuals in communicating effectively in a range of situations.

To build critical capabilities, we refreshed our 'People Manager Induction' and launched a new 'Building High Performing Teams' programme. We ran team-based learning sessions which in turn supported team cohesion, inclusion and development.

Leading Through Ambiguity and Change includes a comprehensive toolkit of online resources and interactive webinars which 130 leaders have joined. The offer draws on neuroscience and best practice to equip leaders to build self-awareness and support their teams' wellbeing and performance during change.

We introduced a leadership assessment framework based on leading research which outlines strategic self-awareness, understanding context and adaptability as critical elements of leadership effectiveness. We have been using this framework to help our leaders adapt to change, in line with our new strategy and evolving culture.

We invested in our learning systems and processes, including developments to our digital learning strategy which will be fully realised in 2025. Our vision is to provide a seamless, personalised and impactful learning experience for all employees that offers proactive support for performance and career development.

## Leading Through Connection

Following its success in 2023, we continued 'Leading Through Connection', a programme designed to engage, challenge and inspire our most senior people to see and think differently, about themselves as leaders and the problems facing today's organisations. In 2024, 38 of our senior leaders attended the programme.

Focusing on the importance of connection in leadership, the programme encourages them to:

1. Connect to a stronger sense of self: Giving leaders a deeper self-awareness of their strengths and development areas, resulting in greater confidence in their authentic leadership presence.
2. Connect to their impact on others: Enhancing their ability to connect with others at a deeper, more meaningful level to create a collaborative space for impactful work to happen.
3. Connect to self and organisational purpose: Deepening awareness of what drives and fulfils them within the context of the broader organisational purpose.

Feedback shows that participants report greater balance, growth and openness to change following the programme and when compared with their peers who have not yet attended. Participants' direct reports and their teams show a significant increase in Voice survey scores relating to 'line manager support', 'purpose', 'change adaptation' and 'employee satisfaction' compared with those employees whose senior leader has not yet participated.

The programme will continue in 2025, with the aim that all 100 of our most senior employees will eventually join it.

## Technical and regulatory training

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

- data privacy and protection
- supporting vulnerable customers
- fighting financial crime
- managing health and safety
- personal responsibilities (based on the FCA's five Conduct Rules)
- information security
- raising concerns and whistleblowing
- competition law
- managing risk
- handling complaints.

## Next steps

In 2025, we will continue to refine our development offering to support L&G's refreshed purpose and behaviours. We will focus on working to embed these, while building critical skills and the leadership capability needed to grow our business and develop our culture. We will enhance our digital learning strategy and experience work across the business.

# Looking after our people

## Employee health and wellbeing

**The health, safety and wellbeing of our people is highly important to us.**

As wellbeing can be influenced by personal and professional issues, we encourage our people to take control of their wellbeing where possible, but as their employer, we strive to understand the collective health of our organisation so we can make smarter decisions about how best to support our people.

We recognise wellbeing as spanning four core dimensions, underpinned by resilience:

- mental health
- physical health
- financial health
- social connections.

We use insights from sources including employee surveys and data on sickness to inform our strategies and policies on health, safety and wellbeing.

### Leadership and governance

Jeff Davies, Group Chief Financial Officer, was named as our executive sponsor for wellbeing and mental health during 2021, with accountability for our strategy in this area, a role he retained through 2024. The Health & Safety Committee has governance oversight of health, safety and wellbeing. The day-to-day management of our wellbeing programme, including mental health, sits with our Group D&I team.

## Our wellbeing strategy

### The importance of resilience

We believe resilience forms the foundation of wellbeing and that one of the best ways we can support our people is by helping them to build and maintain their resilience.

In 2024, we concluded a two-year internal campaign on this theme, providing tips and advice on how to build personal resilience, including employee stories that brought the topic to life. The stories also reminded our people about the ways they could engage with our benefits and resources to support their wellbeing.

## Our approach to mental health

We have been advocating for good mental health at work since 2017, when the 'Thriving at Work' report by Lord Stevenson and Paul Farmer was published. We continue to do so, not only for our own employees but also for those employed in the workplaces of our institutional clients. We do this primarily through our Group Protection business; see page 28 for more information.

We seek to normalise discussions about mental health, and we encourage our people to speak up about their experiences and challenges, whether anonymously through our employee surveys or publicly by sharing their stories in our communication channels. We also promote active listening to create an environment of mutual support where our people feel they can safely ask for help. We help our people to support each other by offering mental health awareness training.

As of 31 December 2024, we had 140 mental health first-aiders (MHFAs) in the business. We provided access to Unmind, a mental health app featuring clinically backed tools and training, to all employees. This year, we continued to offer an annual payment of £200 to our MHFAs in recognition of the support they provide to their colleagues.

> **Supporting good workplace wellbeing is an important part of L&G's culture. We recognise there is no 'one size fits all' solution for this – we are all individuals with unique needs and preferences, and we all face different challenges both in and outside the workplace at any given time. That's why we strive to provide a variety of support and resources that our employees can engage with proactively to manage their health and wellbeing.**
>
> **Jeff Davies,**
> Group Chief Financial Officer, Executive Sponsor for Wellbeing

### Embedding the 'Spectrum.Life' Employee Assistance Programme (EAP) extension

- We offer on-demand wellbeing support through our EAP provider Spectrum.Life.
- In 2023, we extended our EAP offering to our Future Talent pipeline, meaning any apprentice or graduate who accepts an offer at L&G can use the service before they officially join L&G.
- To ensure this community feels supported while making the transition from education to the workforce, we invite them to 'Spotlight sessions' to ensure they have the opportunity to ask any questions about our wellbeing programme.

Read more on p39

for further details about benefits we provide to support the mental health of our employees.

### Involving our people

Our **employee-led Health and Wellbeing network** has created and implemented a dedicated wellbeing programme, designed to foster an environment where colleagues can talk freely about their wellbeing. The network partners with external specialist Smart About Health, providing guidance and advice to our people across a range of wellbeing issues, directly from medical experts. In 2024, it ran sessions on themes including personal resilience, financial wellbeing, heart health, invisible illnesses and sleeping. In total, more than 10% of our workforce attended such sessions, with recordings made available.

Each of our offices has dedicated **wellbeing activities** taking place throughout the year. These activities are organised by our people, for our people, and include social events and wellbeing activities in dedicated spaces in the offices, and regular sporting clubs.

## Financial wellbeing

Financial stress can significantly impact mental health, leading to anxiety, depression and other health-related challenges. Poor mental health can also affect decision making, leading to potential financial instability.

We seek to support all our employees with financial wellbeing, now and for the long term. In 2024, we:

- increased company pension contributions for our grade 1 to 5 employees. Contributions will increase by 1% per annum until they reach 10% in 2028. This significant long-term investment in our people's financial wellbeing was introduced in April 2024, following a full review of our UK benefits and policies in partnership with Unite, our recognised trade union
- halved the qualification period for employees to be eligible for income protection, to 26 weeks' service from 52 weeks. This product provides financial support to employees unable to work for an extended period due to injury or illness
- continued to offer our hardship fund which gives employees urgent financial help where there are circumstances beyond their control, existing benefits are inadequate, and a payment will make a material difference to the individual's mental and financial health. Applications are confidential and individually and independently evaluated.

## Protecting our employees' physical health

In 2024, we introduced Bupa health assessments for all permanent UK employees, giving them the opportunity to get expert advice on potential mental and physical health issues in their early stages. Employees can have a health assessment every three years. In 2024, around 25% of our UK workforce took up the offer of a health assessment. We will continue to offer this benefit to employees in 2025 and 2026.

See page 39 for further details about the benefits we provide to support the physical health of our employees.

## External recognition for our wellbeing support

Our efforts to support employee wellbeing were recognised in 2024 by MindForward Alliance's Thriving at Work assessment, in which we achieved a 'Health Creating' rating. We also saw an increase in our performance ranking in asset manager CCLA's Corporate Mental Health Benchmark, where we are now ranked in Tier 2, meaning L&G is considered 'well on the way to demonstrating a strategic approach to workplace mental health management and disclosure'.

## Progress in wellbeing

Questions about wellbeing in our annual employee Voice survey were updated to allow for external benchmarking and to gain more useful insights into perceptions of the quality of wellbeing support provided.

In our 2023 Social impact report, we announced our first set of goals for wellbeing. Our progress against these is set out below.

## 2024 Goals and update

### 1. Progressive improvement of employee sentiment scores related to wellbeing questions in our annual Voice survey, specifically: 1) whether wellbeing is seen as a priority for L&G and 2) reported levels of personal wellbeing.

- Employees cited that resources offered by the Company to support health and wellbeing are helpful 78%. This is 5% higher than the Financial Services benchmark.
  - We believe the positive score on the usefulness of our resources is the result of awareness campaigns aligned to dates such as Mental Health Awareness Week and World Mental Health Day. For the former, we integrated Unmind, our workplace wellbeing app, into Microsoft Teams to raise visibility of how Unmind can be used as a tool to manage everyday wellbeing in a familiar virtual workspace.
- Reported levels of personal wellbeing decreased 4% year on year, from 76% to 72%.
  - We think this fall in levels of personal wellbeing is partly due to external factors (e.g. continued cost of living pressures, geopolitical instability) and internal factors such as restructuring.
  - To understand more, we will run a Wellbeing Pulse Survey in 2025. This will include a newly formed wellbeing index which will act as the our metric for 'progressive improvement'.
  - We will continue to offer our 'Leading Through Ambiguity and Change' sessions to support employees through organisational changes.

### 2. Maintain Thriving at Work 'Excelling' benchmark status.

We have improved our performance in this year's Thriving at Work assessment from 'Excelling' to 'Health Creating'.

The improvement was partly due to the following initiatives:

- the EAP service being made available to our Future Talent pipeline before they onboarded at L&G
- running a pilot with Ownminder, trying to meet the needs of the construction industry's high levels of mental health problems.

### 3. Expand provision of mental health support across L&G.

- In 2024, we trained 27 new MHFAs and now have 140 covering all of our UK offices and divisions.
- Mental health and overall health assessment and support through Bupa (see page 39 for more information).
- This will continue in 2025.

### In 2025, our goals will be similar to 2024:

- progressive improvement in employee sentiment, tracked via a wellbeing index. We aim to better understand driving forces behind why employees feel the way they do about their work and wellbeing
- maintain the Thriving at Work benchmark status of 'Excelling' or above
- expand provision of mental health support across L&G.

# Looking after our people continued

## Benefits to support all aspects of wellbeing

We have a range of benefits that support each of our wellbeing pillars, and all of these are accessible to every L&G employee. We supplement these benefits with ongoing internal communication campaigns, events and webinars to promote wellbeing either centrally or via our Health and Wellbeing employee network.

## Policy updates

Alongside the benefits we offer our people, we recognise the role that our employment policies have in supporting their wellbeing. In 2024, we enhanced several policies: some changes were driven by statutory requirements, but most were initiated by us to support our employees' wellbeing and that of their families. The changes have been made with the diverse needs of our workforce in mind.

Our enhanced family policies now provide greater support for employees to prepare for, welcome and care for new family members from their very first day working with us. Additionally, we have introduced new policies for pregnancy loss, fertility and neonatal leave, which provide more options for taking time off and ensuring people have the space to focus on what matters most. These improvements reflect our commitment to supporting our employees' family needs.

We have also introduced new policies for emergency and carer's leave. From day one of employment, employees can request up to two weeks of leave for emergencies and unplanned life events, and up to one week of carer's leave per year. These measures ensure our employees have the support they need, enabling them to prioritise their personal wellbeing and responsibilities.

### Physical health

- Access to Bupa's private medical insurance, which also includes virtual doctor's appointments offered via Bupa.
- Gym membership discount.
- Cycle to work scheme.
- Free flu vaccination.

### Mental health

- Access to an employee assistance programme 24/7, 365 days a year for our people and their immediate families.
- In 2023, this was extended to all Future Talent candidates in our pipeline, meaning that any apprentice or graduate who accepts an offer with us can use the service before they officially onboard on one of our programmes. This helps support these people as they make the transition from education to the workforce.
- Access to mental health support via Bupa which includes a direct access pathway (i.e. no GP referral required) and a family mental health support line.
- Access to mental health first-aiders.
- Free access for employees globally to Unmind – an app that offers clinical techniques to help manage symptoms of stress, anxiety and depression.

### Social connection

- Work+Family Space: access to advice and resources to help employees balance work and caring responsibilities for children, the elderly and pets.
- Eight days of backup care provided for any of these groups for free.
- Access to Care Concierge, which can help with sourcing later-life care for older family members (page 15).
- Access to our active employee networks (see page 55 for more information).
- Dedicated time off to volunteer in the community.
- Financial benefits offered to employees' chosen charities if they fundraise, volunteer, or become a school governor or charity trustee.

### Financial health

- Enhanced income protection support to 66% of base salary for those unable to work through injury or illness.
- Access to a workplace ISA with reduced fees.
- Access to an electric car scheme providing a generous benefits package if employees lease a brand-new electric car for personal use.
- Share save schemes.
- Access to Salary Finance, a L&G investee fintech company which gives employees access to workplace savings, loans and payday advances.
- Shopping discounts at hundreds of retailers via our Smart Spending benefit.

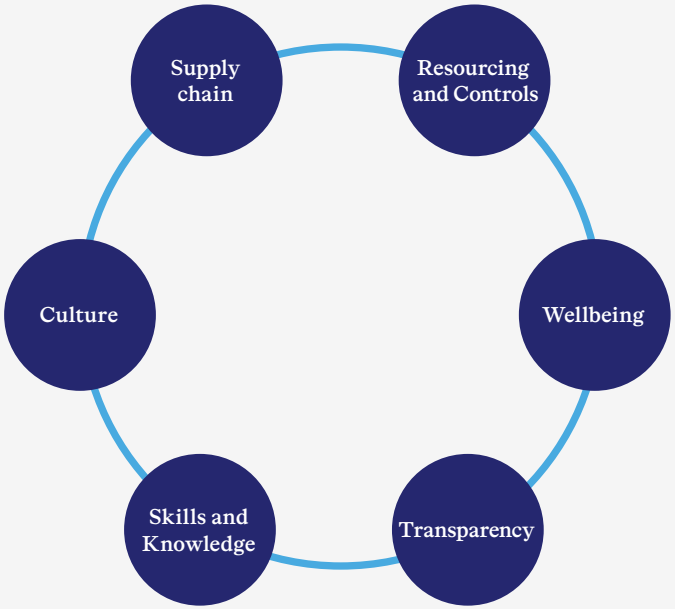
# Health and safety

## Our strategy

In 2024, we set the foundation to achieve our vision of 'protecting people and places, to promote safer and healthier lives', as laid out in our health and safety policy statement. All UK permanent employees and contractors working in our UK offices are in scope of this policy.

## Develop a proactive and influential health and safety culture

We have continued to focus on strengthening Health & Safety governance at a Group level. The Group Health and Safety Committee, created in 2023, continued to fulfil its oversight role in 2024. Various safety forums also created in 2023 are now well embedded. The Committee and all forums receive reporting, escalations and facilitate knowledge-sharing to drive consistency across the Group.




**Supply chain**
- align to vision and values
- work in partnership
- use influence for good

**Resourcing and Controls**
- resource model
- systems and oversight
- track performance
- focus on prevention

**Wellbeing**
- link safety/wellness/resilience
- help people be their best

**Transparency**
- environment for collaboration
- build awareness
- ensure lessons learnt

**Skills and Knowledge**
- provide tools and training
- two-way communication

**Culture**
- proactive and influential
- build awareness
- ensure lessons learnt

We recognise that consultation and communication with our employees are essential to drive effective management of health and safety. In addition to our formal governance, we have location-specific Health & Safety committees and a dedicated health and safety page on our intranet site which outlines our management system, guidance and resources. There is a dedicated mailbox for employees to report hazards and ask for assistance.

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

## Drive quality and cross-Group consistency

An internal audit completed in July 2024 received a 'satisfactory' score, concluding that governance, oversight, monitoring and reporting controls for health and safety across our Private Markets and Corporate Investments businesses, where our most significant health and safety risks lie, were designed appropriately and operating effectively. The overall risk and control culture was defined as 'good'.

Each division has health and safety experts who work together as a specialist group of subject-matter experts (SMEs), driving the strategy and working towards more standardised incident classification, reporting and routes of escalation for significant incidents.

Currently, a cross-functional team of SMEs are in the process of developing L&G-wide specification standards relating to fire safety with the objective of protecting long-term asset value, protecting against reputational risk and supporting compliance requirements across the Group. Focus has been given to the first-aid process, emergency procedures, training guidance and risk assessment across our workplace estate.

International site safety has also been considered with the aim of standardising our approach to safety processes across all territories where possible, with oversight at Group level.

## Keep pace with change

We have a well-established and documented process for identifying health and safety hazards, risks, and responding to incidents and near misses. We continue to review and update our risk assessments, which are the cornerstone of our management system. We also use our assessments to form policy, processes and guidance for our people. Procedures and processes are reviewed regularly to ensure compliance with law and best practice.

In two of our business areas (Private Markets and Corporate Investments), teams have been working to understand what the recently published Grenfell report means for the business and how proposed changes could impact duty holders if recommendations become legal requirements. Our safety and risk teams have also been focusing on Building Safety Act requirements across our asset portfolio, with the first suite of safety cases being successfully submitted in recent months.

### Looking ahead in 2025

- Create and roll out a global health and safety policy, extending the reach to our entire global employee base.
- Assess how we use technology and innovation within our reporting systems.
- Health and safety experts to engage with project teams working on our new London office relocation.
- Continue to partner with Unite as we progress our safety strategy.
- Following a successful pilot with Ownminder in 2023 providing proactive mental health support to contractors working on L&G construction projects, this will now be further rolled out in 2025.

## Sickness data (UK)

In the UK, we continue to monitor sickness and absence trends that contribute to time off work. Within our total UK workforce, in 2024, 2.4% of days were lost due to sickness and, of this, 33% related to psychological ill health, a year-on-year increase of 5%.

We have established a cross-functional working group to review our controls in preventing psychological ill health.

**Key health and safety statistics**
The table to the right shows health and safety statistics for our L&G employees in the UK – this does not include data from existing subsidiaries or companies L&G no longer owns, such as CALA Group (Cala). These statistics do not include our international sites, but plans are in place to address this to ensure we have oversight at a Group level.

There were zero fatalities or high consequence work-related injuries* in our offices in 2024. There were also no improvement or prohibition notices issued to L&G in 2024.

There were three RIDDOR (Reporting of injuries, diseases and dangerous occurrences regulations) reportable incidents in 2024 and these three injuries resulted in over three days of lost time from work.

Near miss reporting in 2024 declined year on year by around 50% and, as such, this remains a focus area for 2025.

Total recordable incidents were 31, a decrease of 66.6%, which is because we no longer report data from Cala.

The most frequent injury types for 2024 were bruising and strains/sprains.

Part of our direct supply chain is made up of a combination of projects instructed by our Private Markets function and subsidiaries. While we do not maintain direct day-to-day responsibility for Health & Safety management on these projects, we recognise our responsibility in monitoring standards to ensure alignment with our expectations.

Within our supply chain, there were no fatalities or high consequence work-related injuries in 2024. There were a total of seven RIDDOR reportable incidents (five relating to construction, two to operations). These seven incidents in 2024 resulted in over three days of lost time.

In total, there were 62 category 1** & 2*** incidents reported in 2024. The most common incident types were falling objects and slips or trips on the same level.

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

** Work-related incidents reportable to the HSE under RIDDOR or environmental incidents.

*** Minor injuries (not RIDDOR reportable) and incidents resulting in no injury.

## Key health and safety data for 2024

### Table 1: Key health and safety data for employees and contractors based in our offices

| | Total Number | Rate |
|---|---|---|
| **Fatalities** | – | – |
| **High consequence work-related injuries*** | – | – |
| **RIDDORs** | 3 | |
| **Incidence rate of over-3-day absence injury per 100,000 workers** | 3 | 0.017 (over 3-day incidents x 100,000/hrs worked) |
| **Total number of incidents recorded (including those resulting in no-injury)** | 31 | |
| **Hours Worked** | 17,203,180 | |
| **Total recordable injury frequency rate (TRIFR) – recorded fatalities, lost time injuries, cases or alternate work and other injuries requiring medical treatment by a medical professional.** | 10 | 0.5813 (total recordable injuries x 1,000,000/hrs worked) |

### Table 2: Key health and safety data for employees and contractors on L&G owned sites that are managed by direct contractors

| | Total Number |
|---|---|
| **Fatalities** | – |
| **High consequence work-related injuries*** | – |
| **RIDDORs** | 7 |
| **Incidents resulting in over-3-day absence** | 7 |
| **Total number of incidents recorded (including those resulting in no-injury)** | 62 |

# Engaging with others

## Public policy approach

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

We had extensive engagement with policymakers and regulators throughout 2024. We engaged with policymakers on a range of themes, including long-term savings, sustainability, growth and productive finance.

### Our public policy principles, which are agreed at Executive level, are:

**1.** We make no political donations.

**2.** We are politically neutral, working with all parties, officials, regulators and other policy organisations in the jurisdictions in which we operate.

**3.** We work collaboratively both directly and through a range of industry representative bodies.

**4.** We aim to deliver evidence-based, practical proposals for consideration by policymakers.

**5.** We aim to be experts and thought leaders: we are an organisation rich in expertise that we're willing to share with those responsible for formulating public policy.

**6.** We are focused on delivering positive outcomes for customers, clients, shareholders, investment markets, the broader economy and society.

## Engaging through memberships

We participate in several industry bodies and have signed up to a range of sustainability-related standards. We are members of Business in the Community (BITC), a UK-based membership organisation which is 'leading a movement to create a fair and sustainable world in which to live and work'.

In 2022, we gained Good Business Charter certification and retained this in 2024. The Charter commits us to a range of actions to ensure the ethical running of L&G, including paying a real living wage, supporting employee wellbeing, engaging with worker representatives, promoting diversity and inclusion, protecting the environment and ethical sourcing practices. Full details of the certification can be found on the Good Business Charter website: www.goodbusinesscharter.com/

We are participants in the UK division of the United Nations Global Compact.

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

# Engaging with others continued

## We engage with external partners on a range of issues of interest to them, to us and to our stakeholders.

## Government and public policy

### UK Government

We enhance our reputation with national political stakeholders, communicating our strategy and purpose, and seeking policy changes that benefit our customers.

### Local governments

We work with local and regional leaders to help identify and meet their communities' needs for investment, creating assets that transform places and deliver social and economic benefits

### Devolved administrations

We engage with the devolved nations to communicate our investment and policy priorities, and to collaborate with them to help fund and deliver transformational assets for their communities.

### Regulators

Please see our Annual report and accounts for information on how we engage with our regulators.

## Industry

### United Nations Global Compact (UNGC)

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

### Business in the Community (BITC)

We are members of Business in the Community, a UK-based membership organisation whose vision is a fairer and greener world drive by fairer and greener businesses.

### Good Business Charter

We have been an accredited member of the Good Business Charter since 2022. The Charter promotes responsible business practices in the UK.

### Living Wage Foundation

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

## Civil society partners

### RedSTART

Provides financial education to transform the life chances of young people across Britain.

### Age UK

Provides crucial support for older people and drives change locally and nationally.

### Trussell

An anti-poverty charity and community of food banks.

### Royal Botanic Gardens, Kew

Aims to stop biodiversity loss and develop nature-based solutions to humanity's biggest challenges.

### Carbon Community

Explores nature-based approaches to accelerate and enhance ability of forests to sequester carbon.

### Women in Banking & Finance (WIBF)

We are members of this network which champions women in financial services.

### Business Disability Forum

As members, we work with Business Disability Forum to remove barriers to inclusion.

### Social Mobility Foundation

Aims to achieve a society where talent from all social backgrounds is nurtured, harnessed and rewarded.

### Diversity Project

A cross-company initiative championing a diverse, equitable and inclusive UK investment and savings industry.

## Academic partners

### University College London (UCL)

Since 2022, we have worked with UCL on the issue of health equity, most recently launching our £3m Health Equity Fund.

### Birbeck, University of London

We are in partnership with Birkbeck to co-create an inclusive environmental and sustainability educational offering, along with financial support for students.

### Oxford University

Our joint venture partnership with Oxford has invested in the redevelopment of the city and its scientific real estate.

### Edinburgh University

Since 2020, we have partnered Edinburgh in its deliver of the Advanced Care Research Centre, providing financial investment.

## ESG ratings

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

### MSCI

In 2024, Legal & General Plc received a rating of AAA on a scale of AAA-CCC in the MSCI ESG Ratings assessment.[1]

### Morningstar Sustainalytics

In August 2024, Legal & General Plc received an ESG Risk Rating of 16.3 and was assessed by Morningstar Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors. In no event should this information be construed as investment advice or expert opinion as defined by the applicable legislation.[2]

### World Benchmarking Alliance

In January 2025, we were ranked in the top 25 of @World Benchmarking Alliance's 2025 Financial System Benchmark, which measures how the world's 400 most influential financial institutions are transforming the financial system for a more just and sustainable future.

### ISS ESG Corporate Ratings

ISS ESG Corporate Ratings on companies provide investors with in-depth insight to effectively incorporate sustainability into their investment decisions. As of June 2024, L&G received a C+ rating achieving Prime status.

### FTSE4Good Index Series

The FTSE4Good Index Series is designed to measure the performance of FTSE companies demonstrating strong ESG practices. In 2024, our overall FTSE4Good ESG score was 4.3 enabling us to remain a constituent of the FTSE4Good Index Series

1. Disclaimer statement: THE USE BY L&G OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF L&G BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.
2. Copyright © 2024 Sustainalytics, a Morningstar company. The information contained or reflected herein is not directed to or intended for use or distribution to India-based clients or users and its distribution to Indian resident individuals or entities is not permitted, and Morningstar/Sustainalytics accepts no responsibility or liability whatsoever for the actions of third parties in this respect.

# Our approach to responsible investing

## Our Asset Management business is a major global investor with total assets under management (AUM) of £1.1 trillion, of which £424.6 billion[1] is in responsible investment strategies (as at year end 2024).

Responsible investing is core to our investment approach, which is to create a better future through responsible investing. It also gives us an opportunity to raise market standards and best practice.

We have received a 5* ranking from the PRI (Principles for Responsible Investing) for five modules: Policy governance and strategy, Passive equity, Real estate, Fixed income (SSA) and Fixed income (corporate). We remain a signatory of the Financial Reporting Council's UK Stewardship Code for a fourth year running.

As an asset manager, we have three areas of focus:

### 1. Holding boards to account

To be successful, companies need to be led by people who are well equipped to create resilient long-term growth. We aim to safeguard and enhance our clients' assets by engaging with companies and holding management to account for their decisions. Voting is an important tool in this process.

### 2. Creating sustainable value

We believe it is in the interest of all stakeholders for companies to build sustainable business models that are also beneficial to society. We work to ensure companies are well positioned for sustainable growth and to prevent market behaviour that destroys long-term value.

### 3. Promoting market resilience

As a long-term investor for our clients, it is essential that markets are able to generate sustainable value. We aim to use our influence and scale to address issues impacting the value of our clients' investments. This includes working with policymakers, such as governments and regulators.

Significant environmental issues such as climate change and biodiversity loss remain a dominant theme of engagement. For more information, see our Asset Management quarterly ESG reports.

In 2024, antimicrobial resistance and human rights were two priority social issues.

### Antimicrobial resistance (AMR)

Since 2020, we have been engaging companies, governments and other external stakeholders to take necessary steps to mitigate the systemic risk posed by AMR, while raising awareness of the issue. Development of national and international strategies to combat AMR is vital to provide the impetus for effective actions to be taken. Knowing this, in 2024, we were active at various events:

- in September 2024, the UN General Assembly's (UNGA's) second high-level meeting on AMR took place, ahead of which, through Investor Action on AMR, we publicly called on government officials and policymakers to take concrete steps to mitigate AMR. Although we were disappointed that the target of a 30% reduction of antimicrobials used in livestock was diluted in the final declaration to a 'meaningful reduction', we view the UNGA Declaration as a positive step forward
- we spoke at the Fourth Global High-Level Ministerial Conference on AMR in Jeddah, Saudi Arabia, discussing The Future Economic Impact of AMR & Sustainable Financing Initiatives in Containing AMR for the Health of our Ecosystem. During our panel discussion, we emphasised the role investors can play in combatting the rise of AMR
- Access to Medicine Foundation and the World Health Organization invited us to speak at an event during World AMR Awareness Week about Mobilising Pharma to Act on the AMR Political Declaration
- we were invited to participate in and present at the UK–Northern Europe AMR Workshop organised by the UK Science Innovation Network at the UK Embassy in Stockholm
- during these events, we were able to underscore and discuss the important role that we as asset managers can play in stemming the rise of AMR.

These events help:

- to raise and improve the awareness of policymakers and government officials that the asset management industry considers AMR to be a systemic and financially material risk; and
- work with a broad set of stakeholders to identify how asset managers can best use their influence as effective partners in the global battle against the rise of AMR.

While policy engagement remains a core focus of our work on AMR, it is also supported by our corporate engagement and our voting activity, including our collaborative work in the restaurant sector with FAIRR, our co-filing of shareholder resolutions at McDonald's, and our voting in support of AMR-related shareholder resolutions at other companies.

1. Asset Management's responsible investment reporting criteria is reviewed in line with industry frameworks, as well as regulatory developments, relating to sustainable finance disclosure requirements, as deemed to be relevant to the markets in which L&G operates. This includes but is not limited to the EU's Sustainable Financial Disclosure Regime (SFDR) and the UK Sustainability Disclosure Requirements (SDR).

# Our approach to responsible investing continued

## Overview of our human rights engagement approach

**December 2023**
Published human rights policy

**Q1 2024 Established engagement plan**
Identified engagement targets, objectives approaches and timeframe:
- **6** sectors
- **Top 20-30** large and medium companies by geography and by sector
- Equity holdings via Asset Management

**Q2 2024 Engagement commenced**
Human rights letter campaign outreach, including an engagement survey:
- **400+** companies
- **43** countries
- **6** sectors: **55%** labour intensive, **45%** extractive and utility
- **8** FWPL – UNGC violators

**Q3 2024 Initial responses**
Engagement survey responses received & scheduling direct engagements:
- **15%** response rate
- **17** countries, half from emerging markets

**Q3 – Q4 2024 Engagement progress**
Review of survey responses and direct engagements:
- **20** follow-up direct engagements
- **30%** in labour-intensive industries,
- **40%** in extractive, and
- **30%** in utilities

**2025 Track progress and engagement completion:**
- Follow up **engagements**
- **Progress** tracking and
- **objective** evaluation

## Human rights

As set out in our policy on this issue, we believe that human rights are financially material for investors, and that managing the business elements of human rights within operations is essential for companies to minimise the risks to their business of human rights violations.

In 2024, we launched our human rights campaign, targeting around 400 companies in 43 countries across six high-risk sectors, including utilities, mining and minerals, and apparel and textiles. With each company, we shared our human rights policy and expectations, and invited responses to learn more about their approaches to human rights and the challenges they face in meeting our minimum expectations.

## Engagement results

- Companies that demonstrated the most comprehensive human rights management showed a holistic understanding of their operation and supply chain risks, and took a granular, often bottom-up, approach to addressing these risks.
- 95% of respondents[1] reported strong awareness of human rights issues, demonstrated through published policies and board oversight.
- When asked to demonstrate effective human rights management beyond policy commitments through risk identification, remedy access and preventive actions, the percentage of companies acknowledging those measures to be in place dropped to 75% compared with a 95% confidence rate of overall awareness of human rights.
- When asked about managing secondary impacts, climate impact emerged as the top-cited issue of concern for about 50% of the respondents, especially within the auto, utilities and extractive industries. Artificial Intelligence was also cited as a key challenge, according to 16% of surveyed organisations. The symbiotic relationship of human rights and climate change is particularly reflected in companies undergoing business transitions as they respond to a changing climate.

## Our next steps

We will continue to assess what we can learn from our survey responses, and will select a smaller number of companies for future engagement. We will also look to update our human rights policy with detailed expectations on specific, salient human rights topics.

1. Percentages reflect only the views of companies responding to the survey, and not all companies contacted. The survey received a response rate of 15%.

# Our supply chain

## Our supply chain strategy

We understand that actions across our global supply chain can have far-reaching consequences. We recognise the importance of balancing financial considerations with promoting environmental and social sustainability when making purchasing decisions.

In 2024, our core UK business (excluding subsidiaries) had c.1,700 direct suppliers. 66% of our overall supplier spend was with our top 50 suppliers. Within our top 50 suppliers, 44% are in the technology sector and a further 13% provide professional services. Both these sectors are relatively low risk for labour and human rights issues.

Our procurement framework allows us to engage with our supply chain effectively and fairly, in a manner that manages risk and promotes value in the best interests of our customers, clients, employees, regulators and shareholders. Under the framework, our contracts specify the commercial and legal parameters of our engagements with our suppliers including compliance with laws and regulations and provisions to ensure continuity of services and the security of data.

We continuously adapt our practices to align with evolving sustainability expectations and requirements. This includes assessing suppliers' environmental practices, labour conditions and adherence to human rights principles. Through regular audits and assessments, we aim to maintain a responsible and ethical supply chain.

In June 2024, we launched our updated Supplier Code of Conduct, which sets out our ambition and defines how we expect our suppliers to play their part. It focuses on the following core areas:

- business conduct
- diversity and inclusion (D&I)
- human rights and modern slavery
- environmental sustainability
- digital accessibility
- prompt payment
- real living wage
- social value.

We intend to include a new questionnaire as part of our business-as-usual due diligence onboarding of all suppliers in 2025. The questionnaire is aligned with the Code and will provide us with more granular information for how our suppliers are approaching sustainability and meeting our requirements. This will improve transparency on our key suppliers' practices and alert us to any risks.

### Sustainable supply chain strategy

In 2024, we launched our first procurement sustainability strategy, which will focus on modern slavery, living wage, and carbon emissions and science-based carbon reduction targets. The new strategy drew from existing procurement activities and reviewing market best practice. These topics were selected for their alignment to our organisational strategy and importance within sustainable procurement.

Since the launch, our Group Procurement team has been trained on these topics and has begun to review our approach to data collection and management to improve reporting.

### Modern slavery and our supply chain

We continued to work with our suppliers in 2024 to prevent and mitigate modern slavery activity. Key updates include:

- conducting a supplier risk assessment, working with Unseen, a modern slavery charity which we consult on this matter
- carrying out modern slavery audits in our supply chain, including at L&G construction sites and in our own offices where outsourced employees are engaged; all audits are carried out by Achilles, an independent specialist in this area
- continuing to roll out our Modern slavery brief to suppliers in our Private Markets business, where much of our high-risk construction work takes place
- our procurement teams attended modern slavery awareness training sessions run by Unseen. Training was bespoke to the specific risks associated to these roles, and upskilled workers as to the signs to spot within the workplace, sector specific case studies and how to respond to concerns raised.

Please see our 2024 Modern slavery statement for more information on our progress in managing modern slavery risk in our supply chain.

## Looking forward

Our focus for 2025, as we deliver our new strategy, will be to:

- strengthen supplier engagement, evaluation and monitoring by continuing to review all points in the supplier lifecycle for opportunities to better embed sustainability
- expand sustainable sourcing by increasing usage of weighted sustainability criteria in tenders
- explore partnerships with suppliers who have strong sustainability credentials.

# Protecting human rights

We are committed to upholding human rights throughout our operation and supply chain and we zero tolerance of labour abuses including modern slavery.

Our main annual disclosure on the issue of modern slavery and human rights is our Modern slavery statement, which can be found on our corporate website. See below for more information about the statement's scope and contents.

## Human rights: our commitment

We are committed to maintaining high standards when it comes to the protection of human rights in our operation and our value chain. We base our approach on standards set by various bodies of which we are members or whose guidance we follow:

- our overall approach continues to be aligned with the United Nations Guiding Principles on Business and Human Rights
- we fully support the principles of the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work
- we have been a signatory and supporter of the UN Global Compact since 2012
- we are members of the Gangmaster and Labour Abuse Authority Construction Protocol, a Real Living Wage Employer (and a member of the Living Wage Foundation) and an advocate of the UN Sustainable Development Goals
- we have incorporated the internationally recognised Ethical Trading Initiative (ETI) Base Code within our supplier code of conduct, reflecting the importance of human rights considerations in our value chain.

## Human rights in our supply chain

We understand our responsibility to prevent, mitigate and remediate where appropriate the risks of human trafficking, forced, bonded and child labour; and to respect human rights in our operations and our supply chain. Whilst we acknowledge that there may be human rights impacts within our supply chains, we are committed to taking these impacts seriously.

In 2024, we launched our first procurement sustainability strategy, which will focus on issues including modern slavery and the living wage. These topics were among those selected for their alignment to our organisational strategy and importance within sustainable procurement.

Our revised Supplier Code of Conduct, published in 2024, set out our expectations of our suppliers with respect to human rights.

Please see this page for further information about our approach to human rights in our supply chain.

## Remediation

We take any breach of our policies or allegations of labour abuse extremely seriously. We provide an independent and confidential whistleblowing hotline that enables our employees, suppliers and their staff around the world to raise concerns on this or any other issue that may be of concern to them (please see page 50 for more information on our whistleblowing policy).

## Engaging with investees

In 2024, our Asset Management business continued to engage with investee business on the theme of human rights. Please see page 46 for further information.

## Modern slavery

We remain committed to playing our part in eradicating modern slavery. In 2024, we continued our efforts to assess the risk of, detect, mitigate against and remediate instances of modern slavery in our operation and supply chain.

During the year, we undertook numerous actions to prevent and remediate modern slavery, including:

- training employees
- undertaking in-depth risk assessments
- carrying out audits across our operational and investment sites, using an independent auditor
- continuing to work with Unseen, a UK charity that supports survivors of trafficking and modern slavery, as well as providing expert support to businesses, communities, governments, among others.

We have published, and now reported progress against, key performance indicators for modern slavery (see below for more information).

## Our 2024 Modern slavery statement

Our 2024 Modern slavery statement describes the steps we have taken to identify the risks, and remediate any instances, of modern slavery and human rights violations. It covers our strategy, risk processes, governance and key performance indicators relating to this issue in our operation and supply chain.

A copy of the statement can be found on our corporate website, as required by the Modern Slavery Act 2015.

# Business ethics

## We insist on very high standards of business and personal integrity from employees, our suppliers and those doing business with us.

**That's why we hold ourselves and our employees to high standards when it comes to role-modelling responsible behaviour. It's important to us that all our stakeholders can expect us to behave fairly and to do the right thing. This means adhering to regulatory requirements and principles, including the FCA's Conduct Rules and other country equivalent regulations.**

## Dignity at work

We are committed to fostering a respectful and inclusive workplace where everyone is valued and treated with dignity and respect. This is particularly essential in supporting employees' wellbeing and mental health. We have a zero-tolerance approach to bullying, harassment, sexual harassment, discrimination, stalking or victimisation in any form, whether in the workplace, at work-related social events or online. This applies to all interactions, whether among employees or with customers, clients, suppliers or anyone else that does business with us.

In 2024, we strengthened our Dignity at Work policy, which outlines our expectations and commitment to investigating and addressing any incidents. Within the revised policy, we have provided a clearer definition of harassment and victimisation, and have distinguished sexual harassment from other types of harassment.

We expect everyone who works for and with us to adhere to these principles.

## Anti-bribery and corruption

As a financial services firm, L&G plays a part in making sure its customers and shareholders are protected from the impact of financial crime such as bribery, corruption, terrorist financing, money laundering and fraud.

Our Financial crime risk policy applies across the Group and mandates that controls are put in place to prevent and detect such activity. Controls include an annual risk assessment; regular training; due diligence measures on customers, investments and our supply chain; reporting of suspicions of financial crime to a dedicated Financial Crime Risk team; and the control and approval of riskier activity such as the giving and receiving of gifts and hospitality, political and charitable donations, and corporate sponsorship. Training on financial crime risk and employee responsibilities is mandatory for all employees and is regularly reviewed to ensure it is up to date and appropriate.

## Taxation

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

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

Please see our 2024 tax supplement for more information on our tax position.

## Cyber and information security

L&G has established a security framework, which comprises a suite of policies, standards and controls that apply across the Group, with oversight of implementation through governance processes. We are ISO/IEC 27001 certified and have designed a Security Controls Framework around this, providing mutually supporting defence-in-depth. The Group's compliance, risk and audit teams regularly monitor, test and assure the controls, with metrics reported to management on a regular basis.

Our employees undertake a mandatory information security training module annually which aims to support and equip them with the necessary knowledge to identify and respond to security threats, as well as how to operate in a secure manner. This is supported by regular communication on security good practice and an ongoing rolling programme of phishing testing. For further information, please see our Cyber and information security statement on our policies page on our Group website.

## Data privacy

Protecting the personal data of customers is extremely important to us. Customers need to be able to trust us with their personal information, which often contains sensitive information. Our Consumer Privacy Notice can be found on our website. It relates to our retail customers and/or individual consumers of our goods and/or services, including users of our application-based technology and those individuals who request financial advice, obtain quotes, utilise our services, purchase our products, enter into agreements with us, as well as individuals who we cover under employer sponsored schemes and/or who we may otherwise interact with in the course of our business.

This comprehensive Privacy Notice details the type of personal information we might hold about our customers, where we get this information from, how and why we use it, how long we keep it for and who we may share it with. The Privacy Notice also outlines customers' rights under data protection law that relate to how we process personal data.

# When things go wrong

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

## Our whistleblowing policy

Our whistleblowing policy is proactively communicated to our employees via our intranet and supported by compulsory training for all employees. Anyone calling our whistleblowing line about an issue, be they an employee, supplier, customer or other stakeholder, can do so anonymously if they wish and without fear of retaliation. Most referrals come from our employees, who choose to come forward openly with their concerns, although we have processes in place to manage anonymous referrals.

All referrals are assessed within seven days of receipt, and the in-scope referrals are investigated. Investigations are conducted fairly and impartially, and are led by experienced investigators from the Group Financial Crime team or delegated to independent subject-matter experts. The scope of each investigation is clearly documented, and procedures are in place to manage confidentiality. Human Resources (HR) consultants support all whistleblowing investigations to enable swift referrals of any welfare concerns. All other concerns are routed through to the appropriate business area or function.

The Whistleblowing Oversight Committee, which meets quarterly, oversees the effectiveness of the function and the fair treatment of our referrers. The Committee is chaired by the Group Chief Risk Officer (who reports to the Group Chief Executive Officer) and includes representatives from HR, Legal, Audit and Non-financial Risk. They assess performance using a range of key performance indicators in line with industry peers and track the timely completion of cases against a 60 working-day service level agreement. The Whistleblowing Oversight Committee receives reports on all cases, which detail the findings and any recommendations. Reports are presented to the Group Board and various other legal entity boards on an annual basis.

We do not publish data on referrals publicly to protect the confidentiality and anonymity of our referrers.

# Diversity and inclusion

## Where we are

Our vision is to build a workplace where all our people can perform at their best. We believe that a more diverse workforce and a more inclusive workplace can drive better decision-making, greater understanding of our customer base and improved employee engagement and wellbeing. We continue to work towards our goals, which are set out over the page, and to our strategy: to recruit and retain diverse talent, to invest in manager capability, and to create opportunities for everyone.

## What we have learned

Progress against our goals will not always be linear, and during 2024 we saw a second widening of our gender pay gap, in part a function of us hiring more women into junior roles. It is also possible that we may miss one of our gender representation goals. However, we remain committed to them and to ensuring progress is regularly tracked, and we continue to believe that our approach to create a more diverse workforce in a more inclusive workplace remains the right one.

## What we are going to do next

We intend, into 2025, to continue with our activities to make L&G a more inclusive employer, as set out throughout this section. We also continue to work with our people, through the employee-led networks, to gain ideas and feedback on the development of our policies and practices.

# Diversity and inclusion strategy

**Our vision is to build a workplace where we can all perform at our best, no matter who we are. We believe that a more diverse workforce and a more inclusive workplace can drive better business outcomes through improved decision-making, greater understanding of our customer base, and improved employee engagement and wellbeing.**

## Our strategy

Our strategy to realise this vision has been in place for three years:

### Our diversity and inclusion strategy

**Our three strategic priorities**

- Recruit and retain diverse talent
- Invest in line manager capability
- Create opportunities for everyone at L&G

**Outcomes**

- Greater diversity
- A more inclusive culture

## D&I governance

Our Global D&I Council is accountable for the vision, strategy, action plan and measuring progress. It periodically updates the Group Board's Nominations and Corporate Governance Committee, and is chaired by Laura Mason, CEO of our Retail business and Executive Sponsor for D&I.

## What we measure and report

This chapter describes the actions we took during 2024 to realise our D&I ambitions, many of which we expect to continue into 2025 and beyond. We report data about our employees' protected characteristics (with a focus on age, gender and ethnicity) and, for UK employees, our pay gaps by gender and ethnicity.

### Our D&I goals

| Goal | Target year[1] | Performance 2022 | 2023 | 2024 |
|---|---|---|---|---|
| 50% of workforce to be women | End of 2025 | 45% | 46.5% | 48.8% |
| 17% of workforce to be from ethnic minorities | End of 2027 | 16% | 16.9% | 17.7% |
| 40% of senior roles[2] to be held by women | End of 2025 | 38% | 37.2% | 38.5% |
| 17% of senior roles to be held by people from ethnic minorities | End of 2027 | 17% | 17.3% | 18.3% |
| 40+% of Board roles to be held by women | End of 2025 | 42% | 42% | 46% |
| 17+% of Board roles to be held by people from ethnic minorities | End of 2027 | 25% | 25% | 23% |
| Progressive narrowing of gender pay gap | Ongoing | 22.4% | 23.6% | 28.0% |

See pages 63-66 for a further breakdown of this data.

## Our progress

### Gender goals

We have set deliberately stretching gender representation goals, as set out in the table. Our 2024 data suggests that we may narrowly miss the '40% of senior roles to be held by women' goal. Nevertheless, both goals remain in place and our Group Management Committee and Group Board have reaffirmed their commitment to them and to ensuring progress is regularly tracked.

We recruited more women than men into the Group in 2024 (53% female hires), but achievement of our gender balance goal would require maintenance of this trend over the next few years.

For detail on specific action we took in 2024, please see further in this chapter.

### Ethnicity goals

We have achieved our ethnicity goals and will focus on maintaining this performance.

1. Dates should be taken to mean by 31 December of the year in question.
2. 'Senior roles' means employees in our four most senior management grades.

# Greater diversity

## A more diverse workforce

Achieving our diversity goals requires us to hire from a more expansive talent pool and retain that talent by offering all employees equitable access to opportunities. In 2024, we changed the way we attract and recruit diverse talent, invested in programmes to support development and progression, and took steps to ensure D&I remains a focus.

## Recruiting diverse talent

Building on the findings of an independent review of our hiring practices in 2022, we made further improvements in 2024:

- new assessment process implemented for senior hires to encourage leaders to think more inclusively when assessing and selecting talent
- implemented diverse interview panels to improve hiring decisions, drawing on employee networks to supplement panels where needed
- expanded our Career Returners programme (see below for more information)
- continued using a language decoder to ensure our job advertisements use inclusive language
- partnered with professional organisations and networks that focus on diverse talent
- trained hiring managers on recruitment issues, including unconscious bias (see page 54 for more on this training)
- trained our talent acquisition teams on inclusive recruiting
- ensured our in-house and external recruitment teams beat external diversity benchmarks for every hire we make. Where we do not do this, a review takes place to understand what else could have been done to achieve this
- building robust data about decisions taken at all recruitment stages. This allows us to pinpoint stages where bias may be occurring and take corrective actions, and to improve our recruitment processes.

We've also taken steps to improve the diversity of our emerging talent cohorts. See page 57 for more on this.

### Retaining diverse talent

Recruiting diverse talent is only effective in achieving greater diversity for the long run if individuals are retained and supported in their progression. We've made efforts to retain and develop our talent, including those from underrepresented groups, by giving them opportunities to progress, with the intention that some of these individuals will be future leaders of L&G.

### Active interventions through sponsorship and coaching

Sponsorship is a practical step to develop, progress and retain our diverse talent. It differs from mentoring in that it requires leaders to conduct active interventions in individual careers.

Following the launch of our Diverse Talent Sponsorship initiative in 2023, we launched a new cohort in 2024 comprising 62 new pairings between employees in minority groups and senior leaders. The sponsor takes responsibility for ensuring opportunities such as stretching projects, promotions and networking are available to participants.

In 2024, we matched sponsors with employees across different business areas for the first time and also supported our sponsors to develop their skills so they felt confident in the support they were providing to others.

> With over 20 years of experience in this male-dominated field, I have encountered numerous challenges throughout my career which I needed to find ways to overcome. By fostering an inclusive environment at L&G that helps our women thrive, and by being role models, we can unlock their full potential, ultimately benefiting everyone.

**Bindu Bakrania,**
Head of Data and Analytics, Private Markets and Co-Chair of the Women in Data network

## Focused actions to drive retention of female talent

### Female portfolio managers of the future

Working with the Diversity Project Pathway, we designed a programme to develop female portfolio managers. It aims to double the proportion of female fund managers by 2026 through a structured series of development opportunities, networking and coaching. In 2024, we had four delegates attend the programme, with a further cohort planned for 2025.

### Women in Data network

Our new Women in Data network, launched in 2024, aims to inspire, develop and promote female talent into successful data careers. This was created in response to the underrepresentation of women in technology roles.

The 123-strong network creates a supportive environment, raises the profile of talent, and creates awareness of internal and external opportunities. In its first year, the network ran events on topics such as imposter syndrome, networking, data visualisation and careers in data.

The network educates, challenges myths, removes barriers and encourages ally support. We also partner with Women in Data® to drive cultural and systemic change for women in data and analytics.

### Helping career returners

In 2024, we continued our partnership with the Career Returners Network, an organisation specialising in enabling the return to work of professionals after an extended career break.

We recognise the impact that caregiving career breaks can have on individuals' ability to re-enter the workforce and the disproportionate impact on women. Through our partnership, we have hired individuals who are supported with a programme of coaching and mentoring, which helps ensure a seamless and successful reintegration into the workplace.

# A more inclusive culture

**Building the diversity of our workforce is important, but we are equally committed to creating an inclusive culture. Because the tone for organisational culture is set by leaders and managers, we've focused our efforts on ensuring these influential people understand and work to promote this objective.**

In 2024, our employee survey 'inclusion' scores increased by 5% across the Group, demonstrating that even during a period of change, our people feel that they belong, are valued and can thrive at L&G.

## Strengthening line manager capability

Line managers play a central part in creating an inclusive culture, whether hiring new talent or managing and supporting the development of their existing teams. In 2024, we continued to roll out our 'How to Hire Programme' which aims to help hiring managers better understand the importance of our D&I goals and the role they play in helping us achieve them. The course brings together bias awareness with practical hiring skills to increase hiring managers' proficiency. We developed variations of the workshop to meet the specific needs of managers hiring in Operations and Future Talent. More than 447 hiring managers have received this training since its launch in 2023.

Our 'Introduction to Inclusion' course, which covers the essentials of our approach and expectations about D&I, continued to be a mandatory part of our new-hire induction.

## Leading by example

Senior leaders can provide allyship, proactively and authentically giving their voice and using their influence to demonstrate L&G's commitment to inclusivity and diversity of thought.

## In 2024:

- Nilufer Kheraj, Non-Executive Director and Designated Workforce Director, met our employee networks and D&I committees as part of her engagement activity.
- António Simões, Group Chief Executive Officer, met the co-chairs of our employee-led networks and peer support groups, directly hearing about their work on inclusion at L&G.
- Nimol Rajkumar, Chief Financial Officer of our Institutional Retirement business, represented L&G at a roundtable hosted by our Socio-economic mobility (SEM) partner Progress Together, an organisation that drives socio-economic diversity at senior levels in the financial services industry.

> "I am proud to represent L&G at Progress Together. By promoting socio-economic diversity at senior levels in the financial services industry, Progress Together ensures leadership reflects our diverse society. It's vital for leaders to be involved, as our participation sets the tone for the entire organisation."
>
> **Nimol Rajkumar,**
> Chief Financial Officer, Institutional Retirement

# Involving our people in inclusion

## Our employee-led networks

Our employee-led networks are an important enabler of the culture we want to build to support our strategic ambitions. They focus on:

- female representation
- ethnicity
- disability
- neurodiversity
- sexual orientation and gender identity
- socio-economic mobility
- family and carers
- health and wellbeing
- military veterans, reservists, their families and allies.

Other employee-led groups either focus on narrower themes or are not associated with protected characteristics:

- Women and technology
- Menopause
- Endometriosis and adenomyosis
- Women in Data.

These groups provide employees with opportunities to connect and access support, and run events to bring together diverse voices, often taking an intersectional approach where networks come together to engage people in new ways. They also provide ideas and feedback on the development of company policies and practice, to support our efforts to make L&G a more inclusive place to work.

In 2024, we ran listening sessions with 277 employees to understand what is working well, and what could be improved to strengthen the networks.

Key findings included:

**79%**

**felt the networks and volunteering groups contributed to L&G's culture**

**1/5**

**of respondents 18.5% said the objectives of our networks were not clearly understood**

**71%**

**of participants were from our senior grades, implying reduced engagement from more junior members of the organisation**

**The insights gathered provided recommendations, which were then developed into actions: including:**

### Reasserting

our Group-wide commitment to our people networks/groups, recognising their contribution to the success of the whole firm.

### Refreshing

the network structure, ways of working, and sponsorship of the networks/groups and governance, while keeping hold of their employee-led ethos.

### Investing

in the development of all the key people who help run the networks.

### Improving

active leadership participation in network events.

### Better

supporting the employee networks to set their strategy and clearly defined roles and goals for the year by developing a network playbook and procedural guidelines.

# Partnerships and awards

**We work with external bodies to develop our understanding of issues connected to diversity and inclusion. We seek to recognise our, and our people's, successes by engagingwith industry awards and recognitions. Several of our employees have presided as judges for awards such as the British LGBT and Investing in Ethnicity Awards.**

> We are pleased to announce that L&G Group has reached the Top 10 Employers on the Maturity Matrix for the first time. We highly commend their efforts, particularly around recruitment, embedding their 'How to Hire' training and developing interventions to create inclusive and fair opportunities for all. It's also notable to see L&G increasing their collection of ethnicity data to support their inclusion strategy and releasing their Ethnicity Pay Gap Report.
>
> **Sarah Garrett MBE,**
> CEO Investing in Ethnicity

## Partnerships

We have established partnerships with the following bodies:

## Awards and recognitions

### During 2024:

- our Neurodiversity network won Outstanding Network of the Year at the British Diversity Awards
- L&G's Health and Wellbeing network won Employee Network/ Resource Group of the Year at the Inside Out Awards, an annual celebration that recognises the championing of mental health and wellbeing in the workplace
- we won the Diversity and Inclusion Excellence Award at the UK Pensions Awards
- we were awarded 'Exemplary Employer' status from Investing in Ethnicity Matrix for the second year running. This year for the first time we reached their list of Top 10 Employers.

# Focus on early careers

**Our emerging talent cohorts – graduates, apprentices, interns – are the future of our Company. We hired 204 people into such roles in 2024, an increase of 9% year on year. Of these hires, 64% were female and 56% were from ethnic minority backgrounds.**

## Apprenticeships: diversifying our talent pool

Our apprenticeships, which we fund through the apprenticeship levy, upskill existing employees and Future Talent prospects, helping us diversify our talent pool and invest in building the skills needed for the future.

In September 2024, 76 new apprentices joined L&G (a 21% increase year on year), totalling 144 in the Company.

Before 2023, our Future Talent programme participants were mainly graduates. In 2024, 58% of the new cohort were apprentices, showing such programmes are a viable alternative to university education.

We support social mobility by providing accessible pathways to professional careers and offering apprenticeships from the most junior level. In 2024, we continued to expand our support structures to apprentices, ensuring that, once in role, individuals are set up for success through dedicated programme support, buddy systems, peer groups, events, and HR policies.

Find out more about how we also transfer a portion of our levy funds to support other organisations, on page 25.

## Supporting disadvantaged groups

In 2024, we embarked on several initiatives to support disadvantaged groups and widen their knowledge and access to career pathways they might not have otherwise considered.

- **L&G Asset Management work experience**
  - 89 students from diverse backgrounds attended the L&G Asset Management work experience programme, now in its fourth year, gaining insights into asset management and real estate. Students were referred to us by Urban Synergy, SmartKids and the Mayor of London's Careers Office.
- **Urban Synergy insight days**
  - In partnership with Urban Synergy and The Careers Office, 90 students aged 16 – 17 came to our office to learn more about L&G.
  - 100% of the students said they had learned about a career they were not aware of before joining us and that they felt more confident about their future.

- **Discover Finance**
  - 89% of senior roles in financial services are held by people from higher socio-economic backgrounds. This lack of diversity can mean limited perspectives and reduced inclusivity.
  - To help promote diversity in the sector, we welcomed 25 Year 12 and 13 students from lower socio-economic backgrounds into our London office for a 'Discover Finance' rotational work insights programme.
  - As a founding member of this new sector-led initiative, facilitated by Connectr Early Engagement, we co-hosted our first two days of the programme with Phoenix, enabling the pupils to gain a more rounded view of the industry and develop a wider network than they would have done by visiting just one firm.
- **Spring Start**
  - 61% of young women feel prepared to enter the world of work compared to 81% of men. Knowing this and following the success of our 'Spring Start' programme in 2023, in 2024 we welcomed 37 first-year female university students to our London office.
  - The programme was tailored to engage individuals from underrepresented groups, equip them with important career development tools, and improve their access long-term prospects by offering them fast-track application to L&G's 2025 Summer Internship.

### EY Foundation – actuarial work experience

In partnership with the EY Foundation's 'Data Driven Futures' programme, we provided paid work experience in our actuarial function. This was part of our response, alongside seven partners including the Institute and Faculty of Actuaries[6], to the actuarial sector's historic challenges in attracting and retaining talent from diverse backgrounds.

It took the form of us hosting four Year 12 students, who took part in a research project, learned statistical programming skills and met a range of people across the business.

To ensure the students continued to be supported and could continue to explore their career options, over a six-month period, they had monthly mentoring sessions with L&G volunteers. We plan to continue this programme in 2025 and will provide additional support to any of the students who apply for an apprenticeship. Following the programme, all the students said they were interested in pursuing an actuarial role.

# People data

## Introduction

Achieving our vision of a workplace where we can all perform at our best no matter who we are begins with understanding our people. We use data to set meaningful targets which aim to nurture an inclusive culture whilst improving how we do business.

The following tables illustrate the composition of our workforce as of 31 December 2024. 'Junior' grades are typically our four most junior grades; 'middle management' represents the next two grades; and 'senior management' presents our most senior grades along with directors and other executives.

In this section, we present data on:

- our total employee numbers
- new hires, retention and turnover
- the gender and ethnic diversity of our employee base
- flexible working
- parental leave.

Not all figures presented on pages 58 to 60 include Cala and Modular Homes. Cala was sold in 2024 and the Modular Homes business started to close down in 2023.

## Total number of employees

During the year our overall headcount decreased, with 10,799 people employed as at 31 December 2024. This was driven by the sale of the Cala business which, as at September 2024, employed 1,309 people.

We employ people in the UK, US and other jurisdictions in Europe, East Asia and North America.

## Overall gender breakdown

As at 31 December 2024, 48.8%* of our employees were female.

## New hires

In 2024, we hired 1,548 people, a decrease of 22% year on year. In our core UK business (excluding housing), 34% of roles were filled internally, reflecting ongoing efforts to retain and develop our talent. Globally, 53% of our new hires were women, an increase of 6% year on year. 22% of new hires were of minority ethnicity and 16% did not disclose their ethnicity.

The following tables show a further breakdown in the new hires by age, management level and ethnicity.

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

### Employee breakdown by country

| | UK | US | Other |
|---|---|---|---|
| **Actual** | 9,444 | 1,194 | 161 |
| **Percentage** | 87.5% | 11.1% | 1.5% |

### New hires by management level and gender

| | All | Male | Female |
|---|---|---|---|
| **Junior grades** | 71.2% | 61.9% | 79.3% |
| **Middle management** | 26.1% | 34.7% | 18.6% |
| **Senior management** | 1.7% | 2.5% | 1.0% |

### New hires by age

| Age | |
|---|---|
| **30 and under** | 45% |
| **31-40** | 27% |
| **41-50** | 17% |
| **51-60** | 9% |
| **Over 60** | 2% |

### New hires by ethnicity

| | White | Black | East Asian/ South East Asian | Hispanic/ LatinX | Mixed/ Multiple ethnicities | South Asian | Other ethnicities | Prefer not to say | Not disclosed |
|---|---|---|---|---|---|---|---|---|---|
| **Hires in 2024** | 60.7% | 5.3% | 2.1% | 1.4% | 2.5% | 9.6% | 1.0% | 1.4% | 16.1% |

### Key stats

**87.5%**
**of our global workforce is based in the United Kingdom**

**53%**
**of our new hires in 2023 were women**

**21.8%**
**of our new hires in 2023 were from an ethnic minority group**

# People data continued

## Employee turnover

Our voluntary turnover rates declined in 2024, with a rate of 6%, down from 8.9% in 2023. This number was broadly consistent across gender, ethnicity, age and location. This year, voluntary turnover was highest among those aged over 60 (11.9%) and those under 30 (8.5%), which may be due to some people choosing to retire and younger employees exploring further opportunities at the beginning of their careers.

| | Voluntary | 2023 | 2024 |
|---|---|---|---|
| Turnover by gender | Male | 8.2% | 5.8% |
| | Female | 9.5% | 6.2% |
| Turnover by management level | Junior grades | 8.8% | 6.8% |
| | Middle management | 6.3% | 4.4% |
| | Senior management | 4.6% | 4.6% |
| Turnover by age | 30 or less | 11.7% | 8.5% |
| | 31-40 | 7.6% | 6.5% |
| | 41-50 | 5.3% | 3.9% |
| | 51-60 | 5.6% | 3.7% |
| | Over 60 | 11.0% | 11.9% |
| Turnover by country | UK | 9.1% | 6% |
| | US (Total) | 7.3% | 5.9% |

## Flexible working patterns

We continue to take a flexible approach to hybrid working, offering a combination of office and home working depending on employee roles and business needs. The majority of our UK employees are on a hybrid contract from day one of employment, giving them flexibility between working in the office and home working.

| | Category | 2023 | 2024 |
|---|---|---|---|
| Workforce flexibility | Employees on permanent contracts | 98.2% | 97.2% |
| | Employees on fixed-term contracts | 1.8% | 2.8% |
| | Employees working part-time | 8.7% | 8.8% |
| | Employees home based | 4.5% | 5.1% |

## Parental leave

All of our employees are entitled to parental leave and in the UK this is from day one of employment. These figures are for our core UK and US businesses. In the UK, we offer our people enhanced parental leave, providing a more generous benefit compared to statutory pay. We are providing limited figures this year on this topic compared to previous years because we launched new policies in 2024 relating to parental leave, for example, neonatal leave, and a direct year-on-year comparison wouldn't be accurate. We will provide more data and insight on this topic in 2025.

| | Male | Female | Total |
|---|---|---|---|
| **Total number entitled to parental leave** | 5,072 | 5,452 | 10,524 |
| **Total number that took parental leave (started leave in 2024)** | 181 | 216 | 397 |

### Key stats

**6%**

**voluntary turnover, down from 9% in 2023**

**97.2%**

**employees on a permanent contract**

# Diversity of our workforce: gender and age

We continue to work towards the target of 50% of our workforce being female by 2025 and 40% of senior roles to be held by women by 2025.

### Percentage of employees by employment category and gender

| | Male | Female |
|---|---|---|
| **Junior grades** | 42.7% | 57.2% |
| **Middle management** | 60.6% | 39.4% |
| **Senior management** | 70.5% | 29.5% |
| **All management grades** | 61.5% | 38.5% |
| **Board members** | 54.0% | 46.0% |
| **Group Management Committee**[1] | 67.0% | 33.0% |
| **All employees** | 51.2% | 48.8% |

### Percentage of employees by employment category and age group

| | 30 or less | 31-40 | 41-50 | 51-60 | Over 60 |
|---|---|---|---|---|---|
| **Junior grades** | 34.7% | 29.2% | 21.2% | 12.1% | 2.7% |
| **Middle Management** | 7.1% | 33.9% | 35.1% | 20.1% | 3.7% |
| **Senior Management** | 0.0% | 12.3% | 49.7% | 34.8% | 3.2% |
| **All employees** | **21.2%** | **30.1%** | **27.6%** | **17.4%** | **3.8%** |

### Key stats

**46%**

**of Board members are female**

**38.5%**

**of our management grades are female**

1 Data relating to Group Management Committee omits our Group CEO and Group CFO who are included in the 'Board Members' data.

# Ethnic diversity

We have set an objective that 17% of our employees, and 17% of our senior management grade employees, will be from ethnic minorities by 2027. We currently hold ethnicity data on 84% of our workforce. This means that the actual percentage of people from ethnic minorities may be higher than currently cited here, as some of those not sharing such data may be from these groups.

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

**We use the following terminology when reporting on ethnic diversity:**

- **Black** – includes Black African, Black Caribbean, African American and all other Black heritages
- **East and Southeast Asian** – includes Chinese, Japanese and all other East and Southeast Asian ethnicities (UK only)
- **South Asian** – includes Indian, Pakistani, Bangladeshi and all other South Asian ethnicities (UK only)
- **Asian** – includes all South and East Asian ethnicities and heritages (US only)
- **Latino, LatinX/Hispanic** – includes those from Latin American or Spanish speaking backgrounds or heritages (US only)
- **Other** – includes Jewish, Arab, Indigenous, Pacific Islander, American Indian and Alaska Native, and all other minority ethnicities
- **Mixed** – those who identify as having mixed ethnic backgrounds
- **White** – includes all White ethnicities
- **Not disclosed** – employees for whom we don't hold ethnicity information.

### Key stats

**17.7%***

**employees are from a minority ethnicity**

### All grades

| | % |
|---|---|
| **Minority ethnicity** | 17.7%* |
| **Not specified** | 15.1% |
| **Prefer not to say** | 1.5% |
| **White ethnicity** | 65.7% |

### UK employees

| | % |
|---|---|
| **White** | 66.6% |
| **Black** | 2.6% |
| **East Asian/South East Asian** | 0.5% |
| **Mixed/Multiple ethnicities** | 2.5% |
| **South Asian** | 9.4% |
| **Other ethnicities** | 0.7% |
| **Prefer not to say** | 1.7% |
| **Not disclosed** | 15.9% |

### Management grades

| | % |
|---|---|
| **Minority ethnicity** | 18.3% |
| **Not specified** | 16.3% |
| **Prefer not to say** | 2.0% |
| **White ethnicity** | 63.5% |

### US employees

| | % |
|---|---|
| **White** | 64.7% |
| **Black** | 14.2% |
| **Asian** | 12.0% |
| **Mixed/Multiple ethnicities** | 2.3% |
| **Hispanic/LatinX** | 5.2% |
| **Other ethnicities** | 0.2% |
| **Prefer not to say** | 0.5% |
| **Not disclosed** | 1.1% |

# Our pay gaps

**This report is our eighth on the gender pay gap and our second on the ethnicity pay gap. As in previous years, we are reporting this data for our UK operation only, covering 87.5% of our global workforce.**

## Key findings

- The median gender pay gap widened from 23.6% in 2023 to 28.0% in 2024.
- The median gender bonus gap narrowed from 41.2% in 2023 to 33.4% in 2024.
- The median ethnicity pay gap narrowed from negative 32.1% in 2023 to negative 28.2% in 2024.
- The median ethnicity bonus gap widened from negative 15.7% in 2023 to negative 25% in 2024.

Please see pages 63 to 66 for full data disclosure.

## Our gender pay gap: causes and remediation

The overall reason for our gender pay gap is that 61.5% of our most senior, and therefore higher-paid, employees are male. This continues to reflect historic imbalances both in our industry, and the fact that sections of the workforce which are traditionally higher-paid – including roles in finance, technology and actuarial – continue to be male dominated.

Demographic change can be slow but that doesn't excuse us from taking steps to redress this imbalance over the long term. Pages 52 to 57 set out some of the actions we've taken to attract, retain and develop emerging talent in these areas, and across our whole employee body.

The year-on-year widening of our gender pay gap may be in part an unintended consequence of our efforts to increase female representation in the company overall. 53% of our new hires in the year were women – up 6% year-on-year. However, our organisational structure and business requirements have meant that the majority of hiring in 2024 – 71.2% of roles – was into more junior positions, typically at the lower end of the pay scale.

We've taken steps to improve the representation of women in our emerging talent cohorts, with the intention that these people will develop into more senior roles in the future. 63% of the 2024 cohort were female: a win for improving representation of women on our graduate and apprenticeship schemes and creating a pipeline of future leaders, but a contributing factor to a widening pay gap. Page 57 sets out the work we've done to increase the diversity of our emerging talent.

Taken together, though, these factors have contributed to the widening of the pay gap between 2022, when 49.6% of our junior roles were held by women, and today, when 57.2% are.

We also, however, acknowledge our responsibility to hire more senior women into higher-paying roles. Progress here has been slower. In 2024, we continued to build on the action plan identified by our 2022 recruitment practices review, such as unconscious bias training for hiring managers, diverse interview panels, and more, alongside actions to retain female talent through development opportunities. See page 53 for more on this.

## How gender pay gap reporting fits into our D&I strategy

We expect that our strategy for creating a more diverse workforce and a more inclusive workplace – recruiting and retaining diverse talent, creating more opportunities for progression and improving management capability in this area – will have the effect, over time, of narrowing our gender pay gap. Our focus remains on building a more diverse workforce and a more inclusive culture; our primary goal is to improve the representation of women and people from ethnic minorities in our company; and we expect pay gaps to narrow over the long term as a result. We will continue to improve representation, even when this may lead to short-term fluctuations in our pay gaps, because it is consistent with our view that greater diversity leads to better business. See page 52 for more information on our broader D&I strategy.

## Our ethnicity pay gap: what the data shows

We first published our ethnicity pay gap last year. We consider ethnicity pay gap reporting to be the next logical step in understanding, reporting and making efforts to remedy any systemic inequalities that exist in our company. Meaningful disclosure depends on us having full data about our employees' ethnicity, so we continued to encourage them to share such data with us. As of 31 December 2024, 83.9% of employees had shared this data, an increase of 2.4% year-on-year.

This year, we are reporting an overall negative median pay gap of 28.2%, which means that the hourly pay for our median-ranked employee from a minority ethnic group was higher than for our median-ranked employee from a white background. We also have a negative median bonus gap of 25%. Fuller details can be found on page 66.

## Why we have a gap

The data tells us that, overall, we have a higher proportion of employees from an ethnic minority background in roles that pay above the median salary. This drives the 'negative' median pay and bonus gaps.

These gaps are largely explained by geography. Our largest UK sites are London, Cardiff and Hove. In general, our highest-paying roles are in London. This reflects the position of the City of London in the financial services industry and the market conditions that are prevalent in London and the Southeast of England. London also has a significantly larger population from minority ethnicities than in any of our other large locations: a fact that is reflected in our own employee base.

## The role of pay gap reporting

Pay gap reporting can be a useful diagnostic tool in helping us understand the effects of imbalances in our workforce. Pay gap reporting complements our wider work on D&I because it provides a long-term data set by which we can assess the effectiveness of our efforts to build a more diverse workforce and a more inclusive workplace. We expect that our strategy for creating a more diverse workforce and a more inclusive workplace – recruiting and retaining diverse talent, creating more opportunities for progression and improving management capability in this area – will have the effect, over time, of narrowing pay gaps.

A description of the actions we are taking to advance our diversity and inclusion goals, including closing pay gaps, can be found on pages 52 to 57.

## Pay gap methodology

While pay gap data is important, it is only one part of the story. The methodology for reporting, as set out in the UK government pay gap reporting regulations, provides a picture of one set of data at one given moment in time (the 'snapshot date') and that is why we encourage stakeholders who want to form a view of our organisational culture to do so with reference to the data and narrative presented earlier in this chapter, alongside our pay gap data. We also acknowledge that pay gaps are secular, industry-wide issues and that their narrowing should be viewed as a long-term programme.

## What we report: median and mean pay gaps

Although we are required to report both median and mean gender pay gaps and have aligned our ethnicity pay gap reporting to this principle, we consider the median gap to be a more useful indicator of the overall pay situation at L&G. The mean is more likely to be influenced by outlying pay figures for a small number of individuals, whereas the median ranks individuals from lowest to highest paid, giving a more representative picture of our employees' pay profile.

## What we report: our structure

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

## Our reportable entities are:

Legal & General Resources Ltd, which consists of our retail and retirement businesses as well as our corporate functions and certain asset management employees.

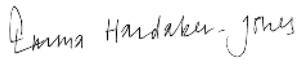
L&G – Asset Management Limited, which comprises our Asset Management business.

Cala Homes Limited, a housebuilding business which was a fully-owned subsidiary at the 'snapshot date' (5 April 2024) but which was sold during the year.

Legal & General Homes (Services Co) Ltd, an employing entity for our retained housebuilding businesses.

Please note that we have not reported ethnicity pay gap data at an entity level in this second year of reporting.

> **I confirm that the data reported is accurate.**



**Emma Hardaker-Jones,**
Chief Transformation and People Officer, L&G

# Our pay gaps continued

## Group aggregated data (UK only)

Difference in hourly rate of pay and in bonus pay

| | Hourly rate of pay | | | Bonus pay |
|---|---|---|---|---|
| **Year** | **Median male** | **Median female** | **Median pay gap** | **Median bonus gap** |
| **2024** | £31.22 | £22.49 | 28.0%* | 33.4% |
| **2023** | £29 | £22 | 23.6% | 41.2% |
| **2022** | not reported | not reported | 22.4% | 48.5% |
| | **Mean male** | **Mean female** | **Mean pay gap** | **Mean bonus gap** |
| **2024** | £38.86 | £29.81 | 23.3% | 45.6% |
| **2023** | £37 | £29 | 21.3% | 45.4% |
| **2022** | not reported | not reported | 20.9% | 37.6% |

Proportion of male and female employees according to quarter pay bands

| | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | **Male** | **Female** | **Male** | **Female** | **Male** | **Female** |
| **Upper quarter** | 67.2% | 32.8% | 70.1% | 29.9% | 66% | 34% |
| **Upper middle quarter** | 60.9% | 39.1% | 62.1% | 37.9% | 59.5% | 40.5% |
| **Lower middle quarter** | 49.5% | 50.5% | 52.2% | 47.8% | 52.1% | 47.9% |
| **Lower quarter** | 39.7% | 60.3% | 43.4% | 56.6% | 41.2% | 58.8% |

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

## Median pay gap

2024 **28.0%***

2023 **23.6%**

2022 **22.4%**

## Mean pay gap

2024 **23.3%**

2023 **21.3%**

2022 **20.9%**

Proportion of male and female employees who received bonus pay

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Male** | 98.4% | 83.2% | 83.0% |
| **Female** | 98.5% | 87.7% | 85.6% |

# Our pay gaps continued

## Legal & General Resources Ltd (UK only)

Difference in hourly rate of pay

| Salary | Pay gap | Male hourly pay | Female hourly pay |
|---|---|---|---|
| **Median** | 26.0% | £27.24 | £20.17 |
| **Mean** | 21.9% | £34.50 | £26.96 |

Proportion of male and female employees according to quarter pay bands

| Salary | Male | Female |
|---|---|---|
| **Upper quarter** | 62.9% | 37.1% |
| **Upper middle quarter** | 56.9% | 43.1% |
| **Lower middle quarter** | 43.1% | 56.9% |
| **Lower quarter** | 38.9% | 61.1% |

Difference in bonus pay

| | |
|---|---|
| **Median** | 44.9% |
| **Mean** | 40.2% |

Proportion of male and female employees who received bonus pay

| | |
|---|---|
| **Male** | 92.9% |
| **Female** | 93.4% |

Key information:

**26.0%**

**Median pay gap**

**21.9%**

**Mean pay gap**

## L&G – Asset Management Limited (UK only)

Difference in hourly rate of pay

| Salary | Pay gap | Male hourly pay | Female hourly pay |
|---|---|---|---|
| **Median** | 11.5% | £48.27 | £42.71 |
| **Mean** | 13.3% | £55.27 | £47.92 |

Proportion of male and female employees according to quarter pay bands

| Salary | Male | Female |
|---|---|---|
| **Upper quarter** | 71.3% | 28.7% |
| **Upper middle quarter** | 67.5% | 32.5% |
| **Lower middle quarter** | 60.1% | 39.9% |
| **Lower quarter** | 52.2% | 47.8% |

Difference in bonus pay

| | |
|---|---|
| **Median** | 38.0% |
| **Mean** | 43.9% |

Proportion of male and female employees who received bonus pay

| | |
|---|---|
| **Male** | 93.5% |
| **Female** | 93.2% |

Key information:

**11.5%**

**Median pay gap**

**13.3%**

**Mean pay gap**

# Our pay gaps continued

## Legal & General Homes (Services Co) Limited (UK only)

Difference in hourly rate of pay

| Salary | Pay gap | Male hourly pay | Female hourly pay |
|---|---|---|---|
| **Median** | 11.4% | £34.13 | £30.22 |
| **Mean** | 13.9% | £38.26 | £32.94 |

Proportion of male and female employees according to quarter pay bands

| Salary | Male | Female |
|---|---|---|
| **Upper quarter** | 67.4% | 32.6% |
| **Upper middle quarter** | 55.6% | 44.4% |
| **Lower middle quarter** | 51.1% | 48.9% |
| **Lower quarter** | 50.0% | 50.0% |

Difference in bonus pay

| | |
|---|---|
| **Median** | 33.5% |
| **Mean** | 12.6% |

Proportion of male and female employees who received bonus pay

| | |
|---|---|
| **Male** | 97.8% |
| **Female** | 98.7% |

Key information:

**11.4%**

**Median pay gap**

**13.9%**

**Mean pay gap**

## Cala Management Limited (UK only)

Difference in hourly rate of pay

| Salary | Pay gap | Male hourly pay | Female hourly pay |
|---|---|---|---|
| **Median** | 22.2% | £29.97 | £23.31 |
| **Mean** | 20.0% | £33.12 | £26.50 |

Proportion of male and female employees according to quarter pay bands

| Salary | Male | Female |
|---|---|---|
| **Upper quarter** | 79.8% | 20.2% |
| **Upper middle quarter** | 69.4% | 30.6% |
| **Lower middle quarter** | 54.7% | 45.3% |
| **Lower quarter** | 57.2% | 42.8% |

Difference in bonus pay

| | |
|---|---|
| **Median** | -31.4% |
| **Mean** | -26.0% |

Proportion of male and female employees who received bonus pay

| | |
|---|---|
| **Male** | 99.6% |
| **Female** | 98.9% |

Key information:

**20.0%**

**Median pay gap**

**19.9%**

**Mean pay gap**

# Our pay gaps continued

## Ethnicity pay gap (UK only)

This is our second ethnicity pay gap disclosure.

For 2024, as in 2023, we are reporting a limited set of ethnicity pay gap data, aggregated at a Group level. As is the case for gender pay gap reporting, this data applies to our UK employees only and is taken at the 'snapshot date', 5 April 2023 (unlike our representation data, which is taken at 31 December 2023).

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

### Key information:

**-28.2%***

**Median ethnicity pay gap**

**-8.8%**

**Mean ethnicity pay gap**

### Group aggregated data

#### Difference in hourly rate of pay

| Salary | Pay gap |
|---|---|
| Median | -28.2%* |
| Mean | -8.8% |

#### Difference in bonus pay

| Salary | Bonus gap |
|---|---|
| Median | -25.0% |
| Mean | 3.4% |

#### Proportion of employees according to quarter pay bands

| Quarter | Minority Ethnicity | White Ethnicity |
|---|---|---|
| Upper quarter | 16.9% | 60.2% |
| Upper middle quarter | 18.8% | 62.2% |
| Lower middle quarter | 14.1% | 72.1% |
| Lower quarter | 9.3% | 74.4% |

# Appendix

The Independent assurance summary can be found on page 68.

# Independent assurance summary

**Independent Limited Assurance Report to the Directors of Legal & General Group Plc**
Independent Limited Assurance Report by Deloitte LLP to the Directors of Legal & General Group Plc on selected sustainability metrics (the "Selected Information") within the Social Impact Report for the reporting year ended 31 December 2024.

**Our assurance conclusion**
Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2024, as listed below and indicated with a * in the Social Impact Report, has not been prepared, in all material respects, in accordance with the Applicable Criteria defined by the directors as set out in the Social Impact Basis of Preparation 2024.

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

The Selected Information in scope of our engagement for the year ended 31 December 2024, as indicated with a * in the Social impact report, is as follows:

| Selected Information | Reported Amount |
|---|---|
| Diversity and inclusion: Gender representation across the group (%) | 48.8% |
| Diversity and inclusion: Ethnicity representation across the group (%) | 17.7% |
| Median gender pay gap (%) | 28.0% |
| Median ethnicity pay gap (%) | -28.2% |

The Selected Information, as listed in the table to the left, needs to be read and understood together with the Applicable Criteria, named as Social Impact Basis of Preparation set out in pages 70 to 72 of the Social impact report, available online at group.legalandgeneral.com/en/reporting-hub/Sustainability.

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

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

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

We draw your attention to the specific limitations, due to the nature of the Selected Information, set out in the "Key procedures performed" section below.

**Directors' responsibilities**
The Directors are responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of our limited assurance engagement.

**Our responsibilities**
We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Directors.

**Our independence and competence**
In conducting our engagement, we complied with the independence and other ethical requirements of the ICAEW Code of Ethics. The ICAEW Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

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

- Performed an assessment of the Applicable Criteria (the benchmarks used to measure or evaluate the underlying information) to determine whether they were suitable for the engagement circumstances.
- Performed analytical review procedures to understand the underlying subject matter and identified areas where a material misstatement of the Selected Information was likely to arise.
- Through inquiries of management, obtained an understanding of Legal & General Group Plc, its environment, processes, and information systems relevant to the preparation of the Selected Information sufficient to identify and further assess risks of material misstatement in the Selected Information, and provided a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Through inquiries of management, obtained an understanding of internal controls relevant to the Selected Information, the quantification process and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information. We did not evaluate the design of particular internal control activities, obtain evidence about their implementation or test their operating effectiveness.
- Inspected documents relating to the Selected Information to understand the level of management awareness and oversight of the Selected Information.

# Independent assurance summary continued

- Performed procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations and assessed whether the data has been appropriately consolidated.
- Performed procedures over underlying data on a statistical sample basis to assess whether the data had been collected and reported in accordance with the Applicable Criteria, including verifying to source documentation.
- Performed procedures over the Selected Information including assessing management's assumptions and estimates.
- Accumulated misstatements and control deficiencies identified and assessed whether material.
- Read the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings.

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

We performed our engagement to obtain limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. We draw your attention to the following specific limitation:

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

**Use of our report**

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

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

Deloitte LLP

**Deloitte LLP**
London
11 March 2025

# Basis of preparation

**This document sets out the basis of reporting for diversity, gender pay gap and ethnicity pay gap data for data subject to Independent Limited Assurance by Deloitte LLP and reported in L&G's 2024 Social impact report.**

## 1. Headcount by gender and ethnicity

### Scope and exclusions

The scope of the data is all direct, permanent and fixed-term contract employees of L&G or one of its fully owned and fully controlled subsidiary employing entities. This includes employees in all countries and territories in which the Group employs individuals:

- UK
- US
- Ireland
- Bermuda
- The Netherlands
- Italy
- Germany
- Sweden
- Switzerland
- Hong Kong
- Japan
- Australia
- Singapore

There are certain exclusions:

- Indirect employees (those employed by outsourced suppliers, those employed through agencies and those providing services on a self-employed or consultancy basis)
- Employees of entities not fully owned or controlled by L&G, including certain joint ventures and equity investees. Note that, since our 2023 report, L&G has sold Cala Homes Ltd, and so employees of that entity are not included in the scope of this data, which is taken as at 31 December of the reporting year.

In the case of headcount by ethnicity, we exclude employees of L&G Modular Homes, because in this entity, the disclosure rates for ethnicity are sufficiently low that reporting the breakdown would not provide stakeholders with useful information.

### Unit of reporting

- Total headcount for employees who are male or female. Note that all employees are identified as male or female on our Human Resource management systems, so coverage of our reported workforce is 100%.
- Headcount for each category above, expressed as a percentage of total headcount.
- Breakdown of the above data by:
  a. Board members;
  b. Executive Committee members;
  c. Middle and Senior Managers (defined as being within the four most senior grades of management within the company);
  d. All other employees (defined as being within the company's junior grades). The breakdown of data by seniority is outside the scope of assurance.

The breakdown of data by seniority is outside the scope of assurance.

- Total headcount for employees identifying as: Black; South Asian; East or Southeast Asian; Hispanic/Latinx; Mixed or Other; White; preferring not to say; or undeclared.
- Headcount for each category above, expressed as a percentage of total headcount.
- Breakdown of the above data by:
  a. Board members;
  b. Executive Committee members;
  c. Middle and Senior Managers (defined as being within the four most senior grades of management within the company);
  d. All other employees (defined as being within the most junior grades within the company). The breakdown of data by seniority is outside the scope of assurance.

The criteria for self-declaration of ethnicity are aligned with the UK Office for National Statistics' census categorisations of ethnicity, with 'Black', 'East Asian/Southeast Asian', 'Mixed/Multiple', 'South Asian' and 'Other' composing the 'All minority ethnicities' category over which Limited Assurance is given. For US employees, the US Census Bureau's categorisations are used, with 'Black', 'Asian', 'Hispanic/Latino', 'Mixed/Multiple' and 'Other' composing the 'All minority ethnicities' category over which Limited Assurance is given.

Please note we report other metrics associated with the diversity of our workforce but these are outside the scope of our Limited Assurance regime.

### Method for gathering, processing and reporting data

Gender and ethnicity data are recorded in our Human Resource management systems. The Group operates three such systems for the recording of these data.

Gender data are gathered at the point when an employment offer is accepted and are as set out in an individual's Right to Work documentation (typically a passport).

Submission of ethnicity data is by individual choice and takes place during the recruitment process or during employment with the Group, using a self-service software tool which interfaces with our Human Resource management systems.

We define "non respondents" as those who have neither chosen to supply us with information about their ethnicity, nor actively opted out of sharing this information. Those who actively inform us that they do not wish to share this information are reported as 'Prefer not to say'.

The data are gathered and processed by our Human Resources department and total numbers by the categories listed to the left are reported via Power BI (reporting software).

The data reported in our Social impact report are correct as at 31 December of the reporting year.

### Internal controls

For internal reporting purposes, all employee data are anonymised and reported in groups of five people or more, to prevent reporting data being used to identify individuals.

Access to individual-line employee data is restricted to those members of our Human Resources department who need access to these data for the purposes of their administration and management OR who need access to employee records for the purposes of administering established and agreed employment-related processes.

Supporting these processes are data protection impact assessments that risk-assess, validate and challenge the ethical use of special category and personal data.

Figures will be validated with each locale and signed off prior to sharing into the consolidated figure.

## 2. Median gender pay gap (aggregated at group level)

### Scope and exclusions

The scope of the data reported is that set out by the UK Government's Gender Pay Gap reporting regulations (The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 – 'the Regulations'). In line with these, we report gender pay gap data for entities in the UK employing more than 200 individuals. In addition to reporting required under the Regulations, we report data about UK-based employees of the Group in aggregate. See 'Method for Gathering, Processing and Reporting Data' for further information.

We do not report data for entities which are not wholly owned or controlled by L&G (for example certain joint ventures or equity investees).

Cala Homes Ltd remains in scope, despite the fact that the business has been sold by L&G. This is because Cala was owned by L&G on the 'snapshot date' of 5 April 2024 as set out in the Regulations.

### Unit of reporting

We report the difference between the median hourly pay figure for female employees and the median hourly pay figure for male employees, expressed as a per centage of the latter.

Please note that we report other metrics associated with the gender pay gap, but these are outside the scope of our Limited Assurance regime.

### Method for gathering, processing and reporting data

The data reported in our Social impact report are taken on the 'snapshot date', in line with the Regulations. For the 2024 reporting year, the snapshot date was 5 April 2024.

The information published as 'Group' figures (accompanying those for each 'relevant employer' in the Group) covers all employees, so also represent those who would not be captured pursuant to the Regulations.

### Internal controls

Gender pay gap calculations are based on payroll data in which the 'snapshot date' falls. This data includes employment dates and working hours from which hourly rates can be established for relevant employees.

In 2017 L&G's Group Internal Audit function reviewed the process and methodology to gather data and complete the calculations from extracts of underlying HR systems. The controls observed in that exercise

- Completeness and accuracy of data used in the calculations
- Completeness, accuracy and presentation of the calculations required by the Regulations – continue to be applied.

## 3. Median ethnicity pay gap (aggregated at group level)

### Scope and exclusions

We report ethnicity pay gap data on an aggregated basis for all employees of UK entities which would fall under the scope of the UK Government's Gender Pay Gap reporting regulations (The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 – 'the Regulations'). We use these Regulations because no such analogous regulations exist for ethnicity pay gap reporting, but we have aligned our approach with the UK Government's Ethnicity Pay Gap Reporting Guidance (Ethnicity pay reporting: guidance for employers – GOV.UK (www.gov.uk).

We report data about UK-based employees of the Group in aggregate. See 'Method for Gathering, Processing and Reporting Data' for further information.

We do not report data for entities which are not wholly owned or controlled by L&G (for example certain joint ventures or equity investees).

We exclude employees of L&G Homes. This is because in this entity, the disclosure rates for ethnicity are sufficiently low that reporting pay gap data would not provide stakeholders with useful information.

We further exclude employees of CALA Homes Ltd, because, despite it being fully owned by L&G as at the snapshot date of 5 April 2024, the disclosure rates for ethnicity were sufficiently low as not to provide stakeholders with useful information if reported.

### Unit of reporting

We report the difference between the median hourly pay figure for employees who identify themselves as being of an ethnic background other than white, and the median hourly pay figure for employees who identify themselves as being of a white ethnic background, expressed as a per centage of the latter.

Please note that we report other metrics associated with the ethnicity pay gap, but these are outside the scope of our Limited Assurance regime.

### Method for gathering, processing and reporting data

The data reported in our Social impact report are taken on a 'snapshot date' which echoes the requirements of the Gender Pay Gap Regulations. For the 2024 reporting year, the snapshot date was 5 April 2024.

### Internal controls

Ethnicity pay gap calculations are based on payroll data in which the 'snapshot date' falls. This data includes employment dates and working hours from which hourly rates can be established for relevant employees.

The following controls which are applied to our gender pay gap calculation methodologies are also applied to our ethnicity pay gap calculations:

In 2017 L&G's Group Internal Audit function reviewed the process and methodology to gather data and complete the calculations from extracts of underlying HR systems. The controls observed in that exercise

- Completeness and accuracy of data used in the calculations
- Completeness, accuracy and presentation of the calculations required by the Regulations – continue to be applied.

luminous

Consultancy, design and production
**www.luminous.co.uk**