# Legal and General Investment Management Limited (“’LGIM(L)’”)

Legal Entity TCFD-Aligned Report

# Purpose

This is L&G Asset Management's fourth annual TCFD-aligned entity-level report setting out how Legal & General Investment Management Limited ("LGIM(L)") takes climate-related risks and opportunities into account when administering investments on behalf of clients and consumers.

Legal & General Group Plc's TCFD-aligned report, referenced as L&G – Climate and Nature Report 2025 throughout this document, sets out our group-wide strategy and approach regarding climate-related risks and opportunities. This LGIM(L) TCFD-aligned entity report should be read in conjunction with the L&G – Climate and Nature Report 2025, which also includes aggregated group metrics that are relevant to LGIM(L) and the assets it administers.

This report covers how TCFD in-scope assets are governed, how strategy is set, how climate risks are managed and where there are differences in approach, as outlined in the L&G Climate and Nature Report 2025.

LGIM Limited is one of L&G Asset Management's Investment Managers. It is a Markets in Financial Instruments Directive ("MiFID") firm and responsible for investment management of internal and external clients' funds.

## Compliance statement

The disclosures in this report, including the product reports cross referenced, comply with the TCFD recommendations, entity reporting requirements and product-level reporting requirements set out in chapter 2 of the FCA's Environmental, Social and Governance sourcebook.

Emiel van den Heiligenberg, Global Chief Investment Officer, Asset Management

## Reporting period

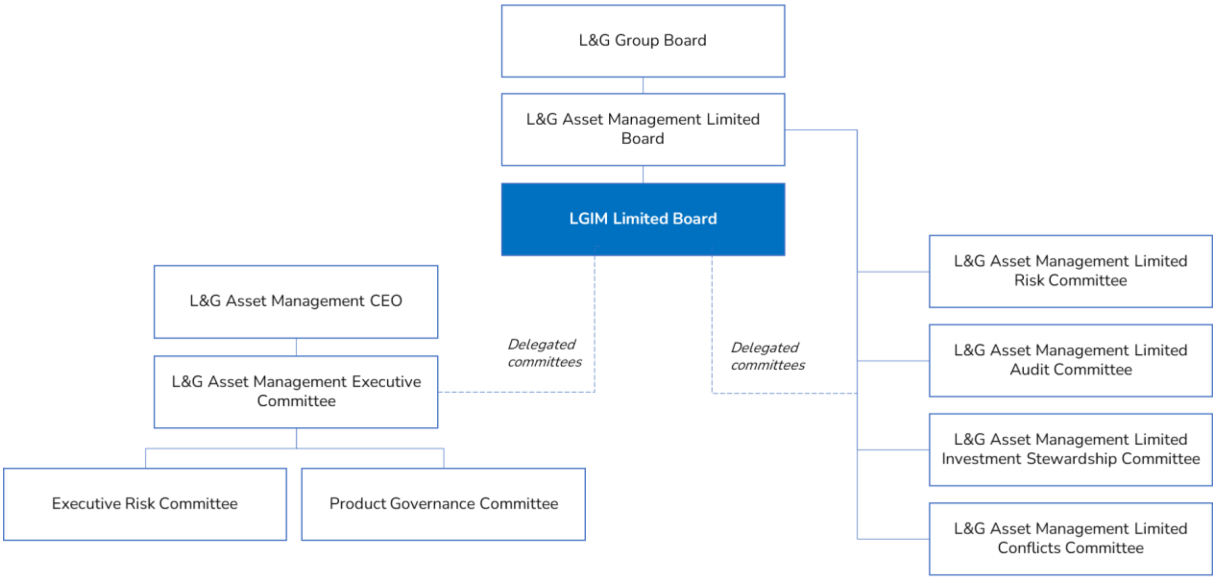
This report was prepared as of 31 December 2025 and covers the 12 months from 1 January 2025.

## Delegations

L&G Asset Management Limited (L&G – AM Ltd) is the holding company for L&G Asset Management (L&G AM) and is a wholly owned subsidiary of Legal & General Group Plc (L&G Group). It acts as the controller of the L&G AM Ltd group of companies, monitoring and overseeing the performance of L&G AM. The L&G AM Board is responsible to its shareholder, L&G Group, for promoting the long-term success of L&G AM and in particular, for outlining L&G AM's strategic priorities, monitoring management's performance against those strategic aims, setting risk appetite, and ensuring that effective controls are in place and that the division is adequately resourced.

As a direct subsidiary of L&G Asset Management Limited, LGIM(L) leverages and benefits from the wider governance structure of L&G Asset Management. Formal delegations are in place to support the framework and enable committees of L&G Asset Management to focus on matters on behalf of LGIM(L). This includes matters relating to climate-related risks and opportunities and forums such as the L&G Asset Management Limited Risk Committee, the L&G Asset Management Limited Investment Stewardship Committee, L&G Asset Management Limited Audit Committee, L&G Asset Management Limited Conflicts Committee, L&G Asset Management Executive Committee, and L&G Asset Management Product Governance Committee. They all undertake duties on behalf of LGIM(L) as illustrated in the abbreviated chart on page 4.

## Table of contents for disclosures




*All committees oversee climate-related risks and opportunities*

## Governance

*Disclose the organisation's governance around climate-related risks and opportunities.*

**Governance:** These recommendations are addressed in the Governance section of the [L&G – Climate and Nature Report 2025]. Relevant references, examples, and sources for further information are provided below.

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| **Recommended Disclosure a)**<br><br>Describe the board's oversight of climate-related risks and opportunities. | Please see the 'Delegations' section above, which highlights how L&G Asset Management's Board/committees are structured and how they oversee climate-related risks and opportunities.<br><br>As LGIM(L) is a direct subsidiary of L&G Asset Management Limited the governance arrangements of LGIM(L) sit within the wider governance framework of the L&G Asset Management division.<br><br>L&G Asset Management has a robust corporate governance framework in place that brings authority and accountability, enables effective decision-making, and allows oversight of the implementation of L&G Asset Management's strategic objectives and climate-related risks and opportunities.<br><br>*Examples of our oversight of climate-related risks and opportunities are provided in the references below.*<br><br>L&G – Climate and Nature Report 2025:<br>(page 22) *Board Oversight* – This section outlines L&G's Board oversight of climate and nature-related risks and opportunities.<br><br>L&G Asset Management – Active Ownership Report 2025:<br>(pages 15 - 16) *Governance of responsible investment* – This section details L&G Asset Management's governance structure and how responsible investment strategy is fully integrated and overseen across our formal governance committees. |

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| | L&G Asset Management – Climate Report 2025: Real Estate Equity:<br>(page 19) *Board oversight and management's role* – This section outlines the governance structure and responsibilities for overseeing and escalating climate-related risks across L&G Group and L&G's Asset Management. |
| **Recommended Disclosure b)**<br><br>Describe management's role in assessing and managing climate-related risks and opportunities | L&G – Climate and Nature Report 2025:<br>(page 22 - 23) *Board Oversight / Group Environment Committee* - These sections describe the L&G management team's role in assessing and managing climate and nature-related risks and opportunities.<br><br>L&G Asset Management – Active Ownership Report 2025:<br>(pages 15 - 16) *Governance of responsible investment* – This section details L&G Asset Management's governance structure and how responsible investment strategy is fully integrated and overseen across formal governance committees.<br><br>L&G Asset Management – Climate Report 2025: Real Estate Equity:<br>(page 19) *Board oversight and management's role* - This section outlines management's role in assessing, managing, and integrating climate-related risks for real estate equity assets across L&G's Asset Management. |

## Strategy

*Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.*

**Strategy**: These recommendations are addressed in the Strategy section of L&G – Climate and Nature Report 2025. Specific references and examples are provided below with relevant sources on where additional information is published. Fund-level strategies are disclosed in the product level TCFD disclosures listed further below.

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| **Recommended Disclosure a)**<br><br>Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. | L&G – Climate and Nature Report 2025:<br>(pages 8 - 9) *Climate and nature-related opportunities and risks* – This section highlights L&G's material climate and nature-related opportunities and risks identified over the short, medium and long term.<br><br>L&G Asset Management – Climate Impact Pledge 2025:<br>(page 3) *Executive summary* - This section describes the risks and opportunities associated with climate change and nature degradation. Further detail on the role of our Climate Impact Pledge (CIP) processes can be found throughout the report. Sector-specific risk and opportunity considerations can be found in greater detail in our CIP sector guides.<br><br>L&G Asset Management – Climate Report 2025: Real Estate Equity:<br>(page 10) *Summary of climate-related risks and opportunities* - Describes the climate-related risks and opportunities across L&G's real estate equity assets, including the time horizons and climate scenarios in which these factors are expected to be most material.<br>(pages 16-17) *Physical climate modelling results* – Provides detail on the physical climate risk exposure to L&G real estate equity assets across time horizons and climate scenarios. |
| **Recommended Disclosure b)**<br><br>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. | L&G – Climate and Nature Report 2025:<br>(pages 13 – 14 & 19) *Execution Strategy & Engagement Strategy – Asset Manager* - These sections describe the impact of climate and nature related risks and opportunities on Asset Management's strategy, through the products we offer, frameworks and our engagement approach.<br><br>L&G – Climate Transition Plan 2026:<br>(pages 16 - 17) *Our Execution Strategy - Asset Manager* - This section explains how we embed climate and nature considerations across asset classes and management styles. We believe that incorporating financially material sustainability criteria, where relevant to our clients, can create long-term value and drive positive change.<br>(pages 23 – 24) – *Our engagement strategy – Asset Management* – This section details our engagement strategy and how it seeks to drive greater action to address systemic climate and nature risk in the real economy.<br><br>L&G Asset Management – Climate Impact Pledge 2025<br>(page 3) *Executive Summary* - This section outlines how, through our CIP, L&G encourages companies to reduce the risks associated with climate change and nature degradation, and to transition to a net-zero economy. We ask companies to embed these considerations into their business strategy, helping to build resilience and drive long-term value creation for our clients. |

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| | L&G Asset Management – Climate Report 2025: Real Estate Equity:<br>(pages 12 - 13) *Our net-zero strategy & Our climate resilience strategy* – This section describes L&G's net zero carbon strategy and climate resilience strategy for managing transition and physical climate-related risks for real estate equity assets.<br>(pages 14 - 15) *Integrating climate risk through the investment lifecycle* – This section details how climate risk is integrated into strategic intervention points throughout the investment life cycle. |
| **Recommended Disclosure c)**<br><br>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | L&G – Climate and Nature Report 2025:<br>(pages 13 - 15) *Our strategy* – This section describes how L&G operates and manages its real estate equity assets to support its climate transition plan and achieve its net zero commitments.<br>(pages 46 - 47) *Group portfolio scenario impacts* – This section describes the impact climate and nature-related risks have on L&G's equity and debt portfolios across time horizons and climate scenarios.<br>(page 48) *Resilience* – This section details the resilience of L&G's strategy, including portfolio management, private market physical risk and climate adaption.<br><br>L&G Asset Management – Active Ownership Report 2025:<br>(page 20) *Data and technology: Climate solutions – Destination@Risk* – This section provides an overview of the L&G Destination@Risk model which enables the building of bespoke, bottom-up climate scenarios to explore a range of possible future climate pathways and their potential impacts.<br><br>L&G – Climate Transition Plan 2026:<br>(pages 26 - 27) – *Risk management approach* - This section describes the key risks and uncertainties associated with the delivery of L&G's strategy, including details on how they will be managed or mitigated.<br><br>L&G Asset Management – Climate Report 2025: Real Estate Equity:<br>(pages 12 - 13) *Our net-zero strategy & Our climate resilience strategy* – These pages demonstrate L&G's commitment and approach to climate resilience for real estate equity assets across time horizons and climate scenarios. |

## Risk Management

*Disclose how the organisation identifies, assesses, and manages climate-related risks.*

**Risk management**: These recommendations are addressed in the Governance and Risk Management section of the L&G – Climate and Nature Report 2025. Specific references and examples are provided below with relevant sources on where additional information is published.

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| **Recommended Disclosure a)**<br><br>Describe the organisation's processes for identifying and assessing climate-related risks. | L&G – Climate and Nature Report 2025:<br>(page 25) *Our approach to risk identification* – This section provides an overview of how L&G identifies and assesses climate-related risks. It explains how we have integrated climate risk management into our existing risk and governance framework and have carried out a detailed assessment of how we could expect climate and nature risks to emerge across our business model.<br>(page 45) *Exploration of physical risks* – This section details how L&G conducts climate scenario modelling to evaluate physical climate risk to real estate equity assets.<br><br>L&G Asset Management – Active Ownership Report 2025:<br>(page 20) *Data and technology: Climate solutions – Destination@Risk* – This section provides an overview of L&G Asset Management's toolkit to assess climate-related risk for our investments.<br>(pages 27 – 35) *E: Climate* – This section provides detail on our climate engagement activities and how we identify company and sector risks we are exposed to through our investees.<br><br>L&G Asset Management – Climate Report 2025: Real Estate Equity:<br>(pages 21-22) *Approach to risk identification* – This section provides an overview of L&G's approach to identifying physical and transition climate-related risks for real estate equity assets. |
| **Recommended Disclosure b)**<br><br>Describe the organisation's processes for *managing* climate-related risks. | L&G – Climate and Nature Report 2025:<br>(pages 26 - 29) *Risk management approach* – This section provides an overview of L&G's process for managing climate and nature-related risks. It details the actions we take to control our exposure to climate-related risks associated with our investments and operations, as well as the frameworks, exclusions and policies we use to meet our risk management objectives.<br><br>L&G Asset Management – Active Ownership Report 2025<br>(pages 27- 35) *E: Climate* – This section outlines our climate engagement activities which encourage better practices and disclosure, improving our ability to assess climate-related risks.<br><br>L&G Asset Management – Climate Impact Pledge 2025<br>(pages 6 - 9) *How it works: our two-fold approach to engagement* - This section outlines L&G Asset Management's flagship engagement programme on climate change, which is structured around the TCFD framework. It details each stream (quantitative and qualitative) and the different engagement approaches, expectations and potential escalations used to manage climate and nature-related risks.<br><br>L&G – Climate Transition Plan 2026:<br>(pages 26 - 27) *Key risks and uncertainties* – This section details L&G's key risks and uncertainties with the transition to a low-carbon economy, alongside details of how they will be managed or mitigated.<br><br>L&G Asset Management – Climate Report 2025: Real Estate Equity: |

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| | (page 24) *Risk management approach* – This section details L&G's process for managing and monitoring the climate-related risks of real estate equity assets on an ongoing basis. |
| **Recommended Disclosure c)**<br><br>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | L&G – Climate and Nature Report 2025:<br>(page 24) *Risk management framework* – This page provides an overview of our risk management framework and landscape. It explains how climate risks are embedded within our risk management process, alongside scenario analysis, and how this informs our approach. Climate change and nature loss and broader environmental risks emerge through our current risk exposures, and the relevant Group policies set out our approach to identifying, assessing, measuring, managing and monitoring these risks.<br><br>L&G Asset Management – Active Ownership Report 2025:<br>(pages 10 - 14) *Our commitment to responsible investment* – This section outlines L&G Asset Management's responsible investment process and the incorporation of climate-related risks and considerations into our activities across asset classes.<br><br>L&G Asset Management – Climate Report 2025: Real Estate Equity:<br>(page 20) *Risk management framework* – This section provides an overview of the risk management framework used for identifying, assessing, monitoring, and controlling climate-related risks and how it is integrated into overall risk management procedures for real estate equity assets. |

## Metrics and Targets

*Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.*

**Metrics and targets**: Our overarching metrics and targets are provided in the Metrics and Targets section of the L&G – Climate and Nature Report 2025. Specific references and examples are provided below with relevant sources on where additional information is published. Fund level metrics and targets are disclosed in the product level TCFD disclosure report listed further below.

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| **Recommended Disclosure a)**<br><br>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. | L&G – Climate and Nature Report 2025:<br>(pages 31 - 41) *Metrics and targets* – This section focuses on key metrics L&G used to measure progress against decarbonising our business and meeting our climate commitments. These are integral to our business strategy and risk management framework. Page 34 details the Asset Management commitments and milestones.<br><br>L&G – Climate Transition Plan 2026:<br>(page 28) *Oversight and governance* – This page outlines the metrics used to monitor and report on how L&G manages its business to align with the mitigation of the climate risks.<br><br>L&G Asset Management – Climate Impact Pledge 2025<br>(pages 7 - 8) *Quantitative engagement* – This section provides an overview of the quantitative metrics L&G Asset Management leverages in the Climate Impact Pledge assessment and engagement process. Further information on the climate metrics used is contained within the CIP methodology document.<br><br>L&G Asset Management – Climate Report 2025: Real Estate Equity:<br>(pages 25-28) *Metrics and targets* – This section focuses on the key metrics L&G uses to monitor and assess climate-related risks and opportunities in its operations and to measure performance against decarbonisation targets for real estate equity assets. |
| **Recommended Disclosure b)**<br><br>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | L&G – Climate and Nature Report 2025:<br>(page 32) *Emissions breakdown* - These sections illustrate L&G's carbon footprint across Scope 1, 2 and 3.<br><br>L&G Asset Management – Climate Impact Pledge Scoring Methodology<br>This document explains how our company assessments (climate ratings) are focused on five key pillars, drawing on 80+ data points, leveraging L&G Asset Management's proprietary climate modelling as well as third-party data (including Scope 1, 2 and 3 emissions). These pillars align with recommendations from the TCFD. We publish company ratings, as well as information on our 'minimum standards' for each sector, data providers, indicators and methodology on our dedicated website.<br><br>L&G Asset Management – Climate Report 2025: Real Estate Equity:<br>(pages 25 - 27) *Metrics and targets* - This section details the Scope 1, 2 and 3 GHG emissions and carbon footprint of L&G's real estate equity assets, and progress made against 2030 science-based targets. |

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| **Recommended Disclosure c)**<br><br>Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | L&G – Climate and Nature Report 2025:<br>*(page 6) - Our key targets and progress* – This page describes the key targets for Asset Management and its operations and its performance against these targets.<br>(page 30) *Engagement and remuneration* – This page describes the remuneration incentives that are linked to climate commitments.<br>(page 34) *Commitments in detail* – This page outlined the commitments and milestones set by Asset Management, as well as status of progress.<br><br>L&G – Climate Transition Plan 2026:<br>(page 8) *Looking ahead* – This page describes the key targets for Asset Management and its operations.<br><br>2025 PRI Disclosure Report:<br>L&G Asset Management reported progress against our targets and commitments through our PRI submission.<br><br>L&G Asset Management – Climate Report 2025: Real Estate Equity:<br>(page 12) *Our net zero strategy* - This section illustrates L&G's real estate equity assets' 2030 and 2050 decarbonisation targets for managing transition climate-related risks.<br>(page 25) *Performance against targets* – This section details the operational decarbonisation targets and commitments that L&G has set for its real estate equity assets.<br>(page 28) *Additional metrics and targets* – This section details the remuneration incentives that are linked to climate-related targets. |

## In scope business/products/funds:

Relevant product and portfolio level data will be provided at client request.

**Key Risks**
The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested.