

European SRI Transparency Code

The European SRI Transparency Code (the Code) focuses on SRI funds distributed publicly in Europe and is designed to cover a range of assets classes, such as equity and fixed income.

All information pertaining to the European SRI Transparency Code can be found at the following website: www.eurosif.org. The Code comes with a Guidance Manual for fund managers on how to best use and respond to the Code. The present version of the Code was approved by the Board of Eurosif on February 19, 2018.

REVISION OF THE CODE

In 2017 the Code was updated to better reflect the continuing evolution of the European SRI market. A Working Group was set up to facilitate revision of the Code in line with the latest developments in the industry and in view of the latest work carried out by experts at the European and global level.

Applications to sign up to the Code will now be in line with key elements of the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), Article 173 of the French TECV Act and the latest recommendations made by the High-Level Group of Experts on Sustainable Finance (HLEG) in its final report published in January 2018. Questions that are specifically designed to reflect those recommendations/legislation are indicated in the Code with footnotes.

TWO KEY MOTIVATIONS UNDERPIN THIS CODE

1. The opportunity for retail SRI funds to provide clarification to investors and other stakeholders about their SRI approach in an easily accessible and comparable format.
2. Proactive strengthening of self-regulation to contribute to the development and promotion of SRI funds by setting up a common framework for transparency best practices.

GUIDING PRINCIPLE

Signatories to the Code should be open and honest and should disclose accurate, adequate and timely information to enable stakeholders, especially consumers, to understand the ESG policies and practices of the fund.

COMMITMENTS BY SIGNATORIES

- The order and exact wording of the questions should be followed;
- Responses should be informative and clear, and the resources and methodologies used should be described in as much detail and as precisely as possible;
- Funds should report data in the currency that they use for other reporting purposes;
- Reasons preventing the fund from providing all or part of the information to a given question should be clearly stated and, in such cases, signatories should state when they will be able to answer the question;
- Responses should be updated at least on an annual basis and should have a precise publication date;
- Responses to the Code should be easily accessible from the website of the fund and/or of the fund manager. In any case, signatories should make it clear where to find the information required by the Code;

- Signatories are solely responsible for the answers to the questions, and should state this in their response.

Statement of Commitment

Complete/modify the below section accordingly

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of **Legal & General Investment Management Limited (LGIM)**. We have been involved in SRI since 2000 (this is when LGIM formally established our Corporate Governance and Responsible Investment Policy) and welcome the European SRI Transparency Code.

This is our **second** statement of commitment and covers the period 1 October 2021 to 30 September 2022. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the retail funds and on our website.

Compliance with the Transparency Code

LGIM is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. **LGIM** meets the full recommendations of the European SRI Transparency Code. (If the full recommendations are not met, please state if and when you hope to comply with the questions you cannot answer at this time).

Eurosif classification of Sustainable and Responsible Investment¹ strategies

Sustainability Themed Investment: investment in themes or assets linked to the development of sustainability. Thematic funds focus on specific or multiple issues related to ESG. Sustainability Themed Investments inherently contribute to addressing social and/or environmental challenges, such as climate change, eco-efficiency and health. Funds are required to perform an ESG analysis or screening of investments in order to come under this category.

Best-in-Class Investment Selection: approach according to which leading or best-performing investments within a universe, category or class are selected or weighted based on ESG criteria. This approach involves the selection or weighting of the best-performing or most improved companies or assets as identified by ESG analysis within a defined investment universe. This approach includes best-in-class, best-in-universe and best-effort.

Norms-Based Screening: screening of investments according to their compliance with international standards and norms. This approach involves the screening of investments based on international norms or combinations of norms covering ESG factors. International norms on ESG are those defined by international bodies, such as the United Nations (UN).

Exclusion of Holdings from Investment Universe: an approach that excludes specific investments or classes of investment from the investible universe, such as companies, sectors or countries. This

¹ Sustainable and responsible investment ("SRI") is a long-term oriented investment approach which integrates ESG factors in the research, analysis and selection process of securities within an investment portfolio. It combines fundamental analysis and engagement with an evaluation of ESG factors in order to better capture long-term returns for investors and to benefit society by influencing the behaviour of companies. Ref. Eurosif 2016

approach systematically excludes companies, sectors or countries from the permissible investment universe if they are involved in certain activities based on specific criteria. Common criteria include weapons, pornography, tobacco and animal testing. Exclusions can be imposed at the individual fund or mandate level, but also increasingly at the asset manager or asset owner level, across the entire product range of assets. This approach is also referred to as ethical or values-based exclusion, as exclusion criteria are typically based on the choices made by asset managers or asset owners.

Integration of ESG Factors into Financial Analysis: the explicit inclusion by asset managers of ESG risks and opportunities in traditional financial analysis and investment decisions based on a systematic process and appropriate research sources. This category covers explicit consideration of ESG factors alongside financial factors in the mainstream analysis of investments. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

Engagement and Voting on Sustainability Matters: engagement activities and active ownership through voting of shares and engagement with companies on ESG matters. This is a long-term process that seeks to influence behaviour or increase disclosure. Engagement and voting on corporate governance are necessary, but are not sufficient in themselves for inclusion in this category.

Impact Investing: impact Investments are investments in companies, organisations and funds with the intention of generating a social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market-to-market rate, depending upon the circumstances². Investments are often project-specific and distinct from philanthropy, as the investor retains ownership of the asset and expects a positive financial return. Impact investing includes microfinance, community investing, social business/entrepreneurship funds and French *fonds solidaires*.

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1. List of funds covered by the Code

Name of the fund(s): L&G Future World Global Equity Focus Fund					
Dominant/preferred SRI strategy (Please choose a maximum of 2 strategies)	Asset class	Exclusions standards and norms	Fund capital as at 31 December	Other labels	Links to relevant documents
<input type="checkbox"/> Best-in-Class Investment section <input type="checkbox"/> Engagement & Voting <input checked="" type="checkbox"/> ESG Integration <input type="checkbox"/> Exclusions <input type="checkbox"/> Impact Investing <input type="checkbox"/> Norms-Based Screening <input type="checkbox"/> Leading to exclusions <input type="checkbox"/> Leading to risk management analysis/engagement <input checked="" type="checkbox"/> Sustainability Themed	Passively managed <input type="checkbox"/> Passive investing – core benchmark: specify the index tracking <input type="checkbox"/> Passive investing – ESG/SRI benchmark: specify the index tracking Actively managed <input type="checkbox"/> Shares in a euro area country <input type="checkbox"/> Shares in an EU country <input checked="" type="checkbox"/> International shares <input type="checkbox"/> Bonds and other debt securities denominated in euro <input type="checkbox"/> International bonds and other debt securities <input type="checkbox"/> Monetary assets <input type="checkbox"/> Short-term monetary assets <input type="checkbox"/> Structured funds	<input checked="" type="checkbox"/> Controversial weapons <input checked="" type="checkbox"/> Alcohol <input checked="" type="checkbox"/> Tobacco <input type="checkbox"/> Arms <input type="checkbox"/> Nuclear power <input type="checkbox"/> Human rights <input type="checkbox"/> Labour rights <input checked="" type="checkbox"/> Gambling <input type="checkbox"/> Pornography <input type="checkbox"/> Animal testing <input type="checkbox"/> Conflict minerals <input type="checkbox"/> Biodiversity <input type="checkbox"/> Deforestation <input type="checkbox"/> CO2 intensive (including coal) <input type="checkbox"/> Genetic engineering <input type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> Global Compact <input type="checkbox"/> OECD Guidelines for MNCs <input type="checkbox"/> ILO Conventions	To be filled out with a number of AuM €137million	<input type="checkbox"/> French SRI label <input type="checkbox"/> French TEEC label <input type="checkbox"/> French CIES label <input type="checkbox"/> Luxflag Label <input checked="" type="checkbox"/> FNG Label <input type="checkbox"/> Austrian Ecolabel <input type="checkbox"/> Other (please specify)	- (KIID) https://fundcentres.lgim.com/fund-centre/SICAV/Future-World-Global-Equity-Focus-Fund#Literature - Prospectus https://fundcentres.lgim.com/fund-centre/SICAV/Future-World-Global-Equity-Focus-Fund#Literature -Management report https://fundcentres.lgim.com/fund-centre/SICAV/Future-World-Global-Equity-Focus-Fund#Literature -Financial and non-financial reporting https://fundcentres.lgim.com/fund-centre/SICAV/Future-World-Global-Equity-Focus-Fund#Literature https://fundcentres.lgim.com/srp/limit/Njxn9R/Sustainability-report_LG-Future-World-Global-Equity-Focus-Fund_30-07-2021_UK-INST_UK-ADV.pdf -Corporate presentations Available on request - Other (please specify) Fund profile : https://fundcentres.lgim.com/srp/limit/Ne80xO/Fund-profile_LG-Future-World-Global-Equity-Focus-Fund_14-08-2020_UK-INST_UK-ADV.pdf Fact Sheet:

		<input type="checkbox"/> Other (please specify)			https://fundcentres.lgim.com/srp/lie/NBKGBg/Fact-sheet_LG-Future-World-Global-Equity-Focus-Fund-I-Inc-USD_31-03-2021_Multi-Audience.pdf
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2. General information about the fund management company

2.1. Name of the fund management company that manages the applicant fund(s)

- LGIM Managers (Europe) Limited – the Management Company
 33/34 Sir John Rogerson's Quay, Dublin 2, Ireland
www.lgim.com/ie/en/
philipp.koenigsmarck@lgim.com
- Legal & General Investment Management Limited – the Investment Manager
 One Coleman Street, London EC2R 5AA, United Kingdom
www.lgim.com
philipp.koenigsmarck@lgim.com

2.2. What are the company's track record and principles when it comes to integrating SRI into its processes?

As one of the world's largest asset managers, with a long history of corporate engagement on the most material long-term issues, we believe we have the scale and ability to make a real, positive impact on the companies in which we invest and on society as a whole.

These values are deeply embedded into LGIM's culture – and that of the wider L&G Group – and are reflected in how we invest our own capital and that of our clients.

We believe that:

- Environmental, social and governance (ESG) factors are financially material. Responsible investing is essential to mitigate risks, unearth investment opportunities and strengthen long-term returns for clients
- We have a responsibility to many stakeholders. When we allocate capital, we conduct extensive research into potential environmental and societal outcomes
- We have a responsibility to effect positive change in the companies and assets in which we invest, and for society as a whole. To us, this means active ownership and engagement through stewardship and cross-asset research

Track record

LGIM's Corporate Governance and Responsible Investment policy was established at LGIM in 2000 and has been subject to ongoing development since this time. We first formally

established the Corporate Governance and Responsible Investment policy following our commitment to become a signatory to the UN PRI in 2010.

We seek to continue to emulate and develop best practice in terms of its policies, stewardship and integration activities. Therefore, our actions are regularly reviewed and strengthened to continue to meet and exceed our clients' expectations in this regard.

Highlights of developments include:

- The significant expansion and development of a dedicated Investment Stewardship team
- A change in reporting line for the Investment Stewardship team resulting in the appointment of the Director of investment Stewardship to the board of LGIM, reporting directly into the CEO
- The development LGIM's ESG data tools
- Close co-operation between the investment teams and the Investment Stewardship teams
- The expansion and development of client reporting on our integration and engagement efforts
- A public commitment on LGIM's engagement topics and activities.

In 2019, a further important step with regard to ESG integration was represented by the establishment of a Global Research and Engagement Groups (GREGs) framework. This brings together representatives from our investment and stewardship teams, to unify our engagement efforts and determine the exposure of sectors and companies to ESG risks and opportunities.

Our GREGs have established a proprietary materiality matrix using a combination of internal data from our Active ESG tool and external ESG data, which seeks to identify financially material topics for a given industry. The materiality matrix brings structure to our research and a framework to help systematically define and prioritise our engagement activity across the firm.

The GREGs review the ESG data within the Active ESG View tool for each sector in order to increase or decrease weightings for each environmental, social and/or governance factor within the tool, with the aim to create an overall assessment.

The output from the platform strengthens and streamlines the firm's engagement activities, enabling us to collectively set goals and targets at a company level with one voice, whilst supporting and guiding our investment decisions across the capital structure.

The Global Research and Engagement Platform has three overarching objectives:

1. Leverage LGIM's scale

We undertake in excess of 3,000 management meetings and ESG engagements; this offers a wealth of information which data analytics simply cannot provide. By strengthening and streamlining our shared engagement strategy we aim to fully extract the value from these insights.

2. Challenge our investment decisions

Asset class agnostic, cross-team collaboration allows us to cover broad based investment themes, which help us to determine the resiliency of sectors and the companies within them.

3. Co-ordinate our engagement

Guide, strengthen and streamline our corporate engagement. Setting ambitious company-level objectives and targets, which help determine whether we retain, add or withdraw investments across the entire capital structure.

LGIM's Global Corporate Governance and Responsible Investment Principles are summarised in the following document.

https://www.lgim.com/files/_document-library/capabilities/lgim-global-corporate-governance-and-responsible-investment-principles.pdf

Please note our Global Principles are supplemented by a number of regional policies, which can be found at this address:

https://documentlibrary.lgim.com/documentlibrary/library_55458.html

Climate Change policy:

<https://documentlibrary.lgim.com/documentlibrary/literature.html?cid=12642&lib=55458>

For a summary of our track record in integration of ESG in our latest annual active ownership report, please refer to the following address.

https://www.lgim.com/files/_document-library/capabilities/corporate-governance-long.pdf

2.3. How does the company formalise its sustainable investment process?

LGIM's sustainable investment process is formalised in several policies. The first is our 'Corporate Governance and Responsible Investment Principles' document (can be accessed via the link below). This is our central ESG policy document, providing detail on how LGIM approaches topics such as company boards, audit, remuneration, shareholder rights and sustainability.

The Principles are complemented by region-specific supplements for major developed markets (UK, North America, and Japan) which set our view of the way companies should be governed in local contexts.

LGIM encourages investee companies to focus not only on shareholders, but on all stakeholders. This includes their workforce, supply-chain relationships, the environment and the communities in which they operate. On capital-allocation matters, we expect boards to proceed in a manner that will ensure confidence, promote the long-term sustainability of the company, and support its stakeholders. Further, in relation to executive remuneration, we encourage boards to demonstrate restraint and discretion.

Although there is no 'one-size-fits-all' solution to building a sustainable business model, we look for companies we invest in to demonstrate that sustainability is effectively integrated into their long-term strategy and their daily operations. Companies should aim to minimise any negative impacts of their business on the environment while innovating to find better solutions. Strategy should include ways to make a positive impact on society, embrace the value of their workforce and supply chains, and deliver positive long-term returns to shareholders.

Corporate Governance and Responsible Investment Principles

<https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-uk-corporate-governance-and-responsible-investment-policy.pdf>

Supplementing these policies, we also have a separate climate change policy ([LGIM climate change policy](#)), and separate policy documents providing more detail on LGIM's approach to engagement and voting and integrating ESG, which can be found at the following address: <https://www.lgim.com/uk/en/capabilities/investment-stewardship/>

Voting Policy

A key part of LGIM's sustainable investment process is to engage with companies via voting. We acknowledge that, in giving us their mandate, our clients require us to vote their shares on their behalf.

All voting decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment Policy document which is reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

Our use of ISS recommendations is purely to augment our own research and proprietary environmental, social and governance (ESG) assessment tools. We utilise and receive research reports for all companies in the MSCI ACWI index. This research is used by our team to supplement knowledge and to provide details of company AGM resolutions.

The following document further elaborates on our use of ISS' proxy voting service.

<https://www.lgim.com/landg-assets/lgim/document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf>

Engagement Policy

Active ownership forms a key part of how we embed environmental, social, and governance (ESG) considerations into our business. We are committed to using our scale and influence to encourage companies to improve their management of ESG issues and as such we have dedicated significant resources to our stewardship obligations. LGIM has established a fully integrated framework for responsible investing, across both public and private assets, to strengthen long-term returns and raise market standards. This is based on stewardship with impact and collaborative, active research across asset classes. Together, these activities enable LGIM to conduct engagement that helps drive positive change and to deliver integrated solutions for clients.

We aim to tackle difficult and inter-connected ESG issues that could materially impact the value of our clients' assets. Therefore, it can take a long time to see change, and 'success' can be difficult to measure as it is often reflected in the overall market value. Regular monitoring

of companies assists us in identifying change. Our goal is to create better standards for the market at large, and while individual company performance is important, we believe that system- and market-wide change will bring about more sustainable results over the long-term.

We seek to follow a six-step approach to our investment stewardship engagement activities:

1. Identify the most material ESG issues
2. Formulate the engagement strategy
3. Enhancing the power of our engagement
4. Public policy and collaborative engagement
5. Voting
6. Reporting to stakeholders on our engagement activity

The following document contains our response to the requirements of the Shareholder Rights Directive II and gives further detail on the aforementioned engagement process that forms a critical part of LGIM's sustainable investment process.

<https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-engagement-policy.pdf>

Beyond these firm-wide approaches, LGIM also offer investment funds under the 'Future World' banner (under which the Global Equity Focus fund sits). The Future World funds are for clients who want to express a conviction on environmental, social and governance (ESG) themes, depending on their different investment styles. The funds extend LGIM's approach to sustainable investing across a broad array of asset classes and strategies.

Specifically, these funds exclude companies on the Future World Protection List; a list that captures companies failing to meet globally accepted business practices on sustainability, or our minimum requirements on the carbon transition. There are three components to the list:

- Companies that derive 30% or more of their revenues (as a % of their balance sheet) from coal mining or extraction are excluded from the Fund.
- Companies that are in breach of at least one of the United Nation Global Compact principles for a continuous period of three years (36 months) or more are considered persistent violators and are excluded.
- Companies involved in controversial weapons are also excluded.

2.4. How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by company?³

LGIM has established a fully integrated framework for responsible investing to strengthen long-term returns. This is based on stewardship with impact and collaborative, active research across asset classes. Together, these activities enable LGIM to conduct corporate engagement that drives positive change and to deliver ESG-integrated solutions to clients.

We seek to bring about broad based positive change by unifying our research and engagement effort agnostic to asset class. The early identification of potential risks that

³ Reference to Article 173 of the French TECV Act and the TCFD recommendations (risks and opportunities section)

threaten the sustainability of returns and capturing the investment opportunities that present better products, sustainable margins, improving societies and returns is central to our investment philosophy.

To understand financial materiality and assess companies comprehensively, engagement lies at the heart of our approach, raising market standards through Investment Stewardship and undertaking collaborative active research leading to impactful engagement across the investment platform driving positive change.

We integrate ESG agnostic to asset class or management style (active and index), we aim to benefit the widest set of stakeholders through an end-to-end integrated ESG process and an independent investment stewardship function. All of our investment professionals are empowered to enact positive change.

Throughout 2019, our Investment Stewardship team worked with companies, regulators and other investors to raise standards across markets. Under our Climate Impact Pledge we assess and score over 80 of the world's largest companies, engaging with them to address this challenge. We divest within our Future World funds from those companies that fail to demonstrate sufficient action and vote against the re-election of their board chairs across all funds where we hold voting rights.

Ongoing dialogue with companies is a fundamental aspect of LGIM's responsible investment commitment. As a large index investor it is extremely important that we raise concerns and lay out our expectations with regards to improvement in the planning and management of short and long-term ESG risks and opportunities.

For the past two years, climate change has been one of the top three themes discussed by the Investment Stewardship team in meetings with companies. LGIM engages with many of the largest global companies on their management of climate change issues – we do this both directly and collectively with other investors.

By engaging face to face with board members and senior executives we seek to influence change. Our priority is to have outcome orientated engagement, and we also engage through other methods, such as writing letters, having a phone calls etc. LGIM's Investment Stewardship team held 295 meetings or calls and 596 written engagements in 2020, resulting in a total of 891 engagements with 665 companies. BP, the UK-listed oil major, forms a key example of our active engagement driving change. The company plans to curb oil and gas production significantly, broadly in line with global climate targets following shareholder engagement co-led by LGIM, as part of the Climate Action 100+ investor coalition. Specifically, BP now targets net-zero carbon emissions for its operations by 2050.

In 2019, CIO Sonja Laud established the **Global Research and Engagement Platform**. This brings together representatives from across our investment and stewardship teams, to unify our engagement efforts and determine the exposure of sectors and companies to ESG risks and opportunities.

The output from the platform strengthens and streamlines the firm's engagement activities enabling us to collectively set goals and targets at a company level with one voice, whilst supporting and guiding our investment decisions across the capital structure.

The Global Research and Engagement Platform has three overarching objectives:

Leverage LGIM's scale

We undertake in excess of 3,000 management meetings and ESG engagements; this offers a wealth of information which data analytics simply cannot provide. By strengthening and streamlining our shared engagement strategy we aim to fully extract the value from these insights.

Challenge our investment decisions

Asset class agnostic, cross-team collaboration allows us to cover broad based investment themes, which help us to determine the resiliency of sectors and the companies within them.

Co-ordinate our engagement

Guide, strengthen and streamline our corporate engagement. Setting ambitious company-level objectives and targets, which help determine whether we retain, add or withdraw investments across the entire capital structure.

2.5. How many employees are directly involved in the company's sustainable investment activity?

There are 17 team members in the Investment Stewardship team.

When building the Investment Stewardship team, we have deliberately hired members with diverse experience and expertise across the spheres of investment stewardship and responsible investment. The result is a strong and cohesive set of professionals who possess complementary skills and experience including stewardship, fund management, responsible investment, financial analysis, corporate governance, ESG, sustainability, public policy and regulation. This ensures that from the outset the team is well-positioned to understand and keep abreast of the latest regulatory and industry developments.

The Investment Stewardship team provides objective oversight and guidance to our governance framework, and is allied to the wider investment approach.

Further, LGIM has climate strategists (4 professionals) analysing the transition of the global climate and the potential impacts on the investment universe. It is a strongly held view across LGIM that the only way to genuinely achieve full ESG integration is for every investment professional to be considered an ESG expert. Being able to demonstrate ESG integration is fast becoming a hygiene factor rather than an additional capability.

The firm currently has 37 people employed with ESG specifically in their job title and 53 additional people working in dedicated ESG roles – a dedicated fund, analyst etc. as at 30 April 2021.

2.6. Is the company involved in any RI initiatives?

General Initiatives	Environmental/Climate Initiatives	Social Initiatives	Governance Initiatives
<input type="checkbox"/> ECCR – Ecumenical Council for Corporate Responsibility <input type="checkbox"/> EFAMA RI WG <input type="checkbox"/> European Commission's High-Level Expert Group on Sustainable Finance <input checked="" type="checkbox"/> ICCR – Interfaith Center on Corporate Responsibility <input type="checkbox"/> National Asset Manager Association (RI Group) <input checked="" type="checkbox"/> PRI - Principles For Responsible Investment <input type="checkbox"/> SIFs - Sustainable Investment Fora <input checked="" type="checkbox"/> Other (please specify) - Aldersgate Group - Investor Forum - UNEP Finance Initiative - Sustainability Accounting Standards Board - World Business Council for Sustainable Development	<input checked="" type="checkbox"/> CDP – Carbon Disclosure Project (please specify carbon, forest, water etc.) <input checked="" type="checkbox"/> Climate Bond Initiative <input type="checkbox"/> Green Bond Principles <input checked="" type="checkbox"/> IIGCC – Institutional Investors Group on Climate Change <input type="checkbox"/> Montreal Carbon pledge <input type="checkbox"/> Paris Pledge for Action <input type="checkbox"/> Portfolio Decarbonization Coalition <input checked="" type="checkbox"/> Other (please specify) - Taskforce on Climate-related Financial Disclosures (TCFD) - Climate Action 100+	<input checked="" type="checkbox"/> Access to Medicine Foundation <input checked="" type="checkbox"/> Access to Nutrition Foundation <input type="checkbox"/> Accord on Fire and Building Safety in Bangladesh <input type="checkbox"/> Other (please specify)	<input checked="" type="checkbox"/> ICGN – International Corporate Governance Network <input checked="" type="checkbox"/> Other (please specify) - Council of Institutional Investors - Asian Corporate Governance Association - Investment Association

2.7. What is the total number of SRI assets under the company's management?

EUR 238 billion as at 31 December 2020.

This a list of over 160 portfolios, including many segregated accounts. We currently have no published list, but will be happy to provide a list separately, for your information only.

3. General information about the SRI fund(s) that come under the scope of the Code

3.1. What is (are) the fund(s) aiming to achieve by integrating ESG factors?

The L&G Future World Global Equity Focus Fund is an actively managed, concentrated global equity fund for investors seeking capital appreciation through stock selection. The sustainable investment objective of the Fund is to directly positively impact the SDGs. Further, through having an Article 9 SFDR categorisation, the Fund only invests in companies which (i) contribute to a social or environmental objective, (ii) do not significantly harm any environmental or social objectives, and (iii) follow good governance practices.

Our three-phase stock selection process fully integrates ESG factors, which helps build conviction on an investment's long-term sustainability and potential for meeting the above objectives.

1. The first phase of the process is to use thematic analysis to identify sustainable themes that address global challenges.

- Our thematic analysis looks to identify high conviction views on key global trends. Such themes include (without limitation) technology, energy and demographics.

2. The second phase of the process is to perform a bottom-up analysis of companies using our proprietary research tool called ESG Active View, as well as third party tools.

- Our Active ESG View tool forms an essential component of this overall active research process. The tool brings together granular quantitative and qualitative inputs in order to reflect a full picture of the ESG risks and opportunities embedded within each company.
- Active ESG View combines ESG raw data with qualitative assessment capturing ESG insights from our company analysis and engagements.
- The ESG analysis starts with third-party data from multiple different vendors which includes hundreds of ESG metrics (including data on carbon emissions, water and waste, environmental policies and controls, labour, health and safety, bribery and corruption) spanning 64 specific sectors and/or sub-sectors from a number of ESG data providers.
- Our Global Research and Engagement Groups (GREG), which is made up of Investment Stewardship and investment teams, have established a proprietary materiality matrix using such data which seeks to identify financially material topics for a given industry. The materiality matrix brings structure to our research and a framework to help systematically define and prioritise our engagement activity across the firm.

3. The third phase of the process is additional research analysis of companies that we believe will make a positive impact on the environment and society over the long-term.

- Each company is assessed on the basis of its contribution to the SDGs to evaluate the sustainability of its business and practices. All investments held by the Fund must align to one or more of the SDGs.
- We use the SDGs as a forward-looking indicator at the sector level to identify opportunities in companies that are growing in a sustainable manner. Integrating SDGs forms part of our approach to assess the long-term sustainability of a company through its revenue generation and sustainable business practices (programmes and policies).
- The high-conviction approach offers global exposure to companies benefiting from long-term structural changes. We aim to achieve financial success while investing in the future, by comprehensively incorporating ESG factors and actively engaging with company management.

The Future World philosophy captures how we view our responsibilities as a large asset manager and a steward of our clients' investments, by considering ESG factors. It incorporates how we engage with companies, develop innovative products, evolve our investment process and manage risk to deliver sustainable long-term value.

The Future World funds are for clients who want to express their conviction on ESG themes, depending on their different investment styles.

Overall, we believe integrating ESG considerations into investment processes can help mitigate risks and has the potential to improve long-term financial outcomes. The active and concentrated composition of this fund enables the investment team to build upon the breadth of LGIM's ESG analysis to provide a comprehensive and forward-looking assessment of companies' ESG performance.

3.2. What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

Our experienced equity research team undertakes comprehensive bottom-up analysis into companies, incorporating the long-term views, fundamental sector and company analysis, and material ESG factors, alongside a strict valuation discipline.

Our fund managers carry out extensive active engagement, utilising the expertise and assistance of LGIM's Investment Stewardship team, with companies, their peers, suppliers and customers to help offer a unique insight to the long-term sustainability of companies and how this affects valuations.

The fund builds upon LGIM's quantitative ESG analysis to frame engagement activity with companies held. This approach allows the fund managers to prioritise the most material ESG issues for each company, and take a forward-looking view of the financial impact.

The bottom-up analysis of companies using our proprietary research tool called ESG Active View, as well as using third party ESG tools, forms a key part of our stock selection process.

- Our Active ESG View tool forms an essential component of this overall active research process. The tool brings together granular quantitative and qualitative inputs in order to reflect a full picture of the ESG risks and opportunities embedded within each company.
- Active ESG View combines ESG raw data with qualitative assessment capturing ESG insights from our company analysis and engagements.
- The ESG analysis starts with third-party data from multiple different vendors which includes hundreds of ESG metrics (including data on carbon emissions, water and waste, environmental policies and controls, labour, health and safety, bribery and corruption) spanning 64 specific sectors and/or sub-sectors from a number of ESG data providers. Key external data providers used include MSCI and Sustainalytics.
- Our Global Research and Engagement Groups (GREG), which is made up of Investment Stewardship and investment teams, have established a proprietary materiality matrix using such data which seeks to identify financially material topics for a given industry. The materiality matrix brings structure to our research and a framework to help systematically define and prioritise our engagement activity across the firm.
- The GREGs review the ESG data within the Active ESG View tool for each sector in order to increase or decrease weightings for each environmental, social and/or governance factor within the tool with the aim to create an overall assessment.
- In particular, we use Active ESG View to assess the extent to which a company's products or services positively contribute to the SDGs by analysing revenue streams to determine such contribution. We also include companies where practices have positive impact (e.g. sustainable sourcing of suppliers), or there is a positive contribution from company practices within day to day operations.

3.3. What ESG criteria are taken into account by the fund(s)?

The Future World Protection List has been specifically developed for our Future World fund range. Through this fund range companies are incentivised to operate more sustainably allowing clients to go further in integrating ESG factors into their investment strategy. The list may also be used in other investment strategies as determined by LGIM.

Companies are incorporated into the list if they fail to meet minimum standards of globally accepted business practices. Across the LGIM-designed Future World funds, securities issued by such companies will not be held or exposure to them will be significantly reduced.

The Future World Protection List includes companies which meet any of the following criteria:

- Involvement in the manufacture and production of controversial weapons
- Perennial violators of the United Nations Global Compact, an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies.
- Pure coal miners – companies solely involved in the extraction of coal

The methodology is formally reviewed on an annual basis by the LGIM Investment Stewardship team. Any changes to the methodology will be subject to a formal overview and approval by senior management.

Controversial weapons

We use data for the identification of companies involved in the manufacture or production of controversial weapons provided by a well-known and highly respected ESG data provider.

Companies that are involved in the manufacture or production of cluster munitions, antipersonnel landmines, and biological and chemical weapons will be incorporated into the Future World Protection List. Companies incorporated into the list are involved in the core weapons system or components or services of the core weapons system considered to be tailor-made and essential for the lethal use of the weapon. Additionally, if companies are involved in the production, maintenance/service, sale/trade or research and development in relation to the core weapons system, they will also be incorporated into the list.

Further information is available on LGIM's controversial weapons policy on our website [here](#).

UN Global Compact

We use data for the identification of companies in breach of the principles provided by a well-known and highly respected ESG data provider.

Companies that are in breach of at least one of the UNGC principles for a continuous period of three years (36 months) or more will be considered to be persistent violators of the UNGC principles and incorporated into the list.

Pure coal companies

We use data for the identification of pure play coal companies provided by a well-known and highly respected ESG data provider.

Companies which derive a significant proportion of their revenues from the mining of bituminous or lignite coal, development of mining sites for bituminous or lignite coal, or the processing of bituminous or lignite coal are considered to be pure coal companies and will be incorporated into the Future World Protection List.

Research Process

Following exclusions, our research process continues the integration of ESG criteria. As outlined in 3.1, this forms a three-part process.

1. The first phase of the process is to use thematic analysis to identify sustainable themes that address global challenges.

- Our thematic analysis looks to identify high conviction views on key global trends. Such themes include (without limitation) technology, energy and demographics.

2. The second phase of the process is to perform a bottom-up analysis of companies using our proprietary research tool called ESG Active View, as well as third party tools.

- Our Active ESG View tool forms an essential component of this overall active research process. The tool brings together granular quantitative and qualitative inputs in order to reflect a full picture of the ESG risks and opportunities embedded within each company.
- Active ESG View combines ESG raw data with qualitative assessment capturing ESG insights from our company analysis and engagements.
- The ESG analysis starts with third-party data from multiple different vendors which includes hundreds of ESG metrics (including data on carbon emissions, water and waste, environmental policies and controls, labour, health and safety, bribery and corruption) spanning 64 specific sectors and/or sub-sectors from a number of ESG data providers.
- Our Global Research and Engagement Groups (GREG), which is made up of Investment Stewardship and investment teams, have established a proprietary materiality matrix using such data which seeks to identify financially material topics for a given industry. The materiality matrix brings structure to our research and a framework to help systematically define and prioritise our engagement activity across the firm.

3. The third phase of the process is additional research analysis of companies that we believe will make a positive impact on the environment and society over the long-term.

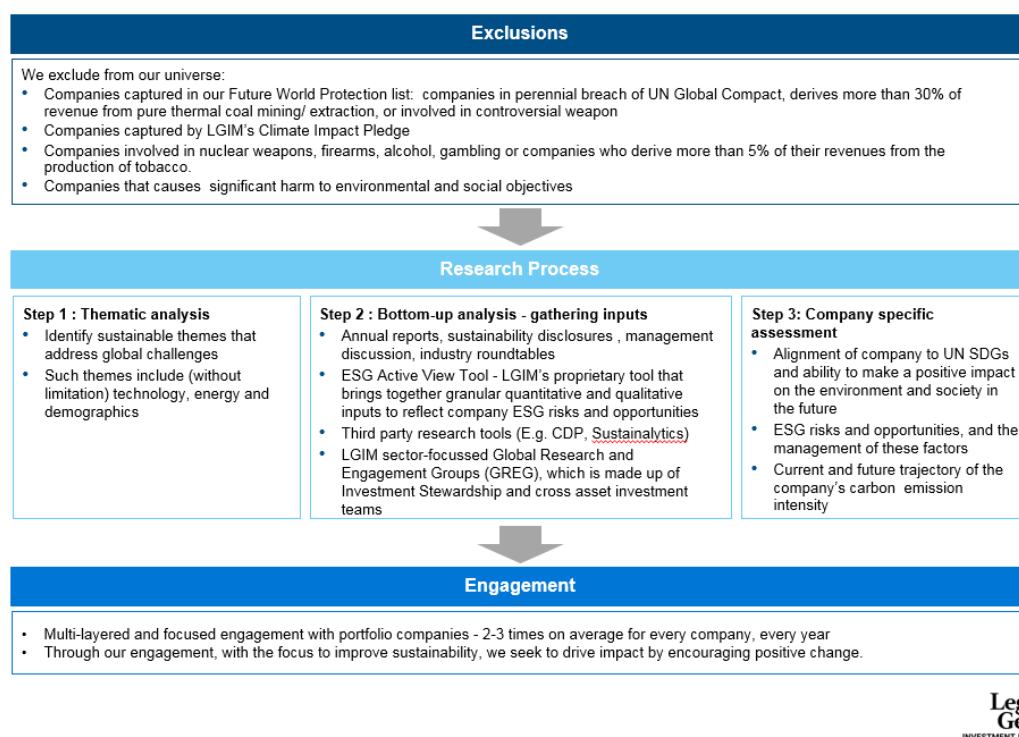
- Each company is assessed on the basis of its contribution to the SDGs to evaluate the sustainability of its business and practices. All investments held by the Fund must align to one or more of the SDGs.
- We use the SDGs as a forward-looking indicator at the sector level to identify opportunities in companies that are growing in a sustainable manner. Integrating SDGs forms part of our approach to assess the long-term sustainability of a company through its revenue generation and sustainable business practices (programmes and policies).

Our constructive engagement with companies that the Fund invests in is the vital pillar of our approach. Specifically;

- Multi-layered and focused engagement with portfolio companies (2-3 times on average for every company, every year) to encourage such companies to increase the sustainability of their businesses and practices. For example, engagement with the aim to increase the proportion of green revenues through product innovation, or improving the social values of a business through the adoption of a more inclusive approach to employee matters and culture.

- We use the frameworks presented in United Nations Sustainable Development Goals (SDG), as a powerful and common framework for engagement with companies to enhance long term sustainability – beyond just the company but to the environment and societies at large.
- Through our engagement, with the focus to improve sustainability, we seek to drive impact by encouraging positive change.

ESG Philosophy and process



3.4. What principles and criteria linked to climate change are taken into account in the fund(s)?⁴

The fund incorporates our Climate Impact Pledge, a targeted engagement process with those companies we have identified as critical to meeting the aims of the Paris Agreement to limit climate change.

Throughout 2020, our Investment Stewardship team worked with companies, regulators and other investors to raise standards across markets. Under our Climate Impact Pledge we assess and score over 80 of the world's largest companies, engaging with them to address this challenge. We divest within our Future World funds from those companies that fail to

⁴ Reference to Article 173 of the French TECV Act see paragraphs 3 and 4 of Article D.533-16-1 of Chapter III of the French Legal Code):

<https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072026&idArticle=LEGIARTI000031793697>

demonstrate sufficient action and vote against the re-election of their board chairs across all funds where we hold voting rights.

LGIM has always engaged with companies and the pledge takes our engagement a step further, committing to encouraging and accelerating the transition to a low-carbon economy. We will not hold those companies that do not meet minimum standards after a period of engagement.

The Fund aims to maintain at least 50% less carbon intensity than the MSCI World Index. The MSCI World Index is not aligned with the sustainable investment objective of the Fund; it is used for carbon intensity comparison purposes and not for portfolio construction. Further, companies that derive 30% or more of their revenues (as a % of their balance sheet) from coal mining or extraction are excluded from the Fund.

3.5. What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?

ESG factors are incorporated into investment analysis at the level of fundamental analysis/stock selection, as described in detail in 3.1. Recently we have enhanced our tools and processes to more systematically assess and monitor ESG issues across our investment universe and to capture the improvement in availability of ESG data.

The result of this is the development of a new ESG tool that delivers LGIM's Active ESG View. The tool incorporates granular quantitative and qualitative inputs to reflect a full picture of the ESG risks and opportunities embedded within each company. This tool covers 4,500 companies across 70 sectors, individually weighted to capture material ESG factors. The degree to which the Active ESG View drives equity selection will depend on the fund design. Within the core products it remains at the portfolio manager's discretion as to whether a company with a weak ESG status offers the necessary level of return for the given level of risk to warrant inclusion within the portfolio.

We look to combine the look through ability of ESG Scores and our Active View tool alongside corporate engagement, which we consider to be fundamental to an active approach. This allows us to focus on material factors that impact the valuation, in addition to the benefits from active engagement which can shape operational factors relevant to a company and sector.

Governance is key across all sectors and we recognise the role of good management in managing environmental and social risks. The impact of Environmental and Social indicators will vary by sector, such as the varying relevance of carbon emissions for an oil and gas company versus a telecoms company. Therefore, the Active ESG View seeks to create sector specific data to allow the portfolio managers and analysts the opportunity to assess a company based on their existing knowledge and expertise.

It is important that as a group we collectively leverage the expertise from across the investment teams and Corporate Governance in order to assess a company's ESG risks, but also to enable us to identify investment opportunities.

The ESG Score is used in our engagements, reflecting our minimum standards that companies globally need to meet. Oversight for the rules-based incorporation of this score into index methodologies is provided by the Investment Stewardship Committee and the Index Solutions Committee.

Adding an extra level of detail, we have developed the ESG View, used within our actively-managed strategies and to further aid the engagement process. This assists during the process of stock or bond selection by highlighting key ESG issues overlaid onto the fundamental assessment carried by the analysts. These metrics have been designed with direct input by sector analysts and are continuously being improved through regular meetings between the active investment teams (for both equities and fixed income) and the Investment Stewardship team.

Specifically as it relates to the Future World Protection List driving the Fund's positioning:

Controversial weapons exclusions:

We use data for the identification of companies involved in the manufacture or production of controversial weapons provided by a well-known and highly respected ESG data provider.

Companies that are involved in the manufacture or production of cluster munitions, antipersonnel landmines, and biological and chemical weapons will be incorporated into the Future World Protection List. Companies incorporated into the list are involved in the core weapons system or components or services of the core weapons system considered to be tailor-made and essential for the lethal use of the weapon. Additionally, if companies are involved in the production, maintenance/service, sale/trade or research and development in relation to the core weapons system, they will also be incorporated into the list.

UN Global Compact exclusions:

We use data for the identification of companies in breach of the principles provided by a well-known and highly respected ESG data provider.

Companies that are in breach of at least one of the UNGC principles for a continuous period of three years (36 months) or more will be considered to be persistent violators of the UNGC principles and incorporated into the list.

Pure coal companies exclusions:

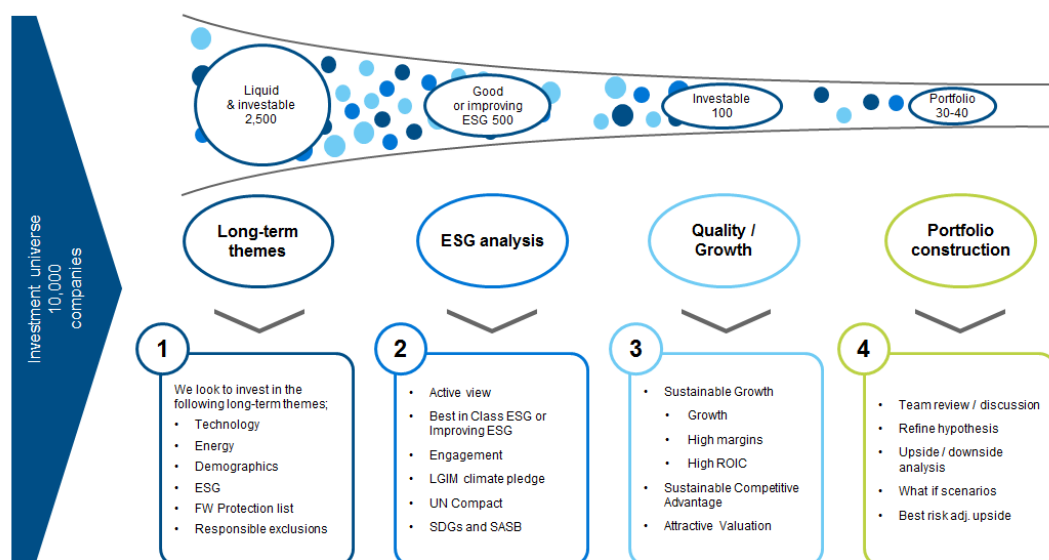
We use data for the identification of pure play coal companies provided by a well-known and highly respected ESG data provider.

Companies which derive a significant proportion of their revenues from the mining of bituminous or lignite coal, development of mining sites for bituminous or lignite coal, or the

processing of bituminous or lignite coal are considered to be pure coal companies and will be incorporated into the Future World Protection List.

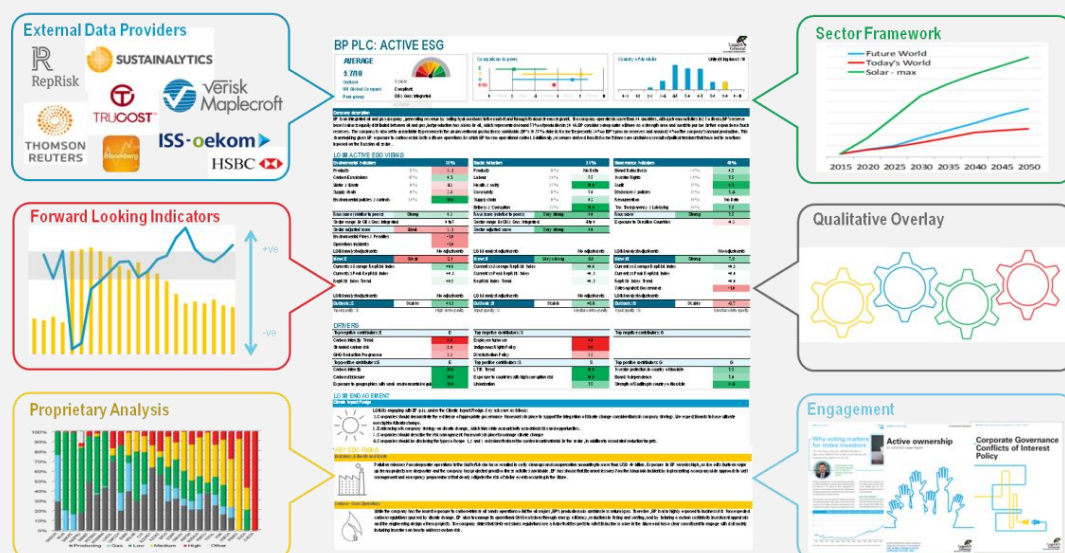
Investment process

Transparent, consistent and repeatable



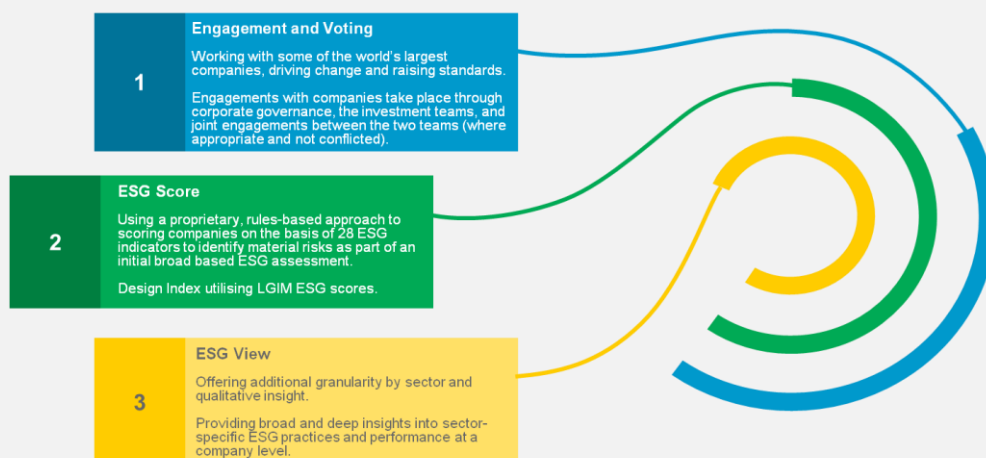
14 |

Active ESG View



Raising the standards through ESG integration

Identifying the companies that will succeed in a rapidly changing world



Portfolio managers are responsible for integration of ESG and considerations are taken at an individual investment decision level and also at an aggregate portfolio level. The assessment is on-going and supported by the investment analysts who are responsible for assessing and re-evaluating ESG at the company level within the sector they are responsible for. The process of application of ESG can differ depending on whether it is an index or active investment strategy, as the elements of fundamental analysis will be applied to a greater or lesser extent depending on the mandate's objectives and guidelines.

For our active investment teams, the integration of ESG-related criteria in the assessment of companies is not intended to result in any negative or exclusion lists, instead it assists to discern between likely outperformers and underperformers within each sector and its ultimate purpose is to support the process leading to the investment decision.

In all cases, material ESG factors are identified using a dual top-down and bottom-up approach. At the same time, we draw on active engagement, which may be via our investment stewardship engagement activity or our exchange of information across the active investment teams. Engagement strengthens our ability to identify financial materiality, whilst equally allowing us to set and re-evaluate company progress. Our philosophy and process is captured by our Global Research and Engagement Platform where individual sector groups are responsible for identifying the themes which are likely to have the greatest impact on their sector in both the short and long term. Where we identify the need for progress on particular ESG issues, we use engagement as a tool to influence positive change. The sector groups are responsible for assessing the impact at a company level and collectively undertaking engagement where necessary with one voice, agnostic to asset class or investment style.

Top down: Thematic research

The companies in which we invest are driving, or stand to benefit from the long-term thematic shifts changing our world. It is more important than ever for investors to understand

- encouraging companies to improve their behaviour – and the quality of their ESG disclosures – we can raise the standards of entire markets, and help generate sustainable, long-term returns for our clients
- assessing a company's ESG risks: we see unmanaged ESG factors, meanwhile, as posing potential risks and opportunities, which can have a material impact on the performance of investments
- identifying the winners of the future – the companies to which investors will allocate ever-larger amounts of capital.

3.6. How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

ESG criteria are continually reviewed as part of the outcome of our active engagement process.

Securities held within the fund are monitored on a daily basis, including newsflow, controversies and strategy changes. We look to update our Future World Protection List on a semi-annual basis and our Climate Impact Pledge on an annual basis. External ESG ratings of the companies and the investment are updated quarterly or semi-annually, depending on disclosure updates. Once a controversy is identified, we look to engage with companies we are invested in through both our investment teams and stewardship teams – depending on the controversy. When the ESG controversies are deemed to be material in nature and the invested company has not made the required changes within a period of six months, we would look to divest our holding in the company. Examples of companies held in the portfolio that have been divested on lack of improvement, include Mylan, NMC Health, etc.

4. Investment process

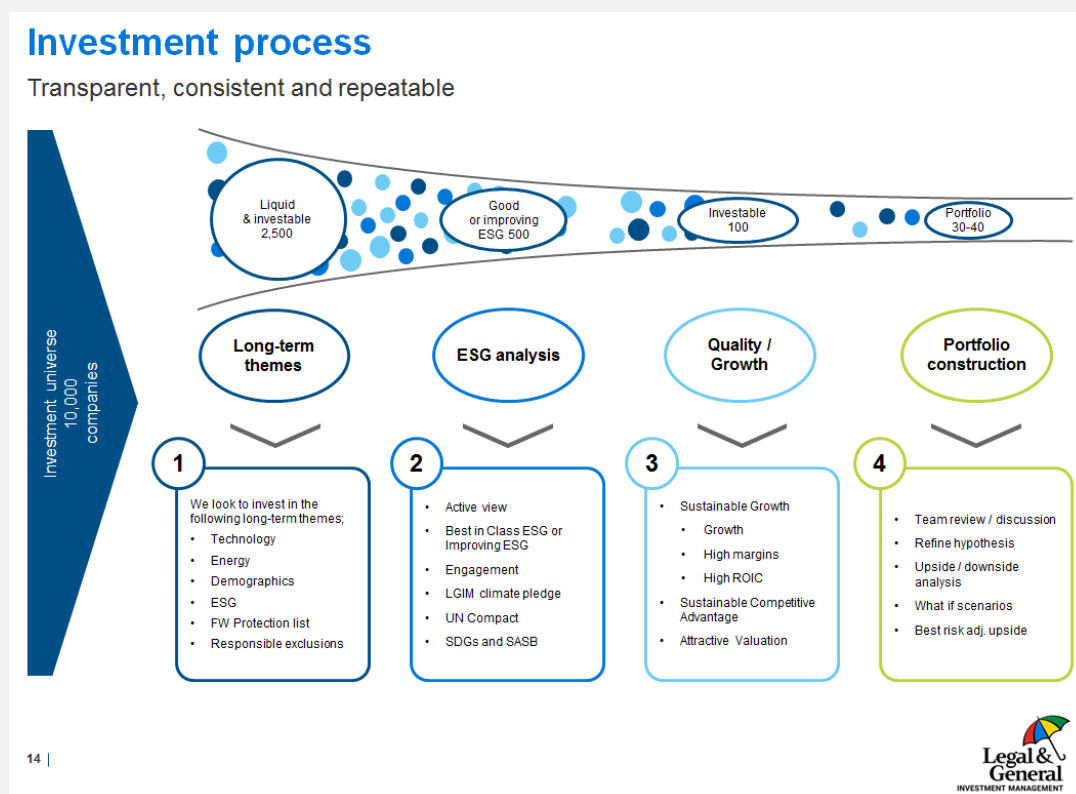
4.1. How are the results of the ESG research integrated into portfolio construction?

Through a concentrated portfolio of high conviction holdings, the fund is constructed through bottom-up stock selection, driven by in-depth fundamental analysis integrating ESG, active engagement and the long-term thematic drivers.

Once we have a list of potential investment ideas, we then rank them by the best risk/reward potential to come up with ~30 best names globally. Positions are adjusted up/down according to risk, diversification, % upside and liquidity. The fund is benchmark and sector agnostic, with a high conviction approach. Further, by adopting a global approach, this enables us to manage a diversified fund and offer diversification to investors.

Our fund is constructed to consist of 1/ best-in-class "ESG success" securities whom we believe can maintain an above -sector-average ESG profile into the future, and 2/ "ESG improvement" securities that currently have an ESG profile in line with sector peers, but have a credible roadmap towards becoming an above-sector-average ESG performer. We believe we will be able to consistently beat the benchmark in terms of ESG performance.

Crucially, we monitor the progress and strategies of peer companies, to ensure our securities are evolving at a pace that can ensure sector outperformance. We also balance portfolio weights to ensure we will be able to deliver an overall ESG performance that exceeds that of the benchmark. The monitoring of Active ESG View scores, MSCI ESG ratings and Sustainalytics ratings of our companies, their peers, and our benchmark is also a key part of our process.



Our sell discipline is a key element of our portfolio construction, with sell decisions triggered by:

- Investment working as per plan: Divest when there is 0% upside on the weighted average scenario or <20% on the hypothesis scenario
- Investment not working as per plan: Increased risk of the stock pricing per its downside scenario, based on new events/news, deteriorating ESG or other fundamental change.
- Better investment opportunity: A security with a better risk/reward presents itself.
- Dealing with underperformance: Relative underperformance should be driven by stock selection versus an unintended skew to a currency or sector

4.2. How are the criteria specific to climate change integrated into portfolio construction?

As mentioned previously (3.4), the fund also incorporates our Climate Impact Pledge, a targeted engagement process with those companies we have identified as critical to meeting the aims of the Paris Agreement to limit climate change.

Further, the Fund aims to maintain at least 50% less carbon intensity than the MSCI World Index. The MSCI World Index is not aligned with the sustainable investment objective of the Fund; it is used for carbon intensity comparison purposes and not for portfolio construction.

We will also not hold certain companies that do not meet minimum standards after a period of engagement. For example, we have recently been in the process of engaging with all our portfolio holdings on introducing net zero carbon emissions targets for each company. We will ultimately require all portfolio holdings to target net zero emissions by 2050 or earlier.

4.3. How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?

All the holdings in the fund are subject to ESG analysis. We only hold positions in companies where ESG analysis conducted, through our own in-depth research, external ratings or our proprietary ESG View Tool.

4.4. Has the ESG evaluation or investment process changed in the last 12 months?

The investment process has not changed over the course of the last 12 months.

In 2019, however, CIO Sonja Laud established the Global Research and Engagement Platform. This brings together representatives from across our investment and stewardship teams, to unify our engagement efforts and determine the exposure of sectors and companies to ESG risks and opportunities. This is an important development for the fund.

The early identification of potential risks that threaten the sustainability of returns is central to our investment philosophy. We believe through forceful engagement and collaboration,

investment can drive progress in the market. To this end, we have also established six, cross asset class sector committees to guide, strengthen and streamline our ESG research and engagement activities across investments and corporate governance. This setup has enabled us to collectively set goals and targets at a company level to support our reasoning for either retaining or withdrawing investment in a company across the capital structure.

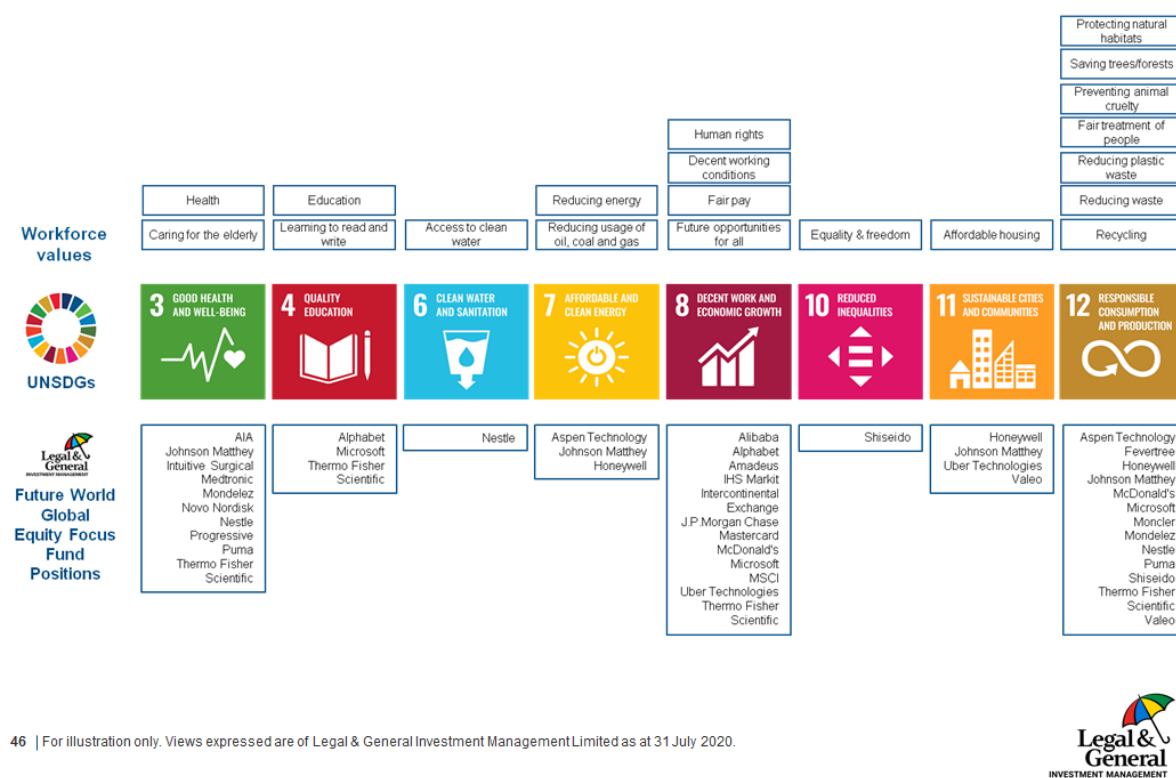
4.5. Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

The fund is managed in line with the Future World Protection List.

Please see the document at the following address: <https://www.lgim.com/landg-assets/lgim/document-library/capabilities/future-world-protection-list-public-methodology.pdf>

Our Sustainable investing report for Future World Focus Fund which details the entities we are invested in and the pursuit of strong social goals (SDGs) is available upon request.

Aligning investment themes with UN SDGs



4.6. Does (do) the fund(s) engage in securities lending activities?

The Fund does not engage in securities lending.

4.7. Does (do) the fund(s) use derivative instruments?

The Fund may invest in financial derivatives for currency hedging and efficient portfolio management purposes. The financial derivative instruments that the Fund may invest in include the following:

- spot and forward contracts, which may be used by the Fund to gain exposure to an investment or for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an investment may be purchased or sold in the future).
- exchange traded futures and options on equity markets (which allow the Fund to hedge against market risk or gain exposure to underlying equity).

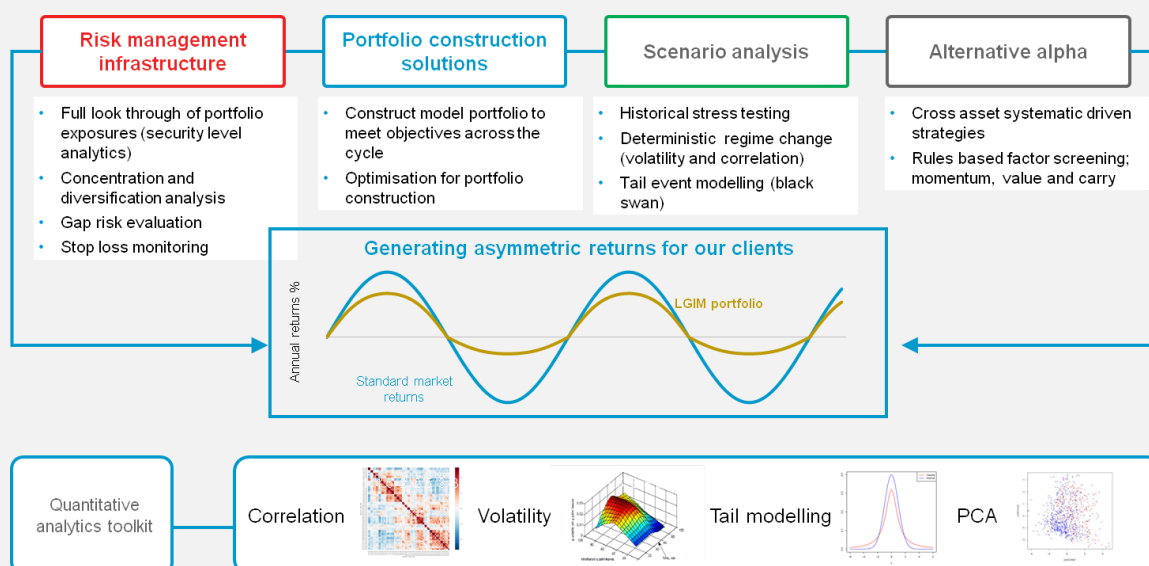
4.8. Does (do) the fund(s) invest in mutual funds?

The fund has no intention of investing in other mutual ESG or SRI funds. We are fully committed to our own sustainability mandate. We do however have flexibility to be able to participate in forward contracts or other contracts such as participatory notes (P-notes) for India, which are considered to be collective investment schemes. This chosen route is more a result of market access and fund registration, given some restrictions placed on overseas investors.

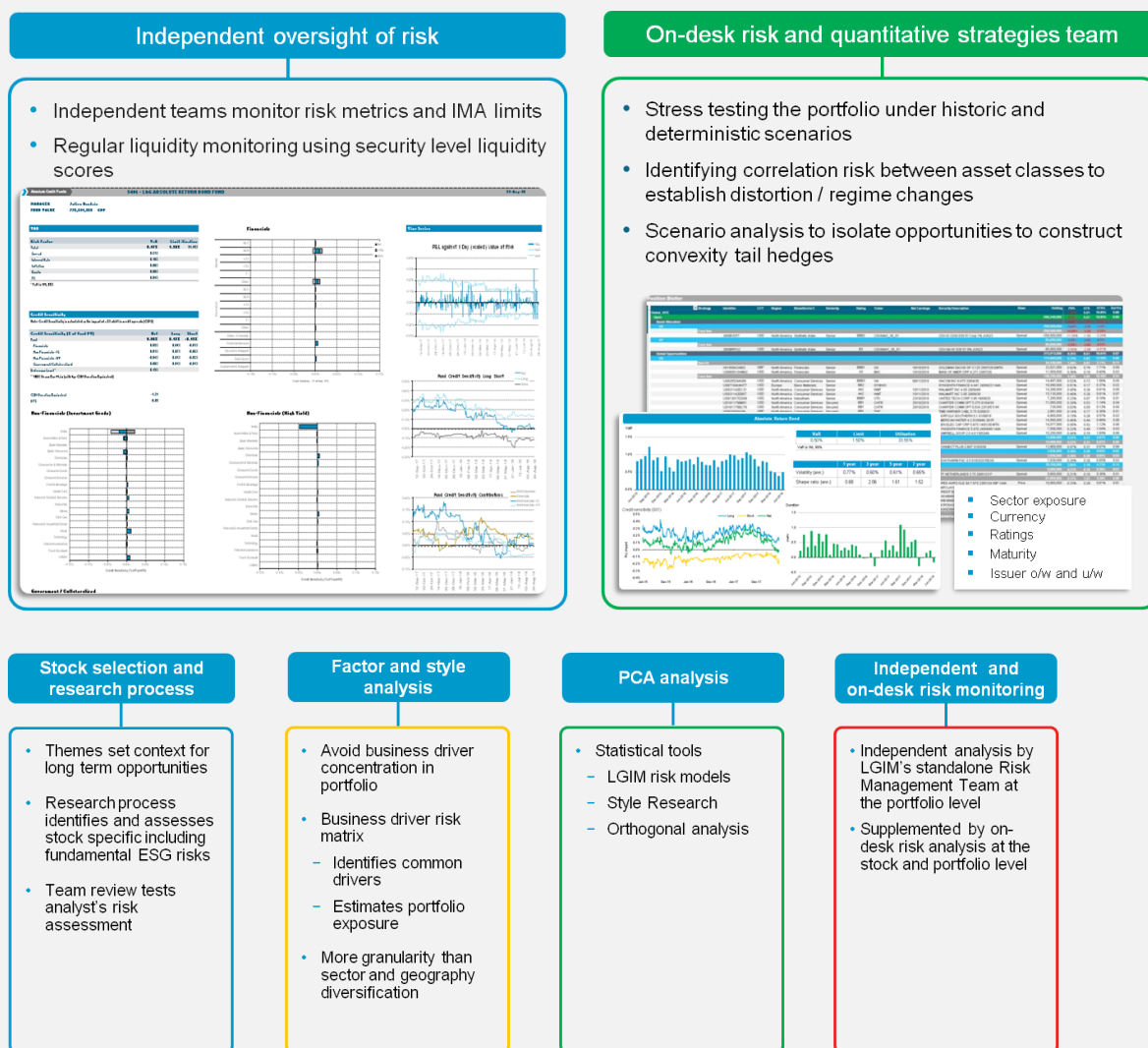
5. ESG controls

5.1. What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?⁵

The risk management process is explained by the following graphics:



⁵ Reference to Article 173 of the French TECV Act



It is the responsibility of the fund management team to work to the fund's investment restrictions.

The independent Guideline Management and Control (GMC) team monitor all funds managed by LGIM against their respective guidelines. This team reports to the Chief Risk Officer.

Each fund has an internal document called FOGs which details client, regulatory and internally defined portfolio management objectives and restrictions. The Guideline Management and Control team translates and monitors these restrictions in their portfolio compliance system.

Exceptions are identified and reviewed on a daily basis and exception reports are circulated with details of breaches and resolutions. The Guideline Management and Control team investigates these incidents with the fund manager and/or desk head concerned. The method of resolution is agreed during this process and is then monitored by the Guideline Management and Control team. If there is a breach of client restrictions, the fund manager, Compliance, Risk Management and the account manager will be informed. Additionally, if a regulatory breach occurs, Compliance will notify the appropriate regulator.

6. Impact measures and ESG reporting

6.1. How is the ESG quality of the fund(s) assessed?

L&G Future World Global Equity Focus is a low carbon, sustainable global equity long only portfolio. This is an active strategy, built through fundamental high-conviction stock selection which comprehensively incorporates ESG, active engagement and the long-term thematic drivers we believe are changing our world, throughout the investment process.

The fund is part of the Future World range that aim to make positive change; through the full integration of ESG factors including gender diversity, climate change and actively seeking exposure to companies providing sustainable solutions, which we view to be a long term theme. They all incorporate our Climate Impact Pledge, in which we commit to engage with the world's largest companies that will need to adapt their business models and drive innovation in order to meet global climate change goals.

Importantly, our investment process involves a fully integrated incorporation of ESG into our core investment process, not an overlay that comes after investment decisions. After excluding a portion of our investment universe, our fundamental research process involves an in-depth analysis of the ESG considerations relevant to the industry, sector and company. This includes building a SASB materiality framework for the company, which works in conjunction with the UN Sustainable Development Goals (SDGs) mapping, and can be used to help facilitate our engagement with corporate management teams. This provides us with a good steer on the trajectory for ESG improvement alongside the commitments from companies to improve their environmental footprint and social responsibility.

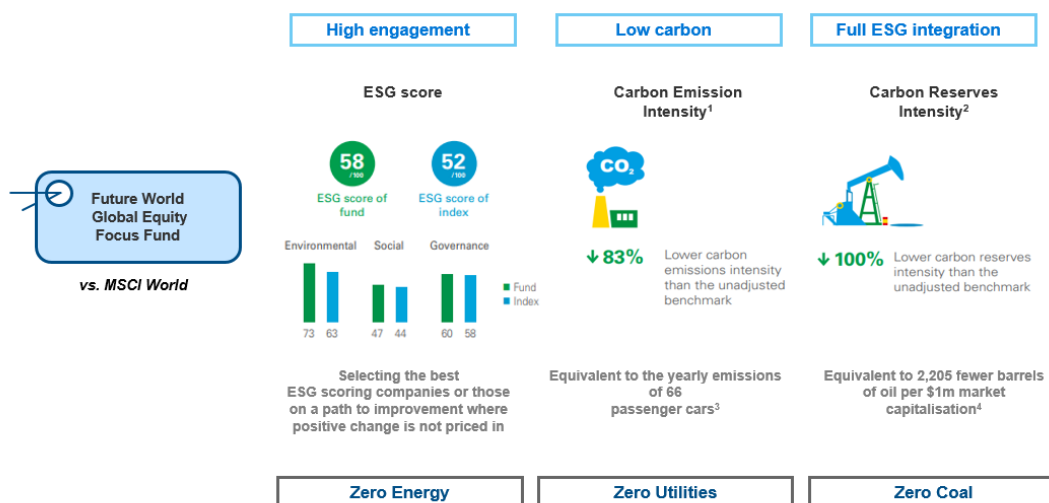
At the stock level, our analyst models include individual ESG scores from our proprietary tool data in addition to externally sourced MSCI World and Sustainalytics scores. These are reviewed on a regular basis by the team and form a core part of our consideration for ESG materiality framework assessment and ongoing engagement with corporate management.

While we are not benchmarked against a sustainability index, we look to disclose portfolio level information on carbon intensity on our factsheet and annual report as part of our sustainability measurement. Utilising data from Refinitiv and Trucost we provide two data metrics; 1) an overview of carbon reserves held by the fund's underlying companies against its benchmark; 2) Carbon emissions intensity and relationship between the carbon emissions of a company and its sales. The choice of these metrics follows best practice recommendations from the Task Force on Climate-related Financial Disclosures.

We also assess the portfolio based on externally provided scoring systems. MSCI currently rate the fund as 'A'. Morningstar has awarded the fund 4 Sustainability Globes, with a 21st percentile rank for the Global Equity peer group. Based on its Low Carbon assessment, the risk score is lower than MSCI World and the Global Equity median score.

Measuring the benefits

What do you own? Reasons for moving from just traditional benchmarks

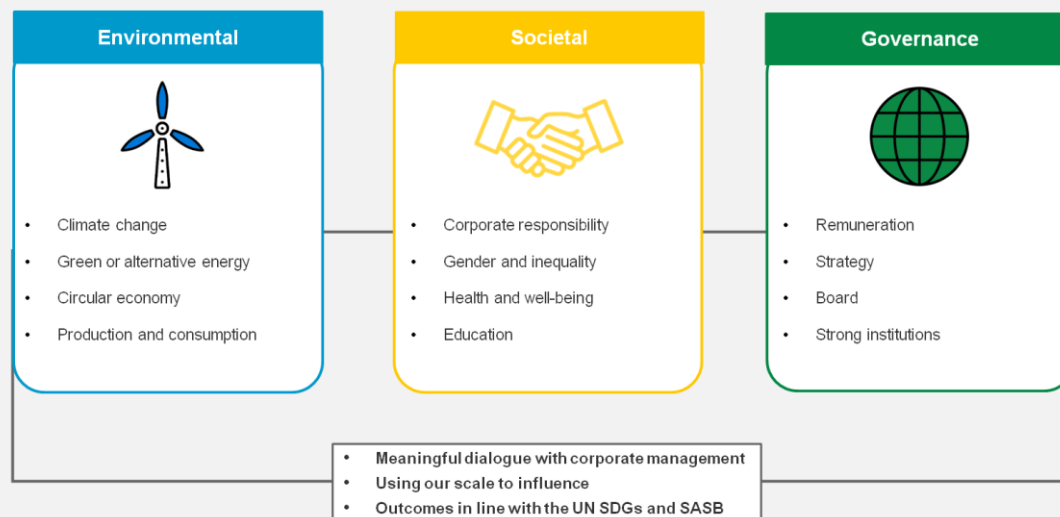


Source: LGIM. As of 31 March 2021, relative to a composite benchmark reflecting the same asset allocation. ¹ The figures are calculated as tonnes of CO₂e per \$100m revenue. ² The figures are calculated as tonnes of CO₂e per \$1m of market capitalisation. ³ Based on average emissions of new EU passenger car fleet and average annual passenger km driven in the EU in 2015, sourced from the European Environment Agency. ⁴ We consider one barrel of oil equivalent to 0.425 tonnes of CO₂e, based on IPCC Guidelines for National Greenhouse Gas Inventories.



Focus on all aspects of ESG engagement

Understanding risk and opportunities for positive change



Emphasis on where we are going, not where we have been

Materiality and the pursuit of positive real-world goals

Environmental



- Roadmap for more sustainable operations
- Reducing carbon footprint
- Energy efficiency improvement
- Business model opportunities
- Changes to supply chain and sourcing
- Investment and R&D
- Rigorous long-term strategy

Societal



- Job creation and economic growth
- Diversity across the business
- Income inequality
- Development of skill sets
- Helping to remove global poverty
- Inclusion
- Partnerships

6.2. What ESG indicators are used by the fund(s)?⁶

Our methodology starts with an assessment of market wide ESG issues that affect long-term returns and represent a risk if not addressed – such as climate change or the dilution of shareholder rights. Additionally, themes and risks were assessed for their effect on social cohesion – factors that over the long term underpin sustainable economic growth.

Environmental rating

As a global investor, Legal & General Investment Management is committed to addressing climate change. We believe that companies across all sectors must adapt their business models for a sustainable future.

To address the climate crisis, the world has committed to limiting global warming to well below 2°C compared to the pre-industrial era, as part of the international Paris Agreement. This means that emissions of carbon dioxide – which are the leading cause of global warming – must eventually reach net zero over the next few decades. Therefore, it is essential that companies are encouraged to reduce their carbon emissions. Conversely, companies that are not taking action might represent an investment risk, as technological, regulatory and consumer pressures intensify. Our environment theme is comprised of the following indicators:

1. Carbon emissions intensity

We consider the carbon dioxide emissions that a company produces directly ('Scope 1') or is indirectly responsible for through its purchased energy ('Scope 2'). The sum of these emissions is divided by the companies' revenue. This provides a measure of the carbon emissions intensity of a company's activities, adjusted by company size and applicable across different sectors. Data on indirect emissions from companies' supply chain and use of sold products ('Scope 3') is not used.

⁶ Reference to Article 173 of the French TECV Act

2. Carbon reserve intensity

Carbon reserves are reserves of fossil fuels (oil, coal and gas). Companies owning such reserves present investors with two long-term risks. First, if all known fossil fuel reserves were burnt, the associated carbon emissions would lead to a dramatic rise in global temperatures and extreme weather events. This would cause unprecedented disruption for companies' operations and supply chains, in addition to the significant human costs from forced migration, water stress and pressures on global food supply. The second risk, which is partly a reaction to the first, is that the value of fossil fuel assets may significantly reduce, due to the ongoing energy transition accelerated by policy and technological trends.

This metric looks at the embedded carbon in the fossil fuel reserves owned by a company, divided by a company's market capitalisation, to adjust for company size. This represents a carbon reserves intensity score for a company.

3. Green revenues

The transition to a low-carbon economy presents investment opportunities. New technologies are already leading to new revenue streams in sectors from agriculture to infrastructure and energy, with further innovation anticipated as the world develops alternatives to our current approach to energy and natural resources

4. Supply Chain

Renewable energy, procurement policy, recycled material use and certified sourcing

5. Waste and Water

Water management, exposure to geographies with very high water stress, water intensity, waste intensity and SO_x and NO_x intensity

Social rating

We believe that companies that are representative of their employees and society, which bring together a diversity of views, backgrounds, values and perspectives, have a better track record of innovation, decision-making and culture. Having diverse companies also has macroeconomic benefits, as all talent within an economy is effectively utilised.

Therefore, by looking at diversity across the different levels within a company, we seek to capture the development of a pipeline of talent. The social diversity theme tracks four indicators, looking at the percentage of:

1. Women on the board
2. Women at executive level
3. Women in management
4. Diversity in workforce

Policies

We utilise four human capital indicators to capture whether companies have sufficient policies in place with regards to:

1. Discrimination policy
2. Bribery and corruption policy
3. Freedom of association policy
4. Supply chain policy

Incidents

We also incorporate incidents into this theme, as a high level of material incidents may indicate that current policies are either of poor quality or insufficiently enforced. As such, we consider:

1. Employee incidents
2. Business ethics incidents
3. Supply chain incidents

Governance Rating

Strong governance practices such as independent boards support the functioning of a well-run company. We have a long history of promoting strong corporate governance on behalf of clients. While recognising that standards vary across markets, we believe there are universal corporate governance best practices to which all companies should adhere.

Investor rights: The ability of shareholders to vote is an important mechanism in the public equity markets, to demonstrate dissent and align the interests of the company and management to that of the owners. In contrast, a diminished ability to hold corporates to account weakens fundamental checks and balances. Investor rights are therefore assessed based on two data points: Equal voting rights and Free Float

Board Robustness: The board of directors is the primary structure setting corporate strategy and direction, overseeing management's performance and approving the use of investor capital. Having the right composition at the top of a company is an essential element of its success. Maintaining strong corporate governance through a high quality and independent board dilutes the risk of power being concentrated in one or a few people in an organisation and ensures there are appropriate levels of accountability. This theme is composed of data on three indicators: Independence of the chair, Independent directors on the board Board tenure

Audit oversight: Having accurate and reliable financial information is the bedrock of investment decision-making and effective corporate governance. Investors expect companies to demonstrate and explain the established processes and procedures to ensure the independence and robustness of the internal and external audit functions, and the level of oversight from the board.

Alignment of interests: Shareholders, stakeholders, senior management and board members should be as closely aligned on the long term objectives of the company, returns and equity

holdings. Divergence of interests serves as red-flags with mis-alignment of objectives and incentives laid out by company and remuneration of senior management.

Each of the above indicators and ratings are integrated into our process of assessing securities through a sector materiality driven approach, where sector teams are able to draw on themes and areas that are deemed to be most material for a given sector. These drivers are influenced by SASB as an external opinion body which serves to provide consistency of data and framework. Ratings of companies are then based on sector-relative metrics to derive the ESG rating of a given company. Our global engagement and research platform enables sector experts across equity, credit and investment stewardship to take a forward looking view on each indicator through engagement with management team and an assessment of company strategy to establish views on current and future ESG ratings of companies.

Additional risk indicators include controversies such as employee disputes, cyber security, supply chain concerns, product governance and other risk indicators.

6.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

All information about the fund is available at LGIM's fundcentre:

<https://fundcentres.lgim.com/fund-centre/SICAV/Future-World-Global-Equity-Focus-Fund#Overview>

The fund's sustainability report can be found at the web address below:

https://fundcentres.lgim.com/srp/lit/Njxn9R/Sustainability-report_LG-Future-World-Global-Equity-Focus-Fund_30-07-2021_UK-INST_UK-ADV.pdf

LGIM's reports our responsible investment and ESG activities on a firm-wide basis and we have an extensive website explaining our beliefs and also our reporting in this area:

<https://www.lgim.com/uk/en/capabilities/corporate-governance/>

<https://www.lgim.com/uk/en/capabilities/corporate-governance/stewardship-and-integration/>

The fund's Sustainability report can be found at the web address below:

https://fundcentres.lgim.com/srp/lit/Njxn9R/Sustainability-report_LG-Future-World-Global-Equity-Focus-Fund_30-07-2021_UK-INST_UK-ADV.pdf

6.4. Does the fund management company publish the results of its voting and engagement policies?⁷

Yes, votes casted can be found in the fund's sustainability report, which is available at the web address below:

https://fundcentres.lgim.com/srp/lit/Njxn9R/Sustainability-report_LG-Future-World-Global-Equity-Focus-Fund_30-07-2021_UK-INST_UK-ADV.pdf

LGIM also publishes our voting and engagement policies on a firm-wide basis:

https://documentlibrary.lgim.com/documentlibrary/library_55458.html

⁷ Reference to Article 173 of the French TECV Act and the HLEG recommendations on GOVERNANCE

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