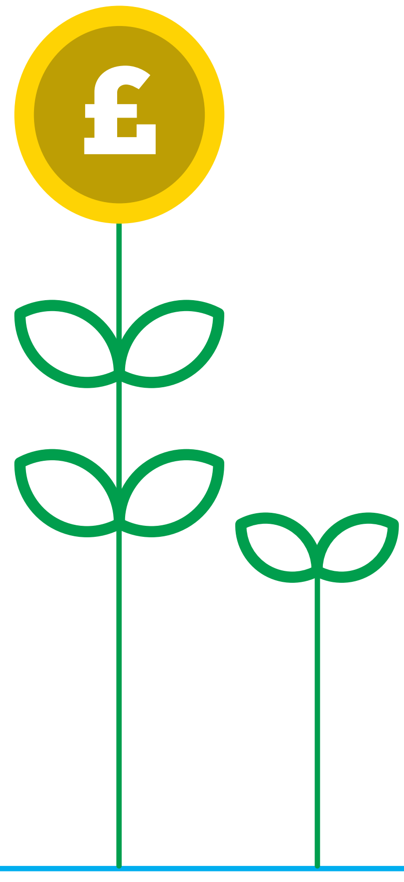
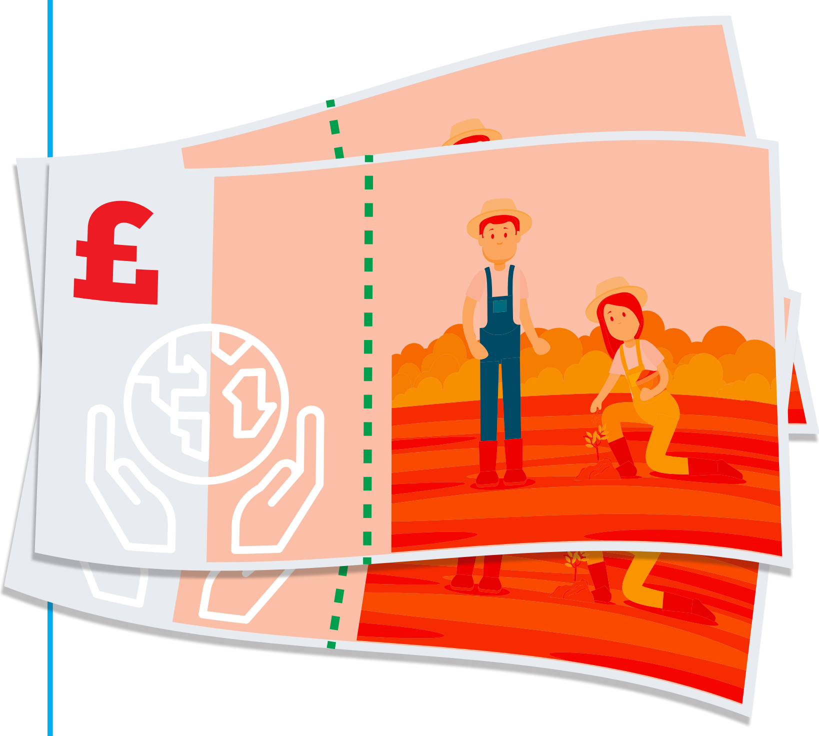
Responsible investing: what is it anyway?



Responsible investing is becoming increasingly popular

This type of investing may be the answer for customers who are questioning where their money goes when they invest, as they want to do the right thing, but still need to make the most of their savings.



But what does being responsible really mean?

Investing in companies in a sustainable and responsible way means thinking long-term.

Avoiding practices, behaviours and approaches that are to the detriment of broader society, the environment or the company, as well as acting in the best interests of investors, is what makes investing responsible.

The criteria used to judge sustainability are often referred to as 'ESG' factors

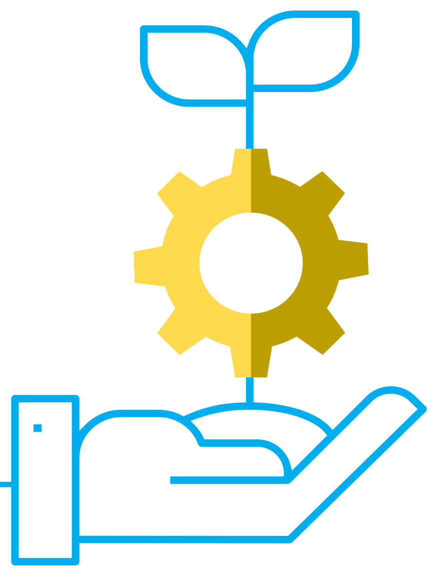
ENVIRONMENTAL
- Climate change
- Pollution
- Waste

SOCIAL
- Human rights
- Supply chain
- Diversity
- Pay

GOVERNANCE
- Company oversight
- Business ethics
- Corruption

So how does responsible investing work?

Responsible investing seeks to do one or a combination of three things:



1 **EVALUATE**
Assess companies against certain ESG criteria.

2 **INTEGRATE**
Include principles, data and criteria in decisions about investments.

3 **IMPACT**
Create a difference to society or the environment to meet specific goals.

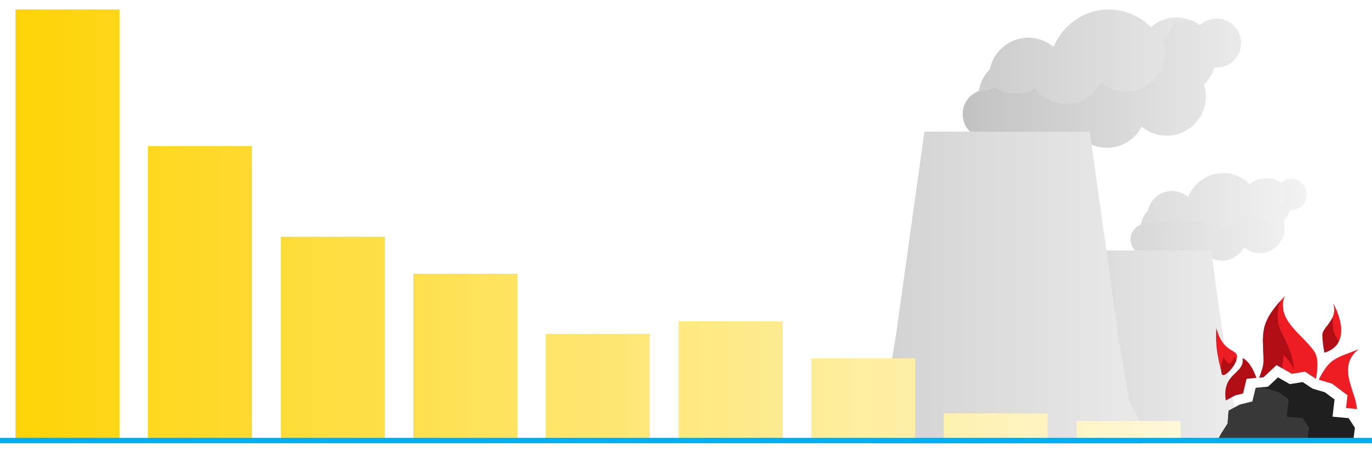
What's the point of investing responsibly?

A motivation for many investors, especially for us at Legal & General, is what responsible investing can do in the long run

EXAMPLE

COAL

Coal is a fossil fuel and not a sustainable source of energy. Coal producers are likely to be phased out over time, so investing in such companies might not be right, as they will struggle to cope financially as we transition to a low-carbon economy.



The value of your investment may fall as well as rise.