

Our actions today
**are building a sustainable
business for tomorrow**



Legal & General combines strategic clarity, operational excellence and financial strength to deliver sustainable benefits for customers, shareholders and employees.

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CSR Live!

Learn about how we're driving our performance with extracts from our CSR Live webcasts and examples of our strategy in action...

Our Approach



Socially Responsible Investment



Our People



Our Suppliers



Our Environment



Our Communities



EEV¹ basis

	2007	2006
Operating profit before tax ²	£912m	£1,233m
Contribution from new business ³	£468m	£479m
Ordinary shareholders' equity	£8,468m	£7,931m
Dividend cover ⁴	1.7	2.4

IFRS⁵ basis

Operating profit before tax ²	£658m	£1,720m ⁷
Ordinary shareholders' equity	£5,446m	£5,425m
Dividend cover ⁴	1.3	3.9 ⁷

Worldwide new business APE ⁶	£1,437m	£1,301m
New institutional funds	£54.4bn	£26.0bn
Group funds under management	£301bn	£237bn

1. European Embedded Value.

2. Supplementary operating profit before tax from continuing operations.

3. Includes pensions managed funds.

4. Dividend cover is calculated as operating profit after tax divided by the current year interim dividend plus the proposed final dividend.

5. International Financial Reporting Standards.

6. Annual Premium Equivalent (APE) is total new annual premiums plus 10% of single premiums. Excludes institutional investments in unit trust funds which are disclosed under institutional funds.

7. Restated, see Note 3 of the Financial Statements (2007 Annual Report and Accounts) for details.

UK Life and Pensions New Business (£m APE)

07	1,160
06	1,073
05	872
04	722
03	592

Dividend per share (p)

07	5.97
06	5.55
05	5.28
04	5.06
03	4.90

New Institutional Funds (£bn)

07	54.4
06	26.0
05	19.4
04	16.4
03	14.1

What we do: our three businesses at a glance

Risk

Financial security for customers and their families:

- Life assurance
- Critical illness cover
- Retirement income (annuities)
- Buildings and contents insurance

Major Locations

- Kingswood (Surrey)
- Birmingham
- Ipswich
- Swindon
- Rockville (Maryland)
- New York
- Hilversum (the Netherlands)
- Paris

Key Strengths

- Risk pricing expertise
- Strong balance sheet
- Customer service ethic

550,000

individual protection policies underwritten in 2007 in the UK

Savings

Financial planning, savings and investments for customers:

- Pensions
- Unit trusts and ISAs
- Bonds
- With-profits

Major Locations

- Cardiff
- Hove
- Kingswood (Surrey)
- London
- Shoreham
- Swindon
- Hilversum (the Netherlands)
- Paris

Key Strengths

- Product range and quality
- Multi-channel distribution
- Reliable administration

£665m

in With-profits bonuses declared in 2007 in the UK

Investment Management

Investing on behalf of institutional and retail customers:

- Index tracking funds
- Active equity and fixed income
- Structured solutions

Major Locations

- London
- Chicago

Key Strengths

- Scale
- Value
- Expertise

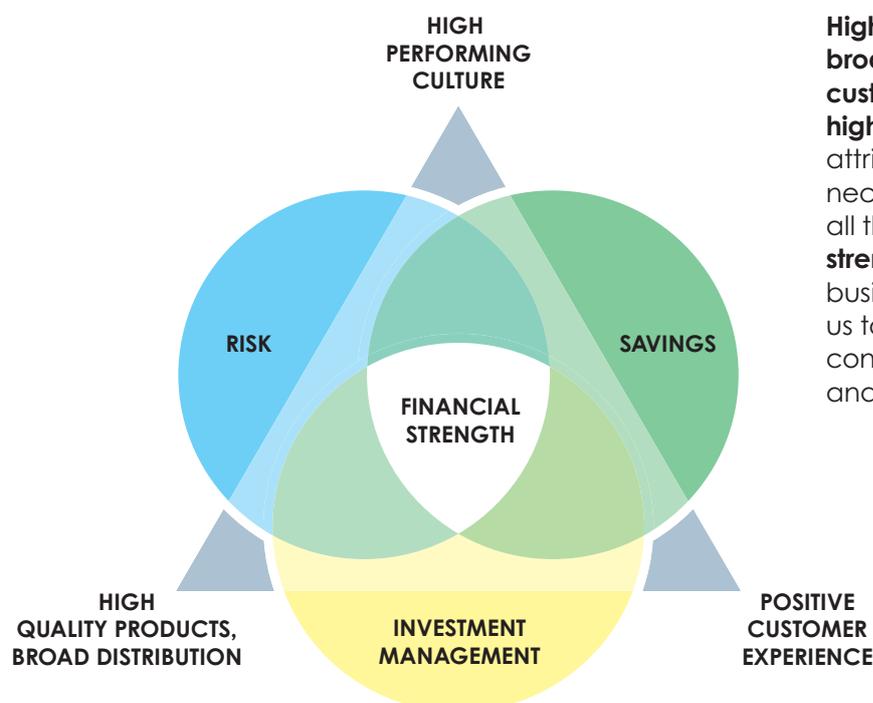
£297bn

funds under management at end of 2007 in the UK

How we do it: our Group strategic focus

DIVERSIFIED BUSINESS

The Group Strategic Focus diagram shows how we see Legal & General's **diversified business model**. Each of the three businesses – Risk, Savings and Investment Management – could stand alone. But it is the combination which gives us our strength, and the areas of overlap between businesses which create opportunities for synergy.



High quality products and broad distribution, a **positive customer experience** and a **high performing culture** are attributes we regard as necessary for success across all three businesses. **Financial strength** is at the core of our business model, enabling us to grow and giving confidence to our customers and business partners.

CSR Live!

Our Approach

“Doing business in a responsible, sustainable way goes hand-in-hand with doing business successfully.” Tim Breedon, Group Chief Executive



View the webcast at:
www.legalandgeneralgroup.com/csr

Doing business in a responsible, sustainable way goes hand-in-hand with doing business successfully. It is one way we ensure we have a long term future as a trusted and well-regarded financial services organisation.

Much of Legal & General’s effort and investment is channelled through our Corporate Social Responsibility – CSR – activity. We are proud of what we do but aim to refine and improve our work continually here, as in every other part of the business.

In 2007, consumer research on Corporate Responsibility told us we must be clear about what we stand for. We must also communicate what we do, and why we do it. Our work in 2007 included a diverse range of projects and achievements, but I’d like to pick out a few themes.

Commitment to Community

We are committed to supporting the communities where we operate, so we invest money and employee time in the locations where we are a major employer. In 2007, we committed £2.4m to these activities across the UK. Both parties gain: local initiatives receive additional support and we participate in the community as a good local employer.

In December, our Chairman, Sir Rob Margetts, and I hosted our 2007 “Making a Difference Awards”. Once again, the awards showcased some outstanding local contributions made by employees, with support from Legal & General.

Commitment to Socially Responsible Investment

The scale of the investments we manage on behalf of customers makes us owners of almost 5% of the UK stockmarket. As socially responsible investors, we use our ownership position to persuade investee companies to run their businesses in line with the ABI's Environmental Social Governance Principles. This work is done by a specialist team within Legal & General Investment Management. They met with 100 companies last year and actively followed up with 29 of them on issues which we felt mattered to the sustainable, long term success of those companies.

Commitment to Employees

Our CSR programme also focuses on employees. In 2007 we celebrated the 10th anniversary of working in partnership with our union, Unite. During that time, we believe that partnership working has become an important part of the Legal & General culture. Employee interests are considered as part of our business decisions. This helps us to embrace change in a fast-moving market place.

One initiative this year was forming an Equality and Diversity Steering Committee, chaired by my Executive Director colleague, Kate Avery. This has raised awareness of equality and diversity issues among employees. I am encouraged by the feedback we have received.

Commitment to Environment

We are committed to reduce our Environmental impact. Paper, energy, effective transport use and the effective management of our Commercial Property Portfolio form the basis of our ISO 14001 environmental management system. Our approach is to manage and reduce our consumption of environmental resources. We feel that this is more effective than merely buying carbon offsets.

I'm disappointed that we missed our 2007 CO₂ targets on our Group car fleet. We committed to reduce emissions to an average of 160g CO₂ per kilometre. We achieved an average of 163g per kilometre. In 2008 we will revisit this as well as aiming to reduce the mileage we have to drive in support of the business.

Supply Chain

Our CSR commitment extends to our supply chain. Our approach to supplier management is designed to reward suppliers and contractors for taking the right approach to managing their businesses and to supply chain sustainability. Last year's winners of our Making a Difference Supplier Awards were Chem-Dry UK, for excellent work in supporting flood victims in Northern England.

Stakeholder Engagement

Many of these activities gain outside recognition. We are rated as an investment stock in the FTSE4Good Index and Dow Jones Sustainability Indexes. In 2007, we maintained our "Gold" Award from the Charities Aid Foundation for organisations with over 10% of their employees participating in the Give as You Earn Scheme.

We are visible and transparent with regard to our CSR activities to our peer group and other UK companies through membership of the London Benchmarking Group and Business in the Community Index.

Looking Forward

Looking forward to 2008, Legal & General's commitment to being a positive influence as an investor, an employer and as a consumer will remain high on the agenda. We have a great chance to influence others in pursuit of a socially responsible agenda and to ensure good, sustainable returns for our clients and shareholders.



Tim Breedon
Group Chief Executive

Business in the

Community



FTSE4Good

Our Approach to CSR

CSR at Legal & General

Our CSR Guiding Principles set out specific responsibilities in each of the areas of Corporate Social Responsibility at Legal & General. These have been in place for five years.

CSR Committee and Sub-Committees

Its prominence in our corporate governance structure ensures CSR is represented at a senior level within Legal & General's decision-making processes.

Tim Breedon, Group Chief Executive, chairs Legal & General's CSR Committee, which meets four times a year. This Committee is responsible for developing the Company's CSR strategy, overseeing its implementation and monitoring how we're performing against our targets.

The Group Board reviews the minutes of the Committee, receives an annual presentation on the CSR programme and conducts an annual review of the Committee and programme, as well as considering specific aspects of CSR as appropriate throughout the year.

Employee interests are specifically represented on the CSR Committee, which includes a representative of Unite, our recognised trades union. The members of the CSR Committee during 2007 are listed in Fig 1.

Supporting the CSR Committee are four sub-committees, which focus on different areas of our CSR programme. They are:

- Group Environment Committee
- Group Health and Safety Committee
- Group Charity Committee
- Business Ethics Working Group

The corporate governance and communication flows between these committees can be seen in Fig 2.

Reporting

The principal channels through which Legal & General's CSR performance is reported externally are:

- Legal & General's Annual Report and Accounts
- External Benchmarking Agencies, such as FTSE4Good, Dow Jones Sustainability Indexes and Business in the Community

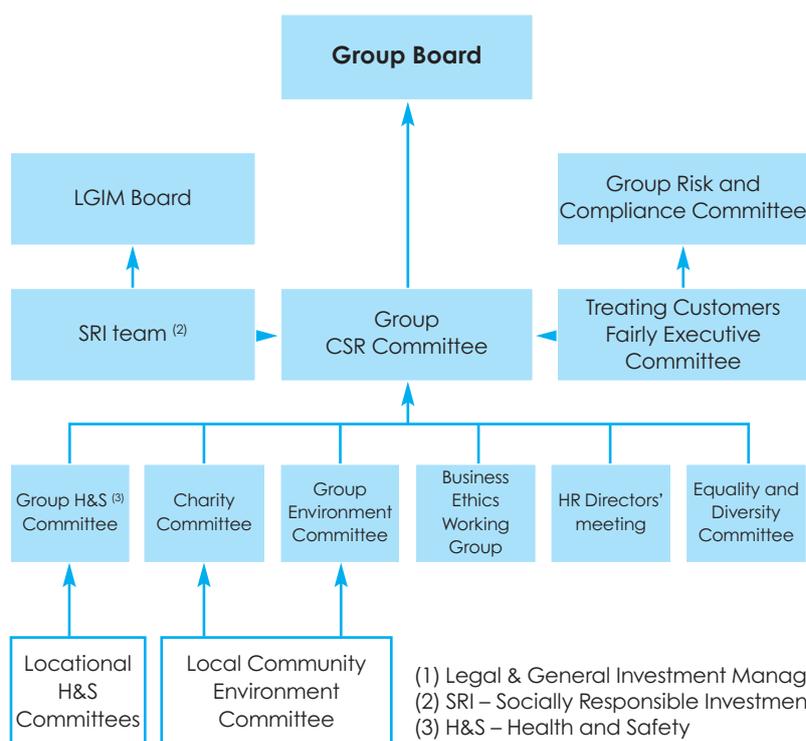
Feedback

We are keen to engage with our stakeholders in our approach to CSR. Please contact Legal & General's Group Corporate Social Responsibility Manager, Graham Precey, if you have any questions or would like to discuss our approach. Email: graham.precey@landg.com

Fig 1. CSR Committee in 2007

Name	Title	Specific area of responsibility
Tim Breedon	Group Chief Executive	Chair of Committee
Peter Chambers	Chief Executive Officer LGIM ⁽¹⁾	Corporate Governance, Ethical Funds, Legal & General Property, Legal & General Ventures
John Godfrey	Group Communications Director	Communication of CSR strategy to Legal & General stakeholders
Gareth Hoskin	Resources and International Director	Human Resource management, Environment, Overseas Operations
Elaine MacLean	Group HR Director	Human Resource management
Nick Manns	Unite National Officer	Representing the views of our employees
Graham Precey	Group CSR Manager	Co-ordination and reporting of CSR programme, Community Involvement

Fig 2. CSR Governance Framework



Our Targets

2007 Target

Results

Objective Area

Target

Socially Responsible Investment (SRI)

- Engage with at least 25 companies specifically on CSR issues

Achieved:

In 2007 Legal & General Investment Management engaged with 29 companies in line with their Environmental Social Governance policy (ESG). See SRI Section for example engagements

- Achieve ISO 14001 accreditation for three additional properties managed by Legal & General Property (LGP)

In progress:

Following Legal & General Property's decision to outsource its property management function in May to King Sturge International LLP. This is now a key objective for 2008

- Achieve ISO 14001 accreditation for purchasing in accordance with high risk FTSE4Good criteria (waste, water, pest control), in line with Group Corporate Procurement

In progress:

Following Legal & General Property's decision to outsource its property management function in May to King Sturge International LLP. This is now a key objective for 2008

- Maintain Environmental Management Systems across key properties, covering energy, water and waste to landfill

In progress:

Following Legal & General Property's decision to outsource its property management function in May to King Sturge International LLP. This is now a key objective for 2008

- Review recycling provisions at a mixed portfolio (retail, offices and industrial) of eight investment properties, liaise with occupiers to achieve a 5% reduction compared to 2005 in waste going to landfill

Achieved:

A 16% improvement in industrial cardboard salvaged and sent for recycling between June 2006 and June 2007

Customers

- Monitor trends in consumers' attitudes to CSR in order to ensure that Legal & General understands what customers expect of the companies they deal with, and how we're performing against these expectations

Achieved:

Results of the IPSOS MORI/GUSTO research with consumers and clients can be seen in the Customer Section of this Report

This will be done by:

- (a) participating in the syndicated IPSOS MORI CSR survey annually
- (b) undertaking Legal & General specific research every three years

- Develop a series of customer satisfaction measures in the form of a 'Customer Dashboard', aimed at indicating how customers rate their experience of dealing with Legal & General

Achieved:

Dashboard developed and used within Legal & General. In summer 2008, Legal & General will publish its Customer Experience Report in line with our membership of the ABI's Customer Impact Scheme

- Communicate Legal & General's CSR strategy and activities to customers

Achieved:

The CSR Report forms the key way we communicate with our customers on our CSR activities. In 2008 we will be looking at new ways to engage our customers on CSR in line with the MORI and Gusto research findings

Our Targets continued

2007 Target

Results

Objective Area	Target	
Employee Relations	<ul style="list-style-type: none"> Increase employee satisfaction to 70% 	<p>Achieved: Overall employee satisfaction increased to 75%. Overall, the results of the 2007 employee survey were very positive</p>
	<ul style="list-style-type: none"> Increase awareness of equality and diversity issues, via training for managers (by means of both computer-based training and a module in the Institute of Leadership and Management course) 	<p>Achieved: Details of our Equality and Diversity training roll-out appear in our Employee section of this Report</p>
	<ul style="list-style-type: none"> Review terms and conditions of first-level management employees in consultation with Unite 	<p>Achieved: Review completed and amendments implemented and agreed with Unite</p>
	<ul style="list-style-type: none"> Agree with line managers the capabilities they require in order to manage their people effectively 	<p>Ongoing: The roll-out of capabilities continues</p>
	<ul style="list-style-type: none"> Reinforce commitment to partnership working during our ten year anniversary of Partnership with Unite by providing training for union representatives and setting up forums between the business, HR and Unite 	<p>Ongoing: A training programme for Unite (formerly Amicus) reps has been developed. However, formal forums between the business, HR and Unite have not been set up. We will review this with Unite in 2008</p>
Health and Safety	<ul style="list-style-type: none"> Achieve full accreditation of our safety management system and extend its scope 	<p>Ongoing: Health and Safety Management Systems have been implemented at our Kingswood site. External certification for OHSAS 18001 performed February 2008</p>
	<ul style="list-style-type: none"> Review and implement our work related road risk policy 	<p>Ongoing: Road risk policy and framework for implementation agreed in 2007. Driver training and assessment programme to be completed in 2008 (See 2008 targets)</p>
	<ul style="list-style-type: none"> Implement an 'on-line' reporting system for 'near misses' and accidents 	<p>Achieved: The revised reporting form for accidents, incidents and near misses is available to our staff via the Health and Safety Intranet site</p>
Supply Chain	<ul style="list-style-type: none"> Extend 2006 programme of engagement with key suppliers to manage social and ethical issues associated with our purchase of goods and services during the period 2007-9 	<p>Achieved: Our formal programme of engagement, focused upon employee relations and legality to work. We engaged with a number of security companies in 2007 and met with suppliers of cleaning and catering services</p>
	<ul style="list-style-type: none"> Promote Legal & General's CSR standards to key suppliers to influence their social and ethical performance and support improvements throughout our supply chains 	<p>Achieved: Our CSR standards were published on our website from February 2007. Our Purchasing Director promoted the standards to over 50 key suppliers in 2007 and invited engagement on CSR issues</p>
	<ul style="list-style-type: none"> Consider extending Environmental Management System certification to ISO 14001: 2004 throughout Legal & General's purchasing centres during the period 2007-9 	<p>On target: We secured the accreditation to ISO 14001 standard for the activities of our General Insurance and IT Procurement centres. Over 80% of Legal & General's environmental key suppliers are subject to ISO 14001 certification</p>

2007 Target

Results

Objective Area	Target	
Environment – reduction of environmental impact associated with our purchase of goods and services	<ul style="list-style-type: none"> (a) Ensure that compliance by key suppliers with the environmental requirements of the Group Purchasing Policy is maintained at 80% during the period 2005-7 	Achieved: 93% compliance by key suppliers was realised in 2007
	<ul style="list-style-type: none"> (b) Review procurement specifications for the environmental impact for key bought in goods and services – 80% of key contracts to be reviewed in period 2005-7 	Achieved: Environmental specifications were developed for 18 high-risk commodities including our paper, furniture and desktop IT purchases
	<ul style="list-style-type: none"> (c) Purchase paper with a recycled content of 40% (by tonnage) by end of 2009 	On target: Our purchase of recycled paper in 2007 constituted 39% of the total tonnage used
Environment – reduction of carbon dioxide emissions per employee over the medium term	<ul style="list-style-type: none"> (a) Reduce our carbon dioxide emissions to 1.5 tonnes per Full-Time Equivalent (FTE) by end of 2008 	Ongoing: a) CO ₂ from our occupied properties stands at 1.68 tonnes of CO ₂ per employee
	<ul style="list-style-type: none"> (b) Reduce the average carbon dioxide rating of the core Company car fleet from 175 to 160 grams/km during the period 2005-7 	Did not achieve: b) Since 2005 we have secured a consistent reduction in average rating of the core fleet from 175gms/km to 163gms/km
	<ul style="list-style-type: none"> (c) Send less than 80kg of waste to landfill per FTE by end of 2007 	Achieved: c) 72.3kg of waste to landfill per FTE
Community Involvement	<ul style="list-style-type: none"> Roll out employee volunteering policy to all main offices 	Did not achieve: The employee volunteering policy was piloted in Hove in 2007. This is still to be formally approved. Ad hoc volunteering continues to be the main effort supported in Legal & General rather than through formal volunteering programmes
	<ul style="list-style-type: none"> Increase the percentage of employees receiving a grant from our sponsorship matching scheme to 7% 	Achieved: We are pleased that 7.5% of our employees took advantage of our sponsorship matching scheme in 2007

Our Targets continued

2008 Objectives

Objective Area	Target
SRI Corporate Governance	<ul style="list-style-type: none"> Continue to monitor the performance of our FTSE 350 shareholdings in line with our commitment to the ABI's Environmental, Social and Governmental Policy (ESG). Depending upon the issues that arise during the year, we expect to engage at similar levels to 2006 and 2007 (28 and 30 respectively)
Customers	<ul style="list-style-type: none"> Engage with Legal & General's retail customers to listen to their concerns on ESG issues and feed these into our ongoing corporate governance discussions with FTSE companies and their boards Extend our ethical products' reach with our newest strategic partner, the Nationwide Building Society, to enable more consumers to access these investments
SRI – Property Management	<ul style="list-style-type: none"> Liaise with King Sturge International LLP to ensure key investment properties continue to improve using ISO 14001 as the benchmark Commit to a three year plan with King Sturge International LLP to achieve ISO 14001 across all the service charge properties Achieve ISO 14001 accreditation in Q1 08 for a further three investment properties, bringing us to a total of five properties
Suppliers and Environment	<ul style="list-style-type: none"> Extend 2006 programme of engagement with key suppliers to manage social and ethical issues associated with our purchase of goods and services during the period 2007-09 Reduce the business mileage of 1.88 business miles driven per active policy and the average of 1,360 business miles driven per employee Ensure that compliance by key suppliers with the environmental requirements of the Group Purchasing Policy is maintained at 80% during the period 2008-10 Purchase paper with a recycled content of 40% (by tonnage) by end of 2009 Implement driver training and assessment programme Extend the certification of our Health and Safety Management System to one more occupied property Integrate and report on our commitments and progress as a founding member of the ABI's Climate Wise Programme. See our commitment at www.climatewise.org.uk Reduce our carbon dioxide emissions to 1.5 tonnes per Full-Time Equivalent (FTE) by end of 2008
Employees and Community	<ul style="list-style-type: none"> Redevelopment of the Institute of Leadership and Management qualification to give a broader-based qualification with greater external recognition Commit at least 100 working days in 2008 in each major location to community projects (Cardiff/Birmingham/Hove/London/Kingswood) Increase Give As You Earn employee participation to 15% Increase Matched Funding use by our employees to 10% Launch two Major Groupwide charitable giving initiatives in 2008

CSR Guiding Principles

Legal & General recognises its duty to behave responsibly in these business activities and towards those whom its actions affect. Five years ago we developed a set of policy commitments, known as Guiding Principles, to express how we view these responsibilities. They are reviewed annually to ensure they remain relevant.

Corporate Social Responsibility at Legal & General means:

Socially Responsible Investment

p12

- Promoting responsible business practices in the companies in which we invest

Our Customers

p16

- Providing good value, fit for purpose products which meet or exceed customers' reasonable expectations
- Communicating in a clear, appropriate and accessible way
- Delivering a positive experience throughout a customer's relationship with us

Our People

p18

- Working in close partnership with our recognised trades union, Unite
- Providing a flexible, supportive, healthy and safe working environment
- Adopting policies and practices which encourage an appropriate work/life balance
- Applying open and fair processes for recruitment and promotions
- Promoting our Values: customer focus, teamwork, open and fair, and results driven

Our Suppliers

p22

- Dealing with suppliers fairly and objectively at all times
- Promoting and encouraging responsible business practices by the suppliers of our goods and services

Our Environment

p24

- Minimising any negative impact on the environment arising from our business activities

Our Communities

p28

- Investing in charitable causes and social enterprises which are closely aligned to our business activities
- Supporting the community as a whole, but especially those communities in which our main offices are based
- Supporting and encouraging our employees in their charitable and community involvement

To find out how we carry out these commitments please refer to the relevant section in this Report.

CSR Live!

Socially Responsible Investment

“Capital rich Legal & General is a real power for the good.”

Evening Standard – 26 July 2007

Mark Burgess, Head of Active Equities and Corporate Governance



View the webcast at:

www.legalandgeneralgroup.com/csr

We have four core areas encompassed in our Socially Responsible Investment (SRI) activities:

- Corporate Governance. Legal & General Investment Management (LGIM) – Engagement of FTSE 350 boards through our Corporate Governance activities as a result of the assets which we own on behalf of our clients
- Ethical Investment Funds for our retail and institutional clients. Valued at £312m Funds Under Management (FUM) as at 31 December 2007
- Legal & General Property (LGP) managed over £10.70bn of clients' money in Commercial Property as at 31 December 2007
- Legal & General Ventures (LGV) Capital specialises in mid-market buy-outs of UK companies with an enterprise value of between £50m and £250m.

FTSE Engagement

As at the end of 2007, Legal & General has £297bn FUM in the UK on behalf of its retail and institutional clients. We use the responsibility given to us by our customers, as Legal & General holds around 5% of all FTSE stocks, to influence other UK companies to run their businesses in a sustainable manner. The questions we ask of FTSE boards are based upon the Association of British Insurers' (ABI's) Environmental, Social and Governance (ESG) guidelines.

Our specialist governance team engages with the boards of investee companies to encourage the highest standards. This team met with over 100 companies last year, and actively followed up with 29 FTSE companies on social, environmental and ethical issues that we felt were important to the sustainability of their business models. This process will continue in 2008.

Examples of FTSE Board Level Engagement

Centrica

In 2007, we engaged with Centrica, owners of British Gas, in two key areas: fuel poverty for vulnerable customers and carbon neutrality.

Our questioning established that rigorous procedures are in place to ensure that vulnerable customers do not have their energy supplies cut off. British Gas have a number of initiatives to help their vulnerable customers, including an energy trust to help them with energy debt through price capping.

On the issue of carbon neutrality, British Gas New Energy was launched in April 2007 to ensure that British Gas has the lowest carbon intensity of any UK energy supplier.

Cookson Group plc

In 2007 we engaged with Cookson Group plc on the issue of building a sustainable business model.

We have been assured that the CEO has overall responsibility for ESG issues although remuneration is not linked to performance of these issues. We raised the need for remuneration to be linked to ESG as a shareholder.

We also discussed the publishing of Health and Safety issues as part of its approach to good governance, but the company was reluctant to expand the level of disclosure as their businesses are fragmented and vary considerably in size. Cookson does not use renewable energy and there are no immediate plans to introduce this. They did however re-state their commitment to reduce energy use by 9% by 2010.

Engagement with Policy Makers and Non Government Organisations' Pressure Groups

In association with the UK Social Investment Forum in 2007 we hosted a seminar on Registration, Evaluation and Authorisation of Chemicals (REACH) legislation at which we had speakers from the Chemical Industries Association, the Health and Safety Executive and the Department of Rural Affairs.

In 2007, we also engaged with the charity, War on Want, which aims to fight poverty in developing countries. They campaign for human rights, inequality and injustice. In 2007, they targeted a number of retailers for not paying a living wage to garment producers in Bangladesh and requisitioned a resolution at the Tesco Annual General Meeting. As a shareholder in Tesco, we met with War on Want to listen to their findings and to discuss their requirements. This resolution was defeated.

Ethical Fund Choice

Should investors want more than our active approach to corporate governance, Legal & General is committed to providing an Ethical choice for our clients. We manage ethical funds totalling £312m funds under management as at 31 December 2007.

Legal & General Ethical Trust

The Ethical Trust aims to match holdings in the bespoke Ethical Investment Research Service filtered FTSE 350 Index (excluding investment trusts).

Companies have been excluded if they are substantially involved in or cause: animal testing, countries with poor human rights records, gambling, health and safety breaches, intensive farming, major arms exporter to oppressive regimes, nuclear power, pornography, processing, use or sale of tropical hardwood, production of ozone depleting chemicals, production or sale of tobacco, production or sale of weapons systems, provision of nuclear weapons and water pollution.

Ethical UK Equity Index Fund

The Fund aims to track the sterling total return of the FTSE4Good UK Equity Index (including re-invested income) to within +/-0.5% pa for two years in three.

Ethical Global Equity Index Fund

The Fund aims to track the total return of the FTSE4Good Global Equity Index to within +/-0.5% pa for two years in three.

Legal & General Property (LGP)

Legal & General is one of the biggest property fund managers in the UK and in 2007 managed a property portfolio of £10.70bn as at 31 December 2007.

In May 2007, LGP announced that it had agreed terms for King Sturge International LLP to undertake the property management function on behalf of our property portfolios with an aggregate rent roll exceeding £300m per annum.

We are working with King Sturge International LLP to ensure they deliver a similar level of environmental targets for our properties.

LGP – War on Waste

LGP, with the assistance of waste consultants, reviewed a number of investment properties with the view of reducing landfill and improved recycling in 2007. Seven mixed investments (industrial, offices and retail) were evaluated in conjunction with the occupiers in this area.

One of these is a major retail scheme where we have introduced new waste handling equipment. The result is a 16% improvement in industrial cardboard salvaged for recycling and 1.5 tons of plastics, which in previous years would have been sent to landfill.

Sustainable Economic Regeneration

In 2007 we made excellent progress on positively impacting communities through developing our property portfolio.

Sustainable Economic Redevelopment in Cities – Central St Giles, London

On 4 October 2006, the London Borough of Camden Planning Committee approved the redevelopment of St Giles Court. The new development will be known as Central St Giles. Sustainable development principles we have applied include:

- Replacing an outdated office building with a high quality mixed-use scheme designed by Renzo Piano, one of the world's leading architects
- Significantly improving the local environment, enhancing the public realm and making St Giles a safer place to live, work and visit

Socially Responsible Investment continued

£312m

ethical funds under management

- Restoring St Giles High Street as a tree-lined retail street
- Improving pedestrian routes between Covent Garden, Soho and Bloomsbury
- Creating a new publicly accessible piazza in the heart of the scheme surrounded by small scale retail and four restaurants
- Delivering 109 new homes, providing more than half the Mayor's housing need for this area over the next 10 years, 53 of which will be affordable, including family apartments
- Creating a significant number of new jobs in one of the most accessible areas in the heart of Central London

In addition to the regeneration benefits of the development, the Section 106 Agreement delivers a wide range of improvements to the surrounding area through financial contributions totalling £4.3m.

We are building a sustainable development and by design incorporating:

- 20% better energy performance than current Part L requirement through façade design and efficient plant design
- 80% of heating in the development generated from renewable sources (biomass boilers)
- Collecting and reusing over 60% of rainwater on the offices

- Collecting 100% of cooling tower discharge water for reuse in toilet flushing
- 90% of demolition materials recycled
- Targeting 15% recycled materials used in construction
- Green roofs and roof gardens attenuate rainfall and heat build-up, and enhance ecological value



The community benefits include contributions towards community safety, improvements to St Giles Churchyard and Phoenix Gardens, and major works to improve pedestrian routes in the area. Opportunities will be created for local people to work on the construction phase, in partnership with Kings Cross Working.

Sustainable Economic Redevelopment in Rural Communities. A New Life for the Crowthorne Business Estate, Berkshire

The 255 acre Crowthorne Business Estate is a brownfield site owned and managed by Legal & General. The site has been the home of the Transport Research Laboratory (TRL) for over 40 years and throughout that period it has been closed to the local community, other than to those who work at the site.

We have listened to the needs of the local community, in particular their need for maintaining Crowthorne's village 'feel', addressing highways' issues and public transport, improving public transport, providing additional infrastructure and providing affordable housing.

We have incorporated, where possible, the issues raised by residents in the proposals. Legal & General has submitted a planning application to Bracknell Forest Borough Council. Sustainable highlights include:

- A community of 975 new homes for families, couples and single people, including homes for sale and affordable housing
- A new business park, an hotel, a new Crowthorne Enterprise Centre and other facilities to support people working on the site
- The site will retain and strengthen the existing woodland along the edges and will retain the strong visual separation between Crowthorne and Bracknell
- The qualities of Crowthorne's existing green streets will be extended into the new neighbourhood
- A large 100 acre area of parkland will be created along Bracknell Road. This will provide for the long term protection of the adjoining heathland. It will also create a new area for local leisure and sports facilities, and its management is proposed to be passed to a local trust in order to safeguard its future in the long term.

29

Number of FTSE companies we engaged with during 2007 to raise social, environmental and ethical concerns

- A range of new community facilities will be provided on site, including a new primary school, local health facilities, nursery, community hall and local shops. New sports facilities will include a football pitch and cricket pitch. In addition, there will be contributions towards secondary education.

As a property fund manager and key influencer in property development, Legal & General takes its role seriously and is committed to a long term sustainable view of its property portfolio.



- Continue to monitor the performance of our FTSE 350 shareholdings in line with our commitment to the ABI's Environmental, Social and Governmental Policy. Depending upon the issues that arise during the year, we expect to engage at similar levels to 2007 (28 and 30 respectively)
- Engage with retail customers and listen to their concerns on ESG (Environmental, Social and Governance) issues and feed this into our ongoing Corporate Governance discussions with FTSE companies
- Extend our Ethical products' reach with our newest strategic partner, the Nationwide Building Society, to enable more consumers to access these investments in the high street
- Carry forward the Legal & General Property Management Objectives from 2007 with our new property management partners, King Sturge.

Legal & General Ventures (LGV) Capital

LGV Capital specialises in mid-market buy-outs of UK companies with an enterprise value of between £50m and £250m in four principal sectors: consumer, leisure, healthcare and services. The current limited partnership agreements prohibit investment in any US entities and in any entity principally involved in the business of tobacco, derivatives, casinos or gambling (except those licensed by the United Kingdom Gaming Board or equivalent body in other major European countries).

During 2007, statistics have been produced showing that the portfolio companies in which LGV Capital funds have invested since year 2000, employed on average 17% more staff at the point of exit (or at the date of the survey if still within the portfolio) than at the start of our investment.

Looking forward to 2008

In 2008 we are committed to build on the influential role we have on behalf of our investors in the area of SRI. In particular we will:

17%

more staff employed

CSR Live!

Our Customers

“44% of Legal & General’s customers think we take our responsibility to society very seriously.”

Customer Snapshot as at 31 December 2007

	2007	2006	2005
Number of customers	5,782,363	5,744,003	5,636,638
Number of active contracts held by Legal & General customers	6,364,633	6,294,051	6,225,458
Number of households holding a contract	4,249,216	4,124,035	4,007,635
Number of employees holding a contract	7,389	6,612	6,122

In 2007, we continued our focused research on customer awareness and expectations of Legal & General’s Corporate and Social Responsibility activities.

We carried out this research through two organisations, IPSOS MORI and Gusto Research, in August – September 2007. Both are members of the Market Research Society and are bound by their Code of Conduct.

Consumer Research Highlights

Our research indicated that an increasing number of consumers in the UK are becoming “activists” and voting with their feet and wallets when companies don’t act responsibly.

- 28% have bought because of an established product link to a charitable organisation
- 18% buy products because of a company’s ethical reputation, and 14% have advised others to do so
- 16% actively boycott products and have advised others to do so

Additionally, many consumers apply Social Responsibility practices in their own lives.

- 80% have sent items to be recycled

- 52% have taken action to be more energy efficient at home
- 27% have cut down use of cars for environmental reasons
- 27% have used a water butt for watering the garden
- 3% have offset carbon emissions from flights
- 1% have bought hybrid cars

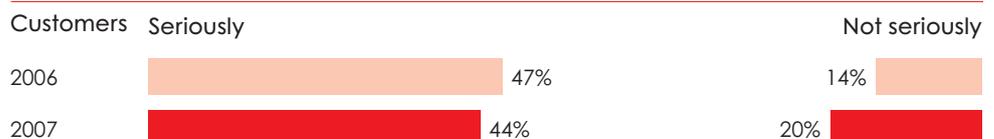
Environmental issues remain the top of consumers’ minds with 45% having this area as their number one priority for big companies to tackle.

Consumers also have particular views when it comes to the financial services industry and believe we should focus on: job creation/helping small businesses, unemployment schemes and education, as the top priority issues.

Legal & General’s Performance with its Customers

- 44% of our customers who have bought products and service from us think that Legal & General is taking its responsibilities to society and the community very seriously.

How seriously do you think Legal & General takes its responsibilities to society and the community?



Base: 2,081 GB adults 16+, 9 August – 14 September 2007, 137 customers; 2,063 GB adults 16+ and 146 customers in 2006

What do our customers think Legal & General should do to be more socially responsible?

Listen to more customers

Give more help to people who suffer with floods – it's all part of global warming, everyone could be affected

Using their financial muscle in a more humane and environmentally cleaner way they could take a lead, they're so powerful

Reduce waste and recycle more

Have more care for the customer

Make details of how Legal & General is helping society more widely available

Reduce paperwork

Put some of their profits back into the community

- 20% of our customers do not think that Legal & General is taking its responsibilities to society and the community seriously enough
- We are not seen as having a high impact on the environment compared to industries such as oil or other extractive companies
- We are seen as an organisation whose role it is to provide sizable charity giving, have good general housekeeping in the areas of recycling, saving energy and paper usage.

Customer Communications on CSR

As a result of the research, we have come up with some guidelines when communicating with our customers on CSR activities in 2008. We aim to:

- ensure that our activities are in proportion – not glamorous, expensive or wasteful

- help our customers to understand the reason behind Legal & General getting involved with a charity or cause
- have simple messages added to regular letters and bonus notices. Not too frequently, quarterly or annually
- talk to customers after purchasing their products from Legal & General or service as reassurance that we have placed our money in the right place
- publish our targets and make them more personal and less corporate.

Focus for 2008

In 2008 we will continue to refine our Corporate Social Responsibility activities on behalf of our customers based on this research.

In 2008 we commit to publish our Customer Experience Report as part of our ongoing Association of British Insurers (ABI) Customer Impact Scheme

commitments. The scheme comprises three elements:

- A formal board commitment by the participating companies to place customer interests at the heart of how they run their business
- A Customer Impact survey, which provides an extensive and unbiased measure of how well customers believe they are being treated by the pensions, protection and investments industry
- A series of Good Practice Guides outlining how companies can improve customer experiences.

CSR Live!

Our People

“Our employees’ actions and behaviour are vital to ensure that we are seen to operate in an ethical way.”

Elaine MacLean, Group HR Director



View the webcast at:

www.legalandgeneralgroup.com/csr

Employees

We need to go above and beyond the need to comply with local employment laws to develop our employee policies and programmes across Legal & General Group. The following are some of the key initiatives and measures we have created as a framework for our employees.

Legal & General Group Values

Our Company Values are ‘customer focus’, ‘teamwork’, ‘open and fair’ and ‘results driven’. We believe that there is significant evidence that organisations with strong agreed values deliver better results. Our Values form part of each employee’s performance management review.

Economic conditions mean that we expect the next 12 months to be challenging. We are confident that our history of positive employee relations, developed over the last 10 years since signing with our trades union, Unite, means the Company and its people are equipped to rise to these challenges.

Our Partnership with Unite

Legal & General is proud of its strong, open partnership with its employees and Unite, and is committed to communication and consultation. We believe that working in partnership with Unite ensures our employment policies and practices are sound and appropriate for our business.

In 2007, Legal & General celebrated its 10 year anniversary of working in partnership with its trades union. Since signing the Partnership Agreement, partnership working has become second nature and has become an important part of the Legal & General culture. The Agreement sets out the basis of our relationship, which includes shared and open access to information and early participation in the decision-making process in areas of shared interest.

In July, a celebratory dinner to mark this anniversary, hosted by the Chairman, was held for Unite representatives and officials, business managers and HR, together with some external guests.

UK People Snapshot as at 31 December 2007

	2007				2006	
	Male	%	Female	%	Male %	Female %
Staff level	3,751	49	3,965	51	46	54
Manager level	785	71	322	29	67	33
Board level (executive directors only)	3	80	1	20	80	20
Total employees	4,539	51	4,288	49	51	49

Legal & General funds three full-time secondees to carry out Unite duties, with support from around 40 Unite representatives who carry out their Unite duties on a part-time basis. Their role is to embed the Partnership throughout the Company. We actively support the recruitment of new union members and each year Legal & General and Unite jointly hold a Partnership Day to raise employee awareness about the benefits of partnership working. Legal & General made a £17.50 donation per employee to charity for all employees who signed up to become a Unite member on Partnership Day. In 2007, we were delighted to welcome Graham Goddard and David Fleming, two senior Unite officials, to our Hove offices to take part in Partnership Day activities.

We aim to have Unite represented at all Health and Safety Committee meetings, the CSR Committee and the Equality and Diversity Committee. Consultation also takes place informally and formally between managers and their local union representatives. As at 31 December 2007, approximately 41% of our UK employees were members of Unite (excluding Legal & General Investment Management employees).

All managers with responsibility for managing people are encouraged to attend workshops about Partnership working as part of their management development. A policy is in place requiring an objective for working in Partnership with Unite is included in all job descriptions of managers with responsibility for managing staff and performance reviews.

Management Consultative Forum

The Management Consultative Forum (MCF) was set up in September 2006 to collectively represent the senior and middle management population. MCF representatives are regularly providing feedback to their constituents on key issues which impact them.

Equality and Diversity

In 2007, Kate Avery, Executive Director, was appointed to Chair the Group Equality and Diversity Committee. The Committee is formed of representation from Unite, HR and business managers. The Equality and Diversity Committee formally reports to the CSR Committee. Legal & General is a member of the Employers Forum on Disability and Business in the Community's Opportunity Now and Race for Opportunity organisations.

The Equality and Diversity Committee has raised awareness of the benefits of 'Welcoming Everyone' and of 'Valuing Difference' and as part of this initiative, a mandatory computer-based training package was launched to UK staff (excluding Legal & General Investment Management).

The results of the 2007 Employee Survey showed that Legal & General continues to make improvements in challenging areas, such as engagement, customer experience, valuing differences and working environment. We have seen an encouraging increase of 9% to the question in this year's employee survey, which asked employees if they believe the organisation respected individual differences between 2005 and 2007.



We are proud to be one of the few FTSE companies with employee consultation at the highest levels within our approach to Corporate Social Responsibility

Our People continued

We have conducted an Equal Pay Audit since 2001 in the UK to determine whether a pay gap exists in terms of gender. For the last two years we have also conducted the audit on the basis of any ethnicity and age bias in UK Operations and LGIM. The results are shared with Unite and any discrepancies are highlighted so that HR can discuss with the line manager prior to pay review decisions being made. Legal & General has signed Unite's Equal Pay Charter to demonstrate our ongoing commitment to the principle and practice of equal pay.

Flexible Working

All our employees are eligible to request flexible working (not only employees with young children or with elder care responsibilities) as we recognise that individuals have a wide range of reasons for wishing to work flexibly.

To further demonstrate our commitment to being a family-friendly employer, Childcare Vouchers were introduced in 2006. This is a government-sponsored scheme which works via a salary sacrifice and offers tax benefits for childcare. Approximately 350 employees are participating in the scheme.

Bullying and Harassment

Tim Breedon, Group Chief Executive, and Pam Edwards, Unite National Secretary – Legal & General Section, issued a joint statement to advise employees that the Board does not tolerate bullying and harassment behaviour. Employees raise very few formal grievances on the grounds of bullying and harassment within UK offices. The Company is working with Unite to improve processes so that when grievances are made, these are conducted speedily and effectively. In 2007, we

identified those areas where there was a higher than average negative response to the question asking whether employees believed their working environment to be one which is free from bullying and harassment, and held two focus groups, facilitated by an independent organisation, to try to understand the issues and to provide training as necessary.

UK Employee Statistics

Absenteeism

Our absenteeism rate due to sickness in 2007 was 4.05% compared to 3.9% in 2006. This compares to the finance sector benchmark of 5.6% (source: Chartered Institute of Personnel and Development).

Employee Turnover

Our employee turnover in 2007 was 14.34% compared to 12.6% in 2006. This compares favourably with the finance sector average of 16.1% (source: Chartered Institute of Personnel and Development).

Redundancy

Due to the closure of our Healthcare business in Hove and reduction in business volumes, which resulted in restructuring, a total of 157 employees were made redundant in 2007 (compared to 77 employees in 2006). We successfully redeployed some of those employees affected, on a best endeavours basis, who were put at risk of redundancy. We consulted with Unite and the Management Consultative Forum throughout the process.

Overseas Operations Updates

Legal & General Netherlands (LGN)

A new Collective Labour Agreement (CAO) for the insurance sector was implemented in April 2007. Employers and trades unions reached an agreement regarding a new 30-month CAO (from 12 June 2007 until 30 November 2009). The most significant aspects of the CAO relate to salary, simplification of the pension scheme, "prevention/occupational health and safety policy" and "international collegiality".

Based upon a 2005 statutory study into a company's working conditions, the "Undesirable Behaviour" policy came into force in 2007. This policy is part

of the occupational health and safety policy at LGN, and consists of a comprehensive scheme for handling complaints. Its purpose is to prevent and combat sexual harassment, aggression, discrimination, bullying and violence, and set out clear consequences of such behaviour. Through this policy LGN also wants to send a clear message that this behaviour is totally unacceptable and indicates a lack of respect, tolerance and decency. Undesirable behaviour can cause a drop in performance or create a hostile, intimidating or otherwise uncomfortable working environment. No reports of undesirable behaviour were made in 2007.

Absenteeism

Overall, LGN's percentage of absenteeism due to illness is 2.69% compared to 4.16% in 2006. Results from the entire insurance sector for 2007 are not yet available, however, historical figures leading up to 2007 indicate that the sector had an absenteeism rate of around 5%.

In 2006, the average national rate of frequent absenteeism due to illness was 1.3%. LGN reported absenteeism rates of 1.7%. In 2007, LGN strengthened its policy to hold absenteeism interviews with the employees concerned. The absenteeism rate dropped in 2007 from 1.7% to 1.58%. Frequent absenteeism due to illness will remain a focus area in 2008.

Legal & General America (LGA)

It is the policy of LGA and its subsidiaries to seek, employ and assign the best qualified staff in all of our facilities and to provide employment opportunities to all employees and job applicants without regard to race, colour, religion, gender, national origin, age, disability, sexual orientation or status as a Vietnam-era or special disabled veteran in accordance with applicable federal laws. In addition, the Company complies with applicable state and local laws governing nondiscrimination in employment in every location in which we have facilities. This policy applies to all terms and conditions of employment, including but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

41%

of UK employees are members of Unite

The Company is committed to eliminating discrimination in all employment activities. It is the responsibility of all managers and staff to share equally in making equal employment opportunities a reality.

LGA and its subsidiaries have adopted a policy of "zero tolerance" with respect to unlawful employee harassment. Improper interference with an employee's ability to perform his/her expected job duties is not tolerated.

Training and Development:

Employees are LGA's most valuable resource. How well our employees perform their jobs will be a critical factor in determining how well the Company does its job of providing outstanding service. There are many training and educational opportunities available to employees that will allow them to broaden their skills and knowledge.

- The Company provides a variety of self-study education programmes to help develop and improve employees' insurance-related professional qualifications. In 2007, the number of courses taken under these programmes was 304
- Employees have access to a tuition reimbursement programme designed to encourage and aid in furthering employees' university level education
- Specialised external seminars and courses are also available to assist employees with professional growth

Legal & General France (LGF)

Like all insurance companies, LGF'S employees benefit from the provisions of the Insurance Industry's collective labour agreement ("convention collective").

Moreover, LGF has set up internal policies to support its employees. In particular it has focused upon:

- An Agreement on work time reduction "Accord sur la Réduction du temps de Travail", enabling employees to get up to 21 extra paid days off and keep an average 35 hours work time per week as prescribed by French Law
- Agreement on profit-sharing with employees "Accord d'Intéressement", to grant employees a bonus based on business growth, with a maximum limit. Thanks to LGF's success, this limit has been reached for each of the last three years. In 2007, the Board of LGF decided to increase the amount of the bonus for the exceptional 2006 results of LGF
- "Epargne salariale" savings scheme "Plan d'Epargne Entreprise", allowing employees to make investments in our unit trusts with a tax exemption on income after five years

LGF finances a works council, which grants employees "cheques vacances" tickets that may be used to pay for services, such as museum entry fees, highway tolls, train tickets, etc. At Christmas time, the works council also grants employees "bons cadeaux" cheques, which may be used in department stores.

350

employees participating
in the Childcare Voucher
scheme

CSR Live!

Our Suppliers

“Effective management of our supply chain enables us to influence the way that other companies implement good Corporate Social Responsibility practices.”

Paul Lee, Group Purchasing Director



View the webcast at:

www.legalandgeneralgroup.com/csr

The development of a comprehensive Corporate Social Responsibility programme within our supply networks has been a major focus of activity for several years.

In February 2007, we published our ethical purchasing principles and CSR standards required for key suppliers. This milestone in our programme provides suppliers with a benchmark of ‘best practice’ expectations to address our social and environmental impacts.

2007 Supplier Engagement with CSR

In 2007, expenditure with our key suppliers accounted for 22% of our total spend of £386m on purchased goods and services. We invited these key suppliers to engage with us on CSR issues because we are keen to understand our suppliers’ performance in this area. We are committed to support any who fail to comply with our standards through the provision of advice and guidance to facilitate improvement.

During the year we continued our formal programme of engagement concentrating our work on suppliers of cleaning and catering services. The results were very encouraging, suppliers demonstrated a positive attitude to employee relations through promotional opportunities, training programmes and union recognition. Our suppliers also explained the robust checks that they undertake to ensure the legality of staff to work in the UK.

We developed environmental specifications for key commodities, which were determined through a risk assessment of their major impacts. How well a supplier can satisfy these specifications directly affects our choice during the selection process.

An example of a specification that we have developed and adopted is our purchase of copier paper where the current product purchased meets the requirement for the paper to be 100% recycled and satisfy the definition of 'recycled' as determined by the National Association of Paper Merchants (NAPM).

Recognising Outstanding Supplier Performance

Legal & General held its annual Making a Difference Supply Chain awards in December. We recognise any engagement with suppliers that results in an improvement in their environmental or social impacts.

Our 2007 winner was Chem-Dry UK for mitigating the effects of the July floods upon our policyholders. In the midst of the chaos created by the floods, Chem-Dry UK implemented its Emergency Response Plan and worked tirelessly to help residents repair flood damage to their properties, even though many of the Chem-Dry UK team were themselves affected by the floods.

Customer Contact Centres were set up in identified flood hotspot areas, including Bentley (Doncaster), Tewkesbury and Willerby (Hull). Experienced ex-loss adjusters and Chem-Dry UK Technical staff manned these Centres, which meant that customers could receive advice on all aspects of their claim and therefore deal with, and come to terms with, the devastation to their homes and businesses.

As a direct result of their activities, Hull City Council has invited Chem-Dry UK onto their Emergency Planning Committee.

External Recognition of Legal & General's Activities

Early in 2007, our external certification under ISO 14001 was extended to cover the procurement activities of our General Insurance and IT Procurement personnel.

As a consequence of this extension, 89% of Legal & General's environmental key suppliers are subject to the ISO 14001 certification, and engagement on environmental risks and opportunities is a fundamental part of this programme of continued improvement.

In the Chartered Institute of Purchasing and Supply (CIPS) Supply Management Awards 2007, we were a finalist in the 'Best Contribution to Corporate Responsibility' category, for the second year running.

In April 2007, Business in the Community awarded us a 90% score for our 2006 social supplier programme, against 86% achieved by our industry sector, and we maintained a 100% rating for our environmental activities.

Our Plans for 2008

There are a number of areas that Legal & General will focus on in 2008:

- Purchasing and supply chain managers will have individual CSR objectives to engage with key suppliers. To support this we will provide training on social, environmental and economic supply chain issues
- Our formal programme of supplier engagement on CSR issues will continue with a review of our courier and direct mail suppliers
- Legal & General's Making a Difference awards will continue to encourage sustainable business practice within our supply chain
- In 2007, we developed a specification for IT desktop equipment, including chemical use, energy efficiency and recyclability. This specification is based upon IEEE 1680-2006. We plan to review the feasibility of adopting this specification for our PCs, monitors and laptops
- We will continue to work with our supply market to identify suitable recycled paper for our letterheads and envelopes. We are confident that we will achieve our goal to purchase paper with a recycled content of 40% (by tonnage) by the end of 2009



Chem-Dry receive their 2007 Making a Difference Award

- We will complete the ISO 14001 certification of our purchasing centres by extending accreditation to Legal & General's Facilities Management procurement activity.

£386m

spent on procurement –
22% spent with key suppliers

90%

BITC's Social Supplier Programme against 86% achieved by industry sector

CSR Live!

Our Environment

“We are committed to reduce the environmental impact of the 6.4 million customer contracts we manage.”

Gareth Hoskin, Resources and International Director



View the webcast at:
www.legalandgeneralgroup.com/csr

Overview

Legal & General has a responsibility to manage both the direct and indirect environmental impacts arising from its operations. Environmental Management Systems are implemented wherever possible to manage our direct impacts and our Group Environment Policy covers 100% of our UK employees.

Environmental Performance

As a company, Legal & General is committed to reduce its environmental impact to the communities and environment in which it trades. To manage our 6.4 million live customer policies requires us to use paper, energy, and transport to maintain it on behalf of our customers. For those of our customers who have invested in our property fund, we also have a responsibility as property manager to manage those properties in a positive environmental manner.

This year, we have focused our environmental reporting on the impact that each of our live customer policies has on the environment and the work that we are doing to reduce energy to manage it.

Resources Used to Manage our Client Contracts as at 31 December 2007

Performance indicator	2007	2006	Percentage Change 07 vs 06
Number of live customer contracts	6,364,633	6,294,051	1.12%
CO ₂ kgs (UK occupied properties and business travel) per contract	2.46	2.44	0.82%
Car based business miles per contract	1.88	2.5	-24.80%
Energy per contract (kwh)	4.69	4.53	3.53%
Total waste per contract (grams)	259	264	-1.89%
Copier paper per contract (sheets)	9.7	10.83	-10.43%

Our direct impacts can be broadly divided into:

- Emissions to air (greenhouse gases and ozone depleting substances)
- Emissions to land (waste)
- Resource use (water, gas, electricity and material consumption)

Progress in 2007 Occupied Properties

Greenhouse Gases

- Our medium term objective has been to reduce carbon dioxide (CO₂) emissions per employee, and we've set two targets aimed at meeting this objective (see 'Update on Objectives and Targets 2007')
- Overall carbon emissions increased in 2007 to 11,267 tonnes equating to 1.68 tonnes per person. With comparison to numbers of live customer contracts (see Datasheet page 33), this is indicative of additional business and can also be attributed to the dual running of our offices both in London and Hove in 2007
- The average CO₂ rating of the Company car fleet was reduced in 2007 from 167 to 163 grams/km. We are disappointed that this target has not been achieved and are rethinking the strategy to reduce this impact in 2008 (see 'Looking Forward to 2008' section)
- Overall CO₂ from business travel was down in 2007. This is directly from a reduction in car based business mileage of nearly 25%
- We have seen some negative trends in transport in 2007. The number of dual fuel and hybrid vehicles in our fleet has dropped significantly (see Datasheet page 33). Rail use is down around 20%

and although short haul flights have reduced a fraction, long haul flying has increased by nearly 60%. The change in the type of fleet car is related to the emergence of good value, low emission petrol and diesel cars in 2006 and 2007. The overseas travel is inevitable with the Company's growth in the Asian marketplace.

Waste

- We aim to use resources efficiently and minimise waste. We've also set two targets to help us meet this objective (see 'Update on Objectives and Targets 2007')
- In 2007, steps were taken to improve an already strong recycling position with a focus on reducing waste to landfill and total waste generation
- Overall landfill waste increased again in 2007 due to the spring clean effect of our office closures. Total waste generation has decreased again, however, and normalised figures are strong with only 72 kgs of waste sent to landfill per employee, based on building occupation figures and a reduction in waste per live contract (see Datasheet page 33).

Resource Use

- Major improvements have taken place in the reporting and analysis of Key Performance Indicators (KPIs) in 2007. This is most evident in the reporting of energy statistics at Legal & General occupied properties
- Many sites reported reductions in both energy use and water use in 2007, only to see these improvements offset by the opening of the new offices and dual running



One Coleman Street

- Our Datasheet on page 33 demonstrates reductions in many areas of normalised resources, such as water and paper use. Our energy use is of concern, however, we believe with the closure of certain offices in 2007, the trend should return to a reduction again.

Stakeholder Engagement

We undertake regular consultation with employees, customers, investors and communities.

In 2007, we engaged a number of environmental initiatives. We are a signatory to the Carbon Disclosure Project, a member of the London Energy Forum and a founding member of the London Climate Change Agency. In 2007, Legal & General was listed for the first time in the Carbon Disclosure Leadership Index (CDLI). We are focusing our efforts on reducing our contribution to climate change and hope to maintain this position and reduce our impacts in years to come.

Our Environment continued

Management Structure

The Group Environment Committee, chaired by the Resources and International Director, remains responsible for setting the Environment Policy and strategy, and continues to report into the Group CSR Committee.

Environmental Management Systems

Legal & General was the first financial services company to obtain ISO 14001 and now operates three environmental management systems, all of which are certified to ISO 14001 standard. Certification ensures that our environmental risks are managed and our performance and legal compliance are maintained. In 2007, the following business functions were certified to ISO 14001:

- Provision of Facilities Management (all major UK occupied sites)
- Corporate Procurement
- Property Management Services (currently covering three directly managed properties)

Legal Compliance

Legal & General maintains internal processes for monitoring compliance with UK environmental law. In 2007, we were not subject to prosecution for non-compliance with environmental legislation.

2007 Highlights

Moving Offices

In 2006, we saw the opening of Legal & General's new offices in Hove. In 2007, we saw the final movement of our staff in Hove to the City Park location.

We were delighted that our new One Coleman Street, London office was awarded the 2007 Concrete Centre Award for Sustainability. We also obtained a 'Very Good' rating according to the BRE's (Building Research Establishment) BREEAM scheme (Building Research Establishment Environmental Assessment Method).



Managing Waste

Legal & General commissioned the company, Green Standards, to undertake the removal and management of the redundant furniture from our old Hove and London buildings.

Almost 300 tonnes of furniture was removed, of which, 26% was redistributed to schools and charities and 74% was fully recycled.

The 'Waste to Wonder' process ensures that end of life assets are reused wherever possible to support charities and schools within the UK and overseas in developing countries, where there is little or no access to educational facilities. Items that cannot be reused for any reason are put through a stringent recycling process that ensures that as close to 0% as possible ends up in landfill.

Schools and charities within the UK that have benefited from the Green Standards project at Legal & General include:

- Born Free Foundation
- Swindon Advocacy Movement
- Lansdowne Hall Trust
- Pewsey Vale School
- Headway Brain Injury Association
- Wyvern College
- British Trust for Conservation Volunteers
- Shelter
- Normalea Centre Exeter
- Barking and Dagenham Diabetes Group
- Farms for City Children
- Plymouth Guild
- Grange Junior School Swindon

We are proud of how these moves have been managed and how it demonstrates our building policy commitments.

In 2007, the facilities team at City Park extended their Facilities Management ISO 14001 certificate to the newly opened second building for operating



Slowworm biodiversity

systems compliant to the environmental management standard. We have also implemented a Biodiversity Plan at the site giving us three such plans over our five head office locations.

The Paper Story

Legal & General purchases about 2,500 tonnes of paper each year and almost half is coated paper used for marketing literature. In 2005, although we had already changed our purchases of copier paper (350 tonnes pa) to a 100% post-consumer waste recycled product, the approved marketing paper still comprised 100% virgin pulp. An initiative to identify, trial and approve an acceptable paper with a high recycled content commenced in 2005 and successfully concluded the following year.

The change to Forestry Stewardship Certified (FSC)-specified 55% recycled paper was effective from June 2006 and you may have noticed that we now include the following comment on our marketing literature:

'At least 55% of this paper is made from recycled materials.'

In 2006, our Group Annual Report and Accounts and our CSR Report were printed on this recycled paper. The Reports for 2007 will also use this paper.

The potential to increase the recycled proportion of our letterheaded paper, currently up to 15%, is limited by the availability of suitable papers. We plan to conduct trials of letterheaded papers with a higher recycled content and also investigate alternative papers for our envelopes. We will actively work with suppliers to promote market

UK Health and Safety Statistics as at 31 December 2007

	2007	2006	2005	2004
Reportable Accidents *	11	11	15	12
Employees	8,827	8,870	8,568	8,163
Incident Rate **	125	124	175	147
Fatal Accidents	Nil	Nil	Nil	Nil
Prosecutions	Nil	Nil	Nil	Nil
Dangerous Occurrences	Nil	Nil	Nil	Nil
Reportable Diseases	Nil	Nil	Nil	Nil
Prohibition Notices	Nil	Nil	Nil	Nil
Other Enforcement Notices	Nil	Nil	Nil	Nil

* as defined by Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR)

** reportable injuries per 100,000 employees

developments to create paper that is both commercially and environmentally acceptable. As a result of our 55% recycled paper, Legal & General has saved 33,500 trees from being felled in the past three years. This represents just under 15 hectares of woodland.

Health and Safety

Overview

Gareth Hoskin, Resources and International Director, is responsible for implementation of our Group Health and Safety Policy. Legal & General is committed to providing a safe and healthy working environment and is actively encouraging participation from staff to raise awareness from our managers and local Health and Safety Committees.

Progress in 2007

The facilities team at our largest location in Kingswood has developed its occupational Health and Safety management system during 2007. The health and safety target to achieve BSI OHSAS 18001 certification was not achieved by the end of 2007 but is on track for external audit in February 2008. A new target has been set moving forward to expand this certification to another head office location in 2008. We have developed two additional computer-based training courses to complement our existing training portfolio. Our manual handling training has a strong emphasis on general back care at work and at home

to recognise the importance of our employees' wellbeing.

As in 2006, our main locations ran a series of health and safety events during the year to promote awareness. Themes were chosen and developed by the local Health and Safety committees covering a wide range of issues including; osteopath posture advice, fitness, Drink Aware, cycle maintenance, self defence, stress, life balance, health and nutrition. In 2008, our locations are planning similar awareness campaigns to cover depression and slips, trips and falls.

In 2006, we began installing defibrillators at all our head office and larger regional premises. The majority of our first-aiders are now trained in their use and procedures for use of these devices are tested annually. In 2007, we launched our new accident reporting form, which is now available to staff via the intranet. This new design is easier to use and has been developed through feedback from our first-aiders.

Driving and occupational road risk is a serious issue that affects our business. In 2006, we worked in conjunction with the Royal Society for the Prevention of Accidents (ROSPA) to review our driving procedures and risks, and in 2007, our Road Risk Policy was agreed and a framework for implementation put in place. We have set a target in 2008 to implement the driver training and assessment programme against this policy.

Looking Forward to 2008

Our key areas of focus for the year are:

- To extend the scope of our certified occupation health and safety management system to another head office location
- Implement our driver training and assessment programme
- Further implementation of our waste strategy across the UK to reduce the indirect impacts associated with transport and disposal of waste
- Reduction of total waste generation, in particular paper
- Focus on our target of 1.5 tonnes of CO₂ per employee for its achievement at the end of 2008
- Review our carbon management strategy and opportunities with the Carbon Trust
- Reduction in business travel impacts
- Expanding ISO 14001 Environmental Management Systems certification to our new London office and to other business areas.

CSR Live!

Our Communities

“In 2008 Legal & General recognises the importance of a sustainable commitment to the communities around us.”

Graham Precey, Group CSR Manager



View the webcast at:

www.legalandgeneralgroup.com/csr

The communities in and around Legal & General's offices, our employees' homes and our business partners' locations are very important to us. In exchange for investing time, expertise, effort and money in these communities, we believe we get employees wanting to work for us, community goodwill and custom.

Charitable Giving

Traditionally, our support for community projects is broad in its inclusion of good causes. As a result, we have funded thousands of charitable causes through our locations and Groupwide in the form of Give As You Earn matched funding, our employee sponsorship matching scheme, employee volunteering, and community projects.

Give As You Earn (GAYE)

Legal & General's employees have the ability to "vote with their salary" and help charitable organisations they personally wish to support. Legal & General matches up to the first £20 given in this way each month.

Legal & General has again been awarded a Charities Aid Foundation (CAF) Gold Award for Payroll Giving. In 2007, we finished the year with £557,229 being invested in charities in the UK as a result of GAYE participation. This represents 12.4% of our employees participating in this scheme; 75% of these donations are to specific charities on a sustainable basis every month.



Sponsorship Matching Scheme

Employees are entitled to Legal & General's Employee Sponsorship Matching Scheme as part of their employment package. We match the first £750 raised per year per employee. 7.5% of our employees applied for matched funding in 2007.

Community Involvement Snapshot as at 31 December 2007

In 2007, we are proud to have directly invested £2.4m in our communities

	Amount
Direct Cash Support	£1.86m
Employee Time and Volunteering in communities	£176,357
Gifts in Kind	£65,340
Management Costs	£345,000

Legal & General's employees are also active in charity fundraising where donations raised at organised events, such as jeans and trainers days, receive matching up to £5,000. Our core locations of Birmingham, Cardiff, Hove, Kingswood and London are very active in raising funds for community projects.

The matched funding scheme also extends to our Sales areas (IFA Division, Banks and Building Societies Division, and Business Partnerships Division).

In 2007, Legal & General UK employees generated £863,000 for our local communities through the matched funding initiative.

Legal & General America (LGA) Charitable Giving

Legal & General America takes an active role in the support and development of the community in which we live and do business. Our 2007 Charitable Giving Campaign superseded all previous campaigns in total dollars raised and was 40% more successful than the previous campaign. Together with a dollar for dollar match by the Company, \$361,495 (US) was raised to help support over 150 charities.

Young Excellence Sponsorship (YES)

The YES Scheme is designed to provide support for young people excelling in their chosen field whether that takes the form of sport or the arts.

Legal & General currently sponsors 21 young people as part of this scheme. We provide ongoing support designed to alleviate some of their financial worries as they pursue excellence in their chosen field.

In 2008, we are keen to support talented youngsters who are in need of financial

assistance to achieve their goals in the run up to the 2012 Olympic Games.

School Governors' Scheme

As at 31 December 2007, we have 67 employees registered as school governors across the UK. Their schools each receive an annual grant from Legal & General. This is up from 61 in 2006.

Community Volunteering Projects – An Extra Pair of Hands and Expertise

As a company, one of the often-underused assets that we have is the skill, expertise and knowledge that our employees have to invest in their local communities. Highlights in 2007 included:

- Beach Clean – part of the annual Beach Watch campaign organised by the Marine Conservation Society. Employees cleared a 100-metre stretch of Whitmore Bay, Barry, of rubbish, mostly small items that couldn't be picked up by the work crews that operate regularly on the beach
- National Museum & Galleries of Wales, St Fagan's National Museum Nature Trail. Employees helped clear a pathway through the woodlands at St Fagan's National Museum. The activity formed part of the support the Company is giving to the museum's "Exploring our Woodlands" project. Funding from Legal & General enabled the museum to unlock the remaining 90% funding from the landfill tax credit scheme
- The Prince's Trust Cymru Enterprise Challenge – The challenge is for each team to turn £3,000 into potentially £20,000 or more. Business skills are called on to devise a moneymaking project or "mini" enterprises to help some of Wales's most disadvantaged youngsters turn their lives around.

The Legal & General team smashed the fundraising target set by The Trust, raising £21,137

- Volunteering challenges provided by Brighton & Hove Business Community Partnership enabled employees to spend a day building raised mud and sandpits and a storage shed at Hillside School in Portslade, a school for pupils with severe learning difficulties
- Arts & Business Cymru Professional Development Programme (PDP) – Employees from across the business sat on the boards of local arts organisations in a voluntary capacity, providing advice and support when needed
- Red Nose Day – Our Employees in Birmingham and Cardiff supported the virtual call centre as part of the Comic Relief efforts
- Ipswich – River Clean – Employees from the Ipswich office went along to the River Gipping and Spring Wood to help clean them up. Organised by our partners at Community Service Volunteers (CSV), 3.5 tons of rubbish was removed from the river
- Sussex Wildlife Trust project. Employees worked with the Sussex Probation Service to create an outdoor classroom and wildlife garden in Stanmer Park with adults from the Community Payback Scheme

In 2007 we are proud to have directly invested £2.4m in our UK communities

Our Communities continued

- New York employees collected toys, clothes and other gifts for the disadvantaged children of a local, public elementary school in Queens, NY. Three hundred gifts were delivered to seventeen families and nearly one hundred individual children on 20 December, 2007
- Local Women's Shelter, Maryland, USA. Legal & General America and its employees sponsored the shelter's holiday party featuring food, crafts, music and a brief theatrical performance. Our employees presented gifts, toys, clothing, food certificates and personal items to residents.

Major Legal & General Group Charitable Projects

We also support UK-wide projects:

Financial Inclusion and Education "Building Motivation and Attainment in Mathematics" – Legal & General continued its support for the Kings College project in London run by Angela Gould, designed to engage maths teachers and inspire kids on the topic of maths.

Several events this year have been organised in conjunction with "Aimhigher", the initiative aimed at increasing attainment and success for state sector pupils, particularly from deprived areas.

Results

In 2007, there have been 25 maths teacher meetings and 12 maths activity days across the country, totalling 1,600 maths teachers and 2,100 pupils taking part in the programme.

Feedback across the board has been terrific, with 99.4% of delegates indicating that the event they attended was useful. Comments included:

- "Made me feel good about maths again"
- "Everything! An excellent day, I've taken away a lot of great ideas"
- "Immediately useful in classroom"
- "Valuable and realistic class activities that will help make children's learning vivid and real"

"Reviving and inspirational, being reminded of what I trained to do"

Money Trail Project with Age Concern – Since 2006, Legal & General has supported Age Concern to develop and launch MoneyTrail, a user-friendly CD-ROM to help people currently in employment check whether they are financially on track for the retirement they want. Interactive questions and case studies help to show the user's current retirement prospects, and provide an action plan so they can take control of their future.

The programme targets those who are unlikely to have made adequate pension provision – often women – and is designed to mitigate pensioner poverty.

Results

Initial feedback on MoneyTrail shows that:

- 100% found it increased their knowledge and confidence in financial planning for the future
- 100% found it easy to use
- 85% will take further action as a result of using it

Comments included:

- "Found it excellent and simple to use"
- "I've been worried about whether I'd have enough money to enjoy my retirement, but didn't really know where to find out more. MoneyTrail has been just the thing – I've been able to find out how much I'll need and how much I have to save, and I've decided to retire a year later so that my pension will be higher."

Insurance Times – Legal & General Netherlands (LGN) – The Consumer Credit Counselling Service Nationaal Instituut voor Budgetvoorlichting, (NIBUD) and LGN jointly published the Verzekeringskrant (Insurance Times), which targets young people from 15 to 18 years of age. The aim of this research is to better equip young people to make informed decisions in relation to money and insurance products. It has been offered to all secondary schools in the Netherlands, together with lesson notes for teachers.



Employee volunteering in action

Vulnerable Community Projects HandyVan with Help the Aged –

Our General Insurance Business extended its support for the Help the Aged HandyVan's service in the Birmingham area. We also continued to run a HandyVan successfully in Cardiff. These vans offer a free security service to make elderly people feel safer in their homes and can make insurance more affordable for these vulnerable communities.

The partnership has so far benefited 794 people, with 632 door chains fitted, 543 door locks, 672 smoke alarms, 62 door viewers and 191 carbon monoxide monitors in Wales alone. In Birmingham, over 900 vulnerable older people have been helped since the scheme started.

Safe Space – Legal & General's Wealth Business in Hove supports the Safe Space Project. This multi-agency project (Hove YMCA, Communities Against Drugs, Brighton & Hove PCT, Sussex Police, St Paul's Church and the British Red Cross) offers a 'safe space' in a city centre church to provide support and practical assistance to intoxicated or vulnerable young people who find themselves in distress or difficulty over the Christmas period.

Health and Community Projects

Hospice Care – Legal & General employees support hospices in their communities on a regular basis.

- Legal & General continued to support the Martlets Hospice in Brighton and Hove. Donations totalling £23,000 were raised by employees to buy furniture. "On behalf of patients, staff and volunteers at the Martlets Hospice,



I would like to thank everybody at Legal & General for all they are doing in support of the work of the Martlets. It is only through the continuing generosity of individuals and organisations that we are able to offer our much-needed services to local people. Your efforts really do make a difference.” Robert Griffiths, Director of Fundraising, the Martlets Hospice

- Acorns Children’s Hospice – Legal & General’s Birmingham employees actively participated and helped organise the Acorns’ Santa Fun Run. This event is a festive fundraiser that saw all participants wear a Santa suit and run around either Brindleyplace in Birmingham or Hereford Town. The



two sponsored events raised funds to support Acorns’ work with hundreds of children living in the region who are chronically ill.

Legal & General America (LGA) Projects

LGA makes annual charitable donations in the following categories: Health, Education, The Arts, The Disadvantaged, Community and The Environment. The Company sponsors Special Olympics, The Cystic Fibrosis Foundation, NY Cares, local shelters and educational institutions.

Rewarding Employees and Communities for Making a Difference

To engage and involve our employees, Legal & General runs Making a Difference (MAD) Employee Awards and MAD Roadshows.

MAD Roadshows

In Summer 2007, Legal & General UK held the MAD Roadshows at all major locations and invited our community organisations, such as CAF, Unite, and local charities. Feedback from our employees showed that:

- 94% said their expectations were met or exceeded at the roadshow
- 91% thought they were worthwhile and 74% said they learned something new at the event
- 94% would like to see the MAD roadshow repeated at least annually.

Employee MAD Awards 2007 (UK)

In December 2007, Legal & General UK held its Employee Making a Difference Awards at our Coleman Street, London office to reward employees for their contribution Company-wide to their local communities.

The six award winners were each presented with a cheque for £1,000 for their favourite charity by Group Chief Executive, Tim Breedon, and Chairman, Sir Rob Margetts MBE (below). Here are some of their stories:

- Birmingham – Nichola Wilson led her team to run a 12-week project with The Prince’s Trust and participated in a summer party for the Midlands



‘Wonderkids’. Thanks to her hard work, over 15 members of her department took part in The Prince’s Trust team challenge with a local college. A couple of volunteers attended the project each week to help the young people with skills such as team building and interview technique – all critically important to help these 16-25 year olds go on to find a job or into further education

- Clarence Scott, Regional Manager, Belfast Regional Office, has dedicated a large part of his life to helping others less fortunate than most of us. Holidays are frequently spent, together with his wife, Maureen, raising money and getting much needed supplies to Russian and Romanian orphanages
- Cardiff – Heatherjane Coombs became a very active member of SANDS (Stillbirth and Neonatal Death Society) after losing her baby three years ago when she was eight months’ pregnant. Heatherjane holds monthly group sessions and talks over the telephone or in chat forums, providing comfort and sharing experiences



Our Communities continued

- **Hove** – Jane Devivo is a member of a team of volunteers who meet up at St Ann's Centre in Kempton and put together a trolley of food (soup/bread/cakes) supplied by local businesses/people. They then wheel the trolley to the seafront where the food is distributed to whomever gathers there. Most are not homeless, but live in bed-sits or hostels. Jane takes time to listen and speak with these individuals while they are enjoying the food, and has been doing this each month for two years in all weather conditions
- **Kingswood** – Dave Figg supports Wildlife Aid, an organisation run by volunteers rescuing injured British wildlife of all types. Dave has been a volunteer worker for approximately five years. He devotes his time and energy to the welfare of animals and tirelessly campaigns to raise funds in support of the charity
- **London** – Alison Angles and Tais Carlotto (joint winners) are two employees on the London Number Partners scheme. They dedicate their lunch period once a week to play maths games with children in the Thomas Buxton Infants School, London, E1, to boost their confidence and competence in mental mathematics. Through their enthusiasm, volunteering from our London office has increased to 20 on a regular basis. Number Partners is a Tower Hamlets Education Business Partnership (registered charity) initiative, which encourages the private sector to work with schools in Tower Hamlets on a range of projects, designed to raise achievement and provide pupils with opportunities to improve their work related skills.

Legal & General Netherlands (LGN)

Community Volunteering Sponsorship

In 2007, the local community of Hilversum benefited from the sponsorship by LGN of a number of small-scale annual regional events with assistance from the Hilversum Agency for Volunteer Work (Bureau Vrijwilligers Werk Hilversum). LGN called upon Hilversum residents to nominate volunteers who deserved to be put in the limelight by LGN for their efforts. Thirteen volunteers were honoured by the mayor of Hilversum.

Community Involvement – Looking Forward to 2008

In 2008, we continue to be committed to our communities. Lesley Nicholls – Director of Employee Volunteering at Community Service volunteering (CSV) comments:

“When there is a dip in the economy, the most vulnerable people in society suffer disproportionately – jobs are harder to find, overtime on which people may rely is reduced, debt and repossession of houses increases, etc. As a result, the demand for support from community organisations increases.”

In 2008, Legal & General recognises the importance of a sustainable commitment to the communities around us.

Appendix

UK Datasheet

Impact Area	Performance Indicator	Unit	2007	2006	2005	2004	2003	2002
Carbon dioxide (CO ₂)	⁽¹⁾ CO ₂ (UK occupied properties)	tonnes	11,267	10,359	10,324	10,390	10,697	10,697
	⁽²⁾ CO ₂ (UK occupied properties) per employee	tonnes	1.68	1.65	1.84	N/A	N/A	N/A
	⁽³⁾ CO ₂ (UK occupied properties) per contract	kgs	1.77	1.65	N/A	N/A	N/A	N/A
	⁽⁴⁾ CO ₂ (business travel)	tonnes	4,443	4,985	4,437	3,295	4,041	4,670
	⁽⁵⁾ CO ₂ per contract	kgs	2.47	2.44	N/A	N/A	N/A	N/A
Travel	⁽⁶⁾ Car based business mileage	miles	11,984,634	15,737,218	12,457,000	9,113,000	10,984,000	13,452,000
	Car based business miles per contract	miles	1.88	2.5	N/A	N/A	N/A	N/A
	Average CO ₂ rating of fleet vehicles	g/km	163	167	172	174	180	186
	No of dual fuel or electric cars on fleet	No	15	42	48	27	9	1
	Dual fuel or electric cars as a percentage of fleet	%	2%	6%	N/A	N/A	N/A	N/A
Energy	Electricity (UK only)	MWh	24,182	23,789	21,992	22,228	22,823	22,558
	⁽⁷⁾ Gas (UK only)	MWh	6,598	4,722	4,566	4,381	4,647	5,249
	Total energy (UK only)	MWh	30,780	28,512	26,558	26,609	27,470	27,807
	⁽⁸⁾ Energy per employee (UK only)	MWh	4.47	4.77	N/A	N/A	N/A	N/A
Waste	Energy per contract	KWh	4.69	4.53	N/A	N/A	N/A	N/A
	⁽⁹⁾ Direct to landfill (UK only)	%	42.6%	30%	28%	30%	38%	39%
	Total waste (UK only)	tonnes	1,649	1,661	1,668	1,639	1,567	1,689
	Total waste per contract	grams	259	264	N/A	N/A	N/A	N/A
Water	Waste to landfill per employee (UK only)	kgs	72.3	78.8	100	N/A	N/A	N/A
	Metered	CuM	54,670	53,672	50,509	45,366	36,683	46,138
	Estimated total	CuM	62,039	77,010	79,190	75,734	66,049	77,969
Resources	Estimated water per employee	CuM	9.29	12.26	N/A	N/A	N/A	N/A
	⁽¹⁰⁾ Copier paper	kgs	285,123	340,835	315,860	338,013	335,308	354,078
	Copier paper per contract	kgs	0.04	0.05	N/A	N/A	N/A	N/A
Biodiversity	⁽¹¹⁾ Copier paper per employee	kgs	46	56	N/A	N/A	N/A	N/A
	No of occupied sites with biodiversity action plan	No	3	2	2	2	1	1
UK employees	⁽¹²⁾ Office based staff	No	6,680	6,281	N/A	N/A	N/A	N/A

Notes

- (1) 2007 figure includes CO₂ from 100% of our UK occupied properties.
- (2) Employee numbers taken from average security headcount where available (recorded 11am at main offices) and from workstation numbers at smaller offices.
- (3) Live contracts are an indication of business on our books. In 2007 L&G had 6,364,633 live contracts and in 2006 6,294,051 live contracts.
- (4) Data is collected from rail, air and road transport.
- (5) Figures derived from UK occupied properties and business travel.
- (6) Mileage figures exclude business mileage undertaken in employee owner cars as opposed to Company and hire cars.
- (7) Only includes metered gas consumption.
- (8) Normalised energy data excludes St Monica's training centre and is based on headcount where available (see note 2).
- (9) Recycling figures expanded in 2006 to include all major offices and in 2007 to cover regional offices with improved data analysis from expanded ISO 14001 certification. Waste used for the KPIs on this Datasheet is 'business as usual waste'. It does not include the office closure waste handled by Green Standards in 2007.
- (10) Figures converted to kgs from reams in 2006.
- (11) Taken from data and headcount at the five largest offices.
- (12) Numbers taken from 11am headcount on security passes at main offices and workstations at other regional premises and used for normalisation.

Verification of CSR Report 2007

Background

The Legal & General Corporate Social Responsibility Report includes sections on customer policies, our employees, the environment, our suppliers, community initiatives and socially responsible investment. Where relevant, we have also included details of how Legal & General America, Legal & General Netherlands and Legal & General France address these areas as well as selected data on our other overseas operations.

Group Internal Audit has provided independent verification of the Report as noted below:

Objectives

The objective of this verification is to express an opinion on:

- The reliability of the processes used by Legal & General to identify, collect and report data and supplementary information included within the Corporate Social Responsibility Report
- The accuracy and completeness of data included in the Report.

Summary of Procedures Performed

In contrast to financial reporting standards, statutory reporting and verification standards do not exist for the review of social and environmental performance. Group Internal Audit has, therefore, applied a methodology consistent with best audit practice in undertaking this verification procedure.

Our Review Comprised:

- Interviews with senior management within Legal & General and a review of the processes in place to report qualitative data
- Review and sample testing of data including reference to supporting documentation where appropriate. Reliance was placed on the ISO 9001 and ISO 14001 certification of certain systems within Legal & General where appropriate
- Review of the final content of the Report to assess consistency with the overall findings of our work.

Opinion

On the basis of the work performed, we have reached the following opinion:

- Appropriate management systems have been put in place to capture and consolidate Corporate Social Responsibility performance information related to Legal & General's Groupwide activities; and
- Quantitative data is accurately stated within the Report and the rationale for using estimated figures is recorded where relevant.

John Adlam

Group Chief Internal Auditor
April 2008

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