

MAKING A DIFFERENCE

I am delighted to have this opportunity, at the outset of my time as Legal & General's Group Chief Executive, to confirm my strong personal support for the principles of Corporate Social Responsibility.

I have spent the bulk of my career within Legal & General's Investment Management business and have accordingly had the opportunity to observe and assess many leading British companies. I was struck how often performance excellence is associated with a company's adherence to strong CSR values. Legal & General is, I believe, an excellent company; an opinion which I hope is shared widely. I have no doubt that when Legal & General's performance is assessed, for example by our customers, our staff or our owners, a part of that assessment will be a review of our approach to our social, environmental and ethical impacts. This Report will assist in that assessment. One principle to which I am absolutely committed is that of striving for improvement in everything we do. I am therefore very keen to receive views and comments on how either this Report or our CSR programme could be improved. Please address your thoughts either to myself or to our CSR Manager, Jane Boswell.

At the heart of what we regard to be our Corporate Responsibilities is our commitment to our customers. Our business model is founded upon delivering good value products which are fit for the customer's purpose, which meet the customer's expectations and which are available as widely as possible and to as wide a group of prospective customers as possible. We are fully supportive of the ABI's recent Customer Experience initiative and we seek to apply the principles of Treating Customers Fairly throughout the whole

of our business. Whilst we will be vigilant in protecting ourselves against the risk of fraud in claims for policy benefits or compensation, we wish to be judged as being at the forefront of Customer Care within our industry.

Equally important to treating our customers fairly is that we should treat our employees fairly. As a consequence, we not only operate an Equal Pay policy but also encourage diversity, opportunities based on a fair and open selection process and an environment which respects the need for a proper work/life balance, especially for those with family responsibilities. Legal & General's employment policies are concerned not just with the way the company treats its employees but also the way our employees treat each other. We act vigorously against proven cases of bullying or discrimination. Our Ethics policy, developed as are so many of our employment policies, in conjunction with Amicus, our recognised trade union, is both wide ranging and firmly enforced.

Legal & General Investment Management Ltd is one of the UK's leading investors, with over £200bn of funds under management. Some years ago, we published a booklet detailing our stance on Socially Responsible Investment. The principles outlined in that document remain valid today. As one of the UK's largest investors, we recognise that we have a special responsibility in this area. Though this does not make us the world's policeman, we will act quickly and forcefully on those occasions where we are not satisfied with the policy of a company in which we invest. Most often we will do this outside the glare of any publicity, but if we believe a public statement of our views is required, then we won't hesitate to make one.

As well as having responsibilities to today's customers and investors, companies such as Legal & General have, in my view, a responsibility to the future. Legal & General is 170 years old this year. If Legal & General is to be prospering as much in 170 years time as it is today, then in part that will be because we will have cared properly now for the environment on which we depend. Legal & General works to protect our environment in many ways,

conserving energy, limiting our use of non-renewables and encouraging staff to adopt environmentally-friendly behaviours.

A sustainable environment is necessary for the future of the planet. A sense of community, of shared responsibility, is similarly necessary for the future well-being of the United Kingdom. Legal & General undertakes over 90% of its business in the UK and therefore we make special efforts to encourage enterprise, opportunity, charity and respect within the UK community, especially those communities neighbouring our major offices. Our staff are, of course, all themselves members of communities and I am delighted that so many of our staff take the initiative by becoming so actively involved in our community programme. Their hard work and dedicated support of local communities is something I both respect and feel a strong desire to continue supporting.

I trust you will enjoy reading this report. I hope you will understand not only how committed to CSR principles we are, but also how through our actions we seek to live those principles and make a difference.



Tim Breedon
Group Chief Executive
Legal & General Group Plc

