

Legal & General America 2015 Corporate Responsibility Report



Overview

Our report provides an in depth view on how responsible we have been in delivery of the 2015's Corporate Responsibility (CR) performance at Legal & General America. In this report, we review the social and environmental impacts we make day to day and the role we play in people's lives.

Table of Contents

Letter from CEO	3
About Us.....	4
Materiality	5
Governance & Ethics	7
Ethical Conduct	8
Privacy and Security	8
Governance and Policies	9
Market Conduct Exams and State Reviews.....	10
Consumer Complaints.....	10
Responsible Marketing and Sales	10
Risk Management	10
Our People	11
Talent and Investing in our People	12
We're Still Listening – Everyone's voice matters	13
Employee Engagement Survey.....	13
Wellness.....	14
Awards	15
Community Citizenship	16
Volunteerism	17
Chairman's Community Awards.....	17
Community Partnerships.....	17
Charitable Donations.....	18
Environment	20
Environmental Management	21
About the Report	23
What we report	24
Timeframe	24
Feedback.....	24

► A Letter from Gene R. Gilbertson

At Legal & General America we share a passion for the greater social good we do, not only for our customers and helping families achieve financial security, but also our staff, the environment and our local communities.

By being economically and socially responsible, we can build value for our shareholders, staff, business partners and customers. Our business principles are straightforward:

- **Customer Led:** We develop solutions to help customers build financial resilience and meet their present and future financial goals. Excellence in customer service is absolutely essential and we must deliver products and services and communicate with customers in all the ways they choose.
- **Economically & Socially Useful:** We create solutions that deliver a better society. We operate with integrity, make good decisions and do the right things in every aspect of our business.
- **Fair & Transparent:** We aim to treat our employees, customer, investors, suppliers and regulators with integrity and fairness.
- **Inclusive:** We strive to be a vibrant business that values inclusiveness and embraces difference, where our employees are engaged and empowered to collaboratively work together to deliver business results.

We place people at the heart of our business and believe that everything we do can make a difference – Every Day Matters to all of us at Legal & General America.



A handwritten signature in black ink, appearing to read 'Gene R. Gilbertson', written in a cursive style.

Gene R. Gilbertson
President and Chief Executive Office



Who We Are and What We Believe

Legal & General America is in the business of providing financial protection for American Families. Life insurance may be one of the most important purchases an individual may ever make. In the event of a tragedy, life insurance proceeds can:

- help families stay together by helping pay the bills, pay off outstanding debt including credit cards and the mortgage, and meet ongoing living expenses;
- continue a business;
- finance future needs like children's education; and,
- pay for funeral costs.

Providing these benefits is the heart of our business.

We genuinely care about families – the families of our customers including business owners who consider their partners family, the multi-generational brokerage agencies that make up our insurance community and the employees that are the heart of our corporate family.

Our goal is to help our customers achieve financial security through providing products that offer outstanding value for the money. We work with our brokerage agencies to provide complete information to customers allowing them to make the best long-term financial decisions for their families.

At Legal & General America, we believe that corporate and social responsibility are an integral part of our day to day operations.

Corporate History

Legal & General America is a wholly owned subsidiary of Legal & General Group Plc, headquartered in London, England. Our parent company has been in business for over 178 years, helping people protect against unforeseen circumstances in their lives and save for a better financial future. They have over 10 million customers world-wide.

We have been in business over 67 years and have over one million current customers. In 2015 alone, we helped over 98,000 families obtain life insurance, with combined coverage of over \$50 billion.

► Materiality 2015

Materiality – or the identification of and focus on material topics – is a concept core to corporate responsibility reporting. It is how we understand what topics have a direct or indirect impact on our ability to create, preserve or erode economic, environmental and social value for the Company, our stakeholders, our customers, and society.

We identify and prioritize these material topics by engaging internally across the business as well as externally with a broad set of stakeholders, including customers and our agency partners.

The resulting materiality analysis ensures we focus on the most material topics for our evolving business.

In 2015, in partnership with L&G Group and S&C North America, Inc. we participated in a Materiality Assessment to identify and prioritize our material corporate responsibility issues. A total of 2,780 stakeholders (2,277 external and 503 internal) were contacted and 150 participated in the survey (106 internal and 44 external). External stakeholders included: customers, suppliers, regulators, journalists, NGOs, NPO, and academic organizations.

The results are classified into five categories: Business Ethics and Business Integrity; Product Responsibility; Employees; Environmental Protection; and Corporate Citizenship.

Key findings include:

- According to internal and external stakeholders, a total of 5 relevant CR issues (1 very high and 4 high) were identified for LGA.
- Customer privacy was considered the most relevant CR issue followed by compliance, cyber security, corporate governance, and responsible marketing and fair sales – all of these issues are in the Business Integrity and Ethics category. Both cyber security and product innovation are the issues most expected to increase in relevance.
- Internal stakeholders (employees) generally perceive LGA as performing quite positively in addressing these issues, many external stakeholders do not know what LGA is doing with regard to CR.
- Most internal and external stakeholders are unaware of how LGA compares to its competitors in addressing CR issues.

CR issues relevant to LGA

Governance topics have by far the highest relevance

Business ethics & business integrity	Product responsibility	Employees	Environmental protection
Customer privacy ●↑	Claims management ●=	Long term leadership ●=	Material efficiency and waste reduction ●=
Compliance ●=	Risk management ●↑	Employee engagement ●=	Energy efficiency ●=
Cyber security ●↑	Education ●=	Diversity and equal opportunity ●=	Investment in renewables ●=
Corporate governance ●=	Product innovation ●↑	Recruiting and retaining talent ●↑	Water and wastewater ●=
Responsible marketing and fair sales ●=		Training and further education ●=	Emissions to air ●=
Taxation policy ●=		Employee inclusion ●=	Corporate citizenship
Interaction with governments ●=		Employee and director remuneration ●=	Community engagement ●=
		Occupational health and safety ●=	

↑ = Increased relevance in the future according to stakeholders = = Equal relevance in the future according to stakeholders

Bold issues = top 10 CR issues relevant to LGA according results of the stakeholder CR survey



Base: 150 stakeholders
**5-point scale

Source: S&C North America Inc.

Where do we focus next?

As we digested the key findings and recommendations resulting from the materiality survey, we evaluated current and future projects and initiatives to direct our resources to those that directly relate to the survey results if possible.

S&C recommended improved communication, both internally and externally, of information relating to corporate responsibility actions, performance and initiatives. To that end, below are a few projects that we have already implemented:

- Our corporate website was updated to share more information:
 - Environmental Responsibility -Includes 2015 year end data, how we achieved the goal to reduce our impact on the environment, certifications received and added access to the Group Environmental policy.
 - Annual Giving Campaign – We updated this section to not only include 2015 campaign results, but shared the identities of the charities that were featured during the campaign.
 - Community Support – Lists the names of our community partnerships over the past 12 months.
 - In the News – Announced our partnership with the National Hospice and Palliative Care Organization (NHPCO) - Our first project together was to develop and conduct a grief sensitivity training program to help staff better respond to our customers in the most supportive and compassionate manner. The training was conducted in March 2016. Read the News Articles.
 - <https://www.lgamerica.com/corporate/news/2016/lga-partners-with-national-hospice-and-palliative-care-organization>
 - <http://insurancenewsnet.com/press-releases/legal-general-america-partners-national-hospice-palliative-care-organization-nhpc>

Additionally, projects including areas identified as high risk which have been implemented:

- Cyber security table top exercises between our Information Technology and business areas to collaborate, identify and examine issue and capability gaps in recovering from a business operation disruption. Our first exercise was Fall 2015, second exercise was Spring 2016 and another exercise will take place Fall 2016.
- A two-factor authorization process for remote network access. This process is an additional layer of security to protect our customer and company data.
- Moved the site of our disaster recovery (DR) location. The new location is a state of the art facility with a higher level of technology available and secure storage for our data.

Projects in development:

- Continue cyber security education and awareness. Educate all employees on recognizing and avoiding/preventing cyber risks and attacks.
- National Hospice – Together with our partners, we will develop on-line educational resources. Our goal is to educate all American families on the importance and affordability of life insurance, explain the differences in the types of life insurance and how to determine how much life insurance is needed to protect the family.
- Governance – We will add applicable corporate policies to the website for external view.
- Continue to develop the CR area of our site to provide more context as to our targets and the progress.
- Develop and educate all employees on recognizing and avoiding/preventing cyber risks and attacks.



GOVERNANCE & ETHICS

At Legal & General America our policies and procedures set the standards and procedures to ensure effective management and control of our business.

Business Ethics



Building Trust

Legal & General America is committed to ethical conduct and earning the trust of our stakeholders. The policies and procedures that we have in place provide the foundation to earn that trust. As seen with the results of the materiality survey, we are rightfully focused on addressing concerns of customer privacy, cyber security, corporate governance and responsible marketing and sales. We are also focused on being more transparent by providing non-proprietary information to our stakeholders.

Ethical Conduct

It is important that all of our stakeholders feel confident that we will protect their information and treat them fairly. Ethical conduct is vital in earning and retaining trust. Our reputation as a responsible and trustworthy company depends on the actions of every employee and affiliated person. We expect all of employees and agency partners to operate at the highest ethical standards and to behave at all times with honesty and integrity, including:

- Compliance with all legal requirements of all states in which business is conducted
- Protecting personal data and any information of a non-public nature
- Ensuring ethical handling of any conflict of interest that may arise

All of our governance policies are available to our employees on our company Intranet. They outline the expectations for how they conduct business and aim to guide our actions, encouraging a way of working which is honest, responsible and respectful. Our Whistle Blower policy provides our employees with a safe and confidential avenue to report concerns regarding ethical behavior. We did not have any reports in 2015. Anti-Fraud, Anti-Money Laundering and Anti-Bribery policies assist our employees in understanding how to comply with local and Federal laws.

In order to sell our policies, an agent must be licensed in the state in which he or she will transact business, must be associated with one of our general agencies and must have a legal contract to represent us. We understand the significance of the relationship our brokers have with our customers. Our due diligence includes background checks and an ongoing program designed to identify specific sales practices that do not meet our high ethical standards.

Privacy and Security

Customer privacy and security of data is a top priority for Legal & General America. We base our privacy policy on the respect that we have for our customers and we are committed to protecting the information that is shared. We explain our position on customer privacy in our Privacy Policy <https://www.lgamerica.com/corporate/privacy>.

To ensure that our company can continue business, we conduct annual testing with our disaster recovery site. Representatives from all departments participate in table top exercises and test the technology and systems in place at the recovery site. We also implemented cyber security testing where participants are provided a cyber security scenario and they define the process to handle the situation. Our network team conducts network penetration testing annually which is focused on the external aspect of our network, such as Web, firewall and routers. The 2015 tests (an initial and final) resulted in a report of potential findings (may be a risk issue) after the initial test, and the second test resulted in no new findings.

Fraud training is provided annually to our employees. At Legal & General America, our goal is to detect, identify, deter, investigate and report suspected fraud. As part of our fraud review process, claims, applications, written communications, telephone calls and other circumstances are reviewed with the specific goal of indentifying fraud related indicators, red flag events and situations or behavior indicative of fraud schemes. All new employees attend fraud training, and thereafter, all employees must attend training to maintain fraud awareness, including specific training on money-laundering. Employees will be trained to recognize fraud indicators and the process for reporting them to the SIU (Special Investigative Unit).

Our Special Investigative Unit (SIU) is responsible for company-wide fraud detection and resolution activities to find suspected fraudulent applications for coverage, policy benefits or claims. This unit ensures that fraud investigations are handled properly and according to policies and procedures, and reporting to appropriate authorities.

We also conduct a quarterly OFAC (Office of Foreign Assets Control) review. As an insurance carrier, we are prohibited in engaging in transactions that in any way involve individuals or organizations that are identified by OFAC as terrorists. On a quarterly basis, we compare names of all persons and entities referenced in their respective policies against the OFAC report. We did not have any matches in 2015.

Governance and Policies

We have teams of people in all areas and levels of our company whose job is to make sure that we are constantly refining what we do for our customers and that we operate in a fair way. We want our customers to feel confident that we are factoring the best outcomes for them into the way we do business.

Our governance policies display the commitment we have made to our customers and other stakeholders, setting standards and procedures to ensure effective governance and control. The policies are mandatory and are the responsibility of our senior executives to make sure that they are followed.

Our governance policies include:

- Business Ethics Policy
- Anti-Fraud Policy
- Whistle Blower Policy
- Risk Governance Framework
- Taxation Policy
- Anti-Money Laundering Policy
- Reinsurance Policy
- Internal Audit Charter

Our governance committees are in place to ensure that policies and procedures are followed and our stakeholders are protected. The committees also ensure that our policies and procedures are compliant with all locations that we conduct business; we offer and develop responsible products for our customers; and respond to customer complaints efficiently and respectfully.

- Risk and Compliance Committee
- Pricing Committee
- Asset and Liability Committee
- Claims Committee
- Board Level Risk Committee
- Audit Committee
- Complaint Committee
- Product Implementation Committee

All of our corporate policies are available on our corporate Intranet, allowing immediate access to all employees for review as needed. Each corporate policy is reviewed annually for regulatory and procedural changes, and updated to the Intranet.

Examples of how we ensure our employees are aware of our governance policies include:

- All employees are required to participate in the on-line training for Anti-Money Laundering and Anti-Bribery.
- All officers and management staff receive the Business Ethics Policy with a questionnaire annually for completion.
- Employees are required to inform our Legal & Compliance area of any gift exchanged with business partners.
- All employees are required to participate in on-line Security Awareness training.

Market Conduct Exams and State Reviews

Each state where we are licensed to conduct business may audit our customer files and business practices. In 2015, two market conduct exams were finalized. One state had a finding of applications accepted from an un-licensed agent. The result of that exam resulted in a \$1,000 penalty for our company. We have not received the results of the other state examination. A third state began their exam in Fall 2015.

Market conduct exam results are presented to the Board of Directors quarterly.

Consumer Complaints

A Complaint Committee comprised of officers and managers from various departments throughout the company meet regularly to review consumer complaints. The committee's goal is to work together to effect a positive approach to resolving issues. These complaints are another means of feedback to identify areas for improvement. The Committee works to ensure that all complaints are dealt with in a courteous and effective manner and are resolved without delay.

We received eight-six complaints in 2015 between Banner Life Insurance Company and William Penn Life Insurance Company of New York. Eighty-three complaints were closed in 2015, representing less than 0.007% of inforce policies. Consumer complaints and findings are presented to the Board of Directors quarterly.

Responsible Marketing and Sales

Our products and marketing efforts are designed to be easily understood by our customers and policyholders. We adhere to readability standards and strive to use plain English in all communications. Our products are delivered by licensed advisors who assess the needs and financial wherewithal of each individual and they do not promise extraordinary or rapid returns. We do not sell to minors and do not accept credit card payments other than for the first policy premium. All of our policy forms are filed with the states for approval prior to use with our consumers. The state regulators are stakeholders too as they strive to protect their consumers.

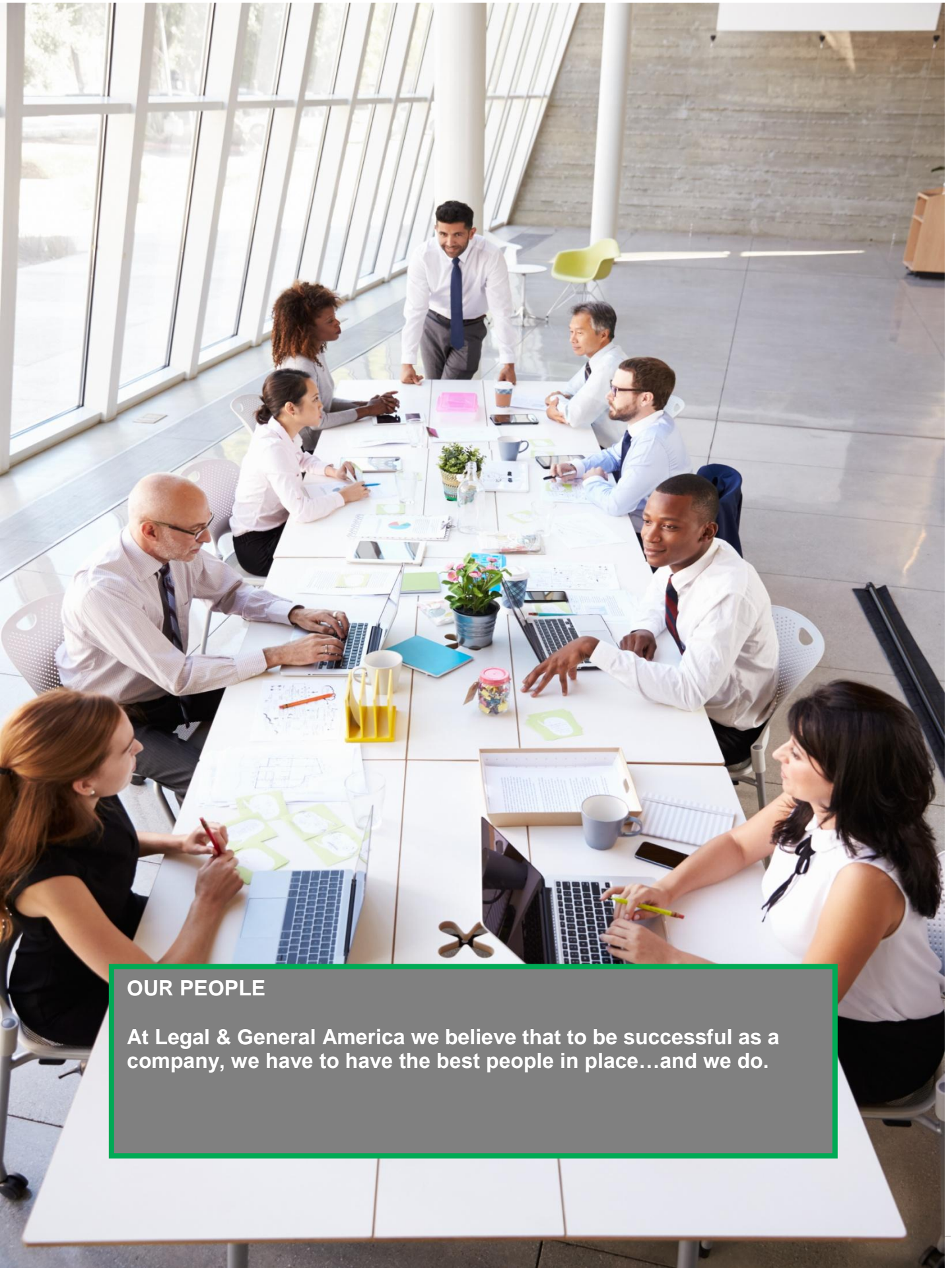
Our agency partners receive quarterly reminders about our advertising compliance regulations. We expect them to adhere to proper due diligence and ensure that advertising materials accurately explain our products and processes. Advertising materials must be submitted and approved by Legal & General America prior to use. We also require that all agency partners comply with all Federal, state and local privacy laws.

Risk Management

Our Risk Management department is responsible for the oversight and challenge of the company's risk landscape; overseeing the flow of information on risks as well as mitigation actions and issues with a specific focus on:

- Analysis and interpretation of risk themes and trends within the business;
- Escalation of risk events in line with the agreed governance framework;
- Review and challenge of the adequacy and appropriateness of business process and controls within the risk management framework;
- Coordinate of the reporting of risk matters to governance/risk committees, and assessing the completeness and quality of risk reporting; and
- Risk analysis for new products, changes to existing products and/or new strategic initiatives.

The Risk Management department works in conjunction with all areas of the business to ensure risk compliance.



OUR PEOPLE

At Legal & General America we believe that to be successful as a company, we have to have the best people in place...and we do.



At the core of our success are our people. We endeavor to create a rewarding corporate environment that supports the collaborative efforts of a diverse staff. We are transforming the work experience by investing in our people to be at their best and enable them to innovate.

Our success depends on their engagement, talent, passion, innovation and desire to continue to learn and grow.

We attract and retain the best most productive staff by:

- Providing a flexible working environment
- Offering ample opportunity for training, self improvement and innovation
- Providing rewards for hard work and success
- Offering an opportunity to better society and the lives of our customers
- Enabling them to achieve great results

Talent and Investing in our People

We are transforming the work experience and investing in the future of our employees. Long-term retention and development of our staff is fundamental to our success.

- Over 7% of our staff received promotions in 2015
- Over 20% of our staff have been with the Company greater than 10 years
- Close to 32% of our staff work remotely
- Voluntary turnover remains around 10%
- 81% of the staff agree that they have an opportunity to learn and develop at work
- Over \$600 per employee spent in staff development activities

A variety of options are available for learning and development such as on-line classes, on-the-job course work, and tuition reimbursement as staff further their formal education and attendance at internal/external seminars.

Through the Learning Hub, on-line classes provide coursework, popular book summaries, toolkits for managers, career development resources and information on topics ranging from high performing teams to change management and problem solving.

Our Open Sesame on-line courses cover a variety of topics from software skills, project management, leadership, managing virtual teams, communication, and customer service. A total of 122 employees completed 208 on-line courses in 2015.

Industry sponsored courses, offered by LOMA (Life Office Management Association), CLU (Chartered Life Underwriter), ALU (Academy of Life Underwriting) and Society of Actuaries provide staff a way to further their knowledge about the industry in which they work, become credentialed, and potentially advance their careers. In 2015 we had 5 employees earned their CLU designation. Additionally 316 employees completed over three hundred courses with a passing ratio of 92%, with staff earning 44 designations.

Annually we participate in a strategic talent review process where we review the growth potential of our current staff and outline potential succession opportunities. Development plans are updated for high performing staff to ensure continued expansion of skills and contribution to key business projects. This annual process provides LGA with the year-long plan to ensure we are recruiting, developing and retaining the talent needed for business success.

We're Still Listening – Everyone's Voice Matters

“Spark Tank” was created as a magnet for big ideas and was borne out of feedback from staff on our Engagement Survey! The program is designed to:

- Provide a visible process through which all staff are confident their ideas are being heard at the top levels in the organization
- Provide a mechanism for feedback to staff on the viability of their idea and the outcome of the presentations to senior leaders
- Generate ideas that help move the company forward and expand in new directions

The only caveat is, all ideas must solve a problem or create an opportunity such as improving our consumers' experiences; enhance agency relationships; manage risk; reduce expenses and/or increase profits; reduce new business cycle times; increase brand awareness; and, expand into new markets/products.

In 2015 employees submitted 37 ideas for senior managements' consideration. Of those, approximately 20% were approved for further research and development.

Mid-year, a special “Spark Challenge” was issued to staff. We wanted to find out how we could make their work environment simpler and more efficient. Several new ideas were generated and acted upon. In closing the feedback loop, a staff communication process was created with an update on which of their ideas were being implemented and which were being researched.

Employee Engagement Survey

Our staff needs to be highly engaged in our business strategy and focus to achieve our corporate mission and deliver outstanding results. To help measure the work environment and our leadership, we participate in an independent worldwide engagement survey giving staff a voice in identifying what we are doing well and where improvements can be made. It also provides leadership with an understanding of how well staff is engaged in our business strategy and demonstrates that their voices and opinions matter by implementing many of their ideas. Our 2015 survey participation score at 94% shows that our staff remain interested in providing their opinions to help make Legal & General America a success and a great place to work.

Our Engagement Index score remains high at 85%

- 88% are proud to work for LGA
- 85% believe we offer customers great products and services
- 88% are committed to LGA's vision
- 79% recommend LGA as a great place to work
- 94% understand their role in ensuring LGA is an ethical company
- 88% believe we keep the customer/client at the heart of everything we do

- 91% are confident that LGA treats customers/clients fairly
- 73% are under an acceptable level of pressure in their jobs
- 66% feel their overall rewards (base, bonus, benefits) are fair

The Leadership Index focusing on managers and senior managers' behaviors and outcomes remained fairly constant at 76% (77% 2014). Senior managers need to continue to encourage all staff to work together and support their teams in making changes that allow them to work more effectively, hence the creation of the Simple Spark Survey.

While our overall results were positive, we will take a close look at several recommended areas to identify opportunities to improve.

Wellness

Health and wellbeing is a core part of our engagement strategy and directly links to our overall corporate strategy. Our goal is for our employees to be healthy and fit, so that while they are at work they perform at their best. This also carries into their personal lives allowing them to enjoy a more active lifestyle with family and friends. We focus on preventative care to resolve health issues before they lead to absence. We provide a full on-site fitness center open to all employees and their families and offer several on-site wellness seminars, fitness challenges and preventative health fairs.

In 2015, we carried out a year-long campaign to raise awareness including:

- February & March: CPR Training – partnered with CorpOHS to provide CPR training to interested staff
- May: Seminar – Why You Need Water in Your Life
- June: Yoga session
- Summer season: Big White Barn – The Big White Barn is a Community Supported Agriculture (CSA) member who we partnered with to deliver fresh produce to employees at the office
- July: Seminar – How to prepare a healthy meal using fresh produce
- September – October: Team based Fun & Fit Challenge – Measurements of BMI (Body Mass Index), Percent of Body Fat, and weight were taken at the start and end of challenge. The winning team lost a total of 9.79 pounds and combined weight loss of all forty eight participants was approximately 31 pounds. The challenge was not restricted to weight loss but overall wellness education: healthy eating and exercising. This program challenged participants to try new activities to keep exercising fun and engaging. Several employees took trapeze classes, participated in mud runs, and some went exploring new places. The program was designed by Beyond Excellence, credentialed wellness experts and a Wellness committee member. In addition, The Maryland State Health Department provided us great resources that related to each of our featured activities and seminars. All materials were made accessible to all staff. Information included links to free guided online meditations, meal planning templates, health recipe websites, and exercise guides.
- September:
 - Meatless Monday Seminar – How to prepare a healthy meal without meat
 - Get Pumped – Instructors from Beyond Excellence were on-site in our fitness center to answer questions on proper form and use of equipment and examined the best workouts for the results staff wanted to see in themselves.
 - Meditation seminar
- October: Health Fair
 - Annual Health Fair included flu shots for staff and spouses, seated massage, body composition analysis, representatives from Anytime Fitness and Sol Yoga
 - Conducted a yoga session
 - Conducted a healthy smoothie seminar
 - Breast Cancer awareness – offered screening and diagnostic mammograms in partnership with the Frederick Regional Health System
- October: Power of Habits Seminar
- Wellness library – we provide a library of wellness-focused books, magazines, cookbooks and DVDs to staff for check out to help educate them on a variety of health topics

A healthy mind is as important as a healthy body. We offer a free, confidential Employee Assistance Program (EAP) that lets staff and any members of their household speak with trained counselors who give personalized support and provide resources for emotional, family, financial, and legal issues. In 2015, 3.3% of staff utilized the program, up slightly from

2014 (2.7%). The top three utilization categories were: legal, depression, and other mental health issues. In 2014, the top three utilization categories included: legal, child/parent issues, and adult/elder issues.

Awards



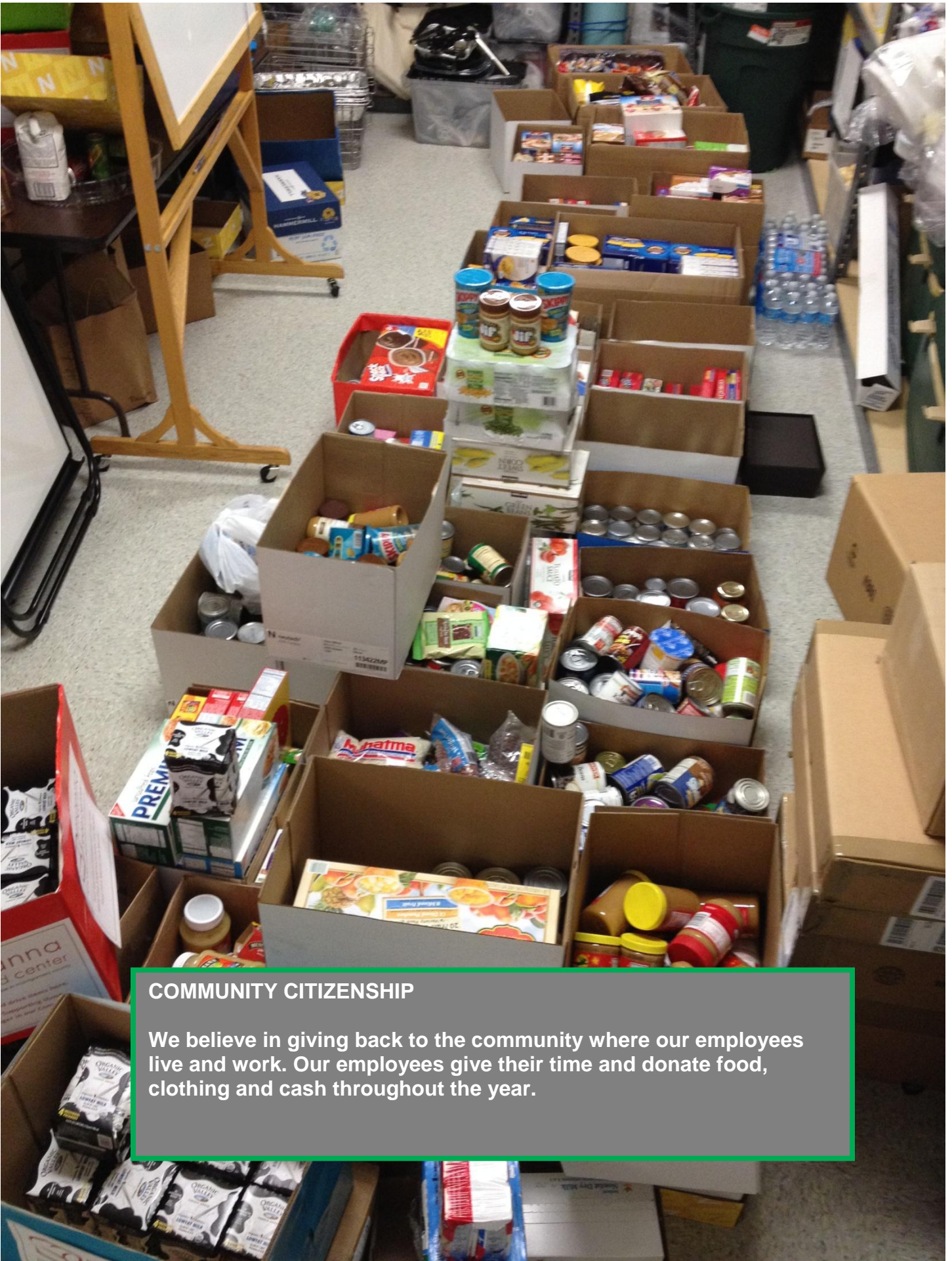
Legal & General America was awarded The Healthy Workplace Gold Certificate in June 2015 by the joint coalition of the Frederick Regional Health System, Frederick County Health Department and the Frederick County Chamber of Commerce. This is the 2nd year that we received an award; we received the silver certificate in 2014.

We were also recognized by Healthy Maryland Business in September 2015 for our wellness programs and initiatives.

<http://md-frederickcountyhealth.civicplus.com/DocumentCenter/View/1311>

The Engagement Survey shows that several of the wellbeing indicators demonstrate our commitment to the health and wellness of our staff:

- 86% agreed, “My manager cares about my wellbeing.” (84% - 2014)
- 77% agreed, “I am able to achieve the right balance between my work and home life.” (73% - 2014)
- 73% agreed, “I am under an acceptable level of pressure in my job.” (70% - 2014)



COMMUNITY CITIZENSHIP

We believe in giving back to the community where our employees live and work. Our employees give their time and donate food, clothing and cash throughout the year.

► In the Community

In many instances, we try to align our community investments with our purpose, helping families achieve financial security. It's not just about the money the Company and staff contribute, but employee volunteer opportunities improve engagement and strengthen ties between the Company and our communities.

Volunteerism

At Legal & General America we encourage our employees to volunteer their time and provide help with fundraising activities for non-profit organizations. We are very proud of our employees and their efforts to make everyday matter for everyone in the community. Our volunteering policy allows staff to volunteer up to two days (paid leave) per year to participate in charity work involving nonprofit, civic, cultural, social service or educational organizations. In 2015, our employee's volunteered 723 hours, or the equivalent to 93 days.

Chairman's Community Awards

Volunteerism is strongly encouraged throughout all of the Legal & General Group. Each year, John Stewart, Chairman of Legal & General Group, hosts a Community Awards luncheon to recognize outstanding achievement in community service in seven (7) categories, such as inspiring young people, champions of the earth, helping hands for the elderly, and community spirit. Winners in each of the categories receive a donation to their charity. In 2015, two employees were nominated from Legal & General America. Joni Stout (Underwriting) was nominated and won the award for Community Spirit. Amy Manning (Claims, SIU Analyst) was nominated and a finalist for the Charity Ambassador award. Over 6,500 votes were cast for all nominees (from all L&G locations). We are extremely proud of both Joni and Amy for their volunteer efforts.

Community Partnerships

We continue to partner with several community organizations and activities designed to help improve the lives of others.

Wider Circle

The mission of the Wider Circle is to end poverty for one individual and one family at a time. Legal & General America has assisted over the past few years with school supply and clothing drives as well as mentoring at-risk youth to develop the skills necessary to obtain employment. Our Human Resources department assists with their Workforce Readiness program with resume writing, interview preparation and professional clothing drives. <http://awidercircle.org/how-we-help/>



Manna Food Center

Manna is a local food center that strives to eliminate hunger through food distribution, education and advocacy. Local businesses like Legal & General America, work collaboratively with local elementary schools to help children at risk of hunger. Our employees volunteer on their own time and during working hours, to assist with food distribution and stocking and organizing pantry shelves.



R.I.S.E. Program

(Relationship Integrity Strength Example)

We partner with a local elementary school to mentor at-risk children in grades 3-5. Legal & General America sponsors two monthly meetings where our employees mentor the youth, create and oversee various activities and provide a nourishing meal.



SHIP of Frederick County

(Student Homelessness Initiative Partnership)

We held a fund raising event to help support this non-profit organization that addresses the urgent needs of Frederick County public school students encountering homelessness. SHIP's goal is to provide homeless children with items to help lead normal lives. All children should have clothing, shoes, food and the ability to participate in activities like their peers.

<http://www.shipfrederick.com/>

Charitable Donations

Legal & General America supported over 360 nonprofit organizations in 2015 because we believe giving back is the right thing to do. Our two major corporate programs reflect the personal interests of our staff by matching their gifts to qualified organizations (US 501(c)(3)).

Through our Matching Gifts Program, the Company will match an employee gift up to \$1,000 annually. Forty-nine staff utilized this program for matching gifts totaling \$6,764.

However, our signature fundraising event is our Annual Charity Drive where we have a tremendous opportunity to make a difference in the lives of those in need in our communities. Each year a Chairman is selected to organize the two week campaign where we feature several charitable organizations. While the main goal is to raise funds for others less fortunate we also take the opportunity to have a bit of fun. All monies raised from the activities held during the two week campaign are matched and donated to the featured charities. During that time, staff have the opportunity to select and donate (either one time gifts or through payroll deductions) to their favorite charities – again donations are matched by the Company. In 2015, our staff contributed \$373,616 to 330 different charitable organizations and when matched by the Company, doubled to \$747,232!

Additionally, the Company made a donation to the NAILBA (National Association of Independent Life Brokerage Agencies) Charitable Foundation of \$33,000. The NAILBA Charitable Foundation provides grant funds to worthy charitable organizations that serve to enhance the quality of life for those less fortunate, with a special emphasis on children.

<http://www.nailbacharitablefoundation.org/home> <http://www.nailbacharitablefoundation.org/grants/grant-recipients>

Lastly, as a corporate business partner in the Frederick community, an area that serves many of our staff, we are privileged to have made a five year financial commitment to Frederick Memorial Hospital's (FMH) building efforts to expand its award winning oncology program into a fully integrated, comprehensive cancer care center known as the James M. Stockman Cancer Institute. FMH broke ground on the new facility in March of 2016 with the intent of opening to patients in the Summer of 2017. [http://www.fmh.org/workfiles/Fall%202015%20Donor%20Report%20\(Reduced\).pdf](http://www.fmh.org/workfiles/Fall%202015%20Donor%20Report%20(Reduced).pdf)



ENVIRONMENT

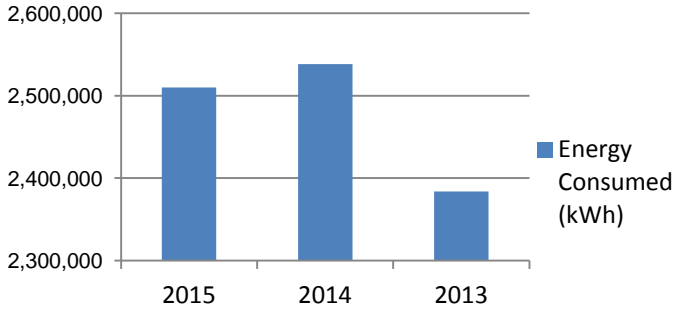
At Legal & General America we are committed to reducing our direct impact to the environment.

Environmental Management

As an office-based company, our direct impact on the environment is fairly minor. However, we remain cognizant that in running our business we are consuming natural resources and are constantly seeking ways to reduce our environmental footprint.

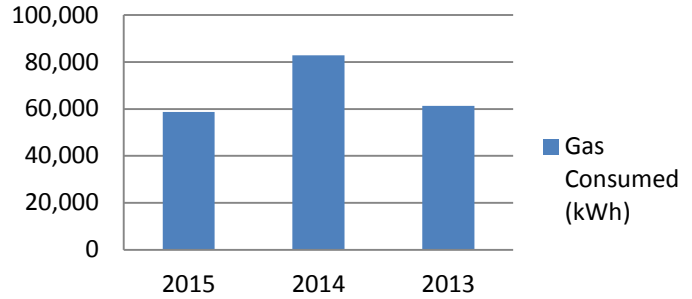
A summary of our natural resource consumption is listed in the charts below.

Energy Consumption



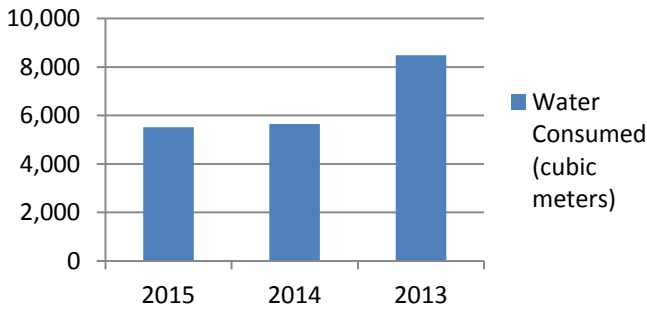
Energy consumption is comprised of all equipment, HVAC and building lighting. Outdoor temperatures can cause the HVAC usage to vary.

Natural Gas Consumed



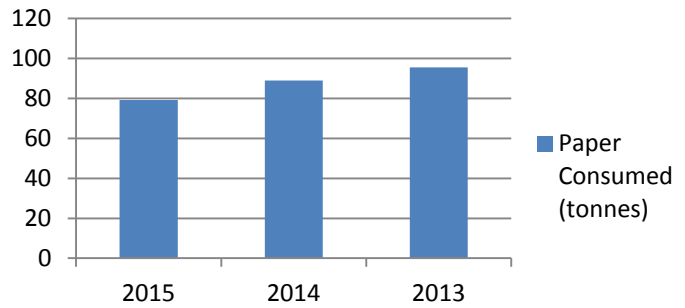
Our building uses natural gas to start the heating system in the building. Once the heat system has started, the gas turns off. Outdoor temperatures determine whether natural gas is required.

Water Consumption



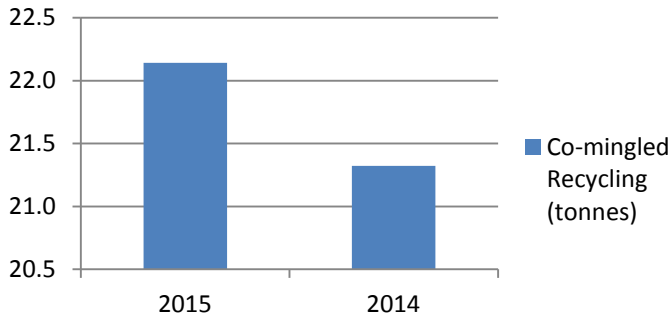
Water consumption – 2013 was high due to irrigation system water line break.

Paper Consumed (tonnes)



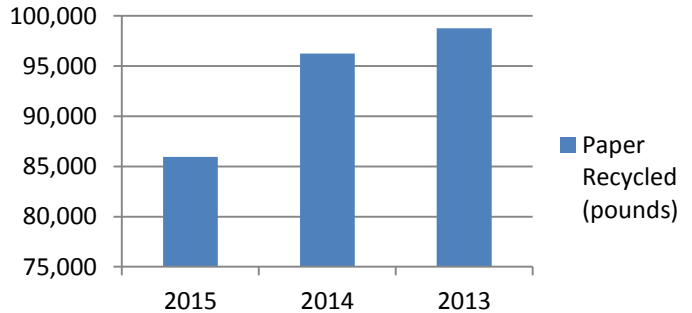
Our E-Delivery of policies and documents has helped reduce paper consumption.

Co-mingled Recycling (tonnes)



Comingled recycling includes beverage containers and cardboard.

Paper Recycled



Paper recycling has reduced due to E-Delivery and reduction in general office printing.

Our corporate office in Frederick, Maryland, was certified as Silver LEED (Leadership in Energy and Environmental Design) interiors for new construction in March 2012. We achieved that certification in part due to:

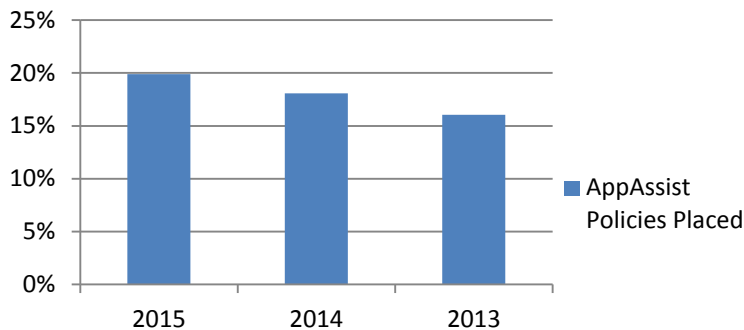
- Installation of occupancy sensors for lights
- Hands-free water devices
- Installation of workstations made of 53% recycled materials which at the end of their useful life will be 78% recyclable

Energy efficiency is important to Legal & General America. We have received the EPA's Energy Star Certification award for the past three years (2013-2015). This award indicates that our building uses 35% less energy and generates 35% fewer greenhouse emissions than similar buildings across the nation.

Examples of what we do to reduce our impact to the environment:

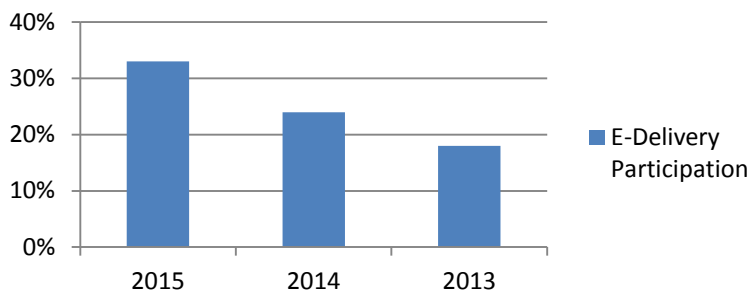
- Purchase FSC (Forest Stewardship Council) certified or recycled paper products
 - Purchase general office supplies that are made from recycled materials
 - Reduce our water consumption
 - Purchase new equipment which requires less energy consumption
 - Encourage digital access to business documents for our customers, agency partners and individual advisors
- Examples of digital access include:
- QDR (Quotes Done Right) – QDR is a web-based term life insurance generator and consumer quoting tool. This application enables our agency partners to provide customers with quotes immediately and allows the customer to be sent to our AppAssist Call Center to complete an application.
 - AppAssist – The AppAssist program reduces the sales process time for agency partners and customers to a simple Request for Life Insurance Interview to expedite the application process. The formal application and related forms are then completed via telephone interview by our call center.

AppAssist Policies Placed



- E-Delivery – Electronic delivery of policies and other business documents to our customers and agency partners.

E-Delivery Participation





ABOUT THE REPORT

This report provides commentary, disclosures and data on how we achieve our financial success while taking economic, social and environmental factors into account.

► About the Report

We have written our corporate responsibility report primarily for customers, non-governmental agencies, investors and others with a particular professional interest in our approach to sustainability.

What we report

This is our first corporate responsibility report. Our parent company, Legal & General Group PLC produces a corporate responsibility report which includes data from their subsidiaries <http://csr.legalandgeneralgroup.com/csr/>.

Timeframe

This corporate responsibility report spans January to December 2015.

Feedback

We welcome feedback and questions from readers. Please direct inquiries to:

Janet Jacobs

Senior Manager, Corporate Services

Email: JJacobs@LGAmerica.com

Phone: 800-638-8428 x4891

Barbara Esau

Vice President, Human Resources

Email: BEsau@LGAmerica.com

Phone: 800-638-8428 x4895

Legal & General America
3275 Bennett Creek Avenue
Frederick, MD 21704-7608