***Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852***

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

**Product name:**
L&G Clean Energy UCITS ETF

**Legal entity identifier:**
213800YPKIE4MZMQHK38

# Sustainable investment objective

**Did this financial product have a sustainable investment objective?**

| **X Yes** | **No** |
|---|---|
| X It made **sustainable investments with an environmental objective:** 99.95% | It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments |
| X in economic activities that qualify as environmentally sustainable under the EU Taxonomy | with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| X in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | with a social objective |
| It made **sustainable investments with a social objective:** 0% | It promoted E/S characteristics, but **did not make any sustainable investments** |

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The sustainable investment objective of the Fund was to provide exposure to the global clean energy industry. The Fund sought to achieve its investment objective by tracking the performance of the Solactive Clean Energy Index NTR (the "Index").

The Index was a reference benchmark that had been designated for the purpose of attaining the sustainable investment objective of the Fund.

The extent to which the sustainable investment objective of the Fund was met can be illustrated by each of the sustainability indicators reported on below.

### *How did the sustainability indicators perform?*

Third-party data forms the basis of calculations used within this section. Third party data is utilised under licence and with the data providers' legal permission. Whilst all reasonable endeavours are taken to ensure the data provided is accurate, it is important to note that the third-party data providers assume no responsibility for errors or omissions and cannot be held liable for damage arising from the use of their data within the calculations and any reliance you place on the calculations.

| Sustainability Indicator | Performance |
|---|---|
| 1. The proportion of the relevant comparator index excluded through the application of the **exclusionary criteria** set out below; | This Fund doesn't have a published parent index, but its broad universe is a list of companies with various thematic-related fields, provided by research experts in the given field. For this index, administrated and calculated by Solactive, the proportion of holdings excluded due to the ESG exclusions of the index was 0.00%.<br><br>If the exclusions in place were compared against the total eligible investment universe (subject to liquidity and trading constraints) 4.44% of the holdings would have been excluded. |
| 2. Exposure to the **sustainable theme** set out below; | 99.95% |

***…and compared to previous periods?***

| Sustainability Indicator | Performance Year ending 30 June 2023 | Performance Year ending 30 June 2024 | Comments |
|---|---|---|---|
| 1. The proportion of the relevant comparator index excluded through the application of the **exclusionary criteria** set out below; | This Fund doesn't have a published parent index, but its broad universe is a list of companies with various thematic-related fields, provided by research experts in the given field. For this index, administrated and calculated by Solactive, the proportion of holdings excluded due to the ESG exclusions of the index was 0.68%.<br><br>If the exclusions in place were compared against the total eligible investment universe (subject to liquidity and trading constraints) 4.39% of the holdings would have been excluded. | This Fund doesn't have a published parent index, but its broad universe is a list of companies with various thematic-related fields, provided by research experts in the given field. For this index, administrated and calculated by Solactive, the proportion of holdings excluded due to the ESG exclusions of the index was 0.00%.<br><br>If the exclusions in place were compared against the total eligible investment universe (subject to liquidity and trading constraints) 4.44% of the holdings would have been excluded. | |
| 2. Exposure to the **sustainable theme** set out below; | 97.13% | 99.95% | |

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**Principal adverse impacts** are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and anti-bribery matters.

***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

Through the application of the exclusions listed below, the fund ensured that the investments it held did not significantly harm any environmental or social objectives.

The Fund applied the following exclusions through tracking the Index in accordance with the Index methodology:

- companies which were non-compliant with the UN Global Compact,
- companies that were associated with a controversy (i.e. companies that have been involved in events that have a severe impact on the environment and society, posing serious business risks to the company),
- companies that were involved in the production or retail of tobacco, or are a related product/service,
- companies that were involved in military contracting weapons or related products,
- companies that were directly involved or indirectly involved through corporate ownership, in controversial weapons,
- companies that were involved in thermal coal extraction, power generation or supporting products/services, and
- companies that were involved in the production of unconventional and conventional oil and gas.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

The Investment Manager assessed the Index against all sustainability indicators outlined in Table 1 of Annex I of Commission Delegated (EU) 2022/1288 (the "SFDR Level 2 Measures") and a majority of them were taken into account directly or indirectly by application of the above-listed exclusions. A direct approach occurred where an exclusionary screen incorporated, in its methodology, the metric defined in Table 1 of Annex I of the SFDR Level 2 Measures relating to the relevant sustainability indicator. The indirect approach incorporated different metrics that were not defined in Table 1 of Annex I of the SFDR Level 2 Measures but associated with the sustainability indicators, such as norms-based or controversy screens to exclude issuers involved in violations. It was noted that a small subset of sustainability indicators were not directly or indirectly mapped to the above-listed exclusions following consideration of their appropriateness to the Fund's investment strategy. The rationale for this may have included inadequate data quality or coverage, or limited relevance to the Fund's eligible investment universe.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the application of the sustainability-related investment strategy used to attain the sustainable investment objective. In particular, the Index was designed to comply with the principles of the United Nation Global Compact and excluded companies that were associated with a controversy (i.e. companies that have been involved in events that had a severe impact on the environment and society, posing serious business risks to the company). Accordingly, the Fund's investments aimed to indirectly follow the UN Guiding Principles on Business and Human Rights, as well as the OECD Guidelines for Multinational Enterprises.

### How did this financial product consider principal adverse impacts on sustainability factors?

The Fund considered principal adverse impacts, that were identified using the above-mentioned indicators, by tracking the Index that employed the sustainability-related investment strategy outlined in the "What actions have been taken to attain the sustainable investment objective during the reference period" section below in line with its methodology. For example, the Fund used the ‘Exposure to companies active in the fossil fuel sector’ indicator (indicator 4 of Table 1 of Annex I of SFDR) to identify principal adverse impacts relating to greenhouse gas emissions and then considered and took actions in relation to principal adverse impacts identified through tracking the Index that excluded companies that were involved in (i) thermal coal extraction, power generation or supporting products/services, (ii) the generation, production of conventional oil and gas, or supporting products/services, or (iii) in oil sands extraction, arctic oil & gas exploration/extraction or shale energy extraction.

Further information on how the Manager and the Investment Manager consider principal adverse impacts on an entity level can be found in the Sustainability Policy which is available on LGIM’s website.

The Fund considers the principal adverse impacts identified in the table below, through the implementation of the Fund's sustainability-related investment strategy.

| PAI | Metric | Impact Unit | Coverage |
|---|---|---|---|
| PAI 4: Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 14.33% | Fossil fuel exposure data were sourced from Sustainalytics. Data coverage was above 95%. |
| PAI 5: Share of non-renewable energy consumption and production | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources | Consumption: 71.71%<br>Production: 21.48% | Share of renewable energy production and consumption data were sourced from Sustainalytics. Data coverage for production was below 45% while consumption was above 45%. The low coverage for production may be due in part to the limited number of companies and sectors involved in producing energy. The coverage for consumption may depend on the extensiveness of company disclosure. |
| PAI 10: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 0.00% | Data pertaining to violations UNGC and OECD guidelines for Multinational Enterprises were sourced from LGIM's Future World Protection List. This proprietary |

| | | | |
|---|---|---|---|
| | | | methodology identified perennial violators that were in breach of at least one of the UNGC principles for a continuous period of three years or more. The underlying data used to identify these companies were sourced from Sustainalytics, which takes into account both UNGC and OECD guidelines. The proportion of eligible holdings was 99.95%. |
| PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | 0.00% | Controversial weapons data were sourced from LGIM's Controversial Weapons Policy. The methodology was proprietary to LGIM, while the underlying data used to identify these companies was sourced from Sustainalytics. The proportion of eligible holdings was 99.95%. |

**What were the top investments of this financial product?**

The list includes the

investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 July 2023 to 30 June 2024

| Largest investments | Sector | % Assets | Country |
|---|---|---|---|
| NEOEN SA EUR NPV | Energy | 3.15% | France |
| SIEMENS ENERGY AG NPV | Industrial | 3.10% | Germany |
| IBERDROLA SA EUR0.75 | Utilities | 2.84% | Spain |
| AMERESCO INC-CL A USD0.0001 | Utilities | 2.82% | United States |
| FIRST SOLAR INC USD0.001 | Energy | 2.81% | United States |
| FUGRO NV EUR 0.05 | Energy | 2.78% | Netherlands |
| NEXTERA ENERGY INC USD0.01 | Utilities | 2.76% | United States |
| NEXANS SA EUR1 | Industrial | 2.73% | France |
| SUMITOMO ELECTRIC INDUSTRIES NPV | Consumer, Cyclical | 2.71% | Japan |
| VALMET OYJ NPV | Industrial | 2.71% | Finland |
| ANDRITZ AG NPV | Industrial | 2.69% | Austria |
| WEST HOLDINGS CORP NPV | Utilities | 2.69% | Japan |
| BORALEX INC -A NPV | Utilities | 2.68% | Canada |
| MARUBENI CORP NPV | Consumer, Cyclical | 2.66% | Japan |
| ACCIONA SA EUR1 | Industrial | 2.66% | Spain |

The Top 15 holdings above reflect the weighted average over four quarters in the Fund's portfolio during the reporting reference period.

Holdings were based on Administrator data, which included cash and derivative instruments if held.

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**Asset allocation** describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy** energy, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

## What was the proportion of sustainability-related investments?

Information on the proportion of the Fund invested in investments that qualify as environmentally and socially sustainable investments during the reference period is provided below.

### *What was the asset allocation?*

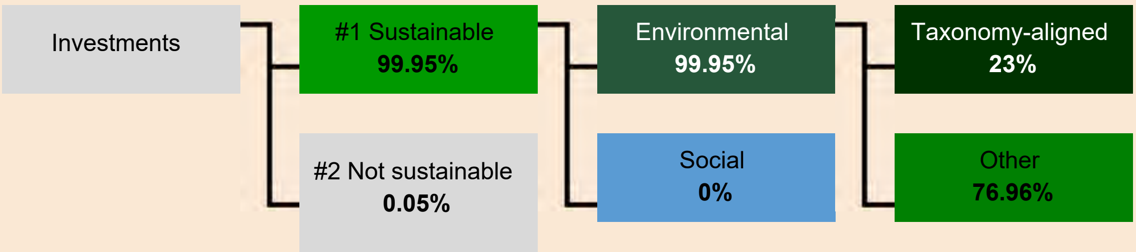
The Fund invested 99.95% of its portfolio in investments that qualify as sustainable (#1), all of which provide direct exposure to investee companies.

The Fund invested 99.95% of its portfolio in environmentally sustainable investments and 0% of its portfolio in socially sustainable investments.

The remaining portion of investments were not used to meet the sustainable investment objective and fell under #2 Not sustainable.

The purpose of the remaining portion of investments, including a description of any minimum environmental or social safeguards, is set out below.

The asset allocation reflects the Fund's portfolio at the end of the reporting reference period.




**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

### *In which economic sectors were these investments made?*

Investments were made in the following sectors. Economic sectors are based on Administrator data and are in line with the Top 15 holdings of the Fund.

| Sector | Sub-sector | % Assets |
|---|---|---|
| Energy | Energy - Alternate Sources | 29.30% |
| Utilities | Electric | 24.60% |
| Industrial | Machinery - Diversified | 7.97% |
| Consumer, Cyclical | Distribution / Wholesale | 7.75% |
| Industrial | Engineering & Construction | 7.40% |
| Industrial | Machinery - Construction & Mining | 5.12% |
| Industrial | Electrical Components & Equipment | 4.68% |
| Energy | Oil & Gas Services | 2.79% |
| Consumer, Cyclical | Auto Parts & Equipment | 2.71% |
| Basic Materials | Chemicals | 2.56% |
| Consumer, Cyclical | Auto Manufacturers | 2.55% |
| Other | | 2.57% |

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** expenditure (CapEx) showing the green investments made by investee companies, e.g.for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund did not commit to investing more than 0% of its assets in investments aligned with the EU Taxonomy. The Fund's actual exposure to investments which were aligned with the EU Taxonomy was 23%.

**Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

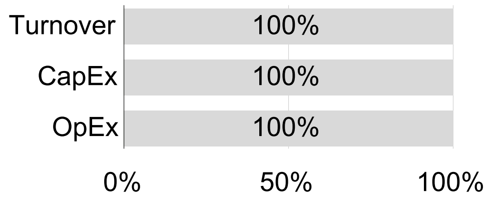
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

X No

***The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy alignment of sovereign bonds*, the first graph shows the taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

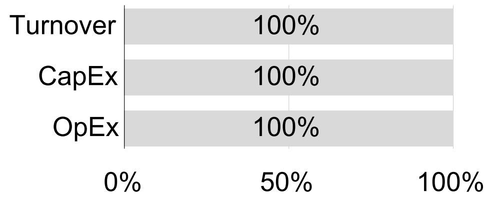
1. Taxonomy-alignment of investments **including sovereign bonds***




■ Taxonomy-aligned (no gas and nuclear)

■ Non Taxonomy-aligned

2. Taxonomy-alignment of investments **excluding sovereign bonds***




■ Taxonomy-aligned (no gas and nuclear)

■ Non Taxonomy-aligned

This graph represents up to 100.00% of the total Investments.

** For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- ***What was the share of investments made in transitional and enabling activities?***

The Fund did not commit to making any investment in transitional and enabling activities. It has been deemed that the Fund's exposure to investments made in transitional and enabling activities is 0%.

- ***How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?***

The Fund did not disclose EU Taxonomy alignment in the previous reference period, so no comparison is available.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund invested 99.95% of its portfolio in sustainable investments with an environmental objective not aligned with the EU Taxonomy.

**What was the share of socially sustainable investments?**

The Fund did not invest in any sustainable investments with a social objective.

**What investments were included under "not sustainable", what was their purpose and are there any minimum environmental or social safeguards?**

In accordance with the Fund's investment policy, "#2 Other" may have included cash, depositary receipts, money market funds and derivatives. Such investments may have been used for investment purposes and efficient portfolio management. Derivatives may have also been used for currency hedging for any currency hedged share classes. Environmental or social safeguards applied by the Index were only applied to instruments that were used to attain exposure to an Index constituent.

The Investment Manager considered ESG factors, including analysis from the relevant responsible investing methodologies as part of assessing the credit risk profile of its most significant counterparties. The Investment Manager had an internal control framework in place to consider and take appropriate action in the event that a significant counterparty failed to meet any minimum standards in respect of such ESG factors as defined by the Investment Manager.

## What actions have been taken to attain the sustainable investment objective during the reference period?

The Fund followed the following sustainability-related investment strategy by tracking the Index:

i.**Sustainable Theme**: The Index was comprised of companies that were actively engaged in the value-chain of the global clean energy industry. “Value-chain” refers to all of the value-creating activities within the global clean energy industry, beginning with the extraction of raw materials and ending with the production of completed products.
ii.**ESG Exclusions**: The Index excluded companies which were constituents of the “ESG Exclusions Index”, namely companies which (i) were non-compliant with the UN Global Compact, (ii) were associated with a controversy (i.e. companies that have been involved in events that have a severe impact on the environment and society, posing serious business risks to the company), (iii) were involved in the production or retail of tobacco, or were a related product/service, (iv) were involved in military contracting weapons or related products, (v) were directly involved or indirectly involved through corporate ownership, in controversial weapons, (vi) were involved in the retail or distribution of small arms to civilians (assault and non-assault weapons) and military/law enforcement customers, as well as key components of small arms, (vii) were involved in thermal coal extraction, power generation or supporting products/services, (viii) were involved in the generation, production of conventional oil and gas, or supporting products/services, (ix) were involved in oil sands extraction, arctic oil & gas exploration/extraction or shale energy extraction, (x) were involved in the production, retail, or related services/products of alcohol, (xi) were involved in the operations, specialised equipment or supporting products/services of gambling, and (xiii) were involved in the production or distribution of adult entertainment.

Such exclusions and the definition of “involvement” were determined by reference to the “ESG Exclusions Index” published by the Index Provider.

LGIM’s firmwide engagement programme covered several themes and issues, including climate change, remuneration, gender diversity, human capital, audit, cyber security, etc., which were capital structure agnostic. Board composition, although influenced by equity holders and shareholder rights, was also relevant to debtholders in ensuring that the board had the necessary expertise and independence to oversee the management and strategy of the organisation.

LGIM’s firmwide stewardship policy can be found here: https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-global-corporate-governance-and-responsible-investment-principles.pdf

Further detail on the Fund’s sustainability-related investment strategy can be found in the Fund’s pre-contractual documentation.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

## How did this financial product perform compared to the reference sustainable benchmark?

Please see response to this section below.

- ***How does the reference benchmark differ from a broad market index?***

The Index differed from the broad market index due to its composition of global companies that were actively engaged in the value-chain of the global clean energy industry and therefore constitutes a smaller sub-set of a broad market index.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

Through tracking the Index, the Fund provided exposure to constituents in accordance with the sustainability-related investment strategy. The sustainability indicators disclosed above highlight how the Index, and therefore the Fund, performed.

- ***How did this financial product perform compared with the reference benchmark?***

The estimated anticipated (ex-ante) tracking error for the Fund in normal market conditions is 0.35% (annualised), which is the anticipated volatility of the difference between the return of the Fund's portfolio and the return of the Index. Using monthly returns over the reporting period, the annualised ex-post tracking error of the Fund was 0.63%.

The tracking was higher than expected due to overexposure from a suspended constituent (EIDF- Energia Innovacion y Desarrollo) that was removed from the index and the fund was unable to sell during this period. When trading commenced in August 2023, the ETF was able to close the position in an orderly fashion to realign with the index.

- ***How did this financial product perform compared with the broad market index?***

Please refer to the performance of the sustainability indicators outlined above which includes a comparison against the comparator index which is a broad market index.