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This addendum (“Addendum”) amends the terms of, forms part of and should be read in conjunction with the Prospectus dated 23 February 2022 (the “Prospectus”), Supplements and any other addenda to the Prospectus.

If you are in any doubt about the action to be taken or the contents of this document please consult your stockbroker, bank manager, lawyer, accountant or other independent professional adviser.

Investors should read the Prospectus in its entirety and should consider the risks described under “Risk Factors” in the Prospectus before investing in the Company.

The Company and the Directors, whose names appear on pages 10 of the Prospectus, are responsible for the information contained in this Addendum and accept responsibility accordingly. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information.

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**Legal & General UCITS ETF PLC**  
*(an umbrella investment company with variable capital and  
segregated liability between its Funds incorporated  
with limited liability in Ireland under  
registration number 459936)*

## **FIRST ADDENDUM TO PROSPECTUS**

Manager

**LGIM Managers (Europe) Limited**

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The date of this Addendum is 28 November 2022.

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## Amendments to the Prospectus

With effect from 28 November 2022, the Prospectus is amended as follows:

1. The "**Sustainability Policy**" sub-section of the "**Investment Objectives and Policies**" section of the Prospectus shall be replaced in entirety with the following sub-section:

### "8. Sustainability Policy

The Manager, in conjunction with its delegate, the Investment Manager has designed and implemented a sustainability policy ("**Sustainability Policy**") which is in line with the requirements set out in the SFDR under Article 3 (Transparency of sustainability risk policies). Under SFDR, "sustainability risk" means an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment ("**Sustainability Risks**"). The Sustainability Policy therefore approaches Sustainability Risks from the perspective that ESG events might cause a material negative impact on the value of Funds' investments.

The Manager and the Investment Manager believe that the consideration of Sustainability Risks reflects a core part of their fiduciary role to act in the best interest of Shareholders. This starts with identifying key macroeconomic Sustainability Risks that could result from inaction in response to the world's environmental or societal challenges. They also believe that opportunities arise from long-term sustainability-related structural changes that can be value creating for investment portfolios. The Investment Manager combines an analysis of these macro drivers with sector-level and issuer-level analysis to determine whether and how companies and assets are positioned in respect of the Sustainability Risks that are most relevant to them.

The Investment Manager's global stewardship themes are based on environmental, social and governance issues that direct most of its sustainability-oriented research and engagement. These encompass climate change, low-carbon solutions, biodiversity, board accountability, tax, cyber security and privacy/ data security, health, transparency, income inequality, executive pay, and diversity. The Investment Manager's internal processes for identifying and prioritising Sustainability Risks are supported by the Global Research and Engagement Groups ("**GREGs**") which bring together representatives from the investment and investment stewardship teams across regions and asset classes. The GREGs enable the Investment Manager to connect top-down macro and thematic views with bottom-up analysis of corporate and sector fundamentals to understand the materiality of Sustainability Risks and prioritise them accordingly. Combining the capabilities of the investment and investment stewardship teams also enables the Investment Manager to scale and coordinate its engagement efforts with companies at board and executive management levels, across all asset class and investment styles.

The Manager and Investment Manager believe Sustainability Risks can be financially material and that integrating ESG considerations is essential to mitigate Sustainability Risks and strengthen long-term returns. They manage Sustainability Risks through the variety of measures outlined below.

#### Active ownership and engagement

The Investment Manager seeks to use its scale and influence to tackle a wide variety of ESG issues that it believes could impact the value of the Funds' investments. Through active ownership, it strives to effect positive change in the companies and assets in which it invests.

The Investment Manager's investment stewardship focuses on client outcomes and broader societal and environmental impacts in its engagements with companies and policymakers. This spans consideration of systemic risks and macro developments through to company specific issues, implemented using the following three-step approach:

- i. Identify
  - Through rigorous research, identify key ESG issues

- Integrate consideration of these into our investment processes, strategies and solutions
- ii. Engage
  - Actively engage with investee companies on ESG issues
  - Work with policymakers, regulators, industry peers and our stakeholders as we seek to raise overall market standards
- iii. Escalate
  - When necessary and where possible, we will vote against and even divest from companies
  - Where possible, withhold investment from companies that fail to meet our minimum standards

The goals for engagement within its global stewardship themes can range from increasing disclosure on key sustainability-related information, to setting universal requirements such as near-term net zero targets, to seeking specific outcomes such as reducing business activities in controversial weapons.

The Investment Manager's voting policies range from minimum expectations such as requiring financial expertise on the audit committee, to clarifications around variable pay performance targets, links to stakeholder experience and ESG measures, and voting to oppose combined chair/CEO roles and all-male boards.

#### Exclusions

Exclusions shall prohibit certain investments across a variety of issues. The Investment Manager employs exclusions at different levels in accordance with the Funds' investment objective and policy:

- Certain Funds implement the Future World Protection List, a set of exclusions of those issuers that fail to meet certain minimum standards of globally accepted business practices. Further details on the Future World Protection List can be accessed here: [www.lgim.com/fwpl](http://www.lgim.com/fwpl)
- Certain Funds also implement investment exclusions that result from companies failing to meet the Investment Manager's minimum requirements on climate change following engagement under the Climate Impact Pledge. Further details on the Climate Impact Pledge and sanctioned companies can be accessed here:- [Climate Impact Pledge | Climate change | LGIM Institutional](#)
- Other exclusions may be additionally applied to specific Funds consistent with their objectives and policies.

#### **Index strategies**

In respect of index-tracking funds, whose investment policy is to seek to track the performance of the relevant index, Sustainability Risks cannot directly influence a decision as to whether the Fund can invest in a particular security as this will ultimately be driven by the constituents of the relevant index. However, as set out above, the Investment Manager will engage with issuers on sustainable matters whose securities are components of the relevant indices.

#### **Active strategies**

The Investment Manager's approach to embedding sustainability considerations in respect of active strategies relies on proprietary capabilities to identify and analyse material ESG factors and make informed investment decisions to manage Sustainability Risks in an effort to avert Sustainability Risks.

The GREGs identify material ESG factors using both top-down and bottom-up approaches. ESG factors are embedded into the issuer level research process evaluating the ESG credentials of companies alongside traditional financial metrics to identify Sustainability Risks. The Investment Manager reviews issuer-level research as part of its security selection and portfolio construction process.

To support this process, the Investment Manager has a proprietary research tool (“**Active ESG View**”) to inform its portfolio managers on issuer ESG information combining its proprietary GREGs analysis with multiple external research inputs. Active ESG View brings together granular quantitative and qualitative inputs such as the materiality of Sustainability Risks in sectors, company ESG data, engagement criteria and proprietary forward-looking company analysis. The ESG themes that are considered include (without limitation) climate change; water and waste management; labour management; health and safety; community practices; board robustness; and investor rights. This supports investment teams in deepening their understanding of how companies manage potential, sector- relevant Sustainability Risks to be considered alongside all other components of fundamental investment analysis. There are no licensing fees or any other additional costs applicable to the Funds.

The extent to which Sustainability Risks are considered within the investment process depends on the specific Funds’ objectives and policies. Where Funds have investment objectives or policies that include making sustainable investments or promoting environmental or social characteristics, the Investment Manager will implement the relevant ESG investment strategy to achieve the respective objectives or policies. However, where Funds do not have specific sustainability objectives or promote sustainable characteristics, the Investment Manager will take financially material ESG factors alongside financial factors into account in making its investment decisions.

The Sustainability Policy is available at [www.lgim.com](http://www.lgim.com) and a paper copy will be made available free of charge upon request.

#### **Principal Adverse Impact Assessment**

Please see the relevant Sustainability Disclosure annex of each relevant Fund Supplement for details on the Manager and Investment Manager's consideration of principal adverse impacts on sustainability factors for such Funds. Please note that where the Fund Supplement of a Fund does not contain a Sustainability Disclosure annex, the Manager and the Investment Manager do not consider principal adverse impacts on sustainability factors for such Funds at financial product level."

The Prospectus shall otherwise remain unamended and in full force and effect.