

# Royal London

## Moving fairly to a sustainable world



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Royal London Group Sustainability

# Who we are

- Set up in 1861
- The UK's largest life, pensions and investment mutual
- In-house asset manager, RLAM, manages >95% of our customers' money
- 5,000 employees
- 4 main offices : London, Edinburgh, Manchester, Dublin
- 2 million members
- 8.7 million policies
- £147 billion assets under management



# Sustainability is embedded in our Purpose

## Relevant industry drivers



Climate change



Sustainability & Social activism



Ageing Population



Financial health & wellness



Transfer of risk to individual

We are mutually responsible for delivering a good standard of living now and for future generations



## Our Purpose in action; the positive outcomes we want to create

### Using mutuality for good

As the largest mutual insurance company in the UK, we are clear on the positive impact we want to create. Our focus on customers allows us to lead the way in broadening the definition of customer outcomes beyond just financial returns, to encompass their financial resilience and the society and environment they will live in.

### Helping build financial resilience

By providing great value investment solutions, we help customers to build the financial resilience they need in an ageing society. We want them to accumulate the wealth required to retire well. We protect families against life shocks along the way. We support those unable to help themselves through our social impact activity.

### Moving fairly to a sustainable world

Using our position as a responsible investor to imagine, invest, engage and influence progress on wider social priorities. We will achieve net zero in our investments by 2050, be a leader on delivering a Just Transition, and build sustainability into our operations.

Outcome measures

# The story so far

**2019**



Established the  
baseline



Set the level  
of our ambition



Mobilised RICC  
project

**2020**



Reviewed 'ESG  
requirements'



Drafted  
initial plans



Discussions with  
key stakeholders

**2021**



Commitments  
signed off



Net Zero in our  
investments by 2050



Net Zero in our direct  
operational emissions  
(Scope 1 & 2) by 2030

**2022**



Set up Group  
Sustainability team



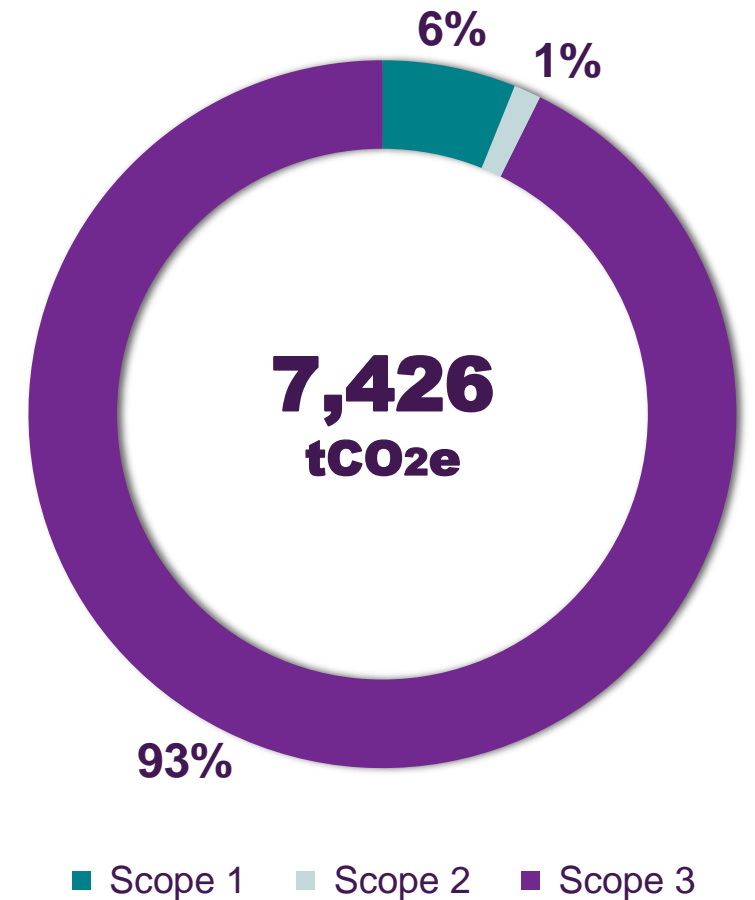
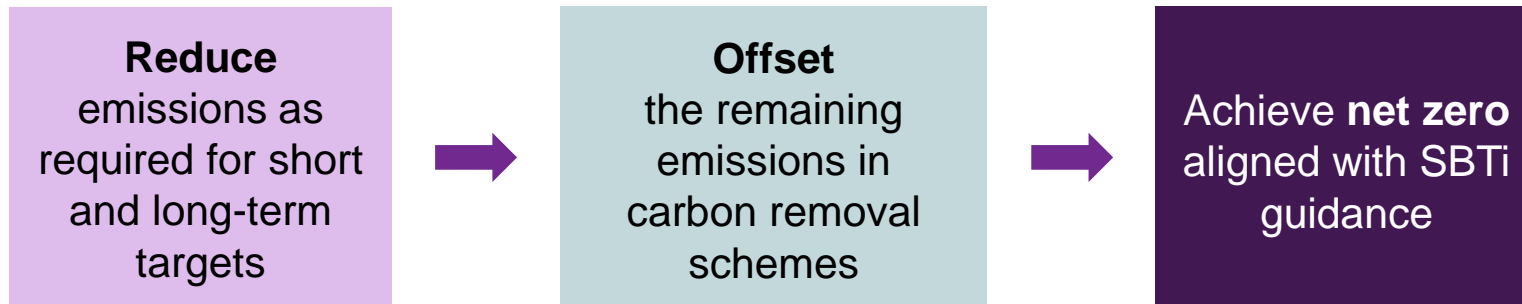
Rolled out RL  
learning programme



Signed off operational  
Scope 3 targets

# Focus on Operational Net Zero Targets

- In 2021, Royal London published its target to achieve net zero carbon in direct operational emissions (Scope 1 & 2) by 2030.
- Royal London also published its net zero by 2050 target for portfolio emissions leaving a net zero target gap in the non-investment related Scope 3 (value chain) emissions categories.
- Decarbonising value chain emissions (Scope 3) is fundamental for a net zero strategy given the high proportion of total non-investment emissions as well as the tangibility of non-investment related emissions for our customers and colleagues.
- When engaging with investee companies on their net zero transition plans, it's important Royal London has its own house in order with a robust net zero pathway.
- Following an in depth Net Zero Assessment, we set a net zero target for our non-investment Scope 3 value chain emissions by 2050 with a 50% reduction by 2030



# 2022 Carbon Emissions

## Scope 3 – Non-investment

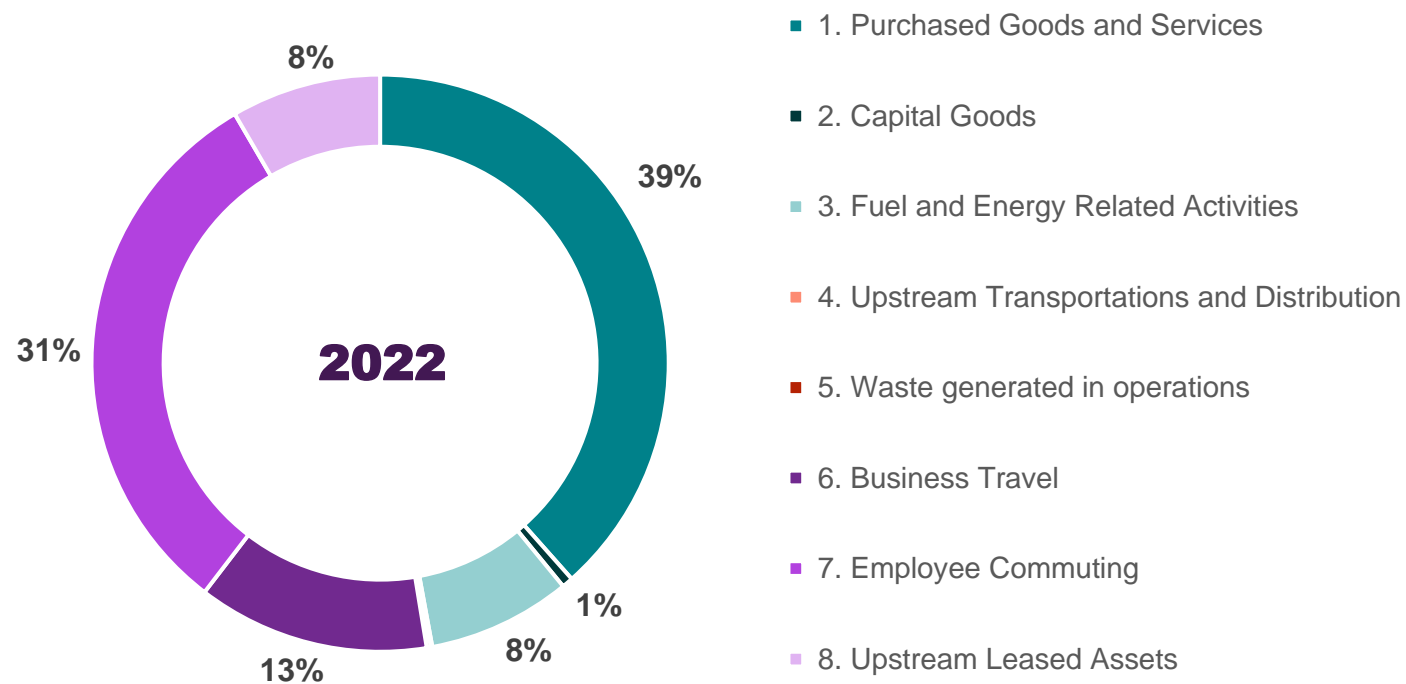
The main contributors to Royal London's Scope 3 non-investment related emissions over the last three years were from:

- **purchased goods and services**
- **employee commuting** (including working from home)
- **business travel** (mainly emissions associated with air travel)

The combination of the above account for **95%** of our Scope 3 non-investment related emissions.

The net zero strategy will focus on reducing these emissions as much as possible whilst also making the required reductions in lower emission categories through a combination of initiatives.

We expect to achieve a total reduction of 90% in non-investment Scope 3 emissions by 2050 against a 2019 baseline year at which point carbon removal credits will be used to offset the residual emissions.



# Net Zero Pathway

## Operations and Value Chain

**2023**



Policy Implementation



Commuting strategy



EV Charging Points



Waste Reduction



Domestic Renewable energy

**2022**



Renewable Energy



Operational Optimisation



Electrification - Fleet

**2022-2024**



Energy Efficiency  
Capital Projects

**by 2025**



Internal paper reduced by 90%  
External paper reduced by 50%



Supplier Engagement  
Programme



Water Efficiency



Circular Economy Strategy



100% Renewable Energy  
Leased Assets

**2024-2027**



Renewable Generation

**2025-2029**



Electrification - Building

**by 2030**



Zero-emission Taxi



Sustainability-focused Hotels



Net Zero Water Supply

**2030**



Operations Net Zero  
Scope 1 & 2

50% Reduction  
Scope 3

**2050**



Value Chain Net Zero  
Scope 3  
non-investment

Royal London Group  
Net Zero



**Q&A**



# GHG Protocol Scopes

