

Legal & General publishes 2021 Climate Report

Addressing climate change is a strategic priority for Legal & General, and we are pleased to report that during 2021 we made further progress towards achieving our climate-related goals.

The annual Climate Report details our progress, key performance data, and future plans. We have strengthened our goals and are committed to decarbonising the assets on our balance sheet and our operations. This year's report sets out our proposed 'journey to net zero' with various interim milestones. We are also in the process of setting and externally validating science-based targets (SBTs) and will disclose our targets in early 2023.

Progress made in 2021

In 2021, we have:

- Reduced the greenhouse gases associated with our investment portfolio by 17%
- Reduced our investment portfolio implied warming potential by 0.13 degrees Celsius
- Rated 1,000 companies with our Climate Impact Pledge
- Reduced our operational footprint by 3%
- Created our Destination@Risk toolkit which helps us to understand the implications of possible climate pathways, and use these to mitigate climate risk and support climate opportunities

We have now made £1.4 billion in renewable energy investments to date. We have also tightened our exclusion policies for high carbon investments, as well as launching investment products with accelerated net zero targets. We consider our main exposures to climate change risks and opportunities to be through our proprietary assets, and our investment strategy sets out ways to mitigate and reduce this exposure.

Focusing on the future

Our climate transition strategy is built of three pillars of Invest, Influence and Operate. There is still a long way to go in order to meet our climate goals, and the report also sets out our targets for the long and short-term future.

We recognise the role of international leadership and collaboration in delivering a decarbonised future. In 2021, we were at the heart of COP26, and we look forward to engaging with COP27 and using our influence to encourage progress.

"Sustainability is central to our purpose and we will continue to do everything we can to help translate the COP26 promises into realities over the coming years. Achieving net zero will require an astonishing feat of international cooperation and coordination – perhaps the greatest ever."

Sir Nigel Wilson, Group CEO

"We will, of course, continue to use our influence as a large global investor to promote a 'just transition' to a low carbon economy. A 'just transition' must be an inclusive transition. We regard active engagement as an effective way of achieving climate goals rather than divesting from high-carbon companies. Leaving the toughest issues to others is not the kind of inclusive capitalism that we regard as the best platform to achieve net zero by 2050."

Sir John Kingman, Chairman

Further information

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