



Legal & General publishes 2021 Sustainability Report

Our 2021 Sustainability Report, published today, demonstrates how Legal & General puts sustainability at the forefront of strategy and decision-making. It sets out our achievements in 2021 and our focus for the future, as well as how we're helping to tackle some of the biggest issues of our time.

Sustainability is fundamental to everything we do, because our business model is based on the principle that profit and purpose are intrinsically linked. We invest in projects which do social and environmental good, while providing a strong return and great service for our shareholders, customers, and clients.

The report brings this vision to life and looks at how we have been leading through our actions over the past year.

Focus Areas

The report details how we're responding to major trends where we can make a positive difference, and explains how we are growing our business responsibly:

- **Tackling climate change:** As a major investor and a business with a significant amount of influence, we have a real opportunity to help translate the COP-26 promises into realities. This section complements our Climate Report and explains our climate strategy's three pillars of invest, influence, and operate.
- **Building fairer economic growth:** Inclusive capitalism is an economic system where today's capital is used to benefit tomorrow's society. Making investments that drive social outcomes is core to Legal & General's work, and we can play a major role in solving the UK's chronic underinvestment in housing and infrastructure.
- **Prioritising health and wellbeing:** Health inequalities lead to productivity losses of between £31-33 billion each year in England alone, so there is a clear economic and business case for businesses to help to tackle health inequality. We're investing in health infrastructure and promoting financial and employee wellbeing.
- **Driving greater transparency and equity:** Firms in all sectors are being held to increasingly higher standards of ethical behaviour. It's important that companies focus on demonstrating a commitment to these ethical standards, including ensuring that employment practices in their operations and their supply chains are equitable.
- **Growing our business responsibly:** Our guiding principle of inclusive capitalism shapes how we run our business. Doing the right thing for our people, customers, investors, shareholders and communities is central to our approach.

Report highlights

- We have used our market-leading Climate Impact Pledge to drive change; engaging with clients to build strategies aligned to net zero by 2050.
- We have extended coal exclusions, including avoiding investments in new coal mining, plant or business operations.

- We set climate-related targets in our executive remuneration and took practical steps towards our target of a net zero operational footprint.
- We have invested over £33 billion in projects targeted to deliver 'levelling up' to an economically more productive, net zero economy, including £1.5 billion invested in the regeneration of central Manchester.
- Our housing businesses completed 1,030 more homes in 2021, and we invested £270 million from our retirement business in housing.
- We launched our Rebuilding Britain Index (RBI), which measures the UK's progress in levelling up on a quarterly basis.
- We announced a long-term partnership with Sir Michael Marmot, Director of the University College of London (UCL) Institute of Health Equity (IHE) and professor of epidemiology. The partnership will lead to the creation of the charitable 'Legal & General IHE Places Fund', to examine how improvements to the design and construction of towns and cities can help address health inequalities and support 'levelling up'.
- We invested a further £100,000 in FastFutures, funding mentoring and learning opportunities for young people from disadvantaged backgrounds.
- We continue to develop and nurture our company culture, consulting with our employees to establish a hybrid working model which works for both the business and our people.

Looking to the future

As the world continues to recover from the impacts of Covid-19 and addresses the 'code red' of climate change, we are confident that we can play an important role in tackling the issues that face society now and those which are emerging, including increased geopolitical instability. We are setting ambitious targets, which include 7,000 affordable homes in our housing pipeline; publishing science-based emissions reduction targets in 2023 to enable us to reach net zero by 2050; and continuing to invest in our communities. Our goal over the next five years is to increase our direct investment portfolio to £5 billion, and we will measure social value across 20% of our property assets by value by 2023.

"We're tackling the climate crisis, stepping up to 'levelling up', and leading the recovery. We have the scale, ambition and reach to help solve society's challenges."

Sir Nigel Wilson

Group Chief Executive

"Sustainability is integral to how Legal & General does business; for us it's not an 'optional extra' or a 'nice-to-do'. As we continue to recover from the pandemic, we must make sure we don't just build back better but build back greener. The report brings to life our goals and plans for making society fairer and more inclusive over the next decade."

Jack Roper

Group Head of Sustainability

Notes to editors

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with over £1.4 trillion in total assets under management* of which a third is international. We also provide powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

** at 9 March 2022*

Further information

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