

## Legal & General continues fight against climate change as it publishes strategy to deliver net zero across its real estate portfolio

Demonstrating another step up for Legal & General in its response to combating climate change, LGIM Real Assets has published its [strategy](#) to deliver net zero carbon across its 76 million sq. ft. UK real estate portfolio by 2050.

Avoiding climate catastrophe and its irreversible changes to the earth's climate systems is the greatest global priority. Legal & General sees the task of addressing climate change as a key growth driver, and the multi-billion pound investment that it requires over the coming decades as an opportunity not a cost.

LGIM Real Assets' pathway to net zero carbon sets out its commitments and delivery strategy for decarbonising the lifecycle of buildings from construction through to operation and eventual decommissioning. With the built environment contributing c.40% of global greenhouse gas emissions, it has a pivotal role to play in global efforts to achieve net zero carbon. LGIM Real Assets strategy to deliver net zero is a step up in pace and ambition, building on its established policies around sustainability and responsible investment that have seen it deliver on its targets to reduce landlord operational carbon emissions by 20% in the last 10 years.

**Bill Hughes, Head of Real Assets, LGIM said:** "As part of Legal & General Group and LGIM's commitment to mitigate climate change, LGIM Real Assets has been aligning its business with a low carbon future for many years. Sustainability is at the heart of our investment strategy.

"We have committed to deliver a portfolio of assets where every building we construct, own and manage achieves net zero carbon by 2050. In the shorter term, we will reduce the operational carbon and energy intensity of our landlord-controlled areas by 60% over the next 10 years. Collaboration across our organisation and with external partners will be the key to decarbonising and future proofing these assets. We will be working closely with all our stakeholders; from our colleagues, designers and developers, to building occupiers, managing agents and facilities managers. These partnerships will be vital in our race to net zero."

### Responding to the challenge

As an investor, house builder and landlord, Legal & General has already taken action to play its part in addressing the challenge of reducing carbon emissions.

- Committing to reduce the operational carbon and energy intensity of landlord-controlled areas by 60% by 2030 (scope 1 & 2 emissions).
- By 2030, all homes built by Legal & General's housing businesses will be capable of operating at net zero carbon emissions.
- The Climate Impact Pledge, which covers the public equities and fixed income portfolios, uses quantitative metrics including proprietary climate modelling to evaluate the sustainability and carbon emission credentials of companies in which investment or disinvestment is being considered.
- LGIM is one of 30 founding signatory global investors of the Net Zero Asset Managers initiative, committing to decarbonise their investment portfolios and accelerate their contribution to achieving net

zero, while also encouraging other asset managers to join in order to demonstrate sector leadership and commitment to a sustainable future.

**Shuen Chan, Head of ESG, LGIM Real Assets said:** “LGIM Real Assets holds £21.3 billion of UK real estate across more than 700 properties. As long-term investors and real asset owners, we have a responsibility to protect our clients’ capital through integrating ESG considerations into the investment process. By future proofing our assets, we can ensure they are resilient and able to adapt to both climate related transition and physical risks. Through the integration of sustainable practices into everything we do, we believe we can deliver enhanced returns for our investors in the form of higher occupancy rates and the ability to generate better rental income.

“Climate change is a global challenge that requires a collective global effort by governments, policymakers, companies, investors and society. Achieving our net zero goals will not be easy, but I believe that our industry can decarbonise and move to being part of the climate change solution rather than part of the problem.”

## 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 international businesses in the US, Europe, Middle East and Asia. With over £1.24 trillion in total assets under management, we are the UK’s largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, life insurance, workplace pensions and retirement income.

### LGIM Real Assets

LGIM Real Assets is a division of Legal & General Investment Management (LGIM), one of Europe’s largest institutional asset managers and a major global investor. LGIM manages £1.24tn in assets (as at 30 June 2020), working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. LGIM Real Assets has AUM of £35.9bn (as 30 June 2020) and is one of the largest private markets investment managers in the UK.

Investing in both debt and equity and across the risk/return spectrum, LGIM Real Assets actively invests in and manages assets across commercial, operational and residential property sectors, as well as infrastructure, real estate, corporate and alternative debt. Taking a long term view in order to future proof our investments, LGIM Real Assets continues to lead the industry in ESG performance, considering all environmental, social and governance issues at asset level as well as portfolio level. During 2020, we are developing a strategy as part of our commitment to net zero carbon emissions across the real estate equity business by 2050, and have also committed to measuring social value across 20% of our platform by the end of the year.

### Further information

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