

5 February 2020

LEGAL & GENERAL APPOINTS TECH STARTUP TO BOOST PERFORMANCE IN COMMERCIAL BUILDINGS

LGIM Real Assets (Legal & General) announces that it has appointed award-winning tech startup Demand Logic to monitor and enhance building performance across its property portfolio.

Demand Logic's cloud-based software provides real-time intelligence to property stakeholders, helping improve productivity, save energy, identify faults and increase comfort and wellbeing among occupants. Whereas previously performance data would be visible only to a building management systems' (BMS) engineer, Demand Logic's software creates an online forum for over 50 potential users, including asset managers, property managers and facilities managers, allowing issues to be addressed quickly and efficiently.

Change in regulation, consumer choice, employee expectations and an exponential growth in prop-tech have promoted facilities management to a major boardroom-level issue, with employers now more concerned than ever about how workers experience their office environments.

Legal & General has been challenging convention that the real estate sector is slow to adopt new technologies and, among a boom in new tools and practices, is making sustained efforts to remove communication barriers and increase engagement with its occupants. The company has made a major push towards making its commercial property more responsive to occupants' needs, two years ago introducing 'Capsule', a flexible leasing initiative which allows quick move-in and short-term occupancies, and trialling the use of big data on its building assets to enable better decision making and support growth.

Demand Logic's software has been deployed across seven of LGIM's commercial buildings and will be rolled across a number of other properties within the portfolio. Since June last year Demand Logic, working with LGIM and its partners, has implemented 300 actions based on the software's findings, resulting in 1,547,826 kWh (£180,000 per year and a 400-tonne carbon saving) of potential energy avoidance across the seven properties.

Legal & General has successfully met targets to cut carbon emissions from its commercial property assets by 20% compared to 2010 levels. Last year the group announced that it would look beyond current legislation and practices, seeking to align its real estate portfolio with a science-based carbon performance target covering the period to 2030.

Demand Logic's software was developed with support from Innovate UK, a government agency set up to drive innovations in science and technology, and has won prestigious awards at the EG Tech Awards and the Building Controls Industry Association Awards.

Mark Tyson, Head of Property Operations at LGIM RA, said:

"Demand Logic is a key part of our wider strategy to be the owner of choice for occupiers. Initially across our office portfolio the Demand Logic tools have built a unifying platform for our Property & Facilities Managers, Technical Consultants and M&E service providers. This enables them to



collaborate and ensure the best outcome for our occupiers with a mixture of day-to-day actions on comfort, energy reduction measures and longer-term HVAC plant & equipment replacement decisions.”

Mike Darby, CEO & Co-Founder, Demand Logic, said:

“Demand Logic is delighted to be extending our partnership with such a prestigious brand, like LGIM RA. We have achieved some very effective results working together already. We are excited to see how much value we can create as part of this extended partnership. LGIM’s experience and their innovative, customer-centric approach is something which we want to build upon to develop our offering and further support LGIM and their clients.”

- Ends -

For further information, please contact:

Jack Mulligan

PR Manager, LGIM Real Assets

Tel: 0203 124 2236

Email: Jack.Mulligan@lgim.com

<http://www.legalandgeneralcapital.com/>

Notes to editors -

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 £1.1tn in assets (as at 30 June 2019), working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. LGIM Real Assets, headed up by Bill Hughes, has AUM of £33.4bn (as 30 June 2019) 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, the platform actively invests in and manages assets across commercial, operational and residential property sectors, as well as infrastructure, real estate, corporate and alternative debt. By bringing these capabilities together under one platform, the business is able to offer its clients enhanced outcome-focused strategies and diversification benefits, with deep sector understanding across a broader investment universe. Taking a long term view in order to future proof its investments, the business continues to lead the industry in ESG performance, considering all environmental, social and governance issues at asset level as well as portfolio level.

Legal & General Group

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 £1.1

trillion in total assets under management at 30 June 2019, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pensions de-risking, life insurance, workplace pensions and retirement income. We have also invested over £22 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.

Buildings currently contribute 19% of greenhouse gas emissions but this could double—or even triple—by 2050 if action is not taken now. <https://www.egi.co.uk/news/real-estates-role-in-not-standing-by-on-net-zero/>