Legal & General commits to its first clean energy investment in continental Europe.

Legal & General has committed €120m towards the refinancing of a Solar PV Portfolio in Spain that is owned and operated by Q-Energy

LGIM Real Assets (Legal & General) announces that it has committed €120m, on behalf of LGAS, to the refinancing of one of Qualitas Energy’s (Q-Energy) solar photovoltaic (PV) portfolios consisting of 21 operational assets across Spain. The investment represents Legal & General’s first renewable energy transaction in continental Europe, seeing Legal & General partner with Q-Energy, a leading asset manager within the Spanish renewables market. The investment forms part of a total €342m transaction, with additional investment coming from another institutional investor.

The 21 solar plants generate clean energy sufficient to supply thousands of homes and have been operating successfully for a decade. The portfolio currently produces enough energy to supply over 70,400 households and avoid 75,400 tons of CO2 every year. The revenues are derived under a highly supportive regulatory framework that provides for long term stability of cash flows.

This investment highlights Legal & General’s persistent commitment to ESG, as it continues to establish itself as global leader in this space. With Europe legally required to meet net zero carbon emissions by 2050 and have greenhouse gas emissions halved by 2030, investors must actively consider how they can help reduce emissions in some of the most carbon intensive industries- including real estate, energy, transportation and social infrastructure. Legal & General is looking beyond current legislation and practices, seeking to align its real asset portfolio with a science- based carbon performance target covering the period to 2030.

LGIM Real Assets was an early leader in sustainable investment, making it a core objective for the business in 2008. It was an early participant in the Global Real Estate Sustainability Benchmarking (GRESB) initiative to benchmark sustainability performance. With the addition of this solar PV investment, LGIM Real Assets renewables portfolio now stands in excess of £1.1bn, enhancing the Group’s extensive renewables portfolio.

**Tom Sumpster, Head of Infrastructure Finance at** **LGIM Real Assets, said:** “This is a landmark transaction for LGIM Real Assets as our first renewable energy investment in continental Europe. As we actively continue to diversify our assets and increase our global exposure, this investment forms part of our strategic focus on responsible investing. The renewable energy sector has become increasingly attractive for our long-term investments due to its secure returns in conjunction with a wider ESG significance.

“Across Legal & General, we are taking a proactive approach to ESG and it is crucial that we continue to invest in strong performing assets, where we also see prospects to drive value and offer secure returns”.

**Daniel Parejo, Head of M&A and Financing at Q-Energy, said**: “This is another major investment for us in the Spanish renewable energy sector and we are delighted to work with LGIM to strengthen our presence in this important and thriving sector. LGIM impressed us with their flexibility and thorough understanding of the market.”

**- Ends -**

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**Notes to editors**

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.

**About Q-Energy**

Q-Energy is proud to have more than 120 employees based in Madrid and Berlin offices, and to have invested over €4.5bn in global renewable energy assets since its inception, including having raised more than €3.5bn of debt, either in bank debt or project bonds, and often pioneering the market with new structures. Our in-house Asset Management team of over 70 people currently manage over 1GW of European renewable assets, including the second largest Solar PV asset in Europe (Project Mula, 494 MWp, in Mucia Spain). These assets provide clean electricity to over 140,000 households and avoid carbon emissions of over 500,000 tCO2 per year.