



Legal & General brings forward UK's first net-zero carbon retirement community* through Inspired Villages

- Millfield Green will utilise a number of renewable energy sources, including using ground-source heat pumps from Kensa Group; a business which Legal & General took a significant stake in in 2020
- Many over 65s struggle to pay their energy bills each winter. The new net-zero carbon (regulated energy) development will have a positive long-term impact on running costs, which will be unaffected by external suppliers future cost rises

Legal & General announces that it has started on site to deliver its first operationally net-zero carbon (regulated energy) development* ("net-zero"), which will be the UK's first net-zero retirement community. It is being delivered by Inspired Villages, Legal & General's developer and operator of later living homes.

The announcement follows Legal & General's 2020 commitment to make all its residential accommodation operationally net-zero from 2030. Legal & General Capital is the Group's alternative assets platform, investing shareholder capital for the benefit of society, to address environmental challenges and support inclusive economic growth to build a better future. In addition to its climate commitments across its six residential housing businesses, Legal & General also invests in clean energy assets, businesses and technologies to help accelerate progress to achieve climate targets including, wind, solar and electric transportation.

The new net-zero retirement community, Millfield Green, is located in Caddington, central Bedfordshire, and will bring forward 200 specialist age-appropriate homes over four phases, with a Gross Development Value of £120m. Construction will be carried out by Willmott Dixon. Millfield Green will use renewable energy generation through on-site photovoltaics, EV-charging, improved building fabric and insulation, Mechanical Heat Vent Recovery units and ground-source heat pumps through Kensa Group; a business Legal & General took a significant stake in last year.

Alongside its environmental benefits, Millfield Green will address the chronic under-supply of age-appropriate housing across the UK, with only 7,000 being built each year. Due to age-appropriate design, wellness facilities and services which enable quality of life, studies have shown that living in a retirement community leads to a 46% decrease in the number of planned GP visits and residents experience a 31% decrease in planned hospital admissions. To support an increase in health span and ageing wellness, when complete, Millfield Green will benefit from a restaurant, café, wellness centre (including a swimming pool, fitness studio and gym), library and cinema room. In keeping with Inspired Villages' ethos of creating communities in and around its villages, many of these facilities will be available to both residents and the local community.

According to U-Switch research, many over 65s struggle to pay their energy bills in winter, with 40% saying they can only afford their bills if they make spending cutbacks in other areas. For future Millfield Green residents, the net-zero approach will have a positive long-term impact on running costs, which will be unaffected by external suppliers future energy cost rises.

The delivery of Legal & General's first net zero community is testament to the company's long-term vision for housing in the UK, where it has begun piloting energy-saving initiatives through design and operation. Legal & General Modular Homes' portfolio already meets the government's EPC 'A' rating as standard (only around 1% of new and existing dwellings in England

& Wales currently meet this rating), whilst across Inspired Villages' wider portfolio, 10% of parking spaces are reserved for electric vehicle charging.

Phil Bayliss, CEO of Later Living at Legal & General Capital, said: "We have to Build Back Better after Covid-19 and the housebuilding sector provides both jobs and vital economic resilience. Millfield Green is set to create around 1,100 jobs through construction and operation. But as we accelerate building, we have to avoid stoking up a climate crisis which will create another serious emergency. We continue to make terrific progress through our partnership with Inspired Villages as we set out to revolutionise the later living offer in the UK and address the chronic shortfall in supply. Bringing forward the UK's first operationally net-zero (regulated energy) retirement community is another string to this bow, creating savings for residents and clear environmental benefits as we progress towards a carbon-free future."

John Bromley, Head of Clean Energy at Legal & General Capital, said: "Today's news represents Legal & General's first steps towards enabling all new homes to be operationally net carbon neutral within a decade, reducing the emission of many tonnes of greenhouse gasses, whilst saving customers money and meeting the needs of investors who increasingly focus on sustainable solutions. Being able to bring together our housing platform and our clean energy investments, through the deployment of Kensa's high efficiency ground-source heat pumps, demonstrates how L&G is taking a holistic approach to Building Back Better from early stage capital investment, through to construction and operation."

Jamie Bunce, CEO of Inspired Villages, commented: "We are delighted to be starting on site on this major new scheme and bringing forward the UK's first operationally net-zero carbon (regulated energy) retirement community. There is a need to provide a greater support to our older people within society and Covid has shown us that ensuring the health and wellbeing of our older people, whilst supporting our NHS and social care services, is paramount. Our retirement community model focuses on holistic wellness, encouraging this in older people by providing suitable, safe, secure and stimulating environments, helping them live good, healthy, independent lives for longer. Environmental considerations are the next stage of this evolution."

Inspired Villages, established by Legal & General in 2017, is operating retirement communities that enable their residents to live healthier, happier, safer, and more independent and active lives. Seeing significant growth since its foundation, Inspired Villages currently operates six later living communities across the UK and is set to add to the portfolio with a further 2,500 homes over the next six years. Its seventh village, Ledian Gardens in Kent is set to open in 2021.

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Notes to editors

**Operationally Net Zero Carbon Regulated Energy Definition:*

Net zero carbon regulated energy is when the amount of carbon emitted through the use of controlled systems, on an annual basis, is zero or negative. Carbon can be offset by the contribution of on-site renewable energy generation.

Legal & General Capital

Legal & General Capital (LGC) is Legal & General Group's alternative asset platform, creating assets for Legal & General Retirement and third-party clients in order to achieve improved risk-adjusted returns for our shareholders.

LGC has built its market leading capabilities in a range of alternative assets, delivering depth of resource, track record and intellectual property. Investing in the real economy and creating alternative assets that deliver a tangible societal impact, its purpose is to invest society's capital for society's benefit. LGC's investments have been vertically integrated and include: residential property; specialist commercial real estate; clean energy; alternative credit; and venture capital.

As LGC's capability to create alternative assets continues to grow, it will not only continue to grow its balance sheet alternative assets but also create alternative assets for third party investors. Many of these investors have the same aims, namely to create assets to back pensions with an improved yield or to create assets with strong growth prospects but with low correlation to equities.

L&G has invested around £26bn in levelling-up regional economies, including through major regeneration schemes in Cardiff, Newcastle and Salford. Legal & General recently made a commitment to enable all new homes across its portfolio to operate at net zero carbon emissions by 2030, including Legal & General Modular Homes, CALA Group, Legal & General Affordable Homes, Build to Rent and Later Living.

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 £1.24 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.