

Legal & General TCFD Report – Targets to deliver “significant progress” by 2030, backed by science based target commitments and inclusion of climate targets in executive remuneration

Legal & General Group Plc has today published its TCFD (Task Force on Climate-related Financial Disclosures) Report for 2020 [here](#).

- The carbon intensity of the company’s entire £95bn proprietary investment portfolio will be reduced by 50% by 2030¹ and supported by the adoption of **science based targets** to align with the Paris trajectory of 1.5°C
- With £1.3 trillion AuM, LGIM continues use its influence to drive positive change and in 2020 expanded its Climate Impact Pledge to encompass 1,000 investee companies and cast **139,000 ESG stewardship votes** on behalf of clients
- Starting this year, climate targets will form part of the company’s **executive remuneration scorecard**

The company has already committed to achieving net zero by 2050 and limiting global warming to 1.5°C. Today, under the triple headings of “Invest, Influence, Operate”, its TCFD Report sets out a number of new commitments and medium-term targets on the journey to net zero.

Invest: The major component of Legal & General’s balance sheet investment is from its £85bn retirement asset portfolio. The carbon intensity of this portfolio reduced in 2020, and as the first step in the journey to net zero, carbon intensity will be reduced by 18.5% by 2025². The carbon intensity of the company’s entire £95bn proprietary investment portfolio will be reduced by 50% by 2030³. This programme will be supported by the adoption of science based targets to align with the Paris trajectory of 1.5°C and continuing to grow its £1.4bn of renewable energy investments.

Influence: Legal & General’s ability to influence is primarily through the £1.3 trillion of assets managed by LGIM (Legal & General Investment Management). LGIM is a globally top-ranked ESG investor and in 2020 expanded its Climate Impact Pledge to encompass 1,000 investee companies and cast 139,000 ESG stewardship votes on behalf of clients. LGIM will start offering climate solutions to clients this year using its bespoke Destination@Risk model and has recently broadened its product offering to include ETFs for Green Bonds and Hydrogen. LGIM is part of the Net Zero Asset Managers initiative and CEO Michelle Scrimgeour is co-chair of the UK Government’s COP26 Business Leaders Group.

LGIM is also a leading investor in commercial real estate with a portfolio of £21bn. The TCFD Report confirms that LGIM Real Assets is working with landlord-controlled properties to reduce Scope 1 and 2 emissions by 60%, again by 2030, as part of its journey to net zero by 2050.

Operate: As a large UK housebuilder, Legal & General will ensure that all housing the company delivers – build to sell through CALA Homes, build to rent, affordable and later life living through Inspired Villages – is enabled to operate with net zero carbon emissions from 2030.

¹ From a baseline of start 2020.

² From a baseline of start 2020.

³ From a baseline of start 2020.

Legal & General has also reduced the operational carbon footprint under its direct control by 13% in 2020 and intends to achieve operational net zero for its offices and for business travel by 2030. Starting this year, climate targets will form part of the company's executive remuneration scorecard.

Commenting on the launch of the TCFD Report, Legal & General Group CEO Nigel Wilson said:

“Addressing climate change is the biggest issue of our lifetimes, as well as the biggest investment opportunity. To deliver real change, actions must match words. We are fully committed to our journey to net zero, confirming not just our ‘net zero by 2050’ destination, but a credible roadmap to get there with significant progress by 2030.”

ENDS

Further information

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Notes to editors

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.