



## LEGAL & GENERAL COMMITS TO NET ZERO CARBON ACROSS ITS HOUSING PORTFOLIO

Legal & General announces that it is to make all of its new housing stock operational net zero carbon enabled by 2030. This will be implemented in a phased approach across all homes invested in or built by Legal & General Group including: Build to Rent, Build to Sell, later living and affordable housing.

Housing is a major contributor to carbon emissions so requires some of the most radical and immediate overhauls of any industry. Legal & General is one of the UK's largest house-builders by volume, and its housing platform continues to grow.

- **Guild Living** and **Inspired Villages**, Legal & General's later living businesses, consists of over 1,000 homes in six villages with a pipeline of 18 further sites in development
- Legal & General's growing **Build to Rent** portfolio currently has 5,000 homes across 13 schemes in the UK
- **CALA Group** completed over 2,400 new-build homes in 2019
- **Legal & General Affordable Homes** has a pipeline of over 3,500 homes
- **Legal & General Modular Homes** has ambitions to build its annual housing delivery to 3,000 homes a year in 2024, with work on its eight acre site to in Selby, North Yorkshire, underway

The commitment to deliver operational net zero carbon on all new homes is testament to Legal & General's long-term vision for housing in the UK. Net zero carbon will be achieved on all new Legal & General homes through a combination of improved thermal building fabric and the use of environmental control systems, including low and zero-carbon technologies.

As a Group, Legal & General has been piloting energy-saving initiatives through the design and operation of its house-building businesses. Legal & General Modular Homes' product portfolio – which will form all future developments and consists of two and three bedroom family homes along with one and two bedroom apartments - meets the government's EPC 'A' rating as standard (only around 1% of new and existing dwellings in England & Wales currently meet this rating<sup>1</sup>). Inspired Villages, Legal & General's later living business, have successfully reduced utility consumption by 30% across its properties, with 10% of parking spaces reserved for electric vehicle charging.

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<sup>1</sup> Figure taken from Ministry of Housing Communities & Local Government (MHCLG) 'Energy Performance of Buildings certificates Statistical Release: Q2 2019: England and Wales'. Link: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/821898/EPB\\_Cert\\_Statistics\\_Release\\_Q2\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/821898/EPB_Cert_Statistics_Release_Q2_2019.pdf)

### **Nigel Wilson, Chief Executive of Legal & General, commented:**

“We have to Build Back Better after Covid-19. Construction is rocket fuel for UK economic growth: every pound invested delivers a threefold economic multiplier and the housebuilding sector provides jobs and vital economic resilience. But as we accelerate building, we have to avoid stoking up a climate crisis that would be at least as serious as the COVID emergency. Across our own housing platform, we continue to invest and progress planning for future developments, providing much needed economic stimulus and accelerating the delivery of homes across the UK. We are doing this with climate firmly in mind. By enabling all new Legal & General homes to be operationally net carbon neutral within a decade, the emission of many tonnes of greenhouse gasses will be avoided, whilst saving customers money and meeting the needs of investors who increasingly focus on sustainable solutions.”

As part of its commitment to deliver a low-cost, low-carbon economy, Legal & General invests its capital in clean energy assets, businesses and technologies to help accelerate progress including: offshore wind, solar and fusion energy. Recently, Legal & General has increased its stake in Pod Point, one of the UK’s largest electric vehicle charging companies, to c. 22% alongside EDF, and invested in Kensa Group, one of the UK’s largest players in the ground source heat pump technology sector, taking a 36% stake.

ENDS

## **Notes to editors**

### **Our commitment to deliver low-carbon, energy-efficient homes**

The UK Green Building Council’s definition of a building that operates at net zero carbon emissions is as follows: “When the amount of carbon emissions associated with the building’s operational energy on an annual basis is zero or negative.

A net zero carbon building is highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balance offset.”

In line with the definitions within the UK Green Building Council (UKGBC) Framework, by 2030 L&G will have enabled all its new housing stock to operate with net zero carbon emissions. This will be achieved by:

- Addressing operational energy in our homes, both the amount used and the primary energy source. The thermal performance of our building fabric will help reduce unwanted heat loss in-line with industry best practice (Future Homes Standard and above), each incorporating environmental control systems which seek to utilise low- and zero- carbon technologies.

### **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 £1.1 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.

### **Legal & General Capital**

Legal & General Capital (LGC) is the early-stage investment business of Legal & General Group. With a direct investment portfolio of £2.9bn (as at 31 December 2019), LGC invests shareholder capital to deliver attractive financial returns by creating real assets and operating businesses. LGC self-manufactures attractive, Matching Adjustment-eligible direct investments to back Legal & General Retirement's growing annuity liabilities and creates a portfolio of alternative assets for Legal & General Investment Management. LGC seeks opportunities to deploy its long-term capital into key alternative sectors where there has been a shortage of investment and innovation; supporting future cities, housing and principal investing (including funding for SMEs and early stage enterprises).

### **Further information**

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