



Legal & General Mastertrust ahead of schedule on net-zero goals with first TCFD Report

Report details progress on commitment to achieve net-zero across auto-enrolment default investment options by 2050

10 November 2022 – Legal & General has published its first Task Force on Climate-related Financial Disclosures (TCFD) [Report](#) for the L&G WorkSave Mastertrust, with positive progress made towards delivering net-zero alignment across the Mastertrust’s default funds by 2050.

The report outlines meaningful carbon footprint reduction across the Mastertrust’s standard auto-enrolment default funds. From 31 December 2019¹ to 31 December 2021, the Mastertrust’s Target Date Fund ‘growth phase’ reduced its carbon footprint by more than 50%, along with a 25% reduction across the Future World Multi-Asset Fund and a 23% reduction across the Multi-Asset Fund.

As at the end of 2021, the Target Date Fund ‘approaching retirement’ and ‘retirement’ phases achieved reductions in carbon footprint of 46% and 39% respectively. The Retirement Income Multi-Asset Fund (RIMA), which forms the end of the default drawdown lifestyle, achieved a 23% reduction.

In addition to these figures, the report outlines the further actions taken across the L&G Mastertrust to address the material financial risks posed by climate change and take advantage of opportunities in the climate transition, with progress including:

- **The integration of climate risk and opportunity into the Mastertrust’s risk and governance framework** to ensure the successful identification, assessment and management of climate risk and opportunity within LGIM’s investment decision making.
- **The completion of a scenario analysis of popular strategies across three global warming scenarios:**
 - Limiting Global warming to 1.5 degrees C, reflecting an immediate, highly ambitious action to address climate change;
 - Limiting Global Warming to well-below 2 degrees C, reflecting an immediate ambitious investment action;
 - Limiting Global Warming to well-below 2 degrees C, but reflecting delayed and disorderly action with much more disruptive change.
- **Identifying and reporting on four key climate metrics** - total carbon emissions, carbon footprint, temperature alignment and climate engagement - noting any gaps in data coverage.

Taken together, these actions aim to deliver on the Board of Trustees’ roadmap for net-zero by 2050, which sets interim targets for the reduction of the carbon emissions intensity across the Mastertrust’s default funds.

Commenting on the Report, Dermot Courtier, Chair of the Legal & General WorkSave Mastertrust said, “Climate change is one of the world’s most significant challenges and addressing it is a key responsibility for this generation. Scientific evidence indicates that we need to act now to reduce carbon emissions to avoid disastrous consequences for our environment, our society, and our economies.

“We consider that climate change represents a material financial risk to the Mastertrust as it has the potential to disrupt economic, financial, and social systems. The Trustees are committed to assessing these risks across the

¹ 31 December 2019 is the recommended baseline date according to the U.N.-Convened Net-Zero Asset Owner Alliance [Inaugural 2025 Target Setting Protocol](#) (p. 9).

short, medium and long-term horizons, managing and monitoring them for the benefit of members – as well as embracing the investment opportunities that the climate transition represents.”

This year’s TCFD report covers the reporting period from 1 October 2021 to 5 April 2022, reflecting the date at which the Occupational Pension Schemes Climate Change Governance Reporting Regulations 2021 introduced new reporting requirements in line with the TCFD recommendations to the Mastertrust’s year end. Going forward, the Trustees of the Mastertrust will publish this report annually, updating members on Mastertrust’s pathway to net-zero.

The L&G WorkSave Mastertrust is one of the largest authorised master trusts in the UK market, looking after the retirement savings of 1.64 million members.²

Notes to editors

Please note that as markets and the wider macroeconomic environment change, the level of reported emissions may fluctuate year-on-year, as we transition towards net-zero by 2050.

About Legal & General

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor, with over £1.29 trillion³ in total assets under management, of which a third is international. We also provide powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

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For more than 50 years we have built our business through understanding what matters most to our clients and transforming this insight into valuable, accessible investment products and solutions. We provide investment expertise across the full spectrum of asset classes including fixed income, equities, commercial property, and cash. Our capabilities range from index-tracking and active strategies to liquidity management and liability-based risk management solutions.

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² Figure as at 1 November 2022

³ LGIM internal data as at 30 June 2022. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions.