

L&G Mastertrust launches new Sustainability Report, with expanded focus on nature and people

Trustees call on sector to go beyond TCFD reporting requirements and capture interdependencies between climate, nature and society

London, 4 November 2024 – Legal & General ('L&G') and the Trustees of the L&G Mastertrust have published a new Sustainability Report, expanding the scope of the board's TCFD reporting requirements by incorporating disclosures on nature and people.

The report is the first of its kind in the Mastertrust sector, formally recognising the links that climate change has with nature and biodiversity loss, as well as people and society.

Covering the year up to 5 April 2024¹, the report details the ways in which climate and sustainability related risks and opportunities are considered across the Mastertrust's investment decisions and risk management approach. This includes an analysis of the actions taken by the Trustees of the Mastertrust, as well as Legal & General in its role as primary investment manager. Key findings include:

- **Climate:** All of the Mastertrust default funds have surpassed their 2025 decarbonisation pathway plan to reduce carbon emissions, with the Target Date Funds also at, or ahead of, their 2030 goals.
- **Nature:** For the first time, the Trustees have tasked L&G with analysing the Mastertrust's sector-level nature-related dependencies, initially assessing 10 critical sectors. The results of this can be found on p. 49 of the report.²
- **People:** L&G's Investment Stewardship team currently maintains policies related to human rights and diversity which apply to the Mastertrust default funds and Legal & General managed funds. With the launch of the Taskforce on Inequality and Social-related Financial Disclosures (TISFD)³ in September 2024, the Trustees are reviewing the recommendations with a view to incorporating these into future Sustainability Reports. The Trustees also welcomed L&G's continued focus on the issue of pensions inequalities, including its work on the Ethnicity Pensions Gap⁴ in the UK and recent launch of a Shariah compliant investment proposition.⁵

Tegs Harding, Chair of the Investment Committee for the L&G Mastertrust: "The interdependencies between climate, nature and people are of critical importance. A changing climate threatens natural ecosystems, and nature loss amplifies climate change by reducing the ability of ecosystems to store carbon. These factors equally play out in the social sphere. Challenges such as income inequality, access to the living wage and human rights not only make it harder for us to address climate and nature issues – they exacerbate them.

"That's why we have incorporated these additional pillars into our first Sustainability Report, which builds on our TCFD reporting work by recognising the ways in which climate, nature and people present financial risks and opportunities for our Mastertrust members. We recognise there is a lot more to do but see this as a really positive step in the right direction and would like to see others in the sector follow suit, recognising the scale of the structural challenges we face."

¹This report covers the reporting period from 6 April 2023 to 5 April 2024.

²These sectors are Automobiles; Beverages; Chemicals; Consumer Staples, Distribution & Retail; Electric utilities; Food products; Metals & mining; Oil, gas & consumable fuels; Paper & forest products; Pharmaceuticals.

³[Taskforce on Inequality and Social-related Financial Disclosures \(TISFD\)](#)

⁴[Ethnicity Pensions Gap](#)

⁵[Shariah compliant investment proposition](#)

Rita Butler-Jones, Head of Defined Contribution at Legal & General: “Good member outcomes cannot be achieved without the sustainable growth of the economy. We’re proud to be the first provider in the market to widen the scope of our Mastertrust sustainability-related reporting standards, demonstrating the holistic approach we’re taking to help our clients navigate the challenges of a complex, uncertain world.”

The L&G Mastertrust is the largest commercial master trust in the UK market, looking after the retirement savings of almost 2 million members, with £28.9 billion in AUM.⁶ Overall, L&G manages the retirement savings of over 5.3 million DC members.

-ENDS-

Notes to editors

About Legal & General plc

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor, with £1.1 trillion in total assets under management (as at FY23) of which c40% (circa £0.5 trillion) is international.

We have a highly synergistic business model, which continues to drive strong returns. We are a leading international player in Institutional Retirement, in Retail Savings and Protection, and in both public and private markets through our Asset Management division. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

As at 7 June 2024, we estimate the Group’s Solvency II coverage ratio to be 224%.

As at 11 June 2024, Legal & General has a market capitalisation of £14.6 billion.

About our Asset Management Division

L&G’s Asset Management division is one of Europe’s largest and a major global investor across public and private markets, with £1,136bn / €1,324 bn / F 1,274 bn in assets under management.⁷

The division combines deep expertise in asset management and origination with global distribution capabilities to deliver positive outcomes for our clients, which include individual savers, pension scheme members and global institutions, investing alongside L&G’s own balance sheet. As a global investor, we are present where our clients need us – from Hong Kong and Singapore, to major European financial hubs, to Chicago. – operating under the Legal & General and LGIM brands.

We provide investment solutions across the full spectrum of asset classes, ranging from index-tracking and active funds to liquidity and liability-based risk management strategies. Through our private markets platform, we utilise our rich heritage and extensive network of partners to offer access to a wide range of purposeful alternative investment opportunities, including specialist real estate, clean energy, infrastructure, venture capital, unlisted equities and private credit.

Our division is underpinned by our enduring commitment to responsible investment, dedicated to creating long-term, sustainable value for our clients and partners.

Further information

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⁶Data as at 30 September 2024.

⁷Data as of 30 June 2024.

Key Risk Warnings

Professional Clients: For professional clients only. Capital at risk.

The risks associated with each fund or investment strategy should be read and understood before making any investment decisions. Further information on the risks of investing in this fund is available in the prospectus at <https://www.lgim.com/fundcentre>.

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested.