

The Fidelity Master Trust and Climate Change – latest update

WHAT IMPACT COULD CLIMATE CHANGE HAVE ON YOUR WORKPLACE PENSION?

As the Trustees of the Fidelity Master Trust, we're responsible for overseeing its investment arrangements.

We believe climate change poses a risk to your retirement savings, so it's our responsibility to make sure your pension is prepared. That's why we identify risks related to climate change, evaluate how they could impact your pension, and take steps to handle and lessen the impact.

WHAT IS THE MASTER TRUST DOING TO MANAGE CLIMATE CHANGE RISK?

Our Sustainable Investing Policy guides how we respond to climate change and help us to set our goals.

Our goals include:

- To halve the carbon footprint of our investments (starting with FutureWise and our other default investment strategies) by 2030*.
- To achieve net-zero carbon emissions by 2050.

We've now published our fourth annual Task Force on Climate-related Financial Disclosures (TCFD) report. It sets out how we continue to identify, assess, and manage climate-related risks and opportunities. If you are interested, you can read the full report [here](#).

WHAT'S NEW SINCE LAST YEAR'S REPORT?

- Since our first TCFD report we have made positive progress in reducing the carbon footprint across our investment strategies. We achieved a 21% reduction in the aggregated carbon footprint of the Master Trust default strategies over the last year



- We have achieved a total reduction of 61% of the carbon footprint since 2020. This is well ahead of our goal of halving the carbon footprint by 2030. This success is largely attributed to integrating climate-aware funds and decarbonisation objectives into our strategies and consolidation into our default strategy, FutureWise.
- In 2025 we began investing in private assets in our FutureWise investment strategy. We're engaging with these investment managers to improve emissions transparency for these funds and maintain our progress towards our net-zero targets.

WHAT ARE OUR CURRENT PRIORITIES?

We're pleased with our progress, but we know there's more to do to manage climate risk and reach our remaining goal. We've passed our target to halve scheme-level emissions across FutureWise and our other default investment strategies. We'll keep developing our approach to managing ongoing climate risks and opportunities.

We know we, and the wider industry, must keep working towards a net-zero economy. We'll work with Fidelity, our advisers and managers to find, assess and manage climate risks and opportunities that could affect members' retirement savings.

Our key areas of focus for the future include:

- Engaging further with Fidelity and our investment consultants on the key findings from our latest quantitative scenario analysis. Having carried this out in 2023, we have reviewed it and concluded it's still relevant and appropriate.
- Continuing to develop our default strategies to manage climate risks and opportunities, including how this applies to private assets.
- Monitoring and engaging with our managers on their approach to climate change. This includes checking how the managers work with the companies, in which your money is invested, to cut their carbon footprint.

*This goal is to halve our scope 1 and 2 carbon footprint by 2030 compared to a 2020 baseline. Scope 1 emissions are direct emissions from company owned, purchased and/or controlled energy sources. Scope 2 emissions are indirect emissions from the generation of purchased energy.