



Accenture Retirement Savings Plan

Climate Report

July 2026



Chairman's Foreword

Our first and most fundamental responsibility as trustees is to act in the financial interests of our members. This includes managing the financial risks our members will face while saving for their retirement, and to help them access financial opportunities, with the ultimate aim of supporting members to achieve their objectives for retirement.

We continue to view climate change as both a material financial risk and a long-term investment opportunity. Since publishing our inaugural Climate Report in 2023, we have built on our approach each year. We are now pleased to present our fourth annual Climate Report, which outlines how we have been considering climate risks and opportunities in relation to the Plan over 2025.

We see the climate regulations as a positive step towards providing a consistent framework for combatting the existential threat that climate change poses to our members, our investments and the society within which we all live.

As a pension scheme with c. £3bn in assets, we have the opportunity to contribute to the transition to a low carbon economy, supporting the flow of capital into solutions and opportunities which will enable us to move towards a more sustainable future. We're pleased to be able to report that the carbon footprint of our main investment funds has reduced in each of the last three years, with a marginal cumulative reduction of c.28% over the period from 99.8 to 72.3*.

As trustees, we will dedicate significant time and effort to ensuring we are appropriately mitigating the risks and capitalising on the opportunities presented by climate change.

Over the last three years the Plan has seen the coverage across our reported funds remain broadly unchanged at around an average of 93%. Whilst largely unchanged, this reflects the ongoing data challenges faced by the industry. The Trustee continues to be focused on improving data coverage and engaging with investment managers on this topic. We remain committed to expanding our data coverage throughout 2026.

We look forward to sharing an update on our progress in 12 months' time.

Peter George

Chair of the Accenture Retirement Savings Plan Trustees Limited

* Scopes 1 & 2, measured in Tonnes CO2 per £m invested

Introduction

The Financial Stability Board, an international body established by the G20 that monitors and makes recommendations about the global financial system, created the Task Force on Climate Related Financial Disclosures (TCFD) framework in 2015. TCFD was created to improve and increase reporting of climate-related financial information that can promote more climate-informed investments.

This climate change-related disclosure report is prompted by that drive for transparency and fulfils the Trustee's legal and regulatory obligations in relation to climate change governance and reporting. The Trustee's aim is that members and stakeholders can better understand the climate-related risks and opportunities within the Plan through its ownership of companies and other investments and the Trustee's approach to managing these risks and opportunities.

TCFD recommendations are categorised under four pillars: Governance, Strategy, Risk Management, Metrics and Targets:



Governance

The Trustee's governance around climate-related risks and opportunities.

Strategy

The actual and potential impacts of climate-related risks and opportunities on the strategy and financial plans of the Plan under different climate scenarios.

Risk Management

The processes used by the Trustee to identify, assess, and manage climate-related risks.

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Summary

What we've done

- Published a member summary of our first and second reports, highlighting the key highlights of our climate work.
- Identified Climate Risk as one of the areas we believe is a priority for our investment managers to consider when they are voting as a shareholder on our members' behalf, and when they are engaging with the companies in which they invest. We actively monitor this and report on it in the Trustee's annual Implementation Statement – you can read the latest version here: [Implementation Statement](#)
- Received quarterly reporting on the Plan's ESG metrics and annual reporting on investment managers' ESG performance. We are pleased to see that in general ESG metrics are improving, and managers receive good ratings from our advisers on their ESG performance.
- Implemented changes to one of the core funds, the Diversified Growth Tracker Fund, which now includes investments in sustainability focused assets.
- Are in the process of implementing changes to the Plan's largest fund the Global Equity (including UK) Fund. These changes are expected to lead to a fall in the carbon footprint of the Fund, which will be reflected in the 2026 report.
- Obtained training on nature and the interactions of this with climate change
- Following the most recent strategy review, in 2025 we updated the climate scenario analysis, the results of which are included in this report
- Continue to utilise the detailed stewardship analysis previously developed for the Plan, as evidenced on page 32.

What actions we'll take – our roadmap for the coming year

- Continue to engage with our existing investment managers and service providers to influence wider change, both from a reporting perspective (data coverage and quality) and an outcomes perspective (achieving net-zero and managing climate risk).
- Continue to regularly monitor the climate metrics of all the Plan's funds, and to work with the Plan's investment managers, particularly LGIM. As a part of a regular review, we will review the Plan's metrics and targets in 2026.
- Consider how private markets could be further incorporated within the default, and the impact this could have from a sustainability perspective.
- Carry out a wider review of the investment strategy and self-select fund range, including considering the sustainability approach for each strategy and Fund.

Pillar 1: Governance

1

Governance

- Disclose the scheme's governance around climate related risks and opportunities

- ✓ **Ad hoc meetings** with the **Climate Steering Group ("SG")** and the Plan's **investment advisor** (WTW), with legal advisors attending as appropriate
- ✓ **Training on Sustainable Investment and climate** for the SG and Trustee Board to ensure **sufficient trustee knowledge** and understanding
- ✓ The Plan's **investment beliefs** include integrating ESG to the Plan's investment to improve risk and return in addition to meeting regulatory requirements
- ✓ **Climate change** identified as one of the Trustee's stewardship priorities with managers expected to carry out stewardship activities to reflect this priority
- ✓ The Trustee **agreed and formalised processes** and resources to identify, manage, and monitor climate risks and opportunities.

a) Describe the board's oversight of climate related risks and opportunities

- The **Trustee board** retains **ultimate ownership and responsibility** for the Plan's integration and assessment of climate-related risks and opportunities. It delegates certain responsibilities to its service providers whilst maintaining appropriate monitoring and oversight processes and reporting and disclosure lines.
- The Trustee has documented a **Sustainable Investment (SI) policy** alongside **policies** set out in the **Statement of Investment Principles (SIP)** and these form the basis for investment decisions and assessment of climate-related risks and opportunities, and the SIP sets out the **roles and responsibilities** of the Trustee, ISC and service providers. A summary of the SI policy is contained in Appendix A.
- ESG matters, including climate, are dealt with alongside other investment matters within the **Investment Sub-committee (ISC)**, who meet four times a year, and feed back to the **Trustee Board**
- Oversight** includes monitoring and assessing the Plan's ESG factors as well as at least **annual engagement** with the Plan's **investment managers** on ESG and climate topics
- The Board formed the **Climate Steering Group ("SG")** to progress the Plan's climate-related disclosures and inform the ISC and the wider Trustee Board about developments
- The Trustee maintains a **risk register** which is reviewed **quarterly**. Responsibility for the risks lies with relevant committees or with the Trustee as appropriate. The ISC has included risks arising from climate change on the risk register and has reviewed these risks during the current Plan year
- The ISC, SG, and Board receive **regular training** and have **regular discussions** around ESG and climate-related risks and opportunities with the Plan's investment managers and advisors. This includes SG meetings, ISC and Trustee meetings (to review ESG metrics and ESG manager performance, and managers' alignment with the Trustee's SI policy). Ongoing training requirements are monitored as part of the **Trustee's training log**.
- The Trustee has set the policies and undertaken the actions outlined above in recognition of the materiality of climate risk to the Plan.

b) Describe management's role in assessing and managing risks and opportunities

- The Trustee Board has **overall responsibility** to assess and manage climate-related risks. The division of responsibilities in relation to climate-related risks is set out on the next page of this report.
- As set out in the SIP, to the extent possible, the Trustee will delegate the responsibility to take ESG principles into account to its **investment managers**, and will **periodically review these policies** with the assistance of its investment adviser through **reporting or direct engagement** with its investment managers annually
- The managers have produced **statements** setting out their **policy in relation to ESG and climate-related risks and opportunities** and these are considered as part of manager assessments and selection by the ISC in the first instance and ultimately the Trustee Board
- The Trustee expects their advisors to incorporate assessment and consideration of climate related-risks and opportunities as part of their ongoing roles. As part of the **annual assessment** of the investment adviser against the agreed **Investment Consultant Objectives**, the Trustee has assessed how advisers have taken account of ESG and climate factors within their strategic investment advice. The Trustee has also challenged their advisors to review the default equity fund to further enhance the approach to climate change and ESG credentials of the fund.
- The Trustee expects the legal advisors to provide advice on governance and ensuring that the Plan adequately addresses the Climate Reporting disclosure requirements.

Division of Responsibilities

The Trustee is ultimately responsible for decisions on all investment matters, including oversight of the impact of climate risks and opportunities arising from the transition to a low carbon economy as they relate to the Plan. However, most investment matters are delegated to the Investment Sub-Committee (ISC). Further committees and working groups of the Trustee have been established to tackle key areas of focus within the Plan. The Trustee expects its service providers to advise and assist on governance activities in relation to climate change.

The Division of roles and responsibilities are as follows:

Persons who carry out governance activities in relation to climate risk (which include making scheme-wide decisions):

- **The Investment Sub-Committee (ISC)** – is responsible for undertaking the governance and reporting requirements relating to climate related risks and opportunities and making recommendations to the Trustee.
- **The Communications Sub-Committee (CSC)** – is responsible for ensuring that communications are cascaded to members and reporting in relation to Climate Reporting is drafted in a member-friendly format.
- **Climate Steering Group (“SG”)** – is responsible for considering the requirement for additional expertise / support in assessing climate-related risks and opportunities and ensuring all reporting requirements are met.

Persons who assist or advise the Trustee on governance activities in relation to climate risk (which include advising/assisting on scheme-wide decisions):

- **Accenture Pensions Team** – is responsible for supporting the Trustee and other parties in ensuring that there is effective governance, risk management and internal controls in operation. In particular, the team has managed the project to meet the Climate Reporting requirements and is responsible for the maintenance of various governance policy documents and the Plan’s risk register.
- **Investment Consultant** – is responsible for advising on investment strategy, taking into account climate-related risks and opportunities. This may include advising on specific climate-focused investment solutions. The investment adviser also supports the ISC and Trustee with monitoring in relation to ESG and Stewardship. This includes providing a Sustainable Investment report (covering ESG integration, voting and engagement) on an annual basis, and reporting on climate metrics on a quarterly basis. These reports are designed to assist the Trustee in its monitoring of climate related risks and opportunities. The Trustee has engaged in this process, by agreeing the appropriate level of focus on these reports – for example climate metrics are given the same prominence in the quarterly monitoring report as fund performance, reflecting the Trustee’s views of the importance of this issue. Over the year the Trustee has sought to ensure there is clarity over the information provided on the metrics, ensuring there is a full understanding of changes over time. To help with this the Investment Consultant includes an explanation of any significant changes within the quarterly reports. The investment adviser also provides necessary training for the Trustee. The Trustee sets clear strategic objectives for the Investment Consultant and reviews their performance against these annually, and through these reviews the Trustee is confident that the Investment Consultant is fully qualified to support and advise on all climate related matters. These objectives include helping the Trustee to implement an investment strategy which adds value through the integration of ESG (including climate change) and stewardship considerations in their investment manager appointments.
- **Investment Managers** – current managers, and potential new managers are assessed for their integration of climate risks into their wider stewardship activities. Investment managers are also responsible for providing the Trustee with the relevant data required to meet the Climate Reporting requirements. The Trustee reviews these metrics quarterly and, together with the Investment Consultant, ensures the managers are aware of the Trustee’s expectations in terms of the data required. The Trustee also engages regularly with LGIM, as the manager responsible for providing the metrics data disclosed in this report, in order to understand the limitations around the coverage and quality of the data provided, and how this is expected to improve over time.

Pillar 2: Strategy



2

Strategy

- Disclose the actual and potential impacts of climate risks and opportunities on the scheme strategy

The Trustee has determined that climate change could have a significant impact on the Plan from the point of view of the returns available on its investments. The Trustee looks at the potential effects of climate change for each “popular arrangement” over the following timeframes:

- ✓ Short term of **5 years**
- ✓ Medium term of **10-15 years**
- ✓ Long term of **30+ years**

* A popular arrangement is defined as any investment strategy or fund which has at least £100m invested, or which holds at least 10% of the total DC assets in the Plan. These include the Drawdown Lifestyle strategy, Global Equity Tracker (incl UK) Fund, Global Equity Tracker (excl UK) Fund, Diversified Growth Tracker Fund, UK Equity Tracker Fund, Ethical Global Equity Tracker, Blended Bond Fund and Cash Fund.

- a) Identify risks and opportunities in the scheme in the short, medium and long term

- The Trustees have agreed on **short-, medium- and long-term horizons** against which to measure and assess risks and opportunities, and provided rationale for each horizon (set out on page 9)
- The Trustee has identified the following climate-related risks and opportunities (described in more detail on page 9):
 - Transition
 - Physical
- The risks and opportunities for the Plan, as well as mitigating actions, are set out on page 9

- b) Describe their impact on strategy
- c) Describe the resilience of the strategy under different climate scenarios, including one 2 degrees or lower

- In response to the climate-related risks and opportunities that have been identified over the different time horizons, the Trustee has carried out **climate change scenario analysis** in partnership with its investment advisers. This was undertaken in 2025 and is reported in this Climate Report. The aim of this analysis was to help the Trustee to **quantify the potential effects of climate change on the members’ pot sizes and expected outcomes at retirement, and test how resilient the investments are under different scenarios of temperature changes over time.**
- As part of this, the Trustee considered **a number of different scenarios** which differ in the size and timing of both the transition and physical risks. Further details of the scenarios and detailed results are outlined in Appendix B.
- The Trustee reviewed and discussed how different climate scenarios would impact the Plan, and on members’ investments, including potential impact on members after they have retired (if they use their investments to draw income in retirement through an income drawdown arrangement).
- Climate change has the potential to impact different members very differently. For example:
 - Younger members are likely to be more exposed to the long-run physical risks due to their longer investment time horizon.
 - Older members close to retirement are more likely to be exposed to transition risks.
- There is also a timing element – whilst any impact of climate change is likely to occur over many years, markets have the ability to price in anticipated events and costs quickly and the timing of this is difficult to foresee. The sudden ‘pricing-in’ of climate-related risks and costs is likely to have:
 - Less impact on younger members (who generally have less in the way of built-up funds to lose)
 - Greater potential impact on late career members (who generally have accumulated more substantial funds)
- Therefore, it is necessary to examine climate change risks from two perspectives:
 - As a slow materialising drag on asset returns through time;
 - As an instantaneous shock to asset prices
- It’s important to note that climate risk is only one factor that can influence our investment decisions, but we do consider it when setting the investment strategy. Some of the mitigating actions that we have taken over recent years are outlined on page 10.
- The Trustee is aware of the **limitations** of the climate scenario analysis, such as the reliance on third parties for the maintenance of accurate data, validation of assumptions, and the information available at the date of the analysis. Further details of the assumptions used in the scenario analysis are given in Appendix D.
- During 2025, the Trustees undertook a review of the Global Equity Tracker (incl. UK) Fund and agreed to implement changes to the underlying investment managers. As part of this process, a range of factors were carefully evaluated. Detailed consideration was given to each investment manager’s approach to ESG matters, including the strength of their policies, stewardship practices and integration of assessing ESG and climate risks within their investment processes.
- During the Plan year, the Trustee considered whether to refresh the climate change scenario analysis. It was agreed that given changes to the investment strategy had not yet been executed, a refresh was not necessary, but the Trustee will consider a review of the analysis next year, once strategy changes have been implemented.

Setting time horizons and identifying risks

Defining short term, medium term, and long term

Short Term – 5 years. Rationale: Transition risks are expected to impact the Plan first, for example: Introduction and/or fluctuations in carbon prices; Policy/regulatory changes; Changes in consumer behaviour. This is also representative of a member reasonably close to retirement with a short time horizon for investment whilst a member of the Plan.

Medium Term – 10-15 years. Rationale: This aligns with the timeframe over which meaningful decarbonisation is required in order to support the goals of the Paris Alignment and the Trustee expects the majority of climate-related transition risk to have been realised. This is also representative of a member in mid-career with a medium-term time horizon for investment whilst a member of the Plan.

Long Term – 30+ years. Rationale: This time horizon is broadly consistent with the 2050 timescale referenced in the Paris Agreement and the sponsoring employer's net zero objective. The Trustee expects physical risks to become an increasingly large part of climate risk over the longer term. For example, the following could impact the portfolio: Extreme weather events; Sea level rises; Food price inflation; Population migration. This is also representative of a member in the early stages of their career with a long-term time horizon.

In reality, whilst we recognise members face different time horizons if we only consider their term to retirement from the Plan, members would still be impacted by the longer-term effects of climate change on their investments if they use them to draw income in retirement through an income drawdown arrangement – so the impact doesn't stop once they leave the Plan. The full scenario analysis results in Appendix B describe the potential impact on members' investments both before and during retirement.

Identifying the risks, opportunities, and impact on strategy

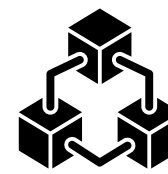
Transition risks – This relates to the risks and opportunities arising from efforts made to transition towards a net-zero economy (both domestically and globally) in order to limit climate change. These risks and opportunities are generally expected to occur in the short-to-medium term. Risks arising could include regulatory or societal changes rendering parts of the business of invested companies worthless – for example, fossil fuels 'in the ground' which become economically unviable to extract due to a lack of a suitable market or due to regulations preventing their extraction.

Opportunities include early investment in assets which are likely to benefit from climate change adaptations, such as green energy providers. The Trustee is actively looking to mitigate the risks and take advantage of the opportunities which occur in order to improve the likelihood of meeting the Trustee's short- and medium-term investment goals.

Physical risks – This relates to the direct effects of climate change on the Plan and its members. These risks are expected to be longer-term in nature, but they are also expected to be limited in scope to the effects of climate change-related weather and other natural events on the businesses of invested companies, and the effect of changing temperatures on the mortality of Plan members. These could have varying effects on members pots and the investment strategy of the Plan, but the direction and size of the effects is unlikely to be clear for a considerable period of time.

The Trustee has identified a number of climate-related risks and opportunities over multiple time-horizons including for example:

- The dividend paying capability, and therefore the share prices, of investee companies
- The creditworthiness of the issuers of fixed income assets
- The potential impact on the overall socio-economic system and, consequently, the financial outcomes for members



Identifying risks and opportunities over different timeframes

	Time Frame	Primary types of risks	Key risk exposure	Opportunities	Mitigating actions
Short Term	5 years	- Regulatory - Reputational - Transition	- The Trustee is exposed to regulatory risks, including fines, if it does not comply with evolving regulatory requirements. - The Trustee (and sponsor) are exposed to reputational risks if the Trustee's policies are misaligned with peers and/or sponsor. - Climate related shocks in a single year are the biggest risk to DC pension pots for older members.	Can potentially take advantage of some opportunities in terms of potential climate transition fund options.	- The Plan makes use of a specific ESG fund solution within its Global Equity Tracker (including UK) Fund (and therefore within the Lifestyle strategies). This fund is designed to better manage ESG risks, including climate-related risks. - LGIM has introduced ESG tilts to their Pre-Retirement / Annuity Aware Funds - The Trustee recently switched the investments within the Diversified Growth Tracker Fund to the LGIM Diversified Fund. This fund includes some specific allocations to ESG focused solutions, for example forestry, timberland, farmland and sustainable infrastructure. - The Trustee has made available within the self-select options two climate specific funds, the Environmental Equity Fund and the Climate Equity Index Tracker Fund. The Climate Equity Index Tracker fund tracks an index that aims to reduce carbon intensity, whilst improving green revenues, through adjusting the companies held based on a number of factors. The Environmental Equity Fund invests in companies around the world with strong environmental credentials that are actively involved in reversing ecological damage and increasing resource efficiency.
	10-15 years	- Reputational - Transition	- The Trustee (and sponsor) are exposed to reputational risks if the Trustee's policies are misaligned with peers and/or sponsors. - The life expectancies of individual members may be materially impacted by climate change and the transition to a low carbon society. This is a risk to members both pre and post retirement.	Can potentially take advantage of some opportunities in terms of potential climate transition fund options.	
	30+ years	- Transition - Physical	- Younger members will be exposed to any long-run physical costs resulting from a failure to address climate change appropriately. - The life expectancies of individual members may be materially impacted by climate change and the transition to a low carbon society. This is a risk to members both pre and post retirement.	Life expectancies of members may be improved with a well implemented transition.	- Review the stewardship activity of the Plan's investment managers, particularly how they engage with investee companies and exercise votes on climate change, in order to understand the potential risks within the portfolios and how these risks are being addressed by the managers. - Carry out scenario analysis to assess the potential impact of climate risks over each time horizon, for the Plan's popular arrangements. See Appendix B for further details.

Pillar 3: Risk Management



3

Risk Management

- Disclose how the scheme identifies, assesses and manages climate related risks

- ✓ The SG has agreed processes for **identifying and assessing** climate risks and opportunities including:
 - ✓ the importance of having a process in place in order to receive updates on **regulatory developments**;
 - ✓ the **risk register** considers the potential impact of both **transitional and physical risks**;
 - ✓ Embedding climate-related risks within the Trustee's existing **risk management framework** and explicitly considering as part of any **investment decisions**
- ✓ In describing the Plan's processes for managing climate-related risks, the Trustee addresses Transition risks, Physical Risks, Climate-related opportunities and potential financial impacts as appropriate

- a) Describe processes for identifying and assessing climate risks

- The Trustee uses a variety of risk management tools to identify and monitor climate related risks, which are outlined below.
- The ISC and Trustee review **climate risks reporting** through the quarterly monitoring reports prepared by the Plan's investment adviser. The ISC escalates these to the Trustee board through the quarterly updates provided at each meeting.
- The ISC and Trustee monitor and assess the activities of the Plan's investment managers with respect to climate-related risks and opportunities, based on quarterly monitoring reporting and annual sustainable investment reporting, as well as direct engagement with managers. For example, in Q4 2025 the Trustee received and discussed a report from the Investment Consultant assessing the investment managers' approaches to integrating ESG in their investment processes, and their record on voting and engaging with investee companies on ESG matters, including climate change.
- Further details of the climate risk monitoring carried out by the ISC and Trustee is covered in the Metrics section of this report.

- b) Describe the risk management process
- c) Describe how climate is integrated into the overall risk management framework of the scheme

- The Trustee has agreed a risk management plan consisting of **risk measurement, risk mitigation, risk monitoring and strategic actions**, as well as **frequency of risk monitoring** (scenario analysis, climate metrics and sustainable investment reporting)
- The **Sustainable investment policy and SIP** outline the Trustee's policies on ESG and climate factors
- Climate risk is considered among other significant financial risks outlined in the Plan's SIP.
- The Trustee reviews the **investment managers' and advisers' approaches** to ESG and climate as part of its **annual sustainable investment reporting**
- The Trustee undertakes **direct engagement with managers** on a number of areas including climate risk as part of regular reporting. For example, the annual sustainability investment report completed in 2025 showcases the investment advisors views and assessment on managers and their ESG related capabilities.
- Climate risk has been considered as part of **scenario analysis**, carried out at least every three years.
- Climate risk added **to risk register, and assessed annually, (such as a failure to adequately assess and manage the risk to member outcomes resulting from the impact climate change may have on the Plan's investments)**.
- The Trustee has agreed a range of climate metrics to assess, as a proxy for climate risk, and monitor these every quarter as part of its ongoing Plan governance.
- The Trustee has identified climate change as one of its priorities for stewardship, and monitors the investment managers' activities around engagement on climate change with investee companies, and on their records on voting on these issues, as part of its ongoing governance activities.
- The Trustee regularly reviews its risk management processes to confirm they continue to be suitable and fit for purpose in light of the evolving nature of climate risk to the Plan.

Pillar 4: Metrics and Targets

4

Metrics and targets

- Disclose metrics and targets used to assess and manage climate risks and opportunities

- ✓ The Trustee has agreed on **metrics** as well as a **baseline** against which to measure progress
- ✓ The SG **collated preliminary metrics** data from the 'popular' arrangements' fund manager
- ✓ It was agreed that the process of **calculating climate metrics** will be conducted on **an annual basis** as part of the preparation for Climate reporting
- ✓ The **process is likely to evolve** over time as standard practice and data coverage (and quality) improves, and as regulations change
- ✓ ESG metrics and processes (including climate reporting) are an important factor that is allowed for in Trustee decision making around investment manager selection and ongoing review

a) Disclose metrics used to assess climate risks and opportunities

- The Trustee agreed the following four carbon metrics:
 - Absolute emissions: **Total Carbon Emissions ("tCO2e")** - measure of carbon emissions attributable to the Plan
 - Carbon Intensity: **Carbon Footprint (tCO2e / £m invested)** - measure of how many tonnes of CO2 emissions associated with each million pounds invested.
 - Alignment: **% of assets with approved/ committed Science based targets ("SBTi")** - forward looking measure of the percentage of assets with targets approved/ committed by the Science-Based Targets Initiative. Targets take account of Scopes 1 & 2, and Scope 3 where the level is deemed significant. Further details of the SBTi approval process are outlined in Appendix C.
 - Additional: **Data coverage** – measure of the proportion of the Plan's assets for which the Trustees have data provided by the investment manager and is a key area in which the Trustee is striving for improvement over the coming years, in order to have more confidence in the emissions data being reported. The Trustee believes that improved data quality and coverage is an area that the Trustee can most influence its investment managers and improvements would allow better decision making on future carbon metrics.
- The Trustee has obtained data directly from LGIM as the investment manager for the funds being reported on, as at 31 December 2025, and this is shown in Appendix C. For this report, we have provided details of the proportion of each portfolio for which data has been reported and (separately) for which data has been estimated – splitting out in this way provides a better indication of the **quality** of the data, as well as overall coverage.

b) Detail the scope 1/2/3 emissions and related risks

- We have reported on Scope 3 emissions data as well as Scopes 1 and 2.
- As of 31 December 2025, the following data on the metrics has been collected in relation to the 'popular' arrangements (shown as a weighted average with further detail provided in Appendix C):
 - Absolute emissions:
Scopes 1 and 2: 191,790 tonnes
Scope 3: 2,493,406 tonnes
 - Carbon intensity:
Scopes 1 and 2: 72.3 tonnes CO2e/m£
Scope 3: 997.6 tonnes CO2e/m£
 - SBTi approved/ committed – 48.4%
 - Data coverage –
Scopes 1 and 2: 88.8% reported, 4.0% estimated, 7.2% unavailable
Scope 3: 61.3% reported, 28.5% estimated, 10.3% unavailable
- Further details of the metrics and changes from last year are outlined in Appendix C).

c) Describe the targets used by the scheme to manage climate risks and opportunities against these targets

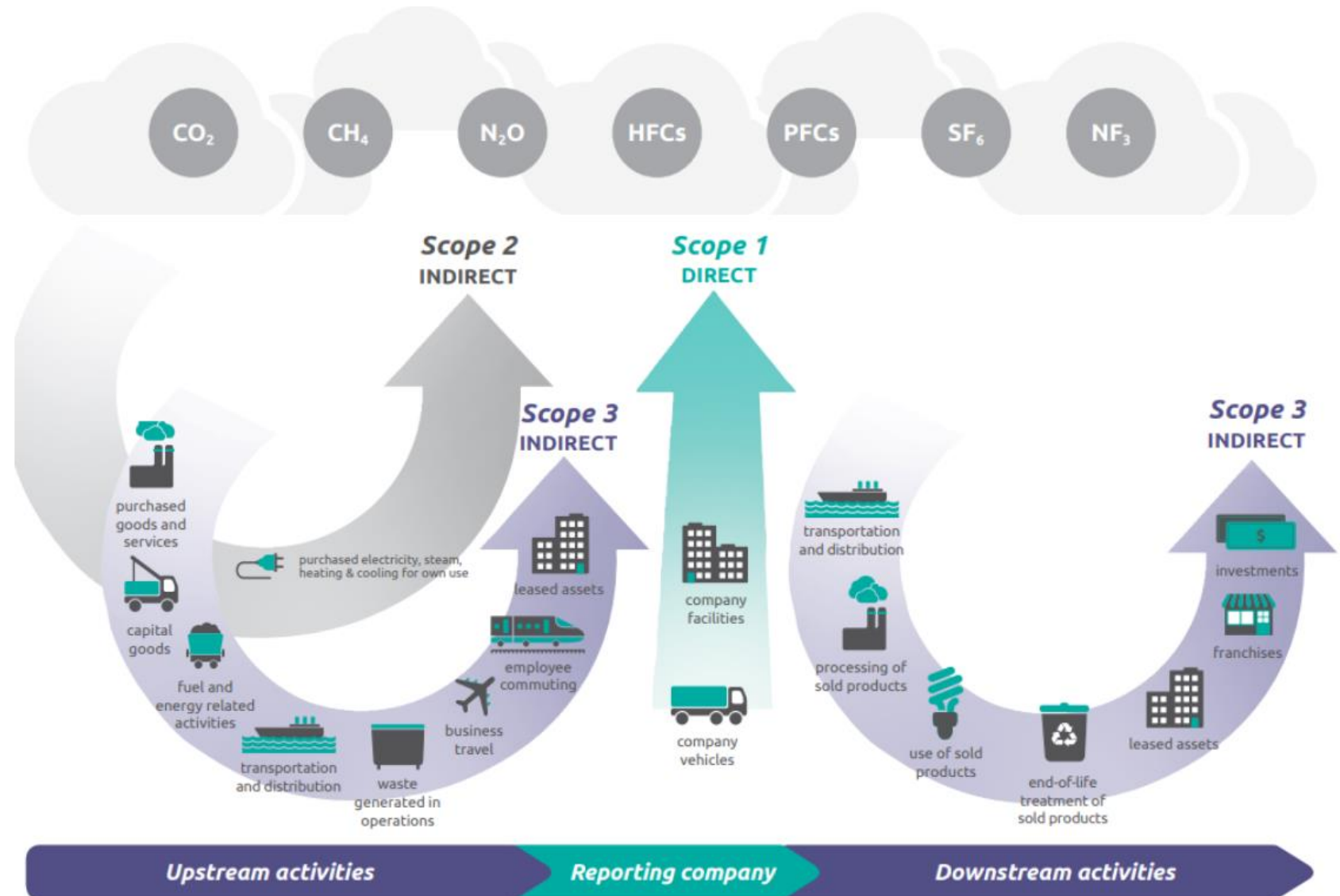
- The Trustee will use the Plan's influence with the managers to **improve both the data coverage and data quality** of their reporting on climate metrics
- The Trustee recognises that it can take time for managers to improve their reporting and data quality
- Hence, the Trustee set a target of 3 years (from 31 December 2022) to allow its investment managers to reach at least 95% of data coverage for Scopes 1 & 2 emissions. Data coverage improved from 92.5% to 92.8% (reported and estimated combined) over the period from 31 December 2022 to 31 December 2025.
- Scope 3 data coverage is lower than for Scopes 1 & 2, with more data being estimated.
- The Trustee has agreed to a continued focus on the improvement in data quality and to maintain the target of 95% data coverage from Scopes 1 & 2 emissions for 3 years from 31 December 2025.

Types of emissions

This report considers Scopes 1, 2 and 3 emissions. These terms mean:

- **Scope 1 emissions:** all direct emissions from the activities of an entity or the activities under its control
- **Scope 2 emissions:** indirect emissions from electricity purchased and used by an entity which are created during the production of energy which the entity uses
- **Scope 3 emissions:** all indirect emissions from the activities of the entity, other than scope 2 emissions, which occur from sources that the entity does not directly control

Scope 3 emissions are significantly more difficult to calculate than scope 1 or scope 2 emissions for any given entity. It is also the case that, for some assets, even scope 1 and scope 2 emissions are difficult to calculate. The Trustee uses best endeavours to make as full a disclosure as it can, subject to overriding constraints of reasonable time and cost for doing so. The Trustee is working actively with its investment managers to improve the quality of the data supplied for these purposes over time



Rationale for the metrics chosen

Absolute emissions (tCO₂e)	Required by legislation.
Carbon Footprint (tCO₂e / £m invested)	- Both WACI and Carbon Footprint are widely used and accepted as emissions intensity metrics. There is not a “strong” case for any of the methods. They each have their strengths and drawbacks when it comes to indicating carbon exposure and there is yet to be an industry ‘standard’ in this space. - On balance, the Trustee has a marginal preference for Carbon Footprint since in our view it provides a more direct measure of absolute emissions, which ultimately impact global outcomes. The Trustee expects this measure to become one of the industry-standard carbon intensity metrics - this should help with comparability over time and between different funds. Carbon Footprint is also the preferred metric of the DWP, helping to ensure regulatory alignment. This is the approach the Trustee’s advisors have internally adopted for other similar pension schemes. - The key point of this exercise is to choose a metric noting that any decision made is a starting point and may change over time as metrics are created which are better fit for purpose.
% of assets with approved/ committed science based targets (“SBTi”)	The Trustee has chosen to monitor the % of assets with approved/committed SBTi targets. The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) enabling companies to set science-based emissions reduction targets. In principle the implied temperature rise metric would be the best measure of portfolio alignment as these metrics explicitly consider future pathways to a well below-2 degree world. Currently however, we do not believe these are appropriate for measurement and target setting because the results are not robust given the significantly different outcomes for the same portfolio produced by particular choices of methodology and scenarios/assumptions. We therefore think a % of assets with approved/ committed SBTi targets or of % of assets aligned with 1.5 and 2 C degrees provides a good measure until methodologies improve. The Trustee’s Investment Consultant has explained the methodology and assumptions behind the SBTi to the Trustee, and further detail is given in Appendix C.
Data coverage	The Trustee has chosen to monitor data coverage, notably the proportion of the Plan’s assets for which the Trustee has data, as the Plan’s additional metric. Given climate metrics remain in early stages and data remains limited our view is that monitoring the level of data is an important tool in allowing the other climate metrics and measurement to become decision useful. Furthermore, improved data quality and coverage is an area that the Trustee can most influence its investment managers and improvements would allow better decision making on future carbon metrics.

Appendix A: Sustainable Investment (SI) Policy

In formulating investment policy, the Trustee seeks to ensure there is a sufficient range of appropriate investment options, with different risk and return characteristics, available to allow the member to plan for retirement. In doing so, the Trustee believes strategic asset allocation decisions will have the biggest impact on member outcomes

A key priority is the Trustee's response to climate change risk. The Trustee manages a number of risks in keeping with its aim to meet its financial objectives. In the context of this policy, climate change is widely seen as a systemic risk to the financial stability of the global economy, with potential impact on the value of the Plan's assets. The Trustee's response to managing climate change risk focuses on two key areas:

- Firstly, to understand and quantify how exposed the Plan's portfolios/funds are to climate change risk. This involves measuring, where possible, the ability of different asset classes to cope with climate change risk, and the carbon emissions of those companies the investment managers invest in. Such measurement will help the Trustee to assess the extent of its ambitions and targets, and how these can best be achieved.
- Secondly, to ensure that new and existing investments are managed in a way that takes account of climate change risk. The management of climate change risk will therefore form part of the discussion, where relevant, at regular investment manager meetings.

The Plan assets are managed by different investment managers, while the Trustee is responsible for the selection and retention of its investment managers based on factors including Sustainable Investment, specifically, to the extent relevant to the asset class and members' financial interests, a best-in class investment manager is expected to embed sustainable investment seamlessly into its portfolio construction process

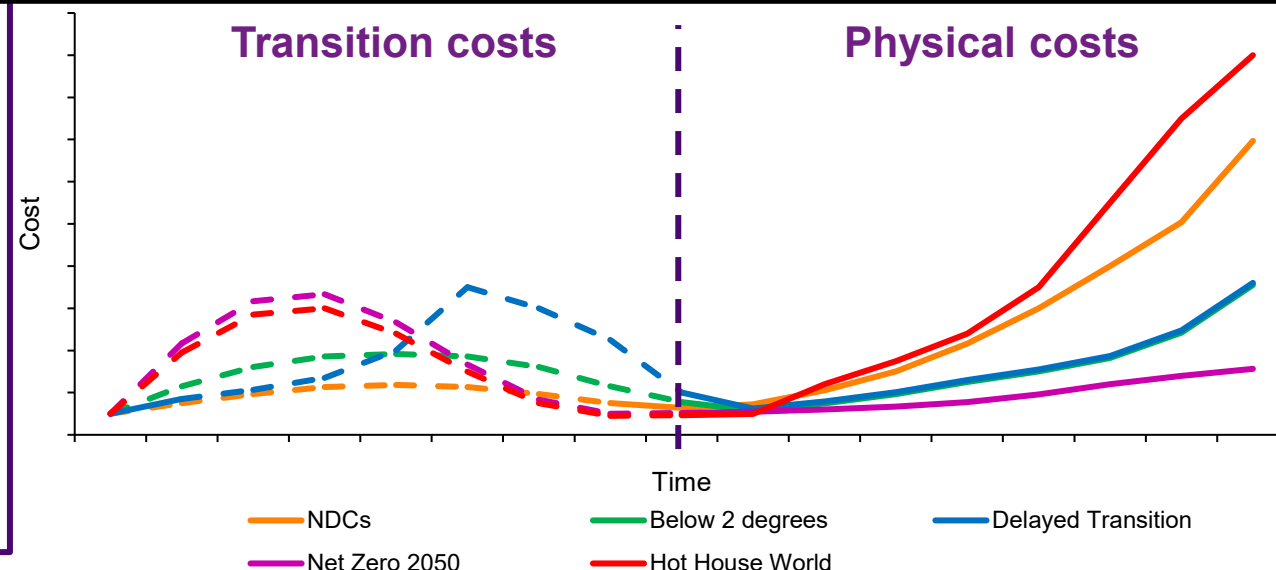
Appendix B: Climate scenarios – 2024 analysis (unchanged from last year’s report)

	Nationally Determined Contributions	Delayed Transition Below 2°C	Below 2°C	Net Zero 2050	Hot House World
Description	A “business as usual” outcome where current policies continue with no further attempt to incentivise further emissions reductions. Socioeconomic and technological trends do not shift markedly from historical patterns.	Delays in taking meaningful policy action result in a rapid policy shift around 2030. Policies are implemented in a somewhat but not completely co-ordinated manner resulting in a more disorderly transition to a low carbon economy. Emissions exceed the carbon budget temporarily, but then decline.	Globally co-ordinated climate policies are introduced immediately, becoming gradually more stringent over time. Companies and consumers take the majority of actions available to capture opportunities to reduce emissions.	A more ambitious version of the ‘Below 2°C’ scenario where more aggressive policy is pursued immediately. More extensive technology shifts are achieved with Carbon Dioxide Removal (‘CDR’) used to accelerate the transition, broadly in line with sustainable levels of bioenergy production.	The world follows a Net Zero 2050 pathway, however the resultant temperature outcome exceeds 2°C due to a lower than expected remaining carbon budget and/or the impact of climate tipping points. Use of Carbon Dioxide Reduction (CDR) technologies is relatively low.
Temperature Rise	~2.5°C	~2.0°C	~2.0°C	~1.5°C	~3.0°C
Physical risk level (longer term)	High	Medium	Medium	Low-Medium	High
Transition risk level (shorter term)	Low	High	Medium	High	High

In the graph opposite transition risks are represented by the dotted segments of the lines whilst the solid segments represent physical risks. The scenarios which see a greater effort to curb the impact of climate change will see greater transition costs initially before gaining from these steps in later years through lower physical costs. This is most obvious in the Net Zero 2050 scenario, where the transition costs are material, but this results in the lowest physical costs. In the long run we would expect asset returns to be better in the Net Zero scenario rather than the NDCs scenario, but it may be many decades of physical costs before this outcome is reached.

The exception to this pattern of higher initial transition costs leading to lower physical costs is the Hot House World which illustrates the worst-case outcome where high transition costs are incurred but temperature increases remain at the higher end of the scale (>2°C) and as a result high physical costs are also incurred.

Appendix B shows the full results of the scenario analysis, including the potential impact on members at different stages of the Lifestyle strategy, and on the returns from individual funds, to illustrate how climate may impact on different asset classes.

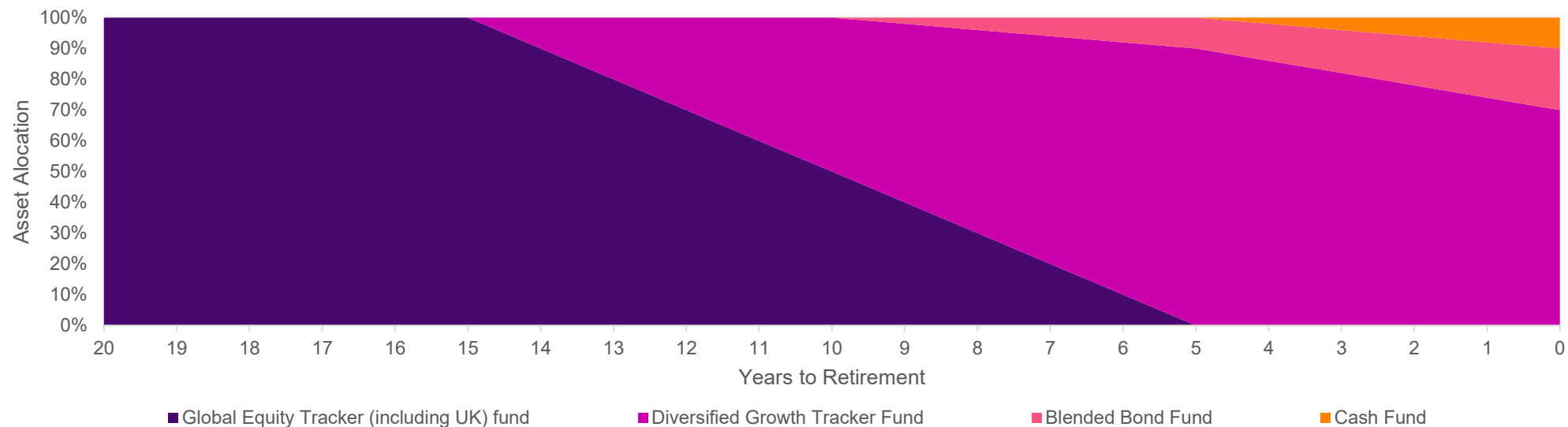


Appendix B: Climate scenario analysis – example members 2024 analysis (unchanged from last year’s report)

For the scenario analysis on the Drawdown Lifestyle we have taken three example members of different ages and at different stages of the Lifestyle strategy, to illustrate the potential impact on the value of their investments over different time horizons. The data used for these example members is shown below, and this has been derived from broadly average data across the Plan membership.

	Current age	Retirement age	Current salary	Current Fund value	Contribution rate as a % of salary	Assumed future salary increases
New joiner	25	65	£35,000	£0	11%	CPI
Mid-career	45	65	£80,000	£90,000	17%	CPI
Pre-retirement	60	65	£75,000	£170,000	20%	CPI

The following chart illustrates the design of the Drawdown Lifestyle used in the scenario analysis, showing how each member’s funds would change over time.



2024 Climate scenario analysis – illustrative results (unchanged from last year’s report)

The analysis shows the impact for three example members with different timeframes across the five scenarios, relative to the base case. The analysis focuses on three different aspects to assess the impact that climate change could have on Plan members:

- The first table below : The impact climate change could have on the pot size at retirement for members who are invested in the default Lifestyle: Drawdown Focus. This provides an indication of the potential impact on members’ savings, whilst they are a member of the Plan.
- The second table below: The impact on potential retirement income levels, assuming members draw regular income from their pension pot in retirement at a level which results in the same “exhaustion point”, the point at which the pot value is completely used up, under each scenario as under the base case i.e the exhaustion point is fixed, and the variable is the level of income taken. This provides an indication of the amount of income a member may have to forego if their savings are to last as long as assumed under the base case. We have assumed that the member invests in the same investment funds as they would be at retirement under the Lifestyle: Drawdown Focus strategy.
- The graphs on page 19 – 21: Considering the impact on potential retirement income, but differing from the analysis above as here the members’ withdrawals are assumed to be fixed under the different scenarios, and the variable is the timeframe until exhaustion of pot. We have assumed that members will drawdown 6.5% of the base case pot value per year from age 65 and accounting for the 25% tax-free lump sum.

Impact on expected pot size at retirement, compared to the base case	New joiner	Mid-career	Pre-retirement
Nationally Determined Contributions	-33%	-12%	0%
Delayed Transition Below 2°C	-12%	-7%	-3%
Below 2°C	-10%	-4%	0%
Net Zero 2050	-9%	-6%	-4%
Hot House World	-42%	-15%	-2%

The first heatmap shows that all members are at least somewhat impacted by the effects of climate change on their savings, as the risk materialises as a reduction in investment return.

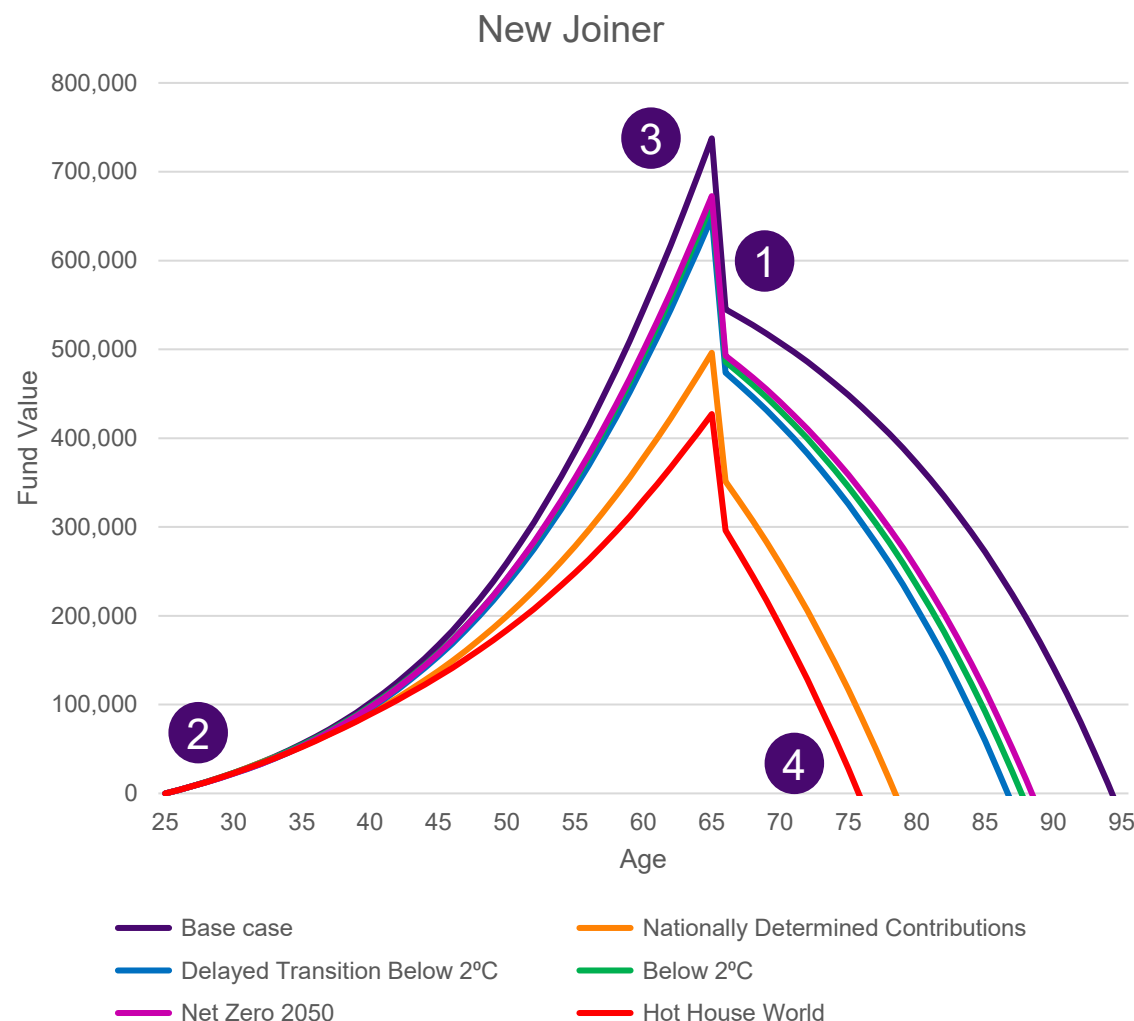
For new joiners and mid-career members, the Hot House World scenario produces the worst result, as this scenario implies that members are impacted by not only transition costs to transition the economy to achieve a trajectory to net zero but also physical costs, as a result of that failed transition that materialises in higher physical costs. For members closer to retirement, the impact on their expected pot is much smaller due to the short period for the impact of climate risks to emerge.

Impact on retirement income level, compared to the base case	New joiner	Mid-career	Pre-retirement
Nationally Determined Contributions	-38%	-21%	-14%
Delayed Transition Below 2°C	-14%	-11%	-12%
Below 2°C	-12%	-8%	-8%
Net Zero 2050	-10%	-10%	-12%
Hot House World	-49%	-28%	-18%

For members to be able to make their savings last as long in retirement as under the base case, they would have to accept a lower level of income under all scenarios. This is partly because their pot value at retirement would have been impacted (as shown in the top table), but also because of the continuing drag of returns assumed beyond that point.

This helps to illustrate that, whilst older members are much less impacted during the accumulation stage, they could still be significantly impacted in terms of a drop in retirement income over the longer term.

2024 Climate scenario analysis – illustrative results (unchanged from last year’s report)



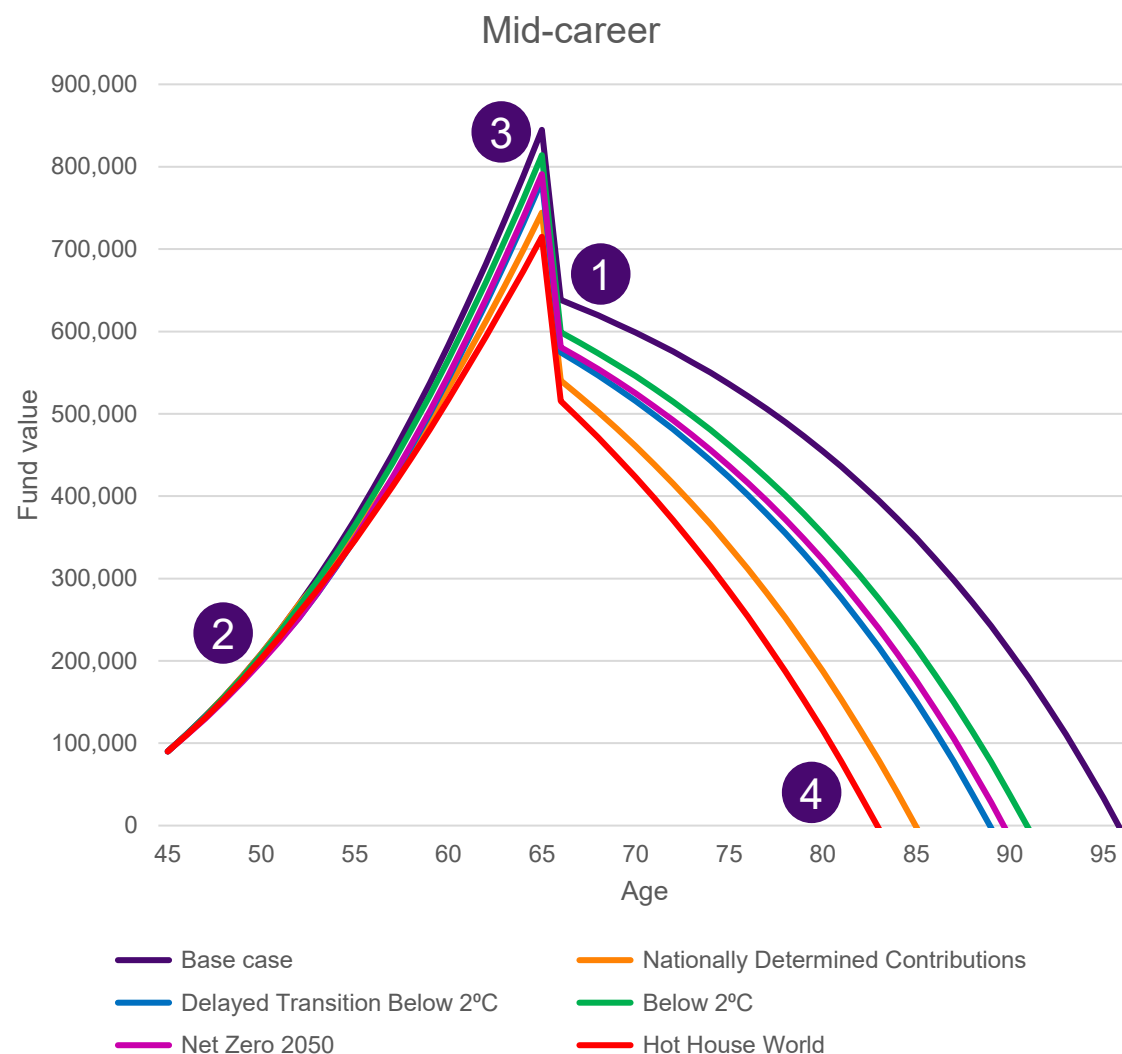
This chart shows the build up of the member’s fund over the period they are a member of the Plan, under the base case* and five scenarios.

- 1 It then illustrates the reduction in the fund whilst the member is drawing income, after taking 25% tax free cash at retirement, through to the point at which the fund is exhausted (assuming the same level of income is drawn each year under all scenarios**). The purpose of this is to illustrate how the different scenarios may impact on the member’s investments over the short (5 years), medium (10-15 years) and long term (30+ years).
- 2 For the new joiner, the impact of each scenario is modest over the short to medium term, due to the small size of the pot.
- 3 However, this becomes more significant over the longer term, as the member is exposed to drags on return out into the future.
- 4 Post-retirement, the member’s pot is estimated to be exhausted by up to around 20 years earlier than the base case, with the Hot House World producing the biggest impact due to the effects of high transition and physical risk out into the future.

*the “base case” scenario factors in risks which we believe the market is currently pricing in. We believe there are climate risks which will emerge over time, and which the market is not yet fully pricing in, which means the base case is an unrealistic scenario. The five alternative scenarios aim to capture these emerging risks, which could vary in size and timing depending on how well and how soon economies, governments and companies react to the need to meet climate targets.

**Income assumed to be 6.5% of the “base case” pot value at age 65, less 25% tax-free cash

2024 Climate scenario analysis – illustrative results (unchanged from last year’s report)



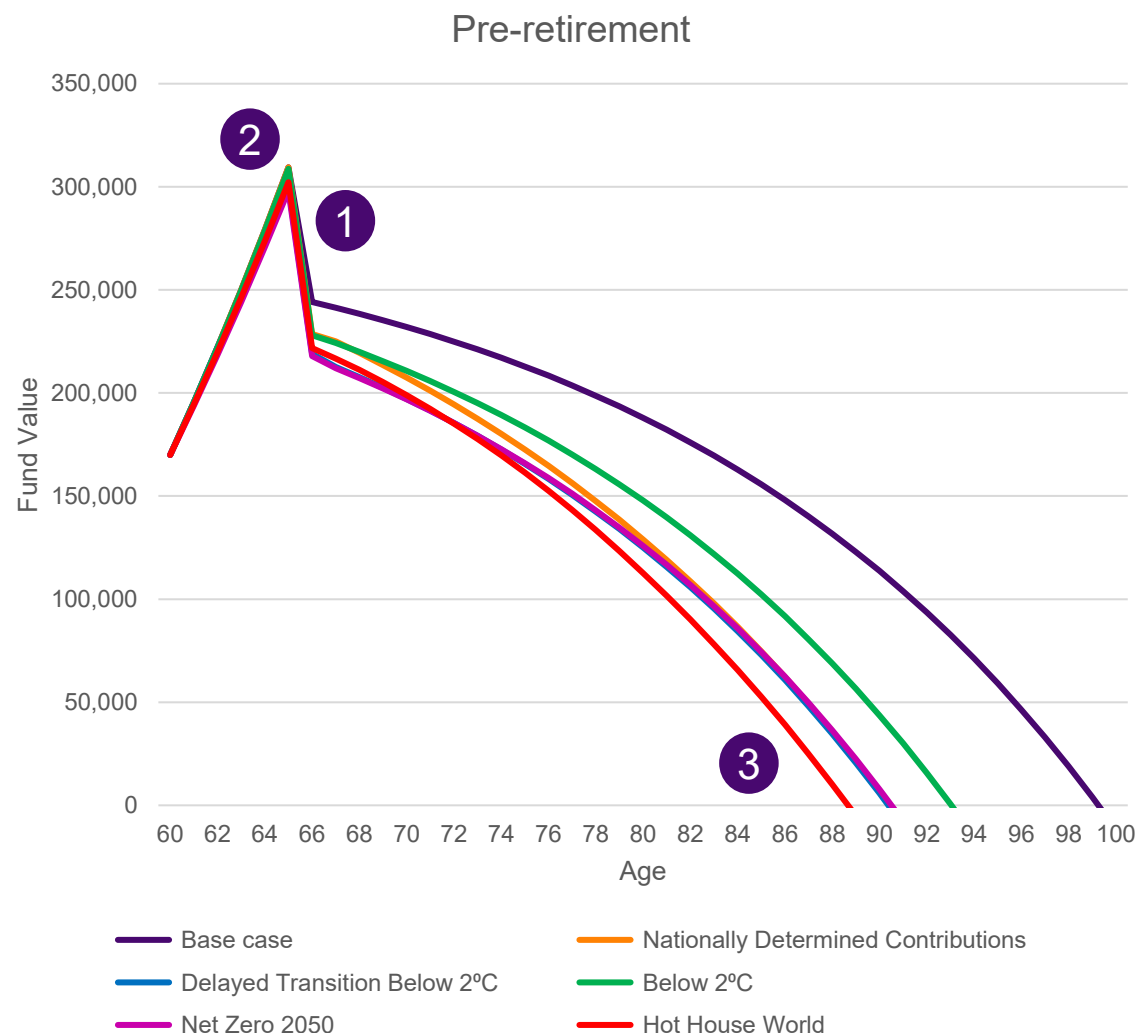
This chart shows the build up of the member’s fund over the period they are a member of the Plan, under the base case* and five scenarios.

- 1 It then illustrates the reduction in the fund whilst the member is drawing income, after taking 25% tax free cash at retirement, through to the point at which the fund is exhausted (assuming the same level of income is drawn each year under all scenarios**). The purpose of this is to illustrate how the different scenarios may impact on the member’s investments over the short (5 years), medium (10-15 years) and long term (30+ years).
- 2 For the mid-career member, the impact of each scenario is modest over the short term but starts to become greater over the medium and long-term.
- 3 The Hot House World scenario has the biggest impact on the member’s pot at retirement, with an estimated reduction of 15% when compared to the base case.
- 4 This scenario also results in the earliest exhaustion point, around 13 years earlier than under the base case.

*the “base case” scenario factors in risks which we believe the market is currently pricing in. We believe there are climate risks which will emerge over time, and which the market is not yet fully pricing in, which means the base case is an unrealistic scenario. The five alternative scenarios aim to capture these emerging risks, which could vary in size and timing depending on how well and how soon economies, governments and companies react to the need to meet climate targets.

**Income assumed to be 6.5% of the “base case” pot value at age 65, less 25% tax-free cash

2024 Climate scenario analysis – illustrative results (unchanged from last year’s report)



This chart shows the build up of the member’s fund over the period they are a member of the Plan, under the base case* and five scenarios.

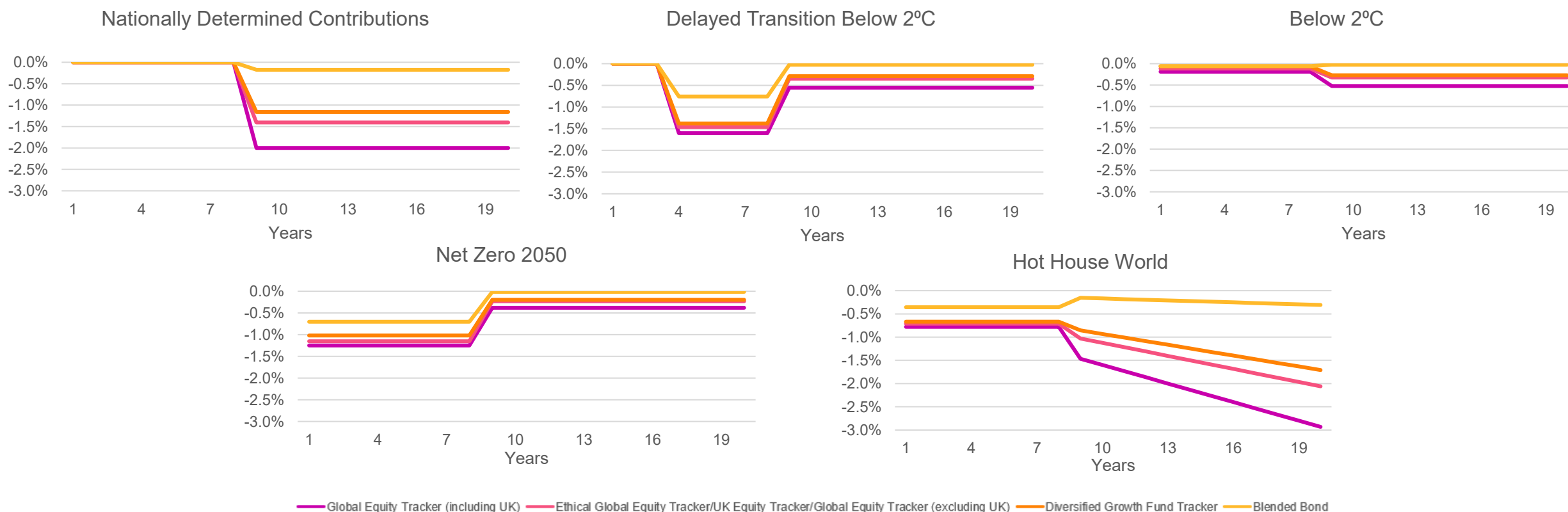
- 1 It then illustrates the reduction in the fund whilst the member is drawing income, after taking 25% tax free cash at retirement, through to the point at which the fund is exhausted (assuming the same level of income is drawn each year under all scenarios**). The purpose of this is to illustrate how the different scenarios may impact on the member’s investments over the short (5 years), medium (10-15 years) and long term (30+ years).
- 2 For the pre-retirement member, the impact of each scenario is very modest over the short term, the period up to retirement, but starts to become greater over the medium and long-term.
- 3 The Hot House World scenario has the biggest impact and results in the earliest exhaustion point, around 11 years earlier than under the base case.

*the “base case” scenario factors in risks which we believe the market is currently pricing in. We believe there are climate risks which will emerge over time, and which the market is not yet fully pricing in, which means the base case is an unrealistic scenario. The five alternative scenarios aim to capture these emerging risks, which could vary in size and timing depending on how well and how soon economies, governments and companies react to the need to meet climate targets.

**Income assumed to be 6.5% of the “base case” pot value at age 65, less 25% tax-free cash

2024 Climate scenario analysis results – individual funds (unchanged from last year’s report)

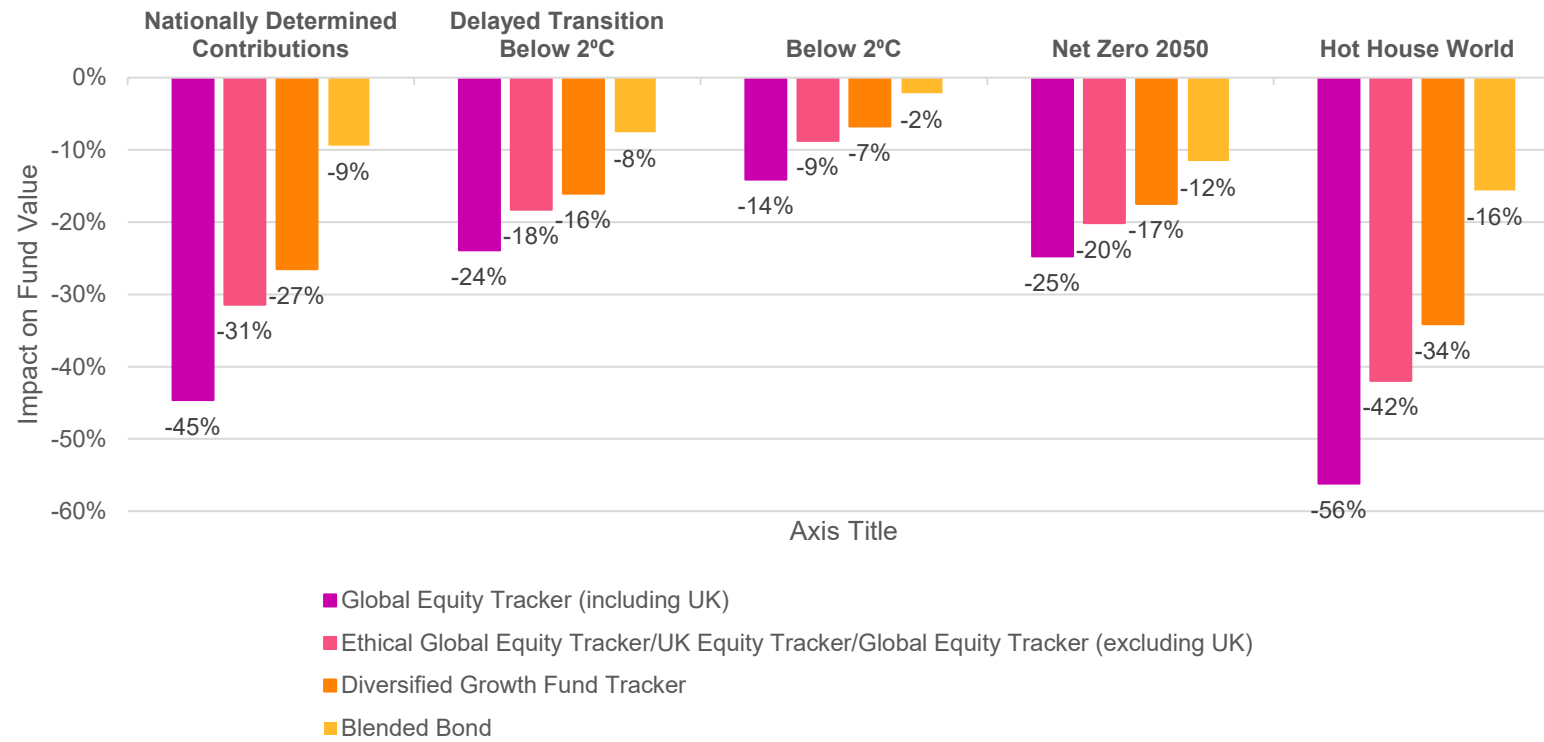
The charts show the impact of each climate scenario acting as a drag on return over time compared to the base case returns for the individual funds classified as popular DC arrangements in the Plan. These indicate how climate risks might materialise over different time frames, and how significant the reduction in return could be. For example, under the Nationally Determined Contributions scenario, there is no expected reduction in return for the first 8 years, but significant costs to companies which arise rapidly after that point, resulting in large falls in expected returns for the following 10 years. From an asset class perspective, climate change is expected to have a bigger impact on equity funds than on fixed income funds or other asset classes.



2024 Climate scenario analysis results – individual funds (unchanged from last year’s report)

The analysis up until this point has focused on a range of outcomes on the three straw-members and on each individual fund if each scenario manifested as a slow drag on asset returns. By and large, the older a DC member is the more shielded they are from this type of scenario, and this is shown in the analysis with the members progressively less impacted as the assumed initial age increases.

The chart below shows the potential loss within a year from a severe market shock from climate change (e.g. sudden changes to regulation or introduction of a carbon tax) leading to rapid market repricing in one year under each scenario.



Key Findings

- Climate risk is strongly correlated with overall investment risk, with the riskier funds more materially impacted.
- As expected, the severity of the shocks follows the same trend as the previous drags on return we have seen thus far, with the Hot House World scenario producing the biggest shocks across all funds.

Appendix C: Metrics – Scopes 1 and 2 emissions and data coverage

Carbon footprint (Scope 1 and 2) remained broadly unchanged over the year | The increase in total carbon emissions was driven by higher fund values | Data coverage reduced slightly

	Fund Value (£m)			Total Carbon Emissions tCO ₂ e			Carbon footprint tCO ₂ e / £m			Data coverage for carbon footprint			Breakdown of data coverage (31/12/25)	
	31/12/22	31/12/24	31/12/25	31/12/22	31/12/24	31/12/25	31/12/22	31/12/24	31/12/25	31/12/22	31/12/24	31/12/25	Reported	Estimated
Global Equity Tracker (incl UK) ¹	757.1	1,208.8	1,394.5	71,506	87,298	99,643	94.8	72.2	71.7	95.8%	97.6%	97.4%	93.5%	3.9%
Global Equity Tracker (excl UK)	194.1	272.6	302.4	14,314	14,087	14,715	74.0	51.6	48.8	94.7%	96.7%	97.3%	93.6%	3.6%
Diversified Growth Tracker ¹	418.6	312.3	371.5	47,215	35,646	43,432	110.9	105.2	108.2	92.3%	81.6%	81.1%	70.8%	10.3%
UK Equity Tracker	297.7	297.1	327.4	37,840	23,363	25,197	127.4	78.6	76.9	90.3%	92.4%	90.3%	90.3%	0.0%
Ethical Global Equity Tracker		119.0	128.6		5,460	5,372		46.0	41.9		98.6%	99.2%	98.4%	0.8%
Blended Bond ¹		21.2	28.6		2,414	3,388		112.0	116.0		62.8%	63.0%	61.4%	1.6%
Cash ¹	45.4	43.0	60.7	508	14	44	11.2	0.3	0.7	44.4%	38.1%	50.3%	50.3%	0.0%
Total or Weighted average²	1,712.9	2,274.0	2,613.8	171,383	168,280	191,790	99.8	72.7	72.3	92.5%	93.2%	92.8%	88.8%	4.0%
Total Plan	2,101.1	2,595.5	2,935.1		178,723	201,280		68.0	91.0		93.5%	93.2%		

¹Trustees are required to report on default arrangements and self-select funds that are over £100m or represent at least 10% of total assets. The Funds that make up the default arrangement are highlighted with a ¹

² Total for Fund Value (£m) and Total Carbon Emissions tCO₂e; Weighted average for the rest.

Lifestyle Drawdown Focus (default)	Fund size	Total Carbon Emissions tCO ₂ e	Carbon footprint tCO ₂ e / £m
		31/12/2025	31/12/2025
Pre-switching (age 45)	£90,000	6.5	71.7
Pre-retirement (age 60)	£170,000	18.5	109.0

Pre-switching members are fully invested in the Global Equity Tracker (including UK) and Pre-retirement members are gradually switched out of the Global Equity Tracker Fund into the Diversified Growth Tracker Fund and the Blended Bond Fund. At age 60 (5 years from retirement), a member's fund is 90% invested in the Diversified Growth Tracker Fund and 10% in the Blended Bond Fund..

Appendix C: Metrics – Scope 3 emissions and data coverage

Slight increase in carbon footprint | Scope 3 data coverage for cash and bonds remains significantly lower than other funds, as is common across the industry

	Fund Value (£m)			Total Carbon Emissions tCO ₂ e			Carbon footprint tCO ₂ e / £m			Data coverage for carbon footprint			Breakdown of data coverage (31/12/25)	
	31/12/23	31/12/24	31/12/25	31/12/23	31/12/24	31/12/25	31/12/23	31/12/24	31/12/25	31/12/23	31/12/24	31/12/25	Reported	Estimated
Global Equity Tracker (incl UK) ¹	853.7	1,208.8	1,394.5	603,977	1,319,059	1,436,847	716.8	1,099.7	1,049.5	97.0%	97.6%	97.4%	62.1%	35.4%
Global Equity Tracker (excl UK)	227.2	272.6	302.4	108,955	186,675	216,190	488.9	698.6	730.1	96.9%	96.7%	97.3%	72.1%	25.1%
Diversified Growth Tracker ¹	501.6	312.3	371.5	226,308	238,335	290,238	589.6	903.0	964.0	68.1%	65.3%	62.7%	41.7%	21.0%
UK Equity Tracker	303.2	297.1	327.4	334,736	333,699	390,756	1,130.5	1,151.1	1,214.8	92.2%	92.4%	90.3%	74.0%	16.3%
Ethical Global Equity Tracker		119.0	128.6		74,936	90,356	0.0	632.8	707.4		98.6%	99.2%	80.0%	19.2%
Blended Bond ¹		21.2	28.6		7,005	10,134	0.0	869.5	932.4		21.0%	20.3%	13.7%	6.6%
Cash ¹	45.3	43.0	60.7	2,962	6,708	33,851	93.1	303.3	818.9	52.8%	38.1%	50.0%	22.4%	27.7%
Total or Weighted average²	1,931.0	2,274.0	2,613.8	1,276,938	2,166,417	2,468,372	707.3	989.7	997.6	87.7%	90.6%	89.7%	61.3%	28.5%
Total Plan	2,361.2	2,595.5	2,935.1											

¹ Trustees are required to report on default arrangements and self-select funds that are over £100m or represent at least 10% of total assets. The Funds that make up the default arrangement are highlighted with a ¹

² Total for Fund Value (£m) and Total Carbon Emissions tCO₂e; Weighted average for the rest.

Note that the base year is as of 2023, as this is when scope 3 reporting for the Plan began.

Lifestyle Drawdown Focus (default)	Fund size	Total Carbon Emissions tCO ₂ e	Carbon footprint tCO ₂ e / £m invested
		31/12/2025	31/12/2025
Pre-switching (age 45)	£90,000	94.5	1,049.5
Pre-retirement (age 60)	£170,000	163.3	960.8

Pre-switching members are fully invested in the Global Equity Tracker (including UK) and Pre-retirement members are gradually switched out of the Global Equity Tracker Fund into the Diversified Growth Tracker Fund and the Blended Bond Fund. At age 60 (5 years from retirement), a member's fund is 90% invested in the Diversified Growth Tracker Fund and 10% in the Blended Bond Fund.

Appendix C: Metrics – Portfolio Alignment – Science Based Targets

Decrease in percentage of assets with Science Based Targets with an increase seen across some funds during the year

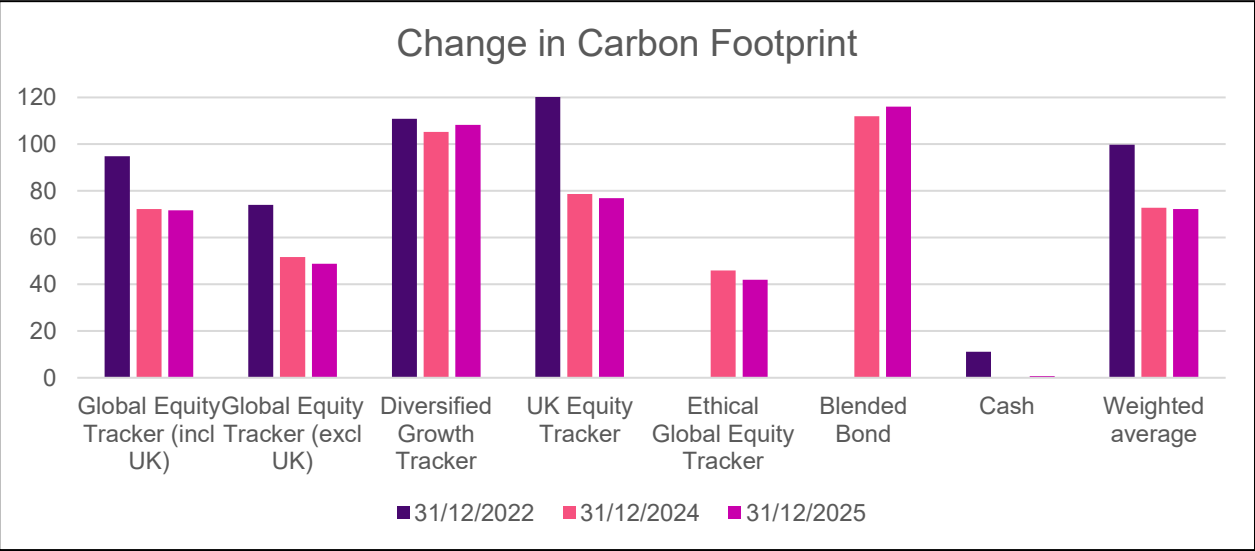
	Fund Value (£m)			% of assets with SBTi ² (Approved / Committed)		
	31/12/22	31/12/24	31/12/25	31/12/22	31/12/24	31/12/25
Global Equity Tracker (incl UK) ¹	757.1	1,208.8	1,394.5	46.0	51.8	50.4
Global Equity Tracker (excl UK)	194.1	272.6	302.4	50.1	55.8	58.2
Diversified Growth Tracker ¹	418.6	312.3	371.5	30.2	31.7	30.6
UK Equity Tracker	297.7	297.1	327.4	57.1	53.3	53.5
Ethical Global Equity Tracker		119.0	128.6		65.4	71.8
Blended Bond ¹		21.2	28.6		11.7	11.9
Cash ¹	45.4	43.0	60.7	6.0	4.5	3.8
Total or Weighted average³	1,712.9	2,274.0	2,613.8	43.5	49.2	48.4
Total Plan	2,101.1	2,595.5	2,935.1			

¹ Trustees are required to report on default arrangements and self-select funds that are over £100m or represent at least 10% of total assets. The Funds that make up the default arrangement are highlighted with a ¹

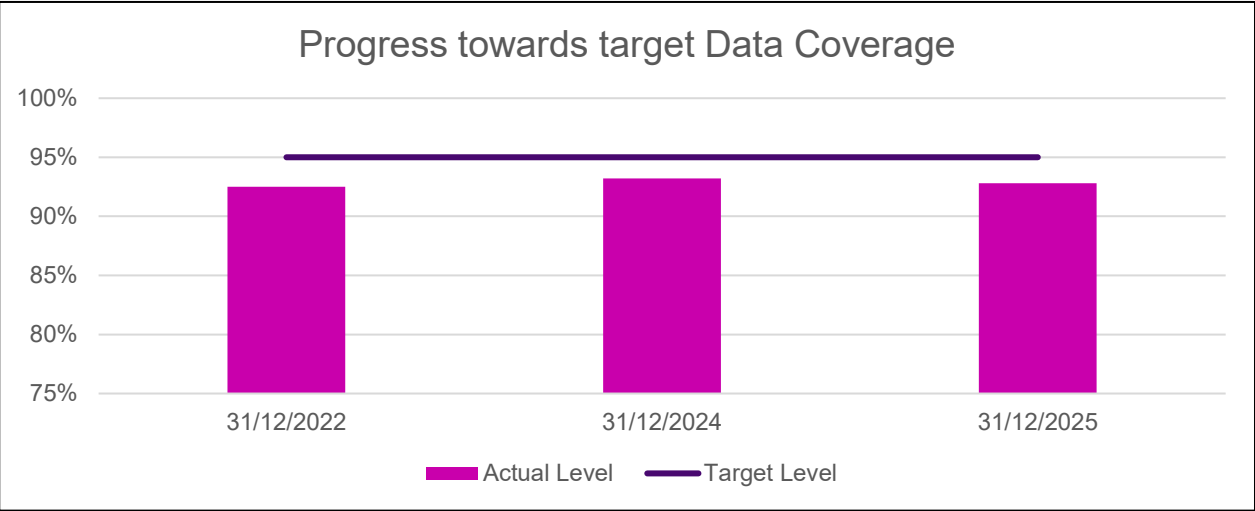
² Science-Based Target Initiatives.

³ Total for Fund Value (£m); Weighted average for the rest.

Appendix C: Change in metrics over the last year

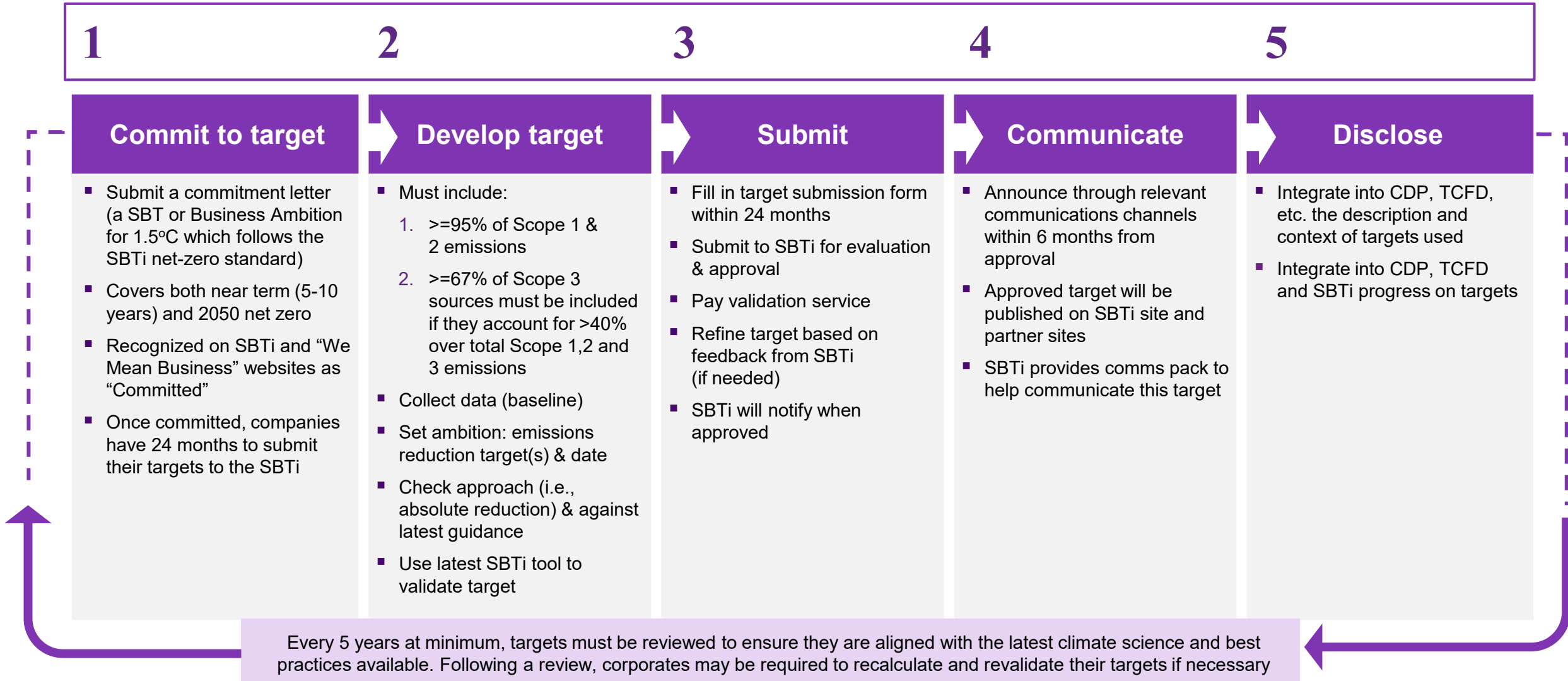


The chart shows a gradual reduction in the Scope 1 and 2 Carbon footprint, with the weighted average declining from 99.8 in 2022 to 72.3 in 2025. This improvement is largely driven by consistent decreases in the carbon footprint of most funds over the period.



Over the last three years, the Plan has seen data coverage across reported funds remain broadly unchanged at around 93%, which is somewhat disappointing given expectations of ongoing industry progress. This stagnation has been driven by a reduction in coverage from the Diversified Growth Tracker Fund, offsetting improvements seen in the Plan's equity funds. As the industry continues to develop, we expect to see data coverage improve towards target.

Methodology: SBTi five-stage process



Appendix D: 2024 Scenario Analysis – Assumptions and Methodology (unchanged from last year’s report)

Climate change and our response to it will have financially material impacts on the cashflows available from all financial assets. Scenario analysis, as a risk management tool, allows us to isolate the impact of climate change and thus understand the potential impact. It is necessary, however, to understand how the impact of climate change is integrated into the “base case” investment assumptions.

The investment return assumptions have been calibrated from the long-term historical experience across a wide range of countries. By using the historical track record as the basis for forward-looking assumptions, we are assuming that either:

- Future events and their impact on markets will be the same as the past.
- Future events are unknowable, but their potential impact on markets will rhyme with the impact of historical events.

The first of these is clearly an implausible assumption. Many of the historical events are either unlikely to occur again (e.g. hopefully the world wars) or factually cannot occur again (e.g. inventions, entry of women into the workforce). The historical track record would need to be (arbitrarily) adjusted to remove the impact of these unrepeatable events, but would then need to be adjusted to add in the events both known (e.g. climate change) and unknown (e.g. future unspecified inventions) that we expect to occur in the future.

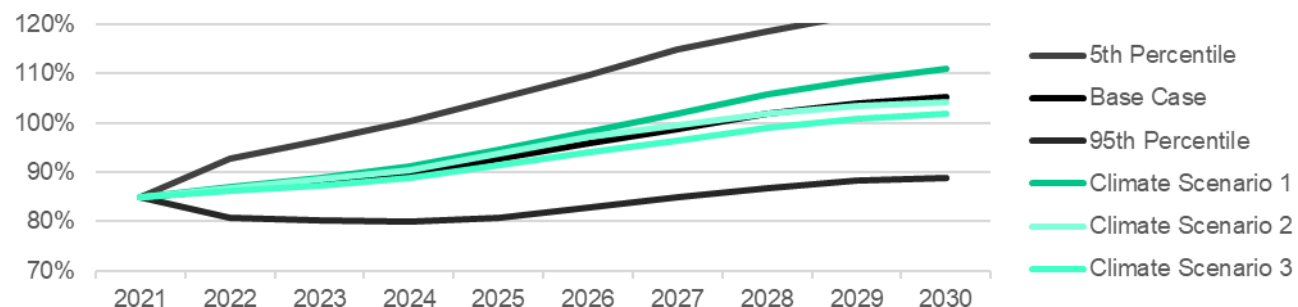
We therefore make the second of these assumptions and, in practice, our assumption set assumes that future returns will be lower than suggested by the historical track record reflecting a belief that:

- Markets are more expensively priced than they were in 1900
- A number of the historic tailwinds for markets (debt, demographics, globalisation) are likely to turn into headwinds in the immediate future and new headwinds such as climate change will emerge



2024 Scenario Analysis – Assumptions and Methodology (unchanged from last year’s report)

The investment model needs to be able to identify the specific risks attributable to climate change within the wide distribution of outcomes from the model.



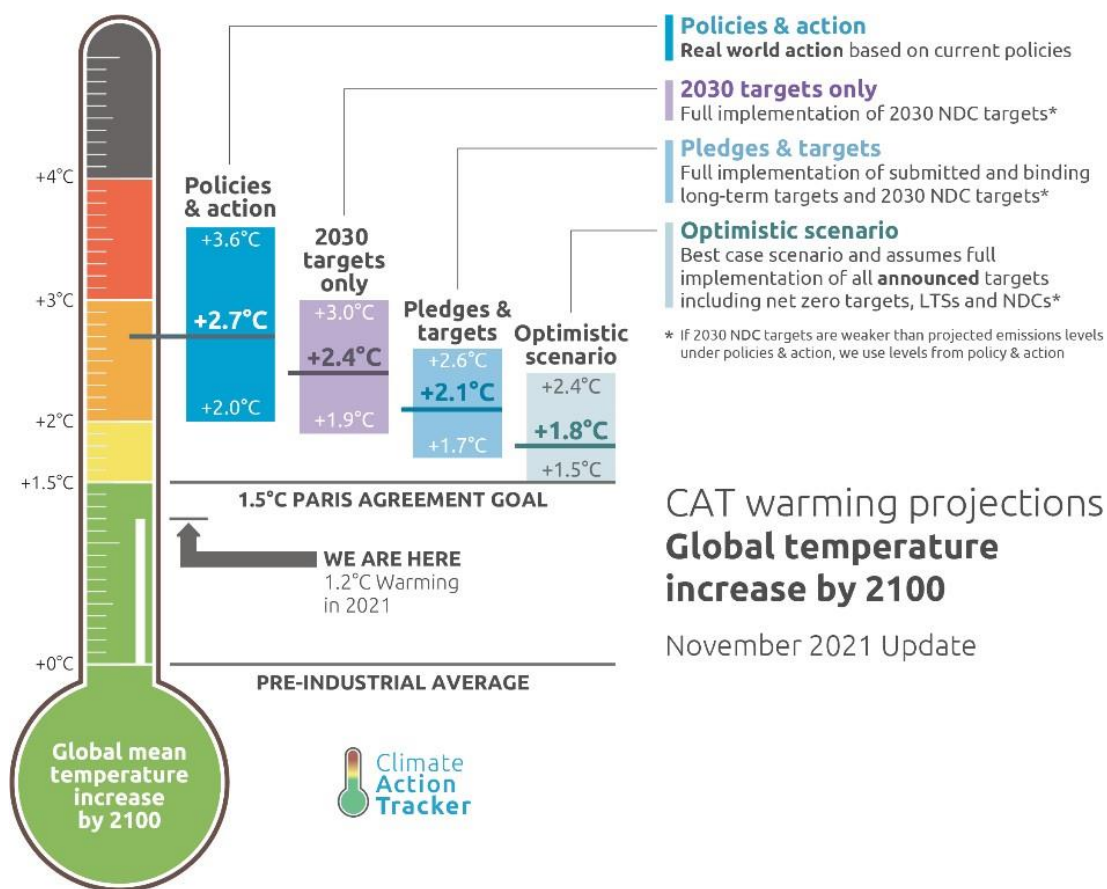
The potential impacts of climate change on assets that need to be captured in the scenarios can be split into two categories:

- Physical Risk – direct impacts from climate change such as flooded property (asset side) or deaths arising from extreme weather (liability side).
- Transition Risk – the indirect impacts arising as a result of changes in society to combat or adapt to climate change, such as costs for businesses from meeting regulations (asset side) or improvements in mortality from healthier lifestyles (liability side).

Transition costs are likely to be incurred earlier than physical costs, as society moves to attempt to avoid the long-term physical damage of climate change. We expect that the higher the transition costs, due to a greater effort to transition to a low carbon economy, the lower the eventual physical costs as the physical consequences are reduced. The scenarios used span the range of plausible outcomes for physical and transition risk and the trade-off between the two. The costs of each at an index level have been based upon figures sourced from MSCI with judgement being applied by the investment consultant as to current market pricing, the extension of these base figures to all asset classes and their attribution over time.

The scenarios are derived on the basis of all other things being equal, which is unlikely to be the case in practice. For example, the climate transition could lead to higher levels of investment, employment and productivity-enhancing innovation. These second order effects and feedback loops are hard to estimate with certainty and represent the reason why the climate scenarios cannot be a substitute for using the base investment model for risk management purposes. The temperature rises used in the scenarios are the assumed eventual increases over the long-term, compared to pre-industrial levels, on the assumption that the temperature would stabilise at this level and not continue increasing.

How policy uncertainty is reflected in the scenarios



Climate scientists use models to estimate the impact of policies on the total amount of warming. The use of different models and/or different parameterisations of these models mean different stakeholders can easily come up with different figures. The models show a funnel of doubt for total warming so the choice of different descriptive statistics (percentiles, time horizons etc) will also contribute to different temperature rise figures.

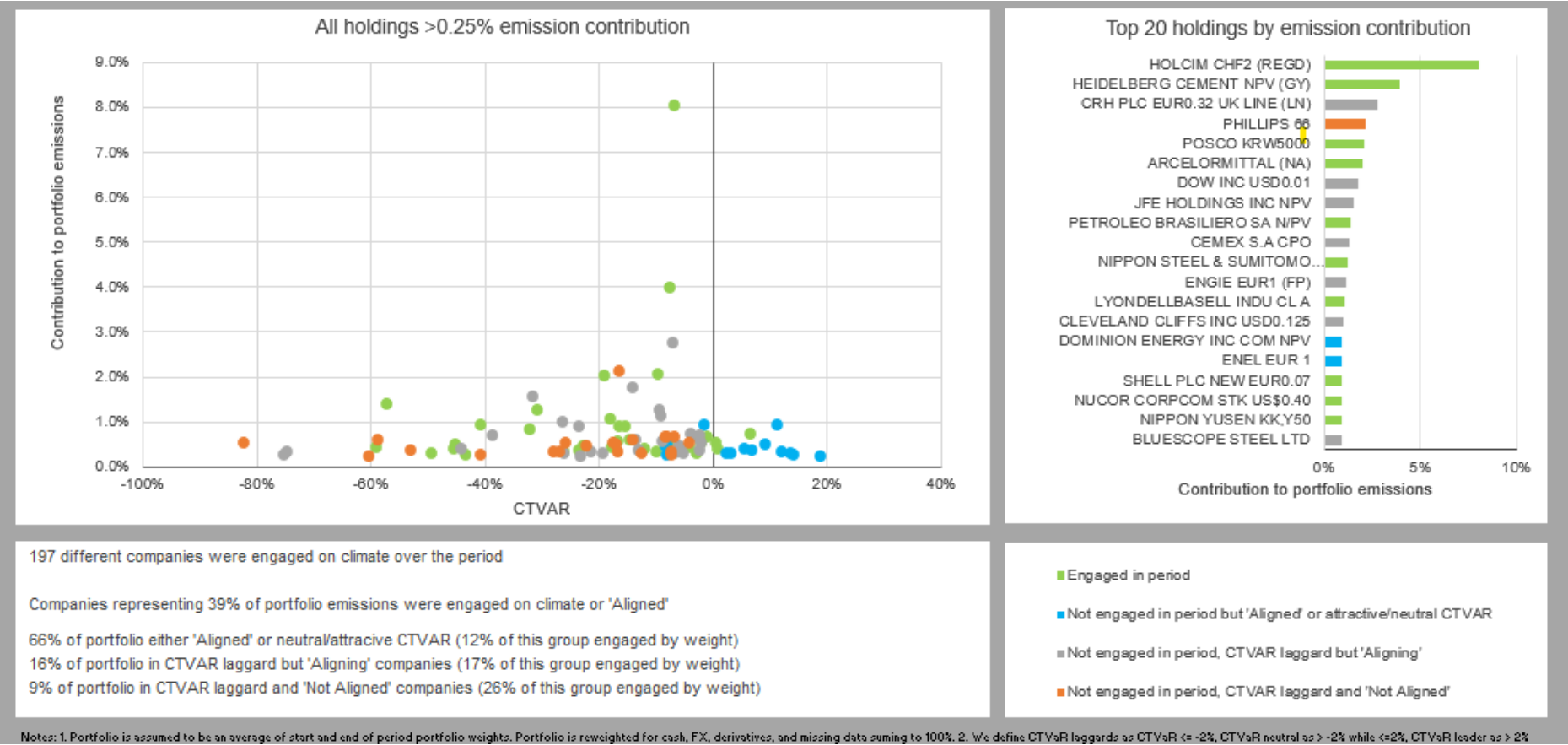
The policies to model are also subject to uncertainty, which requires careful distinguishing between:

- Pledges and targets – e.g. ‘net-zero by 2050’
- Policies designed to meet targets – e.g. banning the sale of combustion engines after 2035
- The successful implementation of otherwise of the policies and whether they will have the intended effect even if they are successfully implemented

Independent organisations such as the Climate Action Tracker keep track of individual country’s targets and policies. The Climate Action Tracker uses a ‘global thermometer’ to illustrate the effect of all countries aggregated to provide a consistent global picture.

The climate scenarios we have considered are built from a ‘bottom-up’ approach, rather than starting with a given temperature rise. However, they do span the range of uncertainty shown opposite. For example, the Least Common Denominator scenario is consistent with a 3.5 degree, taking a very prudent view of the effectiveness of the current policies. The Global Co-ordinated Action scenario assumes implementation of current pledges and targets and Climate Emergency is at the optimistic end of the optimistic scenario shown.

Appendix E: Stewardship across Global Equity Tracker (including UK) over 2023 (unchanged from last year’s report)



We have identified the most meaningful contributors to emissions across the Global Equity Tracker (including UK) Fund. We have then identified whether our investment manager has engaged with these companies on the Plan’s behalf (using the colour coding). We have liaised with our investment manager and emphasised the importance of engaging with these companies.

Note:
We define CTVaR laggards as CTVaR <= -2%, CTVaR neutral as > -2% while <=2%, CTVaR leader as > 2%.

Appendix F: Glossary

Term	Description	Formula for corporate holding (if applicable)
Absolute Emissions Metric: Total GHG emissions (tCO₂e) (scope 1 & 2)	Total amount of greenhouse gas emissions (“CO ₂ equivalents”) (as mandated by the Kyoto Protocol) emitted by the underlying portfolio companies, attributed to the investor based on the total investment in each company.	$\sum_i \left(\frac{\text{Current value of investment}_i}{\text{Investee company enterprise value}_i} \right) \times \text{investee company's scope 1 and 2 emissions}_i$
Emissions Intensity Metric: Carbon Footprint (tCO₂e / £m) (scope 1 & 2)	An intensity measure of emissions that assesses the level of greenhouse gas emissions (as mandated by the Kyoto Protocol) arising from £1 million investment in a company.	$\frac{\sum_i \left(\frac{\text{Current value of investment}_i}{\text{Investee company enterprise value}_i} \times \text{investee company's scope 1 and 2 emissions}_i \right)}{\text{Current value of all investments (£ millions)}}$
Alignment Metric: % of assets with approved/ committed science based targets (“SBTi”)	The proportion of either emissions or of the portfolio which is covered by Science Based targets as verified by the Science Based Targets Initiative (“SBTi”). The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) enabling companies to set science-based emissions reduction targets.	
Additional Metric: Data coverage / Data quality	Data coverage is the proportion of the Plan’s assets for which the Trustee has data. Data quality is an assessment of the quality of the data used to prepare the Plan’s climate metrics e.g. percentage of portfolio modelled directly as opposed to through use of proxies, or percentage of data that is reported by companies versus estimated.	
Carbon emissions	The six main greenhouse gases (GHGs), defined by the Kyoto Protocol (Carbon dioxide (CO ₂); Methane (CH ₄); Nitrous oxide (N ₂ O); Hydrofluorocarbons (HFCs); Perfluorocarbons (PFCs); and Sulphur hexafluoride (SF ₆)).	
Scope 1 Greenhouse Gas Emissions	Scope 1 emissions refer to all direct GHG emissions, or in other words, emissions from sources that are owned or controlled by the operating company.	
Scope 2 Greenhouse Gas Emissions	Scope 2 emissions refer to all indirect GHG emissions stemming from the consumption of purchased electricity, heat or steam.	
Scope 3 Greenhouse Gas Emissions	Scope 3 emissions are all indirect emissions not covered in Scope 2. This includes both upstream and downstream supply chains, such as the extraction and production of purchased materials and fuels, flight emissions, waste disposal and investments.	
Net zero	As noted by the Intergovernmental Panel on Climate Change (IPCC), net zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period. Anthropogenic in terms of climate change refers to the impact humans have had on climate change, primarily through emissions of greenhouse gases.	
Enterprise Value Including Cash (EVIC):	Defined as the sum of market capitalisation of shares and book values of total debts and minority interests at fiscal year end. No deductions of cash or cash equivalents are made to avoid potential negative enterprise values. This is the recommended denominator metric for carbon attribution according to the GHG Protocol, the global standard for carbon accounting endorsed by the European Union and the DWP.	