



Jacobs Douwe Egberts UK Pension Trustee Limited

Trustee of the Jacobs Douwe Egberts UK Pension Plan

2024 TCFD Report (Data as of 31 March 2025)

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Foreword by Chairman

In this third TCFD¹ report, we build upon our previous reports (published in 2023 and 2024) to outline further how Jacob Douwe Egberts UK Pension Trustee Limited (the "Trustee"),² as trustee of the Jacobs Douwe Egberts UK Pension Plan (the "Plan"), meets the requirements of the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021, the Occupational Pension Schemes (Climate Change Governance and Reporting) (Miscellaneous Provisions) Regulations 2021, and the Occupational Pension Schemes (Climate Change Governance and Reporting) (Amendment, Modification and Transitional Provision) Regulations 2022 (together, the "Regulations").³ We approach these requirements through the lens of our Environmental Social Governance ("ESG") beliefs, and our investment process and implementation process. During the Plan reporting period ending 31 March 2025, we have invested time and resources to continue to strengthen further our oversight of climate-related risks and opportunities ("CRRO") and integrate these throughout the Plan's investment manager research and portfolio implementation.



We believe that our fiduciary objectives and responsible investing ambition are aligned, and we have agreed on the Plan's objective to minimise carbon exposure where possible. As of 31 March 2025, the Plan's funding ratio was estimated to be 135%, reflecting strong performance and a stable surplus. The Plan de-risked twice in 2021 and a further de-risking step was carried out in June 2022. Due to the de-risking that has taken place the Plan's exposure to CRRO is very low.

Russell Bailey

**The Chairman of the Trustee,
Jacobs Douwe Egberts UK Pension Trustee Limited**

Footer Notes

¹ Task Force on Climate-Related Financial Disclosures ("TCFD") was created in 2015 by The Financial Stability Board ("FSB") to develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks related to climate change. The UK Financial Conduct Authority ("FCA") policy and guidance relating to the requirements of new climate-related disclosure regime for investment managers as well as asset owners under the TCFD framework came into effect in January 2023.

² The Trustee has prepared this report in its capacity as trustee of the Plan.

³ The following sources have been considered during the preparation of this report: the TCFD's Principles of Effective Disclosure; the Department for Work and Pensions guidance on Governance and reporting of climate change risk: guidance for trustees of occupational schemes; the Pensions Regulator's guidance on governance and reporting of climate-related risks and opportunities; and the Pensions Climate Change Risk Industry Group's Aligning Your Pension Scheme with the Taskforce on Climate-related Financial Disclosures Recommendations dated 27 January 2021.

Executive Summary

Responsible Investing Approach

The Trustee recognises that integration of ESG factors (including CRRO) into the management of assets has the potential to reduce risk, to protect the value of the Plan and to enhance returns through considering additional risks and injecting new insights into the investment process. The Plan has adopted an ESG and Stewardship Policy as well as ESG Beliefs to demonstrate a commitment to ESG considerations and to document appropriately the Plan's consideration and incorporation of ESG in management and oversight. The Trustee believes that the adoption of responsible investing practices and the consideration of ESG factors within its investment framework is aligned with its fiduciary responsibility.

Governance

The Trustee has established a governance and oversight framework in the Policy and Beliefs that addresses themes related to responsible investing (including CRRO).

The Trustee works effectively with advisers and investment managers who undertake or advise on Plan governance activities and has put processes in place to ensure each of those entities is taking adequate steps to identify, assess and manage CRRO, including short and long-term climate change risks.

Strategy

The Trustee has identified CRRO that may have an effect on the Plan in the short-term, medium-term and long-term. The key risks identified can broadly be categorised as:

- risks associated with transitioning to a low carbon economy;
- regulatory risks as world governments seek to facilitate the transition to a low carbon economy; and
- disruption in the broader economy due to climate change.

The Trustee and its advisers consider the appropriate time horizons for the Plan to be:

- Short-term: 5 years
- Medium-term: 10 years
- Long-term: 20 years

Based on the identified risks outlined above, the Trustee and its advisers work with the Plan's investment managers to integrate these considerations into their portfolio management and oversight processes.

The Trustee has analysed four scenarios: an orderly transition, an abrupt transition, no action, and a green bubble. The Trustee considers that the potential impacts on the Plan's assets and liabilities of these scenarios will be low and can be mitigated by addressing the relevant risks and opportunities. The Plan is well-funded, significantly de-risked in the short to medium term, and has appropriate hedging and other safeguards in place to minimise the possibility of significant drawdowns. It is also supported by a strong sponsor covenant.

The Trustee has considered the potential CRRO relevant to the covenant through consideration of the outputs of climate scenario modelling prepared by the Trustee with input from its advisers.

Overall, the Trustee considers that the Plan's investment strategy and funding strategy is resilient to the impacts of the scenarios analysed.

Risk Management

As noted above, the Trustee has a well-established governance and oversight framework that addresses items related to responsible investing (which includes CRRO).

The Trustee has chosen to take an approach to the oversight and management of CRRO that largely replicates the process of how it considers other risks and opportunities, and it is integrated into the overall risk management of the Plan through the existing governance framework.

Metrics and Targets

Carbon dioxide ("CO₂") makes up the vast majority of the greenhouse gas ("GHG") emissions from the sector, but smaller amounts of methane ("CH₄") and nitrous oxide ("N₂O") are also emitted. These gases are released during the combustion of fossil fuels, such as coal, oil and natural gas, to produce electricity.

The GHG Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes'. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

As part of its process of assessing CRRO, the Trustee monitors several climate-related metrics:

1. Weighted-average carbon intensity ("WACI") which measures a portfolio's exposure to carbon-intensive companies and indicates the potential climate change-related risks relative to other portfolios or a benchmark.
2. Normalised carbon emissions which provides a normalised measure (by \$m invested) of the portfolio's contribution to GHG emissions.
3. Exposure to carbon-related assets.

Based on the available data, the Plan's assets produced total carbon emissions of approximately 7,483 tCO₂e (Scope 1+2) and WACI of 8.8 tCO₂e/\$m Sales for Scope 1+2 emissions. The Plan also provides Scope 3 carbon emissions statistics. A summary of the results for metrics 1 to 3 is shown below with further detail regarding calculation methodology and asset class results in the following Metrics portion of this report.



Consolidated Carbon Statistics		
Mar-2025	Calculated Statistics	% of Managers Supplying Data
Total Carbon Emissions (tonnes CO ₂ e) Scope 1+2	7,483	91.9%
Total Carbon Emissions (tonnes CO ₂ e) Scope 1,2,3	156,608	91.9%
Weighted Average Carbon Intensity (tonnes CO ₂ e / \$m Sales) Scope 1+2	8.8	91.9%
Weighted Average Carbon Intensity (tonnes CO ₂ e / \$m Sales) Scope 1,2,3	334.4	91.9%
Exposure to Carbon-Related Assets	0.4%	91.9%

The Regulations also require the calculation of a portfolio alignment metric. The Paris Agreement Capital Transition Assessment ("PACTA") tool is designed to evaluate listed equity and corporate bond portfolios of the Plan's assets to determine how they align with various climate scenarios consistent with the Paris Agreement. Due to de-risking, the Plan held no listed public equity or corporate bond positions applicable to PACTA tool analysis. Given the Plan does not have exposure to the assets that PACTA has identified as having material risks or opportunities related to climate change, the analysis resulted in no metric applicable for evaluation.

The Trustee has considered its obligations under the Regulations and associated statutory guidance and, taking into account the assets, liabilities and funding for the Plan, has decided it is appropriate to report on all activities at the "whole plan" level.

The Trustee has committed resources to complying with the requirements of the TCFD. There are other regimes and possible metrics as well as increasing compliance requirements in terms of volume, scope and complexity, but the language and methodologies of these various frameworks are not harmonised. In light of the continued challenges in sourcing and evaluating climate-related data of varied scope and quality the Trustee has sought to populate gaps in data as far as it is able to.

Where relevant in this report, the Trustee has described the data (1) it has been unable to obtain or (2) it has treated as unobtainable, and the reasons for this.

Targets

In 2023, the Trustee set the Plan's target to maintain and, where possible, reduce the portfolio's WACI. The Trustee has reviewed the data and performance to date and, after the de-risking previously undertaken, the Plan held no public equity and corporate bond positions. The Trustee continues to maintain the target for the Plan to maintain, and where possible, reduce the Plan's WACI

Looking Ahead

This is the third year that the Trustee has been required to produce a report in accordance with the Regulations. The Trustee is satisfied with the progress it has made, but understands that identifying, assessing, and managing CRRO (and wider ESG considerations) will be a continuous effort. Looking ahead, the Trustee will seek to meet its target to maintain and, where possible, reduce the portfolio's WACI and look to expand its data coverage for WACI and normalised carbon emissions as evidenced by this year's collection and inclusion of Scope 3 emissions data.

Responsible Investing Approach

The Trustee's approach to CRRO and other ESG factors is articulated in the Plan's ESG and Stewardship Policy, which is guided by the Plan's ESG beliefs. The Plan's primary purpose is to provide pension benefits to its beneficiaries in line with its fiduciary duty. The Trustee recognises that integration of responsible investing factors into the management of assets can help to reduce risk, protect the value of the Plan and potentially enhance returns. In this context, the Trustee defines responsible investing as an approach to investing that explicitly acknowledges the relevance to the investor of ESG factors (including CRRO), and the long-term health and stability of the market as a whole.⁴ CRRO are considered as part of the Trustee's responsible investing approach.

The Trustee believes that its fiduciary responsibility is aligned with embracing responsible investing and taking ESG factors (including CRRO) into account in its investment framework (where relevant and appropriate), in a manner that follows legislation and regulatory guidance. These serve as a guide to implementing responsible investing by the Plan. The Trustee will review the ESG and Stewardship Policy and ESG beliefs on a regular basis and will update them as required.

JDE ESG Beliefs

- 1. The Trustee believes that ESG principles are aligned with its investment strategy, objectives and long-term investment process.**
- 2. ESG factors impact the performance of companies and security pricing over time.**
- 3. Adhering to sound ESG principles should improve risk-adjusted returns over the long-term.**



Footer Notes

⁴ The Trustee uses the United Nations Principles for Responsible Investing ("UNPRI"), a UN-supported network of investors, that work to promote sustainable investment through the incorporation of environmental, social and governance factors, as a starting position in its objective to establish a responsible investing approach and develop its beliefs on the relevance of ESG factors to its investment framework.

Governance

Oversight of climate-related risks and opportunities

Key obligation #1: The Trustee understands that it must set out how it maintains oversight of CRRO which are relevant to the Plan.

The Trustee has chosen to take an approach to the oversight and management of CRRO that largely replicates the process for how it considers other risks and opportunities. As noted above, the Trustee believes that consideration of CRRO is part of “responsible investing”. Climate and sustainability-related considerations for advisers are incorporated into the responsible investing approach.

The Trustee has a well-established governance and oversight framework that addresses items related to responsible investing, including regular a) scenario analysis and b) total Plan and asset class level responsible investing reporting.

This framework ensures that the Trustee is regularly informed about CRRO and can take steps to assess and manage them.

In addition, the Trustee will continue to:

- provide an opportunity for its directors to discuss responsible investing (including CRRO) at trustee board meetings;
- review and update the Plan’s Statement of Investment Principles (“SIP”) and ESG and Stewardship Policy having regard to CRRO and its obligations under the Regulations;
- integrate CRRO into its risk register;
- engage with Jacobs Douwe Egberts International B.V, (the “Sponsor”) to understand how it is addressing climate-related issues relevant to its business and how its ability to support the Plan might be affected by climate-related issues in the future;
- engage with advisers to monitor underlying managers, as appropriate, in terms of how short- and long-term CRRO are incorporated and what measures are taken to reflect climate change risk within the investment portfolios;
- consider the possible short-, medium-, and long-term effects of climate change on the Plan’s objectives and its operations;
- maintain and document processes for identifying and assessing CRRO and integrate these processes into their risk management and governance arrangements;
- ensure they oversee, assess and manage CRRO relating to the Plan; and
- provide periodically its directors with responsible investment training, which includes consideration of CRRO.

Additionally, the Trustee’s advisers evaluate responsible investing opportunities, such as impact investing, or other innovative ideas as they emerge and evolve.

As part of the governance process, existing procedures and policies are reviewed and updated accordingly.

Governance Framework

Key obligation #2: The Trustee understands that it must set out (1) the role of any person who undertakes scheme governance activities, or who advises or assists the Trustee with scheme governance activities (apart from its legal advisers) and (2) the processes put into place by which the Trustee satisfies itself that each of those entities is taking adequate steps to identify, assess and manage relevant CRRO.

The Investment and Funding Committee (“IFC”) undertakes governance activities for the Plan. SECOR Investment Advisors (UK) LLP (“SECOR”), Barnett Waddingham LLP (“BW”), and Penfida Partners LLP (“Penfida”) advise and assist on governance activities for the Plan.

Investment and Funding Committee

The Trustee has established the IFC with responsibility for: (1) advising the Trustee on its investment policy (and other related matters); (2) implementing the Plan's investment policy; and (3) monitoring the performance of the Plan's investments and its investment managers and advisers and their compliance with the SIP.

The IFC has overall responsibility for, and oversight of, the ESG and Stewardship Policy and works closely with the Trustee's investment adviser, SECOR, to monitor CRRO through the Plan's ESG dashboard report and ESG asset class reports. These reports include qualitative assessments and quantitative data to determine if managers are sufficiently integrating ESG considerations, including CRRO, into their management processes. The IFC assess the competence of those assisting with or advising on CRRO through periodic review of external advisers. CRRO will be used to help ensure that the Plan's investments adhere to the laws and regulations and meet the investment objectives to achieve an acceptable level of return for the targeted level of risk.

The IFC reports to the Trustee throughout the year and identifies any concerns regarding CRRO.

SECOR: Investment Adviser

SECOR provides investment-related advice and assistance to the Trustee. To ensure that SECOR takes adequate steps to identify, assess and manage any CRRO, the Trustee requires SECOR to act in accordance with the SIP and the ESG and Stewardship Policy. The Trustee has given clear directions in terms of how and when SECOR needs to inform the Trustee of its work. As noted above, SECOR will prepare periodic responsible investment reports for the Trustee and the IFC to review. SECOR seeks to work with managers that can demonstrate appropriate expertise through qualifications, relevant experience and regular engagement with subject matter experts. Competence is assessed through due diligence, performance reviews and a proven track record of incorporating CRRO considerations alongside investment management and investment strategy expertise. Where SECOR has material concerns regarding CRRO, it is expected to report those concerns to the Trustee in a timely manner in the context of the overall risk management framework.



BW: Plan Actuary

BW provide actuarial advice and assistance to the Trustee. The Trustee regularly engages with BW to ensure that BW takes adequate steps to identify relevant risks and opportunities including any relevant CRRO. The Trustee has given clear directions in terms of how and when BW needs to inform the Trustee of its work and receives funding updates on a monthly basis. The Trustee believes that this is a proportionate approach with respect to the nature of BW's role.

Penfida: Covenant Adviser

Penfida advises the Trustee with respect to the strength of the covenant of the Sponsor. The Trustee periodically engages with Penfida to identify risks and opportunities related to the strength of the covenant of the Sponsor.

Investment Managers

The day-to-day fund management of the assets of the Plan is performed by external professional investment managers (each of which is authorised and regulated by the Financial Conduct Authority or similar overseas entity).

As demonstrated by the flowchart in Annex 1.I, outlining SECOR's manager selection and oversight process, responsible investing is considered an integral part of the selection, review and monitoring processes for the Plan's investment managers.

SECOR assumes an active role in assessing investment managers for the Trustee, including providing a proprietary responsible investment scorecard. SECOR ensures that the weighting attributed to climate change issues within manager selection, review and monitoring is appropriate to the Trustee's ESG beliefs and the SIP. Managers that can demonstrate appropriate expertise through qualifications, relevant experience and regular engagement with subject matter experts are considered. Competence is assessed through due diligence, performance reviews and a proven track record of incorporating climate risk and opportunity considerations alongside investment management expertise.

When appointing investment managers, SECOR makes recommendations to the IFC, taking into account the guidelines set by the Trustee. The IFC considers these recommendations, makes the decision on any appointments and then seeks the approval of the Trustee Board.

The Trustee maintains oversight of the incorporation of climate considerations in the selection, review and monitoring of investment managers by reviewing SECOR's reports which identify the investment managers and their responsible investment rating and provide information on each investment manager's performance. Where the Trustee or the IFC has concerns over an investment manager, it will engage with SECOR to find a suitable resolution.

Time and resources

The Trustee discusses responsible investing at board meetings at least bi-annually. These discussions include appropriate training on responsible investing and updates to governance and investment activities as and when that is considered appropriate.

The Trustee notes that its professional advisers also dedicate resources to CRRO. The Trustee has given clear directions in terms of how and when advisers need to inform the Trustee of their work. Where any

adviser has material concerns regarding climate-related risks, it is expected to report those concerns to the Trustee in a timely manner.

The Trustee encourages all its directors to develop their understanding of CRRO and will periodically review its training programme and, where appropriate, will ask its external advisers to provide additional training.

Summary of governance-related developments and activities during the reporting year:

Given the de-risked nature of the Plan and limited exposure to CRRO, the focus over the past reporting year has been on improved reporting and better transparency. The Plan is significantly derisked, with the vast majority of assets held in liability matching assets (e.g., gilts and index-linked gilts (“linkers”)) to hedge interest rate and inflation risk. The relatively small allocation (c.7.5%) to return seeking assets is invested to gain exposure to a broad index, so there is limited scope for the Plan to influence positive change. The Plan has no direct exposure to listed equities or corporate bonds. The Plan and its advisers continue to work with investment managers to improve the transparency of the investment related CRRO (i.e. by including Scope 3 emissions data) and potential CRRO that may impact the Plan. The Trustee remains comfortable that the potential impact is extremely limited given the asset mix and funding status.



Strategy

Time Horizons

Key obligation #3: The Trustee understands that it must set out its short-term, medium-term and long-term time horizons.

When assessing the CRRO for the Plan, the Trustee believes that the appropriate short-, medium- and long-term time horizons are:

Short-term: 5 years, which encompasses at least one full triennial valuation cycle.

Medium-term: 10 years, covering the period to 2030 and the importance of policy decisions that will need to be made to achieve the Paris Agreement⁵.

Long-term: 20 years.

The Trustee will review these periods annually considering Plan and industry developments.

General Climate-related Risks and Opportunities

Key obligation #4: The Trustee understands that it must identify CRRO which it considers will have an effect over the short-term, medium-term and long-term on the Plan's investment strategy and funding strategy.

The world's climate is 1°C warmer today, on average, versus pre-industrial levels⁶. Without strong and globally co-ordinated action, some experts believe the world could warm above 4°C by the end of this century, which could lead to significant consequences for ecosystems and humanity. As the world and society seek to address climate change, two types of risks will impact pension plan portfolios and the businesses of the sponsors:



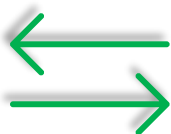
Physical risks

Relate to the impacts of climate change, such as rising temperatures, changing rainfall, flooding risk and extreme weather.

Footer Notes

⁵ The Paris Agreement is a landmark international treaty adopted at the UN Climate Change Conference (COP21) in Paris in December 2015. It represents a global commitment to combat climate change and accelerate actions toward a sustainable low-carbon future. The year 2030 is a critical milestone for climate action where it marks the first major checkpoint for countries to meet their Nationally Determined Contributions ("NDCs") – their self-defined emissions reduction targets. Many ESG frameworks and corporate sustainability strategies (including TCFD) align transition plans and targets with the 2030 horizon. 195 countries initially adopted the agreement. The United Nations Framework Convention on Climate Change ("UNFCCC") oversees the implementation.

⁶ Source: The Intergovernmental Panel on Climate Change ("IPCC"): The United Nations body for assessing the science related to climate change. The IPCC has stated that to limit global warming to 1.5 degrees Celsius, global greenhouse gas emissions must be cut by about 45% by 2030 (from 2010 levels).



Transition risks

The risks from the realignment of our economic system towards low-carbon, climate-resilient or carbon-positive solutions.

Key risks identified by the Trustee are set out below.

Some CRRO will impact investments in individual companies and others will have wider impacts that will impact sectors and asset classes more broadly.

The Trustee recognises that there could be opportunities as well as risks and supports initiatives for the evolution and improvement by investment managers of their ESG integration approach. The Trustee believes financial opportunities will develop across many asset classes as the world transitions to a low carbon economy. The Trustee expects investment managers to integrate these considerations into their asset allocation and security selection process.

Short-term risks and opportunities:

Over the short term, the Trustee acknowledges there will likely be greater market price sensitivity to increased regulation and investor behaviour. This could, in the short term, result in some sectors or market segments experiencing an artificial increase in valuations. Consequently, the Plan could experience some volatility in funding as the Plan invests 7.5% of its portfolio in return seeking assets. The Trustee believes an investment strategy with downside risk protection will help the Plan avoid any severe negative impact that climate risks may have on markets.

Medium-term risks and opportunities:

Over the medium term, transition risks, both in terms of technology and policy, are expected to be material. These transition risks will likely present challenges for some areas of the market to which the Plan has exposure but also present new investment opportunities. For example, companies that are heavily reliant on sustained carbon emissions will likely need to invest in more sustainable business practices that require significant investment. Conversely, as new technologies are developed, this will create new investment opportunities whilst also facilitating the change to a low carbon economy.

These medium-term transition risks will be particularly important to consider as 2030 gets closer. If significant progress by the world and society to meet the objectives of the Paris Agreement has not been made by 2030, then there could be more drastic policy measures taken which could have an impact on companies and other assets that are not resilient to these measures.

Long-term risks and opportunities:

Over the long term, physical risks are expected to dominate. The extent to which these physical risks are borne out will largely depend on global society's success in meeting the objectives of the Paris Agreement. This ultimately highlights the importance of addressing climate change over the long term. The physical risks of climate change will have a wide-ranging impact on the Plan's assets. More severe weather events could result in damage to physical assets such as real estate which, in turn, could have a contagion impact on other segments of the economy. However, if the objectives of the Paris Agreement

are achieved and the world transitions to a low-carbon economy, some assets may become “stranded”. The Plan’s de-risked portfolio and hedging programme will help to mitigate the risk of a material worsening in the funding level over the medium to long term.

Funding strategy

Key obligation #5: The Trustee understands that it must assess the impact of the identified CRRO on the Plan's funding strategy.

In reviewing (on an ongoing basis) and setting the funding strategy and agreeing the long-term funding target, the Trustee considers the integrated and interdependent triangle of considerations: (1) liabilities, (2) covenant risk, and (3) investment, in the light of the key climate-related risks listed below. We will review (1) liabilities and (2) covenant risk in this section of the report.

The investment implications will be further addressed in the Investment Strategy section. This includes consideration of appropriate interest rate hedging, inflation hedging and longevity hedging; investment and covenant risk; time dimensions; and funded status development.

Strategy considerations - Liabilities (Funding)

The extent of climate risk exposure from a liability perspective is relevant when determining the degree of prudence to be adopted when setting liability assumptions.

Inflation risk: Increasingly extreme weather events might eventually force governments to address GHG emissions at a global level with carbon tax policies, which could result in inflation figures coming in ahead of expectations. While higher than expected inflation increases the liability, the Plan’s 100% Liability Driven Investment (“LDI”) hedge ratio means the Plan’s matching assets will also increase proportionately, and hence this will not have an adverse impact on the Plan’s funding level.

Gilt yield risk: Considerable economic disruption could lead to a flight to safety, pushing gilt yields down, and this could happen at the same time as inflation is increasing (even though it is normally expected that bond yields would rise in an inflationary environment). While lower government bond yields increase the liability, the Plan’s 100% LDI hedge ratio means the Plan’s matching assets will also increase proportionately, and hence this will not have an adverse impact on the Plan’s funding level.

Longevity risk: Increasing longevity could lead to a negative impact on funding as liabilities increase. Better air quality and improved health conditions may lead to greater longevity. This may happen in those scenarios where there is a transition to a low carbon economy and so may be expected to have a bigger impact in earlier transition scenarios than those that tend to lead to high inflation and gilt yield risk. However, the timing may be such that this does not get reflected in the actuarial valuation for another 10 years, whereas the transitional risks to the gilt yields and inflation may occur earlier.

Annuity pricing risk: The cost of buy-in and buy-out will be affected by the risks above. However, there are the additional risks that the strength of the insurers may weaken as a result of climate risk or that the solvency standards are increased to reflect the increased risks. This could further increase the price of buy-in or buy-out.

Strategy Considerations – Covenant

All sponsors will be exposed to CRRO to some extent, although their nature and magnitude will vary considerably. Climate change is therefore a relevant consideration for covenant assessments, particularly over the longer term.

The Trustee considers that climate risks relevant to the covenant of the Sponsor include:

- Transition risks, such as carbon pricing: the risk that increased cost of carbon generation through taxation and/or the cost of offsetting increases adversely impacts the businesses of the Sponsor (energy for manufacturing and distribution) and the costs of raw materials.
- Physical risks, such as extreme weather events causing factory shut down, changing weather patterns causing disruption to the supply of (and impacting the cost of) raw materials and risks due to weather events for the Sponsor impacting coffee and tea harvests and yields.

The strength of the covenant of the Sponsor was most recently assessed as strong. When coupled with the Plan's strong funding position, and the expected impact of the various climate scenarios on the Plan's funding, the Plan appears resilient.

Investment strategy

Key obligation #6: The Trustee understands that it must assess the impact of the identified CRRO on the Plan's investment strategy.

Climate change is a relevant consideration for pension plan investments, both when setting strategy and when selecting managers.

Framework

The Trustee assesses the impact of the CRRO which it has identified on the Plan's investment strategy on an ongoing basis. The Trustee continues to believe it makes sense to look at ESG risk and return considerations (including CRRO) utilising a common framework across all asset classes, with due consideration for asset class differences. The three primary ways in which ESG can be incorporated are: Exclusion, Integration, and Impact Investing as outlined in the table below.

	Definition	Example
Exclusion Investing	Attempting to screen out investment in stocks, companies or industries based on a set of ethical values.	Carbon, coal, fossil fuel, cluster munitions.
Integration	Integrates environmental, social and governance non-financial data into fundamental investment analysis to the extent they are material to investment performance.	A clear and systematic process on how financially material ESG factors are identified and incorporated into the decision-making process.
Impact Investing	Looking for (or avoiding) investments that have a positive (or negative) investment return as well as a desired social, economical or environmental outcome.	Climate change, low-income housing, clean drinking water, clean technology projects, protecting biodiversity.

The Trustee has worked with its advisers, particularly SECOR, to adopt these approaches as appropriate when responding to CRRO that have materialised or are expected to materialise.

Approach

Any ESG Exclusion required by law or regulation will be included in the SIP. ESG Integration is an approach that can be used by managers to improve risk or return relative to their benchmark. Impact Investing can be used to reduce risk relative to the benchmark, to improve returns, or for diversification while also having a desired environmental or social outcome. Due in large part to being substantially de-risked, the Plan does not currently invest in any impact-oriented strategies.

While there is a growing body of research on the inclusion of ESG considerations at a strategic level, the findings are not conclusive. The primary goal in designing an investment strategy is to maximise net total returns within specified constraints, using long-run, high-confidence return assumptions. A wide range of ESG factors could be considered as part of the process; however, there is insufficient historical data and evidence that ESG factors are reliable strategic return sources or diversifiers. Clearly, longer-term ESG risks (and particularly those climate-related risks relevant to the Plan that have been identified above) warrant serious evaluation. The Trustee believes that until more is known about these risks, ESG considerations are best addressed at the implementation stage of the investment process.

Scenario Analysis

Scenarios

Key obligation #7: The Trustee understands that it must set out the most recent scenarios which it has analysed.

Given that data availability remains relatively unchanged from 2022, the Trustee has decided that the initial scenario analysis conducted remains appropriate for the purposes of the Regulations.

The Trustee believes that this analysis provides a good understanding of:

- (a) the potential impact on the Plan's assets and liabilities of the effects of the global average increase in temperature and of any steps which might be taken (by governments or otherwise) in light of the increase in temperature in these scenarios;
- (b) the resilience of the Plan's investment strategy; and
- (c) the overall resilience of the funding strategy.

For the year reporting period ending in Q1 2025, SECOR reviewed the scenario analysis previously conducted to ensure that the Plan's exposure to CRRO remains consistent. SECOR constructed four climate-risk scenarios that project the assets and liabilities forward based on a range of assumptions. The scenario analysis also considers the Plan's funding in alignment with the objectives of the Paris Agreement climate change goals. The scenario analysis has been conducted top-down rather than based on underlying holdings for which there may be limited climate-risk information. The objectives of the Paris Agreement could be achieved or not achieved in numerous ways. SECOR has suggested these four scenarios to demonstrate the breadth of outcomes that could be observed in practice and the Trustee has agreed that this is a balanced approach to take. The orderly transition scenario assumes a smoother journey to the objectives of the Paris Agreement, whilst the abrupt transition scenario stresses this assumption. The no action scenario reflects a sustained failure to address climate change, whereas the

green bubble scenario reflects a similar failure resulting from the risk of financial markets and investors providing only lip-service to the Paris Agreement.

The four scenarios that the Trustee has considered are summarised below:

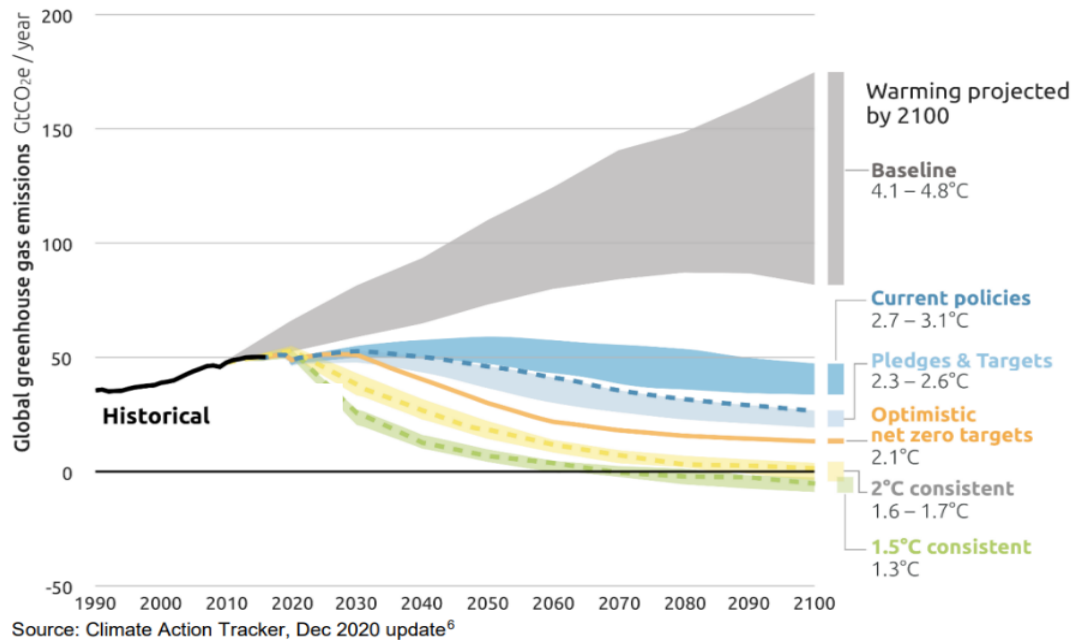
1. Orderly transition: 2°C or lower scenario where emission reduction starts now and continues in line with the Paris Agreement.
2. Abrupt transition: 2°C or lower scenario where little short-term action is taken, followed by sudden action in 2030 to address climate change.
3. No action: 4+°C scenario where society fails to address climate change.
4. Green bubble: A scenario where substantial financial investments behind addressing climate change are found to be ineffective, resulting in a bubble and a crash, followed by a loss of confidence in any ability truly to address climate change using the financial system.

Assumptions

The scenarios above are deterministic scenarios that have been constructed based on SECOR's judgement of the climate risks embedded in each asset class. Each scenario represents a set of deterministic return paths ending in 2051. The orderly transition scenario represents SECOR's base-case capital market assumptions which reinforced the belief that, for the Plan's investment strategy to perform in line with expectations, there must be an orderly transition to a low carbon economy. The abrupt transition, no action and green bubble scenarios are also composed of deterministic return paths but with market shocks for each asset class relative to the orderly transition scenario. At key points in each pathway, returns are informed by historical asset class returns in other stress scenarios. The pathway returns are also informed by the same capital market assumptions that were used when constructing the current investment portfolio, hence the analysis remains consistent and up to date.

Limitations

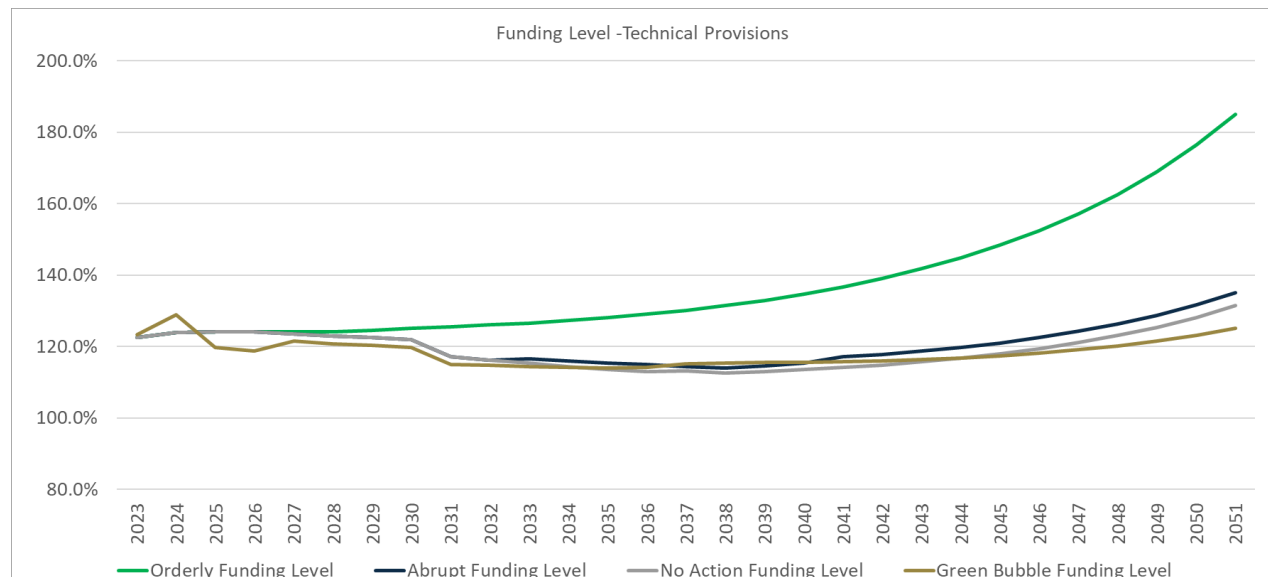
The Trustee has decided the scenario analysis provided is appropriate for assessing the impact on the Plan's investment strategy of the four scenarios constructed by SECOR. The scenarios are top-down scenarios and hence rely on SECOR's judgement and proprietary analytics to assess how each asset class might behave under each scenario. In practice, there is insufficient data on the dependencies between asset class returns and climate risks. In light of this, the analysis should not be relied upon in isolation when constructing portfolios.



Analysis Results:

Key obligation #8: The Trustee understands that it must set out (1) the potential impacts on the Plan's assets and liabilities which it has identified in the scenarios analysed above and (2) if it has not been able to obtain data to identify potential impacts for all of the assets of the Plan, why this is the case.

SECOR has projected forward the assets and liabilities of the Plan under each of the four scenarios. The below chart demonstrates the progression of the funding level through to 2051.



The above chart illustrates the funding level of the Plan over time in all four scenarios (from 2023 to 2051, i.e. spanning 29 years). The Plan's pathways differ significantly in the short to medium term (5-10 years), but the Plan maintains a strong funding position over the longer term in all scenarios. The Plan funding

level never falls below 110% in any of the scenarios analysed, including the green bubble scenario. The high initial funding level of the Plan (>120%), the de-risked nature of the portfolio (92.5% Matching Assets, 7.5% Return Seeking Assets) and the 100% LDI hedge ratio means the Plan is well placed to withstand significant capital market shocks without a material deterioration in funding.

Short term:

Over the short term, the Plan is well-positioned to manage climate change risks. The primary climate change risk in the short term is a green bubble scenario which could result in more volatile funding levels. The Trustee has de-risked its investments which mitigates against any drawdowns or market volatility.

Medium term:

Over the medium term, the Plan's funding level remains above 100% on a technical provisions basis in all scenarios. The key identifiable risk is focussed around 2030 and the potential for any drastic policy action (or lack thereof). Much of the market impact in these scenarios is mitigated by the considerably de-risked portfolio, the equity downside protection embedded in the Hedged Equity asset class and the 100% LDI hedge ratio (inflation and interest rate shocks are hedged and hence do not impact Plan funding).

Long term:

Over the long term, the impact of climate change risks on the Plan is more pronounced as lower returns compound over time resulting in worse funding levels. The scenario analysis shows that societal failure to achieve the Paris Agreement presents a risk to the Plan as this may result in lower-than-expected returns from the Plan's risk assets; however, it is worth putting this in context. The Plan maintains strong levels of funding in all of these scenarios, driven by the Plan's strong initial funding position, de-risked portfolio and the equity downside protection embedded in the Hedged Equity asset class. Over the long term SECOR would advise the Trustee to incorporate the impact of lower expected returns from risk assets by updating the Plan's investment strategy, which will also be dependent on the long-run funding objective (e.g. an insurance transaction or self-sufficiency) as part of the usual investment strategy review process.

Scenario Analysis Summary ⁷		Orderly transition	Abrupt transition	No action	Green bubble
Short term (5 years)	Assets	£1,300m	£1,300m	£1,300m	£1,200m
	Liabilities	£1,000m	£1,000m	£1,000m	£1,000m
	Funding level	124%	123%	123%	121%
Medium term (10 years)	Assets	£1,100m	£1,100m	£1,100m	£1,100m
	Liabilities	£900m	£1,000m	£1,000m	£1,000m
	Funding level	127%	117%	115%	114%
Long term (20 years)	Assets	£900m	£700m	£700m	£700m
	Liabilities	£600m	£600m	£600m	£600m
	Funding level	142%	119%	116%	116%

Footer Notes

⁷ Funding level % does not align with Assets and Liabilities due to rounding.

Resilience of the Plan's Investment Strategy and Funding Strategy:

Key obligation #9: The Trustee understands that it must set out the resilience of the Plan's investment strategy and funding strategy in the scenarios analysed above.

The Trustee believes that the Plan's funding strategy will be resilient in the face of all four scenarios described above. The reason for this is that the Plan is already well-funded and the funding strategy will be reviewed and amended in light of any changes to the covenant and investment strategy.

The Trustee recognises that climate change risk is an inherently long-term risk, but it could have significant short- and medium-term impacts too. The Trustee will review and update the scenario model at the end of a three-year period or earlier if there are material developments affecting the Plan in available data or in analytical techniques. The Trustee considers this to be a proportionate and balanced approach to scenario analysis.



Risk Management

Identifying, assessing and managing climate-related risks

Key obligation #10: The Trustee understands that it must describe the processes it has established for identifying, assessing and managing climate-related risks which are relevant to the Plan.

The Trustee's processes for identifying, assessing and managing climate-related risks are set out in the Governance section of this report. Key points include the following.

- The Trustee works with SECOR to identify relevant risks and opportunities.
- CRRO are assessed in the regular investment and risk performance reports the Trustee receives from its advisers.
- The Trustee recognises climate change as a responsible investing risk factor and, as part of the Plan's overall risk management oversight and investment programme, the Trustee works with the IFC, SECOR, BW and others to align relevant climate-related risks within the investment portfolio. These risk management activities are reported to the IFC and the Trustee.
- Climate-related risk management is co-ordinated and managed in close partnership between the IFC and SECOR. SECOR assists in the management of climate-related risks of the Plan's investment portfolio on behalf of the Trustee throughout the investment lifecycle.
- As part of the investment process, SECOR monitors and engages with external investment managers regularly on activities related to climate risk, stewardship and ESG as reported in the annual implementation statement. The external investment managers are expected to implement their respective ESG policies in relation to assessing and managing climate related risks based on their mandates.

The Trustee prioritises and manages risks which pose the most significant potential for loss and are most likely to occur by working with its advisers to undertake scenario analysis and to consider the outputs of that analysis. The scenarios that have the most extreme consequences for the Plan in terms of financial loss or instability get the most attention. The investment strategy will be reviewed to ensure that risks that could materialise are sufficiently addressed. By taking these above key actions to identify, assess and manage CRRO, the Trustee continues to monitor, and endeavours to mitigate, climate-related risks relevant to the Plan.

Summary of risk management-related developments and activities during the reporting year:

As stated above in the Governance section, the Plan is significantly de-risked and the vast majority of assets for which CRRO may be relevant have limited scope for the Plan to influence changes. From a risk management perspective, the Plan and its advisers continue to work with investment managers to improve transparency and oversight and to understand any potential CRRO that may impact the Plan, but overall remain comfortable that the potential impact is extremely limited given the total Plan asset mix and funding status of the Plan. Therefore, the focus over the reporting period has been on better transparency and working with external advisers and managers to improve reporting (i.e. obtaining and including Scope 3 emissions data) and oversight of the Plan's CRRO.

In addition to regular ongoing oversight, the Trustee, in conjunction with the IFC and advisers, produces this comprehensive TCFD report, and discussion is held at IFC and Trustee meetings detailing how climate-related risks and opportunities are screened and reported and considered.

Integration

Key obligation #11: The Trustee understands that it must describe how the processes described above are integrated into its overall risk management of the Plan.

As stated in the Governance section of this report, the Trustee has chosen to take an approach to the oversight and management of CRRO that largely replicates the process used for other risks and opportunities.

The ESG and Stewardship policy is integrated into the Trustee's overall risk management of the Plan through the existing governance framework (i.e. the risk register, SIP and ESG Policy) and is aligned with the Risk Policy Statement and the established operational procedures. This approach has been approved by the Trustee and is overseen by the IFC and executed by SECOR with appropriate delegation to third party managers and service providers.

Risk tools

The Trustee relies on SECOR's broad range of custom-built proprietary risk analytics to monitor and manage risks within the investment strategy, including climate risk. The risk tools include, but are not limited to, the following.

Top-down macro-economic and market factor analysis

The key output of this analysis is a summary of the macro-economic and market factors that drive portfolio returns. SECOR monitors and assesses how the relationships between these factors and the Plan's portfolio changes over time.

Value at Risk analytics

SECOR provides value at risk analysis that provides a breakdown of the key risks that affect the Plan's funding status. The value at risk analysis focusses on a 1-in-200-year downside outcome.

Stochastic asset and liability modelling

The Trustee relies on stochastic asset and liability modelling conducted by SECOR to understand better the range of outcomes the Plan could experience. SECOR projects forward the assets and liabilities accounting for the investment strategy. Key outputs of this analysis are the potential downside scenarios and the likelihood and size of contributions by the Sponsor.

Climate risk scenario analysis

The Trustee has engaged SECOR to provide climate risk scenario analysis to understand better the Plan's exposure to the transition and physical risks of climate change. The output of this analysis is provided in this report and is further assessed against the output of the stochastic asset and liability modelling.

Focus on transition and physical risks

It is the Trustee's expectation that investment managers, where appropriate, will seek to identify and assess the risk to the portfolio of transition risks (including stranded assets, asset mispricing and the

potential for carbon sensitive sectors to underperform or outperform significantly), as well as physical risks from extreme weather as part of climate change. Transition and physical risks related to climate change are then expected to be managed through the integration of ESG considerations where any security selection is involved in the manager's investment process. SECOR liaises with all the investment managers to ensure that their approach to climate-related risks is appropriate for their asset class and investment mandate.

The Trustee believes that, for certain asset classes and mandates that the Plan may invest in, an actively managed investment strategy could help the Plan avoid investments that will be negatively affected by physical and transition risks and invest in those that will benefit from the transition. However, the strong funding level and low overall allocation to risk assets means that the Plan's exposure to these risks is low and is expected to remain low.



Metrics and Targets

Metrics^{8 9 10}

Key obligation #12: The Trustee understands that it must describe the metrics it has calculated.

Metrics can help to inform the Trustee's understanding and monitoring of the Plan's CRRO. Quantitative measures of CRRO, in the form of both emissions- and non-emissions-based metrics, help the Trustee to identify, manage and track the Plan's exposure to the financial risks and opportunities climate change might bring. In this section the Trustee outlines its approach to the incorporation of various metrics in its approach to responsible investing for the Plan for the period ending 31 March 2025.

The Trustee has adopted total carbon emissions as its absolute emissions metric, WACI as its emissions intensity metric and exposure to fossil fuel intensive assets as its additional climate metric. The Trustee believes that these metrics are appropriate for the Plan and will continue to calculate them in future reports.

In accordance with the Regulations, the Trustee will also consider a portfolio alignment metric.

The Trustee will review these metrics annually in light of Plan and industry developments.

Portfolio CO₂ emissions can be measured using different metrics. For the reasons discussed in the first part of this report, the Trustee is approaching the process carefully and expects ultimately to adopt an approach and methodology tailored to the Plan's investment programme. The Trustee reports results related to WACI and total carbon emissions based on a market value invested weighting methodology. The results are calculated based on physical investments, excluding overlays and cash accounts, and are measured using the following indicators:

Scope 1, 2 and 3 data (whole Plan level)

Each metric calculated uses Scope 1 and Scope 2 emissions. We have also included results that include Scope 3 emissions. The statistics below account only for corporate emissions and do not include emissions connected to sovereign securities. This analysis excludes physical gilts as managers primarily report on carbon data related to corporate bond positions.

Absolute Emissions metric (whole Plan level)

- Total Carbon Emissions measures the carbon emissions of the portfolio in tonnes of carbon dioxide equivalent (in tCO₂e)¹¹. tCO₂e includes emissions from carbon and other GHG emissions. The metric has limited use for comparison with other portfolios because it is not normalised by portfolio size.

Footer Notes

⁸ Proxy determined by underlying manager's benchmark and managers weight in the portfolio as of 31 March 2025.

⁹ If appropriate benchmark data is not provided, the benchmark exposure will be matched to the manager. The percentage of managers where this is the case is indicated in the tables in this section.

¹⁰ Data shown accounts for Scope 1 and 2 Emissions combined and Scope 1,2,3 emissions combined. See Annex 1.II for methodology and disclosure.

¹¹ Source: Definitions provided by the European Statistical Office ("Eurostat"). A carbon dioxide equivalent or CO₂ equivalent, abbreviated as CO₂-e, is a metric measure used to compare the emissions from various greenhouse gases on the basis of their global-warming potential ("GWP"), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential. Carbon dioxide equivalents can be expressed as metric tonnes of carbon dioxide equivalents, abbreviated as tCO₂e.

- Normalised Carbon Emissions is a normalised measure (by \$m invested¹²) of the portfolio's contribution to GHG emissions. It expresses the carbon efficiency of the portfolio.
- Total Carbon Emissions (Asset Class Total Emissions) is based on the available data from each asset class resulting in approximately 7,483 tCO₂e for Scope 1+2 emissions and 156,608 tCO₂e for Scope 1,2,3 emissions.¹³ While results for Scope 1+2 fell from 10,626 tCO₂e last year to 7,483 tCO₂e this year, the results for Scope 1,2,3 emissions increased from 136,703 tCO₂e last year to 156,608 tCO₂e this year. This was the result of an increased allocation to the short-term cash manager within the portfolio who has a small amount of corporate exposure. On a stand-alone basis, the emissions per amount invested for this manager were actually lower compared to last year, but the increased allocation resulted in a modest increase in Total Carbon Emissions.

Total Carbon Emissions (tonnes CO ₂ e) Scope 1+2				
Mar-2025	% of Plan	% of Managers Supplying Data	% of Managers using Benchmark as Proxy	Asset Class Total Emissions (tCO ₂ e)
Hedged Equity	8.1%	0.0%	100.0%	7,450
LDI	91.9%	100.0%	0.0%	33
Total	100.0%	91.9%	8.1%	7,483

Total Carbon Emissions (tonnes CO ₂ e) Scope 1+2+3				
Mar-2025	% of Plan	% of Managers Supplying Data	% of Managers using Benchmark as Proxy	Asset Class Total Emissions (tCO ₂ e)
Hedged Equity	8.1%	0.0%	100.0%	56,109
LDI	91.9%	100.0%	0.0%	100,499
Total	100.0%	91.9%	8.1%	156,608

Emissions Intensity metric (whole Plan level)

- WACI — Measures a portfolio's exposure to carbon-intensive companies and indicates the potential climate change-related risks relative to other portfolios or a benchmark. It is useful for comparing portfolios across asset classes.
- The Trustee has calculated and reported WACI in addition to the carbon emissions for the following reasons:
 - It can be more easily compared across asset classes and portfolios of different sizes.
 - It also allows for portfolio decomposition and attribution analysis.
- Similar to results for Total Carbon Emissions, Weighted Average Carbon Intensity Scope 1+2 fell from 10.6 (tCO₂e/\$m Sales) last year to 8.8 (tCO₂e/\$m Sales) this year while results for Scope 1,2,3 emissions increased from 303.1 (tCO₂e/\$m Sales) last year to 334.4 (tCO₂e/\$m Sales) this year. This was the result of an increased allocation to the short-term cash manager within the portfolio who has a small amount of corporate exposure. On a stand-alone basis, the emissions per million dollars of sales for this manager were actually lower compared to last year, but the increased allocation resulted in a small increase in Weighted Average Carbon Intensity.

Footer Notes

¹² Invested amount shown in USD converted from GBP to be consistent with industry reporting standards presented in USD using the 31/03/2025 GBP/USD closing FX rate of 1.2938.

¹³ Data calculated based on 31/03/2025 carbon data and market values. MSCI All Country World Index ("ACWI") benchmark which captures large and mid-cap representation across 23 Developed Markets and 24 Emerging Markets countries, is used as proxy and adjusted to represent net equity exposure.

Weighted Average Carbon Intensity (tonnes CO ₂ e / \$m Sales) Scope 1+2+3				
	% of Plan	% of Managers Supplying Data	% of Managers using Benchmark as Proxy	Scaled Asset Class Weighted Average
Mar-2025				
Hedged Equity	8.1%	0.0%	100%	59.3
LDI	91.9%	100.0%	0%	275.0
Total	100.0%	91.9%	8.1%	334.4

Weighted Average Carbon Intensity (tonnes CO ₂ e / \$m Sales) Scope 1+2				
	% of Plan	% of Managers Supplying Data	% of Managers using Benchmark as Proxy	Scaled Asset Class Weighted Average
Mar-2025				
Hedged Equity	8.1%	0.0%	100%	8.6
LDI	91.9%	100.0%	0%	0.2
Total	100.0%	91.9%	8.1%	8.8

Note: The WACI of 8.8 for Scope 1+2 emissions and 334.4 for Scope 1,2,3 emissions is based on the available data.

Portfolio alignment metric

In compliance with reporting requirements for portfolio metric alignment, the Trustee believes that the PACTA tool which measures and evaluates financial portfolios' alignment with various climate scenarios is consistent with the Paris Agreement. The PACTA tool assesses portfolio alignment of listed equity and corporate bonds by comparing the performance of investments in the portfolio against one or more benchmarks for public equity and corporate bonds for which public data is available. Due to previous de-risking, the Plan does not directly hold public equities or corporate bond positions.¹⁴ The PACTA tool output does not have one overall metric to report on; it includes a number of climate related factors that PACTA tool compares.¹⁵

Based on the assets that PACTA has identified as having material risks or opportunities related to climate change, the Plan's de-risking has resulted in the PACTA tool output not being relevant or applicable for the analysis.

Additional climate change metric (whole plan level)

Exposure to fossil fuel intensive assets is the amount of carbon-related assets in the portfolio, expressed as a percentage of the current portfolio value. This metric was chosen as the Trustee views fossil fuel intensive assets as having a relatively high exposure to near-term carbon-related risks. The 0.4% result for 2025 is a decrease from the previous year's result of 1.1%.

Footer Notes

¹⁴ PACTA tool analysis of holdings coverage is 0%. PACTA sector exposure coverage includes climate relevant sectors that PACTA determined to contribute to GHG emissions such as oil & gas extraction, power generation, steel and cement industry and aviation.

¹⁵ Portfolio alignment analysis includes climate relevant sectors: power, oil & gas, coal mining, automotive, shipping, aviation, cement, steel and heavy-duty vehicles.

Exposure to Carbon-Related Assets				
Mar-2025	% of Plan	% of Managers Supplying Data	% of Managers using Benchmark as Proxy	Asset Class Carbon Exposure
Hedged Equity	8.1%	0.0%	100.0%	4.7%
LDI	91.9%	100.0%	0.0%	0.0%
Total	100.0%	91.9%	8.1%	0.4%

Using the metrics to identify and assess the climate-related risks and opportunities which are relevant to the Plan

Key obligation #13: The Trustee understands that it must use the metrics it has calculated to identify and assess the CRRO which are relevant to the Plan.

The metrics above provide the Trustee with an additional tool for assessing the Plan's investments.

As such, decarbonisation and carbon emissions reporting has become a standard part of the due diligence process and ongoing monitoring.

Metrics - Data Availability

Key obligation #14: The Trustee understands that if it has not been able to obtain data to calculate the metrics for all of the assets of the Plan, it must describe why this is the case.

This section of the report describes the data (1) the Trustee has been unable to obtain or (2) the Trustee has treated as unobtainable, and the reasons for this.

Metrics – Scope of Analysis

Total climate-related metrics are reported at both the asset class level and portfolio level using an asset weighted methodology. The Trustee expects the portfolio level metric to become more useful in future years as data becomes available. In addition to TCFD reporting, the Plan's asset class reports focus on the common metrics that are provided by a consistent data provider. These reports include both quantitative climate metrics and additional qualitative ESG metrics based on the underlying portfolio holdings.

Metrics – Approach, Rational and Assumptions

Methodologies for the metrics calculated above are set out in Annex 1.II. The Trustee's approach to reporting climate-related metrics is tailored to fit the recommendations of the TCFD guidelines while also accounting for the wide spectrum of data availability across managers and asset classes as discussed above. Ultimately, the Trustee seeks to provide meaningful statistics that are representative of the asset class exposure and the overall portfolio. The Trustee also seeks to use consistent providers to ensure that there is no variation in methodology. The majority of public managers supply climate metrics as calculated by MSCI¹⁶ ESG based on their underlying holdings.

The tables above show the percentage of managers who were able to provide that statistic on an asset-weight basis (% of Managers Supplying Data). For managers who have not provided a statistic, but where the Trustee can rely on an equivalent benchmark, one of the key assumptions in the analysis is to use benchmark data as a proxy. This assumes that the manager's carbon exposure is similar to the

Footer Notes

¹⁶ MSCI is a global provider of equity, fixed income, real estate indices, multi-asset portfolio analysis tools, ESG and climate products.

benchmark, which may not be the case. The percentage of managers using a benchmark proxy in lieu of manager data is also indicated in the table (% of Managers using Benchmark as Proxy). This assumption (that managers without data have benchmark-like carbon exposure) does not impact the results significantly as only a small portion of the Plan's assets fall under that category.

The Trustee has calculated and reported metrics on the proportion of the portfolio for which it has reported or estimated data.

Next Steps

As appropriate, the Trustee will work with its investment adviser and, where applicable, appointed managers or industry to improve data availability and collection efforts. The Trustee continues to work to improve its data coverage for the metrics outlined with the ultimate goal of being able to calculate and disclose year-over-year portfolio carbon emissions with good accuracy and data coverage across the portfolio. Generally, the Trustee has seen progress in the past few years in data availability primarily driven by investor demand and regulation. The Trustee expects this trend to continue and plans to focus its efforts on encouraging better disclosure from those managers that are currently not able to provide sufficient information.

The sheer challenge of obtaining consistent, standardised climate data, will take time and will require collaborative efforts by investment managers and investment groups, and will need to be remedied and enforced by regulators globally.

Targets

Key obligation #15: The Trustee must measure, as far as it is able, the performance of the Plan against the target.

Target-setting should be used by trustee boards to track their efforts to manage climate change risk exposure and take advantage of climate change opportunities.

Based on available year-end data from March 2024 and the data from March 2025, at a total portfolio level, there has been a decrease in WACI (Scope 1 and 2) from 10.6 tCO₂e/\$m to 8.8 tCO₂e/\$m. The Plan aims to maintain and reduce where possible the WACI (Scope 1 and 2) over a three-year review period concluding in March 2026. Given that the Plan holds mostly index-based investments and gilts, the Trustee expects carbon to reduce in line with wider industry efforts but will consider what further actions may be appropriate for the Plan if those are not sufficiently successful.

	Consolidated Carbon Statistics			
	Mar-25		Mar-24	
	Calculated Statistics	% of Managers Supplying Data	Calculated Statistics	% of Managers Supplying Data
Total Carbon Emissions (tonnes CO ₂ e) Scope 1+2	7,483	91.9%	10,626	91.2%
Total Carbon Emissions (tonnes CO ₂ e) Scope 1,2,3	156,608	91.9%	136,703	91.2%
Weighted Average Carbon Intensity (tonnes CO ₂ e / \$m Sales) Scope 1+2	8.8	91.9%	10.6	91.2%
Weighted Average Carbon Intensity (tonnes CO ₂ e / \$m Sales) Scope 1,2,3	334.4	91.9%	303.1	91.2%
Exposure to Carbon-Related Assets	0.4%	91.9%	1.1%	91.2%

The actual number of managers supplying carbon emissions data is the same for both 2024 and 2025, but the slight decrease in %age covered is due to changes in asset weights.

Key obligation #16: The Trustee must, taking into account the performance of the Plan against the target, determine whether the target should be retained or replaced.

The Trustee and its advisers will assess the target following the completion of three years of reporting in 2026 with 31 March 2026 data and analysis.

Key obligation #17: The Trustee understands that it must describe the target it has set.

The current framework gives the Trustees the flexibility to incorporate into its targets additional climate-related metrics, such as absolute emissions and fossil fuel exposure. The progress towards achieving the targets has been reviewed and will be reassessed every three years.

Methodology to measure performance

Due to the nature of the asset-weighted calculation for the total portfolio, these targets can be influenced by the availability of data, and careful consideration should be taken when evaluating future results as new data is introduced. Anticipating that data coverage will continue to improve, The Trustee will still be able to compare progress year-on-year by only updating data from the prior year's template.

Performance so far

Key obligation #18: The Trustee understands that it must describe the Plan's performance against the target.

In comparing data from last year's reporting (2023 report with data ending 31 March 2024), the Plan has reduced WACI (Scope 1 and 2) from 10.6 tCO₂e/\$m to 8.8 tCO₂/\$m. The Plan is successfully on track with its target to maintain and, where possible, reduce the Plan's WACI (Scope 1 and 2) over a three-year period concluding in March 2026.

Steps the Trustee is taking to achieve its targets

The Trustee engages with the Plan's service providers regarding carbon reporting improvements and the steps that could be taken to reduce emissions while maintaining the desired portfolio exposure.



Looking Ahead

This is the third year that the Trustee has been required to produce a report in accordance with the Regulations. The Trustee is satisfied with the progress it has made, but understands that identifying, assessing and managing CRRO (and wider ESG considerations) will be a continuous effort.

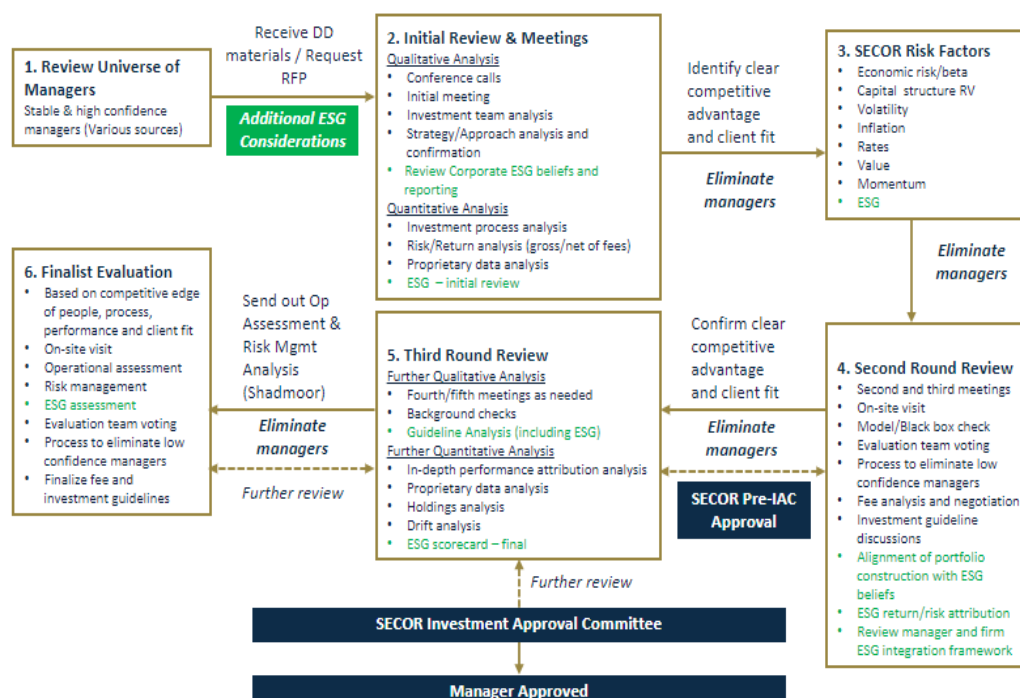
The Plan is working with its investment adviser, where appropriate, to continue to encourage all investment managers and industry bodies to improve data availability and quality that aligns with TCFD recommendations. The Trustee expects coverage and accuracy for these metrics to improve in the coming years as climate reporting becomes industry standard across underlying public companies. Given the nature of the Plan's investments, the Trustee believes that the data available for the Plan is consistent with current industry standards and, wherever practical, will seek improvements.

Looking ahead, the Trustee will seek to meet its target to maintain and, where possible, reduce the portfolio's WACI and look to expand its data coverage for WACI and normalised carbon emissions as evidenced by this year's collection and inclusion of Scope 3 emissions data.



Annex 1.I: SECOR's Multi-Stage Manager Selection Process

An evolving and rigorous process



Annex1.II: Emissions Methodologies and Disclosures

Weighted Average Carbon Intensity (tCO₂/\$m Sales)

$$\sum_{i=1}^n (Weight_i \times CARBON_EMISSIONS_SCOPE_12_i / SALES_i) / \sum_{i=1}^n (Weight_i)$$

- i = index security with both carbon emissions (scope 1 and 2) and sales available
- $Weight_i$ = closing index weight for security i
- $CARBON_EMISSIONS_SCOPE_12_i$ = scope 1 and 2 carbon emissions of security i 's issuer (in t CO₂)
- $SALES_i$ = Company sales for security i 's issuer (in USD million)

Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights (the current value of the investment relative to the current portfolio value), rather than the equity ownership approach (as described under methodology for Total Carbon Emissions). The calculation can be adjusted to include Scope 3 GHG emissions using the same methodology.

Total Carbon Emissions (tCO₂e)

$$\sum_{i=1}^n (Weight_i \times Reported\ Emissions\ Factor_i)$$

- i = index security with both carbon emissions (scope 1 and 2) and EVIC available
- $Weight_i$ = closing index weight for security i
- $Reported\ Emissions\ Factor_i$ = reported emissions factor for security i

Scope 1 and Scope 2 GHG emissions are allocated to investors based on an equity ownership approach. Under this approach, if an investor owns 5 percent of a company's total market capitalization, then the investor owns 5 percent of the company as well as 5 percent of the company's GHG (or carbon) emissions.

Normalised Carbon Emissions

Formula

$$\frac{\sum_i \left(\frac{\text{current value of investment}_i}{\text{issuer's market capitalization}_i} * \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)}{\text{current portfolio value (\$M)}}$$

Normalised Carbon Emissions is similar to Total Carbon Emissions, except that rather than providing the total carbon emissions for the portfolio it normalises the carbon emissions for every \$1,000,000 of market value. As a normalised metric, it can be used to compare accurately portfolios of any size.

Exposure to Fossil Fuel Intensive Assets

<i>Description</i>	The amount or percentage of carbon-related assets ³⁴ in the portfolio, expressed in \$M or percentage of the current portfolio value.
<i>Formula for Amount</i>	$\sum \$M \text{ current value of investments in carbon-related assets}$
<i>Formula for Percentage</i>	$\frac{\sum \text{current value of investments in carbon-related assets}}{\text{current portfolio value}} * 100$
<i>Methodology</i>	This metric focuses on a portfolio's exposure to sectors and industries considered the most GHG emissions intensive. Gross values should be used.

This metric focuses on a portfolio's exposure to sectors and industries considered the most GHG emissions intensive.

Portfolio Alignment Metric Methodology

PACTA tool methodology¹⁷

The Paris Agreement Capital Transition Assessment ("PACTA") is a tool which measures financial portfolios' alignment with various climate scenarios consistent with the Paris Agreement.

PACTA compares what needs to happen in climate-relevant sectors in order to minimize global temperature rises, with financial institutions' exposure to companies in the most relevant sectors. It employs a forward-looking approach, based on the 5-year production plans of companies to which a portfolio is exposed.

The methodology measures alignment per sector or per technology with consideration of what needs to happen to meet the goals of the Paris Agreement for that sector. Some sectors need to move more quickly than others; some sectors need to reform (such as power generation); and others need to phase out (for instance, fossil fuels).

The climate-relevant sectors currently covered by PACTA are power, coal mining, oil & gas upstream sectors, auto manufacturing, cement, steel and aviation. Collectively, these sectors account for about 75% of global greenhouse gas emissions.

PACTA relies on physical, asset-based company data as the core analytical concept, which provides regional, sector-specific, and forward-looking production pathways that can be compared with various scenarios.

This core alignment functionality is complemented by a stress-testing module for investors that measures various climate scenarios' influence on asset prices.

Footer Notes

¹⁷ PACTA tool methodology description as presented by 2° Investing Initiative ("2DII"). PACTA tool is developed by 2DII.