



Toyota Motor Manufacturing (UK) Ltd Pension Plan (“the Plan”)

**Annual Task Force on Climate-related
Financial Disclosures (“TCFD”) Report**

Reporting to 31 March 2026



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Background and Executive Summary

The purpose of this report is to meet the climate change reporting requirements, building on the approach set out by the Trustees of the Plan in the Plan's Statement of Investment Principles ("SIP"). This report sets out how the Trustees plan to respond to the requirements in Climate Change Regulations. The report has been prepared in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD").

Climate change is the large-scale, long-term shift in global weather patterns and temperatures. It poses an existential threat to our planet and society and a risk to financial markets. The potential severity of the impacts motivated the commitment to reducing emissions via the Paris Agreement. Policy responses to achieve 2.0°C alignment will result in changes to the fundamental structure of the economy and society, resulting in impacts on investment portfolios.

Climate-related issues are complex in nature and can be difficult to report. To address this problem, the Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) in 2015. Following a consultation, TCFD published a framework of recommendations in 2017 to improve the way that private and public organisations can report on climate-related financial information. The framework can be separated into four key sections: Governance, Strategy, Risk Management and Metrics and Targets. The recommended disclosures are detailed on the following page.

In the UK, the Pension Schemes Act 2021 introduced a requirement for scheme trustees, with a view to ensuring that there is effective governance of the scheme with respect to the effects of climate change. The Plan fell under these guidelines and this is the fourth report of this kind that the Trustees have published.

Governance

- How the Trustees plan to maintain oversight and monitor climate-related risks and opportunities which are related to the Plan.
- The roles and responsibilities for managing and assessing climate-related risks and opportunities.

Strategy

- Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.
- Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.
- Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Risk Management

- The Plan's processes for identifying and assessing climate-related risks.
- Describe the Plan's processes for managing climate-related risks, and how the management of climate-related risks are integrated into the Plan's overall risk management.

Metrics and Targets

- Disclose the metrics used by the Plan to assess climate-related risks and opportunities in line with its strategy and risk management process, including where data is not available.
- Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
- Describe the target used by the Plan to manage climate-related risks and opportunities and performance against targets.

Governance

Overall Governance Framework

- **Trustees:** The overall Statement of Investment Principles ("SIP") which includes the Trustees' approach to ESG factors. The Trustees have oversight of the approach and are responsible for actively monitoring compliance.
- **Investment managers:** Investment managers appointed by the Trustees are required to demonstrate strong capabilities in managing ESG and climate risks as well as supporting the Trustees in reporting against TCFD. The Trustees require the Plan's Investment Managers to take ESG and climate change risks into consideration within their decision-making, in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.
- **Investment Consultant:** The Trustees will seek advice from the Investment Consultant on the extent to which their views on ESG and climate change risks may be taken into account in any future Investment Manager selection exercises. Furthermore, the Trustees, with the assistance of the Investment Consultant, will monitor the processes and operational behaviour of the Investment Managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in the Statement of Investment Principles, and post year end also included in the Responsible Investing Policy.
- **Actuarial advisor:** The Trustees' advisors are responsible for keeping the Trustees informed of how climate change related matters and ESG considerations impact the liabilities and for considering how the Company may be affected by these factors.
- **Covenant Advisor:** The Covenant Advisor's responsibilities include, but are not limited to, the following. Undertaking periodic reviews, at least triennially, of the extent to which climate-related risks and opportunities might affect the Plan's sponsoring employer over the short, medium, and long term.

The Trustees have consulted with the Company in relation to the climate-related risks to establish the potential impact on the Company and it has been determined that the risk to the Company is relatively low. The agreed funding strategy provides considerable protection against a reduction in covenant.

There is visibility over the strength of the UK covenant until 2026, with an updated covenant review due to take place in 2027. An evergreen guarantee has been provided by the parent company.

Given the Trustee's reliance on the Investment Consultant and Actuarial advisors for advice in relation to ESG and climate change issues, it is important that both are sufficiently skilled. The Trustees are comfortable that this is the case based on ongoing assessments made in relation to the quality of training, advice and communications provided on such topics.

Investment beliefs related to climate change

The Trustees consider climate change to be a significant long-term financial and systemic risk that if not managed has the potential to adversely affect the value of the Plan's investments.

Further details of the Trustees' beliefs are contained in the Plan's SIP, and post year end also included in the Responsible Investing Policy. These documents will be formally reviewed at least every three years to ensure they remain appropriate and will be informally reviewed on a more frequent basis. The last review was in April 2026 and so both documents will be formally reviewed in April 2029, or earlier if deemed necessary.

During the year, the Trustees received detailed information from the Plan's investment managers regarding the Plan's underlying holdings through the ESG ratings report produced by their investment consultant.

Climate-related requirements into manager selection, review and monitoring

The Trustees rely on the Investment Consultant's research process which explicitly considers ESG factors within their manager ratings and recommendations. This has been detailed further within the SIP, and post year end also included in the Responsible Investing Policy.

During the financial year, the Trustees carried out a manager selection exercise for the investment of the proceeds received from the Fidelity UK Real Estate Fund partial redemption. The decision was made to investment the proceeds in the M&G Total Return Credit Investment Fund which is held on the L&G platform. The fund was selected based on its suitability for the Plan's investment objectives, and ESG characteristics were also considered as part of this.

Day-to-day Trustees operations

The Trustees will remain mindful of the impact of its own operations on the environment. The Trustees also consider the extent to which environmental considerations are a priority for their providers and advisors which is reviewed periodically and as part of new appointments.

Monitoring climate risk

The Trustees will monitor the below metrics related to climate change.

Table 1 - Monitoring climate risks

Reporting content	Frequency
Specific climate-related metrics	Annually
Scenario analysis	At least tri-annually
Progress toward climate change related target	Annually
Assessment of the investment managers' ESG and climate-related credentials from XPS	As required
Any holdings/activity within the portfolio that require attention from a climate-related perspective	As required
Any notable stewardship activity related to climate risk within the portfolio	As required

The Trustees are satisfied that they have monitored the above items throughout the year, as required. For example, stewardship activity related to climate risk within the portfolio has been reported on by the inclusion of both firm and strategy level engagement data within the Plan's Implementation Statement. Furthermore, the Trustees commissioned a report from XPS on the extent to which ESG considerations are incorporated into the investment processes of the

investment manager organisations appointed to the Plan. This report allows the Trustees to review the Plan's ESG risk exposures. The Trustees recognise that the level of ESG integration within the investment processes is dependent on the asset class in question. In addition, ESG considerations formed part of the multi sector credit manager selection process, with the Trustees reviewing the ESG credentials of the newly appointed manager to ensure appropriate integration of sustainability and climate-related risks.

Further examples of actions taken during the Plan's reporting year are provided within this report.

Climate change as an agenda item within Trustee meetings

The Trustees will incorporate a climate-related agenda item into Trustee meetings whenever there is demand from the Trustees to further climate-related knowledge to enable it to actively discuss climate risk and opportunities. Topics of discussion can include:

- Relevant updates from the advisers and investment managers regarding the investment portfolio, strategic allocation and/or relevant developments within the industry.
- Input from the sponsor's in-house experts where appropriate.
- More closely aligning the Plan's ESG targets with those of the company.

Both Fidelity and Columbia Threadneedle attended Trustee meetings during the reporting period and the managers provided an update on their portfolios with ESG forming part of the discussions. This helped the Trustees understand how the managers integrate ESG and sustainability within their Funds.

Ongoing training needs

The Trustees are required to maintain sufficient knowledge and understanding of climate-related risks. Given the fast evolution and innovation within the industry the Trustees and / or a subgroup of the Trustees will hold a training session to climate-related issues alongside ESG issues on at least a tri-annual basis.

During the year, the Trustees commissioned a report from XPS Group to the extent to which ESG considerations are incorporated into the investment process of the investment manager organisations appointed to the Plan. This report allows the Trustees to review the Plan's ESG risk exposures.

Responsible Investing Policy

Post accounting year end, the Trustees have implemented a Responsible Investing Policy which details more explicit expectations and actions of the Trustees to ensure ESG and climate change risks are effectively managed for the long-term benefit of members. The document sets out the Trustees' specific policies regarding exclusions, stewardship and climate change. Stewardship and ESG matters are therefore regularly discussed at Trustees' meetings.

In the Plan's Responsible Investing Policy, the Trustees have set the following priority areas for engagement in which the Plan will go above and beyond the standard stewardship approach and implement an 'expression of wish', as these align with TMUK's goals:

- Climate change
- Renewable energy
- Natural resources (Biodiversity, Water)

Strategy

Time Horizon

The Plan is closed to accrual but has a long-term time horizon, given the immaturity of the Plan's liabilities compared to the average UK Pension Scheme. Therefore, the Trustees have defined the time horizons as below and identified relevant climate-related risks and opportunities which will be managed as far as practicable via the overall framework.

The Trustees are clear that climate change represents a material financial risk to the Plan's funding level. Furthermore, the Trustees recognise that there are opportunities available within the investment strategy as a result of the transition to a low carbon economy.

Table 2 - Rationale for time horizons

Time horizon		Risks and opportunities
Short term	0-5 years	Transition risks highly prevalent: Changes in consumer and corporate behaviour, driven by policy and technological change. Legal and Regulatory risks: Changes in asset prices/stock price movements. Opportunities: Companies which adapt well can take advantage of this fundamental shift in the economy. Physical risks exist but impacts expected to be less severe.
Medium term	5-10 years	
Long term	10-50 years	Transition risks as above, and physical risks more likely: Damage to real assets and resource availability e.g., sea level rise and more frequent severe weather events. There will be knock-on effects on input costs and supply chains.

The key assumptions that have a significant impact on the assessed value of the liabilities are:

1. Gilt yields: a reduction in the level of the gilt yield curve increases the assessed value of the liabilities and vice versa.
2. Future price inflation: an increase in the level of future expected price inflation would increase the expected payments out of the Plan and hence increase the assessed value of the liabilities.
3. Life expectancy: any change in life expectancy for Plan members would impact on the length of time benefits are assumed to be paid out of the Plan and hence impact on the assessed value of the liabilities.

Impact on investment strategy

The Trustees are cognisant of climate related risks and opportunities, and this therefore informs the Trustees when setting the investment strategy and taking any investment decisions.

The Trustees have assessed the investment managers' ability to analyse climate change related risks and opportunities during the investment process as a feature in its due diligence when appointing new managers for the Plan assets. Therefore, the investment managers selected are those which demonstrate clear integration of climate change risk analysis, alongside other fundamental and technical risk analysis techniques. As such, climate change is a consideration when the investment manager's make investment related decisions.

As the Plan invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest.

They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Plan's investments to the Investment Managers. The Trustees encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes.

The Trustees require the Investment Managers to report on significant votes made on behalf of the Trustees and to report on engagement activity undertaken within the funds in which the Plan are invested. This information is reported in the Plan's Implementation Statement and allows the Trustees to monitor engagement undertaken against the scheme specific stewardship priorities.

Scenario modelling - choice of scenarios

The Trustees have considered different climate-related scenarios to form a view on the resilience of the Plan's current strategy. The below scenarios represent four of the six designed by the Network for Greening and Financial System ("NGFS") which provide a good overview of possible outcomes. For added context, the NGFS scenarios explore the impacts of climate change and climate policy with the aim of providing a common reference framework.

Net Zero 2050	Delayed Transition	Fragmented World	Current Policies
• Limits global warming to 1.5 °C through stringent climate policies and innovation, reaching global net zero CO2 emissions around 2050. Orderly scenario assumes climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.	• Assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. Negative emissions are limited. Disorderly scenario with higher transition risks due to policies being delayed or divergent across countries and sectors.	• "Too-little-too-late" assumes a delayed and divergent climate policy response among countries globally, leading to high physical and transition risks. Countries with net zero targets achieve them only partially (80% of the target), while the other countries follow current policies.	• Hot house world scenario assumes that some climate policies are implemented in some jurisdictions, but globally efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts like sea-level rise.

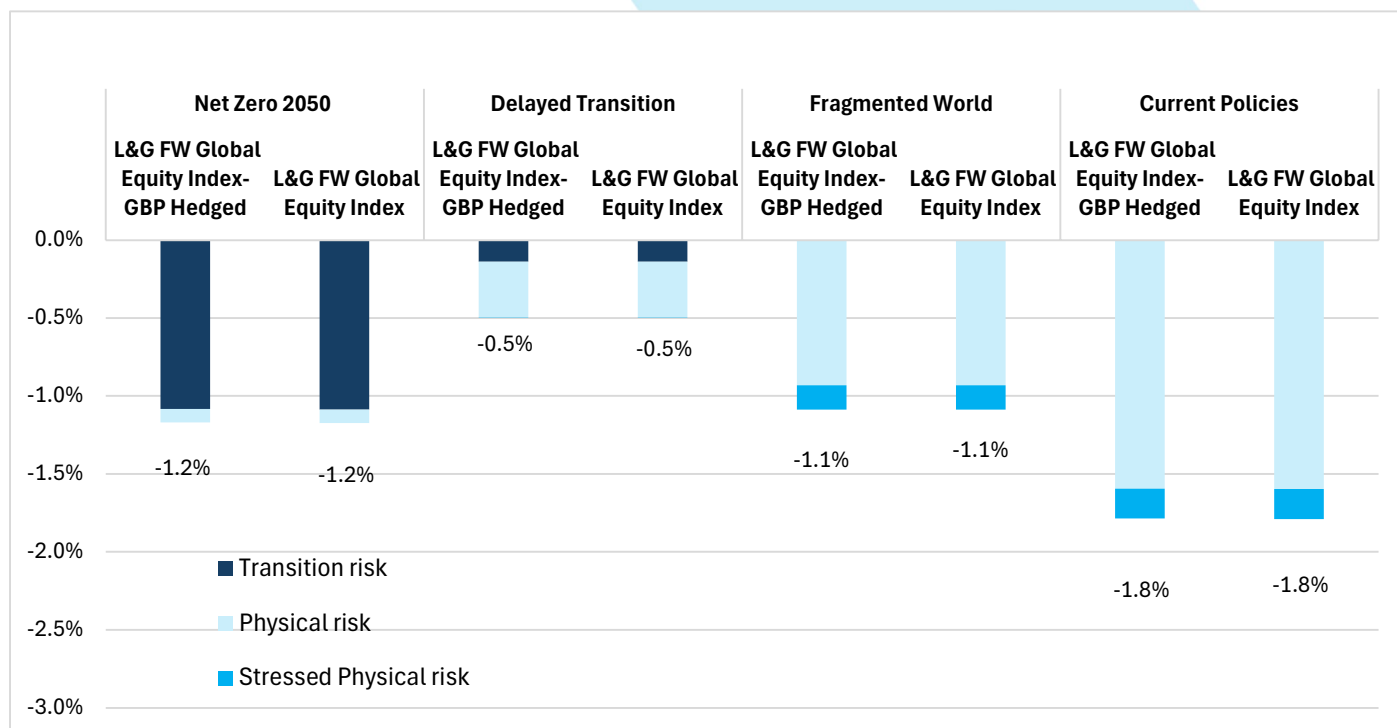
Scenario Analysis on the Plan's Assets

Climate Value at Risk (VaR) provides a forward-looking and return-based valuation assessment to measure climate related risks and opportunities in an investment portfolio. It provides insights into the potential climate-stressed market valuation of investment portfolios and downside risk. The below chart shows the changes in portfolio value of the Plan's funds held with Legal & General Investment Management ("L&G") under the scenarios broadly in line with the above. The more illiquid, unlisted assets are not able to report CVAR and therefore have not been included in this section.

CVAR is a function of both:

- **Transition risks** (downside risk arising from regulatory and policy changes, and opportunities for companies adapting to the modelled scenario); and
- **Physical risks** (how trends in extreme cold, extreme heat, extreme precipitation, heavy snowfall, extreme wind, coastal flooding, fluvial flooding, tropical cyclones, river flow and wildfires continue along the modelled scenario). Within physical risk there are a range of possible cost outcomes under each scenario and the charts below illustrate both the average (expected or 50th percentile outcome) cost impact, and an 'aggressive' (worse case) cost impact. The 'aggressive' physical element below represents the 95th percentile outcome.

Chart 1: Climate Value at Risk of the Plan's L&G assets



Notes

1. Sources: L&G as at 31 March 2026 and provided by the manager. L&G information sourced from MSCI ESG Screener tool using portfolio holdings at 31 March 2026. Analysis assumes an "average" physical risk outcome, i.e. the median expected costs incurred under the various scenarios due to physical risks. "aggressive" physical risk reflects the higher expected costs incurred under various scenarios due to the severe physical risks associated with climate change.
2. NDC = Nationally Determined Contributions, representing countries' self-defined national climate pledges under the Paris Agreement.
3. "Stressed Physical Risk" represents an alternative climate damage function, calculated by MSCI, which assumes total economic loss at 6°C of warming, in order to try to better capture the impact of non-linear effects and tipping points that may come through in higher temperatures and which are not captured in the standard Climate VaR modelling.

The Trustees note the limitations of scenario modelling given it is underpinned by a series of assumptions which may or may not hold in practice, noting in particular that the investment outcomes in a Current Policies scenario, where physical risks associated with climate change are expected to be high, are difficult to estimate. Nevertheless, the Trustees are comfortable that the modelling serves the purpose of helping them to better understand and manage climate-related risks.

A Net Zero 2050 scenario presents the greatest short-term transition risk to the Plan's assets, as illustrated by the largest negative climate Value at Risk (VaR) driven almost entirely by transition impacts, reflecting the need for rapid and potentially costly portfolio adjustments to align with a net zero pathway. The Delayed Transition scenario shows a smaller overall impact in the near term, with lower transition risk than the Net Zero scenario, but still exposes the Plan to meaningful downside as transition action is deferred and then accelerated.

The Fragmented World scenario exhibits a broadly similar overall level of climate VaR to the Delayed Transition scenario, with reduced transition risk but increased physical risk beginning to emerge over the medium to longer term. The Current Policies scenario shows the largest contribution from physical risk, with little to no transition risk reflected, resulting in material downside impacts over the long term as climate-related physical damages increase in the absence of stronger policy action.

To mitigate these long-term risks the Trustees will continue to engage with current managers to identify high-risk holdings and consider investing in funds which take more explicit account of forward-looking low carbon transition alignment, while maintaining the same financial objectives.

There has been a decrease in the Climate Value at Risk within the Plan's L&G Future World Global Equity holdings relative to last year.

Impact of and resilience to liability-related risks

The key assumptions that have a significant impact on the assessed value of the liabilities are:

- **Gilt yields:** a reduction in the level of the gilt yield curve increases the assessed value of the liabilities and vice versa.
- **Future price inflation:** an increase in the level of future expected price inflation would increase the expected payments out of the Plan, and hence increase the assessed value of the liabilities.
- **Life expectancy:** any change in life expectancy for Plan members would impact the length of time benefits are assumed to be paid out of the Plan and hence impact on the assessed value of the liabilities.

Gilt yields and future price inflation are financial risks. Overall, the Trustees note that the Plan is fully hedged against changes in interest rates and inflation on the Technical Provisions basis. This significantly reduces the direct impact of changes in these financial assumptions on the funding position. However, climate-related market disruption, imperfect hedge matching, basis risk and wider financial market volatility may still contribute to funding volatility under more extreme scenarios.

Life expectancy is a key unhedged liability risk from climate-related changes. However, the Trustees recognise that climate change may also affect liabilities through broader economic channels, including impacts on growth, inflation and interest rates, which may interact in complex and uncertain ways. The Trustees recognise that changes in mortality are inherently uncertain and may arise through a combination of physical climate impacts (such as extreme weather, pollution and disease) and indirect economic impacts (including changes in healthcare provision, public finances and wider socio-economic conditions). While significant climate-related changes in life expectancy are considered unlikely over the short to medium term, the potential impact becomes more uncertain over longer time horizons.

The Trustees also recognise that climate-related impacts may emerge in a non-linear manner and that standard climate scenario modelling may not fully capture abrupt market repricing, tipping points or wider systemic disruption. Accordingly, the scenario analysis below should be viewed as illustrative of potential pathways rather than predictions of future outcomes.

The Trustees have commissioned qualitative analysis on these risks under the below scenarios and a summary of the expected impact is given below:

Net Zero 2050

This scenario assumes that governments introduce climate policies early and in a coordinated manner, supporting a relatively orderly transition to a lower-carbon economy. As a result, long-term physical climate impacts are expected to be more limited than under the other scenarios considered.

The earlier introduction of climate policies may contribute to more gradual economic adjustment and reduce the risk of abrupt financial market repricing. While transition costs would still arise, these are expected to be more manageable and spread over a longer period.

For the Plan, this scenario may result in a more stable long-term economic environment, with lower volatility in inflation expectations, interest rates and financial markets relative to more disorderly transition pathways. Lower physical climate disruption may also support stronger long-term economic resilience.

The Plan's existing liability hedging arrangements may help reduce exposure to gradual changes in inflation expectations and interest rates under this scenario.

The impact on mortality and longevity expectations under this scenario is expected to be relatively limited, although improvements in healthcare, technology and environmental conditions could support modest improvements in life expectancy over time.

However, uncertainty would remain around the effectiveness of global policy coordination, technological development and the pace of decarbonisation.

Delayed Transition

This scenario assumes that meaningful climate policy action is delayed until around 2030, after which governments introduce more stringent measures to limit global warming. The delayed response results in a more abrupt and disorderly economic transition.

The sharper adjustment required may contribute to periods of increased market volatility, weaker short-term economic growth and greater uncertainty in inflation expectations and interest rates. Carbon-intensive sectors may also experience rapid repricing as economies accelerate decarbonisation efforts.

For the Plan, this scenario may lead to greater short- to medium-term volatility in funding levels and liability valuations relative to an orderly transition scenario. Increased uncertainty in financial markets and inflation expectations may also affect investment performance and overall funding resilience.

The demographic impact of this scenario is uncertain. Economic disruption, pressure on public finances and changes in healthcare spending could affect future mortality improvements, although the extent and timing of any impact on life expectancy remains difficult to predict.

Although this scenario may ultimately reduce some long-term physical climate impacts relative to higher warming pathways, the transition itself is expected to be more economically disruptive.

Fragmented World

This scenario assumes that climate policy action is introduced unevenly across countries and sectors, resulting in a fragmented and inconsistent global transition pathway. While some regions pursue decarbonisation measures, others continue with more limited policy intervention.

The lack of coordinated global action may contribute to prolonged economic uncertainty, weaker long-term growth and increased geopolitical and financial market instability. Supply chain disruption, resource pressures and divergent regulation may also contribute to increased inflation volatility over time.

For the Plan, this scenario may result in greater uncertainty in long-term funding outcomes, reflecting the combined effects of transition risks, physical climate impacts and sustained economic disruption. Financial market volatility and changing inflation expectations may also affect liability valuations and investment performance.

Persistent inflation uncertainty and market volatility may also affect transfer value assumptions and actuarial factors over time.

Longer-term physical and economic disruption under this scenario could negatively affect mortality and longevity expectations through impacts on healthcare systems, public health spending and broader socioeconomic conditions,

although these impacts remain highly uncertain. Compared with the more orderly transition scenarios, this pathway is expected to involve a greater degree of persistent uncertainty and weaker long-term economic resilience.

Current Policies

This scenario assumes that existing climate policies continue with limited additional action to reduce global emissions. As a result, global temperatures increase significantly and physical climate impacts become increasingly severe over time. In addition, some physical climate risks become increasingly non-linear over time, particularly where environmental or economic “tipping points” are reached, potentially contributing to more abrupt or irreversible disruption than implied by gradual trend-based analysis.

More frequent extreme weather events, rising sea levels, resource pressures and broader environmental disruption may adversely affect infrastructure, productivity and long-term economic growth. These impacts may also contribute to persistent inflationary pressures and increased macroeconomic volatility.

For the Plan, this scenario may increase uncertainty in long-term funding outcomes through weaker economic conditions, greater financial market disruption and sustained inflation volatility. Physical climate impacts may also place increasing strain on public finances, supply chains and global economic stability over time.

More severe physical climate impacts under this scenario may adversely affect mortality and future life expectancy through factors such as extreme weather, pollution, disease, food and water insecurity and pressure on healthcare systems. Any reduction in life expectancy could affect liability valuations and assumptions underlying transfer values and other actuarial factors, although the magnitude and timing of such impacts remain highly uncertain.

Although the Plan may be less exposed to direct covenant-related climate risks than some schemes, prolonged economic disruption and sustained inflation volatility may still affect funding and investment outcomes. This scenario is considered to present the greatest degree of long-term physical climate risk and systemic economic uncertainty of the scenarios considered.

Impact on covenant

The Trustees have consulted with the Company in relation to the climate-related risks to establish the potential impact on the Company and it has been determined that the risk to the Company is relatively low, based on the latest Covenant report available as at the date of this report.

Resilience to covenant-related risks

Covenant: The agreed funding strategy provides considerable protection against a reduction in covenant. There is visibility over the strength of the UK covenant until 2026, with an updated covenant review due to take place in 2027. An evergreen guarantee has been provided by a parent company.

Risk management

Processes to identify and assess the potential impact of climate-related risks/opportunities

The Trustees recognise the importance of identifying and assessing the potential impact of climate change within the Plan's investments and have taken the following key actions:

- Defined their broad investment beliefs related to climate change.
- Delegated the management of climate risk and opportunities (including stewardship of assets) to the investment managers. As such, responsibility for identifying and assessing climate-related risks has also been delegated to the investment managers.
- The Trustees will, at least, tri-annually require the investment managers to undertake climate risk modelling and scenario testing in order to understand the risk exposure of the Plan's assets to various climate scenarios.
- The Trustees request that the Plan's investment managers undertake climate risk modelling on an annual basis, however due to the nature of some of the funds in which the Plan invests, some investment managers are not able to provide updated information on an annual basis. Climate risk for all funds is also assessed in the ESG ratings report, which is produced by the Plan's investment consultants annually at the request of the Trustees.
- Consulted with the Company in relation to the climate-related risks to establish the potential impact on the Company, and therefore the potential impact on the Plan.

Processes to manage the potential impact of climate-related risks/opportunities

The Trustees recognise the importance of managing the potential impact of climate change within the Plan's investments and has taken the following key actions:

- Set out in the Statement of Investment Principles the Trustees' intended approach within the investments to ensure climate related risks are appropriately managed.
- Set out a monitoring process to review how the underlying investment managers are assessing, managing and mitigating climate risks including the portfolio's positioning in relation to the transition to a lower-carbon economy. This includes conducting scenario analysis on, at least, a tri-annual basis to understand the resilience of the portfolio to various climate scenarios as far as practicable.
- Appointed managers who demonstrate robust stewardship and engagement with the underlying investments (recognising that active ownership is key to managing ongoing risks).

The Trustees' approach in this regard is detailed further in the Statement of Investment Principles, and post year end has been updated in the Responsible Investing Policy.

The integration of processes for identifying, assessing, and managing climate-related risks into the organisation's overall risk management

The Trustees recognise the importance of integrating the considerations which surround climate change within the Plan's overall risk management and has taken the following key actions:

- Defined its investment beliefs related to climate change in order to gain clarity over the views of the Trustees and the necessary steps to be taken.
- Climate change is considered alongside other risks (in terms of invested assets and the impact on the funding strategy).

Examples of risk management from within the reporting year

The Trustees recognise the importance of effective stewardship activities to enact change and manage risk. The Trustees have delegated all stewardship activity to the investment managers as they believe the managers are best placed to conduct stewardship given their expertise and access to company management. Where the Plan invests in debt assets, there are no voting rights to be exercised, but the Trustees expect the managers to engage on material ESG and climate- related issues alongside other non-ESG related issues.

During the reporting period, the Trustees undertook numerous activities to manage risk. For example, the Trustees commissioned a report from XPS on the extent to which ESG considerations are incorporated into the investment processes of the investment manager organisations appointed to the Plan. This report allows the Trustees to review the Plan's ESG risk exposures. The Trustees recognise that the level of ESG integration within the investment processes is dependent on the asset class in question.

The Trustees asked the investment managers to provide examples of engagement activities which have been undertaken during the year. Below are examples of engagement which shows the action taken from investment managers in relation to climate-related risks. L&G were unable to provide engagement data for the L&G 5A Fixed Interest Over 15 Year Targeted Duration Fund, given the fund is predominantly invested in sovereign debt. L&G was unable to provide engagement data for the L&G Bespoke LDI Fund, given the fund holds gilts and derivatives.

Table 3 - Engagement example (L&G Future World Global Equity Index Fund / L&G Future World Global Equity Index Fund (GBP Hedged))

Name of entity you engaged	Apple Inc
Topic of Engagement	Governance: digitisation
Rationale for engagement	L&G believe that artificial intelligence ('AI') should drive long-term innovation, productivity and value creation. To secure these gains, they believe investors must engage with companies and policymakers on baseline expectations for governance, risk management and transparency.
Engagement activity carried out.	L&G met with Apple twice in 2025. The first engagement took place ahead of the company's AGM to discuss a shareholder resolution requesting disclosure on ethical AI data acquisition and usage. L&G sought to understand how Apple approaches these issues and the measures in place to manage associated risks. While L&G had supported a similar shareholder resolution at Apple's 2024 AGM, it voted against the proposal in 2025, concluding that the company is making sufficient efforts to protect personal data in the context of AI training. L&G subsequently met with Apple again in late 2025 for a more detailed discussion on AI governance and risk management at the company.
Outcomes and next steps	Apple published responsible AI principles following its 2024 AGM. L&G subsequently engaged with the company to better understand its approach to AI governance and risk management. While disclosures did not fully meet L&G's expectations, particularly regarding board education and risk oversight, L&G has observed improved transparency and actions over the past year, including the introduction of child safety tools, content review and feedback mechanisms, and generative AI human interface guidelines for app developers. L&G values these engagements as a means to understand implementation challenges on evolving topics and to communicate the financial materiality of such risks to companies. L&G will continue to monitor Apple's progress and looks forward to further engagement

Table 4 - Engagement example (M&G Total Return Credit Investment Fund)

Name of entity you engaged	Bayer AG
Topic of Engagement	Social - Public health
Rationale for engagement	To encourage the company to improve how it makes medicines, vaccines and diagnostics accessible and affordable to low and middle income countries through maintaining or improving it's score of 3.13 in the 2026 Access to Medicine Foundation benchmark.
Engagement activity carried out	M&G are engaging Bayer as part of the Access to Medicine Foundation collaborative engagement initiative (ATMI).
Outcomes and next steps	Bayer confirmed that access to medicine is one of the cornerstones of its sustainability strategy and that the ATMI has supported the team in internal discussions along the value chain. The ATMI framework is also helpful in developing reporting systems to report on progress against access to medicine and social impact. Through the Global Health Unit (GHU), Bayer is seeking to create new commercial opportunities by working with NGOs and governments to create a markets that do not previously exist by focussing on initiatives that help build sustainable healthcare systems, such as moving the manufacture and supply of medicines into low to middle income countries. One example is Bayer's work in Sub-Saharan Africa. In most African countries the medicines are manufactured outside of Africa, however Bayer, through its GHU, is working on a project to bring production and supply facilities on the African continent to provide the infrastructure and jobs to support a self-sufficient healthcare system. Reporting, in particular impact reporting, continues to be a challenge for the company. The company confirmed that establishing a framework to measuring impact remains a work in progress. It is currently looking into established models.

Table 5 - Engagement example (Fidelity UK Real Estate Fund)

Name of entity you engaged	N/A
Topic of Engagement	Environment - Natural resource use/impact (e.g. water, biodiversity)
Rationale for engagement	Fidelity installed automated water meters across its properties as part of its sustainability initiatives. This initiative has been selected to demonstrate the outcomes of sustainability efforts for both Fidelity as a property owner and its occupiers.
Engagement activity carried out.	Fidelity received an automated alert, which was shared with both its internal team and managing agents. The leak was promptly identified, and remedial work was initiated to address the issue.
Outcomes and next steps	Engagement met objective as it allowed them to track water usage and prevent any leaks. Both a financial and environmental benefit.

Table 6 - Engagement example (IFM)

Name of entity you engaged	Aqualia
Topic of Engagement	General Sustainability and Environmental
Rationale for engagement	IFM's Infrastructure team has a strong track record of working closely with investee companies to drive and continuously improve sustainability initiatives. IFM engages with its assets through an active management approach, either at the board level via board representation or through frequent direct interactions with company management.
Engagement activity carried out.	Aqualia successfully completed the audit process of the 2025 Corporate Sustainability Report, which is publicly available via this link: https://www.aqualia.com/documents/d/aqualia-es/2025-sustainability-report-pdf The Carbon Disclosure Project ("CDP") has endorsed Aqualia's environmental strategy with a 'B' rating.
Outcomes and next steps	In 2025, Aqualia reported 65.3%, 77.6% and 61.0% of EU Taxonomy-aligned revenues, opex and capex respectively. The EU Taxonomy is a regulation tool designed to guide investments towards sustainable projects. This implies that the specified proportion of Aqualia's 2025 revenues, opex and capex comply with the ESG criteria set by the EU Taxonomy regulations to be deemed sustainable. CDP applies a scoring methodology ranging from 'A' (highest) to 'D-' (lowest).

Table 7 - Engagement example (Columbia Threadneedle)

Name of entity you engaged	Microsoft
Topic of Engagement	Balancing AI innovation with responsible governance, healthcare transformation.
Rationale for engagement	Microsoft is addressing two key priorities in the healthcare AI landscape: strengthening AI governance and advancing healthcare innovation through its commercial cloud platform. The company maintains comprehensive oversight frameworks for sensitive technologies, with executive accountability under President Brad Smith. Its responsible AI approach has been externally validated, including an independent third-party human rights review that found no evidence of its cloud services being used for surveillance in Gaza. At the same time, Microsoft is addressing the rapid growth of medical knowledge by deploying specialised AI solutions within its cloud platform to enhance workflow efficiency and support clinical decision-making.
Engagement activity carried out.	The engagement focused on Microsoft's approach to healthcare AI innovation and governance. Microsoft maintains strict controls over AI deployment, including impact assessments and enhanced scrutiny for sensitive use cases.

	In healthcare, the company is strengthening its cloud platform with specialised solutions, including ambient clinical documentation through the Dragon acquisition, aimed at improving clinician productivity. Microsoft combines broad cloud capabilities with industry-specific tools, aligning with “workflow efficiency” and “clinical decision support” themes, while continuing to emphasise responsible AI deployment and improved outcomes.
Outcomes and next steps	The company’s governance frameworks and transparent approach to sensitive issues indicate effective management of AI-related risks and opportunities. This aligns with an investment emphasis on solutions that integrate validated AI into existing healthcare workflows while ensuring compliance and measurable outcomes.

Table 8 - Engagement example (Partners Group)

Name of entity you engaged	Velvet Care
Topic of Engagement	Environment, Social and Governance
Rationale for engagement	Partners Group has control of the board.
Engagement activity carried out.	Since its investment in early 2024, Partners Group has focused on establishing a robust governance framework to support Velvet Care’s long-term sustainable growth. Given its controlling stake, Partners Group has worked closely with the company to refine strategy and embed sustainability considerations into decision-making and value creation. Key initiatives have included strengthening board governance, formalising sustainability oversight, and enhancing workforce engagement. Partners Group has also supported the alignment of Velvet Care’s policies with global best practices, particularly in ethical supply chain management and talent retention, laying a strong foundation for future growth.
Outcomes and next steps	Velvet Care has achieved B Corp Certification, reflecting its commitment to high standards of social and environmental performance, transparency, and accountability. Partners Group will continue to support the company in scaling its workforce development initiatives and further embedding sustainability across its operations, ensuring that Velvet Care remains well positioned for sustainable, long-term value creation.

Metrics

This section of the report details the metrics used by the Trustees to assess climate-related risks and opportunities in line with the strategy and risk management process outlined. In order to illustrate the materiality of the metrics provided in this section, Table 6 summarises the breakdown of the Plan's defined benefit assets:

Table 9 - Asset allocation as at 31 March 2026 (2025 allocation provided in brackets)

Fund	Allocation (%)
L&G LDI	33 (34)
L&G 5A Fixed Interest > 15Yr Target Duration Fund	13 (13)
L&G FW Global Equity Index	9 (10)
L&G FW Global Equity Index (GBP hedged)	8 (10)
Columbia Threadneedle TPEN Property Fund	5 (4)
Fidelity UK Property Fund	5 (11)
Partners Fund	12 (12)
IFM Global Infrastructure Fund	7 (6)
M&G Total Return Credit Investment Fund	9 (0)

Data quality

The Trustees are reliant on the data and metrics provided by third parties, and a key challenge related to this is the coverage and reliability of the data and metrics which differ across asset classes, industries, and geographies. A measure which attempts to summarise this is "coverage" which represents the proportions of the portfolio for which the Trustees have climate-related data available for. Table 10 illustrates the coverage for carbon emissions reporting across the mandates.

Table 10 - Data quality for the Plan's M&G and L&G platform holdings (2025 data provided in brackets)

Metrics		L&G 5A Fixed Interest > 15Yr Target Duration Fund	M&G Total Return Credit Investment Fund	L&G FW Global Equity Index	L&G FW Global Equity Index GBP Hedged
Carbon intensity and emissions	Scope 1+2	62% (66%)	63% (N/A)	99% (99%)	99% (99%)
Weighted Average Carbon Intensity		62% (66%)	63% (N/A)	99% (99%)	99% (99%)

Carbon intensity and emissions	Scope 3	62% (66%)	63% (N/A)	99% (99%)	99% (99%)
Weighted Average Carbon Intensity		62% (66%)	64% (N/A)	99% (99%)	99% (99%)
Implied Temperature Rise		N/A (N/A)	N/A (N/A)	97% (99%)	98% (99%)

Carbon emissions

The Trustees measure the following emissions related metrics on an annual basis for their L&G listed holdings:

- Absolute carbon emissions
- Carbon emissions as a proportion of the company's enterprise value including cash, normalised per £m invested
- Weighted Average Carbon Intensity ("WACI")

Charts 2 - 8 present the emissions metrics for each fund, where available. The Trustees acknowledge that forward-looking metrics must also be considered as they reflect the potential future pathway for emissions, rather than current emissions which reflect emissions at single point in time and do not account for climate change mitigation plans and adaptation efforts. Scope 3 emissions have been included where available. The Trustees recognise the importance of this metric and remains confident that availability of Scope 3 emissions data across the industry will improve over time.

Absolute emissions

Absolute carbon emissions represent the total tonnes of greenhouse gases attributable to the Plan's holdings based on the ownership of the underlying assets. Of the funds held on the L&G platform, the largest contributor to the Plan's absolute emissions, across scope 1 and 2 emissions is the L&G 5A Fixed Interest >15Yr Target Duration Fund, closely followed by the M&G TRCI fund.

In 2026, the Plan's equity assets and the corporate bond fund held with L&G saw a decrease in Absolute Carbon emissions (Scope 1, 2 and 3) compared to 2025. This result shows a move in line with the targets of the Plan over the year.

Chart 2 - Absolute Carbon Emissions - Scope 1 and 2

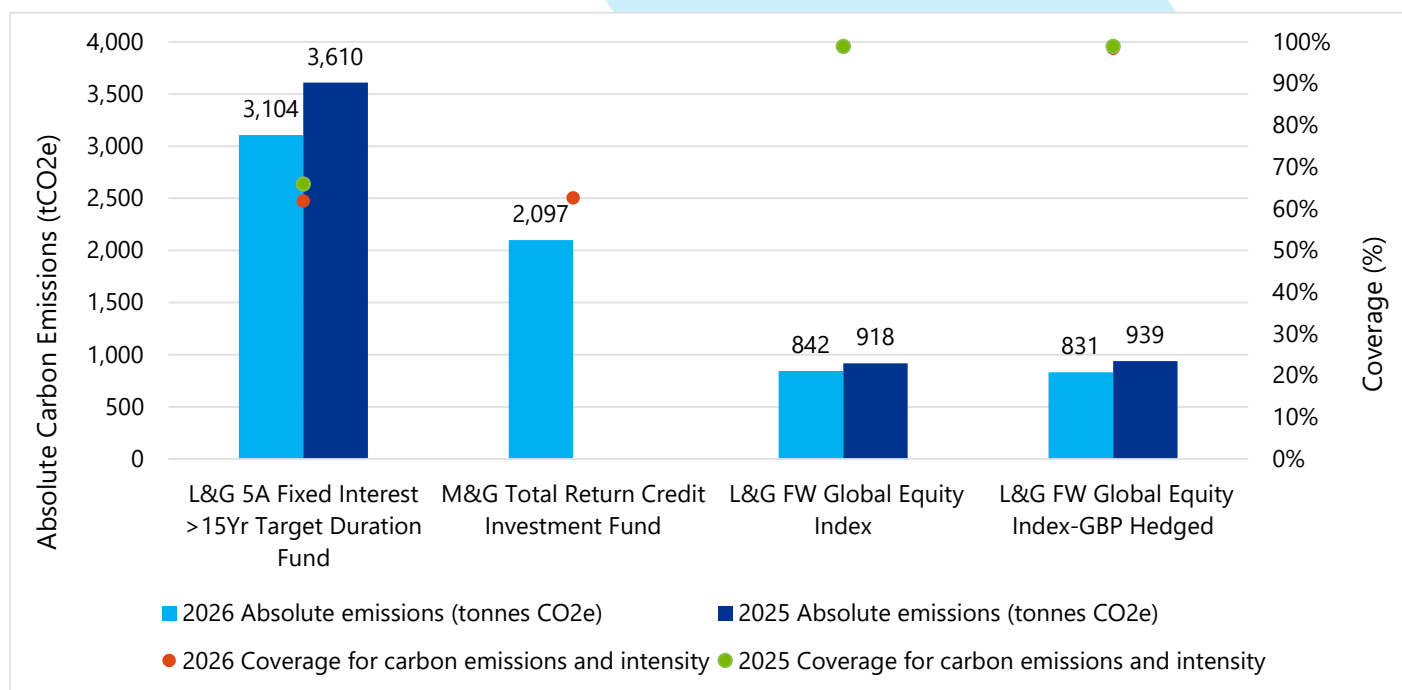
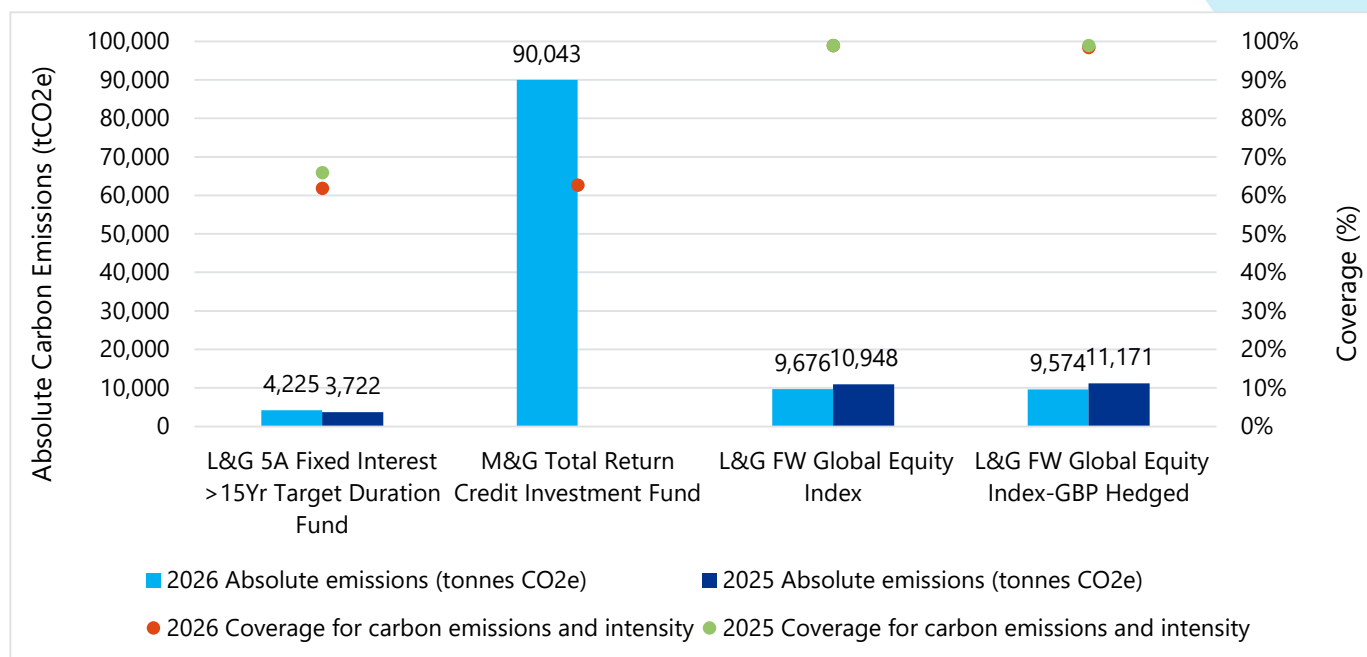


Chart 3 - Absolute Carbon Emissions - Scope 3



Carbon footprint:

Carbon footprint is an intensity metric, showing the total carbon emissions normalised by the value of the investment. This is useful to show comparison of emissions intensity for portfolios of different sizes. Chart 4 shows that the M&G TRCI Fund and the L&G 5A Fixed Interest > 15Yr Target Duration are more carbon intensive than the L&G equity funds under scope 1 and 2 emissions. The M&G TRCI fund has the highest Carbon Footprint for scope 3 emissions.

Over 2026, the Carbon Footprint for the L&G corporate bond fund reduced compared to the equivalent figures in 2025, and remained relatively stable for the two L&G Equity funds.

Chart 4 - Carbon Footprint - Scope 1 and 2

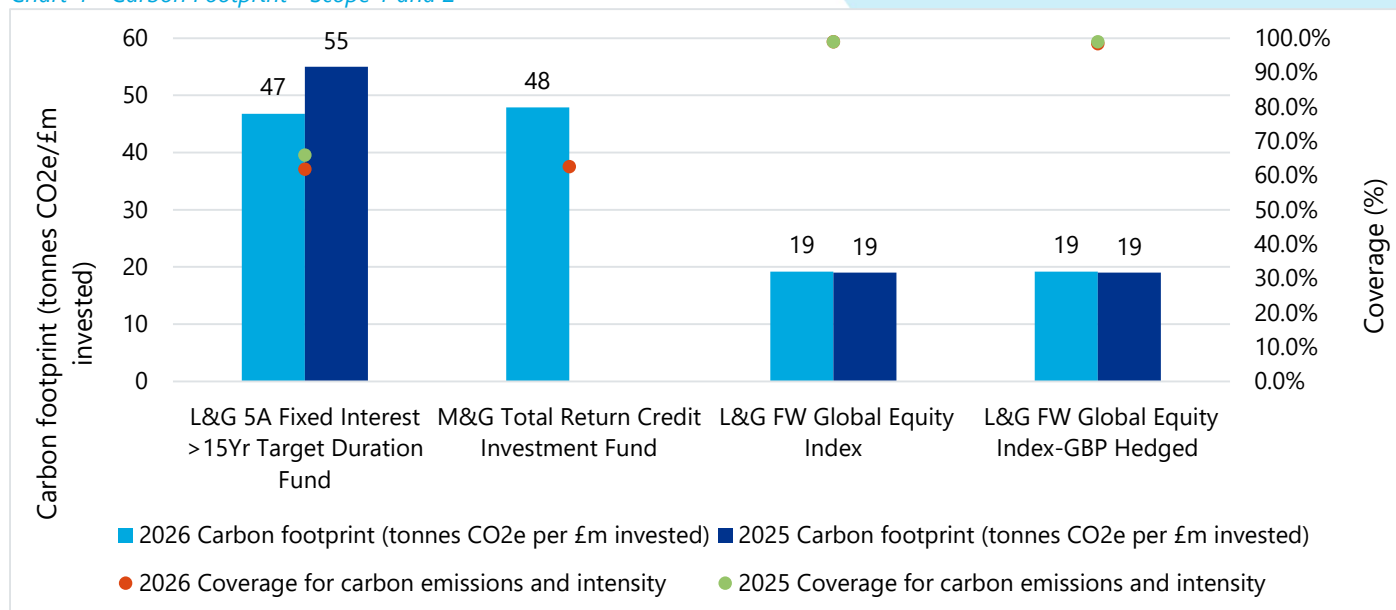
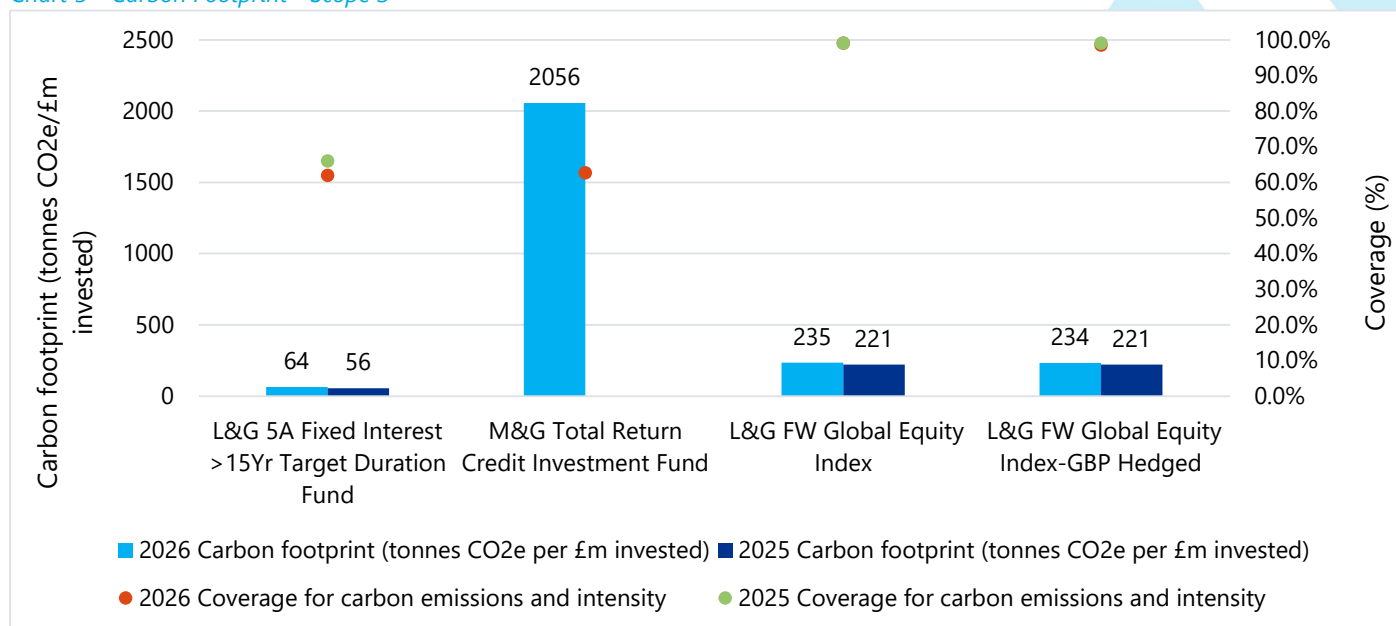


Chart 5 - Carbon Footprint - Scope 3



Weighted Average Carbon Intensity (WACI):

Weighted Average Carbon Intensity (WACI) is another intensity measure. Charts 6 and 7 illustrate the WACI of the Plan's funds. The WACI illustrates how efficient the investments held are with respect to their carbon emissions. The L&G 5A Fixed Interest >15Yr Target Duration Fund has the highest Scope 1, 2 and 3 carbon intensity. The WACI for the L&G Equity funds increased for Scope 1 and 2 intensity compared to last year, however for the L&G 5A Fixed Interest >15Yr Target Duration Fund the equivalent figure decreased. The newly invested M&G fund had the lowest WACI of all the funds considered. The Trustees will continue to monitor this in future periods.

For Scope 3 intensity (WACI), the Plan saw a reduction in the level of intensity in the L&G 5A Fixed Interest >15Yr Target Duration Fund, however the two L&G equity funds saw increases over the period.

The coverage for carbon emissions and intensity remained broadly similar over the period.

Chart 6 - Weighted Average Carbon Intensity (WACI) - Scope 1 and 2

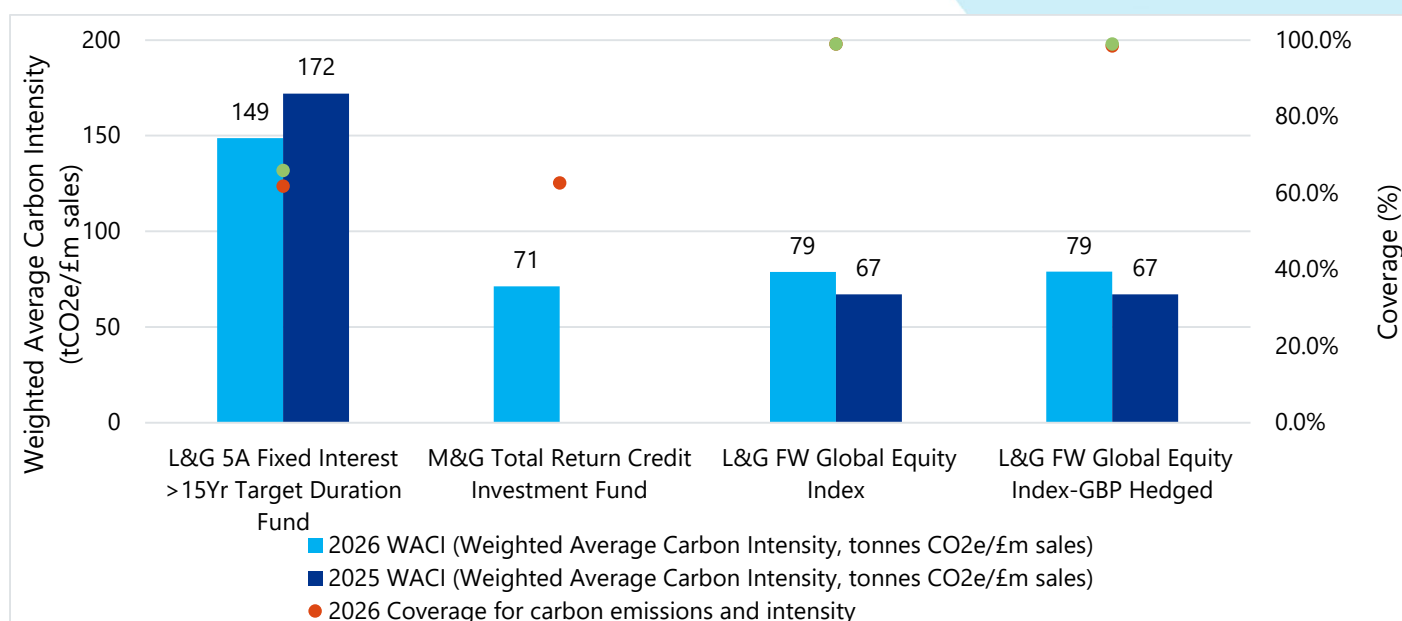
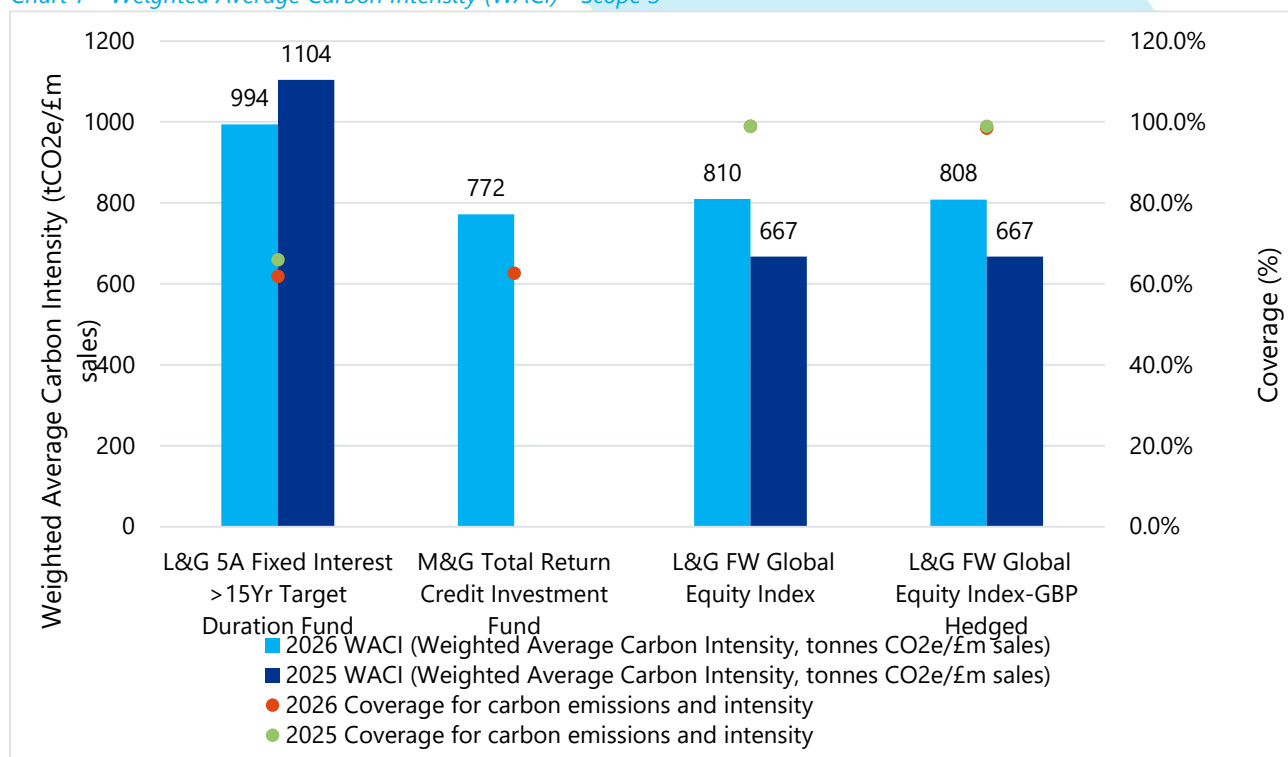


Chart 7 - Weighted Average Carbon Intensity (WACI) - Scope 3



Notes regarding core metrics (L&G):

- Metric results sourced from MSCI (see full Disclaimer on page 27) ESG Manager tool for all funds using underlying fund holdings provided by L&G at 31 March 2026.
- Coverage indicates the proportion of the fund for which carbon data is available.
- Where coverage is less than 100%, data provided has been re-normalised to reflect 100% of the funds (assumes unknown emissions data is equivalent to known data points).

Implied temperature rise

Implied Temperature Rise ("ITR") is a measure of the alignment of the portfolio to a future increase in global temperatures above pre-industrial levels, to give an indication of whether the portfolio is in line with the delivery of the Paris Agreement. Portfolios which have an implied temperature rise of 2°C or lower are consistent with the Paris Agreement. Based on available information, the M&G and L&G funds are not aligned with the Paris Agreement.

The portfolio-level ITR calculates the difference between the total projected GHG emissions and the total carbon budgets of the fund holdings to assess their climate impact. The portfolio's total estimated carbon budget over/undershoot is then converted to a degree of temperature rise (°C) using science based TCRE (Transient Climate Response to Cumulative Emissions). The percentage figures show the % of companies in the fund that are either 1.5°C Aligned, 2°C Aligned, Misaligned or Strongly Misaligned which the ambitions of the Paris Agreement.

The ITR of both the equity funds has increased overall likely due to overall rising global temperature across many companies and sectors.

This shows the need to engage with the laggard companies within the portfolio to reduce the overall implied temperature rise of the funds.

Table 11 - Implied temperature rise

	L&G 5A Fixed Interest > 15Yr Target Duration Fund	M&G Total Return Credit Index Fund	L&G FW Global Equity Index	L&G FW Global Equity Index-GBP Hedged
Implied temperature rise of the mandate (°C)	3.7 (3.8)	3.5 (N/A)	2.5 (2.3)	2.5 (2.3)
1.5°C Aligned	0% (0%)	29% (N/A)	27% (26%)	27% (27%)
2°C Aligned	60% (60%)	34% (N/A)	26% (27%)	26% (27%)
Misaligned	0% (0%)	21% (N/A)	27% (30%)	28% (30%)
Strongly Misaligned	40% (40%)	16% (N/A)	20% (16%)	19% (16%)

1. 2025 figures in brackets. The Plan did not invest in the M&G TRCI last year and therefore 2025 figures are not available.

This metric was not available for the unlisted funds held by the Plan. The Trustees recognise this is an area of development in the market for non-listed assets. The Trustees intend to engage with their managers on the availability of this information and expect this to become increasingly available over time.

Additional metrics

Table 12 - Forward-looking exposure to opportunities

	L&G 5A Fixed Interest > 15Yr Target Duration Fund	M&G Total Return Credit Index Fund	L&G FW Global Equity Index	L&G FW Global Equity Index-GBP Hedged
Exposure to low carbon solutions	17.0% (18.8%)	0.8% (N/A)	13.0% (13.6%)	13.0% (13.5%)
Exposure to green revenue	5.9% (3.8%)	1.5% (N/A)	9.8% (8.4%)	9.7% (8.3%)

1. 2025 figures in brackets. The Plan did not invest in the M&G TRCI last year and therefore 2025 figures are not available.

Exposure to low carbon solutions refers to the % of investments that produce significantly lower carbon than fossil fuels. Exposure to green revenue refers to the weighted average of revenue exposure to alternative energy, energy efficiency, green building, pollution prevention, sustainable water and sustainable agriculture. Over 2026, the Plan saw minor decrease in exposures to low carbon solutions across all L&G funds. However, the exposure to green revenue increased for all L&G funds over the year. The Trustees will continue to monitor these exposures as an indication of the contribution of the Plan's assets to addressing climate change and the opportunities present for companies to benefit from the reorganisation of the economy.

Table 13 states the proportion of the L&G funds' underlying holdings which have verified Science Based Targets, as verified by the Science Based Targets initiative (SBTi). The SBTi is a global company which assesses the current emissions and emission reduction plans of companies and assigns a temperature alignment score (e.g. 1.5°C aligned) based on the credibility of the plans. It is promising that 58% of the equity funds' holdings have approved SBTi targets, which is an improvement on last year, as it illustrates commitment by management to put robust climate transition plans in place. The Trustees will continue to monitor this going forward.

Table 13 - Forward-looking commitments of underlying companies

	L&G 5A Fixed Interest >15Yr Target Duration Fund	M&G Total Return Credit Index Fund	L&G FW Global Equity Index	L&G FW Global Equity Index-GBP Hedged
% of portfolio with SBTi approved targets	4% (0%)	17%	58% (51%)	58% (51%)

Climate metrics for illiquid managers

Table 14 - Climate metrics for illiquid managers

	Absolute Emissions	Emissions intensity	Emissions intensity	Other
	Total carbon emissions 2026 (2025)	Weighted Average Carbon Intensity ("WACI") (tCo2e / £m revenue)	Carbon footprint (tCo2e / £m invested)	Carbon emissions Coverage
Columbia Threadneedle UK Property Fund	4,349 (5,798)	31.6 (49.0)	0.3 (4)	76% (56%)
	2026: Scope 1 and 2 data as at 31 Dec 2025 2025: Scope 1 and 2 data as at 31 Dec 2024	2026: Scope 1 and 2 data as at 31 Dec 2025 2025: Scope 1 and 2 data as at 31 Dec 2024	2026: Scope 1 and 2 data as at 31 Dec 2025 2025: Scope 1 and 2 data as at 31 Dec 2024	2026: Scope 1 and 2 data as at 31 Dec 2025 2025: Scope 1 and 2 data as at 31 Dec 2024
Fidelity UK Real Estate Fund	1,391 (1,893)	0.0 ¹	0.0 ¹	92% (90%)
	2026: Scope 1 and 2 data as at 31 Dec 2024 2025: Scope 1 and 2 data as at 31 Dec 2023	As at 31 Dec 2024	As at 31 Dec 2024	As at 31 Dec 2024
¹ Estimated Scope 1 & 2 WACI is not relevant for this fund given they are invested in buildings not companies. Fidelity have provided the WACI based on rental income.				
IFM Global Infrastructure Fund	2,437 (2,367 ²)	172 (208)	48 (51)	100% (100%)
	2026: Scope 1 and 2 data as at 31 Dec 2025 2025: Scope 1 and 2 data as at 31 Dec 2024	2026: Scope 1 and 2 data as at 31 Dec 2025 2025: Scope 1 and 2 data as at 31 Dec 2024	2026: Scope 1 and 2 data as at 31 Dec 2025 2025: Scope 1 and 2 data as at 31 Dec 2024	2026: Scope 1 and 2 data as at 31 Dec 2025 2025: Data as at 31 Dec 2024
² Please note that IFM absolute emissions figures are expressed in kilotonnes of CO2e.				
Partners Fund	9,312 (32,697)	188.0 (70.8)	4.9 (17.4)	26% (31%)
	2026: Scope 1 and 2 data as at 31 Dec 2025 2025: Scope 1 and 2 data as at 31 Mar 2025	2026: Scope 1 and 2 data as at 31 Dec 2025 2025: Scope 1 and 2 data as at 31 Mar 2025	2026: Scope 1 and 2 data as at 31 Dec 2025 2025: Scope 1 and 2 data as at 31 Mar 2025	2026: Data as at 31 Dec 2025 2025: Data as at 31 Mar 2025

The Trustees measure the following emissions related metrics on an annual basis:

- Absolute: Total carbon emissions. This measures the absolute emissions associated with a portfolio, expressed in tons of CO₂e.
- Intensity: Weighted Average Carbon Intensity ("WACI"). This measures a portfolio's exposure to carbon-intensive companies. It normalises for company size to enable comparison regardless of company size.

The implied temperature rise metric uses forward-looking estimates to indicate a global temperature rise associated with the greenhouse gas emissions of a single company or portfolio. Companies and portfolios which have an implied temperature rise of 2°C or lower are consistent with the Paris Agreement.

The Trustees are reliant on the data and metrics provided by third parties and a key challenge related to this is the coverage and reliability of the data and metrics which differ across asset classes, industries and geographies. A measure which attempts to summarise this is the "data quality metric" which represents the proportions of the portfolio for which the Trustees have high quality data on Scope 1 and 2 emissions.

Targets

The Trustees will measure and monitor the level of greenhouse gas emissions data coverage across the portfolio annually at year end. The level of data coverage within the Plan's equity holdings this year was 99%, in line with last year. The level of data coverage within the L&G corporate bond fund slightly decreased from c.66% last year to c.62% this year.

As part of any strategy work the Trustees undertake for the upcoming year, the Trustees have set a target to incorporate a review of the ESG credentials of each investment manager.

The Trustees will continue to discuss the Plan's ESG targets at Trustee meetings in order to more closely align the Plan's ESG objectives with those of the Company. The findings of the XPS ESG ratings review prompted detailed Trustee discussions around the consistency and quality of ESG integration, which directly led to the development and formal adoption of the Plan's Responsible Investment Policy, setting clearer expectations for managers across key areas including integration, climate change, stewardship and reporting. This has resulted in a more structured approach to implementation, including embedding ESG considerations within manager selection (with an expectation of achieving a minimum ESG rating), enhanced monitoring and engagement with managers where standards are not met, and a continued focus on identifying investments and stewardship activities that support both financial outcomes and the transition to a lower-carbon economy.

The Trustees will review the progress against our target every year and review the target itself at least every three years. This is to ensure it remains consistent with the latest scientific thinking and is appropriately incentivising the economic transition that is needed.

Over the reporting year, the Trustees have taken steps to improve knowledge and understanding of their underlying holdings and investments. For example, the Trustees commissioned an ESG ratings report from their investment consultant and held meetings with Fidelity, Columbia Threadneedle and Legal and General in which the ESG credentials of the funds in which the Plan invests were discussed. Additionally, as part of a manager selection exercise for an ongoing strategy review, ESG-issues have been considered by the Trustees, and prospective managers have been invited to present on ESG topics to provide the Trustees with greater insight before making changes to the investment strategy.

Appendix - Glossary

Glossary	
Absolute emissions	(tCO ₂ e) Measures the absolute tons of CO ₂ e for which an investor is responsible.
Carbon footprint	(tCO ₂ e / £m invested) The total greenhouse gas emissions 'owned' per £ million invested. This is an intensity measure but should not be confused with carbon intensity which is typically quoted as an emissions per amount of revenues of a company.
Weighted Average Carbon Intensity	(tCO ₂ e / £m sales) Measures portfolio exposure to carbon-intensive assets.
Implied Temperature Rise	Provides indication of portfolio alignment to Paris Agreement targets. Estimates global temperature rise (above pre-industrial levels) associated with current and estimated GHG of a company.
Climate VaR	A scenario-based approach to analysing climate-related risks which aims to assess potential financial sensitivity to climate-related risks and opportunities. Measures the potential loss in value of a portfolio if different climate scenarios come to fruition.
Scope 1 greenhouse gas emissions	Scope 1 emissions are those directly occurring from sources that are owned or controlled by the institution, including: on-campus stationary combustion of fossil fuels; mobile combustion of fossil fuels by institution owned/controlled vehicles; and "fugitive" emissions. Fugitive emissions result from intentional or unintentional releases of GHGs, including the leakage of hydrofluorocarbons from refrigeration and air conditioning equipment as well as the release of methane from institution-owned farm animals.
Scope 2 greenhouse gas emissions	Scope 2 emissions are indirect emissions generated in the production of electricity consumed by the institution.
Scope 3 greenhouse gas emissions	Scope 3 emissions encompass all other indirect emissions that are a consequence of the activities of the institution but occur from sources not owned or controlled by the institution such as commuting; waste disposal; embodied emissions from extraction, production, and transportation of purchased goods; outsourced activities; contractor-owned vehicles; and line loss from electricity transmission and distribution.
SBTi approved targets	Active carbon emissions reduction target/s as approved by the Science Based Targets initiative.

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