
TCFD STATEMENT – DH&S RETIREMENT AND DEATH BENEFITS PLAN

1 April 2024 – 31 March 2025

Executive Summary

The Trustee of the DH&S Retirement and Death Benefits Plan (the “Plan”) has prepared the following statement in response to the regulations for pension schemes under the Department for Work and Pensions’ (“DWP”) Climate Change Governance and Reporting Requirements (June 2021) and statutory guidance (October 2022), which is built on the recommendations of the Taskforce on Climate-Related Financial Disclosures (“TCFD”). This TCFD statement produced by the Trustee covers the period from 1 April 2024 to 31 March 2025, the Plan year.

The regulation sets out four elements and a summary of the Plan’s position against each element is given below:

Governance

Through the creation of a climate-related belief statement and TCFD framework document, the Trustee has created a governance structure which specifies roles regarding climate change risks and opportunities. Climate beliefs have been articulated within the climate-related belief statement. The Trustee - via the Joint Investment Committee (“JIC”), is supported by the Plan’s Investment Consultant, Redington, to identify and manage climate-related risks and opportunities. There have not been any changes to the governance structure over the Plan year and the Trustee, via the JIC, continues to receive regular training relating to responsible investment, including climate-related risks and opportunities specifically to help its understanding of how climate change may impact the Plan, and to provide appropriate scrutiny of the advice it receives. The Plan’s Investment Consultant engages with managers on its behalf and informs the JIC of any pertinent updates.

Strategy

The Trustee performed scenario analysis on the Plan to assess the potential impact of climate change under three different scenarios on the Plan’s assets and liabilities. This analysis was performed using data as at 31 March 2023 and has not been updated for this year’s report as there have been no material changes to the Plan’s funding and investment strategy since this was completed. The Trustee also does not believe there have been material improvements in climate scenario modelling methodology, especially as there has been growing scrutiny of climate modelling and scenario analysis over 2023 and 2024 due to the assumptions involved. Further detail on this, and the results of the 2023 TCFD statement scenario analysis, are set out in the main strategy section.

Risk Management

The Trustee recognises the Plan is exposed to climate change-related risks and it has created processes to identify, assess and manage these risks. These processes include conducting and reviewing the results of climate change scenario analysis, receiving climate change reporting from the Plan’s Investment Consultant (including carbon emissions), and expecting the Plan’s investment managers to have sufficient regard for climate change risk within their investment process.

The Trustee has considered and implemented changes to the investment strategy to limit exposure to climate-related risk and take advantage of climate-related opportunities. In order to do this, the

Trustee considered the levers it could pull to manage climate-related risk, which included the following:

- **Making changes within mandates:** the Trustee considered climate-related risk when making decisions within the existing investment strategy. In February and March 2024, the Plan exited the CQS Credit Multi Asset Fund ("CQS") in full. In May 2024, this capital was subsequently reinvested into the TwentyFour Strategic Income Fund ("TwentyFour"), a multi-asset class mandate, which fitted the Plan's investment strategy objectives, where the manager actively incorporates Environmental, Social, and Governance ("ESG") issues into its investment analysis and decision-making process.
- **Actively engaging with managers:** The Trustee meets with its managers to ensure climate-related risks are integrated and managed within the investment process, as well as to assess and challenge them on their ESG activities. In 2024, the Trustee met with each of its managers in annually scheduled manager meetings. Managers were challenged on key positions in the portfolio that face the most risk with respect to climate change. In addition, the Trustee's Investment Consultant conducts annual ESG reviews on each of its managers, challenging them where required on the level of climate integration in their mandates. Finally, the Trustee integrates the monitoring of climate risk metrics into its risk management framework and will expect any new mandates to appropriately integrate and consider climate risk as part of their investment process.

Metrics and Targets

To identify, assess and monitor climate-related risks, the Trustee measures the following metrics:

- Total greenhouse gas emissions of the Plan's assets ("absolute emissions metric");
- Carbon footprint – i.e. total carbon dioxide emissions for the portfolio per million pounds invested ("emissions intensity metric");
- Science Based Target initiative ("SBTi") portfolio alignment metric ("alignment metric"); and
- The Partnership for Carbon Accounting Financials ("PCAF") Data Quality Score (i.e. "additional climate change metric")

The Trustee has set a primary target of a 50% reduction of Scope 1 and Scope 2 carbon footprint by 2030 (compared to a baseline as of 31 March 2022). This is consistent with the Trustee's aspirational target to align the Plan's investment strategy with the goals of the Paris Agreement.

Whilst the targets remain suitable for current reporting, the Trustee recognises that these targets were originally set on the assumption that the low-carbon transition would occur at a reasonable pace, and the most ambitious goals of the Paris Agreement would remain achievable. Midway through this decade, it is apparent this is not coming to pass with the world currently far behind the trajectory needed to achieve these goals. The Trustee recognises that it is bound by its fiduciary duty and the prevailing policy environment. The Trustee also therefore recognises that these targets may need to be recalibrated in the short-to-medium-term.

The carbon footprint of the Plan's investments has continued to fall from the baseline established in 2022. Portfolio carbon footprint fell 11% over the year and has fallen 50% since 2022, trending towards the Trustee's target. This was largely due to the inclusion of Man Proactive Diversified Risk Premia ("Man PDRP"), which has the lowest footprint out of all assets the Plan is invested in. Man PDRP was excluded from last year's calculations due to negative emissions (see Appendix B for details).

As a result, the Plan's overall reported Scope 1 & 2 carbon footprint has declined over the year to 31 March 2025.

The Trustee will monitor these chosen metrics, and progress against the above targets, on an annual basis. The Trustee will also continue to engage with the Plan's managers and consider other potential investments which could help in the achievement of the targets and are also consistent with the Plan's other investment objectives.

Introduction

This statement sets out the approach of the Trustee with regards to identifying, assessing, monitoring and mitigating climate-related risks in the context of the Trustee's broader regulatory and fiduciary responsibilities to Plan members. This TCFD report is based on the year ended 31 March 2025 (in line with the Plan year-end).

The Trustee supports the recommendations set out by the TCFD on the basis that they will allow the Trustee to more closely assess, monitor and mitigate climate-related risks on behalf of members. This report is expected to evolve over time with each disclosure under the framework.

This statement has been prepared in accordance with the regulations for pension schemes under the Department for Work and Pensions' Climate Change Governance and Reporting Requirements (June 2021) and statutory guidance (October 2022), and provides a summary on how the Plan is currently aligning with each of the four elements set out in the regulations (and in line with the recommendations of the TCFD). Details on these elements are below:

- **Governance:** The Plan's governance around climate-related risks and opportunities.
- **Strategy:** The actual and potential impacts of climate-related risks and opportunities on the Plan's strategy and financial planning.
- **Risk Management:** The processes used to identify, assess and manage climate-related risks.
- **Metrics and Targets:** The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

The following pages summarise the Trustee's current position with regards to the TCFD recommendations.

1. Governance

The Trustee Board has ultimate oversight for identifying, assessing and managing climate-related risks and opportunities which are relevant to the Plan.

There is a committee of the Trustee Board, the JIC that has been delegated the day-to-day responsibility for ensuring climate-related risks and opportunities are effectively integrated into the Trustee's investment strategy, risk management and overall decision-making. The JIC is comprised of Trustee Directors of both the Plan and the PwC Pension Fund.

The Trustee has adopted a climate-related belief statement, outlined later in this report, and a TCFD framework document which sets out the Trustee's approach to identifying, assessing, and managing risks specifically related to climate change. The climate-related belief statement has been taken into account when producing this report.

The specific roles and responsibilities of the Trustee Board, JIC and external advisors are summarised below:

- **Role of the Trustee Board**
 - Sets the overall investment and funding strategy and objectives, which includes the oversight of identification, assessment and management of climate-related risks and opportunities.
 - Approves climate-related metrics, targets and climate scenario analysis. Following recommendations from the JIC, the Trustee Board is responsible for approving the

relevant metrics, targets and scenario analysis to allow climate-related risks and opportunities to be considered when setting the Plan's funding and investment strategy.

- **Role of the Joint Investment Committee ("JIC")**

- Informs and makes recommendations to the Trustee Board regarding climate-related risks and opportunities where this may result in a change to the overall investment strategy.
- Appoints or terminates investment managers where appropriate in relation to climate-related risks and opportunities.
- Monitors how ESG and climate-related risks affect the Plan via annual training on relevant matters and developments (or more often as required).
- Monitors and engages with the Plan's investment managers on how they measure and manage climate-related risks (including engagement activities which are carried out on the Trustee's behalf) and identifies related opportunities as appropriate.
- Reviews the output of the Plan's climate-related metrics and scenario analysis on a periodic basis.

- **Role of the External Advisors**

- **Investment Consultant**

- Advises on climate-related risks and opportunities including the provision of climate scenario analysis.
- Reviews the Plan's investment managers to ensure ESG, including climate-related risks, are appropriately integrated into portfolio management.
- Ensures it takes adequate steps to identify climate-related risks and opportunities, and that climate-related considerations are included in its annual objectives.
- Provides regular training and updates on climate-related issues and climate change scenario modelling included within the TCFD report, to enable the JIC to assess the Plan's exposure to climate-related risks.
- As part of the regular review of its Investment Consultant, the Trustee has set in place ESG and stewardship objectives to ensure the suitability of advice is consistently monitored and evaluated. This includes an annual assessment of how the Investment Consultant monitors ESG and stewardship (including climate change) within the Plan's investment strategy. The JIC receives a detailed report outlining the Investment Consultant's monitoring process and progress of the Plan's managers in integrating climate change and other ESG considerations.

- **Legal Advisor**

- Primary role with regard to climate change is to assist the Trustee in meeting its legal obligation.

- **Actuary**

- Provides funding advice and support on governance matters to the Trustee. In this role, the Trustee's Actuary helps, to the extent relevant, the Trustee in considering the impact of climate-related risks and the impact this has on the Plan's funding.

- **Covenant Advisor**

- Provides the Trustee with a view as to the potential impact of climate-related risks and opportunities on the Sponsor, PricewaterhouseCoopers ("PwC"), and therefore on its ability to support the Plan.

When considering recommendations, the JIC and Trustee Board challenge the advisors where appropriate to ensure robust thinking supports the recommendations being put forward. In keeping

with this governance structure, this Statement has been reviewed by the JIC and approved by the Trustee Board.

The Trustee has articulated its climate-related beliefs as follows:

Monitoring climate-related risks and opportunities

The Trustee's approach to managing climate-related risks and opportunities is rooted in its responsibility to act in the best financial interests of the Plan's members.

The Trustee believes that climate change presents material risks to the long-term stability and resilience of the global economy, and so to all available investment opportunities. Swift and robust action is required to align the Plan's investment strategy with the goals of the Paris Agreement; to limit global temperature increases by the end of this century to well below 2 degrees, and ideally 1.5 degrees, above pre-industrial temperatures.

In this context, the Trustee believes that climate change is likely to be a financial risk that will affect all the Plan's investments to some degree. It is therefore in the best financial interests of the Plan's members for the Trustee to invest in a manner that is measurably aligned with achieving the goals of the Paris Agreement.

The Trustee believes that climate-related financial risks need to be considered alongside and balanced against other relevant investment risks and considerations when evaluating investments. The Trustee therefore acknowledges that it may not always be able to minimise or eliminate climate-related risk if doing so would be to the detriment of wider strategic objectives.

The Trustee monitors the carbon emissions of the Plan's investment portfolio, and has set a target to focus on a 50% reduction of its Scope 1 and Scope 2 carbon footprint by 2030 from a baseline of March 2022. The Trustee is mindful of making investment decisions that reduce measurable portfolio emissions but have limited measurable benefit to the risk/return profile of the portfolio. The Trustee has a preference for forward-looking climate metrics as these allow for better informed risk-based decisions. In 2024, the Plan's "non-emissions" based metric was changed from "climate risk proxied by the PRA slow transition stress test" to "data quality" to provide further insight into the reliability of underlying climate data, thereby identifying areas of focus in the Plan's other metrics.

The Trustee integrates the monitoring of climate risk metrics into its wider risk management framework and considers these when making all investment decisions. The Trustee does not believe that it can rely solely on financial markets to price in climate-related risks quickly or accurately enough. The risks arising from climate change should therefore also be actively managed by asset managers where this is possible and appropriate.

The Trustee recognises that investment opportunities will be available that positively contribute to mitigating climate change and achieving the goals of the Paris Agreement. The Trustee will seek out these opportunities and invest when appropriate and consistent with its wider investment objectives.

The Trustee also believes it should be conscious of the real-world impact of its investment decisions. The Trustee can contribute to achieving the goals of the Paris Agreement, i.e., be impactful, through investing in climate solutions, effective engagement through its asset managers but also through its divestment decisions. When making divestment decisions, the Trustee believes that the transfer of assets within secondary markets will not necessarily be impactful but may reduce exposure to climate-related risks.

Engagement

The Trustee believes that good stewardship practices, including engagement and the exercise of voting rights, is an effective means of helping to manage the Plan's climate-related risks. Engagement with underlying companies (as well as other relevant organisations) is carried out primarily by investment managers on behalf of the Trustee. To best channel its stewardship efforts, the Trustee believes that it should focus on key themes, and has initially selected climate-related financial risks as a key focus area.

The Trustee may disinvest from businesses or asset managers who are inadequately managing their climate-related risks if attempts to engage with these parties to address this are not successful.

The Trustee works collaboratively with managers and relevant industry stakeholders to set Plan-wide objectives for the engagement activities that are carried out on the Trustee's behalf. These are disclosed in the Plan's annual TCFD report.

The JIC regularly updates the Trustee Board on key investment matters, including climate-related risks and opportunities. These updates are provided quarterly and are included as a standing item on both the Trustee Board and JIC agendas. This approach ensures that climate-related issues and proposals are consistently considered alongside other important investment matters by the Trustee. The Trustee also receives annual reporting from its Investment Consultant which contains information on the relevant metrics and targets selected for monitoring as outlined in "4. Metrics and Targets".

Furthermore, motivated by the desire to align with evolving best practice and acknowledging the nascency of regulation within the space, the Trustee is committed to periodic training regarding responsible investment. As part of this, the Trustee Directors- via the JIC - undertake ongoing training around ESG and stewardship topics to ensure their understanding and knowledge are up to date with regulatory requirements, and to provide appropriate scrutiny of the advice they receive. Training sessions conducted throughout the Plan year included:

- The annual 'Review of the investment strategy from an ESG lens' training session (May 2024).
- A review of the Trustee's climate change-related metrics and targets in order to consider whether they should be re-affirmed or updated (February 2025).

Members of the PwC Trustee Services Team also assist in the implementation of climate-related enhancement and undertake climate training, consistent with the Trustee. For example, in May 2024, members of the Trustee Services Team attended the annual 'Review of the investment strategy from an ESG lens' training.

The Trustee is satisfied with the current allocation of time for addressing climate-related risks and opportunities. The Trustee will review this allocation periodically and allocate more time in future if needed.

2. Strategy

The Trustee considers climate-related risks and opportunities and their potential implications on the Plan's investment and funding strategy over the short-term, medium-term, and long-term. The consideration of these factors is incorporated throughout the investment process, from strategic asset allocation to manager selection and portfolio monitoring.

The Trustee acknowledges each of its investments is exposed to climate-related risks to varying extents, and has identified two specific risks which could impact the Plan's investment and funding strategy:

- Physical risks, i.e. those that arise from both gradual changes in climatic conditions and extreme weather events; and
- Transition risks, i.e. risk of re-pricing which could occur as part of the move to a low-carbon economy.

The Trustee has, and will continue to explore investment opportunities which are both appropriate for the Plan from an investment perspective and aligned with the goals of the Paris Agreement of avoiding dangerous climate change by limiting global warming to well below 2°C, ideally 1.5°C, above pre-industrial temperatures. These include, for example, enhancing existing credit strategies to include exclusions of high emitting sectors and exploring strategies which invest in companies which seek to benefit from the transition to a low-carbon economy. In line with its broader investment objectives, and as noted above, the Trustee reinvested the proceeds of the sale of its entire holdings in CQS and into TwentyFour in May 2024. This fund is a multi-class credit mandate where the manager actively incorporates ESG factors into its investment analysis and decision-making process. The Trustee believes that investing in such opportunities can be neutral or even positive from a traditional risk/return perspective and is therefore consistent with its fiduciary responsibility.

Since the completion of the most recent scenario analysis as at 31 March 2023 for the 2023 TCFD statement, there have been no material changes to the Plan's funding and investment strategy. The Trustee also does not believe there have been material improvements in climate scenario modelling methodology, especially as there has been growing scrutiny of climate modelling and scenario analysis over 2023 and 2024 due to the assumptions involved (which underestimate the likely implied temperature rise and overlook climate tipping points). As such, the Trustee considers the scenario analysis as at 31 March 2023 to be broadly representative of the position of the Plan for the 2025 TCFD statement and does not see a need to refresh the analysis. In line with regulatory guidance, the Trustee expects the asset and liability analysis to be refreshed for the 31 March 2026 analysis date.

Therefore, per the most recent scenario analysis as at 31 March 2023, considering the Plan's diversified investment strategy, high levels of liability hedging and strong covenant, the Trustee believes that the overall funding strategy would be resilient to a range of climate outcomes.

Further detail on the latest scenario analysis completed as at 31 March 2023 and included in the 2023 TCFD report has been presented in Appendix A, and updated time horizons for this Plan year have been presented below.

Appropriate time horizons

The Trustee notes the assessment of climate-related risks and opportunities may vary depending on the time horizon in question. The Trustee therefore assesses climate risks and opportunities over the following time horizons which it deems appropriate in light of the Plan's objectives and considers the potential impact of these on its funding strategy:

- Short-term risks and opportunities may include price movements resulting from increased regulation directed at addressing climate change (i.e. mostly transition risk).
- Over the medium term it is expected that there will be changes in consumer spending habits following changes in technology, such as the uptake in electric vehicles or a reduction in overseas travel. Physical risks are likely to start to manifest more substantially and more

frequently (i.e. some transition and some physical risk).

- Longer-term risks may include physical damage to real assets as a result of rising sea levels for coastal property or infrastructure assets; there may be opportunities for outperformance for organisations that put in place strategies to mitigate these potential risks well in advance of them materialising (i.e. mostly physical risk).

The table below sets out the time horizons chosen by the Trustee:

	Time horizon
Short term	1 year (in line with the triennial actuarial valuation cycle)
Medium term¹	5 years (in line with the Plan's projected date of achieving the low dependency funding target)
Long term	25 years (in line with discussions around the Plan's aspirational target to align their investment strategy to the goals of the Paris Agreement)

¹ Given the Plan's strong funding position and the new low dependency funding objective agreed as part of the 2024 strategic review, the Trustee views this time horizon as the most relevant to the Plan for assessing climate-related risks and opportunities.

3. Risk Management

Identifying and assessing Climate Risk

As set out in section "2. Strategy", the Trustee recognises the Plan is exposed to climate change-related risks in the form of transition and physical risk.

The Trustee considers the impact of these climate change-related risks on all of the assets in which it invests through conducting and reviewing the results of climate-related stress tests on a periodic basis. Climate change is also reviewed as part of the Integrated Pensions Risk Management Framework.

The Trustee also receives additional climate-related reporting from its Investment Consultant on an annual basis. This reporting contains relevant climate metrics as set out under DWP's adoption of the recommendations of the TCFD (and as further discussed under section "4. Metrics and Targets"). This allows the Trustee to better identify and manage the climate-related risks which are relevant to the Plan on an ongoing basis.

The Trustee considers the results of climate scenario analysis and assesses four climate metrics (described under "4. Metrics and Targets") as the primary risk identification process. In addition, the Trustee also expects its investment managers and advisors to highlight where climate risks are identified.

As noted in the previous TCFD statement, in considering the results of the Plan's metrics with its advisors, the Trustee identified the Plan's Buy & Maintain portfolios as an area for prioritisation due to

the size of the allocations and their relatively high contribution to the carbon intensity of the portfolio. Subsequent steps taken by the Trustee to manage risk are outlined below.

Management of Climate Risk

The Trustee believes that engagement carried out by the Plan's investment managers with underlying companies is an effective means of helping to manage the Plan's climate-related risks. Engagement with the investment managers themselves is largely carried out on behalf of the Plan by its Investment Consultant. Throughout this engagement process, investment managers are asked to provide details of how climate-related risks and opportunities have been incorporated into the investment process within applicable guidelines and restrictions. The Trustee has chosen 'Climate Change' as the Plan's key area of focus in relation to investment stewardship. To best channel its stewardship efforts, the Trustee decided to first focus on a single key theme, which was selected by assessing its relevance to the Plan and its members, the financially material risks and opportunities it poses, and the relative maturity and development of thinking within the industry that allows for ease of integration into the Trustee's approach. As part of the Trustee's regular monitoring of its investment managers, the Trustee will be asking the managers to comment on any votes/engagement activities relating to the Plan's key theme. This will be outlined in the Plan's 2025 Implementation Statement.

Active engagement with underlying companies in which the Plan is invested, specifically relating to climate-related risks and opportunities, is delegated to the Plan's investment managers.

Actively engaging with managers

For all appointed investment managers, evaluation of ESG risk management, which includes climate-related risks, is an explicit part of both the selection process and continued due diligence or monitoring that the Trustee undertakes. For instance, the Trustee placed significant emphasis on TwentyFour's ESG capabilities during its selection meeting with the manager prior to investment in 2024.

The Trustee relies on the manager research capabilities of its Investment Consultant to assess each manager's ability to effectively integrate climate-related risks and opportunities. In addition, the Trustee meets with its managers annually to assess and challenge them on their ESG activities. In 2024, the Trustee met with each of its managers in annually scheduled manager meetings. Managers were challenged on key positions in the portfolio that face the most risk with respect to climate change.

In addition, the Trustee's Investment Consultant conducts annual ESG reviews on each of its managers, challenging them where required on the level of climate integration in their mandates.

Making changes within mandates

In 2022, the Plan incorporated climate enhancements into its existing Buy & Maintain mandates. This resulted in exclusions of sectors with high emissions (e.g. coal). The Plan's Buy & Maintain portfolios are the mandates where the Trustee can have the largest impact because they make up a relatively high proportion of the portfolio's overall carbon intensity. Moreover, the Legal & General Investment Management ("LGIM") Global Buy & Maintain Credit Portfolio ("B&M"), being segregated, provides a higher scope for ESG integration. In 2024 the Trustee approved LGIM's proposal to include Euro-denominated bonds in the portfolio's opportunity set which was noted could benefit the portfolio's climate alignment metric coverage. The Trustee also switched the Plan's exposure in Insight Investment's ("Insight") segregated Buy & Maintain mandate to two pooled Buy & Maintain funds also managed by Insight. As part of this, the Trustee noted that the ESG processes between both offerings

were consistent. In addition, the Plan provided its Liability Driven Investments (“LDI”) manager discretion to invest in green gilts within the existing mandate guidelines when the manager believes doing so will be beneficial to performance, liquidity, or risk management.

Finally, the Plan made a new allocation to TwentyFour, which is a signatory of the United Nations Principle for Responsible investment (“UNPRI”) and incorporates ESG issues into its investment analysis and decision-making process. This was completed in May 2024.

4. Metrics and Targets

Four metrics adopted to assess climate-related risks and opportunities faced by the Plan:

With regard to quantitative metrics, the Trustee – on an annual basis – monitors and reports:

- Total greenhouse gas emissions of the Plan’s assets (“absolute emissions metric”). This is the absolute emissions metric recommended by the DWP;
- Carbon footprint – i.e. total carbon dioxide emissions for the portfolio per million pounds invested (“emissions intensity metric”). This is the emissions intensity metric recommended by the DWP;
- Science Based Targets Initiative (“SBTi”) portfolio alignment metric (“alignment metric”). This metric examines whether a voluntarily disclosed company decarbonisation target is aligned with a relevant science-based pathway. There is evidence that companies that have set science-based targets are delivering emissions reductions in line with their ambitions, making this a key metric to monitor to drive positive change.
- The Partnership for Carbon Accounting Financials (PCAF) Data Quality Score (the “additional climate change metric”) – this has been chosen on the basis that it monitors the reliability of companies’ emissions data, scoring them one to five – with one representing the highest quality of independently verified emissions data. The Trustee will also use the results of the analysis to prioritise engagement efforts with its investment managers.

The Trustee receives these metrics on an annual basis from its Investment Consultant and will periodically review its selection of metrics to ensure they remain appropriate for the Plan.

Additionally, the Trustee has chosen to begin reporting both the total emissions and emissions intensity of the Plan’s sovereign bonds (i.e., the Plan’s LDI portfolio). This reflects the growing industry consensus around a methodology for calculating sovereign emissions, with the Trustee disclosing the sovereign emissions in line with the DWP guidance, calculated using methodology based on PCAF guidance.

Given the difference in methodology between sovereign emissions and those from the Plan’s other assets (i.e., corporate emissions) emissions from the Plan’s LDI portfolio are reported separately below and are not included in the Plan’s progress towards its emissions-based targets.

Regarding the Plan’s alignment metric, the Trustee acknowledges that SBTi targets are based on voluntary targets set by corporations. In order for these to be achieved and the corporates to remain profitable, the policy environment will have to change. The Trustee will therefore continue to monitor the suitability of this metric going forwards.

In addition, the Trustee has established climate-related targets for the Plan, which are a 50% reduction in Scope 1 and 2 carbon emissions by 2030 (relative to a 31 March 2022 baseline), and a longer-term

ambition to align the Plan's investment strategy with the goals of the Paris Agreement. Further details and commentary are provided in the 'Trustee's target' section below.

The below tables set out the results of each of the Trustee's chosen metrics broken down by broad asset class:

DH&S Retirement and Death Benefits Plan:

Asset Class (% of Total Portfolio)	Absolute Carbon Emissions (tCO2e) (Scopes 1+2)	Absolute Carbon Emissions (tCO2e) (Scope 3)	Carbon Footprint (tCO2e/ EVIC £m) (Scopes 1+2)	Carbon Footprint (tCO2e/ EVIC £m) (Scope 3)	Science Based Targets Initiative Rating*	PCAF Data Quality Score** (Scopes 1+ 2)
Liquid Markets (9%)	2,468	41,371	26.0	434.6	16.3%	5.0
Liquid Credit (51%)	18,226	144,511	56.3	446.9	25.7%	3.3
Total Portfolio	20,693	185,881	49.4	444.1	23.6%	3.7

* Science Based Targets Initiative are based on look through data where it is available and never proxied.

** Please note the average PCAF scores are shown for simplicity but does not fully reflect the ordinal nature of the scoring. A full breakdown by score category is provided later in the report.

Please note the Carbon Footprint, SBTi and PCAF Data Quality "Total Portfolio" figures in this table are weighted averages of the portfolio and therefore the total may not equal the sum of the individual asset class values shown above.

Trustee's target

The Trustee has set targets which are aligned with the Trustee's climate-related beliefs and are complementary to the Plan's wider objectives.

The Trustee has set a primary target of a 50% reduction of Scope 1 and Scope 2 carbon footprint* by 2030 (compared to a baseline as of 31 March 2022). This is consistent with the Trustee's aspirational target to align the Plan's investment strategy with the goals of the Paris Agreement.

Whilst the current targets remain suitable for current reporting, the Trustee recognises that the targets were originally set on the assumption that the low-carbon transition would occur at a reasonable pace, and the most ambitious goals of the Paris Agreement would remain achievable. Midway through this decade, it is apparent this is not coming to pass with the world currently far behind the trajectory needed to achieve these goals. The Trustee recognises that it is bound by its fiduciary duty and the prevailing policy environment. The Trustee also therefore recognises that these targets may need to be recalibrated in the short-to-medium-term.

The Trustee continues to consider the feasibility of its targets by considering the anticipated changes in the Plan's asset allocation over time. As a long-term investor, the Trustee has some scope to consider other potential investments which could help in the achievement of both targets and are also consistent with the Plan's other investment objectives. The Trustee also intends to use effective

engagement with the Plan's managers (to ensure they are in turn engaging with their issuers, especially the highest emitters) to achieve its target. On an annual basis, the Trustee will measure performance against targets and review whether these targets should be updated or replaced.

*Please note only non-LDI emissions have been taken into account for the target and Scope 3 emissions have been excluded. This is because measuring Scope 3 emissions is currently fairly unreliable, given it relies on several assumptions and the fact that, to a large extent, emissions are not being reported by companies and are instead estimated.

Trustee assessment of metrics and targets as at 31 March 2025

The Trustee notes that metrics and targets stated above are embedded in the governance, strategy, and risk management processes via their inclusion in the ESG dashboard reporting provided to the Trustee by its Investment Consultant.

In light of the evolving nature of climate metrics in an investment context, the Trustee may consider further updating its metrics in the future with ones that are more appropriate for the Plan, for example following the emergence of more robust metrics/methodologies or changes in regulatory requirements. The Trustee will continue to use these results to identify tools which will help manage climate-related risks and opportunities which are relevant to the Plan, and to meet the targets set out above. These might include, for example, engaging with investment managers who have material carbon intensity levels or with other industry participants, exploring low-carbon alternative investment options, and updating investment guidelines for managers where the Trustee has discretion to make such changes (similar to some of the work already done, as described previously).

1. Total absolute emissions

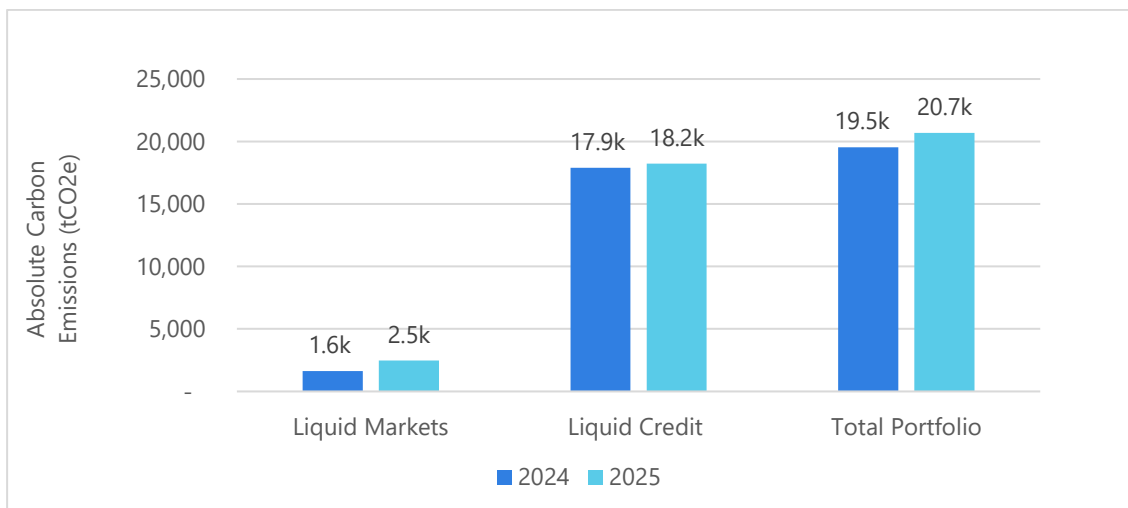
The Trustee has chosen total absolute emissions as the main metric for absolute emissions – the metric shows the total greenhouse gas emissions that are financed by the Plan's investments, also known as category 15 (investment emissions) in the Greenhouse Gas ('GHG') Protocol.

There are three scopes of carbon emissions:

- **Scope 1** emissions are direct emissions from an entity's owned or operationally controlled sources;
- **Scope 2** emissions are those from the use of electricity purchased by an entity;
- **Scope 3** emissions are indirect emissions from the use of company's products, or any other emissions across its supply chain.

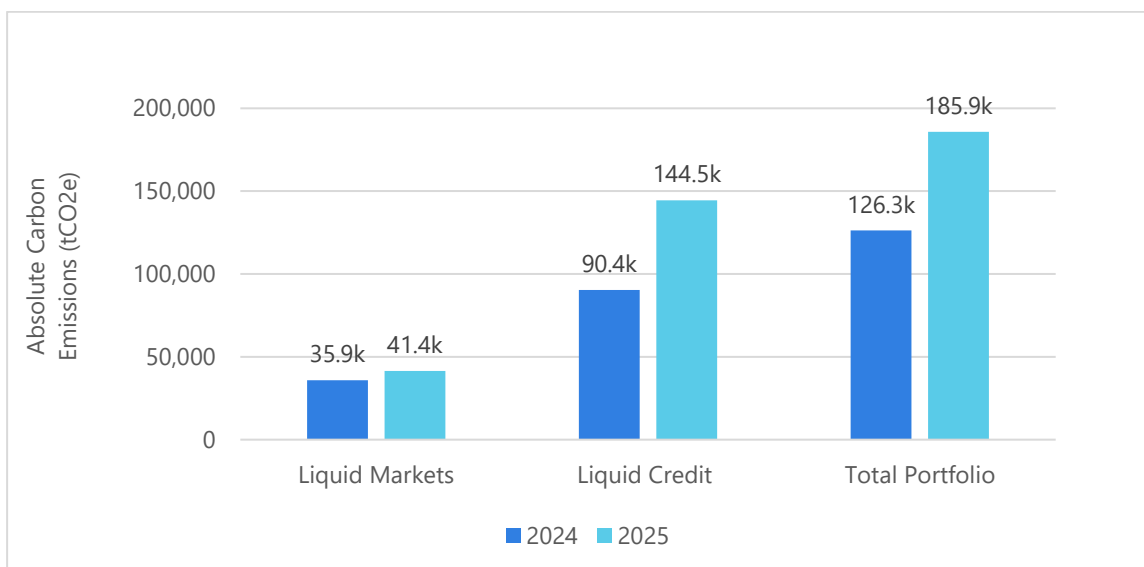
Absolute emissions are calculated as the proportional share of the Scope 1 and Scope 2 GHG emissions for each relevant investment, based on the size of the investment relative to the Enterprise Value Including Cash ('EVIC') of the respective company – EVIC is a measure of a company's total value. For this report, the Trustee has chosen to report Scope 3 GHG emissions separately.

Chart showing the total absolute emissions (Scope 1 & 2) for the Plan as at 31 March 2024 and 2025



Source, Analysis by Redington as at 31 March 2025, using data from MSCI.

Chart showing the total absolute emissions (Scope 3) for the Plan as at 31 March 2024 and 2025



Source, Analysis by Redington as at 31 March 2025, using data from MSCI.

Key takeaway: As anticipated, the Plan's larger allocation to Liquid Credit makes it the primary contributor to the Plan's total emissions, in terms of both scope 1 and 2, and scope 3. Overall, total portfolio absolute emissions have increased for both scope 1 and 2, and scope 3, over the Plan year.

As outlined in the introduction to this section, the Trustee now monitors the sovereign emissions for the Plan as well as the corporate emissions shown above.

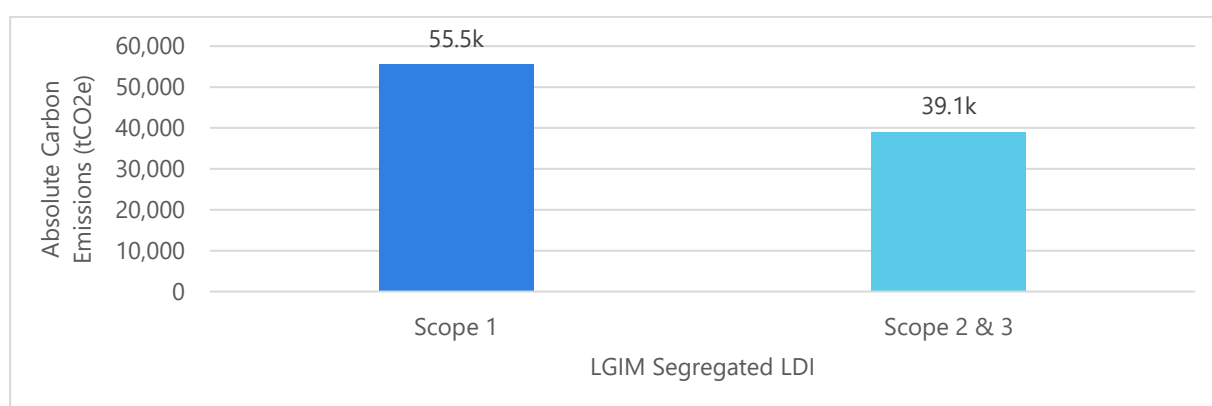
For countries (and therefore sovereign bonds) slightly different categories are used to corporate emissions:

- **Production emissions:** the emissions of everything produced in a country; this is broadly equivalent to scope 1 emissions.
- **Import emissions:** the emissions of what a country imports from other countries; this is equivalent to scope 2 & 3 emissions. In practice, for large economies, scope 2 emissions are trivial in comparison to the other scope.

The share of a country's emissions and carbon intensity is attributed by dividing a portfolio holding by a country's purchasing-power-parity- (PPP) adjusted GDP.

The output of this is shown in the chart below.

Chart showing the sovereign Scope 1 and 2 & 3 (absolute) financed emission for the Plan as at 31 March 2025



Source, Analysis by Redington as at 31 March 2025, using data from MSCI.

Key takeaway: In line with expectations, the Plan's sovereign emissions exposure is weighted much more heavily to scope 1 emissions (production emissions) than scope 2 and 3 (import emissions).

2. Emissions intensity

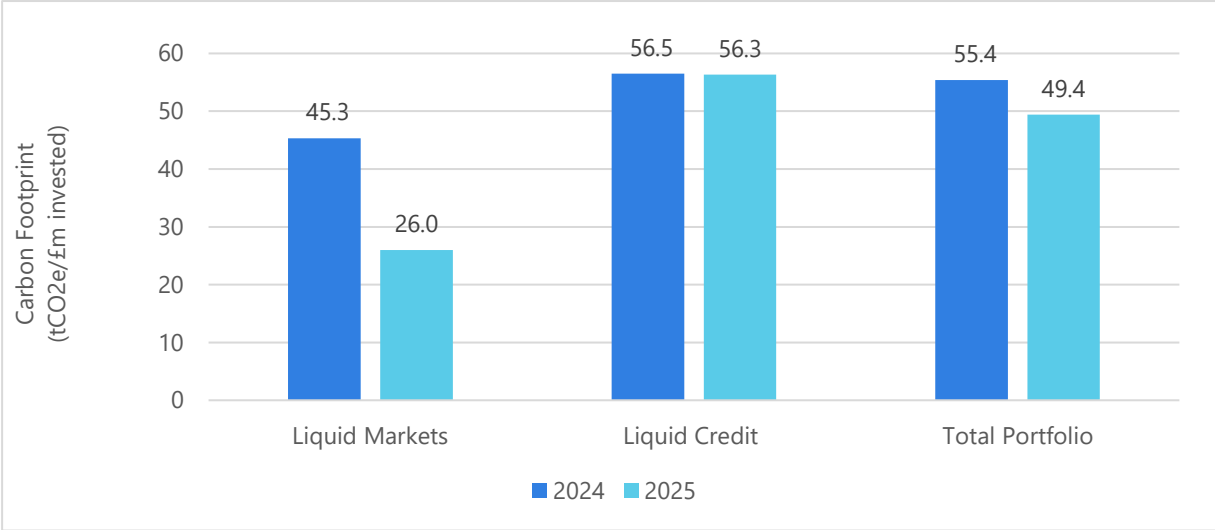
The Trustee monitors carbon footprint as its emissions intensity metric. Carbon footprint measures the carbon efficiency of a portfolio in terms of emissions per million pounds invested. It normalises the total absolute emissions for the value of the portfolio. In other words, it shows the emissions per millions of pounds invested, the metric is therefore comparable between investments of different sizes.

At a portfolio level, the emissions intensity measures are calculated as the average of the emissions intensity of the underlying holdings, weighted by the value of each holding. A portfolio with a high emissions intensity will have a steeper route towards decarbonisation than a less intensive one. Hence, measuring the emissions intensity across the Plan is useful in order to gauge how difficult (or easy) it will be to progressively decarbonise its portfolios.

Differences in portfolio emissions intensities are driven by differences in sector and company exposure. Portfolios with higher exposures to high-carbon sectors such as utilities, non-energy materials, energy and industrials tend to exhibit higher emissions intensities.

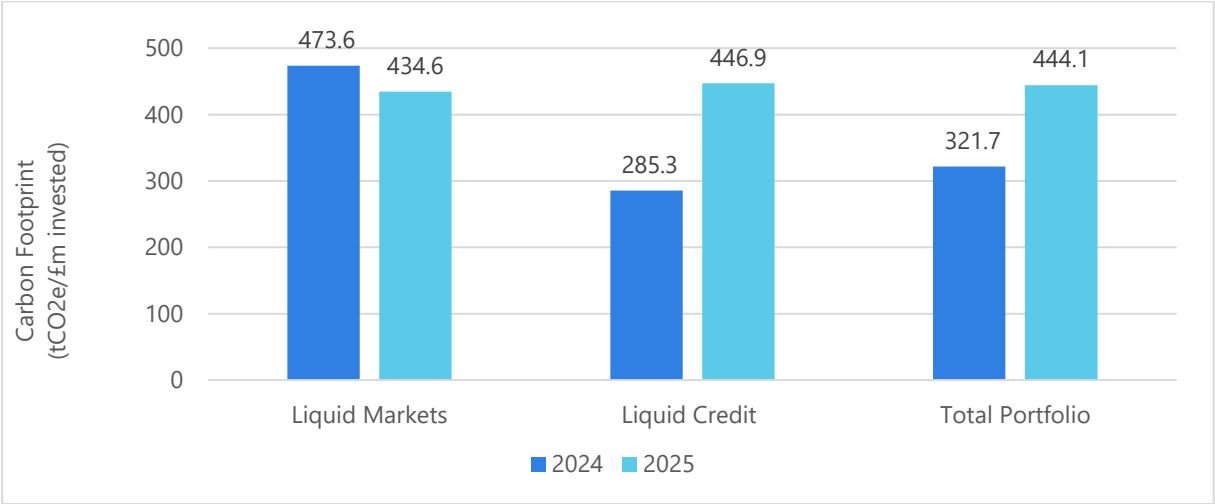
The Trustee has set its target of 50% reduction in terms of carbon footprint by 2030 across Liquid Credit and Liquid Markets assets on Scope 1 and 2 emissions against this metric. For this report, the Trustee has chosen to report Scope 3 GHG emissions separately, which are shown below.

Chart showing the total carbon footprint (Scope 1 & 2) for the Plan as at 31 March 2024 and 2025



Source, Analysis by Redington as at 31 March 2025, using data from MSCI.

Chart showing the total carbon footprint (Scope 3) for the Plan as at 31 March 2024 and 2025

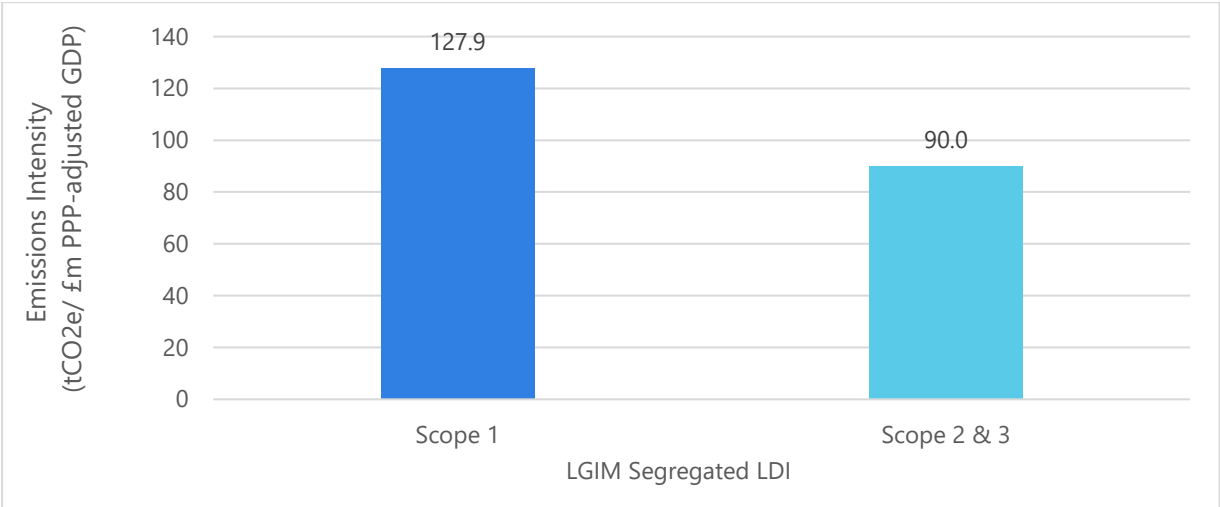


Source, Analysis by Redington as at 31 March 2025, using data from MSCI.

Key takeaway: Per million pounds invested, the Plan's Liquid Credit assets have the highest Scope 1 and 2 & 3 emissions intensity. Over the Plan year, the Plan's carbon footprint decreased for Scope 1 and 2 whereas it increased for Scope 3.

The sovereign emissions intensity for the Plan is provided in the chart below.

Chart showing the total sovereign emissions intensity for the Plan as at 31 March 2025



Source, Analysis by Redington as at 31 March 2025, using data from MSCI.

3. Additional Climate Change Metric

The Trustee monitors the PCAF Data Quality Score, which monitors the reliability of companies’ emissions data. The scoring system ranges from one to five, with one representing the highest data quality, which involves independently verified emissions data, and five indicating the lowest quality, characterised by estimated emissions data derived from industry peers. Of note, MSCI does not currently assign a score of one to any emissions, therefore the best available score is two.

Below are the results for each of the Plan’s mandates as at 31 March 2025. Please note that a PCAF Data Quality Score is only available where line-by-line data is available for the respective fund, and for publicly listed assets only. Moreover, averaging PCAF scores does not strictly align with the PCAF methodology and may not fully reflect the distribution of data quality across the portfolio. To provide a more accurate and transparent view, a detailed breakdown of the percentage of portfolio assets falling into each PCAF score category has been included in this year’s report.

Chart showing Scope 1 & 2 PCAF Data Quality scoring for the Plan as at 31 March 2025

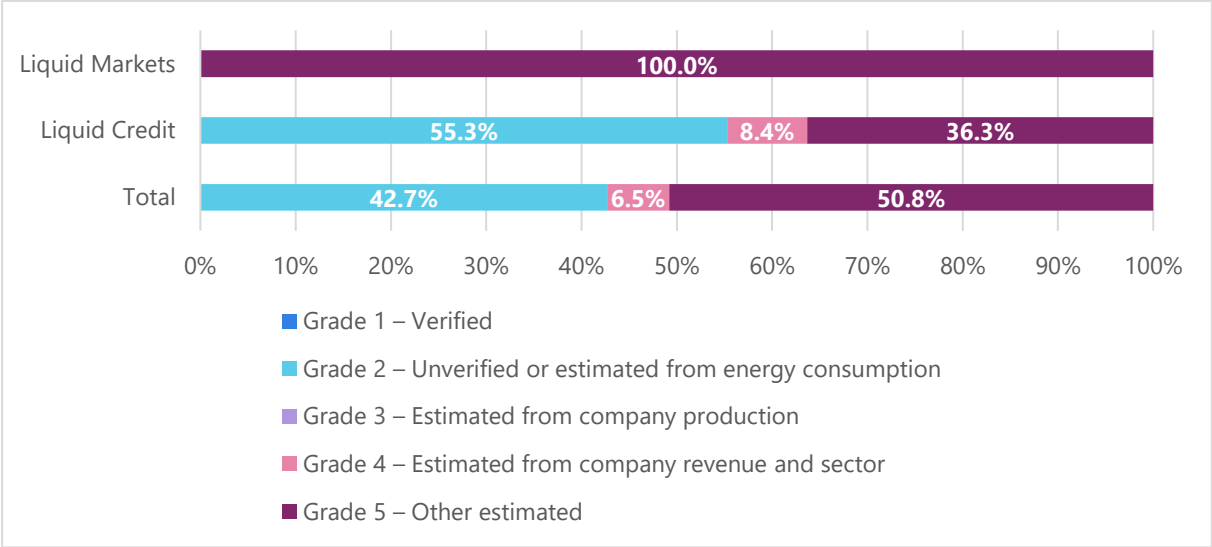
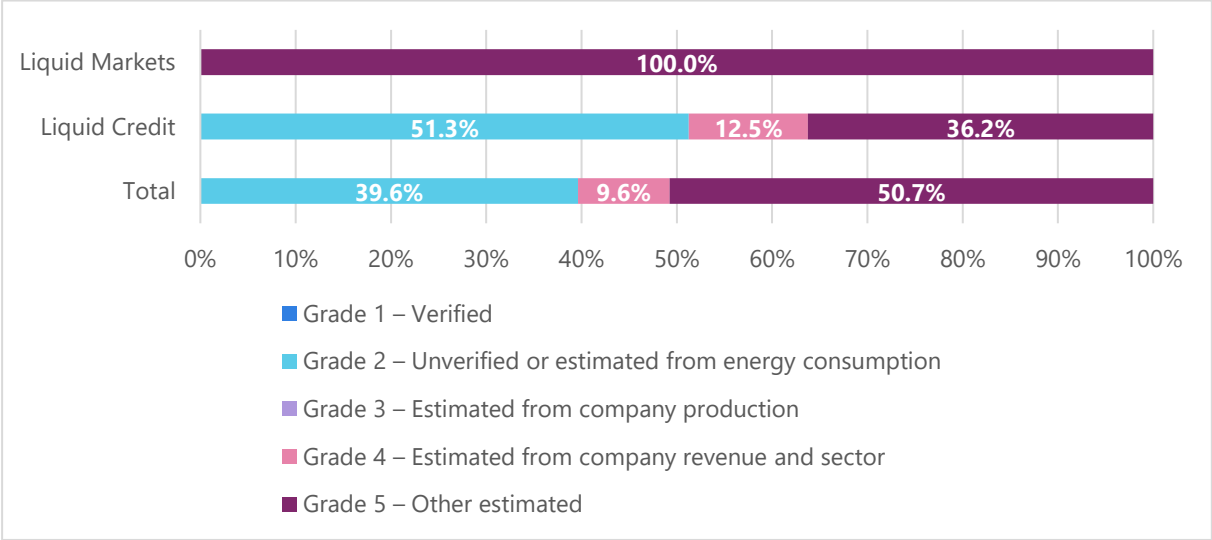


Chart showing Scope 3 PCAF Data Quality scoring for the Plan as at 31 March 2025



Key takeaway: The charts above show that for both Scope 1 and 2 & 3, the data quality scores of the Plan’s Liquid credit assets are much better than for Liquid Markets. Most Liquid Credit assets have a data quality score of 2, indicating that the majority of emissions data reported by underlying publicly listed companies is in line with the Greenhouse Gas Protocol, but unverified. For Liquid Markets, the data quality score is 5, indicating that emissions are characterised by estimated emission data derived from industry peers.

4. Portfolio Alignment

The Trustee has adopted the Science Based Target’s initiative as the Plan’s portfolio alignment metric, which captures a company or issuer’s progress against a self-developed decarbonisation target using science-based methodology.

Table showing the SBTi ratings for each of the Plan’s funds as at 31 March 2024 and 2025

Plan	SBTi Rating	
	31 March 2024	31 March 2025
Liquid Markets	11.9%	16.3%
Liquid Credit	25.8%	25.7%
Total	23.1%	23.6%

Source, Analysis by Redington as at 31 March 2025, using data from MSCI.

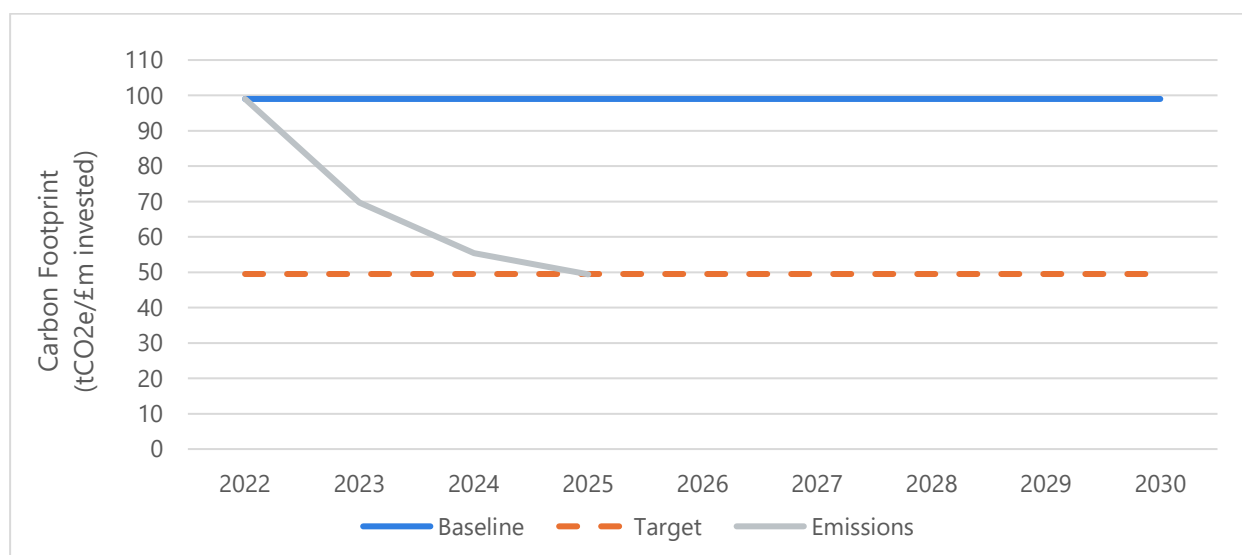
Please note the "Total Portfolio" figures in this table are weighted averages of the portfolio and therefore the total may not equal the sum of the individual asset class values shown above.

Key takeaway: Over the year to 31 March 2025, the percentage of underlying companies or issuers with decarbonisation targets set using science-based methodology increased to 23.6%, from 23.1% in the previous year. This was primarily due to the addition of TwentyFour to the Plan's portfolio in May 2024 and the improvements within LGIM B&M.

Target

The Trustee has set a target of 50% reduction in terms of carbon footprint by 2030 across Liquid Credit and Liquid Markets assets on Scope 1 and 2 emissions. This target is assessed using a base year of 31 March 2022 to monitor progress against annually. In light of the state of the global transition and the associated challenges faced by net zero targets, discussed on p.10, the Trustee recognises that this target may need to be recalibrated in the short-to-medium term. The chart below shows the progress against the target.

Chart showing Carbon Footprint of Liquid Credit and Liquid Markets assets (as at 31 March of relevant year)



Source, Analysis by Redington as at 31 March 2025, using data from MSCI

Key takeaway: The carbon footprint of the Plan's investments has continued to fall from the baseline established in 2022. Portfolio carbon footprint fell 11% over the year and has fallen 50% since 2022, thereby meeting the Trustee's target.

Further details can be found in Appendix B. Absolute and % intensity metrics have been modelled at an asset class level by the Investment Consultant wherever data coverage for a particular fund is below 50%. As and when new data becomes available, the Trustee will review the targets which have been set to ensure they remain appropriate in light of this new information.

Appendix A:

Scenario Analysis

As part of its 2020 biennial stress tests, the Bank of England's Prudential Regulation Authority ("PRA") conducted an exploratory exercise to test the impact of future climate change scenarios on the assets and liabilities of (re)insurers, using predictions by the Intergovernmental Panel on Climate Change ("IPCC") and academic literature as the basis for their modelling assumptions.

Using the same methodology, the Investment Consultant has constructed similar tests that allow the Trustee to examine the impact on the funding position, via the effect on asset values and liabilities, of the Plan under three scenarios.

The magnitude of each of the physical and transition shocks varies across industries under each scenario, meaning some assets may fare better or worse under one scenario compared to another. For "Fast Transition": the asset downside comes almost entirely from transition risk. For "Slow Transition": the asset downside comes from a mix of transition risk and physical risk. For "No Transition": the asset risk is entirely physical risk.

In terms of the assumptions made under these scenarios, the PRA recognised that feedback loops between climatic shocks and structural economic change need to be incorporated when assessing the financial impacts on businesses of physical and transition risk under each emissions scenario. However, due to existing modelling and data constraints, this is a complexity that is purposely excluded from the modelling.

There is also an acceptance that the timing and sequence of financial impacts will be complex, as behavioural changes could result in physical risks preceding transition risks and vice versa. For the purpose of simplicity, where an asset is subject to both physical and transition risk, the shocks are applied consecutively, with the physical shock applied second.

Climate Scenario Analysis as at 31 March 2023

The results of the climate scenario analysis as at 31 March 2023 can be seen below and further details on the analysis, including key assumptions of the methodology, can be seen in this section.

The Trustee, on an ongoing basis, assesses the impact of the identified climate-related risks and opportunities on the Plan's investment strategy and funding strategy. In order to assess the impact on the Plan's assets and liabilities, the Trustee undertakes scenario analysis consistent with the PRA's Life Insurance Stress Tests ("the PRA stress test scenarios"), as recommended by the Pensions Climate Risk Industry Group ("PCRIG"). The stresses are designed to show what the impact on the value of the Plan's funding level could be in the following scenarios:

- Scenario A (Fast Transition): Abrupt transition to the Paris-aligned goal occurring over a three year time period (temperature increase kept below 2°C relative to pre-industrial levels).
- Scenario B (Slow Transition): Orderly transition to the Paris-aligned goal occurring by 2050 (temperature increase kept well below 2°C relative to pre-industrial levels).

- Scenario C (No Transition): A no-transition scenario occurring in 2100 (temperature increase in excess of 4°C relative to pre-industrial levels).

The Trustee has conducted this analysis to the best of its ability and further detail on the limitations can be found in the above section.

The results of these scenarios are summarised below.

Scenario Analysis

This shows impact on the Plan’s funding position, via the projected change in value of the Plan’s assets and liabilities.

Scenario	A - Fast Transition (3 years)	B - Slow Transition (by 2050)	C - No Transition (by 2100)
Funding Level Change	-2.0%	-2.0%	-1.9%

The results of the scenarios provide the Trustee with an overview of how resilient the current investment strategy is with regards to various different climate change outcomes.

Impact of climate scenarios on Plan liabilities

The results of these climate scenarios reflect the impact to the Plan’s funding position as a result of changes in both assets and liabilities. The Trustee notes that two of the three key liability related risks (interest rate and inflation) are suitably hedged via the Plan’s LDI strategy. Therefore the Plan is not overly exposed to changes in these metrics and they are expected to have a minimal impact.

The third (and largest) liability-related risk facing the Plan is longevity / mortality risk. The Trustee notes that there is currently little consensus in the industry as to how these longevity / mortality impacts should be incorporated into climate scenario analysis, and that the results can vary drastically. On this basis, the Trustee has discussed this matter with the Plan Actuary who has run a scenario analysis to assess the impact of changes in mortality as a result of climate change. The analysis has been based on a warming scenario broadly equivalent to a PRA no transition scenario and the Actuary concluded that under this scenario, the impact on liability values is expected to be minimal as the decrease in cold-related mortality is expected to cancel out projected heat-related mortality. It expects the impact on liabilities to remain small across the other less extreme scenarios. The results of this analysis are yet to be included in the Plan’s scenarios on a quantitative basis as the Trustee notes that disclosure and industry best practice are expected to develop over time and will engage with its actuary as this thinking evolves.

Impact of climate scenarios on Plan’s sponsoring employer

The Trustee has engaged with its covenant advisor to understand how the Plan’s sponsoring employer (known as its “covenant”) would be impacted by various climate scenarios.

The impact of the chosen climate scenario is focused on a Paris-aligned scenario and a No mitigation scenario akin to the PRA slow transition and no transition scenario. The covenant advisor does not consider there to be a material risk to the employer covenant, such that the risk of being downgraded from its current rating of Strong over the current valuation period or being unable to support the Plan as necessary, as a result of climate risks is unlikely. This is supported by:

- The funding level of the Plan when compared to the resources of the sponsor and the timeline over which climate related risks and scenarios might emerge.
- PwC's operations which are not as directly exposed to climate-related risks when compared with other industries such as manufacturing or aviation.
- PwC's own net zero targets, in relation to which it is taking actions in line with peers and keeping pace with its market.
- Growth opportunities for PwC due to climate change (e.g. advising organisations on how to better manage climate-related risks).

When considering the Plan's diversified investment strategy, high levels of liability hedging and strong covenant, the Trustee believes that the overall funding strategy would be resilient to a range of climate outcomes.

Portfolio Alignment

The Trustee has agreed to adopt the SBTi as its chosen fourth metric, which examines whether a voluntarily disclosed company decarbonisation target is aligned with a relevant science-based pathway.

As part of SBTi, a company or issuer will sign a commitment to self-develop a single or multiple pathways to reduce greenhouse gas ("GHG") emissions, with 24 months to develop this pathway, submit it for SBTi validation and publish the approved target. The Company/Issuer's chosen decarbonisation target can be aimed at one or all of: the short term, long term or Net Zero, with each company being scored with a binary yes or no assessment on the following target categorisations: "SBTi Approved 1.5 C", "SBTi Approved Well Below 2 C" or "SBTi Approved 2 C". These categories indicate the expected global temperature increase based on the company or issuer's target. Should a company/issuer's decarbonisation pathway not comply with either of the Paris-aligned targets, it will be assigned a 'Not Committed' rating.

Using line-by-line data, the Investment Consultant can calculate the proportion of assets invested within each fund the Plan is invested in, that correspond to each SBTi score classification, ignoring negative allocations. Where line-by-line data is not available, managers can also provide these proportions if they have access to the data. A scheme-level score is calculated as the value weighted average of the fund level scores (i.e. for an example Scheme XYZ, that is 50% invested in Fund X with an SBTi score of 20% and 50% invested in Fund Y, with an SBTi score of 40%, the Scheme-level aggregate SBTi score (30%) is calculated through a weighted average of the fund's weight within the portfolio and SBTi score).

Appendix B:

Carbon footprint analysis

- Climate reporting as of 31 March 2025 can be found on the following pages. This reporting includes the chosen four metrics as described under "4. Metrics and Targets".

-
- Where possible and where there is reasonable data coverage, the Trustee monitors 'line-by-line' emissions reporting for funds. These tend to be more generic, long-only asset classes such as listed equity and corporate credit. However, for funds with less than 50% coverage, the Trustee monitors 'asset class level' carbon estimates in the absence of reliable, reported line-by-line emissions data from MSCI. The Trustee notes that using asset class modelling of emissions for assets where this data is not available enables a more holistic view of the Plan's total portfolio emissions, albeit recognising that the modelled data is not perfect.
 - The analysis in Appendix C contains estimates of the Plan's scope 3 GHG emissions, i.e. the "financed emissions" associated with the Plan's investments. The Trustee acknowledges the impact its own actions may have and does consider them, but the Plan's scope 1 and scope 2 emissions (e.g. the use of fuel and electricity in office buildings) are nominal in comparison to scope 3 emissions (i.e. the emissions arising from investments). Definitions of scope 1, 2 and 3 emissions can be seen in the Glossary of Terms in Appendix C.
 - The asset class modelling of emissions has been provided by the Trustee's Investment Consultant and is based on asset class 'building blocks'. These are either calculated directly using a given index's underlying holdings emissions (such as using Intercontinental Exchange Bank of America Merrill Lynch ("ICE BofAML") US Corporate Index as a proxy for a broad credit fund) or in some cases these indices are used and extrapolated to other asset classes based on given assumptions.
 - Emissions metrics have been calculated in line with the GHG Protocol Methodology, the global standard for companies and organisations to measure and manage their GHG emissions. The GHG Protocol provides accounting and reporting standards, sector guidance and calculation tools. It has created a comprehensive, global, standardised framework for measuring and managing emissions from private and public sector operations, value chains, products, cities and policies to enable greenhouse gas reductions across the board.
 - The Trustee recognises that there can be some degree of double counting in including scope 3 emissions for all investments in the same portfolio (due to the potential supply chain relationships between companies within the portfolio). For this reason, scope 3 emissions figures have been adjusted for double counting by applying a de-duplication multiplier of 0.22 to all portfolio companies' scope 3 emissions. This is the discount factor used by the Group's ESG data provider and it is based on the relationship between the total scope 1 and scope 3 emissions of a company. In this way the discount factor is designed to reduce the portfolio's aggregated scope 1, 2 and 3 emissions down to a level more closely reflecting the real-world footprint. The climate metrics reporting the Trustee receives from its Investment Consultant reports "scope 1 & 2" and "scope 3" data separately before aggregating, in an effort to improve transparency.
 - The current approach for calculating emissions data used by the Trustee's advisors considers both long and short positions for each mandate. As such, if a mandate were to 'short' a higher emitter this may result in overall negative emissions for that mandate. The Trustee believes that shorting high emitters is not a credible way to reduce the Plan's emissions. As such, mandates with overall negative emissions are excluded from the Plan's total emissions metrics and will not contribute towards achievement of the Plan's net zero ambition.

Appendix C: SBTi and MSCI Climate Metrics Output

Fund	Fund Value (£m)	Carbon Emissions (tCO2e)				Carbon Intensity (tCO2e / EVIC £m)			
		Current - Scope		Previous - Scope		Current - Scope		Previous - Scope	
		1 & 2	3	1 & 2	3	1 & 2	3	1 & 2	3
Liquid Markets (Equities)									
LGIM Volatility Controlled Equity with Put Portfolio	-0.1	1,818	12,961	1,638	8,651	44.5	317.1	45.3	239.1
Liquid Markets (Multi-Asset)									
Man Proactive Diversified Risk Premia Fund	54.3	650	28,410	-3,726	27,215	12.0	523.1	-94.2	687.9
Liquid & Semi-Liquid Credit									
IIFIG Maturing Buy and Maintain Bond Funds 2026-2030	62.2	1,835	25,136	-	-	29.5	404.4	-	-
Insight Buy & Maintain Bond Fund	62.4	4,511	20,148	-	-	72.2	322.7	-	-
LGIM Global Buy & Maintain Credit Portfolio	78.7	3,759	28,872	6,780	35,449	47.8	367.0	50.4	263.3
Payden & Rygel Absolute Return Bond Fund	60.4	3,976	36,088	4,583	24,958	65.8	597.7	80.4	437.6
TwentyFour Strategic Income Fund	59.7	4,145	34,267	-	-	69.4	573.9	-	-
Totals	377.6	20,693	185,881	19,542	126,257	49.4	444.1	55.4	321.7

Fund	Fund Value (£m)	Carbon Emissions (tCO2e)				Carbon Intensity (tCO2e / PPP-adjusted GDP £m)			
		Current		Previous		Current		Previous	
		Production (Scope 1)	Import (Scope 2 & 3)	Production (Scope 1)	Import (Scope 2 & 3)	Production (Scope 1)	Import (Scope 2 & 3)	Production (Scope 1)	Import (Scope 2 & 3)
LDI and Overlay									
LGIM Segregated LDI	250.0	55,537.6	39,077.6	-	-	127.9	90.0	-	-

All "Current Total Portfolio" figures in this table are weighted averages with the exception of "Fund Value" and "Absolute Carbon Emissions (tCO2e)".

"Absolute Carbon Emissions (tCO2e)" is calculated using the notional value of the fund. "Fund Value (£m)" shows the mark-to-market value of the fund.

"Previous" figures show climate metrics from 12 months prior to "Current" figures. Plan-level "Previous" figures may not sum to the "Previous Total Portfolio" figures because the "Total Portfolio" values may contain funds that have now been divested from and not reported in this table.

Mandates with overall negative emissions are excluded from the Plan's "Total" metrics and will not contribute towards achievement of the Plan's net zero ambition, hence does not sum in total.

Carbon metrics are proxied where there is insufficient data for funds.

ESG and MSCI Carbon Metrics meet the current minimum UK DWP's TCFD-aligned "Metrics and Targets" regulations. However, regulations are subject to change. Redington monitors developments closely.

Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Certain information ©2025 MSCI ESG Research LLC. Reproduced by permission.

Fund	Fund Value (£m)	Science Based Targets initiative Rating (Asset Weighted)	
		Current	Previous
Liquid Markets (Equities)			
LGIM Volatility Controlled Equity with Put Portfolio	-0.1	-	-
Liquid Markets (Multi-Asset)			
Man Proactive Diversified Risk Premia Fund	54.3	28.5%	22.7%
Liquid & Semi-Liquid Credit			
IIFIG Maturing Buy and Maintain Bond Funds 2026-2030	62.2	42.9%	-
Insight Buy & Maintain Bond Fund	62.4	34.3%	-
LGIM Global Buy & Maintain Credit Portfolio	78.7	30.3%	25.4%
Payden & Rygel Absolute Return Bond Fund	60.4	6.9%	3.0%
TwentyFour Strategic Income Fund	59.7	12.0%	-
Totals	377.6	23.6%	23.1%

Scope 1 & 2 PCAF data quality score

Fund	Fund Value (£m)	Grade 1 – Verified	Grade 2 – Unverified or estimated from energy consumption	Grade 3 – Estimated from company production	Grade 4 – Estimated from company revenue and sector	Grade 5 – Other estimated
Liquid Markets (Equities)						
LGIM Volatility Controlled Equity with Put Portfolio	-0.1	0.0%	0.0%	0.0%	0.0%	100.0%
Liquid Markets (Multi-Asset)						
Man Proactive Diversified Risk Premia Fund	54.3	0.0%	0.0%	0.0%	0.0%	100.0%
Liquid & Semi-Liquid Credit						
IIFIG Maturing Buy and Maintain Bond Funds 2026-2030	62.2	0.0%	87.1%	0.0%	6.1%	6.9%
Insight Buy & Maintain Bond Fund	62.4	0.0%	68.9%	0.0%	9.8%	21.3%
LGIM Global Buy & Maintain Credit Portfolio	78.7	0.0%	49.2%	0.0%	12.1%	38.7%
Payden & Rygel Absolute Return Bond Fund	60.4	0.0%	23.9%	0.0%	7.5%	68.7%
TwentyFour Strategic Income Fund	59.7	0.0%	47.9%	0.0%	5.2%	46.9%
Totals	377.6	0.0%	42.7%	0.0%	6.5%	50.8%

Scope 3 PCAF data quality score

Fund	Fund Value (£m)	Grade 1 – Verified	Grade 2 – Unverified or estimated from energy consumption	Grade 3 – Estimated from company production	Grade 4 – Estimated from company revenue and sector	Grade 5 – Other estimated
Liquid Markets (Equities)						
LGIM Volatility Controlled Equity with Put Portfolio	-0.1	0.0%	0.0%	0.0%	0.0%	100.0%
Liquid Markets (Multi-Asset)						
Man Proactive Diversified Risk Premia Fund	54.3	0.0%	0.0%	0.0%	0.0%	100.0%
Liquid & Semi-Liquid Credit						
IIFIG Maturing Buy and Maintain Bond Funds 2026-2030	62.2	0.0%	77.5%	0.0%	15.7%	6.9%
Insight Buy & Maintain Bond Fund	62.4	0.0%	67.0%	0.0%	11.7%	21.3%
LGIM Global Buy & Maintain Credit Portfolio	78.7	0.0%	45.0%	0.0%	16.8%	38.3%
Payden & Rygel Absolute Return Bond Fund	60.4	0.0%	21.8%	0.0%	9.5%	68.7%
TwentyFour Strategic Income Fund	59.7	0.0%	45.7%	0.0%	7.4%	46.9%
Totals	377.6	0.0%	39.6%	0.0%	9.6%	50.7%

All "Current Total Portfolio" figures in this table are weighted averages with the exception of "Fund Value" and "ITR" (where it is presented).

"Previous" figures show climate metrics from 12 months prior to "Current" figures. Plan-level "Previous" figures may not sum to the "Previous Total Portfolio" figures because the "Total Portfolio" values may contain funds that have now been divested from and not reported in this table.

Where presented, "Science Based Target initiative (SBTi)" or "TPI" scores are all based on lookthrough data where it is available and never proxied. "ITR" is only proxied where there is insufficient data. Where presented, the SBTi score reflects only the long positions within a portfolio.

ESG and MSCI Carbon Metrics meet the current minimum UK DWP's TCFD-aligned "Metrics and Targets" regulations. However, regulations are subject to change. Redington monitors developments closely.

Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Certain information ©2025 MSCI ESG Research LLC. Reproduced by permission.

Glossary of Terms (Carbon Metrics)

Enterprise Value Including Cash (EVIC): Defined as the sum of market capitalisation of shares and book values of total debts and minority interests at fiscal year-end. No deductions of cash or cash equivalents are made to avoid potential negative enterprise values. This is the recommended denominator metric for carbon attribution according to the GHG Protocol, the global standard for carbon accounting endorsed by the European Union and the DWP.

Estimated Total Mandate Carbon Emissions (tons): Represents the total share of Scope 1, Scope 2 and Scope 3 carbon emissions a fund is responsible for. Please note the metric is sensitive to the investment holding size in the fund.

PRA Slow Transition Climate Scenario Analysis: The Investment Consultant's extrapolation of a stress test constructed by the Prudential Regulation Authority ("PRA") to explore the % impact of future climate change on assets. A slow transition assumes a long-term, orderly transition that is broadly in line with the Paris Agreement out to 2050.

Scope 1 & 2 Carbon Footprint (tCO₂e / EVIC £m): Measurement of the Scope 1 & 2 CO₂e emissions of a fund per million pounds of EVIC. Scope 1 emissions refer to those which are directly connected to the production of a company's product or service e.g., burning of fossil fuels to power the electricity grid. Scope 2 emissions refer to those from electricity used to power company facilities. For a pension scheme, scope 1 emissions include the use of gas fuel and refrigerants in the office whilst scope 2 emissions include the use of electricity in the office buildings.

Scope 3 Carbon Footprint (tCO₂e / EVIC £m): Measurement of the estimated Scope 3 CO₂e emissions of a fund per million pounds of EVIC. Scope 3 emissions refer to all those that are not in direct control of a company's productive activities. Namely, all those emissions from a company's upstream supply chains and downstream product use by the consumer.

MSCI Climate Metrics Coverage: The proportion by value of a fund for which carbon metrics are available from MSCI. Climate metrics are proxied where coverage is low and in this case, the MSCI Climate Metrics Coverage will be assumed to be "-".

SBTi Score: The Science-Based Targets initiative ("SBTi") sets out a framework through which companies can set out their decarbonisation pathway and have them assessed against the goals set out in the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels or well-below 2°C. The SBTi Score is the proportion of assets invested that are classified as being Paris-aligned.

Tons of Carbon Dioxide Equivalents (tCO₂e): Tons of greenhouse gases including methane, nitrous oxide, carbon dioxide, and fluorinated gases. Given the abundance and prominence of carbon as a greenhouse gas, all the other gasses are considered carbon equivalents.

Limitations of Carbon Metrics

- TCFD based regulations require portfolios to report on their climate metrics without asset class adjustments. Therefore, metrics in funds with a lower coverage (below 80%), or in multi-asset funds and liquid / semi-liquid credit need to be evaluated with more context. This is because a low coverage means a larger part of emissions are unknown, and because the carbon risk of equity holdings will tend to be higher than that of credit holdings.
 - Specific line-by-line modelling of emissions is currently available only for publicly listed equity and credit assets. For unlisted asset classes, the Investment Consultant has reported asset class-level estimations of carbon emissions. This provides a broad and longer-term understanding of what the portfolio's emissions are and where the biggest amount of emissions come from. The Investment Consultant believes this is appropriate from a strategic asset allocation perspective, but will not capture specific actions managers are taking to reduce their CO₂e footprint.
 - Due to lags in company carbon reporting and database updates, carbon footprint numbers have a one to two year lag. The carbon numbers included in this report are updated at the start of every year.
-

Appendix D: Additional Climate Change Metric

In February 2024, the Trustee decided to adopt the Partnership for Carbon Accounting Financials (“PCAF”) data quality score as its chosen third metric, which monitors the reliability of companies’ emissions data. The scoring system ranges from one to five, with one representing the highest data quality, which involves independently verified emissions data, and five indicating the lowest quality, characterised by estimated emissions data derived from industry averages. For the purpose of TCFD reporting, the Plan will report this score on an annual basis, monitoring progress over time (on an asset class basis).

The Trustee decided to adopt this metric in line with evolving industry standards and best practice as data quality and availability are often cited as key issues with climate-related data. Monitoring data quality provides useful context for interpreting the emissions-based metrics and reviewing the data quality scores aids the degree of conviction the Trustee has in the data being used. The Trustee believes that over time, better data should allow it to make better informed decisions.
