

Climate disclosures for the year ended 31 December 2025

Reuters Pension Fund (the “Fund”)

Prepared by: Reuters Pension Fund Limited (the “Trustee”)

Date: 18 June 2026



Introduction

Climate change is causing extreme weather, affecting crops, and threatening ecosystems. Understanding its impact and the Fund’s vulnerability to climate risks helps mitigate these risks and seize opportunities. UK regulations require pension schemes with over £1bn in assets to meet climate governance standards and publish annual reports on climate risks. Improved climate reporting enhances decision-making and transparency, increasing accountability and providing valuable information to investors and beneficiaries.

This report is the annual climate disclosure for the Fund for the year ended 31 December 2025, prepared by the Trustee of the Reuters Pension Fund (the “Trustee”) in accordance with The Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 and aligned with the Taskforce for Climate-related Financial Disclosures (“TCFD”) framework.

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Executive summary

This report explains what we, the Trustee, have done to understand how climate change might affect the Fund. We collaborated with our Investment Consultant to find the climate-related risks and opportunities for the Fund and to learn how we can manage and reduce those risks.

Effective Governance and Risk Management for Climate Resilience

We, the Trustee, are responsible for overseeing all strategic matters related to the Fund, including climate-related risks and opportunities. We have established a process to identify, assess, and manage the climate-related risks and opportunities the Fund faces, integrating it into the broader risk management framework. Please see the [Appendix](#) for our climate governance and risk management framework.

Strategy update

Our qualitative risk analysis found that the asset classes the Fund invests in are somewhat affected by climate-related risks, and these risks are expected to grow over time. We also found several investment opportunities across different asset classes. More details are available on pages 4 and 5.

We carried out qualitative climate scenario analysis, which showed that the Fund is fairly resilient to climate-related risks, mainly due to the high diversification of assets.

Metrics & Target update

GHG Emissions	Carbon Footprint	Data Coverage
56,500 tCO ₂ e Scope 1 & 2	91 tCO ₂ e/£M Scope 1 & 2	91% Scope 1 & 2
153,300 tCO ₂ e Scope 3	259 tCO ₂ e/£M Scope 3	87% Scope 3

The above metrics are aggregated for the Fund, excluding LDI and Bulk Annuities. This is the first year of reporting using the Trustee's new Investment Consultant and methodology, so are best viewed as a baseline for monitoring. Data coverage is 91% for Scopes 1 & 2 and 87% for Scope 3 by market value, indicating broadly good, but still incomplete, underlying disclosure.

Targets

The Trustee aims to reduce the carbon intensity of greenhouse gas emissions of the Fund's assets to net zero by 2050, and originally adopted an interim target of a 50% reduction in carbon footprint by 2030 relative to 31 December 2021. This target applies to Scope 1 and 2 emissions of the Fund's non-LDI assets and excludes the Fund's buy-in arrangement.

This year, the Trustee reviewed and updated the interim target to reduce the carbon footprint of the Fund's assets by 50% by 2034, relative to the 2025 baseline.

We hope you enjoy reading this report and understanding more about how we are managing climate-related risks and opportunities within the Fund.

Catherine Redmond, representing *BESTrustees Limited*

on behalf of the Trustee of the Reuters Pension Fund.

Strategy

Identifying climate-related risks and opportunities

We carry out a qualitative risks and opportunities assessment of the asset classes the Fund is invested in. From this we identify which climate-related risks could have a material impact on the Fund. We also identify suitable climate-related opportunities.

We completed this exercise to the best of our ability. To help us with our assessment, we surveyed our investment managers asking them to rate the climate-related risks and opportunities they believe their funds are exposed to. At the time of writing one manager could not provide information for the risk and opportunities assessment; this is described in more detail further in this report. We have not considered Private Equity, Insurance Linked Securities or Cash on the basis of materiality given the total amount invested in these asset classes.

Our investments

The Fund is a Defined Benefit (“DB”) occupational pension scheme of c.£1.2bn (excluding insurance policies). The Fund is also invested in buy-in insurance policies of c.£358m, to secure a proportion of the member benefits.

The Fund’s investment portfolio is diversified across a range of different growth asset classes including equities, multi class credit, diversified risk premia and liability driven investment (“LDI”). This report covers the Fund’s four most material investment managers spanning these asset classes.

The Fund has a small amount of additional voluntary contributions (“AVCs”). In line with the Department for Work & Pensions (“DWP”) statutory guidance, the Trustee has not included AVCs within this report.

Asset Allocation at 31 December 2025:

LDI	Multi Class Credit	Diversified Risk Premia	Equity	Private Equity	Insurance-Linked Securities	Cash
53.8%	22.9%	12.2%	9.4%	0.5%	0.1%	1.0%

Source: The Fund’s custodian (Bank of New York Mellon). Figures may not sum due to rounding. Excludes insurance policies and AVC investments. Please note cash includes Trustee bank account value and small residual cash holdings from legacy mandates.

How the risk assessment works

Risk categories

Ratings

Time horizons

The analysis divides climate-related risks into two types: **Transition risks** related to the transition to a low-carbon economy. **Physical risks** associated with the physical impacts of climate change on companies' operations. More details can be found in the [Appendix](#).

The analysis uses RAG ratings where: **Red** denotes a higher level of financial exposure to a risk. **Amber** denotes a medium level of financial exposure to a risk. **Green** denotes a lower level of financial exposure to a risk.

We assessed the climate-related risks and opportunities over different time horizons considering the Fund liabilities. We decided the most appropriate time horizons for the Fund are: Short-term: 0-5 years
Medium-term: 5-10 years
Long-term: 10-15 years

Climate-related risk assessment

Key conclusions

Diversification across asset classes, sectors and regions is important to manage climate-related physical and transition risks for the Fund.

The Equity manager was unable to provide details on the climate-related risks and opportunities that it perceives for the fund. As the mandate is a passively managed index-tracking strategy, the manager does not explicitly incorporate climate-related factors into its investment decisions.

Multi Class Credit has been identified as one of the higher risk areas for the Fund, particularly in the medium-to-long term, due to the rising physical and transition risks which may be detrimental to the Fund's assets. To offset this, the managers also identified climate-related opportunities to take advantage of in the transition to a lower carbon economy.

The risk assessment for Diversified Risk Premia was more muted, reflecting diversification benefits and a shorter holding period. The manager outlined that it systematically integrates climate-related ESG signals into its stock selection model so that, when consistent with risk-return objectives, it may tilt the portfolio toward companies that are more carbon-efficient and better positioned for the low-carbon transition.

LDI forms a significant portion of the Fund's assets. The Fund's LDI manager notes that physical and transition risks are low across all time horizons.

RAG ratings for each asset class can be found in the [Appendix](#).

Climate-related opportunities

We identified some climate-related opportunities which may be suitable for the asset classes we invest in. These opportunities are valid over the short-, medium- and long-term time horizons:

Equity	<p>Given that the Equity is invested in a passively managed fund that aims to replicate an index, the investment manager has limited ability to influence or actively consider climate-related opportunities for the fund. The manager did not therefore provide a completed questionnaire to support this assessment.</p> <p>However, based on analysis from the Trustee's Investment Consultant, climate-related opportunities may present themselves across the broader equity universe. These include</p>
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sectors such as renewable energy, sustainable agriculture, and energy efficiency and other areas supporting the transition to low-carbon economy. Companies with robust sustainability practices, innovative low-carbon technologies, and solutions for climate adaptation may benefit from the transition, offering potential long-term growth and competitive returns, which will be reflected overtime in broad equity indices.

Multi Class Credit

Over the short term, the two managers see climate-related opportunities emerging from both market dislocations and the early stages of the low-carbon transition. One manager is focused on relative value created by mis-priced credit in transition-sensitive sectors, increased use of green, social and sustainability-linked bonds, and the potential to add value by responding to pricing ESG momentum stories.

The other manager observes that markets currently favour a narrow pool of low-carbon leaders already commercialising low-carbon technologies, such as net-zero buildings in real estate and product reformulation in the food and fast-moving consumer goods sectors.

In the medium term, both managers expect a broader opportunity set including increased issuance of transition-finance instruments (e.g., sustainability-linked bonds and green asset-backed securities), opportunities in renewables, electrification and infrastructure financing, and issuers benefitting from supportive transition policies and circular-economy practice.

Over the long term, the managers expect structural shifts in allocations and risk. Higher exposure to more resilient, low carbon sectors and issuers, lower exposure to stranded-asset risk, and ongoing opportunities in sovereigns and corporates adapting successfully to the transition.

Diversified Risk Premia

Climate-related opportunities arise primarily through the manager's systematic integration of ESG information into its stock selection process, where this is assessed to be predictive of returns. The model draws on a broad suite of signals including climate-focused measures that have demonstrated return relevance. These signals are applied across the investment universe.

In practice, the stock selection model shows a systematic preference for companies that are more resource-efficient from a carbon perspective, as one indicator of a firm's overall quality. A key input is the manager's proprietary "supply chain climate exposure" signal, which captures a company's exposure to climate risks through its economic links with customers and suppliers, not simply its own direct emissions. Through this framework, the fund seeks to harness climate-related opportunities by tilting towards companies with stronger climate characteristics where these are aligned with its return and risk objectives.

LDI – Primarily UK Gilts

Climate-related opportunities identified include clean transportation, renewable energy, energy efficiency, pollution prevention, living and natural resources and green gilts.

The Fund's manager is an active participant in this market and engages with issuers.

Source: Aon, Managers

Assessing our managers' climate risk management

We evaluated our managers' skills in handling climate-related risks by asking them 10 questions designed by the Pensions Climate Risk Industry Group. These questions address their climate management strategies, net zero goals, TCFD reporting, climate scenario analysis, engagement policies, and ability to provide GHG emissions data.

Key conclusions

- All investment managers responded and showed awareness of climate-related risks and opportunities to varying degrees. The managers overall have shown willingness to engage in relation to the questions asked.
- All the managers are supporters of the TCFD, with all but one manager having completed their own TCFD-aligned report. AQR said it is not in regulatory scope to produce a firmwide TCFD report and has not elected to do so. That said, AQR is committed to working closely with clients to deliver tailored, informative reporting that supports their needs and helps them meet any applicable climate-related reporting requirements.
- All four managers are signatories to the United Nations Principles for Responsible Investment ("UN PRI"). CQS, TwentyFour and BlackRock also participate in several other industry initiatives. Participation varies between managers and includes affiliations such as: Institutional Investors Group on Climate Change ("IIGCC"), Global Impact Investing Network ("GIIN"), Glasgow Financial Alliance for Net

Zero (“GFANZ”), Taskforce on Nature-related Financial Disclosures (“TNFD”) and the Evelyn Partners Standard for “avoided emissions”.

- BlackRock and CQS carry out climate-related scenario analysis. TwentyFour does not perform scenario analysis as part of the investment process, however, is able to report climate value at risk under different scenarios. AQR does not undertake climate-related scenario analysis, due to the nature of the highly diversified strategies with shorter holding periods, however the manager continues to review climate related-datasets on physical risk and other similar areas. All managers incorporate ESG considerations into their investment processes.

We are not taking any immediate action as a result of these conclusions.

Assessing the Fund’s resilience to climate change

We analysed climate change scenarios to understand the impact climate change could have on the Fund’s assets and liabilities.

We compared three climate scenarios to a base case, which reflects market expectations. We chose these scenarios because we believe that they provide a reasonable range of possible climate change outcomes. Each scenario explores the Fund's transition to a low-carbon economy under various environmental conditions. The climate scenarios illustrate the climate-related risks the Fund faces, highlighting areas where changing the investment portfolio could reduce the risks.

Climate scenarios



No transition

No further action is taken to reduce GHG emissions leading to significant global warming.

Temperature rise by 2100 +4°C

Reach net-zero by After 2050

Carbon price 2030 \$40
2050 \$50

Environmental regulation rollout None



Disorderly transition

Limited action is taken, and insufficient consideration is given to sustainable long-term policies to manage global warming effectively.

<3°C

After 2050

\$65
\$340

Late and aggressive



Orderly transition

Immediate and coordinated action to tackle climate change is taken using carbon taxes and environmental regulation.

1.3°C - 2°C

2050

\$100
\$215

Coordinated

Source: Aon. Effective date of the analysis is 31 December 2025. **The scenarios were developed by Aon and are based on many assumptions. They are only illustrative and subject to considerable uncertainty.** Please see the [Appendix](#) for more details.

Trustee update

The climate change scenario analysis was last undertaken in 2022 and is required to be updated at least every three years. As the three years has now elapsed, we have refreshed the analysis.

Impact on the DB funding level

Key conclusions

The Fund’s investment portfolio is resilient in most climate scenarios, supported by its strong initial funding position, robust hedging and relatively low-risk investment strategy, which helps to limit reliance on the Sponsor.

In the short term, the most adverse scenario is an Orderly transition, where immediate, co-ordinated climate action reduces asset values and temporarily weakens the funding position. The funding level is expected to recover in the medium term, and, over the long term, the Orderly transition becomes the most favourable scenario for asset returns and insurer pricing.

By contrast, over the long term the most adverse scenario is a Disorderly transition, where delayed and abrupt climate action harms asset returns and may increase insurer pricing. In this scenario, the funding level falls after around 10 years and long-term economic damage prevents a full recovery, increasing the risk that securing benefits with an insurer becomes more costly and potentially prolonging the Fund’s reliance on the Sponsor.

Based on this analysis, we do not plan to take any immediate actions. We intend to continue reducing investment risk as the Fund’s funding level improves and its liabilities mature, and we will consider climate-related investment opportunities for the Fund as they are identified by our Investment Consultant.

For more detail on the scenario analysis, please see the [Appendix](#).

Considering climate change impacts on sponsoring employers

As the Fund progresses towards its long-term investment objective, the Fund's dependency on Refinitiv Limited (the "Sponsor") is expected to decrease over time. However, currently, a degree of Sponsor dependency remains. The Trustee therefore engaged with the Fund's Covenant Adviser, Mercer (previously Cardano), to understand how various climate scenarios would impact the strength of the covenant. The adviser completed a high-level qualitative assessment of the climate-related risks faced by the Sponsor in 2024 as set out in the Group's 2023 Sustainability Report¹, including the potential implications of these risks for the Fund. Due to the nature of the Sponsor's business, the funding position of the Fund and that the Fund is currently undergoing investment strategy changes, the Trustee believes it is appropriate to retain the outcomes from Mercer's previous analysis in the TCFD report this year. However, the Trustee intends to undertake an updated covenant climate scenario analysis for its TCFD reporting next year.

Based on Mercer's 2024 analysis, over the short (0-3 years), medium (3-10 years), and long (10+ years) term, the Covenant Adviser determined that, based on the Group's own assessment, climate risk to the Sponsor's business appears to be medium², considering exposure to both transition and physical climate risks. As appropriate, the Trustee will continue to consider covenant implications of scenarios that form part of the Group's strategy, and whether climate risks for the Fund's assets correlate with risks to the Group and implement specific mitigation actions if appropriate.

¹ Mercer based its assessment on the LSEG Sustainability Report 2023, including a materiality assessment of the potential financial impact of identified risks.

² Medium risk defined by Mercer as "Moderate financial materiality; may require additional mitigation responses."

Metrics & targets

Our climate metrics

The Trustee utilises climate metrics to quantitatively assess how the Fund is exposed to climate-related risks and opportunities. These metrics are integrated within the Fund's overall strategic decision making and risk management frameworks.

On an annual basis, the Trustee monitors and reports climate metrics. This year the Trustee reviewed the metrics previously reported and decided to make a change to the data quality metric. In particular, the Trustee replaced the Partnership for Carbon Accounting Financials ("PCAF") Data Quality Score with Data Coverage. The rationale for this was to adopt the best practice approach encouraged by the Trustee's new Investment Consultant.

The Trustee decided to report on the metrics below.



Total Greenhouse Gas emissions

The total greenhouse gas (GHG) emissions associated with the portfolio. It is an absolute measure of carbon output from the Fund's investments and is measured in tonnes of carbon dioxide equivalent (tCO₂e).



Carbon footprint

Carbon footprint is an intensity measure of emissions that takes the total GHG emissions and weights it to take account of the size of the investment made. It is measured in tonnes of carbon dioxide equivalent per million pounds invested (tCO₂e/£m).



Data Coverage³

A measure of the proportion of the portfolio that there is high quality data for (i.e. data which is based on verified, reported, or reasonably estimated emissions, versus that which is unavailable).



SBTi Alignment⁴

A binary target measurement which shows how much of the Fund's assets are aligned with a climate change goal of limiting the increase in their GHG emissions.

It is measured as the percentage of portfolio investments that have a Science-Based Targets Initiative ("SBTi") approved pathway to reduce their GHG emissions consistent with a 1.5°C, well-below 2°C, or 2°C global warming scenario.

³ Last year, the Trustee reported the Partnership for Carbon Accounting Financials ("PCAF") Data Quality Score, which monitored the reliability of companies' emissions data, scoring them one to five – with one representing the highest quality of independently verified emissions data.

⁴ More details are available at [How it works - Science Based Targets Initiative](#)

Asset class	Year	Data Coverage		Total GHG emissions (tCO ₂ e)		Carbon footprint (tCO ₂ e/£m)		Proportion of holdings with SBTi-validated targets (%)
		S1&2	S3	S1&2	S3	S1&2	S3	
Equity	2025	100%	100%	7,400	63,400	66	567	15%
Multi Class Credit	2025	78%	68%	15,100	45,000	71	243	15%
Diversified Risk Premia	2025	100%	100%	34,000	44,900	115	152	47%
Total (ex-LDI and Bulk Annuities)	2025	91%	87%	56,500	153,300	91	259	29%
LDI	2025	100%	N/A	86,900 Physical 60,300 Synthetic	N/A	136	N/A	N/A
Bulk Annuities	2025	85%	83%	9,600	144,400	31	485	<i>Not provided</i>

Source: Investment managers / Aon. Figures may not sum due to rounding. Notes: 'N/A' denotes information which is 'not applicable'. Emissions data was provided by the managers or, in the case of the Fund's equity assets, sourced from MSCI as at 31 December 2025. The exception was the Fund's Annuity provider, which has been reported as at 31 December 2024. The carbon footprint for the total portfolio (ex-LDI and Bulk Annuities) is a weighted average of the asset classes invested in by the Fund and represents the portion of the portfolio for which there is data; it is not additive. We have not aggregated metrics across the whole portfolio because the methodologies used for some asset classes are significantly different and therefore it is not appropriate to combine them. Scope 3 emissions are not available for LDI due to the lack of industry agreed methodology to calculate them. Emissions associated with LDI includes both physical emissions (emissions associated with physical assets that are held within the portfolio) and synthetic emissions (emissions associated with the notional exposure to sovereign bonds gained through derivatives).

Commentary

The portfolio shows a material amount of GHG emissions, with LDI currently the largest contributor to reported Scope 1 and 2 emissions, ahead of the growth asset classes. By contrast, Multi-Class Credit and Diversified Risk Premia drive a significant share of Scope 1 and 2 emissions within the return-seeking portfolio, consistent with their exposure to carbon-intensive sectors. Data was not provided directly by the Fund's Equity manager. The Trustee's Investment Consultant has an outstanding engagement with the manager on this and has reported the emissions using outputs sourced from MSCI. These outputs suggest Equity is a key driver

of Scope 3 emissions within the return-seeking portfolio.

Data coverage of around 91% for Scopes 1 & 2 and 87% for Scope 3 provides a reasonable baseline but still leaves gaps, notably the direct provision of metrics from the Equity manager and Scope 3 across several mandates. Improving data quality and coverage, and increasing the share of holdings with SBTi-validated targets, will be key to tracking progress against the Fund's climate targets and focusing engagement on the highest-emitting areas.

Notes on the data

This is the first year of reporting with the Trustee's new Investment Consultant, which uses a different approach to gathering and reporting climate-related metrics from the previous adviser. As a result, a year-on-year comparison will only be possible once there are consecutive disclosures prepared on a consistent basis.

The metrics are based on GHG emissions data provided by the Fund's investment managers and annuity provider, as well as those sourced via MSCI, and aggregated by the Trustee's Investment Consultant, Aon. The Trustee has reported across all scopes where methodologies are sufficiently developed.

For LDI assets (primarily UK gilts), there is no industry wide methodology for Scope 3 emissions and are

considered not applicable. LDI metrics have been shown separately, distinguishing between physical and synthetic exposures (reflecting leverage).

During the reporting year, the Trustee replaced its Equity fund with a passive index managed by BlackRock. The manager responded to the data

request outlining that it does not produce TCFD reporting for the fund. Total emissions and carbon footprint metrics have been reported using outputs sourced from MSCI by the Investment Consultant. The Trustee recognises this gap and intends to work with its Investment Consultant and managers to improve coverage.

Targets

Climate-related targets help us track our efforts to manage the Fund's climate change risk exposure.

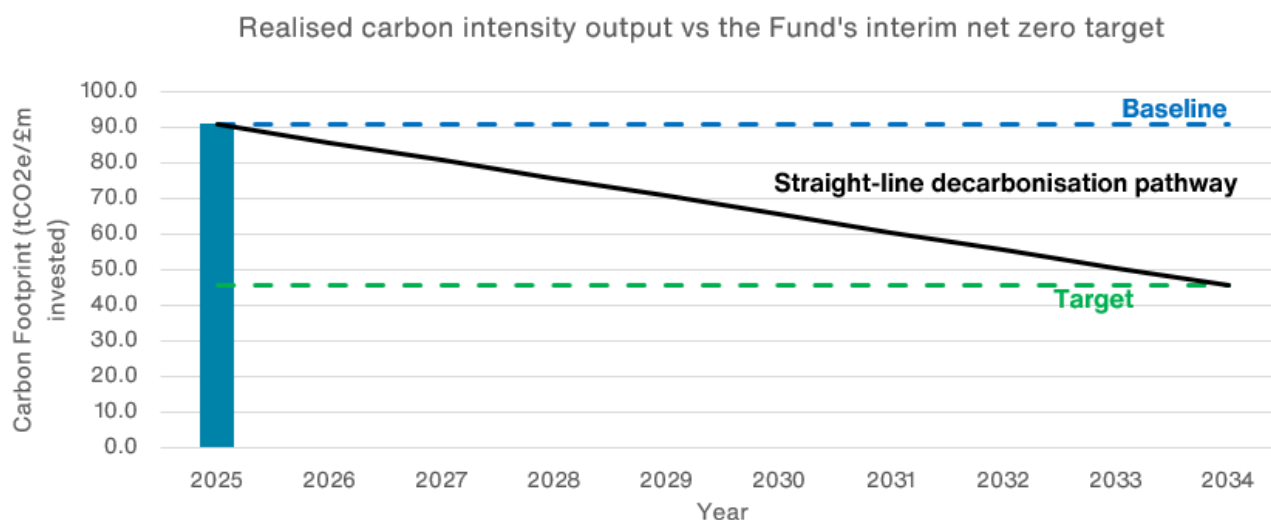
The Trustee has set an explicit emissions-related target for the Fund and has long-term aspirations to align the Fund's investment strategy with the goals of the Paris Agreement. With that, the Trustee aims to reduce the carbon intensity of GHG emissions of the Fund's assets to net zero by 2050, and originally adopted an interim target of a 50% reduction in carbon footprint by 2030 relative to 31 December 2021. This target applies to Scope 1 and 2 emissions of the Fund's non-LDI assets and excludes the Fund's buy-in arrangement.

When this interim target was agreed, it was considered appropriate given the Fund's investment time horizon and the expectation that the low-carbon transition would progress at a reasonable pace. Since then, following a tender exercise, the Trustee replaced its Investment Consultant. This is the first year of reporting where the new Investment Consultant has assisted with the preparation of this report, resulting in a change in the methodology used to calculate the Fund's carbon footprint, which means that the original baseline is no longer directly comparable.

Consistent with its long-term aspirations, the Trustee reviewed and updated the interim target to reduce the carbon footprint (Scope 1 and 2 emissions per £m invested) of the Fund's assets (excluding LDI and Bulk Annuities) by 50% by 2034, relative to the 2025 baseline.

Our progress towards the target

The chart below shows the Fund's realised carbon footprint for 2025 alongside the straight-line pathway required to meet the 50% reduction by 2034. The 2025 outcome establishes the baseline for monitoring future progress under Aon's methodology. As this is the first year of reporting on this basis, it is too early to draw conclusions on the trend, but the Trustee intends to report annually on movements in the Fund's carbon footprint relative to this pathway.



Source: Investment managers, Aon.

The Fund's performance against the target will be measured and reported each year, enabling the Trustee to assess whether the Fund is broadly on track or whether further action is required.

Steps we are taking to reach the target

To support progress towards the revised interim target, the Trustee, with support from Aon, is focusing on the following actions:

- **Portfolio construction and risk management** – considering climate-aware investment strategies and tilts, where appropriate, while remaining consistent with the Fund's overall risk-return objectives.

- **Manager selection and engagement** – incorporating climate considerations into manager selection and ongoing monitoring, engaging with managers to increase data coverage and encouraging managers to integrate climate risk into investment decisions and stewardship activities.
- **Ongoing monitoring** – reviewing the Fund’s carbon footprint annually against the target pathway and using the results to inform investment and engagement priorities.

The Trustee will keep the interim target and associated actions under review in light of future developments in climate policy, market practice and data availability.

Appendices



Appendix 01 - Climate governance and risk management framework

Climate governance

As the Trustee of the Fund, we are responsible for overseeing all strategic matters related to the Fund, the Fund's climate-related risks and opportunities and actions taken to manage them. This includes the governance and risk management frameworks relating to climate-related risks and opportunities. This also includes determining both the strategic climate-related objectives and the detailed climate-related targets, as well as overseeing progress made against them.

Climate-related risks and opportunities are integrated into our risk management framework so we can maintain oversight of the climate-related risks and opportunities that are relevant to the Fund.

We receive regular training on climate-related issues to ensure that we have the appropriate knowledge and understanding to support good decision-making.

The Trustee expects investment managers to be aware of climate change risks and opportunities within their investment processes. The Trustee expects the investment managers to be aware of the Fund's climate-related objectives when making decisions in relation to the funds in which the Fund is invested.

We delegate oversight of the Fund's climate change risk management to the Investment Sub-Committee ("ISC") The sub-committee keeps the Trustee updated on material climate-related developments.

Role of the Investment Sub Committee (the "ISC")

As a sub-committee of the Trustee Board, the key activities undertaken by the ISC, with the support of our advisers, are:

- ensuring the Fund's Climate Policy and strategic climate objectives are implemented into the investment strategy;
- to achieve this, the ISC regularly reviews the climate-related metrics and targets as agreed by the Trustee;
- ensure the investment strategy or any implementation proposals consider the impact of climate risks and opportunities;
- in cases where the ISC believes there are grounds to carry out investment strategy or investment manager changes based on climate change, the ISC may recommend investment strategy changes or manager changes to the Trustee;

How we work with our advisers

We expect our advisers and investment managers to bring important climate-related issues and developments to our attention in a timely manner.

We expect our advisers and investment managers to have the appropriate knowledge on climate-related matters.

Investment Consultant – our Investment Consultant, Aon, advises the Trustee on, and provides objective assessments of, differing approaches to identifying, assessing, and managing climate-related risks and opportunities to help the Trustee meet its climate-related objectives for the Fund. This includes informing the Trustee of climate-related risks and opportunities as relevant for the Fund.

The Trustee annually assesses the delivery of this advice using the objectives which the Trustee has set for its Investment Consultant. Following its annual assessment, the ISC produces a report for the Trustee that provides its view on whether the advisers have met the requirements set out in their annual objectives. If the ISC deems the objectives have not been adequately met, it will provide suggested escalation steps for the Trustee to consider.

As part of their review, the Trustee will also consider the ability of the Fund's covenant adviser and actuary to assess climate-related risks and opportunities.

Scheme Actuary - the Scheme Actuary, Jonathan Wicks (Aon), helps us assess the potential impact of climate-related risks on the Fund's funding where relevant.

As part of its assessment of its advisers' climate-related competence, the Trustee will seek to understand how climate-related factors affect the funding assumptions used for the Fund, and which sources of expertise the Scheme Actuary has used in determining the appropriate assumptions to use.

Covenant adviser - our covenant adviser helps us understand the potential impact of climate-related risk on the Sponsor covenant of the principal Employer, Refinitiv Limited.

As part of covenant advice sought, the Trustee will seek to understand how climate-related factors could affect the sponsoring employer over time.

Trustee update

During the reporting year, following a tender exercise, the Trustee replaced its Investment Consultant. As part of this, the Trustee considered the ability of the incumbent Investment Consultant to provide suitable responsible investment advice, including that associated with climate-related risks and opportunities.

On behalf of the Trustee, the ISC worked with Aon to agree new Investment Consultant objectives, as required by the DWP. This included, but was not limited to, objectives relating to whether the Consultant helped the Trustee to develop views on Responsible Investment to create (or review) a clear and well thought out Responsible Investment Policy covering environmental, social and governance factors (including climate change).

Climate Policy – Reuters Pension Fund

We, as the Trustee of the Reuters Pension Fund (“the Fund”), recognise climate change as a systemic, long-term material financial risk to the value of the Fund’s investments. Therefore, the Trustee has a fiduciary duty to consider climate change risk when making investment decisions, and every strategic investment decision should include an assessment of climate change risks and opportunities.

Within this fiduciary context, we support the Paris Agreement to avoid dangerous climate change by limiting global warming to well below 2°C above pre industrial levels and pursuing efforts to limit it to 1.5°C.

The Trustee recognises that there are limitations to the extent that the portfolio can be further aligned with a sub-2°C world. These are as follows:

- The Trustee’s long-term target of 113% of Gilts + 0% liabilities by 2034 reduces the ability to invest in long-dated illiquid assets with a favourable climate profile (e.g., renewable infrastructure).
- The Fund’s current strong funding position has facilitated significant de-risking activity, and therefore the Fund only has a small equity allocation.
- The Trustee delegates all voting and stewardship activity to asset managers.

In this context, The Trustee has adopted the following policy.

- We will appropriately factor in climate change risks and opportunities when making strategic asset allocation and manager selection decisions;
- We support our asset managers investing in companies that can demonstrate they identify physical and transition climate risks and re-positions for an economy aligned with the Paris Agreement;
- We expect our appointed asset managers to recognise climate change risks and opportunities within their investment processes as applied to the assets of the Fund. We monitor environmental, social and governance (“ESG”) and carbon reporting of individual manager mandates on an annual basis and expect our asset managers to be able to provide a robust investment rationale where high carbon emission companies are held as part of their strategy. We will engage with managers who do not adequately meet these expectations;
- If engagement with managers does not work, we will implement escalation measures and plan to ultimately disinvest from asset managers that are not adequately managing climate related risks;
- In line with our preference for engagement rather than exclusion, where relevant, we expect our asset managers to actively engage with companies to better manage climate change associated risks. We also expect managers to independently consider whether exclusion or engagement is more appropriate within their investment process, based on their own risk assessment;
- We support the Task Force on Climate-related Financial Disclosures (TCFD) and intend to incorporate its recommendations into the Fund’s reporting, subject to availability of data;
- We have articulated an explicit net zero climate objective to “reduce baseline carbon emissions by 50% by 2034 compared to 2025 levels” as well as monitoring climate risk in our Pension Risk Management Framework. These climate-related targets help the Fund align with TCFD;
- We support the further development of effective climate change risk metrics to enhance the ability to assess and minimise climate risks. We will consider whether new practices will improve this for the Fund;
- We recognise that climate change will be subject to much further analysis and subsequent policy changes in the coming years. We are supportive of adopting an evolving policy to ensure relevant developments are captured and will review this policy regularly in light of market developments.

Climate risk management framework

The climate risk management framework is set out in the tables below. It is part of the Fund’s wider risk management and is how we monitor the most significant risks to the Fund.

Governance

Activity	Owner	Support	Frequency
Climate change governance framework (<i>this document</i>)	Trustee	Aon	Annual
Publish TCFD report and implementation statement	Trustee	Aon	Annual

Add / review climate risks and activity on key Fund documentation (risk register)	Trustee/ ISC	Aon	Ongoing
Maintain ESG beliefs (including climate beliefs)	ISC	Aon	Triennial
Receive training on climate-related issues	Trustee/ ISC	Aon	Ongoing
Ensure investment proposals explicitly consider the impact of climate risks and opportunities, and seek investment opportunities	Trustee	Aon	Ongoing
Ensure that actuarial and covenant advice adequately incorporate climate-related risk factors where they are relevant and material	Trustee	Scheme Actuary, Covenant adviser	Triennial
Review adviser objectives to ensure advisers have appropriate climate capability, and bring important, relevant and timely climate-related issues to the Trustee's attention.	Trustee	All Advisers	Annual

Trustee update

The Trustee monitors the above activities as part of its ongoing management of the Fund's climate-related risks and opportunities.

Strategy

Activity	Owner	Support	Frequency
Identify climate-related risks and opportunities over agreed time periods	Trustee/ ISC	Aon	Annual
Climate scenario analysis - annual review for the continuing suitability of the results	ISC	Aon	Annual
Climate scenario analysis - refresh modelling	ISC	Aon	At least Triennial

Trustee update

The ISC has dedicated time throughout the year to analyse climate-related risks and opportunities for the Fund's various asset classes in which it invests in. The Trustee reviewed the scenario analysis completed as part of the 2022 Climate Disclosures reporting process, and determined it was necessary to refresh the scenario analysis in this year's reporting, as at 31 December 2025, to ensure regulatory compliance.

The ISC has monitored how the investment managers have used voting and engagement to influence investee companies to mitigate climate risks, as well as how climate issues influence the actual selection of underlying companies/securities through the engagement policy implementation statement.

Risk Management

Activity	Owner	Support	Frequency
Identify, assess and manage key climate-related risks	Trustee/ ISC	Aon	Ongoing
Include consideration of climate-related risks in the Fund's other risk processes and documents, such as the risk register and the SIP, and regularly review these	Trustee	Advisers	Annual

Trustee update

The Trustee incorporates climate related risks into its risk register and will incorporate any required changes to further documentation upon review. The risk register and the SIP were last reviewed in March 2026.

The Trustee reviews its process of identifying and assessing climate-related risks as part of the annual TCFD process in order to evaluate its continued suitability. This is integrated into the ongoing activities of the Fund, including the appointment of any new funds, and monitoring of existing funds.

Metrics and Targets

Activity	Owner	Support	Frequency
Obtain emissions data and calculate climate metrics	ISC	Aon/ Investment Managers	Annual

Review the climate metrics remain suitable	Trustee/ ISC	Aon	Annual
Review the target remains suitable	Trustee/ ISC	Aon	Annual

Trustee update

The ISC, supported by its advisers, collects metrics data on an annual basis to understand the emissions, carbon intensity, data coverage and portfolio alignment metric associated with the Fund's asset portfolio.

The Trustee has reviewed and updated the interim target in light of the change in the methodology used to calculate the Fund's carbon footprint, which means that the original baseline is no longer directly comparable. More details can be found in the Metrics and Targets Section of this report.

Appendix 02 – Climate risk categories

Climate-related risks are categorised into physical and transition risks. Below are examples of transition and physical risks.

Transition risks

Transition risks relate to how well an organisation can adjust to reducing greenhouse gas emissions and switching to renewable energy. These risks include four main areas: policy and legal issues, technological changes, market shifts, and reputation concerns.

Policy and legal

Examples

Increased pricing of GHG emissions
Enhanced emissions-reporting obligations
Regulation of existing products and services

Potential financial impacts

Increased operating costs (e.g. higher compliance costs, increased insurance premiums)
Write-offs, asset impairment and early retirement of existing assets due to policy changes

Technology

Examples

Cost to transition to lower emissions technology
Unsuccessful investments in new technologies

Potential financial impacts

Write-offs and early retirement of existing assets
Capital investments in technology development
Costs to adopt new practices and processes

Market

Examples

Changing customer behaviour
Uncertainty in market signals
Increased cost of raw materials

Potential financial impacts

Reduced demand for goods and services due to shift in consumer preferences
Abrupt and unexpected increases in energy costs
Re-pricing of assets (e.g., fossil fuel reserves, land valuations, securities valuations)

Reputational

Examples

Stigmatisation of sector
Increased stakeholder concern or negative stakeholder feedback

Potential financial impacts

Reduced revenue from decreased demand for goods and services
Reduced revenue from decreased production capacity

Physical Risks

Physical risks are the physical effects of climate change on a company's operations. They impact how well a company can function due to climate disruptions. These risks are divided into acute risks, which are sudden extreme climate events, and chronic risks, which are long-term climate trends.

Acute

Examples

Extreme heat
Extreme rainfall
Floods
Droughts

Chronic

Examples

Water stress
Sea level rises
Land degradation
Variability in temperature

Appendix 03 – Climate-related risk assessment in detail

The following tables summarise the transition and physical risks for each asset class the Fund is invested in. Each table is based on ratings and commentary provided by the managers.

Equities – 9.4% of portfolio

BlackRock – Aquila Life Global 3000 Fundamental Weighted Index Fund

The Equity manager was unable to provide details on the climate-related risks and opportunities that it perceives for the fund. The nature of this portfolio being a passively managed fund that replicates an index means that the manager directly does not take into account any climate-related factors into its investment decisions.

Multi Class Credit – 22.9% of portfolio

CQS – Dynamic Credit Multi-Asset Fund (11.4%)

Physical Risks

	Acute	Chronic
Short	●G	●G
Medium	●A	●A
Long	●A	●A

The manager sees limited short-term financial impact from acute weather events, rising to moderate, more visible disruption and higher costs by 2030, especially in high-risk regions. Over the long term, more frequent and severe physical risks could drive major business interruptions, asset obsolescence and supply chain disruption.

Source: Manager, Aon.

Transitional Risks

	Regulatory	Technology	Market	Reputation
Short	●G	●G	●G	●G
Medium	●A	●A	●A	●A
Long	●A	●A	●A	●A

Rising short- to medium-term transition risk. Near term, frequent ESG policy changes, volatile carbon pricing, immature low-carbon technologies, evolving markets and growing reputational scrutiny pose limited but increasing financial risks. By 2030, mandated climate targets, scalable decarbonisation technologies and shifting market dynamics could materially affect costs, capex, margins, balance sheets and stranded asset risk. Similar risks persist long term.

TwentyFour – Dynamic Bond Fund (11.5%)

Physical Risks

	Acute	Chronic
Short	●G	●G
Medium	●A	●A
Long	●R	●R

Short-term physical risks are limited by diversification and short duration. Over the medium term, rising extreme weather and gradual impacts may widen spreads. In the long term, worsening climate risks may drive structural sector deterioration and broad credit repricing.

Source: Manager, Aon.

Transitional Risks

	Regulatory	Technology	Market	Reputation
Short	●A	●G	●A	●G
Medium	●R	●A	●R	●A
Long	●R	●R	●R	●A

Evolving UK/EU regulation and spread volatility create dispersion in the short term. Over the medium-to-long term, tightening climate policy, transition technologies and capital reallocation raise transition and stranded asset risks, partly mitigated by ongoing ESG integration and issuer engagement.

Diversified Risk Premia – 12.2% of portfolio

AQR – Diversified Risk Premia

Physical Risks

	Acute	Chronic
Short	●A	●G
Medium	●G	●G
Long	●G	●G

Chronic and acute physical climate risks are not explicitly integrated into the investment process. Given the fund's highly diversified, dynamic, multi-asset construction, both acute events and slower-moving chronic impacts are expected to have relatively low, diffuse, and hard-to-predict effects on returns.

Transitional Risks

	Regulatory	Technology	Market	Reputation
Short	●G	●G	●G	●G
Medium	●G	●G	●G	●G
Long	●G	●G	●G	●G

The fund is highly diversified across global markets, so the impact of any single climate-related, policy, legal, technology, market, or reputational risk is expected to be low. Its flexible, multi-strategy approach allows exposures to be adjusted by risk/return. ESG integration, tilts, exclusions, and lower long-side

carbon intensity further limit climate transition risk across short, medium, and long terms.

Source: Manager, Aon.

LDI – 53.8% of portfolio

BlackRock – LDI

Physical Risks

	Acute	Chronic
Short	●G	●G
Medium	●G	●G
Long	●G	●G

The Fund's LDI manager utilises a consistent methodology for Sovereign Bonds. With the risk factors in the model focusing on physical risk, noting that all sectors of the economy are impacted by higher temperatures. The manager analyses the impact of a "hot house world" scenario on the portfolio, where climate-related risks have been deemed as low.

Source: Manager, Aon. As reputation is not a risk modelled by the investment manager's current analytics, this has been assigned as not applicable ("N/A")

Transitional Risks

	Regulatory	Technology	Market	Reputation
Short	●G	●G	●G	N/A
Medium	●G	●G	●G	N/A
Long	●G	●G	●G	N/A

The Fund's LDI manager utilises a consistent methodology for Sovereign Bonds. The risk factors in the model focus on transition risk factors that arise as the economy moves. The manager analyses the impact of both an orderly transition and disorderly scenario on the portfolios, where climate-related risks have been deemed as low.

Appendix 04 – Climate scenarios in detail

The table below describes each climate scenarios and the impact on the Fund over the short-, medium- and long-term time horizons.

Summary of the Scenario	Impact on the Fund
<p>No Transition scenario Limited climate policy is introduced and the world continues on with 'business as usual' behaviour. Over time this leads to significant global warming and steadily rising physical climate risks that slow global growth and weaken company profits. Government bond yields are expected to rise in nominal terms due to higher, more volatile inflation, while long-term real yields fall as growth expectations weaken. Corporate spreads gradually rise relative to the base case as climate inaction leads to increasing costs and weaker growth.</p>	<p>The Trustee is targeting a long-term investment target of 113% of Gilts + 0% liabilities by 2034. As a relatively mature scheme the Fund is most exposed over the short and medium term. High interest rate and inflation hedging is expected to mitigate the direct impact of climate-driven changes in yields and inflation. Under this scenario, in the short term, conditions largely track the base case. Over the medium-term, weaker growth and rising climate-related costs could begin to affect corporate earnings and credit quality. While hedging still protects against rate and inflation risk, wider credit spreads could modestly reduce asset values and the funding level. Over the long term, weaker economic growth and wider credit spreads could reduce returns on the Fund's assets and increase the cost of securing benefits with an insurer, potentially increasing or extending the support required from the Sponsor.</p>
<p>Disorderly Transition scenario Action on climate change is delayed for around 10 years, with limited early progress and a focus on near-term growth. More aggressive policies are then introduced, but the late response is less efficient and more costly. Government bond yields are expected to be close to the base case initially and then fall below it as growth weakens. Corporate spreads are expected to widen and markets to reprice climate risks sharply, causing a funding shock and a period of lower, more volatile asset returns.</p>	<p>The Fund's primary exposure lies over the next decade. The high level of interest rate and inflation hedging helps to mitigate the direct impact of climate-related changes in yields and inflation on the funding position. However, the anticipated aggressive policy response in around 10 years' time is expected to significantly increase market volatility and widen corporate credit spreads, which may reduce asset returns and adversely affect insurer pricing. If the Fund has not insured the liabilities by this point, the cost of securing benefits with an insurer may be higher or subject to delay, potentially extending the period of reliance on the Sponsor.</p>
<p>Orderly Transition scenario Governments act quickly and in a coordinated way, using carbon pricing, regulation and investment in low-carbon technologies. This creates near-term transition costs, including an initial spike in inflation, higher interest rates and some widening of credit spreads. Over time, stronger growth prospects and clearer policy direction support narrowing credit spreads and improved performance of growth assets compared with scenarios where action is delayed or insufficient.</p>	<p>Given the objective to have low reliance on the Sponsor by 2034, the timing of any insurance transactions will be a key driver of risk. The initial phase of the transition is expected to involve higher inflation, higher interest rates and increased volatility in asset values and credit spreads, which could adversely affect the Fund's assets and the pricing offered by insurers at the point of transaction. Hedging helps manage rate and inflation risk over this period. Longer term, stronger growth prospects and narrowing credit spreads are expected to support asset values and may improve insurer pricing relative to scenarios with weaker growth or delayed action.</p>

Source: Aon. Effective date of the analysis is 31 December 2025.

Impact on mortality

Most liabilities fall due over the next 10–20 years. Over this horizon, material changes in mortality are highly uncertain and likely to be limited relative to other risks. Climate-related mortality impacts are therefore expected to be a secondary consideration compared with financial markets and insurer pricing.

Modelling limitations

The scenarios were developed by Aon and are based on many assumptions. They are only illustrative and subject to considerable uncertainty.

The climate scenarios modelling illustrates the potential impact climate change could have on the asset portfolios. It does not consider the impact climate change could have on other risks, such as timing of member options, operational risks, and covenant risk.

When changing the investment strategy, it is important to consider other relevant issues such as governance, costs, and implementation, including choosing managers and conducting due diligence.

The scenario modelling reflects market conditions and market views at the effective date of the modelling. The model may produce different results for the same strategy under different market conditions.

Modelling methodology

The analysis uses qualitative climate scenarios to explore the resilience of the Fund under different plausible climate futures. It is designed to inform strategic discussion and risk identification, not to provide forecasts or precise financial estimates.

- The climate scenarios were developed by Aon and are based on assumptions. They consider the exposure of the Fund to potential climate-related risks and the possible impact on assets and liabilities over the long-term.
- No probabilities are assigned; scenarios are illustrative and exploratory.
- Policy, carbon price and technology assumptions are simplified and indicative only.
- Impacts are assessed qualitatively.
- The focus is on direction and relative magnitude of risks and opportunities.

Appendix 05 – Covenant Scenario Analysis Full Report (Mercer)

The Fund's covenant adviser, Mercer, advises the Trustee in relation to the Fund Sponsor's ability to support the Fund, now and in the future. Climate-related exposures could have a positive or negative impact on the strength of the Sponsor's covenant. Therefore, Mercer includes climate-related matters in the covenant advice provided to the Trustee.

In forming a view on the impact of different scenarios on the employer covenant, considering the funding position of the Fund and the Trustee's view that the employer covenant is not materially exposed to climate risks, the Trustee has relied on company disclosure in the "LSEG

Sustainability Report 2023" (the "Sustainability Report").

The Trustee is of the view that using LSEG's disclosures as a proxy to determine the potential impact of climate change on the employer covenant is a reasonable approach for the following reasons:

1. Data & Analytics business' operations and revenue represents the majority of LSEG's operations and revenue;
2. The Fund has access to the majority of the Data & Analytics business through parent company guarantees from LSEGA Inc and LSEG Data and Risk Limited;
3. No standalone climate disclosures have been prepared for the sole participating employer, Refinitiv Limited; and
4. Refinitiv Limited is intrinsically linked to LSEG and is not a separable standalone business due to shared intellectual property arrangements and support function services.

Climate scenarios for covenant

The Sustainability Report considers the possible financial impact of climate risks over different time frames:

- a. Short-term (0-3 year)
- b. Medium-term (3-10 years)
- c. Long-term (10+ years)

The Sustainability Report considers three different NGFS⁵ scenarios for transition risk assessment:

Transition risk scenarios	Description
Net Zero 2050 (Orderly transition)	This is an ambitious scenario that limits global warming to 1.5°C by 2100 through stringent climate policies and innovation, reaching net zero emissions around 2050. This assumes ambitious, immediate, and smooth policy action, and fast technological change.
Delayed Transition (Disorderly transition)	This assumes global annual emissions do not decrease until 2030 and new climate policies are not introduced until then. The level of action differs across countries and regions based on current implemented policies. In this scenario there is a higher carbon price than in the Net Zero 2050 scenario.
Fragmented World (Current policies)	This 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.

Source: LSEG Sustainability Report 2023, page 16

Findings: LSEG has identified that if emissions are not reduced in line with targets (i.e. net zero emissions by 2040), the potential cost of offsetting carbon emissions could reach almost \$35 million a year in the medium term under the Net Zero 2050 scenario, categorised as a significant financial risk under LSEG's enterprise risk management framework. This emphasises the need for LSEG to reduce emissions in line with current targets.

The Sustainability Report also considers three different scenarios for physical risk assessment:

⁵ This is defined as the 'Network for Greening the Financial System', a group of central banks, supervisors and observers committed to sharing the best practices and developing environment-related risk management in the financial sector and mobilising mainstream finance to support the transition.

Physical risk scenarios	Description
Hothouse world (>4 °C)	Emissions follow the IPCC SSP5-RCP8.5 scenario, which is associated with > 4°C temperature rise from pre-industrial times by the end of the century. Physical risks become increasingly frequent and severe in the long term.
Middle of the road (2-3 °C)	Emissions follow the IPCC SSP2-RCP4.5 scenario, which is associated with 2-3°C temperature rise from pre-industrial times by the end of the century. Physical risks become increasingly frequent and severe in the long term but less so than in the high greenhouse gas emission scenario.
Net zero 2050 (~1.5°C)	Emissions follow the IPCC SSP1-RCP1.9/2.6 scenario, which is associated with ~1.5°C temperature rise from pre-industrial times by the end of the century. As a result of the transition, physical risks are less severe and somewhat similar to the current climate.

Source: LSEG Sustainability Report 2023, page 18

Findings: LSEG has considered climate events related to both acute (such as windstorm, flood, wildfire etc.) and chronic physical risks (such as heat stress, drought, sea level rise etc.), and has assessed climate-related risk to over 200 locations of property and physical assets. Physical climate-risk is greatest under the Hothouse world scenario, with drought and heat stress expected to have the highest impact over the longer term (by 2050) due to the potential disruption of operations. In the short-to-medium term, physical risks are not expected to have a significant impact due to the nature of the business and operations (e.g. the majority of buildings are leased so have limited financial risk and there is capacity for employees to work remotely in the event of damage to office locations).

Conclusion

Short-term risks generally appear low⁶ across both transition and physical risk, given the nature of LSEG's business. The majority of risk resides with the Group's ability to implement an effective transition plan and deliver on decarbonisation targets.

Over the medium term, transition risk increases to medium⁷ due to exposure to potential carbon costs in the Net Zero 2050 scenario if decarbonisation targets are not met. However, physical climate risk exposure remains low due to the limited potential financial impact even in the high temperature warming scenarios.

Over the longer term, both transition and physical risks are expected to be medium. The Group will need to continue reducing its carbon footprint to avoid potentially high carbon cost impacts. In the Hothouse world scenario, while the severity and frequency of adverse climate events is expected to increase, the nature of the business is well positioned to mitigate some of those risks if early actions are taken to integrate climate considerations into business continuity planning and asset location strategy.

Recommendations to the Trustee

To address the risks identified in the analysis, the Trustee has considered the recommendations from the Fund's Covenant Adviser in each of the following areas:

- In the short term, the Trustee could incorporate monitoring of the most prevalent risks and Group progress against carbon emission reduction targets into the annual covenant monitoring framework; and
- If the Fund's period of covenant reliance extends beyond current expectations (i.e. into the long term), the Trustee should assess: a) covenant implications of transition scenarios that form part of the Group's strategy and whether it addresses any risks identified; and b) whether any climate risks identified for the Group also impact on the Fund's assets or liabilities, and implement specific mitigation if appropriate.

⁶ Low risk defined: "Low financial materiality; financial risks managed as part of existing processes".

⁷ Medium risk defined: "Moderate financial materiality; may require additional mitigation responses".

Appendix 05 – Climate metrics methodology

The material provided herein is grounded in part from publicly available information and information from third-party sources (e.g. the investment managers) with whom the Trustee has contractual relationship and the Trustee believes to be reliable, but which has not been independently verified by the Trustee, and Trustee does not represent that the information is accurate or complete.

Additional information on the metrics calculations

In general, we relied on information provided by the Fund's investment managers about their greenhouse gas emissions. One exception was the Equity assets, for which metrics were sourced from MSCI, as the Fund's investment manager was unable to provide the requested metrics. Our adviser, Aon aggregated this information to calculate the metrics for the Fund's portfolio of assets.

How we collected the carbon data

Our Investment Consultant, Aon, collected the carbon emissions data from our managers on our behalf using the industry standard Carbon Emissions Template ("CET"). The CET was developed by a joint industry initiative of the Pension and Life Savings Association, the Association of British Insurers and Investment Association Working Group. The CET seeks to provide a standardised set of data to help pension schemes meet their climate reporting obligations.

We have not considered Private Equity, Insurance Linked Securities or Cash, on the basis of materiality, given the total amount invested in these asset classes.

Carbon metrics for non-LDI asset classes

Emissions data was collected from the managers using the CET⁸. Managers provided carbon footprint and data coverage for their fund(s).

Aon calculated the total GHG emissions for each fund as follows:

$$\text{£M invested in the fund} \times \text{Carbon footprint} \times \text{Data coverage}$$

Aon aggregated the carbon footprint for each asset class as follows:

$$\frac{\sum G_i}{\sum (A_i \times C_i)}$$

Where i is each fund in the asset class

G_i = Total GHG for fund i (tCO_{2e})

A_i = Assets invested in fund i (£M)

C_i = Data Coverage of fund i (%)

Aon reported the carbon metrics for the Equity assets using outputs sourced from MSCI, as the investment manager did not provide this information directly.

Aon did not make any other estimates for data which was unavailable.

The carbon metrics for LDI

Scopes 1 and 2 emissions associated with LDI includes both physical emissions (emissions associated with physical assets) and synthetic emissions (emissions associated with the notional exposure to government bonds gained through derivatives). The Fund's LDI manager provided the value of the physical and synthetic government bond exposures.

The carbon footprint was calculated by Aon as follows:

$$\text{Carbon footprint} = \frac{\text{UK national emissions scopes 1 and 2}}{\text{PPP-adjusted GDP}}$$

Where latest available UK national emissions scopes 1 and 2, as at 31 December 2024, as reported by the Emissions Database for Global Atmospheric Research; and latest available PPP (Purchasing Power Parity)-adjusted GDP, as at 31 December 2024, as reported by the World Banking Group.

Total GHG emissions for LDI was estimated for physical and synthetic exposures as follows:

$$\text{GHG Emissions associated with physical assets} = \text{£M physical exposure} \times \text{Carbon footprint} \times \text{Data coverage}$$

⁸ <https://www.plsa.co.uk/Policy-and-Research/Document-library/Carbon-Emissions-Template>

GHG emissions= *£M synthetic* *x* *Carbon* *x* *Data*
associated with *exposure* *footprint* *coverage*
synthetic
exposure

Where data coverage is assumed to be 100% estimated.

Scope 3 emissions are not available for LDI due to the lack of industry agreed methodology to calculate them.

Binary target measurement

Aon asked the investment managers for the proportion of holdings with SBTi-validated targets of each fund and aggregated the results based on assets invested across the Fund.

Aon reported the binary target measurement for the Equity assets using outputs sourced from MSCI, as the investment manager did not provide this information directly.

Aon did not make any other estimates for data which was unavailable.

There is no standard method for calculating binary target measurements for government bonds, so LDI lacks this measurement.

Industry-wide issues

There is no standard method for calculating metrics for some assets, for example scope 3 emissions for LDI, leading to varied approaches by managers. These industry-wide issues underscore the need for climate reporting to enhance transparency. We anticipate improved information from managers as the industry adopts best practices.