JOHN LEWIS PARTNERSHIP | TRUST FOR PENSIONS

WE'RE NOT SLEEPING ON IT.

Climate Disclosures Report

for the year ending 31 March 2025

Introduction

Climate change is affecting the planet, causing extreme weather events, impacting crop production, and threatening Earth's ecosystems. Understanding the impact of climate change and the John Lewis Partnership Trust for Pensions' (the "Trust") vulnerability to climate-related risks will help the Board of the John Lewis Partnership Pensions Trust (the "Trustee") to mitigate these risks and take advantage of any opportunities.

UK regulations require pension scheme trustees to meet climate governance requirements and publish an annual report on their scheme's climate-related risks in line with the recommendations of the Taskforce on Climate-related Financial Disclosure ("TCFD").

Better climate reporting should lead to better-informed decision-making on climate-related risks. In addition, greater transparency around climate-related risks should lead to more accountability for actions that have climate-related consequences and provide decision-useful information to investors and beneficiaries.

This report has been prepared in accordance with the regulations set out under The Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (the "Regulations"). It provides an update on how the Trust aligns with each of the four pillars set out in the regulations. These pillars are summarised below:

- **Governance:** The Trust's governance around climate-related risks and opportunities.
- **Strategy:** The actual and potential impacts of climate-related risks and opportunities on the Trust'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.

This is the fourth annual TCFD report that has been prepared by the Trustee and covers the year ended 31 March 2025 (the "Scheme Year").

What is TCFD?

The Financial Stability Board created the Taskforce on Climate-related Financial Disclosure ("TCFD") to develop recommendations on the types of information that entities should disclose to support investors in assessing and pricing risks related to climate change.

The TCFD has developed a framework to help companies and other organisations, including pension schemes, more effectively disclose climate-related risks and opportunities through their existing reporting processes.

WHAT'S INSIDE

Executive summary

To produce this TCFD-aligned report, the Trustee has worked with our investment advisers to carefully consider the potential impact climate change could have on the Trust and how we identify, manage, and mitigate those risks.

The Trustee believes that climate change is a systemic risk to the global economy and the investments of the Trust. The Trustee therefore supports the recommendations set out by the TCFD on the basis that it will allow us to assess, monitor and mitigate climate-related risks more closely, on behalf of our members. This is our fourth disclosure under the TCFD framework, and this report is expected to evolve over time as market practice in this area continues to improve. As before, the Trustee has sought to provide complete information where it is able to, noting that data availability remains poor in some areas.

Overview of the Trust

The Trust is comprised of a Defined Benefit ("DB") Section and a Defined Contribution ("DC") Section. Both sections are within the scope of this TCFD report.

The DB Section investment portfolio is currently diversified across a range of different asset classes including Multi-Asset Credit, private equity, private credit, real assets and hedging assets known as Liability Driven Investments ("LDI").

The DC Section offers members a range of investment funds, including a default fund for those that do not want to make investment decisions. The funds included in the default arrangement (which is the focus of the analysis in this report and the Trust's only popular arrangement) include equities, cash and multi-asset funds. A popular arrangement is considered to be one in which £100m or more of the scheme's assets are invested, or which accounts for 10% or more of the assets used to provide money purchase benefits (excluding assets which are solely attributable to Additional Voluntary Contributions).

Summary of our findings

This report is divided into four sections which align with the pillars of the TCFD recommendations. The key findings of each section are as follows:

Governance
The Trustee has ultimate responsibility for the oversight of climate-related risks and opportunities. A comprehensive governance and management framework relating to Environmental, Social and Governance ("ESG") considerations (which includes climate-related risks and opportunities) is in place, and this is reviewed against best practice regularly. Over the Scheme Year the Trustee published its Responsible Investment ("RI") Policy. The RI policy also documents the Trustee's beliefs on responsible investment issues:

- Recognising the positive impact of Responsible Investment in the governance process is important, reflecting market best practice and stakeholder views where appropriate to do so.
- Climate change is a systemic risk to the global economy and the investments of the Trust. The Trustee has therefore agreed to target 'Net Zero' emissions by no later than 2050 on its investment portfolio.
- Investment managers should effectively integrate ESG considerations into their investment management approach; their ability to do so is a key factor by which they should be evaluated.
- The Trustee prefers to engage (via its investment managers) to change the actions of investee companies rather than adopt upfront exclusions to prevent investment in certain companies.
- The Trustee's approach to Responsible Investment should take into account the approach of the Partnership, with the reasons for differences understood.

As at year-end, the Trustee delegated oversight of the Trust's climate change risk management to the DB Sub-Committee ("DBC") and the DC Sub-Committee ("DCC").

Strategy

As a long-term investor, the Trustee recognises that the risks and opportunities arising from climate change are diverse and continuously evolving. The Trustee regularly reviews exposure to different types of climate-related risk across the DB and DC Sections of the Trust. This includes both transition-related risk and physical damages risk, which are expected to have a varying impact over different timescales that are relevant to the Trust (and are highly dependent on the success or otherwise of global policy development over the next few years).

The climate scenario analysis has been refreshed in this year's report given the DB and DC investment strategies have been updated. The scenario analysis indicates both the DB and DC sections are resilient under certain scenarios (Rapid Transition scenario) but are particularly exposed to climate risks under the Failed and Limited Transition scenarios over the medium and long-term. The Trust's covenant advisor, Cardano, conducted a high-level assessment of the potential exposure of the Partnership. The analysis concluded that over the expected period of covenant reliance, climate change implications on the covenant presented a relatively low risk to the strategy of the Trust across the scenarios considered, though this increased significantly over time.

Risk Management

The Trustee has integrated climate-related risks into its policies and risk management processes. The Trustee has developed a Climate Risk Management Framework which helps it to manage climate-related risks and opportunities. This is set out in detail in the Risk Management section.

Metrics and Targets

The report details our climate metrics for the year, and progress relative to the Trustee's climate target. As was the case last year, the availability and quality of climate data is materially better for the DC Section of the Trust than the DB Section given a higher proportion of the DC assets are publicly traded.

This is the third year that the Trustee are required to report on 'Scope 3' emissions, where available, but the Trustee notes that the availability of Scope 3 data remains poor across the industry. Indeed, a very limited number of the managers for the DB section are able to provide scope 3 emissions at this time but there has been a slight improvement since the last report. This situation is expected to improve over the coming years as the DB Section's investment strategy evolves and invests in more liquid asset classes such as equities where data availability is materially better.

The Trustee will continue to work with our advisers and investment managers to increase the depth and quality of data coverage to improve the reliability of our disclosures in future.

DB Section

Manager / Mandate	Assets (£m)		Total GHG emissions (tCO_2e)				Carbon footprint (tCO_2e/£m)				SBTi (%)	
	2024	2025	Scopes 1 & 2		Scope 3		Scopes 1 & 2		Scope 3		2024	2025
			2024	2025 (Coverage)	2024	2025 (Coverage)	2024	2025 (Coverage)	2024	2025 (Coverage)		
LGIM / Liability Driven Investments *(sovereign bonds element)*	2,034	1,808	151,681	132,677 (100%)	-	-	74.6[1]	73.4[1] (100%)	-	-	-	-
ICM / Private Credit	9	-	3,488	-	-	-	383	-	-	-	-	-
Abrdn / Infrastructure	82	80	1,747	1,873 (89%)	-	-	22	28 (89%)	-	-	-	-
Ancala[3] / Infrastructure	44	44	8,039	79,226 (100%)	-	88,825 (80%)	183	138 (100%)	-	371 (80%)	-	0%
M&G / Multi-Asset Credit *(corporate bonds element)*	-	150	-	3,060 (57%)	-	46,784 (56%)	-	36 (57%)	-	555 (56%)	-	13.2%
M&G / Multi-Asset Credit[4] *(sovereign bonds element)*				3,156 (12%)	-	-	-	-	-	-	-	-
Wellington / Multi-Asset Credit *(corporate bonds element)*	-	149	-	16,633 (76%)	-	38,452 (76%)	-	223[1] (76%)	-	514[1] (76%)	-	19.1%
Wellington / Multi-Asset Credit *(sovereign bonds element)*				-	-	-	-	-	-	-	-	-
Cheyne / Property	-[4]	20	-	70 (not available)	-	-	-	5 (not available)	-	-	-	-
DB Other Assets	1,817	1,233[5]	Not Available								-	-

Source: Investment managers, Mercer estimates. Data as at 31/03/2024 and 31/03/2025. Figures may not sum due to rounding.

[1] tCO2e/GDP: carbon footprint for the LDI mandate is not directly comparable to carbon footprint for non-sovereign bonds. LGIM carbon footprint has been converted to GBP from USD, based on the exchange rate at 31 March 2025. LGIM uses propriety methodology and tools for the calculation of metrics and the emissions metrics covers physical exposure only.

[3] Ancala data as at 31 December 2024.

[4] derived under PCAF methodology.

[4] valuation included in 'other DB assets' as emissions metrics were not available at this date.

[5] includes several private debt, private equity, property and residual mandates that have not been able to provide metrics.

DC Section

Corporate Emissions

Fund	Assets (£m)		Total GHG emissions (tCO_2e) (Coverage)				
			Scopes 1 & 2		Scope 3		
	2024	2025	2024	2025	2024	2025 (upstream)	2025 (downstream)
JLP Global Equity	1,211	1,365	83,081	83,503 (99.6%)	809,580	161,785 (99.6%)	361,637 (99.6%)
JLP Diversified Growth	176	220	14,453	11,665 (92.6%)	74,848**	19,904 (92.7%)	42,327 (92.7%)
JLP Cash*	120	75	149	3 (82.8%)	26,401	5,937 (82.8%)	-
Aggregated	1,507	1,660	97,683	95,171 (98.7%)	835,981	187,626 (99.0%)	403,964 (99.0%)

Fund	Assets (£m)		Carbon footprint (tCO_2e/£m invested) (Coverage)				
			Scopes 1 & 2		Scope 3		
	2024	2025	2024	2025	2024	2025 (upstream)	2025 (downstream)
JLP Global Equity	1,211	1,365	71	63 (99.2%)	706	129 (99.4%)	278 (99.4%)
JLP Diversified Growth	176	220	94	83 (92.2%)	816**	141 (90.7%)	305 (90.7%)
JLP Cash*	120	75	1.3	0.1 (82.8%)	319	307 (82.8%)	-
Aggregated	1,507	1,660	-	64 (98.3%)	-	130 (99.0%)	280 (99.0%)

Source: investment managers. 2024 data as at 31/03/2024. Figures may not sum due to rounding. The above covers the funds which form part of the Trust's Default arrangement in the DC Scheme and this forms the Trust's only popular arrangement. 2024 asset figures represent the total investment across the Trust's default arrangement and self-select range, 2025 asset figures represent only the investment within the Default arrangement (the Trust's only popular arrangement) and so are not directly comparable.

All data is based on stocklists as at 31 March 2025, using metric calculations and data feeds downloaded as at 26 May 2025, or latest available.

Note that there has been a change in calculation methodology between 2024 and 2025 which has impacted the change in metrics illustrated above.

SBTi reported on for the first year in 2025.

**Metrics provided directly by the underlying manager (LGIM). LGIM has only provided total Scope 3 metrics without differentiating between upstream and downstream emissions. Absolute emissions for LGIM Sterling Liquidity are derived from carbon footprint, considering the % of eligible assets provided by LGIM.*

***Scope 3 data not available for BlackRock Market Advantage Fund; figure represents only the c2/3 allocation to the LGIM Diversified Fund and the figure has not been scaled.*

Progress against the data quality target and update on 'Net Zero'.

This is the Trustee's fourth TCFD report. The Trustee has not made any changes to its climate-related targets during this Scheme Year and is still seeking to reach a 100% level for Data Quality (covering Scope 1 and 2 emissions) by 2032 and 2027 for DB and DC respectively. Since 2022, data quality has been reported as the weighted average allocation to mandates that have data quality elements that are verified, actual, reported and estimated.

Progression of Data Quality (%)

Section	31 March 2022 (Baseline)	31 March 2023	31 March 2024	31 March 2025	Target
DB	25%	64%	54%	58%	100% by 2032
DC	69%	90%	92%	96%	100% by 2027

As noted above, the Trustee has worked over the Scheme Year to finalise its Responsible Investment beliefs and these are now available here. A key tenet of the Trustee's responsible investment views is the belief that climate change is a systemic risk to the global economy and the investments of the Trust. The Trustee has therefore taken an important step by setting an ambition of 'Net Zero' carbon emissions by 2050 across its investment portfolio (noting this target was agreed and ratified after the end of the Scheme Year covered by this report). The Trustee will continue to develop its strategy and implementation plan to achieve this objective across the DB and DC sections of the Trust.

The Trustee hopes you enjoy reading this report and understand more about how the Trust manages climate-related risks and opportunities within the Trust.

GOVERNANCE

Governance is the way the Trust operates and the internal processes and controls in place to ensure appropriate oversight. Those undertaking governance activities are responsible for managing climate-related risks and opportunities. This includes us, as the Trustee, and others making Trust-wide decisions, such as those relating to the funding and investment strategy, or the ability of the sponsoring employer to support the Trust.

Our governance framework

The Trustee is ultimately responsible for overseeing all strategic matters related to the Trust. This includes the governance and management frameworks relating to ESG considerations, including climate-related risks and opportunities.

Legal disclosure required:

How the trustee maintains oversight of climate related risks and opportunities relevant to the scheme (Para. 27 (a))

As part of the framework for managing climate-related risks and opportunities the Trustee uses sub-committees which have appropriate skills in each area. The Trustee is very mindful of the DWP requirements and retains overall control over the management of climate-related issues. Where relevant the Trustee will consider the recommendations of these sub-committees and ratify or challenge any decisions that require its approval.

The Trustee has formally approved a detailed plan to achieve compliance with the legal requirements and will maintain regular oversight of this. On an annual basis, the Trustee will review the governance model, climate metrics and progress relative to the agreed targets. The climate-related risks associated with the employer covenant and the funding and investment strategy of the Trust will be reviewed at least every three years to align with the actuarial valuation (or more regularly if there is a material change in investment strategy or modelling approach).

The Trustee considers the time and resources spent on considering climate-related risks and opportunities as commensurate relative to total investment risk being run by the Trust. ESG and climate-related issues have been a key item on Trustee and relevant Sub-Committee agendas throughout the year and have continued to be since the end of the Scheme Year.

The Trustee's climate-related beliefs and approach to managing climate change risk are set out in the Trust's Statement of Investment Principles ("SIP") (found here for the DB section and the DC section), which is reviewed at least every three years (or following a change to the Trust's investment arrangements). The principal elements of this have been defined within a separate RI Policy, that will be referenced in the SIP and can be found here, which is reviewed annually.

Climate-related risks and opportunities are fully integrated into our risk management framework so we can maintain oversight of those that are relevant to the Trust. Further information is set out in the Risk Management section of this report.

The Trustee receives training on an annual basis (or more frequently if required) on climate-related issues to ensure that it has the appropriate knowledge and understanding to support effective decision-making. Over the Scheme Year the Trustee received training on Impact Investing, including Nature and Biodiversity. This covered pillars of impact such as Intentionality, Financial Return and Measurement. The focus on Nature and Biodiversity covered Biodiversity Loss, TNFD and the spectrum of Nature Based investment solutions.

Our overall risk management framework is maintained by our Audit and Risk Sub-Committee. The Trustee delegates oversight of the Trust's climate change risk management to the DBC and DCC. The Trustee is updated through this structure on material climate-related developments on a regular basis (at least annually).

Defined Benefit Sub-Committee

The main objectives of the DBC include oversight of the management of the DB assets, funding and monitoring of the Sponsor covenant. Their role in respect of climate-related issues is as follows:

- To monitor climate-related metrics alongside the integrated risk management. This includes assessing the following:
  - Climate-related risks associated with the assets, measured through 'point in time' analysis of climate metrics as well as forward looking analysis of the potential impact on long-term market factors such as investment returns (in aggregate and by sector), inflation and interest rates.
  - The impact of climate risk on the covenant of the John Lewis Partnership plc (the "Partnership"), including changes in turnover, profit margins and the market values of the Partnership's assets. This includes the impact of transition risks and longer-term physical damages. This also includes an assessment of the value of the assets that are pledged to the Trust should the Partnership become insolvent.
  - The potential impact on the Trust's liabilities including changes in longevity, working patterns and retirement ages.
- To advise the Trustee and to implement targets in respect of climate-related metrics.
- To monitor progress against those targets and provide analysis of that progress.
- To monitor investment opportunities that will arise from the transition to a low carbon economy, including renewable technology.
- To provide challenge to advisers and providers on their work in this area.

Legal disclosure required:

The role of any person who, otherwise than as a legal adviser of the trustees, advises or assists the trustees with respect to scheme governance activities and the process by which the trustees satisfy themselves that the person is taking adequate steps to identify and assess any climate-related risks and opportunities which are relevant to the matters in respect of which they are advising or assisting (Para. 27 (c))

Defined Contribution Sub-Committee

The main objective of the DCC is to provide oversight of the management of the DC assets. Its role in respect of climate-related issues is similar to the DBC but with a different risk-emphasis because of the nature of the benefits provided being longer-term (and therefore subject to greater physical climate risks) than the DB benefits.

How the Trustee works with our advisers and providers

The Trustee expects its advisers and providers to bring important climate-related issues and developments to our attention in a timely manner. The Trustee also expects its advisers and investment managers to have appropriate knowledge on climate-related matters, however it does not set any minimum requirements in this regard.

The work of each of these providers is monitored by the DBC and DCC, and there is also an Adviser Review policy in place at Trustee level which provides an additional level of scrutiny. In line with the requirements of the Investment Consultancy and Fiduciary Management Market Investigation Order 2019 and subsequent Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations 2022, the Trustee assesses the performance of the DB and DC Investment Advisers against key objectives annually. One of these objectives covers performance regarding ESG-related issues.

The Trustee engages with its advisers and provides challenge on ESG-related issues, as appropriate. This is assisted by having a number of professional Trustee Directors who have experience with ESG-related issues across different DB and DC pension schemes that they work with.

Russell Investments – Outsourced Chief Investment Officer

- Includes several of the responsibilities outlined above including responsibility for supporting the Trust through the TCFD reporting process, in conjunction with advisers.
- Russell have delegated responsibility for the implementation of investment decisions. As part of the manager selection and monitoring process, Russell consider the level and extent to which managers take into account ESG factors, including climate change, in their investment process.
- Monitors investment manager performance against relevant climate-related targets

Mercer – DB Investment Adviser (including Responsible Investment) and Trust Actuary

Investment:

- Includes several of the responsibilities outlined above including responsibility for supporting the Trust through the TCFD reporting process, in conjunction with other advisers.
- Provides input on the DB investment strategy including the impact of climate-related issues.
- Provides ESG monitoring on DB investments.
- Provides scenario analysis and the collection/analysis of climate-related metrics, including monitoring against the Trustee's chosen targets. Please note that Mercer also collect climate-related data for the DC Section of the Trust, as part of a broader role project managing the TCFD reporting process (linking in with other advisers as necessary).

Actuarial:

- Provides analysis of the potential impact of climate-related issues on the Trust's liabilities and funding.

Hymans Robertson and LCP– DC Governance and Investment Adviser (including Responsible Investment)

- Following the Scheme Year end in May 2025, following a competitive tender process, LCP were appointed DC governance and Investment Advisor and took over Hymans Robertson's role for the DC Scheme.
- The DC Governance and Investment Adviser's role in respect of climate-related issues is similar to that of Mercer with respect to the DB investment advice, but with a different risk-emphasis because of the different nature of DC benefits being

longer-term (and therefore subject to greater physical climate risks) than DB benefits.

- Incorporates commentary on climate-related risks and opportunities (including Trustee activity in these areas) into key DC reporting that they are responsible for (e.g. Value for Members assessment).
- Reassess the ESG integration within the DC investment strategy as part of the triennial investment strategy review process.

Cardano – Employer Covenant adviser

Provides analysis of the potential impact of climate-related issues on the strength of the employer covenant provided by the Partnership.

Sackers & Partners LLP and CMS Cameron McKenna Nabarro Olswang LLP - Legal adviser

The Trustee seeks advice from its Legal adviser to ensure climate reporting, policies and commitments set are in line with the legal requirements.

- During the Scheme Year, Sackers & Partners LLP were replaced as the Trust's legal counsel by CMS Cameron McKenna Nabarro Olswang LLP.

Trustee Services – In-house pensions team

The in-house pensions team may assist with the day-to-day implementation of the climate risk framework as and when required. This will involve liaison with the Trustee as well as the advisers and providers noted above.

The framework and activities set out above help ensure that the Trustee is comfortable the advice they receive is appropriate in relation to the assessment and management of climate-related risks and opportunities.

Trustee Knowledge and Understanding

The Trustee has put the following structures in place to support decision-making, strategy setting and implementation around climate change activity.

To ensure that the decision making and strategy setting processes increase the likelihood of good member outcomes.

- **Formal training:** This covers both legal requirements and practical training on climate change and the various metrics used to measure it. The Trustee receives training on these matters at least annually. Over the Scheme Year it received the Trustee received training on Impact Investing, including Nature and Biodiversity.
- **Ongoing reviews of published material on legal and best practice requirements:** The Trustee receives updates on emerging best practice in what is a rapidly developing area from sources such as The Pensions Regulator, the Government, and industry experts (including its appointed advisers).
- **Ongoing reviews of climate change issues:** Whilst the Trustee is not itself expert on all scientific analysis of climate change, it does receive updates on developments such as breakthroughs in technology, significant news about climate events and academic research, from parties with recognised expertise in these areas.

To ensure that tasks are carried out on a timely basis and that knowledge and decisions from previous tasks are incorporated into future decision making and activities.

A project plan has been developed and refined which covers the following activities:

- The production of climate change reports.
- The inclusion of climate risk in triennial actuarial valuation discussions.
- The inclusion of these risks into future reviews of the DB and DC investment strategy.
- The review of due diligence processes on investment managers and other providers.
- The review of reporting of financial and risk information as part of the integrated risk management processes.
- Researching how the Trustee might be able to develop a net-zero target that is consistent with its legal obligations and its investment requirements.

The resourcing and costs of the above have been incorporated into the Trust's budget and planning processes.

In addition to the ongoing actions listed above, during the year the Trustee carried out the following activities to improve its knowledge and understanding of ESG and climate-related issues.

- In July 2024, the Trustee received training on Impact Investing, including Nature and Biodiversity. This covered pillars of impact such as Intentionality, Financial Return and Measurement. The focus on Nature and Biodiversity covered Biodiversity Loss, TNFD and the spectrum of Nature Based investment solutions.

STRATEGY

In this section the Trustee focuses on the climate-related risks and opportunities that will impact the Trust. Analysing this is key to understanding the impact climate change could have on the Trust in the future

What is climate risk and how will this change over time?

Climate-related risks

As a long-term investor, the Trustee recognises that the risks and opportunities arising from climate change are diverse and continuously evolving. The effects of climate change will be felt at different times in the future and to different extents. The Trustee believes it is important to understand how the Trust's exposure to climate-related risks may change over time, when the risk exposure may be greatest and what actions can be taken now, or in the future, to avoid those risks becoming financially material to the Trust.

The Trustee has considered a range of short, medium and long term drivers of climate risks; these primarily relate to two categories that are defined in full in the Risk Management section of this report:

Time horizons

DB Section

Short Term	Medium Term	Long Term
10 years (2024 – 2034)	18 years (2024 – 2042)	25 years (2024 – 2049)
This is consistent with the existing target of full funding on the Low Dependency ("LD") basis by 2034	This is the mid-point between short and long horizons	To be aligned with the Trust's 2050 Net Zero target

DC Section

Short Term	Medium Term	Long Term
5 years (2024 – 2029)	25 years (2024 – 2049)	40 years (2024 – 2064)
Representative of a Partner approaching retirement age.	Representative of a Partner in mid-career stage.	Representative of a Partner in the 'early career' stage or yet to join the Trust.

The Trustee has considered the following short, medium and long-term drivers of risk in relation to climate change:

- Over the short term (out to 5 to 10 years), risks may present themselves through rapid market re-pricing relating to climate transition as:

- Scenario pathways become clearer. For example, a change in the likelihood of a well below 2°C scenario occurring (i.e. an increase in probability would be expected to drive additional transition risk).
- Market awareness grows. For example, the cost and impacts of the transition suddenly influence market pricing.
- Policy changes unexpectedly surprise markets. For example, if a carbon price or significant regulatory requirement was introduced across key markets to which the portfolio is exposed, at a sufficiently high price to impact behaviour.
- Market sentiment is shocked. For example, falls in markets could create a downward spiral where economic sentiment worsens and asset values fall.
- Perceived or real increased pricing of greenhouse gas emissions/carbon.
- Substitution of existing products and services with lower emission alternatives may impact part of the portfolio.
- Litigation risk relating to dangerous warming becoming more prevalent.
- Increases in the energy/heat efficiency of buildings and infrastructure.

- As well as risks associated with these drivers, there could also be opportunities. For example, investing in climate solutions as policy support strengthens.

- Over the medium term (out to 10-25 years, DB and DC), risks are likely to be more balanced reflecting both transition and physical risk. Over this time period the transition pathway will unfold and the level of anticipated physical damage will become much clearer. While the full extent of the physical damage is unlikely to have occurred markets are likely to be allowing for it to a large degree in asset pricing.

- Over the long term (beyond 25 years, primarily DC focused), physical risks are expected to come to the fore. This includes the impact of natural catastrophes leading to physical damages through extreme weather events. Availability of resources is expected to become more important if changes in weather patterns (e.g. temperature or precipitation) affect the availability of natural resources such as water. The impact of global heating on productivity, particularly in areas closer to the equator, will also be a key driver.

Climate-related risks and opportunities relevant to the Trust

Having taken into account the Trust's DB strategic asset allocations and the DC popular arrangements, as set out in the executive summary, the following risks and opportunities have been identified:

- Over the short term, the Trustee has identified the inter-related risk of climate transition risk and asset repricing risk as being most relevant to the DB investment strategy and DC popular arrangements. Over this time period opportunities are most likely to occur in transition related investment such as climate solutions.

- The Trustee's ability to understand these short-term changes can position the Trust favourably, for example taking advantage of the climate transition by avoiding and reducing investment in high-emitting carbon sensitive

businesses/assets that do not have a business plan that supports the transition to a low carbon economy.

- Over the medium term (long term for DB), the Trustee has concluded that both transition risk and physical risk (particularly in the form of asset repricing to allow for future physical damage) could be material. Noting the time horizons for DB and DC differ due to the member populations of each Scheme, with DC generally having younger members.

The Trustee's ability to understand these changes and evolve the portfolio as the pathway develops should help to control risk and potentially enhance returns. The Trustee seeks to select managers and choose indices that can identify potential emergence of low carbon opportunities and the decline of some traditional sectors.

- Over the long term (25yrs plus, primarily relating to DC), the Trustee has identified physical risk as the key driver of climate-related risk.

The Trustee has investigated the potential impacts of these risks and opportunities in the scenario analysis. The Trustee notes that the impacts will differ across DB and DC Sections and that the DC Section is likely to be impacted to a greater extent over the medium- and long-term, given the expected investment strategy needed to generate good member outcomes.

How resilient is the Trust to climate change?

The Trustee has worked with its advisors to carry out updated analysis of various climate change scenarios to better understand the impact climate change could have on the Trust's, assets, liabilities and the covenant of the Partnership.

For this fourth report, the Trustee has completed updated climate scenario analysis in conjunction with its DB investment advisor, Mercer. The scenarios have been updated since the previous analysis completed in 2022 and now include four scenarios which are detailed below. Mercer regularly update their climate scenario analysis to ensure it reflects the latest science and real world conditions. The change in scenarios, underlying assumptions and methodology and will mean the results of the new scenario analysis will not be directly comparable to the previous analysis undertaken in 2022, which was shown in the previous three TCFD reports.

The Trustee has undertaken climate scenario analysis to test the resilience of the investment and funding strategy adopted by the Trustee. Quantitative climate change scenario analysis has been undertaken on the Trustee's strategic asset allocation and popular arrangements (for the DC Section) to assess the potential implications of

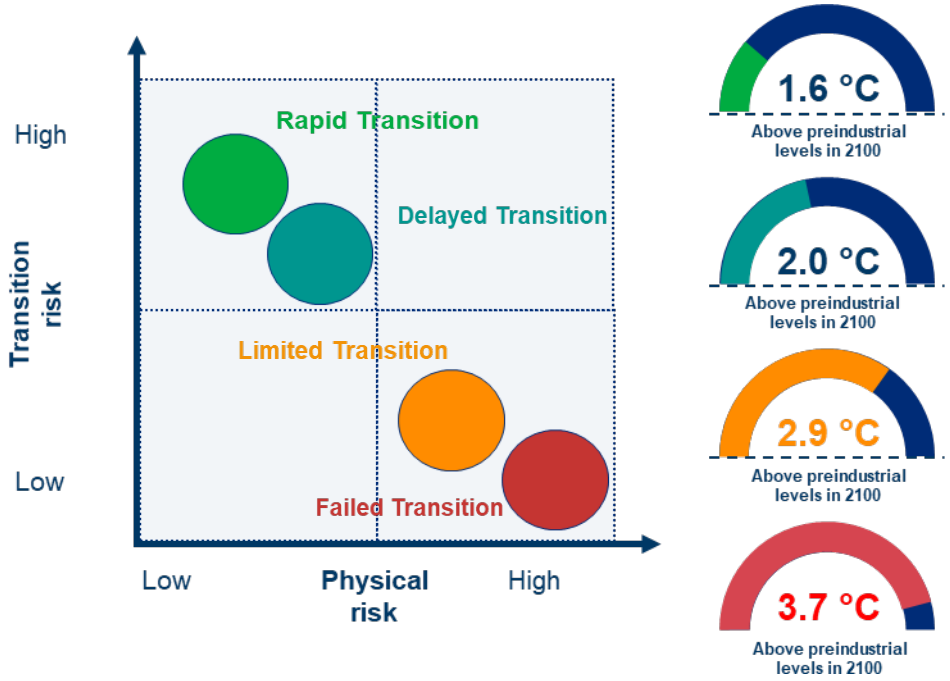
Legal disclosure required:

The most recent scenarios which the trustees have analysed (Para 27 (g))

The resilience of the scheme's investment strategy and where the scheme has a funding strategy, the resilience of the funding strategy, in the most recent scenarios the trustees have analysed (Regulation 27 (i))

In cases where the trustees have determined not to undertake new scenario analysis, the trustees' reasons for this determination (para. 27 (j))

climate change under four modelled scenarios:



Source: Mercer.

- **1.6^{0}C Rapid Transition:** A rapid decarbonisation of the economy where high transition risk feeds into financial markets creating both risks and opportunities
- **2.0^{0}C Delayed Transition:** A sudden step-up in policy action in 2030, with both transition risk and physical risks being experienced but the worst cases impacts avoided
- **2.9^{0}C Limited Transition:** Insufficient progress being made regarding the transition to a low-carbon economy; physical risks of climate change accelerate causing significant market disruption and a drag on global GDP
- **3.7^{0}C Failed Transition:** Backsliding on climate commitments by governments and companies with severely negative impacts on human wellbeing and wealth.

The analysis is based on scenarios developed by Mercer working with Ortec Finance. These scenarios were selected by the Trustee to test a broad range of feasible outcomes and the Trust's exposure to both transition and physical risks.

In designing scenario analysis a fundamental decision is whether to assume that any climate impacts are priced in today. The analysis in this report is expressed relative to a 'climate-informed' baseline; the implication is that all return impacts are presented in terms of how they are different to what we are assuming is priced in today. The 'climate-informed' base line is Mercer's view as to what markets are currently partially pricing in for climate related risks and opportunities. This baseline is formed of a mix of weights to the rapid (5%), delayed (35%), limited (15%) and failed (10%) transition scenarios plus a 35% weight to a no/low impact transition scenario.

Further detail on climate scenario narratives, including modelling assumptions and limitations, is included in the Technical Appendix of this report.

Key conclusions

The Trustee has refreshed the scenario analysis this year to reflect recent changes in investment strategy for the DB Section in particular and to comply with the TCFD requirements to update the analysis every three years.

Based on the analysis the Trustee believe the current levels of climate-related risks are not material to the resilience of our funding and investment strategies over the short term but the impacts over the longer term of all scenarios apart from the rapid transition are material. The Trustee are taking action to align the DB investment strategy with the 2050 Net Zero target and will continue to be cognisant of climate risks in future manager selection exercises.

As part of the 2025 Climate Scenario analysis work, the Trustee incorporated climate change related mortality analysis for the first time. This highlighted that under a delayed transition liabilities could increase by 4.1% as a result of the membership having a longer life-expectancy, under a limited transition liabilities could rise by 1.7% and under a failed transition liabilities could fall by 2.2% as both younger and older members would expect to have a shorter life expectancy.

For DC, younger members are more likely to be impacted (relative to the base line scenario) as they have a longer investment time horizon and are therefore more impacted, especially by the two scenarios (failed and limited transition scenarios) where the least progress is made toward a climate transition. The average member is also likely to be materially impacted (relative to the base line scenario) by under the failed and limited transition scenarios from year 15 onwards as physical risks begin to dominate and severely impact wealth.

The Trust's employer covenant advisor conducted an updated high-level assessment of the potential exposure of the Partnership. The analysis concluded that over the expected period of covenant reliance, climate change implications on the covenant presented a relatively low risk to the strategy of the Trust across the scenarios considered, though this increased significantly over time.

DB Impact Assessment

Impact on funding level

The impact assessment shows that the Trust's DB investment strategy exhibits reasonable resilience under most of the climate scenarios but is severely impacted in the longer term by the limited and failed transition scenarios.

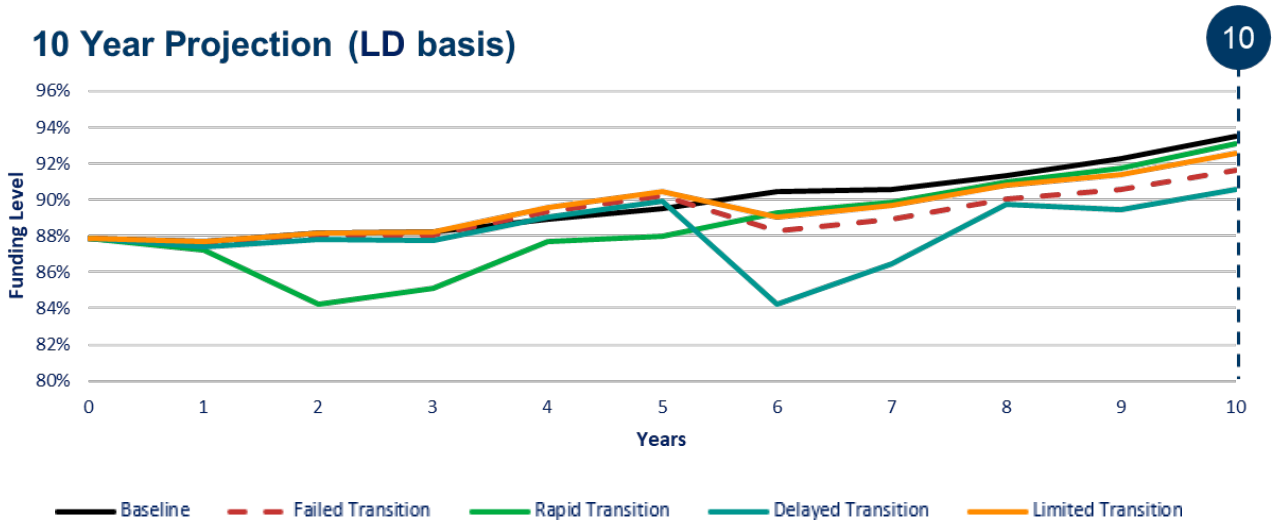
The charts below represent the output of the Trustee's quantitative analysis of the investment and funding strategy. The charts represent projections of the funding level and annualised returns from an analysis date of 31 March 2025 over a period of 25 years. Projections include the impact of future contributions. Projections assume a dynamic asset allocation that does allow for future expected de-risking.

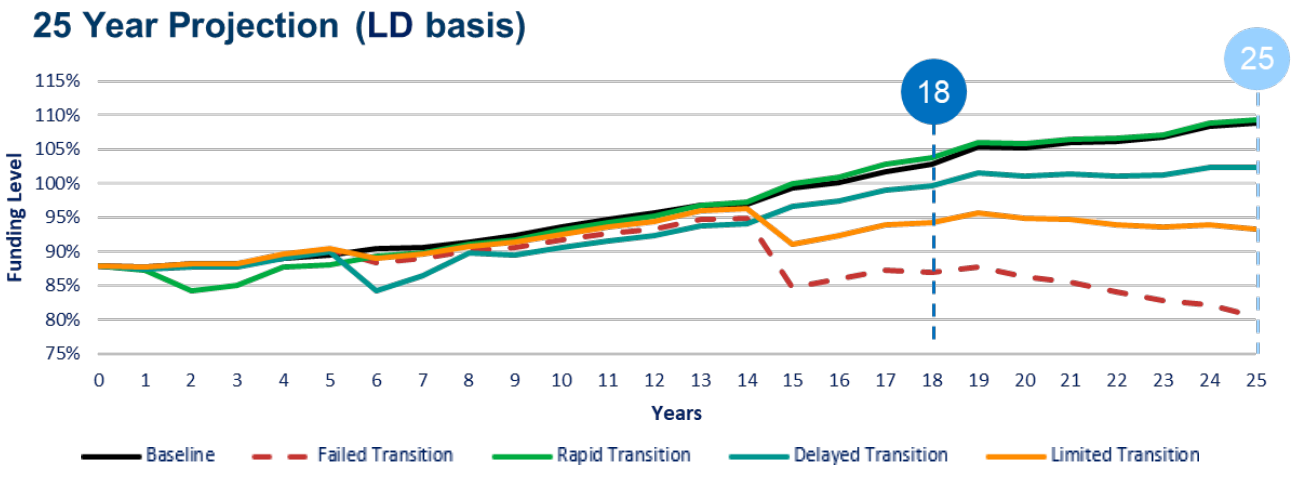
DB time horizons:

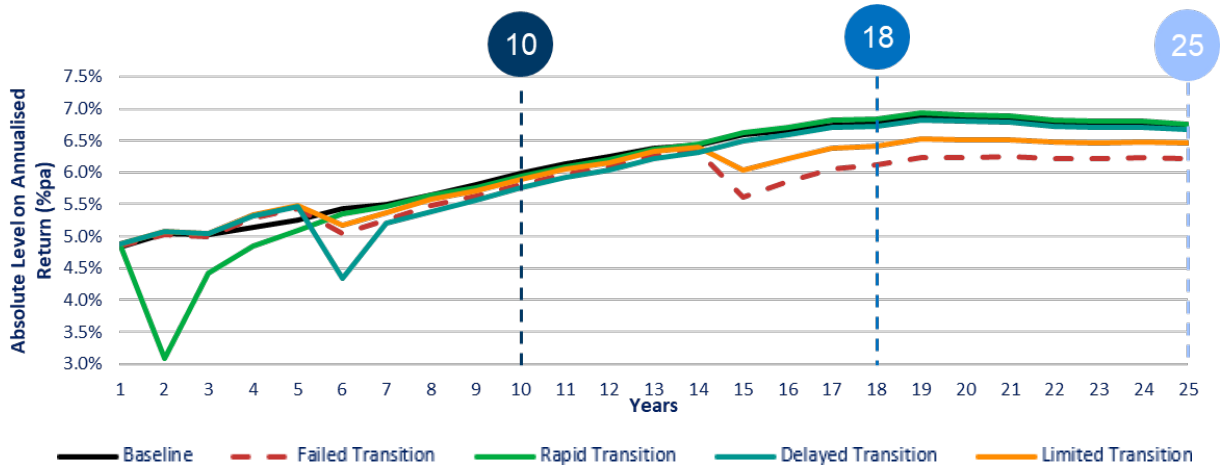
Short term: 1-10 years

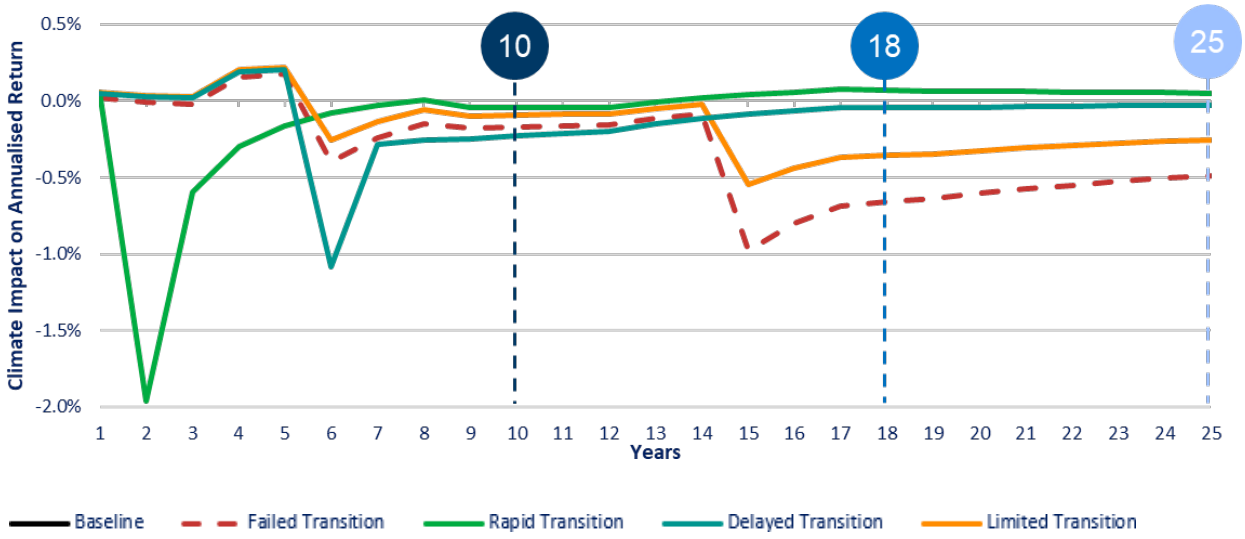
Medium term: 11-18 years

Long term: 19-25 years









Key conclusions

10 years - Under the Rapid Transition scenario, relative to the base line scenario, the funding level falls c.0.2% relative to the base line and there is a shock to returns of c.-2.0% in 2026 followed by a partial recovery. The funding level is significantly impacted under the Delayed transition scenario as the funding level fall by c.6% relative to the base line by 2030 as this scenario assumes major policy changes are delayed until this date.

18 years - As long-term physical damages begin to be priced in, the Failed Transition becomes the most impactful scenario, with a reduction in funding level of 16% (relative to the base line) and reduction in annual returns of c.0.7% p.a. by 2042. The funding level is c.7% lower than the base line at this point under the limited transition scenario as physical risks of climate change create a severe negative impact on global GDP leading to a drag on financial market performance from 2030 with market shocks impacting around 2040 in the model.

25 Years – Over the long term, physical damages are the dominant driver and the Failed Transition is the worst scenario, reducing the funding level by c.20% relative to the baseline and reducing returns by c.0.5% p.a. by 2050. This denotes that even sustainable financial

instruments are greatly impacted by physical climate change. Similar to analysis at year 18, the limited transition has a material impact on the funding level, of a c.15% reduction relative to the base line at the 25 year point.

The Trust Actuary has also considered the impact of the four scenarios on the life expectancy of the membership and the corresponding impact on liability values. A 65-year-old is relatively unaffected by a Failed Transition but could gain around 1.5 years of life expectancy under a Delayed Transition. A 25-year-old is relatively unaffected by a Rapid Transition but could lose around 5 years of life expectancy under a Failed Transition. Younger age groups are much more affected by climate risks. However, in terms of the value of the liabilities a Rapid/Delayed transition may result in the largest change, with an increase in values driven by rising life expectancy for older members.

DC Impact Assessment

DC time horizons:

Short term: 1-5 years

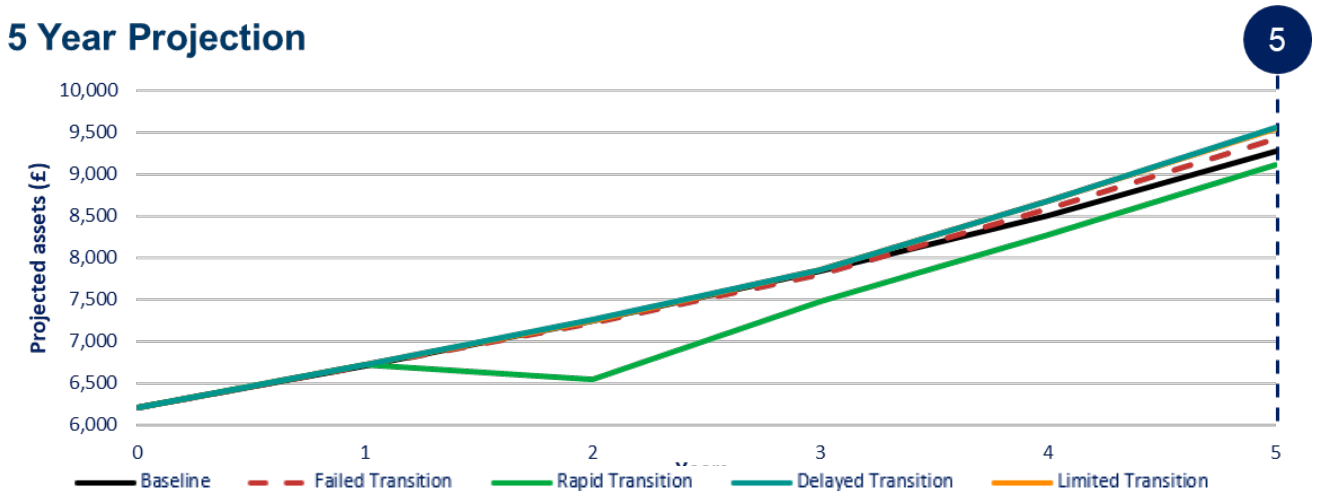
Medium term: 6-25 years

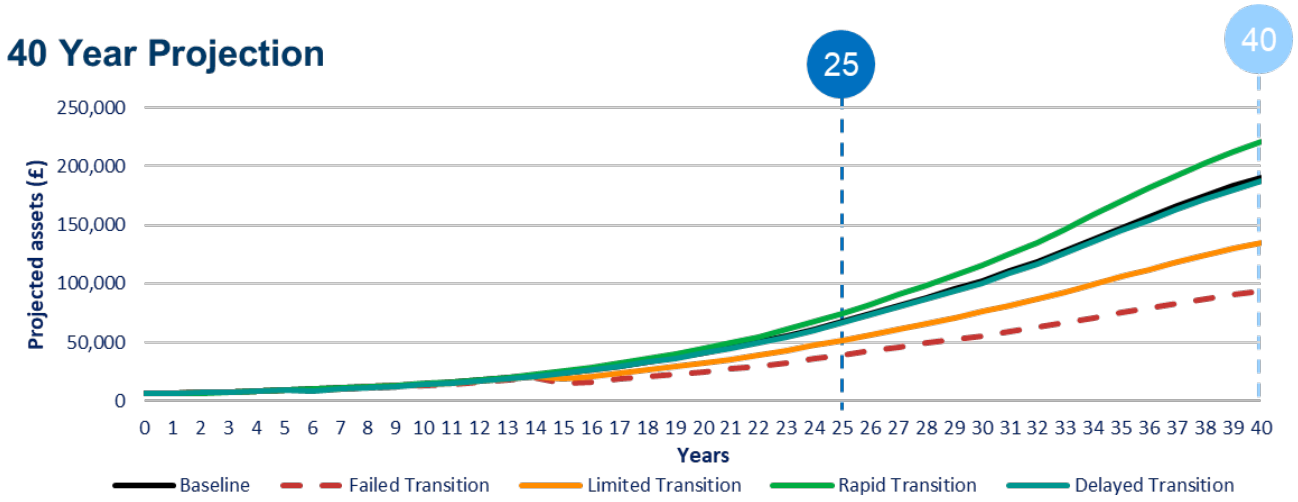
Long term: 26-40 years

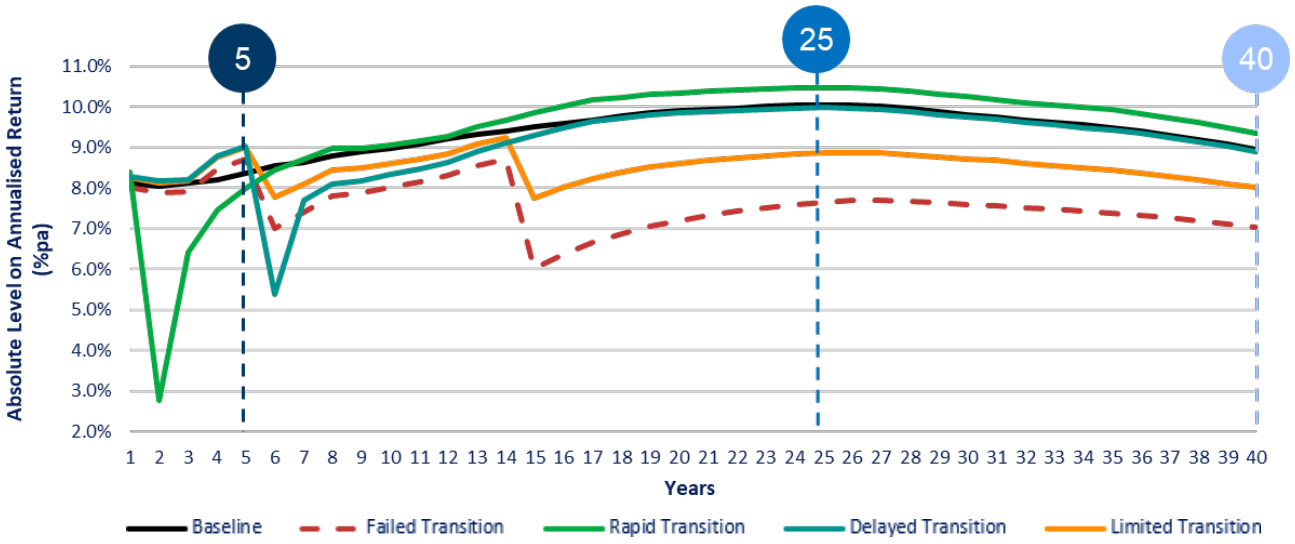
The charts below represent the output of the Trustee's quantitative analysis of the DC Section's popular arrangements. The charts represent projections of asset value and annualised returns from an analysis date of 31 December 2024 over a period of 40 years. Projections ignore the impact of future contributions. We have completed analysis for the following member cohorts:

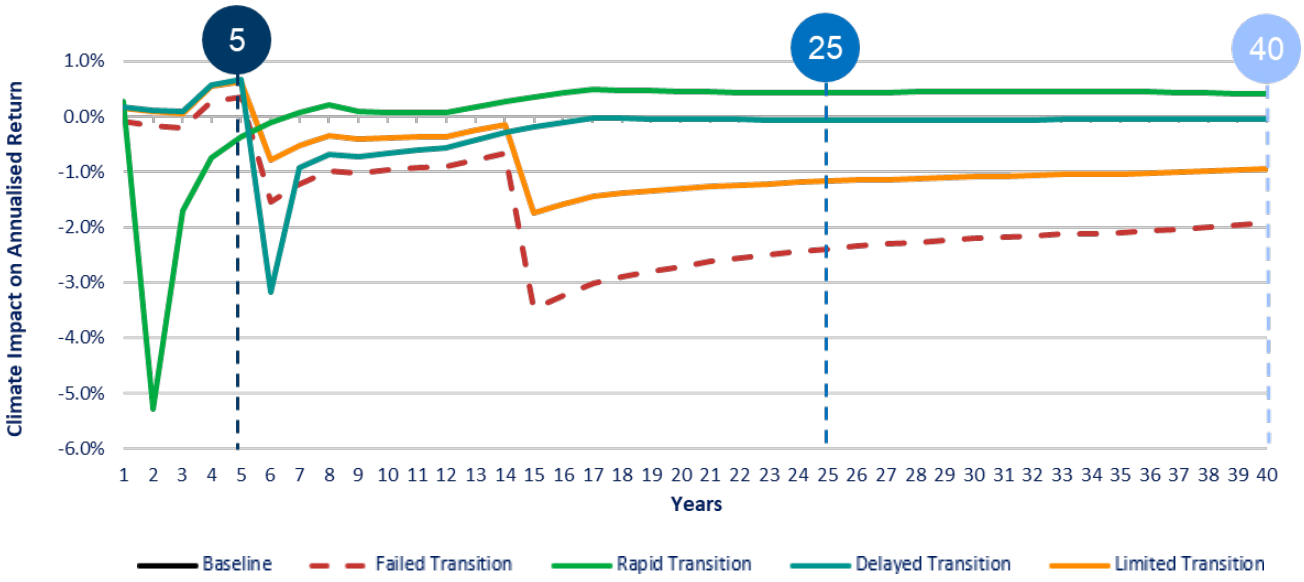
- Younger member – 40 years from retirement
- Average member – 22 years from retirement
- Member nearer retirement - 5 years from retirement

Younger member – starting pot size of £6.2k and aged 25









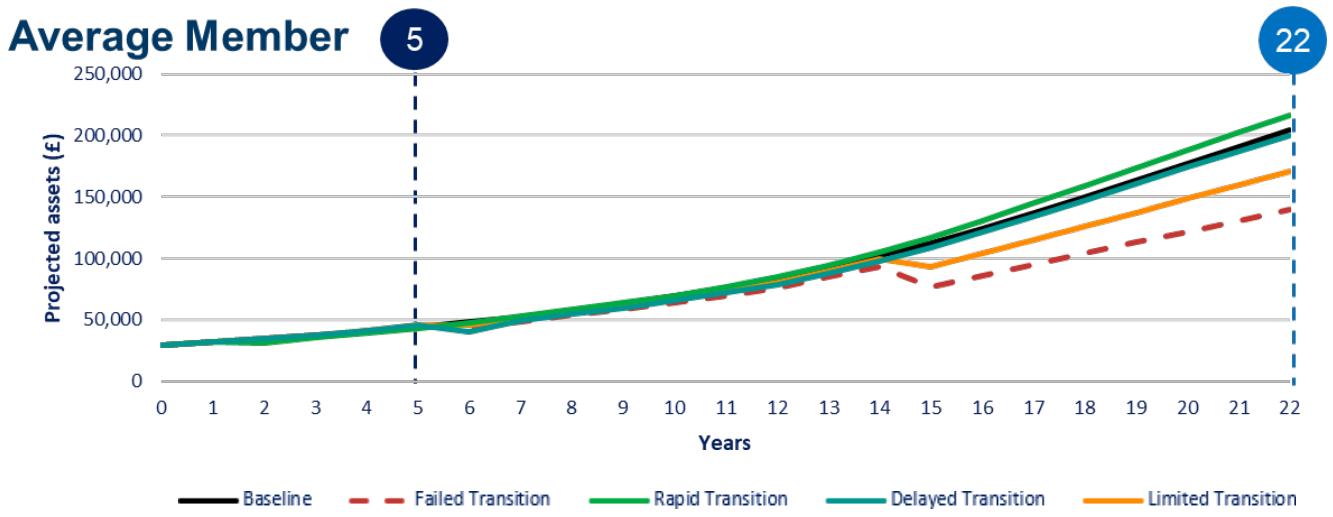
Key conclusions

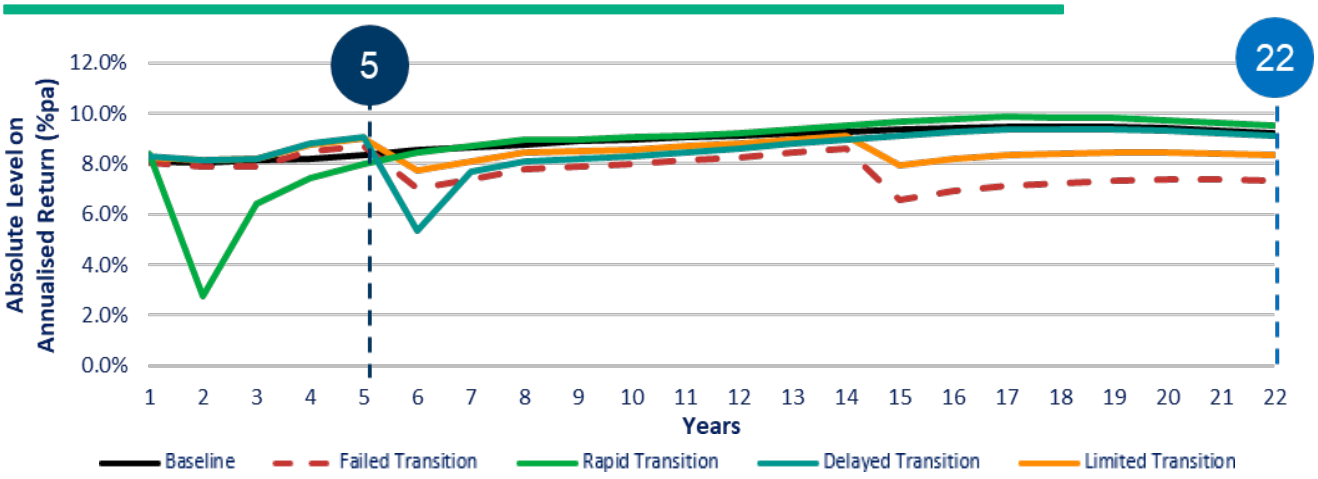
5 Years – Over this time period, transition risk is most important. Under our scenarios the transition shock under the Rapid Transition is our main way of testing resilience to transition risk. In year 2, projected asset values are reduced by c.£0.7k or 9.5% relative to the base line, due to the transition shock. Noting that the projected asset value largely recovers by the end of the 5 year period. The Failed Transition is marginally positive due to the costs of the transition not materialising. Annualised returns are reduced by 5.3% over the 2 year period in the Rapid Transition.

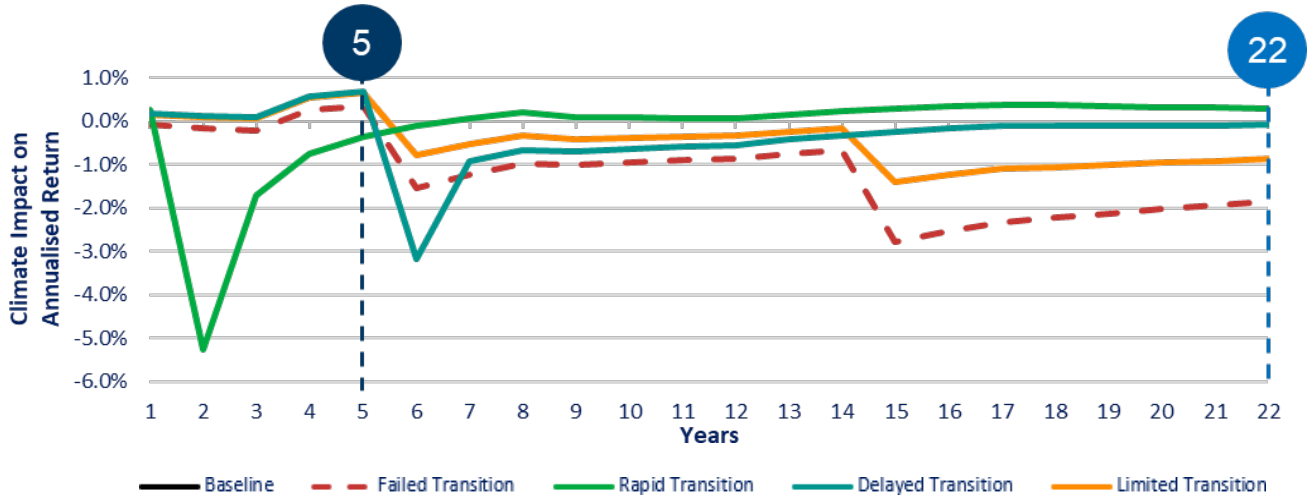
25 Years – As longer-term physical damages begin to be priced in, the Failed Transition becomes the most impactful scenario. Failed Transition reduces the asset value by c.£28.7k or 42.3% relative to the base line. The Failed Transition causes a reduction in annualised return of around 2.4%. The Limited Transition scenario also leads to significant impacts on the projected asset values relative to the baseline, however, not to the same extent as the Failed Transition.

40 Years – Physical risks are fully observable at this timeframe and the Failed Transition continues to be the most impactful scenario. The Failed Transition reduces the asset value by c.£96.8k or 50.8% relative to the base line. The Failed Transition causes a reduction in annualised return of around 1.9%. The Limited transition also leads to a meaningful reduction in projected asset values relative to the base line. The Rapid Transition scenario is expected to deliver higher asset values than the base line scenario over the 22 year period.

Average member – starting pot size of £29.4k and aged 43





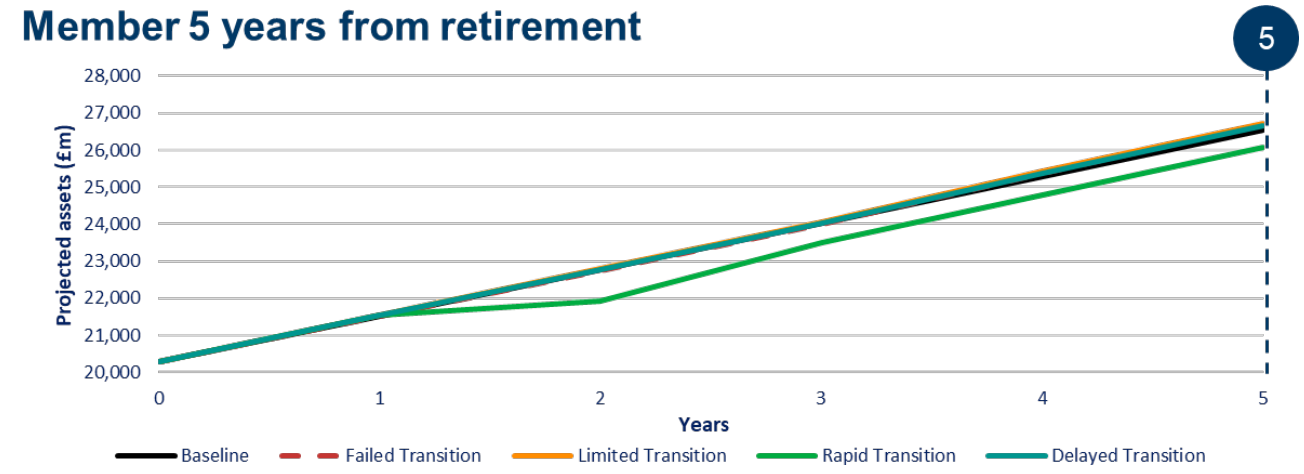


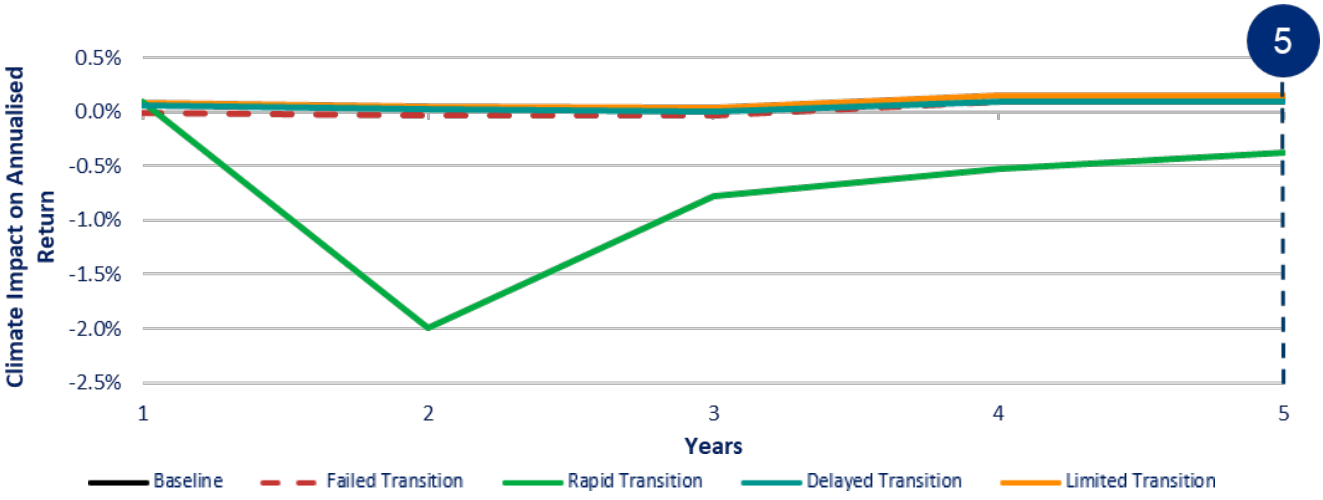
Key conclusions

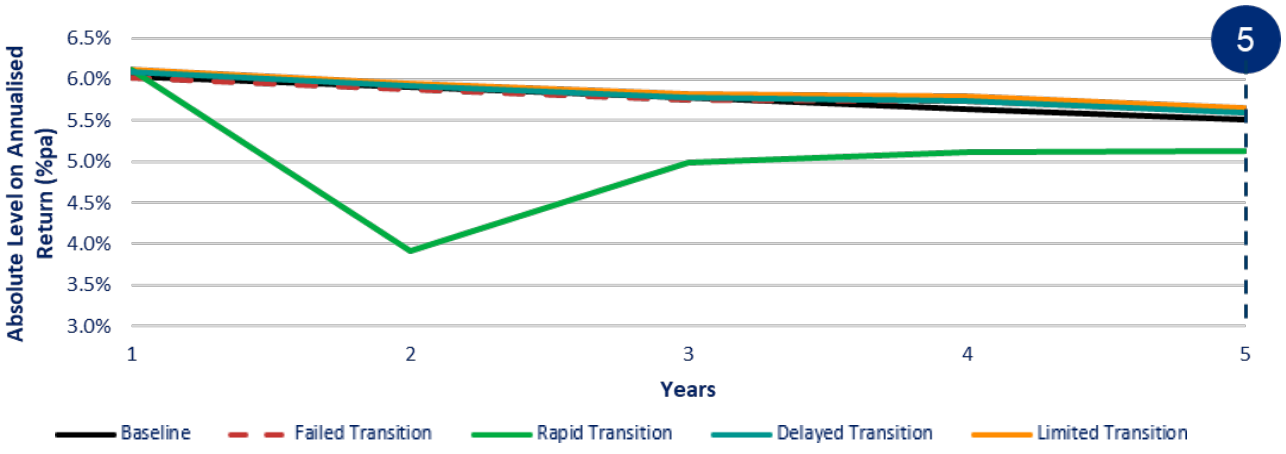
5 Years – Over this time period, transition risk is most important. Under our scenarios the transition shock under the Rapid Transition is our main way of testing resilience to transition risk. Overall, projected asset values at 2026 are reduced by c.£3.3k or 9.5% in the Rapid Transition, reflecting the higher maturity of the scheme. Under the Rapid Transition annualised returns are reduced by 4.9% for average members, over the two year period.

22 Years – As longer-term physical damages begin to be priced in, the Failed Transition becomes the most impactful scenario. Failed Transition reduces the asset value by c.£64.2k or 31.4%. Under the Failed Transition annualised returns are reduced by 2.2% for average members.

Member nearer retirement – starting pot size of £20.3k and aged 60







Key conclusions

5 Years – The Rapid Transition shows a 3.7% reduction in asset values relative to the base line at the second year point. Members closer to retirement are therefore less impacted by transition and physical risks. Under the Rapid Transition annualised returns are reduced by 2% relative to the base line for members closer to retirement, over the two year period. Given the relatively short time horizon, the differences in the projected asset values under the scenarios are less than those of younger members with materially longer time horizons, as younger members are more exposed to transition and physical risks.

Prudential with-profits policy

The Trustee has a With-Profits Assurance Policy with the Prudential Assurance Society. The asset allocation of that fund is not within the control of the Trustee but rather is controlled by the life company who invest in M&G Plc. The Trustee does not have the ability to change that allocation, but it does review the material that is provided by the Prudential on climate change.

The Trustee has no direct influence of the asset allocation of the With-Profits fund. It has not been able to obtain any data to perform scenario analysis. Given that it has no ability to influence, there would be less value in having obtained that information.

Based on the work described above, the Trustee believes that the current levels of climate risk that it is aware of are not yet material to the resilience of its funding and investment strategies.

Covenant Assessment

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

During 2025, Cardano carried out an assessment of the potential exposure of the Trust's covenant to climate-related risks followed by a high-level review of the latest disclosures at the time made by John Lewis Partnership Plc (the "Partnership") in 2024.

The Trustee recognises it is crucial to understand the potential impact on the employer covenant of the effects of climate change throughout different time horizons, with a focus on how this might influence the Trustee's strategy.

Key conclusions

Cardano and the Trustee concluded in 2025 that, over the expected period of covenant reliance, climate change implications on the covenant presented a relatively low risk to the strategy of the Trust across the scenarios considered, though this increased significantly over time. The Partnership is particularly exposed to the risks posed under the Delayed and Failed transition scenarios. The Trustee notes the Partnership continues to progress against its climate targets. To address the risks identified, the Trustee will take the following actions:

- Consider the extent to which near-term geographic or regulatory risks to the Group's might correlate with the Trust's investment strategy or overlap with crucial periods in the journey plan, and develop mitigation strategies where appropriate;

- If the Trust's period of covenant reliance extends beyond current expectations, the Trustee should assess: a) covenant implications of transition scenarios from the perspective of the Group's strategy and whether it addresses risks identified; and b) whether climate risks for the Trust's assets correlate with risks identified in a), and implement specific mitigation if appropriate

Climate scenarios

In 2025, Cardano conducted a high-level assessment of the potential exposure of the Partnership to three climate scenarios.

The three climate scenarios set out overleaf, broadly aligned with the scenarios considered by the Trustee's investment and actuarial advisors, were considered for the covenant scenario analysis.

Table 1: Climate scenarios

Selected scenarios	Rapid Transition *1.6°C scenario*	Delayed Transition *1.9°C scenario*	Failed Transition *3.7°C scenario*
Scenario outline	Global decarbonisation **starts now,** so policies intensify gradually but immediately. Large transition changes will happen quickly	Political and social organisations **delay** action until 2030. Thereafter, a set of **highly ambitious low carbon polices** are introduced	A failed transition pathway **where little to no effective climate policy is introduced**. Global emissions remain high
Physical risks	**Long-term physical risks are reduced** but deviations from the present climate are still expected	**Long-term physical risks** are slightly **reduced** but deviations from present climate still expected	Physical climate impacts **are extreme and widespread**, causing severe **disruption**
Transition risks	**Highest in the near-term** as policies are implemented immediately	**Occur in the near-term,** but relatively muted across the broad market	**Limited transition risks** above existing commitments and policies
Macro-economic impact	Sudden divestments have **disruptive effects on financial markets**. Following initial sudden repricing there is partial recovery and economic resilience but stranded assets remain	Overall longer-term **impact on GDP growth muted**, with assumed long-term benefit from green tech investment offset by physical impacts	**Significant long-term global GDP decline**. Investment confidence deteriorates, especially in vulnerable regions
Alignment with advisers	Broadly aligned to Mercer's Rapid Transition and Ortec's NZFC scenario	Broadly aligned to Mercer's and Ortec's Delayed* Transition	Broadly aligned to Mercer's Failed and Ortec's High Warming scenario

Source: Cardano

Scenarios analysis

Table 2 below provides an overview of the assessed climate risk over time on the covenant of the Trust as assessed in 2025. The key findings from the risk analysis are as follows:

- Climate risks to the Partnership appear to be moderate in the Rapid scenario in the near-term. The most prominent near-term transition risks introduce significant transitions risks, where climate policies and environmental standards increase quickly.
- Transition risks increase over the medium-term, with higher expected carbon prices resulting in significant potential Scope 3 emission exposure in both lower-warming scenarios. Under a Rapid Transition scenario, governments accelerate climate regulation, carbon pricing, and due diligence expectations. This places greater pressure on downstream buyers like the Partnership to ensure their suppliers meet Scope 3 emissions targets and uphold environmental and human rights standards. Physical risks steadily increase in all scenarios considered.
- Chronic climate events, such as shifting weather patterns and increasing climate variability, are expected to cause unpredictable fluctuations in supply, which could increase price volatility across the Partnership's supply chain. Consequently, the Partnership may need to source from alternative suppliers, potentially increasing costs (such as supply or transport) and straining existing relationships.

Cardano's conclusions as to the potential impact to the covenant over the time periods and the scenarios set by the Trustee is shown below.

Table 2: Assessed climate scenario risk analysis on covenant over time

	Near-term *<5 years*	Mid-term *<15 years*	Long-term *25 years +*
Rapid	**Medium risk**	**Medium risk**	**Lower risk**
Delayed	**Lower risk**	**Higher risk**	**Medium risk**
Failed	**Lower risk**	**Medium risk**	**Higher risk**

Source: Cardano

RISK MANAGEMENT

The Trustee must have processes to identify, assess and manage the climate-related risks that are relevant to the Trust, and these must be integrated into the overall risk management of the Trust.

Reporting on the Trustee's risk management processes provides context for how the Trustee thinks about and addresses the most significant risks to its efforts to achieve the best outcomes for members.

Our process for identifying and assessing climate-related risks

The Trustee has established a process to identify, assess and manage the climate-related risks that are relevant to the Trust.
This is part of the Trust's wider risk management framework and is how the Trustee monitors the most significant risks to the Trust in its efforts to achieve the best outcomes for members.

Legal disclosure required:

The processes which the trustees have established in accordance with paragraph 12 for identifying and assessing climate-related risks which are relevant to the scheme (para. 27 (k))

The Trustee's primary method of assessing climate-related risk is quantitative in nature and is delivered by means of climate change scenario analysis, which is provided by our Investment Advisers and reviewed by the Trustee.

The Trustee makes a qualitative assessment of climate-related risk through the use of an investment manager questionnaire, which surveys the Trust's service providers on their views of climate-related risks associated with the mandates for which they have responsibility. This questionnaire is reviewed by the Trustee separately to the TCFD reporting process.

Together, these elements give the Trustee a clear picture of the climate-related risks that the Trust is exposed to. Where appropriate, the Trustee distinguish between transition and physical risks. All risks and opportunities are assessed with reference to the time horizons that we have identified as relevant to the Trust.

When prioritising the management of risks, the Trustee makes an assessment of the materiality of climate-related risks relative to the impact and likelihood of other risks to the Trust. This helps the Trustee focus on the risks that pose the most significant impact.

Process for managing climate-related risks

Legal disclosure required:

The processes which the trustees have established for managing climate-related risks which are relevant to the scheme (para. 27 (k))

How the processes are integrated into the trustees' overall risk management of the

The Trustee recognises the long-term risks posed by climate change and have taken steps to integrate climate-related risks into the Trust's risk management framework.

The Trustee has developed a risk management framework to manage climate-related risk and opportunities. The risk management framework clearly sets out the actions that are taken, and who is responsible for each of them. The Trustee delegates a number of key tasks to different sub-committees whilst retaining the overall responsibility for monitoring risks associated with the Trust's arrangements.

The Trustee's processes for managing climate-related risks and opportunities are summarised in the tables below. Please note this is correct as at the end of the Scheme Year; other advisors (for example Hymans as the previous DC adviser) have played important roles historically in a number of these areas, as set out in previous versions of the Trustee's TCFD report.

Governance

Activity	Adviser / supplier support	Frequency of review
Maintain a climate change governance framework	Mercer/LCP	Annual
Publish a TCFD report	Mercer	Annual
Publish implementation statements	Mercer/LCP	Annual
Add / review climate risks and activity on key Trust documentation (e.g. risk register)	Mercer/ Russell /LCP	Ongoing
Set/review the Trustee's ESG beliefs including climate change, including the introduction of and monitoring against Net Zero targets. The responsible investment policy is reviewed annually	Mercer/ LCP	Triennial
Undertaking trustee training on climate change and climate-related risks, and bring important, relevant and timely climate-related issues to the Trustee's attention	Mercer / Russell /LCP	Ongoing
Ensure investment proposals explicitly consider the impact of climate risks and opportunities, and seek out suitable investment opportunities	Mercer / Russell /LCP	Ongoing

Ensure that actuarial and covenant advice adequately incorporates climate-related risk factors where relevant and material	Mercer/Cardano	Triennial
Review adviser objectives to ensure advisers have appropriate climate capability	Trustee	Annual
Assess the Trust's suppliers based on climate-related factors	Trustee	Annual

Trustee update

The Trustee monitored the above activities over the Trust Year. Over the period, the Trustee made its TCFD report and implementation statement publicly available.

The Trustee undertook training on Impact Investing, including Nature and Biodiversity in July 2024. This covered pillars of impact such as Intentionality, Financial Return and Measurement. The focus on Nature and Biodiversity covered Biodiversity Loss, TNFD and the spectrum of Nature Based investment solutions. The training has helped to inform the Trustee's engagement activity.

The Trustee also finalised its standalone RI Policy (available here), as noted elsewhere in this report.

Over the Trust Year the Trustee appointed LCP as DC investment adviser and appointed Russell as OCIO for the DB Scheme.

Strategy

Trustee update

The DBC has spent dedicated time during the year to analysing climate-related risks and opportunities for the Trust's investments. This has been factored into regular strategy review work for the DB and DC Sections of the Trust.

The DBC, with the support of Trustee Services and Mercer and Russell, has engaged with its investment managers who were unable to provide meaningful climate-related data as part of the annual reporting process.

The Trustee has reviewed the continued appropriateness of the climate scenario analysis carried out last year (for the DB Section) and in 2021 (for the DC Section). The Trustee has elected to re-run the analysis for both the DB and DC Schemes (See the *Strategy* section of the report for more details).

As part of documenting its RI Policy, the Trustee has set out an ambition to have a Net Zero target and intends to work with its advisers to define more granular targets in future.

Activity	Adviser / supplier support	Frequency of review
Identify climate-related risks and opportunities (over relevant time horizons) for investment and funding strategy	Mercer / LCP / Investment Managers / Russell	Annual

Scenario analysis (annual high-level review of suitability and triennial full analysis)	Mercer	Annual
Actuarial valuation	Mercer / Cardano	Triennial

Risk management

Activity	Adviser / supplier support	Frequency of review
Identify, assess and manage key climate-related risks	Mercer / Investment Managers / Russell / LCP	Ongoing
Consider the prioritisation of those climate-related risks, and the management of the most significant in terms of potential loss and likelihood	Mercer	Annual

Trustee update

The Trustee has processes in place for identifying and assessing climate-related risks. Climate risk management is integrated into the ongoing risk management activities of the Trust via the risk register, the climate risk management plan included in this report and through regular monitoring provided by the Trust's advisers.

The Trustee carries out quantitative climate scenario analysis at least triennially, which helps it to focus on the risks that pose the most significant impact. The Trustee makes a qualitative assessment of climate-related risk via an investment manager questionnaire, which is carried out separately to this TCFD report.

Metrics and Targets

Activity	Adviser / supplier support	Frequency of review
Agree / review approach for reported carbon metrics	Mercer / Russell	Annual
Agree / review target	Mercer / Russell	Annual
Obtain data for agreed metrics	Mercer / Investment Managers / Russell	Annual

Trustee update

For this report the Trustee has collected and reported the carbon metrics associated with the Trust's assets, where possible, with the assistance of Trustee Services, Mercer and Russell. The Trustee has also reviewed the target, which was set two years ago, and consider it to still be appropriate. More details can be found in the *Metrics and Targets* section.

METRICS & TARGETS

Metrics help to inform our understanding and monitoring of the Trust’s climate-related risks. Quantitative measures of the Trust's climate-related risks, in the form of both greenhouse gas emissions and non- emissions-based metrics, help us to identify, manage and track the Trust's exposure to the financial risks and opportunities climate change will bring.

Our climate-related metrics

The Trustee uses quantitative measures to help it understand and monitor the Trust's exposure to climate-related risks. Measuring the greenhouse gas emissions related to the Trust's assets (to the extent possible) is a key way for the Trustee to assess our exposure to climate change.

Greenhouse gases are produced in a range of ways, for example by burning fossil fuels, meat and dairy farming, and some industrial processes. When greenhouse gases are released into the atmosphere, they trap heat in the atmosphere causing global warming, contributing to climate change.

Greenhouse gases are categorised into three types or 'scopes' by the Greenhouse Gas Protocol, the world's most used greenhouse gas accounting standard.

Scope 1

All direct emissions from the activities of an organisation which are under their control; these typically include emissions from their own buildings, facilities and vehicles.

Scope 2

These are the indirect emissions from the generation of electricity purchased and used by an organisation.

Scope 3

All other indirect emissions linked to the wider supply chain and activities of the organisation from outside their own operations – from the goods it purchases to the disposal of the products it sells.

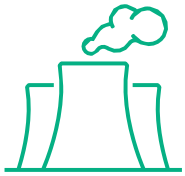
In line with the prior reporting year, the Trustee is required to report Scope 1, 2 and 3 emissions (as far as the Trustee is able to do so). Scope 3 emissions are often the largest proportion of an organisation's emissions, but they are also the hardest to measure. The complexity and global nature of an organisation's value chain make it hard to collect accurate data.

There has been a change in the approach to calculating the carbon metrics for the DC Section for 2025 versus 2024. The Trustee has also expanded the metrics covered as part of the TCFD report for 2025 meaning 2024 comparisons are not available for a number of metrics

For more explanation about GHG emissions, please see the appendix.

Climate-related metrics

In its first year of TCFD reporting, the Trustee decided what metrics to report on annually; these are described below.



Total Greenhouse Gas emissions

The total greenhouse gas emissions associated with the portfolio (to the extent data is available). It is an absolute measure of carbon output from the Trust's investments and is measured in tonnes of carbon dioxide equivalent (tCO_2e).

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 ($tCO_2e/£m$).

Data quality

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

Binary target measurement (SBTi)

A metric which shows how much of the Trust's assets are assessed as being aligned with a climate change goal of limiting the increase in the global average temperature to 1.5°C above pre-industrial levels.

It is measured as the percentage of underlying portfolio investments with a declared net-zero or Paris-aligned target or are already net-zero or Paris-aligned.

Legal disclosure required:

The metrics which the trustees have calculated and, if the trustees have not been able to obtain data to calculate the metrics for all of the assets of the scheme, why this is the case; (para. 27 (n))

Paragraph 18. Trustees must in each scheme year, as far as they are able— (a) obtain the scope 1, scope 2 and scope 3 greenhouse gas emissions attributable to the scheme's assets; (b) use the data obtained to calculate their selected absolute emissions metric and selected emissions intensity metric; and (c) use the metrics they have calculated to identify and assess the climate-related risks and opportunities which are relevant to the scheme.

Paragraph 20. Trustees must in each scheme year, as far as they are able— (a) obtain the data required to calculate their selected additional climate change metric; (b) use the data obtained to calculate that metric in relation to the scheme's assets; and (c) use the metric they have calculated to identify and assess the climate-related risks and opportunities which are relevant to the scheme.

The carbon metrics

DB Section

Manager / Mandate	Assets (£m)		Total GHG emissions (tCO_2e)				Carbon footprint (tCO_2e/£m)				SBTi (%)	
	2024	2025	Scopes 1 & 2		Scope 3		Scopes 1 & 2		Scope 3		2024	2025
			2024	2025 (Coverage)	2024	2025 (Coverage)	2024	2025 (Coverage)	2024	2025 (Coverage)		
LGIM / Liability Driven Investments *(sovereign bonds element)*	2,034	1,808	151,681	132,677 (100%)	-	-	74.6[1]	73.4[1] (100%)	-	-	-	-
ICM / Private Credit	9	-	3,488	-	-	-	383	-	-	-	-	-
Abrdn / Infrastructure	82	80	1,747	1,873 (89%)	-	-	22	28 (89%)	-	-	-	-
Ancala[3] / Infrastructure	44	44	8,039	79,226 (100%)	-	88,825 (80%)	183	138 (100%)	-	371 (80%)	-	0%
M&G / Multi-Asset Credit *(corporate bonds element)*	-	150	-	3,060 (57%)	-	46,784 (56%)	-	36 (57%)	-	555 (56%)	-	13.2%
M&G / Multi-Asset Credit[4] *(sovereign bonds element)*			-	3,156 (12%)	-	-	-	-	-		-	-
Wellington / Multi-Asset Credit *(corporate bonds element)*	-	149	-	16,633 (76%)	-	38,452 (76%)	-	223[1] (76%)	-	514[1] (76%)	-	19.1%
Wellington / Multi-Asset Credit *(sovereign bonds element)*			-	-	-	-	-	-	-	-	-	-
Cheyne / Property	-[4]	20	-	70 (not available)	-	-	-	5 (not available)	-	-	-	-
DB Other Assets	1,817	1,233[5]	Not Available								-	-

Source: Investment managers, Mercer estimates. Data as at 31/03/2024 and 31/03/2025. Figures may not sum due to rounding.

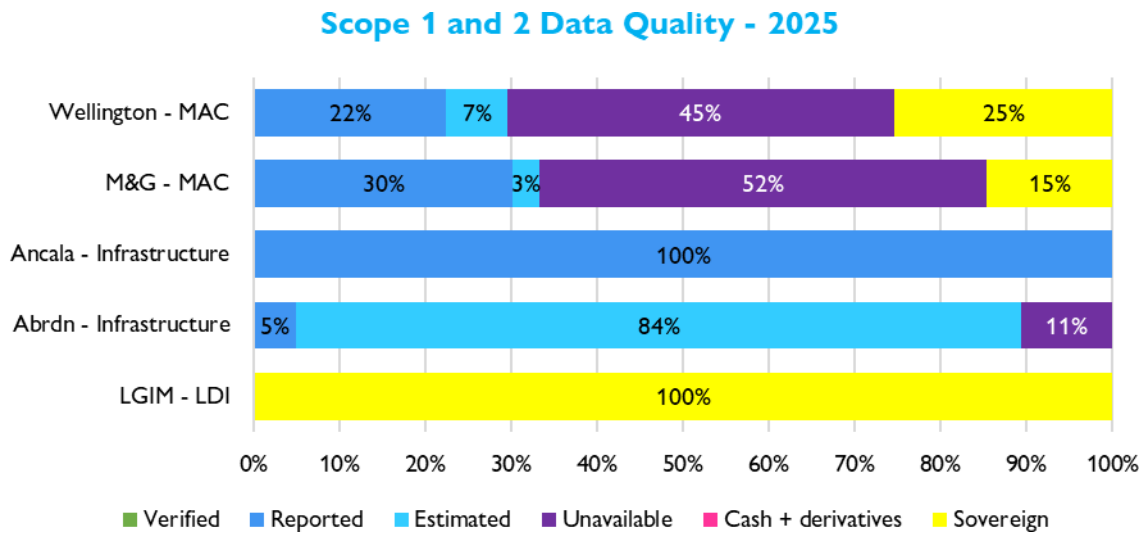
[1] tCO2e/GDP: carbon footprint for the LDI mandate is not directly comparable to carbon footprint for non-sovereign bonds. LGIM carbon footprint has been converted to GBP from USD, based on the exchange rate at 31 March 2025. LGIM uses propriety methodology and tools for the calculation of metrics and the emissions metrics covers physical exposure only.

[3] Ancala data as at 31 December 2024.

[4] derived under PCAF methodology.

[4] valuation included in 'other DB assets' as emissions metrics were not available at this date.

[5] includes several private debt, private equity, property and residual mandates that have not been able to provide metrics.



Given the infancy of climate reporting, it is expected that information is not verified at this time.

Commentary:

- The availability of data for the DB Section remains constrained, but coverage has increased slightly from last year (see later). As such, the metrics show the Trust's GHG emissions to be lower than they really are.
- The Trustee has reported on Scope 3 emissions for the DB Section of the Trust where information is available. Some of the Trust's managers have not been able to provide Scope 3 data, primarily due to the nature of the assets held by the Trust at the effective date of this report: it is challenging to get any emissions data for private market mandates and as such Scope 3 will likely be some years away.
- Reporting of Scope 3 emissions has increased this year, in part due to the two new Multi-Asset Credit managers, which are both able to report Scope 3 data for the corporate bond elements of their portfolios.

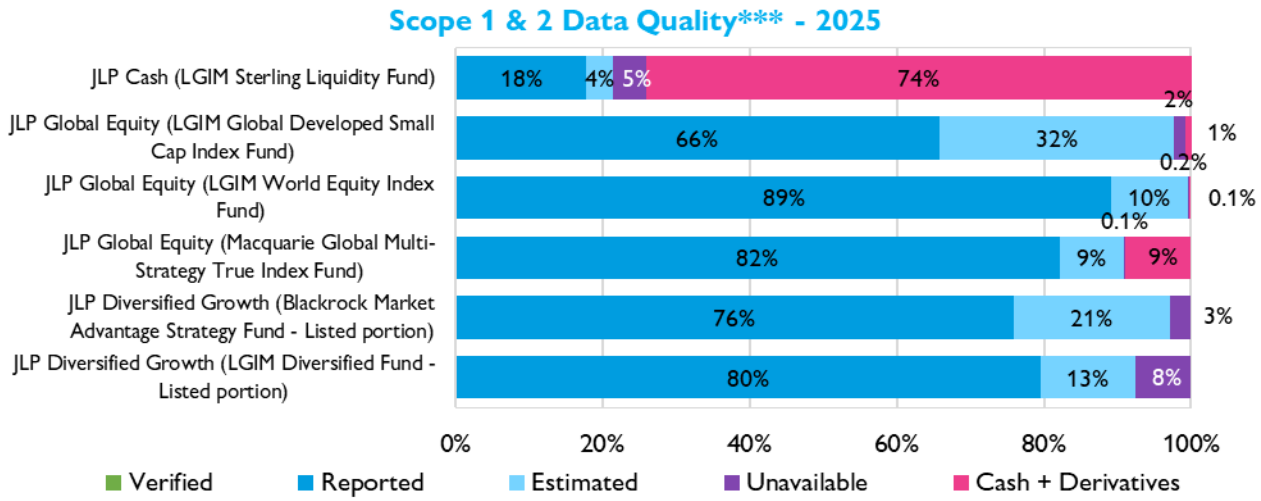
DC Section

Corporate Emissions

Fund	Assets (£m)		Total GHG emissions (tCO_2e) (Coverage)				
			Scopes 1 & 2		Scope 3		
	2024	2025	2024	2025	2024	2025 (upstream)	2025 (downstream)
JLP Global Equity	1,211	1,365	83,081	83,503 (99.6%)	809,580	161,785 (99.6%)	361,637 (99.6%)
JLP Diversified Growth	176	220	14,453	11,665 (92.6%)	74,848**	19,904 (92.7%)	42,327 (92.7%)
JLP Cash*	120	75	149	3 (82.8%)	26,401	5,937 (82.8%)	-
Aggregated	1,507	1,660	97,683	95,171 (98.7%)	835,981	187,626 (99.0%)	403,964 (99.0%)

Fund	Assets (£m)		Carbon footprint (tCO_2e/£m invested) (Coverage)				
			Scopes 1 & 2		Scope 3		
	2024	2025	2024	2025	2024	2025 (upstream)	2025 (downstream)
JLP Global Equity	1,211	1,365	71	63 (99.2%)	706	129 (99.4%)	278 (99.4%)
JLP Diversified Growth	176	220	94	83 (92.2%)	816**	141 (90.7%)	305 (90.7%)
JLP Cash*	120	75	1.3	0.1 (82.8%)	319	307 (82.8%)	-
Aggregated	1,507	1,660	-	64 (98.3%)	-	130 (99.0%)	280 (99.0%)

Fund	Assets (£m)	SBTi (%)
	2025	Scopes 1 & 2
		2025
JLP Global Equity	1,365	42.6%
JLP Diversified Growth	220	36.5%
JLP Cash*	75	0.0%
Aggregated	1,660	41.4%



All data is based on stocklists as at 31 March 2025, using metric calculations and data feeds as at 26 May 2025, or latest available. Given the infancy of climate reporting, it is expected that information is not verified at this time. 2024 asset figures represent the total investment across the Trust's Default arrangement and self-select range, 2025 asset figures represent only the investment within the Default arrangement (the Trust's only popular arrangement) and so are not directly comparable.

**Metrics provided directly by the manager. LGIM has only provided total Scope 3 metrics without differentiating between upstream and downstream emissions. Absolute emissions for LGIM Sterling Liquidity are derived from carbon footprint, considering the % of eligible assets provided by LGIM.*

2024 data: source: investment managers. Data as at 31/03/2024. Figures may not sum due to rounding.

Note that there has been a change in calculation methodology between 2024 and 2025 which has impacted the change in metrics illustrated above.

***Scope 3 data not available for BlackRock Market Advantage Fund; figure represents only the c2/3 allocation to the LGIM Diversified Fund and the figure has not been scaled.*

****Data quality illustrates the underlying components of the JLP Diversified Growth, JLP Global Equity and JLP Cash. LGIM data has been provided by the manager and relates to carbon footprint.*

Sovereign Emissions

Fund	Production Emissions Including LULUCF				Production Emissions Excluding LULUCF			
	Sovereign Carbon Intensity (tCO2e / $M PPP-Adjusted GDP)		Absolute Emissions (tCO2e)		Sovereign Carbon Intensity (tCO2e / $M PPP-Adjusted GDP)		Absolute Emissions (tCO2e)	
	Metric	Coverage	Metric	Coverage	Metric	Coverage	Metric	Coverage
JLP Diversified Growth	224.4	85.4%	11,886	85.4%	223.8	85.7%	11,854	85.7%

All data is based on stocklists as at 31 March 2025, using metric calculations and data feeds as at 26 May 2025, or latest available. Sovereign emissions data shown are consistent with the Partnership for Carbon Accounting Financials (PCAF) definition of Scope 1 sovereign emissions, aligning with the UNFCCC definition of domestic territorial emissions, including emissions from exported goods and services. Emissions data are presented including and excluding land use, land-use change and forestry (LULUCF).

2025 data: source: investment managers, Mercer estimates. Data as at 31/03/2025. Figures may not sum due to rounding.

2024 data: source: investment managers, Mercer estimates. Data as at 31/03/2024. Figures may not sum due to rounding.

**Scope 3 data not available for BlackRock Market Advantage Fund; figure represents only the c2/3 allocation to the LGIM Diversified Fund and the figure has not been scaled.*

Fund	Consumption Emissions					
	Sovereign Carbon Intensity (tCO2e / capita)		Sovereign Carbon Intensity (tCO2e / $M PPP-Adjusted GDP)		Absolute Emissions (tCO2e)	
	Metric	Coverage	Metric	Coverage	Metric	Coverage
JLP Diversified Growth	11.4	85.2%	226.1	85.2%	11,978	85.2%

All data is based on stocklists as at 31 March 2025, using metric calculations and data feeds as at 26 May 2025, or latest available. Sovereign emissions data shown are consistent with the Partnership for Carbon Accounting Financials (PCAF) definition of consumption emissions, equivalent to production emissions, less exported emissions, plus imported emissions. Emissions data exclude land use, land-use change and forestry. Additional information on the approach that has been taken is set out in the Appendix.

For Data Quality, where scope 3 emissions data has been provided, 100% of the data has been estimated.

There has been a change in the approach to calculating the carbon metrics for the DC Section for 2025 versus 2024. The Trustee have also expanded the metrics covered as part of the TCFD report for 2025 meaning 2024 comparisons are not available for a number of metrics. As a result, it is difficult for the Trustee to comment on the changes over the year. The Trustee expect to be able to comment on progress versus historic years in the TCFD report for the year end 31 March 2026.

Looking to the future: The Trust's climate-related target

Climate-related targets help the Trustee track its efforts to manage the Trust's climate-change risk exposure.

In previous reporting years, the Trustee set a target for improving the data quality of scopes 1 and 2 emissions data. Without meaningful data from the investment managers, it is hard for the Trustee to measure its climate-risk exposure. The Trustee therefore consider it important to set a target to improve the availability and quality of GHG emissions data from the managers. Data quality is considered as the weighted average allocation to mandates that have data quality elements that are verified, actual, reported and estimated.

	Data quality target	Actual data quality
DB	100% Of scopes 1&2 by 2032	58% Of scopes 1&2 at 31 March 2025
DC	100% Of scopes 1&2 by 2027	96% Of scopes 1&2 at 31 March 2025

Legal disclosure required:

The target which the trustees have set in and the performance of the scheme against that target (Regulation 27 (o))

Paragraph 22. Trustees must in the first scheme year, set a target for the scheme in relation to one of the metrics which they have selected to calculate.

Paragraph 24. Where trustees have determined that a target should be replaced, they must set a new target for the scheme in relation to one of the metrics which they have selected to calculate.

Based on the quality of the metrics data we received from our managers this year, the Trustee believes that the target remains appropriate at this time.

Year-on-year progress against target

The Trust's performance against the target will be measured and reported on every year. Over time, this will show the Trust's progress against the target.

Section	31 March 2022 Baseline	31 March 2023	31 March 2024	31 March 2025
DB	25%	64%	54%	58%
DC	69%	90%	92%	96%

Data quality increased for the DB Section over the year, reflecting changes in the assets held. We expect data quality for the DB Section to improve over the next few years as

the investment strategy evolves and the proportion of liquid assets (such as equities and corporate credit where data quality is high) increases.

Data quality increased slightly for the DC Section over the period, moving us closer towards the 100% target. Last year the Trustee accelerated the timescale for achieving this target from 2032 to 2027, and the Trustee would hope and expect to see incremental progress towards that level over the next few years.

What are we doing to reach the target?

The Trustee will seek to meet the specified data quality target, whilst being mindful of any unintended consequences. The Trustee will factor in the investment strategy and the Trust's objectives when carrying out actions to make progress towards reaching the target.

To reach its target, the Trustee plans to:

1) Reduce the allocation to managers who provide low data quality; this is expected to happen naturally for the DB Section as the Trust's investment strategy evolves and becomes more liquid over time (as data quality in liquid asset classes such as public equities is materially better than private market asset classes).
2) To improve consistency, encourage managers to use industry-standard templates when reporting on carbon metrics.
3) Continue engagements with the Trust's managers.

Future priorities

As stated in this report the Trustee has set an overarching target of 'net zero' emissions by 2050 across the DB and DC Sections of the Trust, which will guide future investment strategy, manager selection and portfolio construction decisions.

A wide range of factors will affect whether the Trustee achieves its targets and the Trustee has varying degrees of control over these factors. For example, the quality and availability of data means that the quoted greenhouse gas emissions are likely to change. For the LDI portfolio, the progress of the UK Government will have a significant influence over the timing of reaching net zero.

Ultimately achieving the desired level of decarbonisation will depend on global economies overall successfully decarbonising. Notwithstanding that there are factors outside of the Trustee's control, the Trustee's intention is to meet its targets and it engages with its investment managers to make clear its requirements.

The Trustee will be considering whether to set any shorter-term targets as part of the pathway towards net zero over the coming year; any additional targets in this regard will be set out in next year's TCFD report.

APPENDICES

Appendix A – Glossary

Governance	refers to the system by which an organisation is directed and controlled in the interests of shareholders and other stakeholders.[1] Governance involves a set of relationships between an organisation's management, its board, its shareholders, and other stakeholders. Governance provides the structure and processes through which the objectives of the organisation are set, progress against performance is monitored, and results are evaluated.[2]
Strategy	refers to an organisation's desired future state. An organisation's strategy establishes a foundation against which it can monitor and measure its progress in reaching that desired state. Strategy formulation generally involves establishing the purpose and scope of the organisation's activities and the nature of its businesses, taking into account the risks and opportunities it faces and the environment in which it operates.[3]
Risk management	refers to a set of processes that are carried out by an organisation's board and management to support the achievement of the organisation's objectives by addressing its risks and managing the combined potential impact of those risks.[4]
Climate-related risk	refers to the potential negative impacts of climate change on an organisation. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events (e.g., cyclones, droughts, floods, and fires). They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g., sea level rise). Climate-related risks can also be associated with the transition to a lower-carbon global economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations.[5]
Climate-related opportunity	refers to the potential positive impacts related to climate change on an organisation. Efforts to mitigate and adapt to climate change can produce opportunities for organisations, such as through resource efficiency and cost savings, the adoption and utilization of low-emission energy sources, the development of new products and services, and building resilience along the supply chain. Climate-related opportunities will vary depending on the region, market, and industry in which an organisation operates.[6]

[1] A. Cadbury, Report of the Committee on the Financial Aspects of Corporate Governance, London, 1992.
[2] OECD, G20/OECD Principles of Corporate Governance, OECD Publishing, Paris, 2015.
[3] TCFD, Recommendations of the Task Force on Climate-related Financial Disclosures, 2017
[4] Please refer to footnote 6.
[5] Please refer to footnote 6.
[6] Please refer to footnote 6.

Greenhouse gas emissions scope levels[7]

Greenhouse gases are categorised into three types or 'scopes' by the Greenhouse Gas Protocol, the world's most used greenhouse gas accounting standard.

Scope 1 refers to all direct GHG emissions.

Scope 2 refers to indirect GHG emissions from consumption of purchased electricity, heat, or steam.

Scope 3 refers to other indirect emissions not covered in Scope 2 that occur in the value chain of the reporting company, including both upstream and downstream emissions. Scope 3 emissions could include: the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g., transmission and distribution losses), outsourced activities, and waste disposal.[8]

Value chain

refers to the upstream and downstream life cycle of a product, process, or service, including material sourcing, production, consumption, and disposal/recycling. Upstream activities include operations that relate to the initial stages of producing a good or service (e.g., material sourcing, material processing, supplier activities). Downstream activities include operations that relate to processing the materials into a finished product and delivering it to the end user (e.g., transportation, distribution, and consumption).[9]

Climate scenario analysis

is a process for identifying and assessing a potential range of outcomes of future events under conditions of uncertainty. In the case of climate change, for example, scenarios allow an organisation to explore and develop an understanding of how the physical and transition risks of climate change may impact its businesses, strategies, and financial performance over time.[10]

Net zero

means achieving a balance between the greenhouse gases emitted into the atmosphere, and those removed from it. This balance – or net zero – will happen when the amount of greenhouse gases add to the atmosphere is no more than the amount removed.[11]

[7] World Resources Institute and World Business Council for Sustainable Development, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), March 2004.
[8] PCC, Climate Change 2014 Mitigation of Climate Change, Cambridge University Press, 2014.
[9] TCFD, Recommendations of the Task Force on Climate-related Financial Disclosures, 2017
[10] Please refer to footnote 12.
[11] Energy Saving Trust, What is net zero and how can we get there? - Energy Saving Trust, October 2021

Appendix B – An explanation of climate risk categories

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

Transition risks

Transition risks are those related to the ability of an organisation to adapt to the changes required to reduce greenhouse gas emissions and transition to renewable energy. Within transition risks, there are four key areas: policy and legal, technological innovation, market changes, and reputational risk.

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 (e.g., delayed planning approvals, supply chain interruptions)

Reduced revenue from negative impacts on workforce management and planning

Physical Risks

Physical risks refer to the physical impacts of climate change on a firm's operations. They directly impact a firm's ability to perform its function due to climate disruption. They fall into two subcategories: acute and chronic; acute referring to extreme climate events such as flooding and wildfires, and chronic referring to trends over time such as an increase in temperature or ocean acidification.

Acute
Examples
Extreme heat
Extreme rainfall
Floods
Droughts
Storms (e.g., hurricanes)

Chronic
Examples
Water stress
Sea level rises
Land degradation
Variability in temperature
Variability in precipitation

Appendix C – Climate scenario modelling assumptions

The climate scenarios were developed by Mercer and are based on detailed assumptions which are developed in conjunction with Ortec Finance.

Investment and Funding Climate Scenario Analysis Assumptions	Failed Transition	Rapid Transition	Delayed Transition	Limited Transition
Summary	The world fails to meet the Paris Agreement goals and global warming reaches 3.7°C above pre-industrial levels by 2100. Physical climate impacts cause large reductions in economic productivity and increasing impacts from extreme weather events.	Sudden divestments in 2026 to align portfolios to the Paris Agreement goals have disruptive effects on financial markets with sudden repricing followed by stranded assets and a sentiment shock.	Policy change is delayed until 2030 when ambition increases and the feasibility and competitiveness of low-carbon technology means that emissions reaches net-zero later in the century. Global average temperatures stabilizing at 2°C above pre-industrial levels by 2100	The world fails to meet the Paris Agreement goals and global warming reaches 2.9°C above pre-industrial levels by 2100. This scenario poses high risks from extreme weather and financial market implications by the 2030s due to lower performance expectations.
Temperature change	Expected increase of 3.7°C, with a high-likelihood range of an increase between 2. 8°C and 4.6°C by 210 0.	Average temperature increase stabilises at 1.6°C around 2050.	This scenario includes additional economic damage consistent with 1.9°C of average temperature rise	In the Limited Transition Scenario, global average temperatures are 1.8°C warmer than pre-industrial levels by 2050 and 2.9°C warmer by 2100

Investment and Funding Climate Scenario Analysis Assumptions	Failed Transition	Rapid Transition	Delayed Transition	Limited Transition
Expected Emission and energy production	~45.1Gt CO2 by 2064, Globally, the share of fossil fuels in the electricity generation mix decreases from 3% (oil), 35% (coal) and 24% (gas) in 2020 to 1% (oil), 10% (coal) and 8% (gas), respectively, in 2060. While the increasingly cost-competitive variable renewables (wind and solar) grow from 39% in 2040, to 68% in 2060, and other renewables reach 7% in 2060.	Net Zero by 2050. This scenario sees fossil fuels nearly eliminated from electricity. By 2060, coal-fired power is gone, with only a small share of gas remaining. Variable renewables comprise 84% of power generation, while other renewables account for 8%. Carbon capture and storage (CCS) offsets emissions in hard-to-abate sectors at 4% by 2060.	~10.9 GtCO2 by 2064, Reflecting initial limited policies and then step up from 2030, fossil fuels is almost phased out in 2060. Variable renewables make up 84% in 2060, other renewables totaling 7% in 2060. Carbon capture and storage (CCS) technologies to offset emissions in hard-to-abate sectors are 4% in 2060. Nuclear is the remaining balance of 4% in 2060.	~c.35.8 GtCO2 by 2064. The share of fossil fuels in the electricity generation mix decreases by -55% in the period from 2020 to 2060. Variable renewables (wind and solar) make up 54% in 2040, and 82% in 2060, other renewables totaling 7% in 2060. Carbon capture and storage (CCS) technologies to offset emissions in hard-to-abate sectors are 0% in 2060.
Key policy & tech assumptions	Existing policy regimes are continued with the same level of ambition, with no new policies enacted and with some roll-back of those most recently announced policies (including elements of the US Inflation Reduction Act), due to political uncertainty.	A highly ambitious low-carbon policy and rapid technology transition. Higher carbon prices, larger investment in energy efficiency and faster phase out of coal-fired power generation	Policy changes are delayed until 2030. An ambitious set of policies are then introduced, leading to improvements in energy efficiency and replacement of unabated fossil fuel-based technologies with lower-carbon alternatives.	Policymakers take moderate steps on climate change, with existing carbon markets continuing and a slight rise in carbon prices. Regulation and taxation of fossil fuels remain limited, while low-carbon technologies, are increasingly adopted due to cost reductions and efficiency gains.

Investment and Funding Climate Scenario Analysis Assumptions	Failed Transition	Rapid Transition	Delayed Transition	Limited Transition
Financial climate modelling	Physical risks are priced in two different periods: around 2030 (risks of first 40 years) and around 2040 (risks of 40-80 years).	Pricing in of transition and physical risks of the coming 40 years occurs within one year in 2026. As a result of this aggressive market correction, a confidence shock to the financial system takes place in the same year.	Pricing in of transition and physical risks associated with 1.5°C up to 2050 takes place over the first 4 years. The additional damage, beyond 1.5°C, impacts asset performance on a year-by-year basis with no advance pricing in.	Physical risks are priced in two different periods: around 2030 (risks of first 40 years) and around 2040 (risks of 40-80 years).
Physical risks considered	Physical risks are regionally differentiated, consider variation in expected temperature increase per region and increase dramatically with rising average global temperature. Physical risks are built up from: - Gradual physical impacts associated with rising temperature (agricultural, labour, and industrial productivity losses) - Economic impacts from climate-related extreme weather events - Current modelling does not capture environmental tipping points or knock-on effects (e.g., migration and conflict).			

Source: Mercer and Ortec. Climate scenarios as at March 2025.

The return impacts of the climate scenarios represented in this report are relative to the 'baseline'. The baseline represents what we are assuming the market is currently pricing in. The baseline includes a 10% weight to a Failed Transition, 35% weight to a Delayed Transition, 5% to a Rapid Transition, 15% to a Limited Transition and 35% to a range of low impact scenarios.

Limitations associated with climate modelling

Climate scenario modelling is a complex process. The Trustee is aware of the modelling limitations. In particular:

1. The further into the future you go, the less reliable any quantitative modelling will be.
2. There is a reasonable likelihood that physical impacts are grossly underestimated. Feedback loops or 'tipping points', like permafrost melting, are challenging to model particularly around the timing of such an event and the speed at which it could accelerate.

3. Financial stability and insurance 'breakdown' is not modelled. A systemic failure may be caused by either an 'uninsurable' 4°C physical environment, or due to the scale of mitigation and adaption required to avoid material warming of the planet.

4. Most adaptation costs and social factors are not priced into the models. These include population health and climate-related migration.

New and emerging risks, such as the impact of climate change on biodiversity loss, and vice versa, is expected to be integrated into climate scenario modelling over time once the supporting science and impact on econometrics and finance is better understood

Data used

The scenario model projects using the following inputs as at 31 December 2025 (as provided by Mercer).

- Market value of assets: £3,582m
- Present value of the gilts+0.5% p.a. liabilities: £4,075m
- Duration of liabilities: 16.2 years
- Real proportion of the liabilities: 70%
- Benefit outgo in year 1: £265m

The LDI portfolio is assumed to hedge interest rates and inflation up to 81% of the gilts+0.5% basis.

Asset Class – Cumulative Climate Return Impact Assumptions

	Rapid Transition			Delayed Transition			Limited Transition			Failed Transition		
Asset class	5 Years	22 Years	40 Years	5 Years	22 Years	40 Years	5 Years	22 Years	40 Years	5 Years	22 Years	40 Years
MSCI World Equity	-2.1%	8.6%	20.1%	3.1%	-1.6%	-2.0%	3.2%	-21.9%	-32.7%	1.9%	-40.6%	-55.4%
Emerging Markets Equity	0.6%	12.0%	26.2%	3.1%	1.2%	1.8%	2.0%	-23.4%	-36.0%	0.3%	-39.1%	-56.6%
MSCI ACWI ESG Equity	-1.0%	10.3%	22.5%	3.0%	-0.1%	-0.4%	2.9%	-22.0%	-33.1%	1.6%	-40.8%	-55.9%
UK Investment Grade Credit	0.5%	1.0%	0.8%	0.3%	-0.3%	-0.5%	0.4%	-0.7%	-1.0%	0.2%	-1.6%	-2.3%
Global High Yield Credit	-1.8%	-1.1%	-2.8%	0.9%	-0.2%	-0.4%	1.1%	0.0%	1.2%	1.1%	-2.4%	-2.5%
Global Investment Grade Credit	-0.2%	0.1%	-1.9%	0.4%	0.1%	-0.4%	0.6%	0.5%	1.8%	0.6%	-0.8%	-0.9%
Global Sovereign Bonds	-0.1%	0.5%	-0.6%	-0.1%	0.3%	-0.5%	-0.1%	0.2%	0.1%	-0.2%	0.1%	-1.1%
UK Sovereign Bonds	-0.5%	0.3%	-0.4%	-0.3%	0.3%	-0.2%	-0.2%	0.0%	-0.1%	-0.3%	-0.2%	-0.1%
EMD Hard Currency	0.1%	1.3%	5.1%	0.0%	-0.5%	0.2%	0.0%	-0.4%	-5.3%	-0.1%	-2.0%	-15.4%
Global Private Debt	-0.4%	-0.4%	-1.8%	0.4%	0.0%	-0.7%	0.7%	0.8%	1.4%	0.7%	-0.8%	-2.2%
Cash	-0.3%	-0.7%	-3.2%	-0.3%	0.6%	-0.4%	0.2%	2.0%	4.2%	0.5%	1.5%	2.6%
Global Real Estate	0.8%	9.1%	16.7%	2.3%	1.2%	1.5%	2.2%	-15.6%	-23.6%	1.3%	-31.8%	-45.6%
Hedge Fund	-1.1%	4.9%	10.2%	2.0%	-0.7%	-0.7%	2.0%	-12.0%	-18.5%	1.3%	-23.5%	-34.6%

Source: Mercer.

Asset Class Capital Market Assumptions

Capital Market Assumptions			
Asset Class	31/03/2025		
	5 Years	22 Years	40 Years
MSCI World Equity	8.0%	9.6%	9.0%
Emerging Markets Equity	10.6%	12.3%	11.7%
MSCI ACWI ESG Equity	8.0%	9.6%	9.0%
UK Investment Grade Credit	5.1%	7.3%	7.2%
Global High Yield Credit	6.1%	8.6%	8.1%
Global Investment Grade Credit	4.7%	6.2%	5.6%
Global Sovereign Bonds	4.1%	5.5%	4.9%
UK Sovereign Bonds	4.4%	6.2%	6.1%
EMD Hard Currency	6.3%	8.3%	7.7%
Global Private Debt	6.7%	9.6%	9.5%
Cash	4.1%	5.5%	5.0%
Global Real Estate	7.2%	8.8%	8.2%
Hedge Fund	7.5%	9.9%	9.4%

Source: Mercer.

DB Scheme – Asset Allocation

Modelling Asset Class	Year											
	1	2	3	4	5	6	7	8	9	10	11 - 18	19 - 25
MSCI ACWI Equity	-	7.5%	12.0%	15.0%	15.0%	15.0%	15.0%	16.0%	16.0%	17.5%	17.5%	-
Multi Asset Credit	8.3%	8.9%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	15.0%
Global Investment Grade Credit	-	-	-	5.0%	5.0%	7.5%	7.5%	7.5%	10.0%	10.0%	10.0%	30.0%
Floating Rate Note IG UK	-	-	-	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	10.0%
Global Private Debt	8.3%	5.4%	3.8%	1.8%	5.3%	5.9%	6.3%	6.7%	7.0%	7.3%	7.5%	-
Private Infra Global	4.8%	4.2%	4.1%	3.9%	5.3%	5.8%	6.3%	6.7%	7.1%	7.3%	7.5%	-
LDI	54.6%	57.6%	54.8%	50.5%	47.5%	45.0%	45.0%	44.0%	41.5%	40.0%	40.0%	45.0%

UK real Estate	10.5%	5.4%	3.8%	2.0%	-	-	-	-	-	-	-	-
Private Equity	10.3%	8.5%	7.2%	5.8%	4.4%	3.3%	2.4%	1.6%	0.9%	0.4%	-	-
Hedge Fund	3.2%	2.5%	1.8%	1.0%	-	-	-	-	-	-	-	-
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Mercer. Year 1 represents the actual asset allocation as at 31 December 2024. The first periodically static allocation starts in year 11 and then the long term strategic asset allocation is from year 19 onwards.

DC Scheme - Asset Allocations

Modelling Asset Class	Years to Retirement											
	40-14	13	12	11	10	9-6	5	4	3	2	1	0
MSCI World Equity	85.0%	78.6%	72.1%	65.7%	59.3%	52.9%	44.9%	37.3%	30.2%	22.3%	14.7%	6.8%
Emerging Markets Equity	15.0%	13.7%	12.4%	11.1%	9.8%	8.5%	7.2%	6.0%	4.9%	3.6%	2.4%	1.1%
UK Investment Grade Credit	0.0%	0.5%	1.0%	1.6%	2.1%	2.6%	2.2%	1.9%	1.5%	1.1%	0.7%	0.3%
Global High Yield Credit	0.0%	0.7%	1.3%	2.0%	2.6%	3.3%	2.8%	2.4%	1.9%	1.4%	0.9%	0.4%
Global Investment Grade Credit	0.0%	0.9%	1.7%	2.6%	3.4%	4.3%	3.6%	3.1%	2.4%	1.8%	1.2%	0.6%
Global Sovereign Bonds	0.0%	0.3%	0.6%	0.9%	1.2%	1.5%	1.3%	1.1%	0.8%	0.6%	0.4%	0.2%
UK Sovereign Bonds	0.0%	0.2%	0.3%	0.5%	0.6%	0.8%	0.6%	0.5%	0.4%	0.3%	0.2%	0.1%
EMD Hard Currency	0.0%	0.7%	1.4%	2.2%	2.9%	3.6%	3.1%	2.6%	2.1%	1.5%	1.0%	0.5%
Global Private Debt	0.0%	0.2%	0.3%	0.5%	0.6%	0.8%	0.7%	0.6%	0.5%	0.3%	0.2%	0.1%
Cash	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	15.1%	29.1%	43.1%	58.1%	72.0%	87.0%
Global Real Estate	0.0%	0.4%	0.8%	1.1%	1.5%	1.9%	1.6%	1.4%	1.1%	0.8%	0.5%	0.3%
Hedge Fund	0.0%	4.0%	7.9%	11.9%	15.8%	19.8%	16.8%	14.2%	11.2%	8.3%	5.6%	2.6%

Source: Mercer. Younger member starting point is 40 years. Average member starting point is 22 years. Older member starting point is 5 years.

Additional DC modelling information

The allocation has been modelled using:

- £6.2k, initial asset value for younger members and contributions starting with c.£1.8k and gradually increasing for 40 years (last year contribution of c. £4.7k)
- £29.4k initial asset value for average members and contributions starting with c.£3.6k and gradually increasing over 22 years (last year contribution of c. £6.1k)
- £20.3k initial asset value for older members and contributions starting with c.£2.4k and gradually increasing over 5 years (last year contribution of c. £2.6k) for older members.

Appendix D – Greenhouse gas emissions in more detail

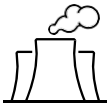
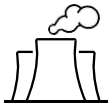
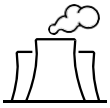
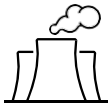
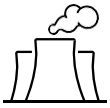
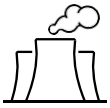
Greenhouse gases in the atmosphere, including water vapour, carbon dioxide, methane, and nitrous oxide, keep the Earth's surface and atmosphere warm because they absorb sunlight and re-emit it as heat in all directions including back down to Earth. Adding more greenhouse gases to the atmosphere makes it even more effective at preventing heat from leaving the Earth's atmosphere.

Greenhouse gases are vital because they act like a blanket around the Earth making it the climate habitable. The problem is that human activity is making the blanket "thicker". For example, when we burn coal, oil, and natural gas we send huge amounts of carbon dioxide into the air. When we destroy forests, the carbon stored in the trees escapes to the atmosphere. Other basic activities, such as raising cattle and planting rice, emit methane, nitrous oxide, and other greenhouse gases.

The amount of greenhouse gases in the atmosphere has significantly increased since the Industrial Revolution. The Kyoto Protocol[12] identifies six greenhouse gases which human activity is largely responsible for emitting. Of these six gases, human-made carbon dioxide is the biggest contributor to global warming.

Each greenhouse gas has a different global warming potential and persists for a different length of time in the atmosphere. Therefore, emissions are expressed as a carbon dioxide equivalent (CO_2e). This enables the different gases to be compared on a like-for-like basis, relative to one unit of carbon dioxide.

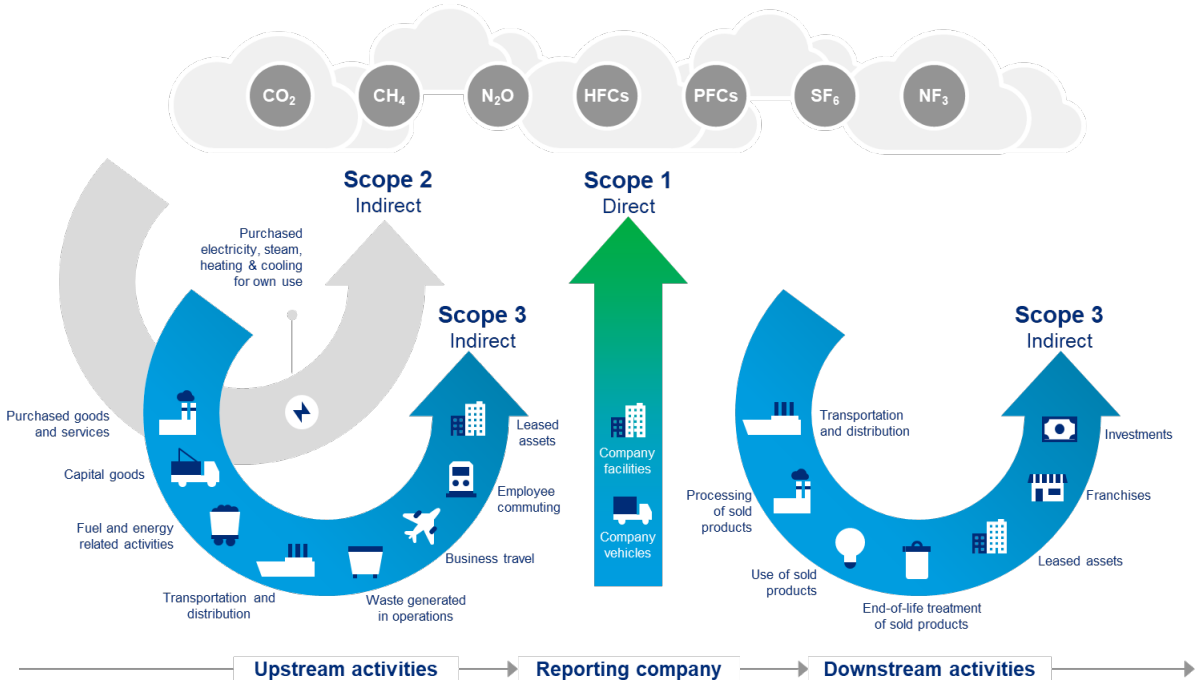
Seven main greenhouse gases identified by the Kyoto Protocol

 Carbon dioxide	 Methane	 Nitrous oxide	 Hydro-fluorocarbons	 Per-fluorocarbons	 Sulphur hexafluoride	 Nitrogen trifluoride
CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3

[12] https://unfccc.int/kyoto_protocol

Greenhouse gases are categorised into three types or 'scopes' by the Greenhouse Gas Protocol, the world's most used greenhouse gas accounting standard.

Overview of GHG Protocol scopes and emissions across the value chain



Source: Greenhouse Gas Protocol, Corporate value chain (scope 3) Accounting and Reporting Standard, 2011

Appendix E – Notes on metrics and targets analysis

Availability of data

- 9 managers provided scopes 1 and 2 emissions data for 10 funds across the DB and DC sections.
- The remainder of the Trust's managers were unable or unwilling to provide any information. As stated in the previous section, there are a number of managers that provided climate data in the prior reporting year which are not able to do so for this reporting period. While this is disappointing to see directionally, there are reasons for this and we expect data quality and availability to improve materially for the DB Section over the next few years as the investment strategy evolves and allocations are built up to more liquid asset classes including equities and corporate credit.
- All 3 DC managers provided binary target measurement data for 6 funds.
- As per last year, analysis for the DC Section was limited to funds that are included in the default investment strategy for DC members (JLP Global Equity, JLP Diversified Growth and JLP Cash funds).

Mercer have not made any estimates for missing data.

The Trustee expects that in the future better information will be available from managers and this improvement will be reflected in the coming years' reporting. The Trustee have engaged with the managers that were unable to supply emissions data to communicate our expectations for better reporting.

The Trustee would note that a number of the Trust's DB mandates are in run off, or are being sold, and for future reporting periods the investment arrangements are expected to be more liquid. The Trustee expects that this will have a positive impact on the proportion of assets that it is able to report against given the nature of the assets that it plans to reinvest run-off/redemption proceeds into.

How we collected the data

The Trustee's DB OCIO, Russell and DB Investment adviser, Mercer, collected the carbon emissions data from our managers on our behalf using the industry standard Carbon Emissions Template ("CET")[1], where possible. 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 provides a standardised set of data to help pension schemes meet their obligations under the Climate Change Governance and Reporting Regulations, and associated DWP Statutory Guidance.

Notes on the metrics calculations

Carbon metrics

Mercer determined the carbon metrics for the Trust based on the information provided by the managers. The table below shows for each asset class the broad approach used for calculating each metric.

Asset Class	Approach
Equity and Multi-Asset	Where possible, Mercer used the unaltered data provided by the managers. Where metrics were provided at the total pooled fund level, the Fund's share of absolute emissions was calculated based on the Fund's ownership share of the total pooled fund.
Private Credit	Mercer used the unaltered data provided by the managers.
Real Assets	
LDI	Provided by the manager as tCO_2e/GDP.

Where data was provided in USD, Mercer converted this to GBP using the exchange rate as at 31 March 2025.

Binary target measurement

Mercer requested the binary target measurement of each fund from the Trust's investment managers and aggregated the results based on the portion of assets invested in each fund, where appropriate. Mercer does not make any estimates for missing data.

Supplementary information

Consumption emissions – sovereign bonds

Fund	Production Emissions Excluding LULUCF - Scope 1 (tCO2e / $M PPP-Adjusted GDP)		Energy Imports - Scope 2 (tCO2e / $M PPP-Adjusted GDP)		Non-Energy Imports - Scope 3 (tCO2e / $M PPP-Adjusted GDP)		Exports (tCO2e / $M PPP-Adjusted GDP)	
	Metric	Coverage	Metric	Coverage	Metric	Coverage	Metric	Coverage
BlackRock Market Advantage Strategy	177.7	86.9%	0.7	85.4%	72.2	85.4%	46.3	85.4%
LGIM Diversified	244.9	85.2%	1.3	84.8%	56.5	84.8%	67.9	84.8%
Total sovereign bonds	223.8	85.7%	1.1	85.0%	61.4	85.0%	61.1	85.0%

Source: Mercer, using data from MSCI. All data is based on stocklists as at 31 March 2025, using metric calculations and data feeds as at 26 May 2025, or latest available. Allocation weights represent the actual asset allocation for that mandate, adjusted to reflect the specific asset class being analysed within the mandate. Sovereign emissions data shown are consistent with the Partnership for Carbon Accounting Financials (PCAF) definition of Scope 1, Scope 2, and Scope 3 sovereign emissions.

Appendix F – Important Notices

Mercer

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