NOTTINGHAMSHIRE PENSION FUND

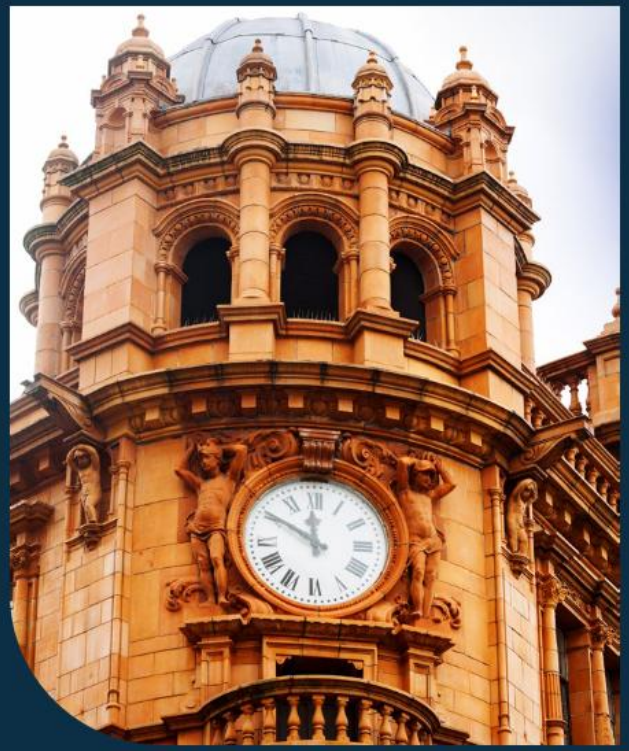
Climate-Related Disclosures

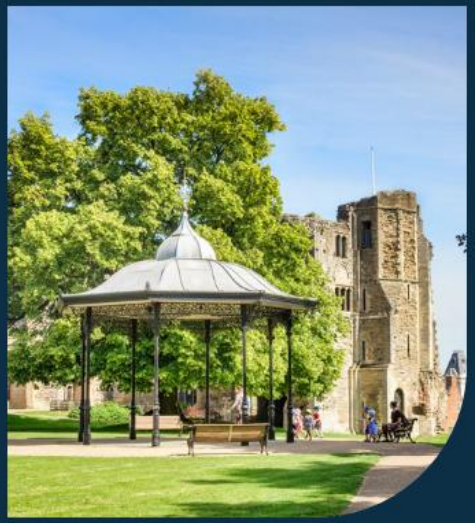
Report prepared in alignment with the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD)

OCTOBER 2025

PREPARED BY LGPS CENTRAL LIMITED

LGPS Central Limited





Front Cover: Mill Lakes, Nottinghamshire
Images (Clockwise): Mill Lakes, Nottinghamshire
Newark-on-Trent, Nottinghamshire
Nottingham, Nottinghamshire

Contents

Introduction

This report constitutes the sixth edition of Nottinghamshire's Pension Fund's (NPF or 'the Fund') analysis of its approach to climate-related risks and opportunities. The report also contains a detailed analysis of the Fund's climate metrics.

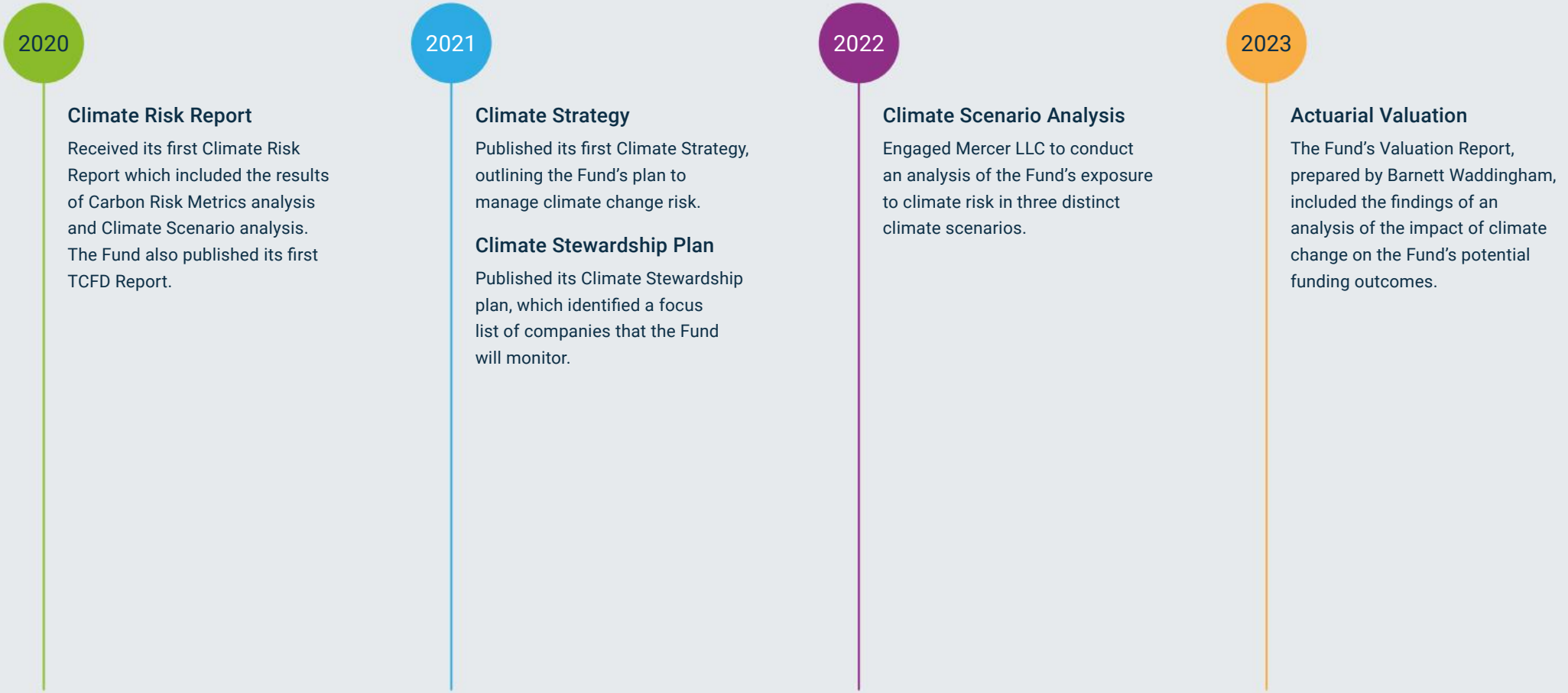
The report is structured around the four pillars of the Task Force on Climate-Related Financial Disclosures (TCFD): Governance, Strategy, Risk Management, and Metrics & Targets, and serves as the Fund's TCFD compliant report. This report therefore aims to continue to provide an in-depth review of the Fund's approach to identifying, assessing, and managing climate risks and opportunities across its investments.

Ratcliffe-on-Soar Power Station, Nottinghamshire

Governance

The Fund's governance of climate risk has developed significantly over recent years, as demonstrated by the graphic below.

FIGURE 1: THE FUND'S CLIMATE PROGRESS



Governance *(continued)*

Board Oversight

Roles and responsibilities at the Fund are set out clearly in the Fund's Governance Compliance Statement.[1] Overall responsibility for managing the Fund lies with Nottinghamshire County Council (the Council) which has delegated the management and administration of the Fund to the Nottinghamshire Pension Fund Committee (the Committee).

The Committee is responsible for preparing the Investment Strategy Statement (ISS) and Climate Strategy. The ISS includes the approach to Responsible Investment (RI) and recognises climate change as a factor that could have a serious impact on financial markets. The Climate Strategy is premised on 10 foundational evidence-based beliefs about climate risk, considering climate science, the energy transition, and climate stewardship. The Climate Strategy is reviewed on an annual basis. The Committee meets eight times a year, and reports from an Independent Adviser (including advice on the approach to RI) are received regularly.

As per the Climate Strategy, the Fund is committed to providing decision-makers with appropriate training, including specialised training on climate change.

The Local Pensions Board has an oversight role in ensuring the effective and efficient governance and administration, including securing compliance with Local Government Pension Scheme (LGPS) Regulations and any other legislation relating to the governance and administration of the Scheme.

Nottingham, Nottinghamshire

[1] Nottingham Pension Fund Governance Compliance Statement

Governance *(continued)*

Management's Roles and Responsibilities

The Service Director for Finance, Infrastructure and Improvement, Head of Pension Fund Investments and Investments Officer have primary day-to-day responsibility for the way in which climate-related investment risks are currently managed. Where appropriate, the Fund's pooling company, LGPS Central Limited (LGPSC), assists in assessing and managing climate-related risks.

As detailed in the Climate Strategy, the Fund leverages partnerships and initiatives, including the Institutional Investors Group on Climate Change (IIGCC), to identify and manage climate risk. The Service Director for Finance, Infrastructure and Improvement, the Head of Pension Fund and the Investment Officer are accountable to the Committee for delivery of the Climate Strategy.

As a primarily externally managed fund, the implementation of much of the management of climate-related risk is delegated onwards to portfolio managers. External portfolio managers are monitored on a regular basis by the Committee.

Since 2020 the Fund Officers have received an annual Climate Risk Report, which provides a view of climate risk throughout the listed equity and fixed income portfolios, and identifies further means to manage its material climate risks.

Roles of Advisors

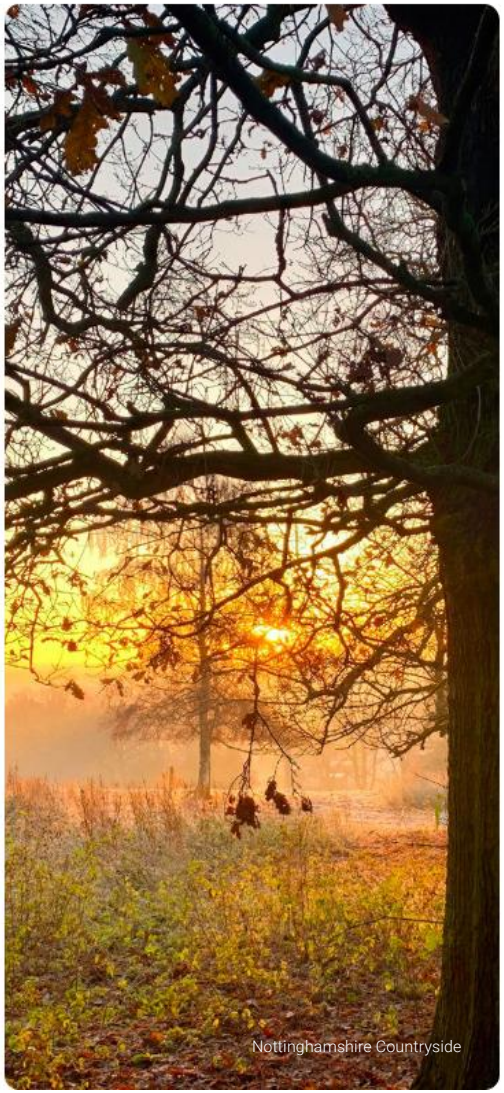
The Fund has an Independent Adviser who attends meetings of the Nottinghamshire Pension Fund Committee and Pensions Working Party as required. This is considered best practice in accordance with the requirements for "proper advice" in the governing regulations. The Independent Adviser is appointed by the Administrating Authority following appropriate consultation with the Committee. The Independent Adviser is engaged to advise on a wide range of topics, including investment strategy, asset allocation, and the Fund's approach to responsible investment.

Roles of Pooling Company

LGPSC operate as the pooling company for the Fund, from a climate perspective this includes producing annual Climate Risk Reports including the production of climate metrics which help inform the Climate Strategy. LGPSC also assists in the integration of RI, including climate considerations, into investments during the selection and monitoring process as well as conducting engagement with companies and policy makers on behalf of the Fund.

Previous iterations of the Climate Risk Report received by the Fund included recommendations aimed at enhancing the management of climate risk. These recommendations lead to the construction of the Fund's Climate Action Plan, which has been reviewed by the Committee approximately every six months. Following a recent review of the updated Climate Action Plan, all actions have been deemed either completed or fully embedded within the Fund's oversight. As a result, LGPSC has recommended that the plan be considered complete for reporting purposes, and that the Fund continues to monitor and manage climate risk on an ongoing basis.

LGPSC announced their Net Zero Strategy in October 2023. Their own TCFD reporting can be found here.



Nottinghamshire Countryside

Governance *(continued)*

Ongoing Education and Training

The Pensions Committee receives regular training on matters related to climate change. Over the year preceding 31 March 2025, this included a session designed to present and assist with comprehension of the 2024 Climate Risk Report, which was presented by LGPSC. Committee members are also provided with the opportunity to attend conferences and training events which can include climate related training.

The Committee members are also invited to LGPSC's annual Responsible Investment Summit, in which industry leaders are invited to speak on a range of RI-related topics in an all-day online event. Attendees are given the opportunity to ask questions at each session, providing a valuable opportunity for the Fund's management to enhance their technical understanding of emerging risks and opportunities within RI.

The Fund's Pension Officers also attend quarterly Responsible Investment Working Group meetings. These meetings are organised by LGPSC and provide updates and training on a variety of ESG topics, including climate change, to the attendees. These meetings are attended by representatives from all eight of LGPSC's Partner Funds, facilitating discussions and providing opportunities for attendees to deepen their knowledge of climate issues.

Nottingham, Nottinghamshire

Strategy

Description of Climate-related Risks and Opportunities

As a diversified asset owner, the range of climate-related risks and opportunities is multifarious and constantly evolving. A subset of risk factors is presented in the table below.

TABLE 1: EXAMPLES OF SHORT-, MEDIUM-, AND LONG-TERM CLIMATE-RELATED RISKS AND OPPORTUNITIES

Source of Risk and Opportunities	Category	Risk or Opportunity	Time Horizon	Impact Area	Mitigation / Management Strategy
Policy Changes (Including Carbon Pricing)	Transition	Risk and Opportunity	• Short • Medium • Long	• Across investments and funding • Investments in carbon-intensive and low-carbon industries • Operational	• Monitor potential regulatory changes (domestic and international) and consider the impact of these changes on the Fund's approach to investments and its internal operations. • The management of the Fund's climate risks will mitigate the impact of increasing carbon prices. • Monitor manager preparedness and awareness of changing carbon prices across relevant markets, alongside their awareness of low-carbon alternatives which may benefit from rising carbon prices. • Consider the impact of likely policy changes in strategic decisions.
Technological Change	Transition	Risk and Opportunity	• Short • Medium • Long	• Across Asset Classes	• Monitor manager awareness of emerging and disruptive technologies. • Consider the impact of these changes in strategic decisions.
Changing Weather Systems and Climate Adaptation	Physical	Risk and Opportunity	• Short • Medium • Long	• Physical Assets • Corporate Holdings	• Carry out scenario analyses on various climate scenarios to assess impact. • Ensure external managers maintain adequate consideration of both acute risks (floods, storms, etc) and chronic risks (damages associated with rising sea levels, global temperature increases, etc). • Ensure managers monitor the market for investment opportunities in climate adaptation projects. These could include large-scale infrastructure projects such as floodwalls, alongside technological products such as AC units and other cooling systems. • Ensure managers monitor portfolio company's assessments of extreme weather impacts on their operations.
Resource Scarcity	Physical	Risk	• Medium • Long	• Physical Assets	• Monitor manager awareness of resource scarcity. • Consider managers' awareness of agricultural holdings.

Strategy *(continued)*

Description of Impact of Climate-related Risks and Opportunities

While diversified across asset classes, regions, and sectors, it is recognised that climate risk is systemic and is unlikely to be eliminated through diversification alone.

The Climate Strategy sets out the Fund's approach to managing the impact of climate-related risks. The main management techniques within investment strategy are measurement and observation; policy review; asset allocation; selection and due diligence; purposeful stewardship; and transparency and disclosure.

The Fund considers climate-related risks and opportunities in its investment strategy, including reviewing potential investments in sustainable asset classes where this supports the investment and funding objectives.

River Trent, Nottinghamshire

Strategy *(continued)*

Description of Resilience of the Organisation's Strategy

To consider the resilience of the strategy, via Barnett Waddingham, the Fund conducted climate scenario stress testing in the contribution modelling exercise for the local authority employers as part of the 2022 valuation. This was conducted to better understand how the Fund's funding strategy performs under different climate scenarios.

The results of this analysis can be found in the Fund's 2022 Actuarial Valuation Report.[2]

Additionally, in 2020 and 2022, the Fund engaged the expertise of an external contractor, Mercer LLC (Mercer), to understand the extent to which the risk and return characteristics could come to be affected by a set of plausible climate scenarios.

In the 2022 iteration, this included an estimation of the annual climate-related impact on returns (at the fund and asset-class level). All asset classes were included in this analysis.

The climate scenarios considered were Rapid Transition, Orderly Transition and Failed Transition. In the analysis, Mercer focused on short-, medium- and long-term time frames of 5, 15 and 40 years.

It should be noted here that translating Climate Scenario Analysis into an investment strategy is a challenge for several reasons. Firstly, there is a wide range of plausible climate scenarios with significantly different and far-reaching consequences. Secondly, the probability of any given scenario is hard to determine, and especially so when considering longer time horizons. Finally, the best performing sectors and asset classes in an orderly scenario tend to be the worst performers in a failed scenario and vice versa. This makes categoric strategic recommendations particularly challenging. Despite the challenges, the Fund believes in seeking out the best available climate-related research in order to make its portfolio as robust as possible.


Nottinghamshire

[2] Actuarial valuation as at 31 March 2022 and Rates and Adjustment Certificate

Risk Management

Identifying and Assessing Climate-Related Risks and Opportunities

Climate risks are identified through the incorporation of both top-down and bottom-up analyses. It is recognised that the tools and techniques for assessing climate-related risks in investment portfolios are imperfect but continuously evolving. The Fund strives to utilise the best available information to evaluate climate-related threats to investment performance.

As far as possible climate risks are assessed in units relevant to investment, in order to compare with other investment risk factors. This is exemplified by the inclusion of “Financial risks of climate change” in the risk register, where it is categorised as “High” inherent risk and “Medium” current risk.

As a primarily externally managed pension fund, the identification and assessment of climate-related risks is also the responsibility of the appointed fund managers. Existing managers are monitored on a regular basis.

Engagement activity is conducted with investee companies through selected stewardship partners including LGPSC, EOS at Federated Hermes (EOS), and LAPFF (see below). Based on the findings of its Climate Risk Report, the Fund has devised a Climate Stewardship Plan in order to focus engagement resources on the investments most relevant to the Fund’s climate risk.

Nottingham Council House, Nottinghamshire

Risk Management *(continued)*

Managing Climate Risks and Opportunities

Climate risks are managed according to the nature, duration, magnitude and time horizon of the risk itself. As set out in the Fund's Climate Strategy, the main management techniques are: measurement and observation; policy review; asset allocation; selection and due diligence; purposeful stewardship; and transparency and disclosure. As an appendix to the Climate Strategy, the Fund also has a Climate Stewardship Plan. This will be discussed in more detail at the end of this section.

Engagement and shareholder voting are an important aspect of the Fund's approach to managing climate risk. All investee companies are expected to manage material risks, including climate change, and it is believed that climate risk management can be meaningfully improved through focussed stewardship activities by investors.

The Fund supports the engagement objectives of the Climate Action 100+ (CA100+) initiative, whereby companies adopt the appropriate governance structures to effectively manage climate risk, decarbonise in line with the Paris Agreement, and disclose effectively using the TCFD recommendations. In September 2020, CA100+ introduced a Benchmark Framework which identifies ten key indicators of success for business alignment with a net zero emissions future and goals of the Paris Agreement. In 2022 the organisation announced the launch of its Phase 2 strategy, and in 2023 it announced the launch of its new Net Zero Benchmark. The organisation's focus has now shifted from analysis of company targets and commitments to analysis of company progress towards decarbonisation.

Either through its own membership or through LGPSC's membership, the Fund has several engagement partners that engage investee companies on climate risk which are described in the following table.

TABLE 2: THE FUND'S STEWARDSHIP PARTNERS

Organisation	Remit
LGPS Central Limited	The Fund is a 1/8th owner of LGPSC. Climate change is one of LGPSC's stewardship themes, with quarterly progress reporting available on the website. The Responsible Investment and Engagement Team at LGPSC engages companies on the NPF's behalf, including via the CA100+ initiative.
Federated Hermes	EOS at Federated Hermes is engaged by LGPSC to expand the scope of the engagement programme, especially to reach non-UK companies.
Local Authority Pension Fund Forum	NPF is a long-standing member of the Local Authority Pension Fund Forum (LAPFF). LAPFF conducts engagements with companies on behalf of local authority pension funds.

Risk Management *(continued)*

The instruction of shareholder voting opportunities is an important part of climate stewardship. The Fund delegates responsibility for voting to LGPSC for all directly held securities, or the Fund's directly appointed investment managers for investments held in external funds. For directly held securities, votes are cast in accordance with LGPSC's Voting Principles, to which the Fund contributes during the annual review process. LGPSC's Voting Principles incorporate climate change, for example by voting against companies that do not meet certain thresholds in the Transition Pathway Initiative (TPI) scoring system.

The Fund reports quarterly on its voting activities. These reports are publicly available on the Pension Fund website. In addition, LGPSC reports quarterly on its voting and engagement activities. These reports are publicly available via the LGPSC website.

Based on the findings of the Fund's Climate Metric Analyses, the Fund is able to identify the largest contributors to its overall carbon footprint. The Fund can use this information to inform investment and engagement decisions, although it is important to recognise that carbon figures alone should be accompanied by a contextual awareness of the company's approach to decarbonisation and net zero.

The table below lists the companies included in the Fund's Climate Stewardship Plan, reflecting recommended changes discussed below:

TABLE 3: THE FUND'S CLIMATE STEWARDSHIP PLAN

Company	Portfolio Weight	Contribution to Financed Emissions	Financed Emissions
SHELL	1.59%	13.43%	30,430
BP	0.48%	2.42%	5,486
CEMEX	0.04%	2.28%	5,161
RWE	0.06%	2.24%	5,079
GLENCORE	0.28%	2.18%	4,925
RIO TINTO	0.28%	2.01%	4,553
HOLCIM	0.04%	1.06%	2,392
ARCELORMITTAL	0.01%	0.84%	1,902
BHP GROUP	0.16%	0.24%	536

The following companies have been recommended for removal from the Climate Stewardship Plan and have therefore been excluded from the table above:

- Anglo American
- NextEra Energy
- The Southern Company
- Exxon Mobil
- Total Energies
- CRH
- Reliance

In contrast, the two companies listed below have been recommended for

Risk Management *(continued)*

inclusion within the Climate Stewardship Plan and included in the table above, as shown in bold, alongside the remaining constitutes of the Climate Stewardship Plan.

- RWE
- ArcelorMittal

Recommendations are based on two key factors:

1) Financed Emissions Contribution: These companies no longer rank among the Fund's top contributors to financed emissions.
2) Alignment with LGPSC's Stewardship Priorities: The removal of these companies allows for greater alignment with LGPSC's Stewardship Priority companies. This alignment is crucial for focused engagement efforts, providing meaningful updates, and conducting thorough company research.

Climate in the Context of the Fund's Risk Framework

Both 'mainstream' risks and climate-related risks are discussed by the Committee. While specific macro-economic risks are not usually included in isolation, the Fund has deemed climate risk to be sufficiently significant and therefore included it on the Fund's Risk Register. Climate risk is further managed through the Fund's Climate Stewardship Plan.

Sawley Waterside & Marina, Nottinghamshire

Metrics and Targets

What We Measure

Over time, the scope of analysis and the metrics employed has expanded and evolved to keep abreast of the latest methodologies and available data. As of 31 March 2025, we measure the carbon footprints of the Fund's equities, corporate bonds, sovereign debt, and private market investments.[3]

The metrics utilised in this report are selected in consideration with the Fund's framework for managing climate risks and opportunities, regulatory requirements, including alignment with the DLUHC's consultation[4] and the FCA's requirements on climate reporting.[5] These requirements are largely in line with the TCFD's recommendations. Finally, metrics are selected in consideration with data and methodology availability, as we prioritise sourcing appropriate data from reputable sources and adhere to the methodology prescribed by the Partnership for Carbon Accounting Financials (PCAF).

As no single metric is sufficient in capturing the entire climate profile of a portfolio or issuer, we have therefore constructed a comprehensive suite of climate metrics, including headline metrics and additional metrics, these metrics include emissions, exposure to fossil fuels and clean tech, engagement, and alignment metrics.

The headline metrics contained within this report include:

- **Absolute emissions metric –** financed emissions
- **Emissions intensity metric –** normalised financed emissions and weighted average carbon intensity (WACI)
- **LGPSC's net zero alignment metric**

The analysis in this report is based on a dataset provided by MSCI ESG Research LLC (MSCI). We utilised data that was downloaded from MSCI during July 2025. We gain comfort from the quality of MSCI's data through our own assessment of MSCI's methodology and our data validation processes. Data is sense-checked internally, and any anomalies are investigated in the underlying data to ensure inaccuracies are promptly identified and amended.

Nottingham University, Nottinghamshire

[3] Private market carbon metrics to be distributed once available.

[4] DLUHC, Local Government Pension Scheme (England and Wales): Governance and reporting of climate change risks. Consultation can be accessed on DLUHC's website.

[5] FCA, Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers. Policy Statement can be accessed on FCA's website.

Metrics and Targets *(continued)*

Headline Metrics

The headline metrics below detail the absolute emissions and carbon intensity metrics utilised to analyse the Fund's climate risks and opportunities.

TABLE 4: HEADLINE METRICS

Metrics	Financed Emissions	Normalised Financed Emissions	Weighted Average Carbon Intensity (WACI)
Absolute / Intensity	Absolute	Intensity	Intensity
Definition	Financed emissions calculates the absolute tonnes of CO_2e equivalent for which an investor is responsible.	This metric measures the Financed Emissions for every £1 million invested.	WACI measures a fund's exposure to carbon-intensive companies.
Question answered	What is my fund's total carbon footprint?	What is my fund's normalised carbon footprint per million GBP invested?	What is my fund's exposure to carbon-intensive companies?
Unit	tCO_2e	tCO_2e / £m invested[6]	tCO_2e / $m sales[7]
Comparability	No; does not take size into account	Yes; adjusts for fund size	Yes

[6] Normalised financed emissions uses GBP as the base currency as this is the currency used for the Fund's investments.

[7] WACI uses USD as the base currency due to USD's prevalence in global corporate reporting.

Metrics and Targets *(continued)*

Net Zero Alignment Metric

LGPSC's net zero alignment metric is a proprietary metric constructed using several MSCI data points. It provides an insight into how portfolio companies are currently managing their climate risks, as well as incorporating forward looking metrics.

A company will be considered aligned/aligning to net zero if:

The company scores above **Median** in Low Carbon Transition score

\+ and it meets **one** of the following criteria: +

The company has a science-based target

or

The company has an implied temperature rise rating of 2.0°C or lower

Mansfield, Nottinghamshire

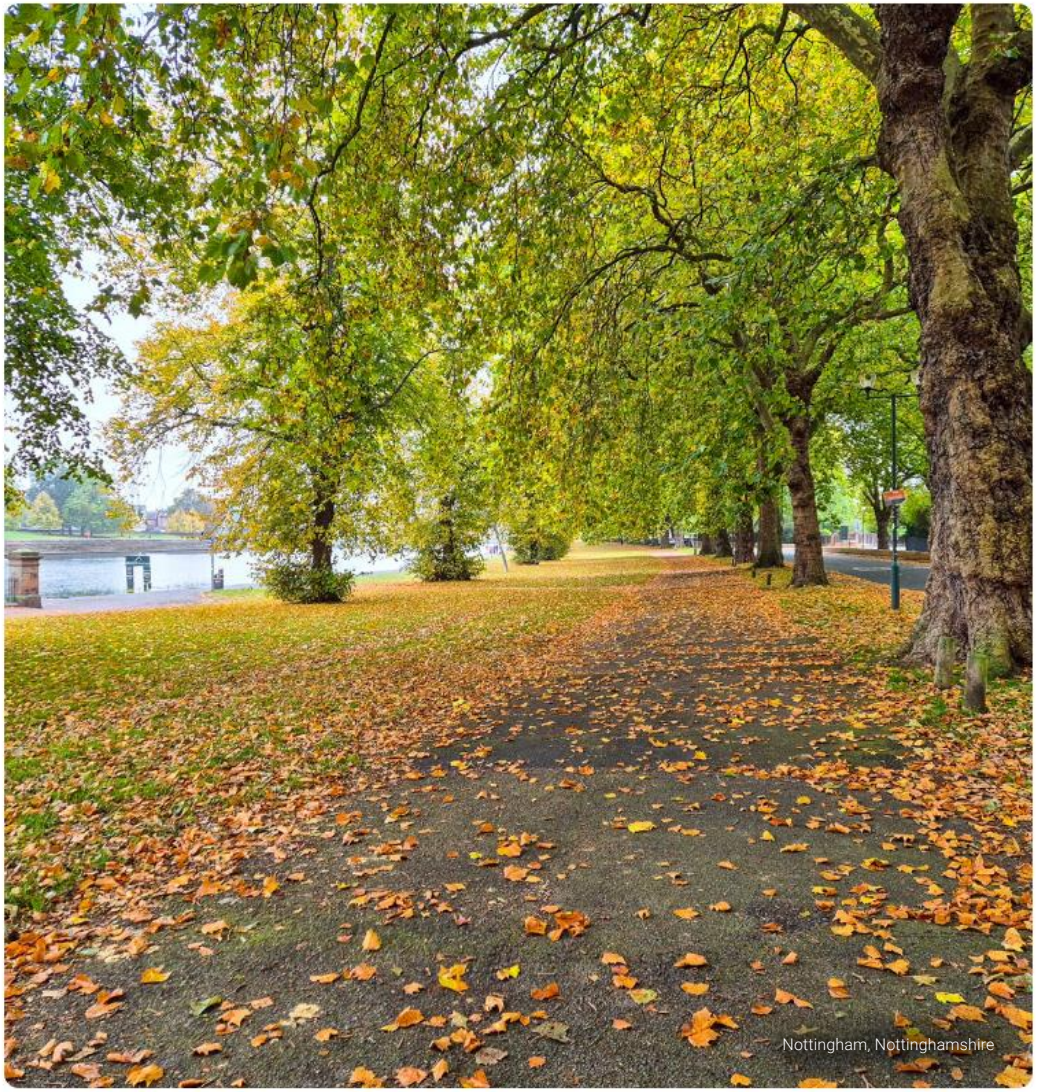
Metrics and Targets *(continued)*

The Fund's Climate Targets

In the Fund's Climate Strategy, the following objectives are disclosed:[8]

- Conduct thorough assessments of climate risks and opportunities.
- Ensure that the Fund's investment portfolio is resilient to climate change impacts.
- Engage with companies in the Fund's portfolio to encourage them to reduce their greenhouse gas emissions and improve their climate resilience.
- Measure and disclose the carbon footprint of the Fund's investments.
- Use the Fund's shareholder influence to advocate for more sustainable business practices and policies.
- Advocate for public policies that support the transition to a low-carbon economy.
- Educate stakeholders on the importance of addressing climate change and the Fund's efforts to manage climate risks and opportunities.

The Fund has not set quantifiable decarbonisation targets.


Nottingham, Nottinghamshire

[8] These have been shortened for conciseness. The full objectives can be found on the Fund's website here: Nottinghamshire County Council Pension Fund Climate Strategy

Metrics and Targets *(continued)*

The Fund's Climate Metrics

Scope of Analysis

The following Climate Metrics offer a detailed, bottom-up analysis with the following objectives:

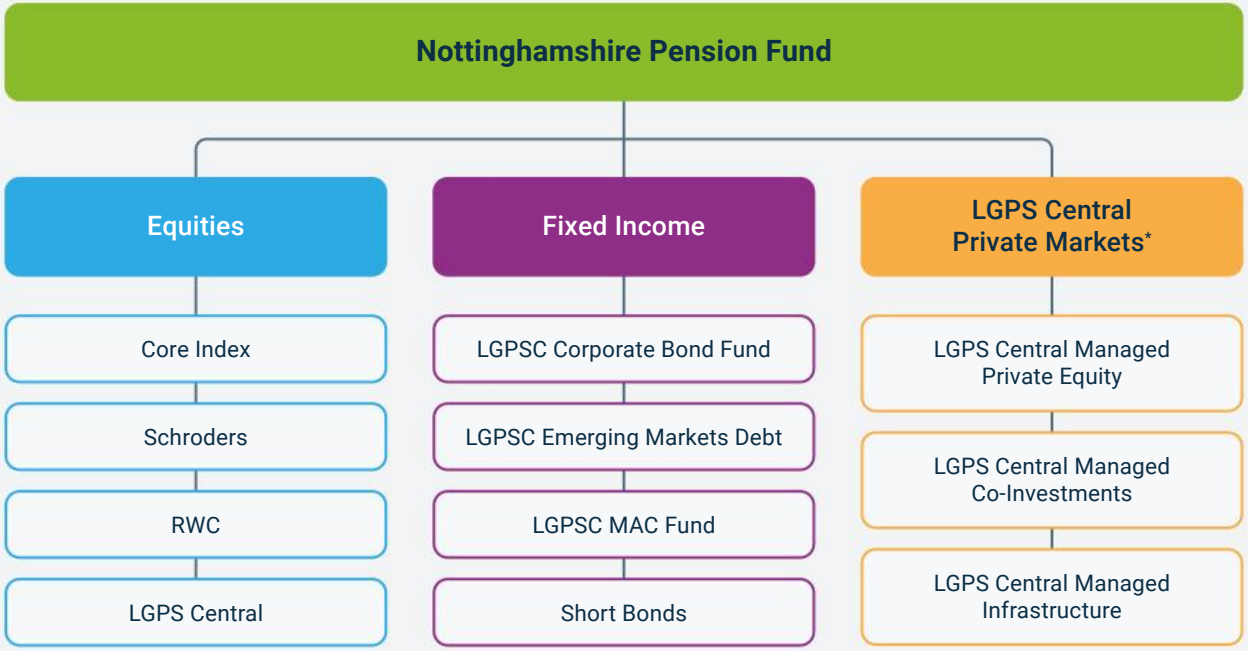
- Observing climate transition risks and opportunities within the portfolio.
- Identifying opportunities for engagement with companies.
- Facilitating the monitoring of climate risk management by managers.

This analysis encompasses public market investments reported as of 31 March 2025. It includes holdings in listed equity, fixed income funds including government debt, and the Fund's private market holdings managed by LGPSC. Private market holdings were first incorporated into this analysis in the 2024 report. Where available, reported data for private market holdings has been utilised. Where unavailable, estimations have been constructed using the portfolio holdings value, revenue, sector and attributed ownership. Due to the current non-uniformity of private market data, it has not been possible to extend this coverage to the Fund's non-pooled private market investments.

Nottingham, Nottinghamshire

Metrics and Targets *(continued)*

FIGURE 2: BREAKDOWN OF FUNDS INCLUDED IN THE ANALYSIS



* Private markets data to be distributed once available.


River Trent, Nottinghamshire

Metrics and Targets *(continued)*

Restated Data

Climate data is an evolving field, and methodologies are continuously updated by governments, data providers, and companies. The data accessible through our data provider (MSCI) undergoes frequent revisions as estimated data gets replaced by reported data, estimations are refined for greater precision, and data coverage expands.

We recalculate our emissions annually and may revise previously reported greenhouse gas (GHG) data to incorporate the most current information. When possible, we align our holding period with the period in which emissions from the underlying issuer occurred. Consequently, there may be variations between the data reported in previous documents and the figures presented in this report due to these restatements. Our metrics employ methodologies aligned with those used by the Partnership for Carbon Accounting Financials (PCAF) and MSCI.

TABLE 5: RESTATEMENTS FROM PREVIOUS YEAR

Data for	Asset class	Metric	Portfolio Value Reported in 2024	Reference Index Value Reported in 2024	Portfolio Value Restated in 2025	Reference Index Value Restated in 2025	Change from Restatement (Portfolio)	Change from Restatement (Benchmark)
Q1 2024	Listed Equity	Financed Emissions	253,903	322,301	248,830	312,717	-2.0%	-3.0%
		WACI	88.4	130.8	88.6	134.3	0.2%	2.7%
	Corporate Fixed Income	Financed Emissions	21,351	16,910	24,052	26,026	12.7%	53.9%
		WACI	135.4	156.4	132.8	150.1	-1.9%	-4.0%
	Sovereign Debt	Production	18,681	10,919	16,462	9,774	-11.9%	-10.5%
		Consumption	11.2	8.3	11.0	9.0	-1.8%	8.4%

Metrics and Targets *(continued)*

Data Quality

TABLE 6: DATA QUALITY

Asset Class	Reported	Estimated	Missing/Unavailable
Equity	87.4%	6.7%	5.9%
Fixed Income	84.6%	8.5%	6.9%

The table above illustrates the overall data quality of the Fund's public assets reported on within this report.

Newark Castle, Nottinghamshire

Metrics and Targets *(continued)*

Equity

The below dashboard shows the Fund's aggregated climate risk metrics for the Equity asset class.

Equity Fund Asset Class	Multiple Fund Classification	Multiple Fund Manager	£3,853,596,502 NAV	Blended Reference Index	Q1 2025 Period

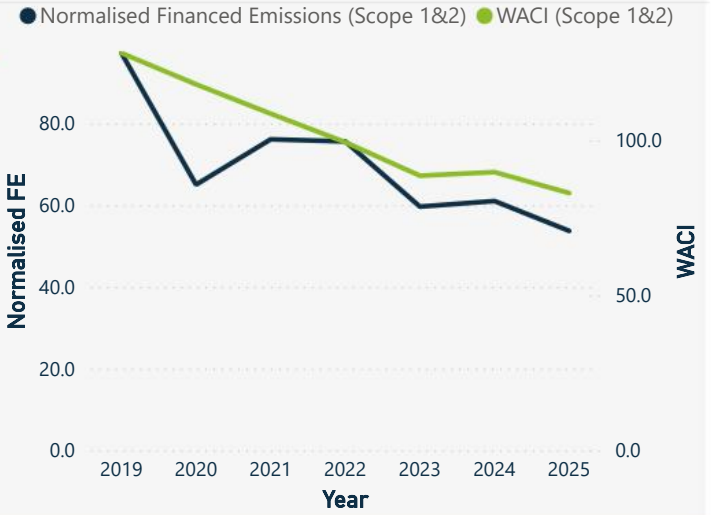
Carbon Footprint Metrics

	Emissions Category	Portfolio	Index	Previous Year	Portfolio	Index
Listed Equity / Corporate Bonds						
Financed Emissions (tCO_2e)	Scope 1+2	194,000	257,154	248,830	96.6%	98.0%
	Scope 3	2,198,940	2,270,110	2,567,982	90.3%	90.7%
Normalised Financed Emissions (tCO_2e/£m Invested)	Scope 1+2	53.7	77.8	61.0		
	Scope 3	657.7	686.7	673.2		
Weighted Average Carbon Intensity (tCO_2e/$m Sales)	Scope 1+2	83.0	126.6	89.8	96.6%	98.0%

Top 10 Emissions Contributors

Issuer	Portfolio Weight	Index Weight	% Financed Emission		% WACI		Scope 1+2	Scope 3	Engagement	LCT	ITR	SBT
SHELL PLC	1.85%	2.247%	15.69%	1	6.11%	1	89.0M	1,147.0M	Yes	2.5	2.0	Yes
International Consolidated Airlines Group, S.A.	0.25%	0.119%	4.53%	2	2.37%	5	25.7M	6.5M	No	5.3	2.2	Yes
BP P.L.C.	0.56%	0.920%	2.83%	3	1.04%	14	33.1M	314.9M	Yes	2.1	2.9	
ANGLO AMERICAN PLC	0.52%	0.346%	2.56%	4	2.52%	3	12.5M	166.6M	Yes	2.8	3.5	
CEMEX, S.A.B. de C.V.	0.04%	0.015%	2.41%	5	0.95%	18	36.2M	16.5M	Yes	4.4	1.7	Yes
RIO TINTO PLC	0.33%	0.639%	2.35%	6	2.25%	7	31.1M	578.1M	Yes	2.6	5.2	
Air Liquide SA	0.16%	0.080%	1.40%	9	2.32%	6	37.6M	21.1M	Yes	4.5	10.0	Yes
NEXTERA ENERGY, INC.	0.30%	0.108%	1.36%	10	5.51%	2	42.3M	2.7M	Yes	6.0	3.7	
Holcim AG	0.04%	0.046%	1.23%	12	1.35%	11	75.0M	41.6M	Yes	4.0	1.9	Yes
NATIONAL GRID PLC	0.73%	0.643%	1.02%	16	2.40%	4	6.9M	27.4M	Yes	4.7	1.3	Yes

Emissions Over Time



High Impact Sectors / Climate Solutions Exposures (Portfolio vs Benchmark)

Fossil Fuel Reserves	Fossil Fuel Revenue	Thermal Coal Reserves	Coal Power Exposure	Cleantech Exposure	Cleantech Revenue
6.3% | 8.6%	2.7% | 3.9%	2.1% | 2.9%	1.0% | 2.2%	33.6% | 37.9%	5.2% | 5.3%

Portfolio Alignment & Engagement

Engagement	Data Quality	LCT	ITR	SBT	Alignment
58.6%	2.2	35.2%	16.8%	50.9%	22.4%

Metrics and Targets *(continued)*

We analysed 24 equity portfolios totalling approximately £3.8 billion as of 31 March 2025.

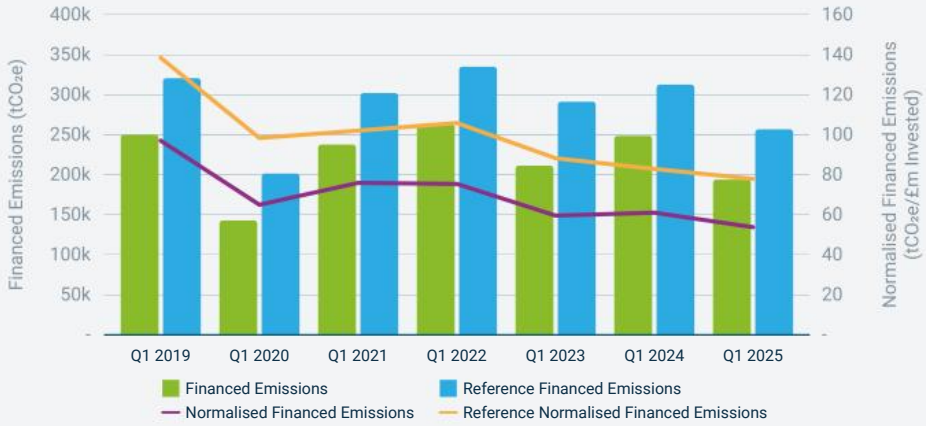
Each fund's carbon footprint is evaluated in comparison to the primary market index in which it predominantly invests. The table below summarises the reference indices that we utilised.

TABLE 7: REFERENCE INDICES

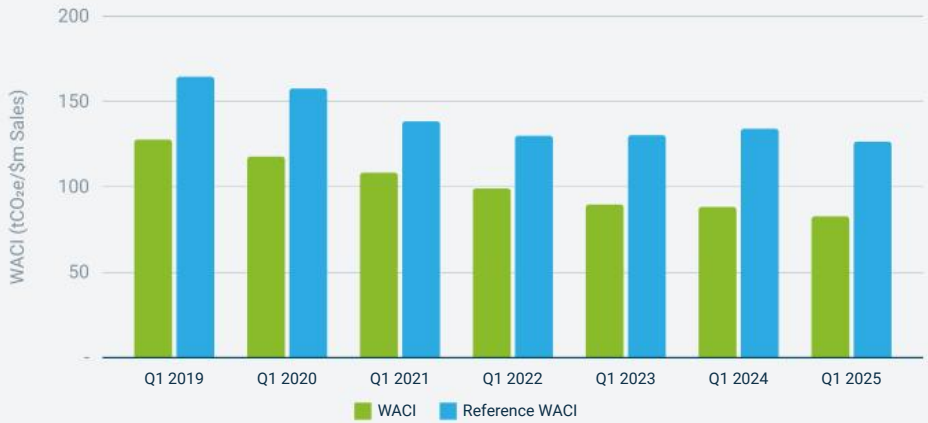
Investment Universe (Most Predominant)	Reference Index
UK Equities	FTSE UK All Share Index
Developed Markets	FTSE All-World Index
Emerging Markets	FTSE Emerging Index

Carbon Footprint Metrics

GRAPH 1: EQUITY FINANCED EMISSIONS OVER TIME



GRAPH 2: EQUITY WACI OVER TIME



As illustrated in graph 1, the financed emissions associated the listed equity holdings have decreased by 22.4% from 2019, despite a 21.1% increase in NAV. Normalising for fluctuations in NAV, normalised financed emissions decreased by 44.8% during the same period.

Similarly, the portfolios exposure to carbon intensive companies also decreased, as shown by the 35.2% decrease in WACI illustrated in graph 2.

The observed decrease in climate metrics are partially driven by asset allocation decisions. Notably, the Fund invested in three LGPS Central Global Sustainable Equity Funds prior to Q1 2023, which have relatively low climate metrics. Outside of asset allocation decisions, 17 of the 24 listed equity portfolios experienced a decrease in normalised financed emissions over the past three years.

During 2019, the energy, materials, and utilities sectors were the greatest contributors to the listed equity's financed emissions, as of 2025 all three sectors, within the listed equity holdings, experienced a 17.9%, 25.6% and 62.2% decrease in normalised financed emissions, respectively,

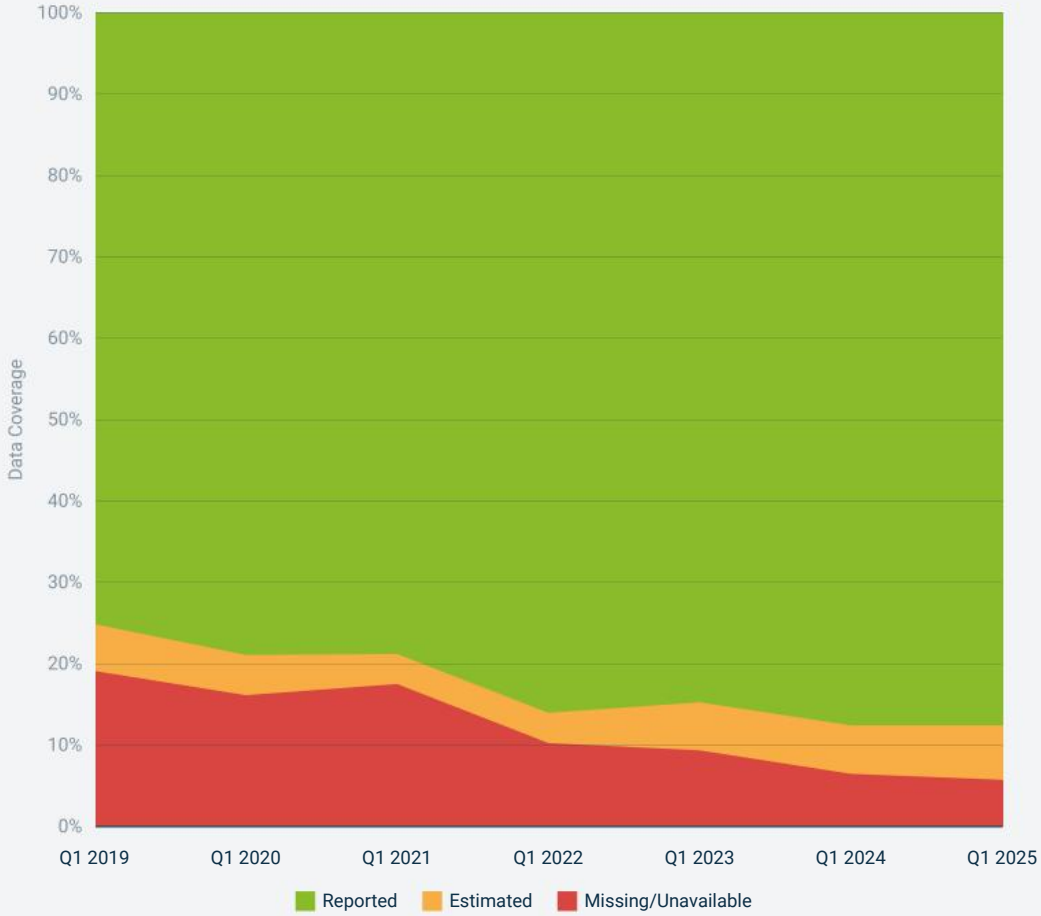
Metrics and Targets *(continued)*

and similarly, a 14.3%, 29.7% and 52.4% decrease in WACI. For the energy and materials sectors this is compounded by a 4.0 and 2.0 percentage points decrease in exposure.

Finally, the portfolio's normalised financed emissions and WACI are 44.8% and 35.2% lower than that of the reference index, which can be attributed to the same three sectors discussed above. While the portfolio has an underweight exposure to energy sector, the portfolio has an overweight exposure to the materials, and utilities sector, this implies that the lower climate metrics within these sectors are attributable to stock selection. Notably the portfolio has lower exposure to companies such as Rio Tinto, and Glencore and overweight exposure to Nextera Energy.

Data

GRAPH 3: LISTED EQUITY DATA AVAILABILITY OVER TIME



While data availability for equities has been relatively strong since we began carbon footprinting on behalf of the Fund, the graph above illustrates an improving trend as the data availability of portfolio companies improves. A high level of data availability implies the aggregated carbon metrics are more reflective of the portfolio's overall carbon emissions profile. Where data availability is lower, aggregated carbon metrics are more likely to be skewed and therefore less reflective of the actual portfolio emissions, as a whole.

Metrics and Targets *(continued)*

Fixed Income

The below dashboard shows the Fund's aggregated climate risk metrics for the Fixed Income asset class.

Fixed Income Fund Asset Class	Multiple Fund Classification	Multiple Fund Manager	£629,752,809 NAV	Blended Reference Index	Q1 2025 Period

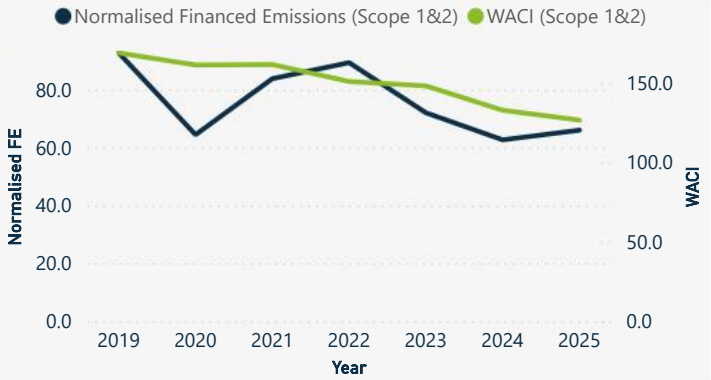
Carbon Footprint Metrics

	Emissions Category	Portfolio	Index	Previous Year	Portfolio	Index
Listed Equity / Corporate Bonds						
Financed Emissions (tCO_2e)	Scope 1+2	32,505	36,388	24,052	79.2%	93.0%
	Scope 3	155,018	186,438	102,335	70.6%	84.6%
Normalised Financed Emissions (tCO_2e/£m Invested)	Scope 1+2	66.0	89.2	62.7		
	Scope 3	346.2	457.2	294.7		
Weighted Average Carbon Intensity (tCO_2e/$m Sales)	Scope 1+2	126.6	163.2	132.8	79.9%	94.0%
Sovereign Debt						
Financed Emissions (tCO_2e)	Production	15,633.5	10,625.9	16,461.6	99.9%	100.0%
	Consumption	16,186.0	9,782.6	16,692.4	99.9%	100.0%
Weighted Average Carbon Intensity (various)	Production	212.9	277.3	225.6	99.9%	100.0%
	Consumption	9.8	8.8	11.0	99.9%	100.0%

Top 10 Emissions Contributors

Issuer	Portfolio Weight	Index Weight	% Financed Emission		% WACI		Scope 1+2	Scope 3	Engagement	LCT	ITR	SBT
RWE FINANCE US, LLC	0.29%	0.009%	11.03%	1	4.48%	3	62.1M	21.6M	Yes	3.7	10.0	Yes
A.P. MOELLER - MAERSK A/S	0.36%	0.017%	7.21%	2	1.90%	6	34.5M	42.3M	Yes	5.3	1.8	Yes
THE SOUTHERN COMPANY	0.43%	0.072%	5.38%	3	10.78%	1	79.6M	35.8M	Yes	3.4	4.0	Yes
CLECO CORPORATE HOLDINGS LLC	0.15%	0.004%	5.31%	4	6.15%	2	9.2M		No		7.8	
BG ENERGY CAPITAL PLC	0.40%	0.074%	3.35%	5	0.88%	17	89.0M	1,147.0M	Yes	2.5	2.0	Yes
SASOL FINANCING USA LLC	0.02%		2.46%	7	0.64%	24	64.4M	36.7M	No	1.4	10.0	
ELECTRICITE DE FRANCE SA	0.78%	0.939%	2.35%	8	0.78%	23	19.3M	72.4M	No	6.7	1.3	Yes
WESTERN MIDSTREAM OPERATING, LP	0.14%	0.031%	1.58%	9	1.69%	7	4.9M		No	1.5	3.2	
OGE ENERGY CORP.	0.10%	0.002%	1.37%	12	2.24%	5	7.8M	8.6M	No	4.1	3.4	
OCCIDENTAL PETROLEUM CORPORATION	0.20%	0.084%	1.35%	13	1.24%	9	21.9M	234.0M	Yes	1.8	10.0	
Dominion Energy, Inc.	0.15%	0.058%	1.18%	18	2.38%	4	29.9M	28.5M	Yes	4.4	2.2	

Emissions Over Time



High Impact Sectors / Climate Solutions Exposures (Portfolio vs Benchmark)

Fossil Fuel Reserves	Fossil Fuel Revenue	Thermal Coal Reserves	Coal Power Exposure	Cleantech Exposure	Cleantech Revenue
4.6% | 5.6%	2.1% | 3.1%	1.6% | 1.4%	2.6% | 5.7%	22.6% | 29.0%	3.4% | 4.3%

Portfolio Alignment & Engagement

Engagement	Data Quality	LCT	ITR	SBT	Alignment
53.5%	2.3	35.7%	29.8%	53.1%	29.7%

Metrics and Targets *(continued)*

Although the quality of climate data for listed fixed income continues to lag that of listed equities, improvements in data availability, within the asset class, have enhanced the reliability of the climate metrics. This progress has enabled the inclusion of fixed income climate data within TCFD reporting.

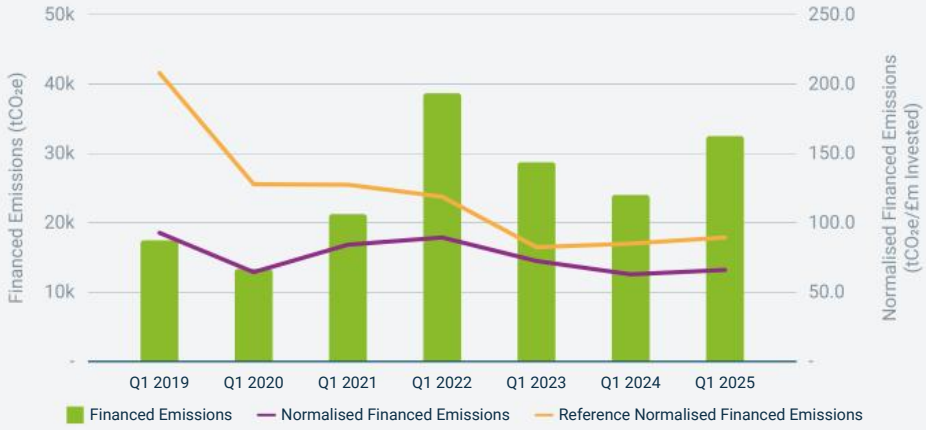
The reference indices we use to measure the funds' relative performances are as follows:

TABLE 8: REFERENCE INDICES

Fund	Reference Index
LGPS Central Corporate Bond Fund	50% Sterling Non-Gilt % 50% Global Corporate
LGPS Central Multi Asset Credit Fund	N/A
LGPS Central Emerging Market Debt Fund	JPMorgan EMBI Global Diversified Index
Short Bonds	ICE BofA Global Corporate Index

Carbon Footprint Metrics

GRAPH 4: FIXED INCOME FINANCED EMISSIONS OVER TIME



GRAPH 5: FIXED INCOME WACI OVER TIME

From 2019 the Fund's financed emissions have increased significantly (86.6%). However, once normalised for fluctuations in NAV, normalised financed emissions decreased by 28.8%, as illustrated in graph 4. In addition, the corporate fixed income holdings exposure to carbon intensive companies has decreased from 2019, as illustrated by the 25.0% decrease in WACI, shown in graph 5. Similar to listed equities this can be partially attributed to asset allocation decisions as the Fund invested in the short bonds fund, which has relatively low climate metrics.

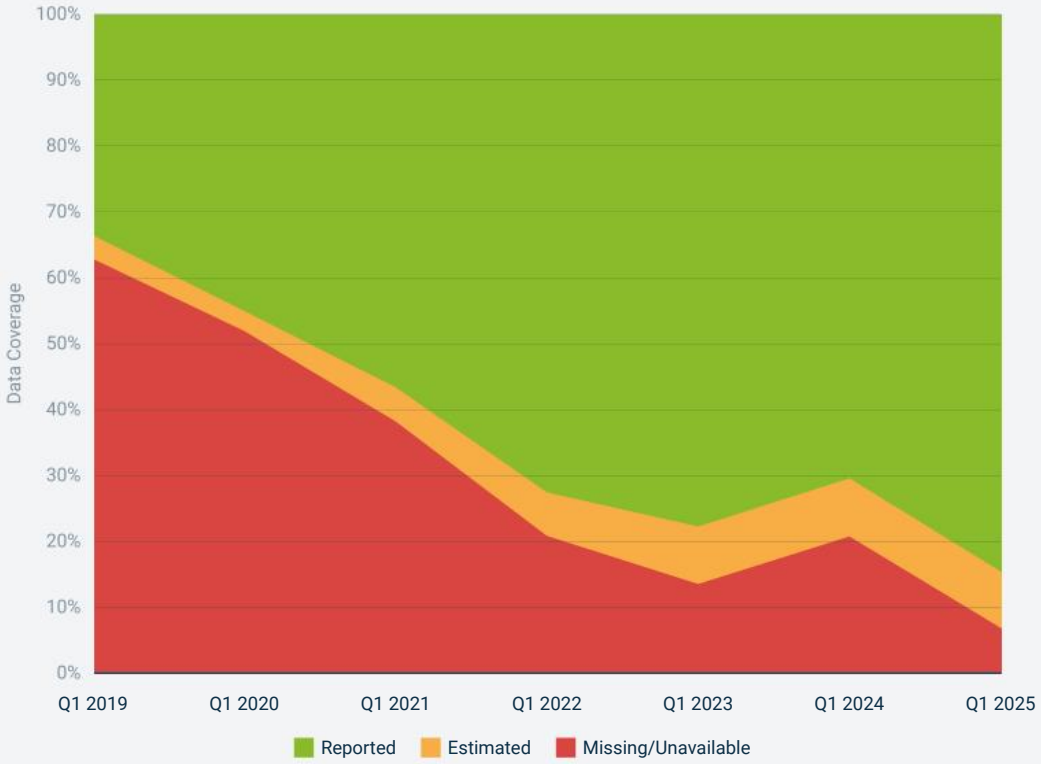
From a sector perspective, the materials sector accounted for 42.2% of the portfolio's financed emissions in 2019, while also being the sector with the highest WACI in the portfolio. From 2019 the WACI and normalised financed emissions associated with this sector in the portfolio decreased by 86.3% and 89.3% respectively.

Finally, the Fund's normalised financed emissions and WACI are 26.0% and 22.4% lower than that of the reference index, primarily driven by underweight exposure to the materials and utilities sectors.

Metrics and Targets *(continued)*

Data

GRAPH 6: CORPORATE FIXED INCOME DATA AVAILABILITY OVER TIME



The graph above shows the corporate fixed income data availability.

Data availability and data quality for fixed income assets have traditionally been notably lower than listed equity. However, there has been a significant improvement in data availability over time.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