

Climate Disclosures for the year ended 31 March 2026

The Combined Nuclear Pension Plan

Prepared by: Combined Nuclear Pension Plan Trustees Limited

Date: July 2026



Introduction

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

This report is the annual climate disclosure for the Plan for the year ended 31 March 2026, prepared by the Combined Nuclear Pension Plan Trustees Limited (the "Trustee") for the Plan in accordance with The Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 and aligned with the Taskforce for Climate-related Financial Disclosures ("TCFD") framework. It represents the fifth year of TCFD-aligned climate reporting for the Plan.

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Executive summary

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

Effective Governance and Risk Management for Climate Resilience

We, the Trustee, are responsible for overseeing all strategic matters related to the Plan, including climate-related risks and opportunities. We have established a process to identify, assess, and manage the climate-related risks and opportunities the Plan faces, integrating it into the broader risk management framework. Please see the [Appendix 01](#) for our climate governance and risk management framework.

We have been supported by our investment advisers, Aon Investments Limited (“Aon”) (DB Structure) and Gallagher (Administration & Investment) Limited (“Gallagher”) (DC Structure) with the production of our Climate Disclosures report and the data contained within it.

Strategy update

DB Structure

Our qualitative risk analysis found that the asset classes the Plan invests in are somewhat affected by climate-related risks, and these risks are expected to grow over time. We also found several investment opportunities across different asset classes. More details are available on pages 4-10.

Two years ago, we undertook climate scenario analysis, which considered the three different investment strategies adopted by the Sections of the Plan. This year we assessed this analysis as continuing to be appropriate for the Plan, given there have been no significant changes to the investment strategy. The analysis shows that the Plan has a reasonable degree of resilience relative to climate-related risks. The resilience was primarily driven by the high level of diversification in the assets and hedging assets which aim to protect against changes in interest rates and inflation. This has been supported further by changes which we have made within our strategy to invest in assets with a greater awareness and integration of ESG factors, including climate change.

DC Structure

Both default strategies are Target-Date Funds managed by Aegon, where BlackRock manage the underlying portfolios within the Target-Date Funds. The Trustee and its adviser engage regularly with the fund manager to ensure climate-related enhancements are integrated into the portfolio. Where possible, the portfolio manager has transitioned to ESG screened indices. In June 2025, the underlying passive funds within the LifePath strategies were replaced with BlackRock’s ESG Insight Funds, which incorporate more deeply integrated ESG metrics into the investment process and provides greater alignment to Aegon’s climate targets and improves the overall quality of ESG integration. Additionally, the LifePath strategies are invested in “building blocks” with explicit ESG related considerations. Two years ago, the Trustee undertook climate scenario analysis which evaluated the Plan’s two default arrangements as well as the most popular fund within the self-select range, the CNPP Global Equity Fund. This year, we reviewed the appropriateness of the existing scenario analysis, which was completed in 2024, and conclude that it remains relevant for the Plan. The results indicate that the Plan maintains a reasonable level of resilience against climate-related risks. It is however likely that the Trustee will refresh the scenario analysis for next year’s report due to the anticipated changes in investment strategy within the DC structure default arrangements.

Metrics & Target update

DB Structure

For the portfolio, total Scope 1&2 emissions increased by 19% over the year, with the Scope 1&2 carbon footprint up 7%, mainly reflecting higher allocations to gilts and credit. Data coverage for Scope 1&2 also improved to 92.8%. Scope 3 emissions rose slightly (up 1%), but the Scope 3 carbon footprint fell by 3%, with data coverage easing to 49.9% as changes in private markets and other areas offset improvements in public credit.

The existing climate targets for the DB Structure have been reviewed and refreshed in light of the latest

metrics and improvements in data coverage. Over the year, the Trustee focused on improving data quality and monitoring progress against the Plan’s existing targets. As most of the original 2026 data-coverage targets have already been exceeded, the Trustee has now set more stretching targets to be achieved by 31 December 2028.

DC Structure

For the Plan, total Scope 1&2 emissions decreased by c.8% over the year, mainly due to changes in the glidepath. The Scope 1&2 carbon footprint also decreased by c.18%, mainly reflecting the drop in absolute Scope 1&2 emissions and increase in assets under management. The Scope 1&2 carbon footprint also decreased by c.18%, mainly reflecting the drop in absolute Scope 1&2 emissions and increase in assets under management (all else equal, there is an inverse relationship between carbon footprint and total AUM). Scope 3 emissions rose by c.16%, but the Scope 3 carbon footprint only rose by c.1%. Data coverage remained relatively stable, improving to 94.2%.

The Plan's data coverage target has been set to achieve above 80% coverage of carbon emission data across all asset classes split across Scopes 1, 2 and 3 over a 5-year period, by the end of 2026. This is relevant to the LifePath Flexi, LifePath Capital and CNPP Global Equity Fund. The Plan will continue to use data from 2021 as its baseline year.

We reviewed the metrics and the targets, and we believe they remain appropriate.

We hope you enjoy reading this report and understanding more about how we are managing

Strategy

Total Portfolio

Scopes 1 and 2

Emissions	Carbon footprint	Data coverage
233,782 tCO ₂ e	74.8 tCO ₂ e/£M	92.8%
vs 2024 ↑ 19%	↑ 7%	↑ 4%

Scope 3

Emissions	Carbon footprint	Data coverage
612,214 tCO ₂ e	365.3 tCO ₂ e/£M	49.8%
vs 2024 ↑ 1%	↓ 3%	↓ 3%

we surveyed our investment managers using a fund-level questionnaire, asking them to rate the climate-related risks and opportunities they believe their fund(s) is exposed to. At the time of writing four managers within the DB Structure (representing approximately 17% of the Plan's total assets) have not been able to provide information for the risk assessment.

A small allocation of approximately 1% to cash has been excluded from the analysis on the basis of materiality.

Our investments

DB Structure

The Plan's DB investment portfolio is diversified across a range of different asset classes including equities, active credit, property, private debt, illiquids and gilts.

climate-related risks and opportunities within the Plan.

Scopes 1 and 2

Emissions	Carbon footprint	Data coverage ¹
49,935 tCO ₂ e	34.0 tCO ₂ e/£M	94.2%
vs 2024 ↓ 8%	↓ 18%	↑ 0.2%

Scope 3

Emissions	Carbon footprint
465,600 tCO ₂ e	337.1 tCO ₂ e/£M
vs 2024 ↑ 16%	↑ 1%

Chair's signature

on behalf of the Trustee of the Combined Nuclear Pension Plan.

Identifying climate-related risks and opportunities

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

Given the number of asset classes the Plan is invested in, we completed this exercise to the best of our ability. To help us with our assessment for the DB Structure,

¹ Applies to Scope 1&2 only.

Asset Class	Equities	Active Credit	Property	Private Debt & Equity	Gilts	Corporate Bonds	Infrastructure	Cash
Allocation	22%	8%	7%	17%	37%	7%	1%	1%

Asset allocations as at 31 December 2025

DC Structure

The DC Structure offers a range of three sets of target-date funds, two of which are default options. The Plan also offers a range of self-select funds.

Where members are invested	Default Lifestyle Funds	Self-select Funds	Of the Self-select Funds, the largest proportion of members are invested in the CNPP Global Equity Fund
Allocation	76%	24%	8%

Notes: Asset allocations as at 31 December 2025. Numbers may not sum to 100% due to rounding. CNPP Global Equity Fund allocation is shown as a % of the total DC Structure assets.

Climate-related risk assessment

DB Structure

How the risk assessment works

Risk categories

The analysis divides climate-related risks into two types:

Transition risks related to the transition to a low-carbon economy.

Physical risks associated with the physical impacts of climate change on companies' operations.

More details can be found in the [Appendix 02](#).

Ratings

The analysis uses RAG ratings where:

Red denotes a higher level of financial exposure to a risk.

Amber denotes a medium level of financial exposure to a risk.

Green denotes a lower level of financial exposure to a risk.

Time horizons

We assessed the climate-related risks and opportunities over different time horizons considering the Plan's liabilities. We decided the most appropriate time horizons for the Plan are:

Short-term: 1-3 years

Medium-term: 4-10 years

Long-term: 11+ years

Key conclusions

Diversification across asset classes, sectors and regions remains important in managing climate-related physical and transition risks for the Plan. While there have been some changes in risk assessments at an asset-class level, overall risk ratings are broadly similar to last year for most managers.

Equities, which remain a significant proportion of Plan assets, continue to be assessed as a medium- to high-risk area from a climate perspective, particularly in relation to transition risks over the medium to long term. Policy and regulatory developments are viewed as the most material drivers of transition risk, reflecting ongoing uncertainty around the future path of carbon pricing, climate-related regulation and potential litigation. Physical risks for equities are expected to become more pronounced over time as extreme weather events increase in frequency and severity.

Active credit is also regarded as a medium-risk area, especially in the longer term. While short- and medium-term physical and transition risks are assessed as low, the manager expects both types of risk to rise to moderate levels over the long term. This is driven by the potential impact of more frequent and severe physical climate events, tightening climate policy and regulation, evolving market expectations, and the need for issuers to adapt their business models and technologies.

The Plan's investment in **corporate bonds** remains in a strategy which assesses the alignment of underlying assets with the Sustainable Development Goals ("SDG"). The manager continues to rate this fund as having low exposure to climate-related risks across all time horizons. The manager has not identified any material physical or transition climate-related risks, with internal and external scenario analysis supporting a low-risk assessment. The strategy's focus on SDG-aligned issuers, and ongoing engagement with key holdings, is expected to help manage climate-related risks over time.

Property continues to be assessed as a medium-risk area overall, particularly in relation to medium-term transition risks such as evolving building standards, energy-efficiency requirements, data-monitoring needs and potential shifts in occupier demand. Longer-term transition risks are rated as low, reflecting asset-level initiatives and tenant engagement intended to keep the portfolio aligned with market expectations and regulation. Physical risks are still viewed as low in the short and medium term, with only moderate uncertainty around chronic risks such as heat and water stress over the long term.

The Plan's **private debt and private equity** holdings, which together represent a meaningful share of the DB Structure, remain an area where data gaps limit the level of insight into climate-related risks. None of the managers were able to provide RAG ratings or detailed supporting information in the requested format this year, and our investment adviser continues to engage with them to improve the quality and consistency of climate-related disclosures.

Gilts continue to be assessed as a low-risk area in the short and medium term for both physical and transition risks. Over the long term, acute physical risks and certain transition risks (regulatory, technology and market) are expected to increase to moderate levels, reflecting the potential impact of more frequent extreme weather events, climate policy and carbon pricing, and the broader transition to a lower-carbon economy on sovereign

creditworthiness and economic performance. Reputational risks remain low, although the manager notes that insufficient climate policy could contribute to wider social and political tensions.

Infrastructure remains a relatively small but climate-relevant part of the portfolio. Physical risks for infrastructure assets are assessed as moderate over the medium and long term, driven by the potential impact of more frequent and severe weather events and gradual climatic changes on asset operations and performance. Short- and medium-term transition risks are generally low overall, with technology and market risks rated as moderate to reflect the need to adapt to evolving technologies, demand patterns and counterparties' climate strategies. Over the long term, transition risks are currently assessed as low across all categories, supported by the integration of climate considerations into investment decision-making, due diligence and ongoing asset management.

RAG ratings for each asset class can be found in the [Appendix 03](#).

DC Structure

The statutory guidance issued by DWP requires trustees of DC schemes to undertake climate strategy activities for each 'popular arrangement offered'. For the Plan this would mean the two default arrangements – the Aegon LifePath Flexi & Capital Funds – would be in scope.

Although it does not meet the requirements for a popular arrangement, the ISC has decided that the CNPP Global Equity Fund should be included within the report, given it has the largest proportion of members invested amongst the self-select funds, which warrants more detailed monitoring through inclusion in the Plan's TCFD report. This fund has been chosen by hundreds of members, making up approximately 8% of the total self-select assets under management.

The Plan's default arrangements – Aegon LifePath Flexi & Capital – are Target Date Funds in which the asset allocation de-risks over time as members approach retirement. Day-to-day management of assets and ongoing asset allocation decisions are delegated to BlackRock as the current asset manager of these Target Date Funds. As such, the Trustee is more limited in the DC Structure than in the DB Structure in relation to the climate-related enhancements it can directly implement.

LifePath Funds

As of June 2025, the Aegon LifePath strategy underwent a number of important changes, including the replacement of the underlying passive funds with BlackRock's ESG Insights Fund range. This transition was intended to improve alignment with Aegon's climate targets and to enhance the depth and quality of ESG integration across the LifePath funds.

BlackRock's ESG Insights passive equity building blocks integrate ESG considerations through a combination of baseline screening and exclusions, aiming to maximise their company-level ESG scoring across sustainability themes and through the application of explicit ESG targets. These targets include a reduction in overall carbon footprint of 50% relative to its benchmark, followed by a minimum 7% year-on-year reduction in emissions intensity, and increased exposure to green opportunities through a targeted 20% increase in green revenues relative to its benchmark.

The underlying building blocks of the LifePath strategy are index tracking funds; however, the strategy, through BlackRock and Aegon, retains the ability to change the asset allocation and indices being tracked. BlackRock take a long-term strategic asset allocation view (10yrs+) in terms of the implementation of their portfolios. BlackRock do this through their climate aware market assumptions generated by 'Aladdin Climate'², a BlackRock portfolio management tool, which is used to calculate climate risk in portfolios. It allows portfolio and risk managers to see climate-adjusted analytics alongside standard datasets as they make decisions regarding the asset allocation's exposure to climate risks.

Climate risk is considered across all asset classes within the LifePath funds. Where possible, the portfolio manager has transitioned to ESG screened indices. In June 2025, the underlying passive funds within Aegon LifePath were replaced by BlackRock's ESG Insight funds, which incorporate more deeply integrated ESG metrics into the investment process. As at 31 December 2025, a substantial majority of the LifePath strategies

² Aladdin Climate provides a framework to measure climate risk and portfolio decarbonization based on client inputs. It does not provide ratings or express any professional opinion or judgment on the suitability of any investment for inclusion or exclusion in a portfolio with respect to climate transition objectives.

were invested in sustainable “building blocks”³ with explicit ESG-related considerations, primarily through optimised and screened funds. Exposure to these sustainable building blocks was around 92% for LifePath Capital, 94% for LifePath Flexi and 87% for LifePath Retirement.

Examples of these ESG related allocations are as follows:

- ACS World ESG Insights Equity Fund
- ACS World Small Cap ESG Screened Equity Tracker Fund
- ACS UK ESG Insights Equity Fund
- iShares ESG Sterling Corporate Bond Index Fund

The underlying indices of these funds are constructed through an optimisation process that aims to maximise exposure to ESG factors by targeting companies with high MSCI ESG ratings in each sector⁴. The MSCI ESG Rating is created by MSCI, a global financial markets data provider and seeks to measure and assess a company’s management of financial ESG risks.

In the equity-heavy, longer-dated vintages, 100% of the underlying funds are invested in the sustainable building blocks.

Aegon has also announced further changes to the LifePath fund range from H2 2026 onwards. These proposals will further embed ESG integration across the full growth phase, with the aim of strengthening alignment with decarbonisation targets.

CNPP Global Equity Fund

This fund is a white labelled name for the Aegon BlackRock 50/50 Global Equity Index (BLK). The aim of the fund is to track a range of underlying indices, which are baskets of geography specific global equities, each weighted on a market capitalisation basis.

For index tracking investment mandates such as this, the manager does not have discretion to add or remove securities. Integration of climate-related risks is therefore addressed through:

- Engagement and collaboration with index providers.
- Transparency, including reporting on sustainability-related characteristics of all strategies.
- Investment stewardship activities, which are undertaken across all investment strategies invested in corporate equity and debt issuers.

³ A “building-block” provides one piece of a broader portfolio. It typically references a benchmark, focuses on a specific universe of securities, and contributes to the goals of the overarching portfolio.

⁴ MSCI ESG Ratings are a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. Source: <https://www.msci.com/our-solutions/esg-investing/esg-ratings>.

Climate-related opportunities

DB Structure

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

Equity	The Plan's equity manager continues to see a broad range of climate-related opportunities across listed markets. In the near term, this is focused on companies enabling the deployment of proven low-carbon technologies that reduce emissions relative to business-as-usual, such as solar and wind generation, battery storage and electric vehicles, particularly where they help to address key bottlenecks in the energy transition or benefit from supportive policy and incentives. Over the medium term, the manager expects attractive opportunities in businesses exposed to geological scarcity (for example, critical minerals used in low-carbon technologies), technological innovation and regulatory change, where tightening climate policy and carbon pricing can support demand for transition-aligned products and services. Looking further ahead, the opportunity set is expected to broaden to include emerging climate solutions such as carbon capture and storage, direct air capture, low- or zero-carbon hydrogen and ammonia, and nature-based solutions, with companies that invest early and embed credible transition plans viewed as best placed to benefit as these technologies scale.
Property	The Plan's property managers continue to see climate-related opportunities from positioning assets to meet growing occupier and investor demand for sustainable, energy-efficient buildings. This includes the potential to capture stronger rental demand and valuation resilience for assets with enhanced environmental performance and certification. Over time, refurbishment and asset-management programmes that upgrade building fabric and systems are expected to reduce emissions and operating costs, while supporting occupier wellbeing and contributing positively to local communities. The managers also highlight opportunities from investing in low-carbon and resource-efficient technologies at the asset level, such as rooftop photovoltaics, high-efficiency heating, ventilation and air-conditioning systems, sustainable transport infrastructure and other measures that improve indoor environmental quality. Improving energy, water and waste efficiency across the portfolio is seen as a key lever to lower running costs, enhance competitiveness and maintain alignment with evolving regulation and occupier sustainability expectations.
Active Credit	The Plan's active credit investment manager continues to see growing climate-related opportunities in credit markets, including: • Increased issuance of green bonds, sustainability-linked bonds and loans with sustainability-linked margin ratchets. • Improving issuer disclosure, particularly in global high yield, which enhances the manager's ability to assess sustainability profiles and decarbonisation pathways.
Corporate bonds	For the corporate bond portfolio, climate-related opportunities continue to arise primarily through fundamental credit analysis that integrates climate and broader ESG considerations. The manager focuses on issuers' cash-generating capacity, the quality and resilience of cash flows, and their ability to service debt, while recognising that climate factors can strengthen this assessment. Issuers whose products, services or strategies support environmental solutions or are credibly transitioning to lower-carbon business models may exhibit more durable earnings profiles and improved credit quality over time. By systematically incorporating climate risks and opportunities into its issuer research, the manager aims to identify bonds with stronger long-term fundamentals, better resilience to the low-carbon transition and attractive risk-adjusted returns.
Private Debt/Equity	The Plan's private debt and private equity managers have identified the following climate-related investment opportunities: • Using ESG-integrated credit analysis and due diligence to identify borrowers with more robust climate and wider ESG practices, which can support better downside protection and more resilient cash flows over time. • Supporting portfolio companies through engagement and stewardship (for example, via ESG checklists and follow-up monitoring) to encourage improved

management of climate-related risks and opportunities, which can enhance long-term business resilience and financial performance.

- Allocating capital to companies in sectors where improved carbon management, energy efficiency and climate-related adaptations can reduce risk and potentially improve valuations, drawing on firm-level climate data (such as emissions and carbon intensity metrics) to inform investment decisions.

Gilts

For gilts, climate-related opportunities are primarily indirect, arising through sovereigns' responses to the transition to a lower-carbon economy and to physical climate risks. Governments that design credible climate policies, invest in resilient infrastructure and support the development of low-carbon technologies may be better placed to sustain long-term growth, manage fiscal pressures and maintain credit quality. Over time, improved climate resilience, diversified energy systems and effective adaptation measures can help reduce macroeconomic volatility and support more stable sovereign balance sheets, which is expected to be beneficial for gilt investors.

Infrastructure

The Plan's infrastructure managers have identified the following climate-related investment opportunities:

- Investing in large-scale greenfield renewable energy projects in selected low-risk OECD countries, which add new generation and storage capacity to the global electricity grid and provide "energy additionality" and associated avoided future emissions, rather than simply acquiring existing brownfield assets.
- Capturing opportunities from the net-zero transition by leveraging strong global origination capabilities, a leading market position in offshore wind, and the ability to pioneer newer technologies such as floating offshore wind and utility scale battery energy storage.
- Seeking to earn a "greenfield premium" by using proven experience in delivering large, complex renewable energy infrastructure projects and by maintaining a broad pipeline of projects to provide portfolio construction optionality, manage supply-chain and capex challenges, and increase investment execution certainty.

Source: Managers

DC Structure

ESG policy: Aegon have confirmed that BlackRock have a formal ESG policy, which includes a climate objective and other sustainable related objectives, was effective from 7 December 2022. As of June 2025, the underlying passive funds within Aegon LifePath transitioned to the BlackRock ESG Insights Funds. This change resulted in the removal of the previous objective to achieve an absolute 50% reduction in carbon emissions over a 10-year period, starting in June 2019. However, the strategy continues to target a lower carbon emissions intensity score relative to comparable reference comparators, alongside other sustainable-related objectives. Moreover, these changes included a reduction in carbon footprint of 50% relative to its benchmark and a minimum 7% annual reduction in emissions intensity for the LifePath arrangements.

ESG integration: A whole portfolio approach is taken to any investment decisions with any changes guided by a set of principles which include, but are not limited to, avoiding any significant divestments from any single asset class or region, reducing the carbon emissions intensity of the portfolios and considering the broader sustainable features (S and G) whilst meeting the current investment objective, and limiting associated costs.

Sustainable building blocks: LifePath's ESG approach focuses on selecting investment vehicles such that the risk and performance do not significantly deviate from that of the traditional benchmark over the long-term. Optimised strategies aim to maximise portfolio exposure to better ESG performers while closely tracking parent indices, whilst screened indices avoid exposure to specific companies and/ or sectors associated with objectionable activities.

Portfolio decarbonisation: BlackRock's research priority for the portfolios used within Aegon's LifePath funds is focused on assessing portfolio emissions at the whole portfolio level to assist the ongoing reduction in the carbon emissions intensity of the portfolio. Much of the focus so far has been on deepening their understanding and developing their data and analytical capabilities to be able to facilitate further ESG integration and portfolio decarbonisation in the coming months and years.

Assessing our managers' climate risk management

DB Structure

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

Key conclusions

- This year we received responses to the firm-level questionnaire from all 11 appointed managers of the Plan. All 11 support reporting in line with the TCFD recommendations and have already produced a TCFD-aligned or TCFD-structured climate report.
- All 11 managers participate in one or more climate- or ESG-related industry initiatives. Across the group we see memberships and/or signatory status including Net Zero Asset Managers Initiative ("NZAM"), Climate Action 100+, Institutional Investors Group on Climate Change ("IIGCC"), UN Principles for Responsible Investment ("UN PRI"), Initiative Climate International, ESG Data Convergence Initiative, TCFD Supporter status, and a range of stewardship codes and collaborative engagement platforms.
- 10 of the 11 managers already carry out climate-related risk and/or scenario analysis at the time of writing (for example, portfolio-level climate scenario analysis, Climate Value at Risk, use of Network for Greening the Financial System ("NGFS")/ Intergovernmental Panel on Climate Change ("IPCC")/ International Energy Agency ("IEA") pathways). One manager (HPS) currently incorporates climate-related risks and emissions metrics into its investment and risk processes but has stated that formal climate scenario analysis is still in development.

We will continue to engage with our managers to understand the future changes to the management of the Plan's assets, including the integration of climate-related risk analysis

DC Structure

The Plan's default arrangements – Aegon LifePath Flexi and Capital – are Target Date Funds in which the asset allocation de-risks over time as members approach retirement. Day-to-day management of assets (including climate risk management) is delegated to BlackRock as the current sole asset manager of the Target Date Funds. BlackRock do this through their climate aware market assumptions generated by 'Aladdin Climate'⁵ a BlackRock portfolio management tool which is used to calculate climate risk in portfolios. Having undertaken a "climate risk management assessment" of BlackRock and the default Target Date Funds, we are confident in BlackRock's ability to manage climate risk on our behalf.

Aegon have confirmed that BlackRock implemented a formal ESG policy in December 2022 within the prospectus of the LifePath UK funds, which aimed to achieve an absolute reduction of 50% of carbon emission intensity score over a 10-year period, starting in June 2019 for corporate issuers. For instance, as at December 2025, at a total LifePath UK level, around 93% of the assets are invested in optimised and screened funds by tracking ESG indices provided by leading index providers. For the longer-dated vintages with more equity-heavy allocations within the LifePath arrangements, this percentage is even higher, where around 100% are invested in sustainable building blocks.

In June 2025, Aegon transitioned the LifePath' strategy underlying funds with the BlackRock ESG Insights Funds. These funds are managed against customised indices with decarbonisation targets, thus incorporate more deeply integrated ESG metrics into the investment process and more closely align with both Trustee objectives and Aegon's net zero commitments.

Similar to most of the DB Structure's asset managers, BlackRock participated in multiple industry initiatives, including the Net Zero Asset Managers Initiative (NZAMi), Climate Action 100+ (CA100+), and the United Nations Principles for Responsible Investment (UN PRI). Aegon UK is also a signatory to the Financial Reporting Council's UK Stewardship Code, the UN Principles for Responsible Investment, and has joined initiatives like the Institutional Investors Group on Climate Change (IIGCC).

Overall, both Aegon and BlackRock have demonstrated progression in ESG integration over the last few years within the Plan's default arrangement. However, the political and real-world climate changes may make the management of climate risk management more challenging in the future. We will continue to work with our advisors to understand these impacts on the Plan's DC assets.

⁵ As mentioned on page 7.

Assessing the Scheme's resilience to climate change

Two years ago, we analysed climate change scenarios to better understand the impact climate change could have on the Plan's assets and for the DB Structure, the liabilities and covenant (and therefore funding position).

The analysis looks at three climate change scenarios. We chose these scenarios because we believe that they provide a reasonable range of possible climate change outcomes.

Each climate scenario considers what may happen to the Plan when transitioning to a low carbon economy under different temperature-related environmental conditions. Consistent scenarios have been considered by the Plan's different advisers; Aon for the DB Structure, Mercer for the covenant and Gallagher the DC Structure. We note that the scenarios are only illustrative and subject to considerable uncertainty.

Impact on the DB funding level

The climate scenarios considered for the DB Structure are summarised below.



2°C Orderly transition – Below 2°C

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

Temperature rise by 2100 **1.3°C - 2°C**

Reach net-zero by 2050

Carbon price 2030 \$100
2050 \$215

Environmental regulation rollout Coordinated



2°C Disorderly transition – Delayed transition

Climate action is delayed for four years, leading to more extreme weather, forcing governments to tackle GHG emissions

Temperature rise by 2100 **1.5°C - 2°C**

Reach net-zero by 2050

Carbon price 2030 \$135
2050 \$280

Environmental regulation rollout Aggressive



Hot House World – Nationally Determined Contributions (“NDCs”)

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

Temperature rise by 2100 **<3°C**

Reach net-zero by After 2050

Carbon price 2030 \$65
2050 \$340

Environmental regulation rollout Late and Aggressive

Source: Aon. **The scenarios were developed by Aon and are based on many assumptions. They are only illustrative and subject to considerable uncertainty.** Effective date of the impact assessment is 31 December 2023. Please see the [Appendix 03](#) for more details.

Key conclusions

Overall, we are comfortable with the level of resilience exhibited by the investment portfolio and presently do not intend to make any changes to the investment strategy as a result of this analysis. We will continue to consider this analysis as part of any future changes made to the investment strategy or underlying investment managers used to implement this.

The Plan's investment portfolio exhibits reasonable resilience under the climate change scenarios considered. We note that there was some variation between the different investment strategies under scenarios considered within each Group – being the split between formally NDA backed, and not.

The resilience to the scenarios is as a result of high starting funding levels across the Groups, the diversification of assets, and inclusion of assets which aim to provide some degree of protection against Environmental, Social and Governance ("ESG") risks or risks posed by the transition to a low carbon economy.

Considering climate change impacts on the sponsoring employer

Two years ago, the Plan's covenant adviser, Mercer, provided a high-level assessment of the possible impact of climate scenarios (in line with those being considered for this report) on the employer covenant, alongside an analysis of climate-related risks. The Trustee believes the nature of the covenant has not changed materially since this analysis and therefore it is reasonable to consider this previous covenant work in respect of this year's TCFD report.

The sections of the Plan are supported by different entities within the NDA Group. However, the majority are directly supported by the NDA, which is charged on behalf of the UK government with the mission to clean-up the UK's nuclear sites safely, securely and cost effectively. There are other pension liabilities of the NDA Group (for example, Direct Rail Services ("DRS") is responsible for GPS DRS liabilities). In order to be proportionate and to focus on the most material elements and in line with previous assessments, the covenant adviser focused its climate exposure analysis on the NDA (Group 1) and DRS (Group 2).

The covenant adviser's 2024 analysis considered three scenarios based on the NGFS phase IV scenarios, covering a plausible range of scenarios which could materialise. These were an Orderly Transition Below 2°C scenario ("Orderly"), which gives a 67% chance of limiting global warming to below 2°C, a Delayed Transition ("Delayed") in which emissions do not decrease until 2030 as new policies are implemented belatedly and abruptly, with high variation in the stringency of policies between regions, and a Hot House World Nationally Determined Contributions scenario ("Hot House World"), which includes all existing commitments and pledges and results in higher physical risks due to a peak warming temperature of 2.4°C.

Conclusion of analysis

The Group's key employers (NDA - Group 1; and DRS - Group 2) are, to an extent, shielded from the

financial impact of climate change risks by virtue of their quasi-governmental nature. However, to inform the Trustee in setting climate strategy and risk management, the covenant adviser adopted a risk-focused approach to identify potential downside climate exposure under all scenarios considered.

Group 1: Principal climate risks identified

The key risks identified by the covenant adviser included:

1. Orderly and Delayed Transition scenarios:

- a. Supply chain resilience, including cost and scarcity of key raw materials – for example, the risk of sand, a key concrete component, becoming more difficult and costly to source with increased restrictions and reduced availability, when demand is expected to continue to increase in the foreseeable future;
- b. Extreme weather events and water scarcity impact on operations – risk that operations and sites are disrupted by acute and chronic physical risks, such as flooding and heatwaves; and
- c. Macro-economic risks – increased risks from macro-economic environment worsening from an already high inflationary environment with increased fiscal pressures.

2. Hot House World:

- a. Supply chain resilience, including cost and scarcity of key raw materials – for example, the risk of sand, a key concrete component, becoming more difficult and costly to source as a result of over production coupled with extreme weather events exacerbating commodity scarcity, against a context where demand is expected to continue to increase in the foreseeable future;

- b. Extreme weather events and water scarcity impact on operations – risk that operations and sites are disrupted by acute and chronic physical risks, such as flooding and heatwaves; and
- c. Overall, more pronounced physical risk exposure, with lower transition risks, as compared to the low-warming scenarios (i.e. Orderly and Delayed Transitions).

Group 1: Summary risk analysis

- **Near-term (1-3 years):** Greater risk in the Hot House World scenario, mainly as a result of supply chain risks linked to the sourcing and pricing of construction materials, coupled with increased risks from extreme weather events and a challenging macro-economic environment.
- **Mid-term (4-10 years) and long-term (>11 years):** risks are more pronounced, particularly under the Delayed Transition and Hot House World scenarios, mainly due to increased supply chain constraints as a result of demand outstripping supply for certain key commodities, such as sand, coupled with an increase in the frequency and magnitude of extreme weather

events, which would create a negative feedback loop, increasing commodity prices further.

The covenant adviser assessed that the risks were generally greater over the longer-term compared to the near-term.

Group 2: Summary risk analysis

- **Near-term (1-3 years):** the main risk for DRS appears to be the potential cost involved in developing a more environmentally friendly fleet, particularly under an Orderly Transition scenario. In the mid-term, the resilience of the UK rail network is also a major risk under all three scenarios considered, mainly due to the potential disruption caused by chronic physical risks (e.g., higher temperatures) as well as the impact from extreme weather events.
- **Mid-term (4-10 years) and long-term (>11 years):** DRS will face increased climate-related risks, especially under a Hot House World scenario. This is mainly due to the impact from extreme weather events, which are expected to increase significantly in frequency and magnitude and will require material capital expenditures to avoid disruption to the network and operations.

Impact on DC members' pension fund values

Trustee update

Based on the aforementioned criteria set out in the Regulations regarding the circumstances which require the climate scenario analysis to be re-done, the Trustee has reviewed the analysis for the DC Structure and is comfortable that the analysis undertaken for its third TCFD report remains appropriate for this year's report. It is however likely that the Trustee will refresh the scenario analysis for next year's report due to the anticipated significant changes in investment strategy within the DC structure default arrangements.

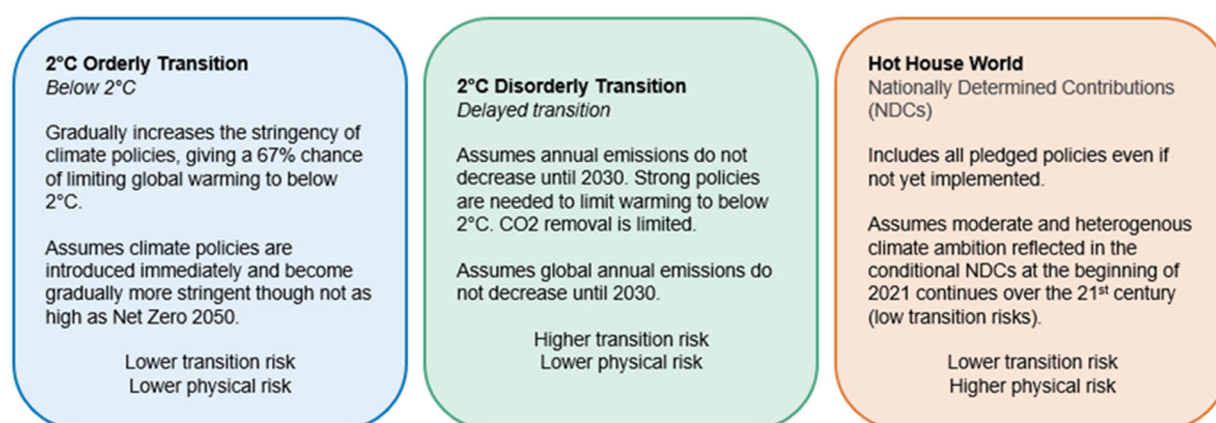
Two years ago, we completed the scenario analysis for the DC Structure, with the results reproduced below:

Due to developments in industry-wide best practice, Gallagher adopted an alternative approach to scenario analysis and the underlying methodology used when this was last refreshed in the third TCFD report, in comparison to the Plan's first two TCFD reports. The Trustee had approved the adoption of this scenario analysis, which is the methodology developed by the NGFS from the previously used PRA stress tests, with further detail provided below.

The scenario analysis was refreshed within the Plan's third TCFD report to align with the timings of the DB Structure scenario analysis update.

Introduction to Network for Greening the Financial System ('NGFS') scenarios:

- The NGFS has developed five climate scenarios, which cover the broad spectrum of transition and physical risks that investors face. For the Plan, we have provided scenario analysis based on three of the scenarios that align to the DB Structure scenarios carried out by Aon.
- The PRA methodology was used in the Plan's Year 1 and Year 2 TCFD reports. Whilst there is a high degree of overlap between the PRA and NGFS tests, NGFS tests have increasingly come to be seen as the leading reference scenarios and offer greater granularity of analysis. Therefore NGFS tests have been used for the Plan's Year 3 report and subsequent reports.
- DC Structure NGFS Scenario Narratives: The NGFS partnered with an expert group of climate scientists and economists to design a set of hypothetical scenarios – these scenarios aim to provide a reference point for understanding how climate change (physical risk) and climate policy and technology trends (transition risk) could evolve in different future scenarios. The scenario analysis relative loss (%) reflects the physical risk and transition risk.



Scenario Analysis Output:

DC Section – LifePath Flexi as at 31/12/2023:

To demonstrate the impact of each climate scenario on member outcomes, Gallagher have run the analysis on relevant asset allocation for three cohorts of CNPP members for the DC New Joiners Section (where LifePath Flexi is the default strategy). These representative personas were updated in December 2023, with further updates made in December 2025. The next TCFD report will reflect the changes implemented as part of the December 2025 update.

It is important to note that the NGFS scenario analysis presented below is not directly comparable to the scenario analysis based on the PRA methodology in the previous two TCFD reports, as these are based on different assumptions and underlying methodology.

	Asset Growth Stage	Volatility Management Stage	Retirement Planning Stage
Straw-person Assumptions	Sammy	Lisa	Paul
Age	25	39	57
Retirement Age	65	65	65
Relative Loss (%)			
2°C Orderly Transition	11.4	10.8	7.3
2°C Disorderly Transition	29.5	28.2	19.9
Hot House World	9.9	9.4	6.4

- **Interpretation:** If the asset allocation remains as it is currently (i.e. BlackRock keep the asset allocation the same), Sammy's scenario result under the 2°C Orderly Transition shows a c.11% negative impact on her portfolio returns over the relevant time periods.
- The Lifepath Flexi default strategy de-risks out of equities into less risky assets, that have less climate-risk associated with them, and includes a large allocation to cash (which has no assumed climate risk) at retirement. Therefore, as expected, the range of relative loss under the stress scenarios is smaller for those closer to retirement than those in the asset growth stage.

SPPP Section – LifePath Capital as at 31/12/2023:

To demonstrate the impact of each climate scenario on member outcomes, Gallagher undertake the analysis on relevant asset allocation for two cohorts of CNPP members for the SPPP Section (where LifePath Capital is the default strategy). These representative personas were updated in December 2023, with further updates made in December 2025. The next TCFD report will reflect the changes implemented as part of the December 2025 update.

The data below shows the impact of each of the scenarios by measuring the relative loss in % terms on each of the asset allocations.

	Volatility Management Stage	Retirement Planning Stage
Straw-person Assumptions	Lisa	Paul
Age	44	57
Retirement Age	60	60
Relative Loss (%)		
2°C Orderly Transition	9.9	6.5
2°C Disorderly Transition	26.1	17.5
Hot House World	8.6	5.6

Please note that a growth stage analysis was not carried out for the SPPP Section, as this would not be relevant for their membership.

- **Interpretation:** If the asset allocation remains as it is currently (i.e. BlackRock keep the asset allocation the same), Lisa's outcome under the 2°C orderly transition shows a c.10% negative impact of the current asset allocation over the time period, giving a present-day representation of the impact under this scenario.
- The Lifepath Capital default strategy de-risks out of equities into less risky assets such as government bonds and corporate bonds as members near retirement – these assets have less climate-risk associated with them, which is why the range of potential loss is smaller at the retirement planning stage.
- There is a larger allocation to cash within the Capital default range compared to the Flexi range, hence why **climate risk is lower for the LifePath Capital default than the Lifepath Flexi default**.

CNPP Global Equity Fund as at 31/12/2023:

Gallagher have modelled the impact on each of the climate scenarios on the relevant asset allocation for members invested within the CNPP Global Equity Fund. This fund is a white labelled name for the Aegon BlackRock 50/50 Global Equity Index (BLK).

To demonstrate the impact of each of the climate scenarios, Gallagher completed the analysis on the relevant asset allocation for the CNPP Global Equity Fund. The data below shows the impact of each of the scenarios by measuring the relative loss in % terms the asset allocation, as at 31 December 2023.

	CNPP Global Equity Fund
Relative Loss (%)	
2°C Orderly Transition	13.3
2°C Disorderly Transition	38.8
Hot House World	11.9

- **Interpretation:** If the asset allocation remains as it is currently, the scenario result under the 2°C orderly transition shows a c.13% negative impact of the current asset allocation over the time period, giving a present-day representation of the impact under this scenario.
- As the CNPP Global Equity Fund has 100% equity exposure across the UK and overseas, the stress test scenarios have a higher relative loss compared to the LifePath Flexi and Capital ranges, which have exposure to some equities as well as other asset classes which are less risky.
- The 2°C disorderly transition has the highest relative loss impact compared to the other scenarios, as expected.

Please refer to the [Appendix 04](#) for further details on the industry-wide concerns with scenario analysis methodology.

Metrics & targets

Our climate metrics

In our first year of TCFD reporting, we decided to report on the metrics below. This year we reviewed the metrics, and believe they remain suitable for us to report against.



Total Greenhouse Gas emissions

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

This year the Trustee was able to obtain Scope 1&2 and Scope 3 emissions from the managers separately.



Carbon footprint

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

This year the Trustee was able to obtain Scope 1&2 and Scope 3 emissions from the managers separately.



Data Coverage

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

This year the Trustee did not need to make any estimation as the data was directly provided by the managers. Please note some managers used estimates of their data, details of which are not shared as part of this document.



Implied temperature rise

An estimate of the potential global temperature rise over the rest of the century based on the pledges, commitments and business strategy changes of the underlying companies and issuers. It is expressed as a temperature rise in degrees Celsius.

This metric gives the alignment of the Plan's assets with the 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 potential global temperature rise associated with the GHG emissions from a portfolio, expressed in degrees Celsius.

DB Structure Climate-related metrics

We acknowledge that the total GHG emissions (Scopes 1, 2 and 3 combined) increased over the year, driven mainly by higher Scope 1&2 emissions. Year-on-year, Scope 1&2 emissions increased, driven by increased investment in gilts, higher reported emissions from credit allocations, and an increase in the total amount invested.

By contrast, the Plan's total Scope 3 emissions increased only slightly, with higher reported emissions from active credit (linked to improved data coverage from a new provider) largely offset by lower emissions from equities following a reduction in the equity allocation. Scope 3 emissions remain a significant component of the Plan's overall footprint and continue to be the most challenging to measure due to data availability and methodological limitations.

The increase in the lower bound of the portfolio alignment metric is not due to any change in managers' expectations. It reflects the fact that the manager with the lowest measure last year (Aberdeen Ground Rents) is no longer held in the portfolio and therefore is not included in this year's reporting.

		Total GHG emissions	Carbon footprint	Data coverage	
Total assets (£m)	Year	Scope 1 &2 and Scope 3 (tCO2e)	Scope 1 &2 and Scope 3 (tCO2e/£m)	Scope 1 &2 and Scope 3 (%)	Portfolio alignment (°C)
3,368	2025	233,782 Scope 1&2	74.8 Scope 1&2	92.8% Scope 1&2	2.0 - 3.3°C
		612,714 Scope 3	365.3 Scope 3	49.8% Scope 3	
3,166	2024	196,593 Scope 1&2	70.0 Scope 1&2	89.0% Scope 1&2	1.5 - 3.5°C
		607,747 Scope 3	375.7 Scope 3	51.1% Scope 3	

Source: Investment managers / Aon. Data is as at 31 December 2024 and 2025 respectively, or latest available.

Total emissions are calculated for the portion of the portfolio for which emissions data is available.

The emissions associated with LDI have been calculated from the following sources:

- UK national emissions as at 31 December 2024 from the Emissions Database for Global Atmospheric Research.
- PPP-adjusted GDP as at 31 December 2024 from the World Bank Group. The 2025 figures are currently unavailable.

Scope 3 carbon data and portfolio alignment metrics are not yet widely available for sovereigns and hence are deemed not applicable.

We note that the underlying methodology for corporates and sovereigns are different, but the splits have been shown by asset classes in the detailed breakdown below, this summary is for illustrative purposes.

DB Structure metrics – Detailed breakdown

Total Scope 1&2 GHG emissions (tons CO₂e)

Asset class	Growth Fund	Illiquid Growth Fund	Liquid Credit Fund	Gilt and Shorter Gilt Funds	Total
Equity	17,560	1,652	-	-	19,212
Property	991	-	-	-	991
Active Credit	24,610	-	-	-	24,610
Private Markets	3,193	1,432	-	-	4,625
Fixed Income	-	-	13,400	-	13,400
Gilts	-	-	-	170,944	170,944
Total	46,354	3,084	13,400	170,944	233,782

Total Scope 3 GHG emissions (tons CO₂e)

Asset class	Growth Fund	Illiquid Growth Fund	Liquid Credit Fund	Gilt and Shorter Gilt Funds	Total
Equity	369,089	34,715	-	-	403,804
Property	2,343	-	-	-	2,343
Active Credit	127,984	-	-	-	127,984
Private Markets	8,183	2,954	-	-	11,137
Fixed Income	-	-	67,446	-	67,446
Gilts	-	-	-	-	-
Total	507,599	37,669	67,446	-	612,714

Carbon footprint Scope 1&2 and Scope 3 (tons CO₂e/£m)

Asset class	Growth Fund		Illiquid Growth Fund		Liquid Credit Fund		Gilt and Shorter Gilt Funds	
	Scope 1&2	Scope 3	Scope 1&2	Scope 3	Scope 1&2	Scope 3	Scope 1&2	Scope 3
Equity	26.1	547.7	26.1	547.7	-	-	-	-
Property	4.1	10.9	-	-	-	-	-	-
Active Credit	119.2	652.3	-	-	-	-	-	-
Private Markets	16.1	41.3	5.2	23.8	-	-	-	-
Fixed Income	-	-	-	-	65.0	326.9	-	-
Gilts	-	-	-	-	-	-	135.6	n/a

Data coverage Scope 1&2 and Scope 3 (%)

Asset class	Growth Fund		Illiquid Growth Fund		Liquid Credit Fund		Gilt and Shorter Gilt Funds	
	Scope 1&2	Scope 3	Scope 1&2	Scope 3	Scope 1&2	Scope 3	Scope 1&2	Scope 3
Equity	98.2%	98.2%	98.2%	98.2%	-	-	-	-
Property	95.1%	85.2%	-	-	-	-	-	-
Active Credit	74.0%	70.3%	-	-	-	-	-	-
Private Markets	80.5%	80.5%	79.6%	35.8%	-	-	-	-
Fixed Income	-	-	-	-	89.0%	89.0%	-	-
Gilts	-	-	-	-	-	-	100.0%	n/a

Source: Investment managers / Aon. Data is as at 31 December 2025, or latest available.

Totals may not sum due to rounding. See footnotes for the table on page 21 for LDI emissions calculation sources. Scope 3 carbon data and portfolio alignment metrics are not yet widely available for sovereigns and hence are deemed not applicable. 'n/a' denotes 'not applicable'.

We note that the underlying methodology for corporates and sovereigns are different, but the splits have been shown by asset classes in the detailed breakdown below, this summary is for illustrative purposes.

The Private Markets asset class includes the DB Structure's investments in Private Equity, Private Debt and Infrastructure.

Implied Temperature Rise (°C)

Asset class	Growth Fund	Illiquid Growth Fund	Liquid Credit Fund	Gilt and Shorter Gilt Funds
Equity	2.7	2.7	-	-
Property	n/p	-	-	-
Active Credit	3.3	-	-	-
Private Markets	n/p	2.0	-	-
Fixed Income	-	-	2.0	-
Gilts	-	-	-	n/p

Source: Investment Managers / Aon. 'n/p' denotes 'not provided'.

The numbers above are for the underlying investment funds for which there is available data and do not reflect the entire portfolio.

DWP guidance states that the trustee should not be aggregating the ITR unless the same methodology has been used across the scheme's investments. Aon has relied on the individual manager data, hence the consistency of methodology cannot be guaranteed. Statutory guidance: [Governance and reporting of climate change risk: guidance for trustees of occupational schemes - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/governance-and-reporting-of-climate-change-risk-guidance-for-trustees-of-occupational-schemes)

Commentary

Scope 1&2 emissions rose by 19% from last year, mainly due to increased investment in gilts, which have a higher carbon footprint than other asset classes. The increase in the size of the portfolio also contributed to the rise in emissions.

The Plan's total Scope 3 GHG emissions have increased slightly over the year, from 607,746 tCO₂e to 612,714 tCO₂e. The main driver of the increase is the Active Credit allocation, where reported Scope 3 emissions rose from 58,503 tCO₂e to 127,984 tCO₂e. According to the manager, this reflects a step-up in data coverage following the move to a new data vendor (ESGx by Octus), rather than a material deterioration in the underlying portfolio. This was largely offset by a reduction in Scope 3 emissions from Equities, which fell from 460,019 tCO₂e to 403,804 tCO₂e, in line with a decrease of around £130 million in the Plan's equity allocation over the year.

Data coverage for Scope 1&2 and Scope 3 emissions remains high for listed equities and fixed income and has improved in a number of areas. Equity data coverage is broadly stable at around 98–99% for both Scope 1&2 and Scope 3. Coverage for Property has increased (for example, Scope 1&2 from 80.7% to 95.1% and Scope 3 from 71.0% to 85.2%), reflecting better reporting from managers and assets. Active Credit data coverage has improved significantly (Scope 3 from 29.0% to 70.3%), consistent with the manager's move to the new provider. Within Private Markets, coverage for the Growth Fund remains high (around 80% for both Scope 1&2 and Scope 3), while Scope 3 coverage for the Illiquid Growth Fund has improved from 29.1% to 35.8%, although it remains lower than for listed asset classes. Fixed Income coverage for the Liquid Credit Fund has stayed broadly stable and high (around 89–91%), and Gilts continue to have 100% Scope 1&2 coverage. Overall, the Plan continues to have very good emissions data coverage for listed assets, with notable improvements in property and credit, while data for private markets is improving but remains an area of ongoing engagement.

Fixed income (within the Liquid Credit Fund) experienced a modest increase in total Scope 1&2 emissions, rising from 9,380 tCO₂e to 13,400 tCO₂e over the year, driven by an increase in the total amount invested. By contrast, total Scope 3 emissions decreased from 73,728 tCO₂e to 67,446 tCO₂e, driven by changes in the underlying issuer mix and a lower Scope 3 footprint. Emissions data coverage for fixed income remains high and broadly stable, providing a robust basis for assessing climate-related metrics for this part of the portfolio.

Active Credit (within the Growth Fund) saw an increase in its Scope 1&2 carbon footprint over the year, driven largely by improved data coverage following the adoption of a new ESG data and some increased exposure to selected energy issuers. Scope 3 data coverage also improved materially and, despite this broader coverage, the Scope 3 carbon footprint for the portfolio decreased (from 781.7 to 698.0 tCO₂e/£m), reflecting the sale or reduction of several of the most carbon-intensive holdings.

Private Markets (as part of the Growth Fund) experienced a decrease in GHG emissions and carbon footprint this year. This was due to a change in vendor and methodology for one of the material managers over the year, meaning they are not directly comparable with previous year's report. There was also a decrease in data coverage, across all scopes, as the availability of information from the managers fell.

Within the Illiquid Growth Fund, changes in reported emissions and carbon footprints reflect an update in methodology by one of the key managers. For the latest year, the manager has revised its reporting approach, and this methodological change is a key factor behind the differences observed in the Scope 1&2 and Scope 3 figures compared with last year.

Property (within the Growth Fund) saw a small decrease in Scope 1&2 GHG emissions over the year, from 1,186 tCO₂e to 991 tCO₂e, while Scope 3 emissions rose modestly from 2,092 tCO₂e to 2,343 tCO₂e and carbon footprints remained broadly stable. Emissions data coverage for property improved materially (Scope 1&2 from 80.7% to 95.1% and Scope 3 from 71.0% to 85.2%), providing a more comprehensive view of emissions for this allocation.

The Plan's **Gilts** allocation experienced an increase in total Scope 1&2 GHG emissions over the year, driven by higher assets invested, despite a reduction in the associated carbon footprint. The gilts manager has an active programme of engagement with the UK Government and other policymakers on issues such as gilt issuance, green gilts and wider sustainable finance regulation. This includes contributing to consultations on the UK Government's Net Zero Strategy, advocating for long-dated green gilts that can be used in LDI portfolios, and participating in industry and regulatory discussions on the use of LDI by pension funds. This engagement is intended to support the development of a more resilient and climate-aware gilt market, helping to manage climate-related risks and opportunities within the portfolio.

Notes on the data

In general, we relied on information provided by the Plan's investment managers about their greenhouse gas emissions. Our DB Structure investment adviser, Aon, aggregated this information to calculate the metrics for the Plan's portfolio of assets.

The exception to this is the metrics for the LDI; please see the [Appendix 05](#) for more information.

Availability of data:

- Eleven managers provided Scopes 1, 2 and 3 GHG emissions.
- Two illiquid private markets managers were only able to provide carbon data as at 31 December 2024, two property managers were only able to provide data as at 31 December 2024, and one as at 31 March 2025.
- Four managers were able to provide an ITR metric.
- Similar to last year, only one Private Markets manager provided ITR for the Plan's investments. This is not uncommon

compared to the reporting published by other pension schemes within the industry.

Aon did not make estimates for missing data.

The reported emissions metrics may not fully capture the Plan's GHG emissions due to some missing data. We expect that future reports will benefit from improved information from managers. We plan to work collaboratively with managers who couldn't supply emissions data to express our expectations for future reporting.

How we collected the carbon data

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

DC Structure

The Plan's climate-related metrics

The table below summarises climate-related metrics for the Plan's assets over the last reporting year, compared to the year before.

Key observations

- **The total GHG emissions** across LifePath Flexi, LifePath Capital and the Global Equity Fund reflect the combined effects of AUM growth (most notable for LifePath Flexi), changes to building-blocks and the glidepath, and a shift towards higher equity and lower sovereign exposure. Absolute Scope 1 and 2 emissions decreased across both LifePath arrangements but increased for the Global

Equity Fund, driven primarily by the 28% year-on-year increase in AUM. This effect was largely offset by improvements in the carbon footprint and marginal changes in sector exposure. Absolute Scope 3 emissions increased across the funds; however, this increase was lower than growth in AUM, indicating improved emissions efficiency despite overall portfolio growth.

- **Carbon footprint** metrics for Scope 1 and 2 carbon footprint improved across LifePath Flexi, LifePath Capital and the Global Equity Fund, driven by lower absolute emissions for the LifePath Funds alongside a higher AUM across the three funds. Scope 3 carbon footprint increased slightly across the three funds, reflecting the rise in absolute emissions and increase in portfolio growth.
- **Total data coverage** (reported and estimated) remained relatively stable across all three funds, with limited scope for further improvement. Within LifePath Flexi and LifePath Capital, an increase in equity exposure following the implementation of the June 2025 LifePath changes were offset by a reduction in sovereign and corporate fixed income allocations. This shift had no material impact on overall data coverage, reflecting the similarly high levels of data availability for both equity and sovereign assets. For the Global Equity Fund, the small year-on-year increase in data coverage was driven by a marginal rise in equity exposure from 97.3% to 97.9%.
- **Implied Temperature Rise (ITR)** on a portfolio level remained stable at 2.4°C year-on-year. LifePath Flexi remained stable at 2.4 °C, with movements within LifePath Capital being driven by rounding effects, whilst there was an increase in the Global Equity Fund ITR from 2.3°C to 2.5°C, which reflected a combination of normal portfolio volatility for a smaller fund and updates to MSCI's ITR methodology which was introduced in October 2025. Given the Fund's relatively concentrated exposure, these methodology changes resulted in increased sensitivity to company-level movements among its largest holdings.

These are the Plan's metrics, with the direction of change compared to the previous year reflected by arrows for ease of interpretation:

Year	Scope	LifePath Flexi	LifePath Capital	Global Equity Fund
To 31 December 2025	Total Greenhouse Gas emissions (absolute emissions)	tCO ₂ e (Scope 1&2) 29,241 ▼ tCO ₂ e (Scope 3) 278,597 ▲	2,407 ▼ 22,984 ▲	9,254 ▲ 84,072 ▲
	Carbon footprint	tCO ₂ e/£m EVIC (Scope 1&2) 29.1 ▼	29.2 ▼	66.4 ▼
		tCO ₂ e/£m EVIC (Scope 3) 292.9 ▲	290.2 ▲	664.2 ▲
	Data coverage (Reported + Estimated)*	Scope 1&2 98.9% ▼	69.9% ▲	96.8% ▲
	Implied Temperature Rise	2.4°C ▶	2.4°C ▲	2.5°C ▲
To 31 December 2024	Total Greenhouse Gas emissions (absolute emissions)	tCO ₂ e (Scope 1&2) 34,002 tCO ₂ e (Scope 3) 234,766	2,730 19,764	9,180 76,756
	Carbon footprint	tCO ₂ e/£m EVIC (Scope 1&2) 38.2	37.3	68.4
		tCO ₂ e/£m EVIC (Scope 3) 291.3	288.5	657.9
	Data coverage	Scope 1&2 99.0%	69.6%	96.3%

<i>(Reported + Estimated)*</i>			
<i>Implied Temperature Rise</i>	<i>2.4°C</i>	<i>2.3°C</i>	<i>2.3°C</i>

Source: Aegon/MSCI.

* Includes sovereign data.

The table above outlines the funds' metrics, including Scope 1&2 and Scope 3, as agreed by the Trustee.

The % data coverage of emissions reported, estimated, and not reported forms the Funds' data coverage assessment.

The Trustee will continue to focus on two key areas for the DC Structure over the next 12 months:

- The Trustee, with Gallagher's assistance, will continue to engage with Aegon and BlackRock to request higher data availability and coverage across all mandates.
- Through engagement, the Trustee will identify opportunities to improve coverage or investigate alternative sources of data.

Targets

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

DB Structure Targets

The targets set by the end of 5 years, using data as at 31 December 2021 as the baseline (i.e. by the end of 31 December 2026):

- To achieve 80% coverage of data across Scopes 1&2, and scope 3 GHG emissions for the Plan's total assets.
- To achieve 80% coverage of data for the property assets (Scope 1&2, and Scope 3 GHG emissions).
- To achieve 60% coverage of data for the active credit assets (Scope 1&2, and Scope 3 GHG emissions).

2025 Update

We have observed the following in relation to the targets

- The coverage of data for Scope 1&2 emissions continues to surpass the 80% target, increasing from 89.0% last year to 92.8% this year. The coverage of Scope 3 emissions decreased slightly from 51.1% to 49.8%. There is still improvement required to achieve the 80% target. As such, progress is being made towards meeting the target by 31 December 2026.
- There has been an increase in the coverage of data for the property assets. Coverage for Scope 1&2 has increased from 80.7% to 95.1%. Similarly, for Scope 3, coverage has increased from 71.0% to 85.2%. As such, this target has been met.
- Within the active credit asset class, coverage of data increased significantly from 32.0% to 74.0% for Scope 1&2, and from 29.0% to 70.3% for Scope 3, primarily driven by the use of a new data vendor by the manager.

Trustee update

Each year we review the suitability of the targets we have set. Based on the data collected and the metrics calculated this year, we have made some increases described below.

Our progress towards the target

Since last year, data coverage for a number of targets has increased beyond the 2026 target levels, in some cases materially. Since the Trustee first set these targets in 2022, we have seen improvements across all categories, reflecting the continued focus of both the Trustee and its appointed investment managers on enhancing the quality and availability of data used to assess climate-related risks and opportunities.

One of the regulators' key expectations is that targets should be sufficiently stretching while still having a realistic prospect of being attained. Given that all but one of the 2026 targets have already been exceeded this year, in some instances materially, we have set new targets, which are set out on the next page.

Existing targets

Data Coverage	2022	2023	2024	2025	Target (2026)
Property (Scope 1&2)	73.1%	87.3%	80.7%	95.1%	80.0%
Property (Scope 3)	34.2%	58.4%	71.0%	85.2%	80.0%
Active Credit (Scope 1&2)	41.2%	26.3%	32.0%	74.0%	60.0%
Active Credit (Scope 3)	41.0%	26.3%	29.0%	70.3%	60.0%
Total Assets (Scope 1&2)	82.6%	87.6%	89.0%	92.8%	80.0%
Total Assets (Scope 3)	17.3%	55.7%	51.1%	49.8%	80.0%

Source: Investment managers / Aon. Effective date is 31 December of each year.

Refreshed targets

We have updated our target date from 31 December 2026 to 31 December 2028 to allow sufficient time to monitor and engage where required with stakeholders. This is to allow for a realistic possibility of meeting the targets whilst ensuring the targets are aligned with TPR's expectation that targets are stretching.

It should be noted that these targets are reviewed each year for their ongoing appropriateness and can be altered at the Trustee's discretion, for example in response to changes in the investment strategy and/or appointed managers.

The table below sets out further detail on the new 2028 targets, against the actual 2025 data coverage and now legacy 2026 targets.

Data Coverage	2025	Legacy Target (2026)	Target (2028)
Property (Scope 1&2)	95.1%	80.0%	95.0%
Property (Scope 3)	85.2%	80.0%	90.0%
Active Credit (Scope 1&2)	74.0%	60.0%	80.0%
Active Credit (Scope 3)	70.3%	60.0%	80.0%
Total Assets (Scope 1&2)	92.8%	80.0%	90.0%
Total Assets excluding Gilts (Scope 3)	79.6%	80.0%	85.0%

Source: Investment managers / Aon. Effective date is 31 December of each year.

Property

With Scope 1&2 coverage just above 95% this year, we have set the target at 95%. This maintains the very high level of data availability we expect from managers, while recognising that complete coverage is extremely difficult to achieve and avoiding an unattainable target.

For Scope 3, we have increased our target to 90%, reflecting our expectation that the strong progress by managers over the monitoring period to date will continue to improve data coverage.

Active Credit

We have seen significant improvements in both Scope 1&2 and Scope 3 coverage in this reporting period. This reflects a concerted effort by the sector generally, and by the appointed manager, Barings, to improve data coverage in what has historically been a difficult and fragmented area in which to collate data. In particular, the use of benchmark/index data to estimate carbon metrics where investee company data is unavailable has allowed a more complete picture to be formed than when less than 50% data coverage is available.

Data coverage increased significantly this year, and we consider such a step-change unlikely to be repeated. To reflect this and adopt a slightly more conservative stance, the target has been increased from 60% to 80% for each Scope category.

Total Assets

Data coverage for Scope 1&2 emissions has improved year-on-year and is 92.8% this year, marking the first time coverage has exceeded 90%. We have increased the target to 90%, recognising that coverage for some private market assets is likely to remain patchy and that setting a higher target may be very difficult to achieve. A 90% target still represents a robust and sufficiently complete picture at the total asset level.

For Scope 3 emissions, data coverage has hovered around 50% for the past three years, well below the original 80% target. A key challenge is that there is not an industry agreed approach for reporting Scope 3 data for Gilts. Whilst the Scope 3 coverage is reported as 'not applicable', this asset class has historically been included in our total Scope 3 calculations methodology as 0% data coverage (compared with 100% for Scope 1 and 2), despite Gilts making up 37% of total assets. Although our appointed investment manager engages with the UK Government on this issue, the outcome for data coverage is effectively binary. We believe it is more appropriate to exclude Gilts from the total Scope 3 emissions calculations and have therefore updated this target to apply to total assets excluding Gilts, with a revised target of 85% (compared with current data coverage of 79.6%).

The Plan's performance against the targets is measured and reported on every year. Over time, this will show the Plan's progress against the targets.

DC Target



2021 Target

Based on the observation of data quality in the first TCFD report, the Trustee agreed to set the following data quality target for its Plan's assets:
"In 5 Years' time (i.e. in 2026), achieve above 80% coverage of carbon emission data across all asset classes split across Scopes 1, 2 and 3 for the DC Structure, with 2021 as the baseline year."



2025 Update

For the DC Structure, based on the observation of data coverage summarised in the previous section, the Trustee has noted an improvement in the data for LifePath Capital and the CNPP Global Equity Fund, where LifePath Flexi decreased to 98.9% from 99.0% in the previous period. Both LifePath Flexi and CNPP Global Equity have achieved and maintained the 80% target. The LifePath Capital strategy has fallen short of the target of 80% coverage, but there has been a modest improvement in the data coverage compared to the previous reporting year, now at 69.9% compared to 69.6% previously. The Trustee, with support from Gallagher, will continue to work with Aegon and BlackRock to further progress towards this target.

Observation 	Assessment of target 
During the fifth reporting period, there has been an improvement in the data coverage across the three reported DC funds. As of 31 December 2025: LifePath Flexi: Data coverage decreased to 98.9% from 99.0% in the previous period. LifePath Capital: Data coverage increased to 69.9% from 69.6% in the previous period. CNPP Global Equity Fund: Data coverage increased to 96.8% from 96.3% in the previous period. The Plan remains on track to attain the goal of 80% data coverage across the three reported DC funds, where two of which have already reached, and maintained this target.	No changes to the current target of achieving above 80% coverage of carbon emission data across all asset classes split across scopes 1, 2 and 3 over a 5-year period (to 2026) from 2021. Given the strategy changes taking place within the default arrangements, relevant to the next reporting period, the target for the DC Structure will be reassessed at this stage to ensure it remains appropriate.

Steps we are taking to reach the target

To improve data coverage, we will engage with the Plan's investment managers to improve the availability and reporting of emissions data for each asset class in which the Plan is invested. Through ongoing pressure from asset owners collectively and new regulatory requirements for asset managers, we expect data coverage to improve over time and will engage further with the managers if progress does not meet our expectations.

Changes in the data has been noted ahead of the Plan's strategy review this year. Whilst there have been examples of improvements in the data received from the managers, we recognise that there are further improvements which could be made.

Appendices



Appendix 01 - Climate governance and risk management framework

Role of the Trustee

We are responsible for oversight of all strategic matters related to the Plan. This includes approval of the governance and management framework relating to Environmental, Social and Governance (“ESG”) considerations and climate-related risks and opportunities. Given its importance, we have not identified one individual to specifically be responsible for our response to climate-related risks and opportunities. Rather, we have collective responsibility for setting the Plan’s climate risk management framework.

We have discussed and agreed our climate-related beliefs and overarching approach to managing climate change risk. Details are set out in the Statement of Investment Principles (“SIP”) for the DB and DC Structures, which are reviewed regularly and updated where required by us.

We receive regular training on climate-related issues to develop and maintain the appropriate degree of knowledge and understanding on these issues to support good decision-making. We have informed our advisers of the need to bring important and relevant climate-related issues and developments to our attention in a timely manner, informing us of its relevance to the Plan and incorporating climate-related issues into advice.

We receive updates at least twice per year from the Investment Sub Committee (“ISC”), which is a sub-committee of the Trustee, and regularly monitor and review progress against the Plan’s climate risk management framework.

Role of the Investment Sub Committee

We have delegated the ongoing monitoring, and day-to-day implementation of the Plan’s climate risk management framework to the ISC.

Trustee update

Over the year, we reflected on the progress made to date regarding the Plan’s TCFD disclosures. The progress included the completion of four prior TCFD reports.

We continue to align the Plan’s TCFD disclosures with TPR’s latest available feedback and observations at the time of writing.

The ISC seeks to ensure that any investment decisions appropriately consider climate-related risks and opportunities within the context of the Plan’s wider risk and return requirements and are consistent with the policies set out in the SIP. The ISC incorporates this into manager selection exercises, and also as part of the ongoing monitoring of investment managers.

Given the Plan’s climate risk management framework has been implemented, the ISC will continue to be responsible for the ongoing monitoring and implementation of the framework.

The ISC will monitor and review progress against the Plan’s climate risk management framework twice per year. The ISC will keep the Trustee apprised of any material climate-related developments through regular (at least twice per year) updates.

The key activities undertaken by the ISC, with the support of our advisers, are:

- Ensuring investment proposals consider the impact of climate-related risks and opportunities;
- Seeking investment opportunities which enhance the ESG and climate change focus of the Plan’s portfolio;
- Engaging with the Plan’s investment managers to understand how climate-related risks are considered in their investment approach;
- Working with the investment managers to disclose relevant climate-related metrics as set out in the TCFD recommendations; and
- Ensuring stewardship activities are being undertaken appropriately on the Plan’s behalf.

Role of the Other Advisers or Stakeholders Deemed Relevant

Investment advisers – our investment advisers, Aon for the DB Structure and Gallagher for the DC Structure, provide strategic and practical support to us and the ISC in respect of the management of climate-related risks and opportunities and ensuring compliance with the recommendations set out by the TCFD.

This includes provision of regular training and updates on climate-related issues and climate change scenario modelling to enable the ISC and us to assess the Plan’s exposure to climate-related risks.

Scheme actuary - the scheme actuary, Isio, will continue to help us assess the potential impact of climate change risk on the Plan’s funding assumptions for the DB Structure as part of the actuarial valuation.

Covenant adviser - the Plan’s covenant adviser, Mercer, helps us understand the potential impact of climate change risk on the sponsor covenant of the participating employers.

Trustee update

In Q4 2025, we reviewed our Investment Beliefs specific to the DB Structure, which included beliefs about Responsible Investment and ESG considerations, such as climate change risks. We concluded the beliefs detailed remained an accurate reflection of the collective beliefs of the Board.

Aligned with these beliefs the ISC continue to monitor the Plan's investments with a focus on managers with a long-term horizon, and that take account of climate change and other ESG considerations.

This is evidenced by the Plan's investment in the Renewable Energy Infrastructure Fund managed by Copenhagen. The Fund is helping to finance a range of climate solutions, including solar PV installations, offshore and onshore wind farms, and battery energy storage systems, while generating returns that support our long-term investment strategy.

The Plan also remains invested in the L&G Future World Global Equity Index Fund, which has the explicit target of reducing carbon emissions intensity by 50% (from its 2021 base year) and by 7% annually. As at 31 December 2025 the Fund has a 55% lower Carbon emission intensity compared to the unadjusted index. The Fund also tilts towards investee companies with stronger ESG scores, as assessed by L&Gs internal framework.

Governance of the DC Structure

We have delegated day-to-day management of the DC assets to Aegon, who in turn delegate to BlackRock and M&G Prudential, via a number of funds accessed through investment platforms from Scottish Equitable plc (branded as Aegon) and Prudential Assurance Company Limited ("Prudential").

The statutory guidance issued by the Department for Work and Pensions ("DWP") requires us to undertake climate strategy activities for each 'popular arrangement offered'. A 'popular arrangement' is defined as one in which £100m or more is invested, or which accounts for 10% or more of the assets used to provide money purchase benefits. For the Plan, this would mean that the two main default arrangements are in scope, which are the LifePath Flexi and Capital range of target-date funds managed by Aegon.

As per the ISC's request, the white-labelled CNPP Global Equity fund will also be included in this scope, similar to previous TCFD reports, as it has been chosen by a large proportion of members.

The LifePath funds are also used by Aegon's master trust as its default arrangement and its Trustee Board have a stated commitment to reach net-zero greenhouse emissions by 2050. CNPP members' DC assets invested in the LifePath funds will therefore also be included in this commitment. The current political environment, alongside the latest greenhouse gas emissions data and climate predictions, have made the outlook for achieving net zero by 2050 more challenging.

In Q2 2025 Aegon introduced changes to the LifePath funds, and now have more responsibility for the asset allocation and glidepath. This structure update also gives Aegon more flexibility to expand the opportunity set in the future, for example, Aegon are able to introduce additional asset managers and funds into the asset allocation if needed, based on advice from BlackRock. In addition, these changes included enhancing the ESG integration through tilts, screening, exclusions and targets introduced through the addition of the underlying BlackRock

ESG Insights funds which have a carbon reduction objective of 7% year-on-year.

Following this, Aegon have informed the CNPP Trustee that there will be further changes to the LifePath funds from Q2 2026. Notably, these changes will introduce exposure to asset classes including private markets, multi-asset credit and protected equities. In light of these changes, the Plan's scenario analysis will be refreshed for the Plan's next TCFD Report, for the reporting period ending 31 March 2027. This will cover the changes Aegon have implemented to the LifePath funds over 2025 and 2026.

Although not directly impacting the primary disclosure requirements for this TCFD report (which covers the period to 31 March 2026), the CNPP Trustee will continue to work closely with Aegon and the asset managers to understand the forward-looking impact of these developments on its duties in respect of managing climate change risk and opportunities.

As the DC assets have been exclusively invested in BlackRock underlying funds, the ISC has worked closely with both Aegon and BlackRock to understand how they can support in providing the necessary information and data required to meet the requirements of the TCFD, as well as to identify where improvements in the data can be made compared to the Plan's previous TCFD reports.

Over the reporting period, both Aegon and BlackRock's strategy to managing climate change risk and opportunities aligned closely to that of the CNPP Trustee. Aegon has confirmed that it will be able to provide key emissions data to support reporting for the metrics and target pillar, similar to previous reports. The Plan's scenario analysis was refreshed for the reporting period ending 31 March 2024 by the DC Structure's investment adviser. The appropriateness of the climate scenario analysis has been reviewed and remains relevant for this report.

Trustee update

Our approach to the governance of climate change risk and opportunities in respect of the DC assets remained consistent during the reporting period. More broadly on ESG initiatives, the ISC conducted a review of the changes that Aegon proposed to their range of LifePath funds, with ESG integration being one of the main components of this review. Aegon intended to replace some of the underlying funds within the LifePath arrangements with funds that have decarbonisation targets. Following this review, the ISC concluded that they were comfortable with the changes and approved the implementation.

Similar to the DB Structure, we reviewed the Trustee's Investment Beliefs for the DC Structure in Q3 2025, which included review of the beliefs around Responsible Investment and ESG considerations. It was concluded that these beliefs remained applicable to the Plan, and the recent enhancement of ESG integration within the LifePath funds has supported the Trustee belief in working with investment managers who take account of ESG considerations.

Climate risk management framework

We have established a process to identify, assess and manage the climate-related risks that are relevant to the Plan. This is part of the Plan's wider risk management and is how we monitor the most significant risks to the Plan in our efforts to achieve appropriate outcomes for members.

The climate risk management framework is set out in the tables below. We delegated a number of tasks to the ISC but still retain the final approval responsibility.

Governance

Activity	Delegated responsibility	Adviser / supplier support	Frequency of review
Climate risk management framework (<i>this document</i>)	ISC	Aon / Gallagher / Mercer	Annual
Publish TCFD report	Secretariat/ Trustee	Aon / Gallagher	Annual
Add / review climate risks and activity on key Plan documentation (risk register, work plan)	ISC	Aon / Gallagher	Ongoing
ESG beliefs (including climate beliefs)	ISC	Aon / Gallagher	Triennial
Trustee training	Secretariat	Aon / Gallagher / SPB	Ongoing
Review SIP	ISC	Aon / Gallagher	Annual
Publish Implementation Statement	Secretariat/ Trustee	Aon / Gallagher	Annual
Ensure that actuarial and covenant advice adequately incorporate climate-related risk factors where they are relevant and material	Trustee	Isio / Mercer	Triennial

Trustee update

We monitor the above activities as part of our ongoing management of the Plan's climate-related risks and opportunities. We have delegated responsibility for a number of activities to the ISC, but remain responsible for sign off of the final report.

The ISC provides updates throughout the year, with information queried as required.

We have reviewed the latest climate change scenario analysis for the DB Structure, to ensure that it remains appropriate. Given that the strategy has not changed significantly, we believe the conclusions remain appropriate at this time. We expect to update this scenario analysis in the next reporting cycle, in line with the statutory triennial requirement.

While the DC Structure's default investment strategies underwent changes over the reporting period, Aegon is proposing to make further changes to the LifePath funds in Q2 2026. The appropriateness of the current scenario analysis has been reviewed and remains relevant for this reporting period. The scenario analysis will be reviewed again for the next reporting period to reflect both sets of changes made over 2025 and 2026.

Strategy

Activity	Delegated responsibility	Adviser / supplier support	Frequency of review
Identify climate-related risks and opportunities (over agreed time periods) for investment and funding strategy	ISC	Aon / Gallagher / Mercer	Annual
Climate scenario analysis - annual review for the continuing suitability of the results	ISC	Aon / Gallagher	Annual
Climate scenario analysis - undertake modelling	ISC	Aon / Gallagher / Mercer	Triennial
Actuarial valuation	Trustee	Isio	Triennial

Trustee update

The ISC has dedicated time throughout the year to analyse climate-related risks and opportunities for the Plan's various asset classes in which it invests.

Alongside this, we reviewed the climate scenario analysis completed as at 31 December 2023. For both the DB Structure and DC structure, we concluded that the existing analysis remains appropriate for the current reporting year. The climate scenarios will be refreshed in next year's report given the need to refresh such analysis at least every three years, and a review of the DB Structure's investment strategy is planned for later in 2026, which may lead to changes.

Risk Management

Activity	Delegated responsibility	Adviser / supplier support	Frequency of review
Identify, assess and manage key climate-related risks	ISC	Aon / Gallagher / Investment managers	Triennial
Include consideration of climate-related risks in the Plan's other risk processes and documents, such as the risk register and the SIP, and regularly review these	Trustee	All Advisers	Annual

Trustee update

As a result of the regulations, we have incorporated climate related risks into our risk register and will incorporate any required changes to further documentation upon review. The risk register and the SIP were last reviewed in February 2026.

We review our process of identifying and assessing climate related risks as part of the annual TCFD process in order to evaluate its continued suitability. This is integrated into the ongoing activities of the Plan, including the appointment of any new funds, and monitoring of existing funds for the DB Structure, and for the DC Structure's funds.

We request that investment managers provide their responsible investment policies; details of how ESG is integrated within their decision-making process, including climate change; and details of outstanding ESG issues within portfolios. This is driven by the Plan completing its Implementation Statement, where we collect data from our managers in relation to their voting and engagement policies as well as any information on relevant changes to their ESG approach through the year. It also asks for details how these have been implemented in practice, including key themes for engagement, including around climate change.

Metrics and Targets

Activity	Delegated responsibility	Adviser / supplier support	Frequency of review
Agree / review approach for metrics	ISC	Aon / Gallagher / investment managers	Annual
Agree / review target	ISC	Aon / Gallagher / investment managers	Annual
Obtain data for agreed metrics	ISC	Aon / Gallagher / investment managers	Annual

Trustee update

We, supported by the ISC and our advisers, collect metrics data on an annual basis in order to understand the current state of the portfolio regarding its emissions, data coverage and portfolio alignment metric. This data is evaluated in order to produce a climate-related target.

Metrics collection has been carried out in line with industry practice. We are also required to report on Scope 3 emissions, within our climate-related metrics.

In addition, we have reviewed the targets, which were set previously for both the DB and DC Structures, and considered any refinements required to this. Further details can be found in the Metrics and Targets section.

Appendix 02 – Climate risk categories

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

Transition risks

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

Policy and legal

Examples

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

Potential financial impacts

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

Technology

Examples

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

Potential financial impacts

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

Market

Examples

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

Potential financial impacts

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

Reputational

Examples

Stigmatisation of sector
Increased stakeholder concern or negative stakeholder feedback

Potential financial impacts

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

Physical Risks

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

Acute

Examples

Extreme heat
Extreme rainfall
Floods
Droughts

Chronic

Examples

Water stress
Sea level rises
Land degradation
Variability in temperature

Appendix 03 – Climate-related risk assessment in detail

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

Equities – 22% of portfolio (-4% compared to last year)

Physical Risks

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

The Plan's investment manager does not anticipate material physical climate risks for the equity portfolio over the short term. However, over the medium to long term, the manager expects physical risks to become more pronounced as extreme weather events increase in frequency and severity. These events could lead to operational disruption for underlying companies and, given the global nature of supply chains, may result in more material financial impacts at the overall portfolio level.

Compared to previous year

There were no material changes to the ratings by the manager over the year.

Source: Managers, Aon.

Transitional Risks

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

The Plan's investment manager continues to view short-term transition risks for equities as generally limited, although policy and regulatory developments are assessed as a moderate risk over this horizon. Transition risks are expected to build over the medium term, with policy and regulatory factors identified as the most significant driver of risk. Looking further ahead, policy and legal risks remain a key concern, reflecting uncertainty over the future path of carbon pricing, evolving climate-related regulation and the potential for large-scale climate litigation to lead to outcomes with a material financial impact.

Property – 7% of portfolio (-2% compared to last year)**Physical Risks**

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

The Plan's property investment managers do not see material acute or chronic physical risks in the short or medium term. Over the longer term, they continue to recognise the progressive nature of chronic climate-related risks, particularly heat and water stress, which could affect the quality and usability of certain assets over time. However, based on the current portfolio and mitigation measures in place, these risks are assessed as moderate rather than material.

Compared to previous year

Compared to the previous year, the overall assessment of physical risks remains largely unchanged, with no material acute or chronic risks identified and continued acknowledgement of moderate longer-term uncertainty from chronic factors such as heat and water stress. For transition risks, the most notable change is that medium-term market risk has increased from low to moderate, driven by a greater focus on how occupier preferences and regulatory requirements could influence asset demand and obsolescence. By contrast, long-term regulatory and technology risks have improved from moderate to low, reflecting increased confidence that planned asset-level initiatives and ongoing engagement with tenants and other stakeholders will help manage these exposures over time.

Source: Managers, Aon.

Transitional Risks

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

In the short term, the managers do not identify any material transition risks across regulatory, technological, market or reputational dimensions. Over the medium term, transition risks are now assessed as moderate, particularly in relation to increasingly stringent building standards, the need for further energy-efficiency and data-monitoring technologies, and potential shifts in occupier demand. Over the long term, transition risks are currently assessed as low across all categories, reflecting the managers' view that ongoing asset management, capex planning and tenant engagement should help keep the portfolio aligned with evolving regulation and market expectations.

Active Credit - 8% of portfolio (+0% compared to last year)**Physical Risks**

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

The Plan's active credit investment manager does not anticipate material physical climate risks over the short or medium term. Over the long term, acute and chronic physical risks are viewed as moderate, reflecting the potential for more frequent and severe weather events and gradual changes such as rising temperatures to disrupt operations, damage assets and increase costs for certain issuers if climate adaptation measures are not implemented effectively.

Transitional Risks

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

The manager continues to view most short-term transition risks as low, with technology risk assessed as moderate given the need for some issuers to invest in new technologies to meet evolving climate and sustainability expectations. Across the medium and long term, regulatory, technology, market and reputational transition risks are now all assessed as moderate. This reflects the anticipated impact of tightening climate-related regulation, the need for ongoing investment in lower-carbon technologies and business models, changing customer and investor preferences, and the potential for reputational consequences where issuers are perceived to lag on climate action.

Compared to last year

Compared with the previous year, there has been a modest increase in the assessed level of both physical and transition risks over the longer term. Long-term acute and chronic physical risks have moved from high to moderate, indicating that while these risks remain relevant, they are not expected to be materially higher at the portfolio level given current issuer exposures and risk-management practices. For transition risks, medium-term regulatory risk has risen from low to moderate, and long-term regulatory risk has moved from low to moderate as well, reflecting greater emphasis on the potential impact of climate policy and regulation on certain sectors. Medium- and long-term reputational risks have reduced from high to moderate, in line with the manager's view that ongoing engagement and improved issuer disclosure should help manage these exposures over time, even as stakeholder scrutiny on climate issues continues to increase.

Source: Managers, Aon.

Corporate Bonds - 7% of portfolio (+1% compared to last year)**Physical Risks**

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

The investment manager continues to identify no material physical climate-related risks for the corporate bond portfolio across the short, medium and long term. This view is supported by internal and external scenario and sensitivity analysis, including Climate Value at Risk ("CVAR"), which indicates that overall exposure to both acute and chronic physical risks remains low.

Transitional Risks

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

Similarly, the manager does not consider transition climate-related risks to be material over any of the assessed time horizons, with regulatory, technology, market and reputational risks all rated as low. The assessment is informed by internal and external scenario and sensitivity analysis, which point to limited transition risks at the portfolio level. The manager also notes that reputational risks are constrained by the portfolio's focus on financial and industrial issuers and by ongoing active engagement, which is intended to help mitigate climate-related reputational risk over time.

Compared to previous year

There were no material changes to the ratings by the manager over the year.

Source: Managers, Aon.

Private Debt/Equity - 17% of portfolio (-1% compared to last year)

Currently the Plan has four managers across the DB Structure investing in private debt and private equity which make up approximately 17% of the overall DB Structure's investments. None of these managers were able to provide updated RAG ratings at the time of reporting.

Given the managers were unable to provide information in the requested format, we are unable to report RAG ratings and commentary on the physical and transition risks. Our investment adviser continues to outline our expectations to receive data to support the production of our annual climate disclosures.

Compared to previous year

There has been no improvement in data availability from the Plan's private debt and private equity managers.

Gilts - 37% of portfolio (+5% compared to last year)**Physical Risks**

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

The investment manager continues to assess physical climate-related risks for gilts as low over the short and medium term. Over the long term, acute physical risks are expected to become more significant as extreme weather events increase in frequency and severity, with the potential to disrupt economic activity, strain public finances and weigh on sovereign creditworthiness. By contrast, long-term chronic physical risks are judged to be less pronounced at the portfolio level and are therefore assessed as low.

Transitional Risks

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

The investment manager does not identify any material transition risks in the short or medium term and assesses regulatory, technology, market and reputational transition risks as low across these horizons. Over the long term, regulatory, technology and market transition risks are expected to increase to a moderate level, reflecting the potential impact of climate policy, carbon pricing, technological change and the broader transition to a lower-carbon economy on sovereign balance sheets and growth prospects. Reputational risks are assessed as low, although the manager notes that if climate policy is perceived to be insufficient, there remains a risk of broader social and political tensions that could have implications for sovereign bond markets.

Compared to previous year

There were no material changes to the ratings by the manager over the year.

Source: Managers, Aon.

Infrastructure – 1% of portfolio (+0% compared to last year)**Physical Risks**

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

The Plan's infrastructure investment manager does not identify any material physical climate-related risks in the short term. Over the medium and long term, both acute and chronic physical risks are assessed as moderate, reflecting the expectation that more frequent and severe weather events,

Transitional Risks

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

Short- and medium-term transition risks are generally viewed as low overall, although technology and market factors are assessed as moderate. This reflects the need for assets to adapt to evolving technologies, changing demand patterns and counterparties' climate strategies, for example through offtake agreements, project finance and insurance. Over the long term, transition risks across regulatory, technology,

and gradual changes such as rising temperatures, could affect the operation and performance of certain assets over time. The manager notes that exposure to these risks will evolve with new investments, which are assessed against the fund's risk appetite and subject to climate-related due diligence.

market and reputational categories are currently assessed as low, with the manager seeking to manage exposures through ongoing monitoring, engagement with key stakeholders and the integration of climate considerations into investment and risk-management processes.

Compared to previous year

There were no material changes to the ratings by the manager over the year.

Source: Managers, Aon.

Appendix 04 – Climate scenarios in detail

DB Structure

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

Group 1

Hot House World – Nationally Determined Contributions (“NDCs”) Temperature rise <3°C Reach net-zero after 2050 Late and aggressive environmental regulation	Summary of the Scenario In the short term: Insufficient consideration is given to long-term policies and there is no action taken to combat climate change In the medium term: Late but coordinated action is taken to tackle climate change towards the end of the medium-term period. The late timing means it is less effective and more costly to implement. Adverse impacts from climate change leads to a drag on risk assets. In the long term: After the costly implementation to tackle climate change and the resulting drag on risky assets, the transition to clean technologies and green regulation begins to boost economic growth when considering the very long-term. However, the late and disorderly climate transition means that physical climate risks also remain prominent over the very long-term.	Impact to the Plan In the short term: Initially, there is no impact on the Group’s funding level as it is expected to follow the base case. Then the fund level starts to plateau, falling behind the base case. The funding level remains above 100%. In the medium term: The funding level falls further behind the base case. Towards the end of the medium-term time period when late, aggressive action is taken to tackle climate change, the funding level experiences a sudden, material fall. This results in a funding deficit which may place a strain on the sponsoring employers if they are required to address any funding shortfall. In the long term: Whilst the funding level is expected to recover by the end of the modelling period, moving back into surplus, this leaves the Group materially worse off versus the base case. This is the worst potential outcome for the Group.
2°C Orderly transition – Below 2°C Temperature rise 1.3°C - 2°C Reach net-zero 2050 Coordinated environmental regulation	Summary of the Scenario In the short term: Immediate coordinated global action is taken to tackle climate change. Growth assets perform poorly. In the medium term: The rapid transition to clean technologies and green regulation begins to boost economic growth. In the long term: The rapid transition to clean technologies and green regulation continues to boost economic growth. This represents the fastest transition to a green economy, combined with limited physical impacts from climate change despite the large initial transition cost.	Impact to the Plan In the short term: The Group suffers an immediate deterioration in funding, however, is expected to remain close to fully funded. In the medium term: The funding level begins to recover following an initial fall, as asset classes such as equity and credit, benefit from the economic growth. In the long term: The Group continues to recover over the long-term and remains well funded by the end of the 20-year modelling period, however, this does lag the base case. This is expected to be the best outcome for the Group.
2°C Disorderly transition – Delayed transition Temperature rise 1.5°C - 2°C	Summary of the Scenario In the short term: Despite growing public awareness, material action is not undertaken to combat climate change. In the medium term:	Impact to the Plan In the short term: There is no initial risk to the Group’s funding level, as it is expected to broadly follow the base case. In the medium term:

Reach net-zero 2050 Aggressive environmental regulation	Increasing effects of extreme weather leads to a rapid introduction of policies to tackle climate change after approximately five years. The delayed action leads to higher costs to tackle climate change and risky assets perform poorly as a result. The higher costs are the result for the economy being forced to transition away from fossil fuels. In the long term: Following rapid action in the medium-term, the longer-term benefits from tackling climate change lead to higher growth.	After approximately five years, the Group's funding level experiences a sudden decline, falling below the base case and into deficit. This drop is attributed to delayed action on climate change, which has led to increased costs and adversely impacted returns. Consequently, this situation may place a strain on the sponsoring employers if they are required to address any funding shortfall. In the long term: In the long-term, the funding level recovers from the drop in funding experienced in the medium-term, moving back into surplus which increases over time. However, this is expected to lag the base case.
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Source: Aon. Effective date of the impact assessment is 31 December 2023.

Please note: The results of the scenario modelling are illustrative and rely on many assumptions. These are subject to considerable uncertainty.

Funding level projections under each climate scenario – Group 2 and Group 3

We modelled a further two investment strategies, one for Group 2 and one for Group 3. These investment strategies both exhibited resilience under the climate scenarios considered. Over the long-term, the Groups are expected to remain in surplus, and for Group 3, it is expected that it remains in surplus over all the time periods considered for each scenario.

We found this conclusion reassuring and it can be attributed to a combination of the diversification of assets, investing in assets which provide protection against ESG risks and that these two investment strategies (i.e. those used to model Groups 2 and 3) have higher levels of hedging against changes in interest rates and inflation compared with Group 1. As these Groups have a lower allocation to risk type assets (equity, private equity, credit etc), the fall in funding level experienced under the Hot House World Nationally Determined Contributions scenario ("Hot House World") is expected to be less than that experienced for Group 1.

Modelling limitations

Scenario modelling relies on many assumptions. They are only illustrative and subject to considerable uncertainty. Please see Appendix 3 – Additional scenario modelling and assumptions for more detailed information on the assumptions underpinning the scenarios.

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

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

DC Structure

Concerns with current scenario analysis methodology:

- As developments are made in industry-wide best practice for scenario analysis and the underlying methodology, it is important for the Trustee to note the criticisms or concerns that arise around different methods of scenario analysis.
- These concerns have been detailed below, where TPR's view of good practice has been summarised. We have also included Gallagher's recommended approach on addressing these concerns going forward.
- Despite the limitations, Gallagher believe the NGFS methodology is leading in the industry and remains appropriate for use for the Plan.

Section	TPR's view of good practice	Concerns observed with scenario analysis	Recommended approach going forward
Strategy Pillar and scenario analysis	Identify climate-related risks and opportunities for specific asset classes, where relevant, and for the sponsor.	Assessment of risks based on ratings which weren't available across all asset classes/time horizons.	Set out views on climate-related risks and opportunities affecting the scheme even when relying on input from others.
	Include commentary on analysis limitations and how this affects analysis conclusions.	Using the same time horizons for DB and DC sections without clear scheme context.	Ensure time horizons are sufficiently long enough, for DC, in particular.
	Assess impact on different member cohorts for DC.	Covenant omitted or only covered by high-level comment.	Consider narrative-based qualitative analysis.
	Include how analysis is considered as part of investment decisions.	Analysis covering a shorter time than relevant horizons identified by trustees.	Ensure sufficient understanding of assumptions and limitations for quantitative scenario analysis.
		For the Hot House World scenario, MSCI is currently in the process of updating its models. As a result, the current outputs do not fully capture the complete impact on the portfolio in terms of physical risk. However, when the next output is generated, we anticipate that the impact of Hot House World will be more pronounced.	Interpret analysis results and comment on analysis conclusions.

Appendix 05 – GHG emissions

Greenhouse gases trap heat in the atmosphere, keep the Earth's surface and atmosphere warm. They warm the Earth by absorbing sunlight and re-emitting it as heat. Human activities, like burning fossil fuels and deforestation, increase greenhouse gases, making the atmosphere more effective at trapping heat.

Since the Industrial Revolution, greenhouse gas levels have risen significantly. The Kyoto Protocol⁶ identifies six major greenhouse gases, with human-made carbon dioxide being the largest contributor to global warming. Each gas has different global warming potential and atmospheric persistence, so emissions are measured as carbon dioxide equivalent (CO₂e) for comparison.

Greenhouse gases are categorised into three '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 its own operations – from the goods it purchases to the disposal of the products it sells

Main greenhouse gases identified by the Kyoto Protocol

CO₂
Carbon dioxide

CH₄
Methane

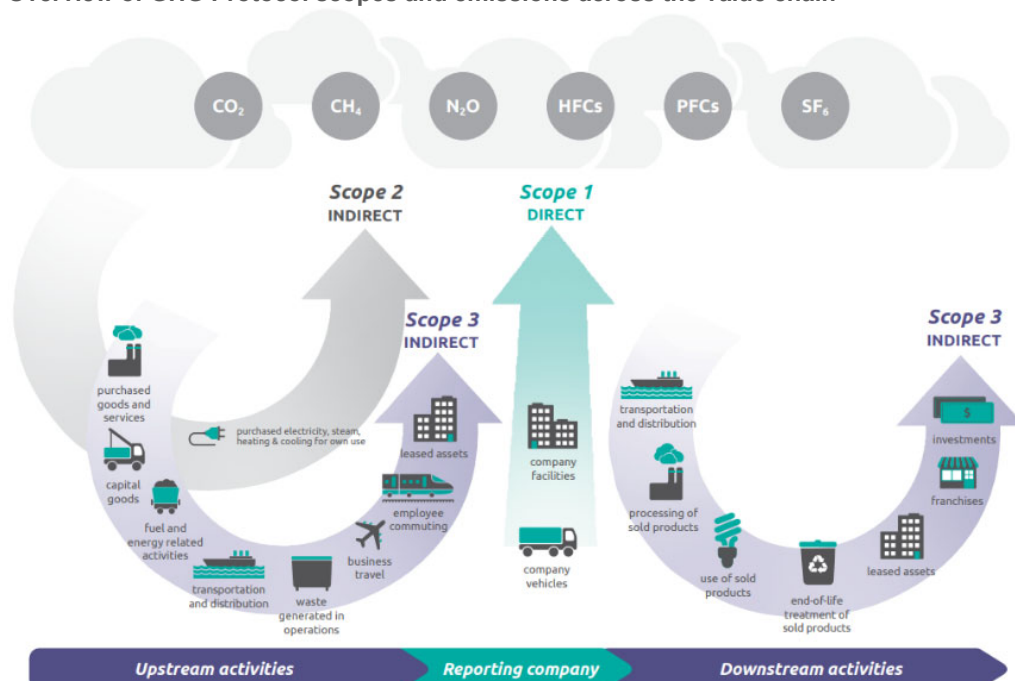
N₂O
Nitrous oxide

HFCs
Hydrofluorocarbons

PFCs
Perfluorocarbons

SF₆
Sulphur hexafluoride

Overview of GHG Protocol scopes and emissions across the value chain



Source: Greenhouse Gas Protocol, https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf, 2011

⁶ https://unfccc.int/kyoto_protocol