Brunel
Pension
Partnership

Climate Change Progress Report

2025

Reporting how Brunel is progressing against our Climate Change objectives

Meeting the requirements of

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

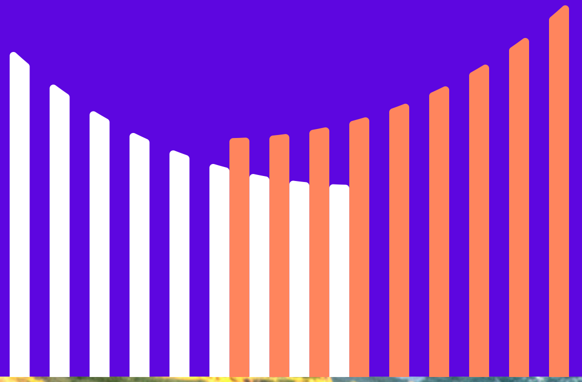
NET ZERO INVESTMENT FRAMEWORK 1.5°C

This report reflects data gathered and progress made in the year beginning 1 January 2024 and ending 31 December 2024

Forging better futures by investing for a world worth living in

Brunel Pension Partnership Limited (Brunel) is one of eight national Local Government Pension Scheme (LGPS) pools, bringing together circa £35 billion investments of 10 like-minded pension funds: Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire.

We believe in making long-term sustainable investments supported by robust and transparent processes. We are here to protect the interests of our partner funds and their beneficiaries. In collaboration with all our stakeholders, we are forging better futures by investing for a world worth living in.



Our mission, **forging better futures by investing for a world worth living in**, encapsulates our commitment to embed Responsible Investment (RI) into everything we do.

This report provides an update on the spectrum of activity we undertake to support our Climate Objectives. It both encompasses our TCFD Entity Report requirements and reports on progress against our Climate Change Policy 2023-30, which fulfils the asks of the Paris-Aligned Asset Owner Commitment.

A word from our CEO

Laura Chappell
Chief Executive Officer

We are committed to managing the pool's fiduciary duty to our ten partner funds and supporting them in achieving their climate-related targets. Our Climate Change Policy 2023-30 outlines ambitious goals, and I am thrilled to share that we are making significant strides towards meeting them.

2024 was the hottest year on record and the first year to be more than 1.5 degrees celsius above the preindustrial era. The year witnessed natural disasters unfold worldwide leading to losses estimated by MunichRe to be US$320bn.

Our climate-related initiatives are crucial in setting an example for our industry and policymakers, both domestically and internationally. Our mission remains steadfast: Forging better futures by investing for a world worth living in. By aligning our culture and investment strategies with our core values, we continue to deliver wide-ranging impact.

We leverage our unique position in the industry to address and manage systemic risks. This report provides an update on our progress against our targets and showcases the various ways we collaborate with asset managers, companies, and industry peers. Our activities include supporting climate change mitigation, green energy transition projects, and enabling investments that make a positive impact.

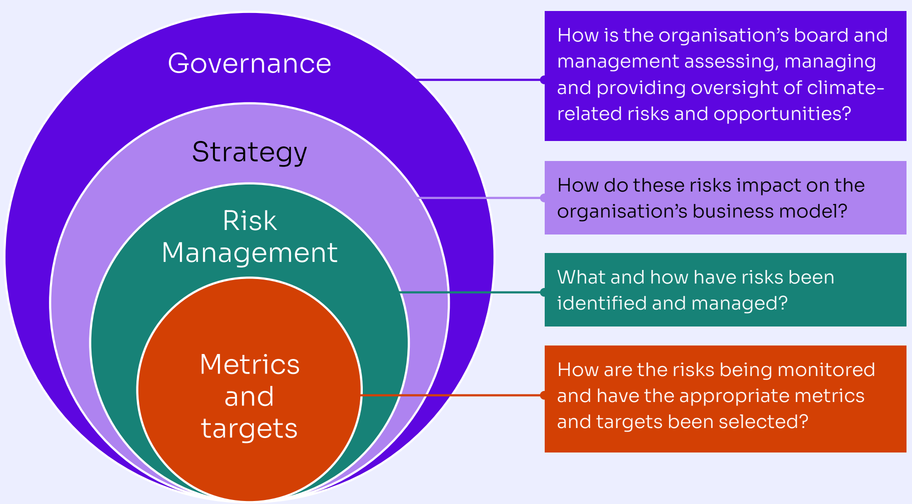
Externally, we drive progress through collaborations, such as co-authoring the industry-leading Asset Owner Statement on Climate Stewardship. Our influence on policy is demonstrated in part through our involvement in the National Wealth Fund Taskforce and Transition Finance Council.

We consistently exceed regulatory expectations, and this report goes beyond TCFD requirements, highlighting our achievements and measuring them against the targets set in our Climate Change Policy 2023-30. Our enhanced methodologies and expanded data sets in our Climate-Related Product Report provide valuable insights for our partner funds and support informed discussions at pension committee meetings.

In 2024, our efforts were recognized at the Europe-wide IPE Awards, where we won both the Impact Investing and Carbon & Net Zero Strategy awards in December. Despite the challenges of 2024, we remain committed to Responsible Investment in line with our core purpose.

As we navigate the future of the Brunel pool partnership, we will continue to focus on delivering investment objectives responsibly and extending our values into the world as we continue forging better futures by investing for a world worth living in.

Within this report, we consider the ways climate is integrated across Brunel



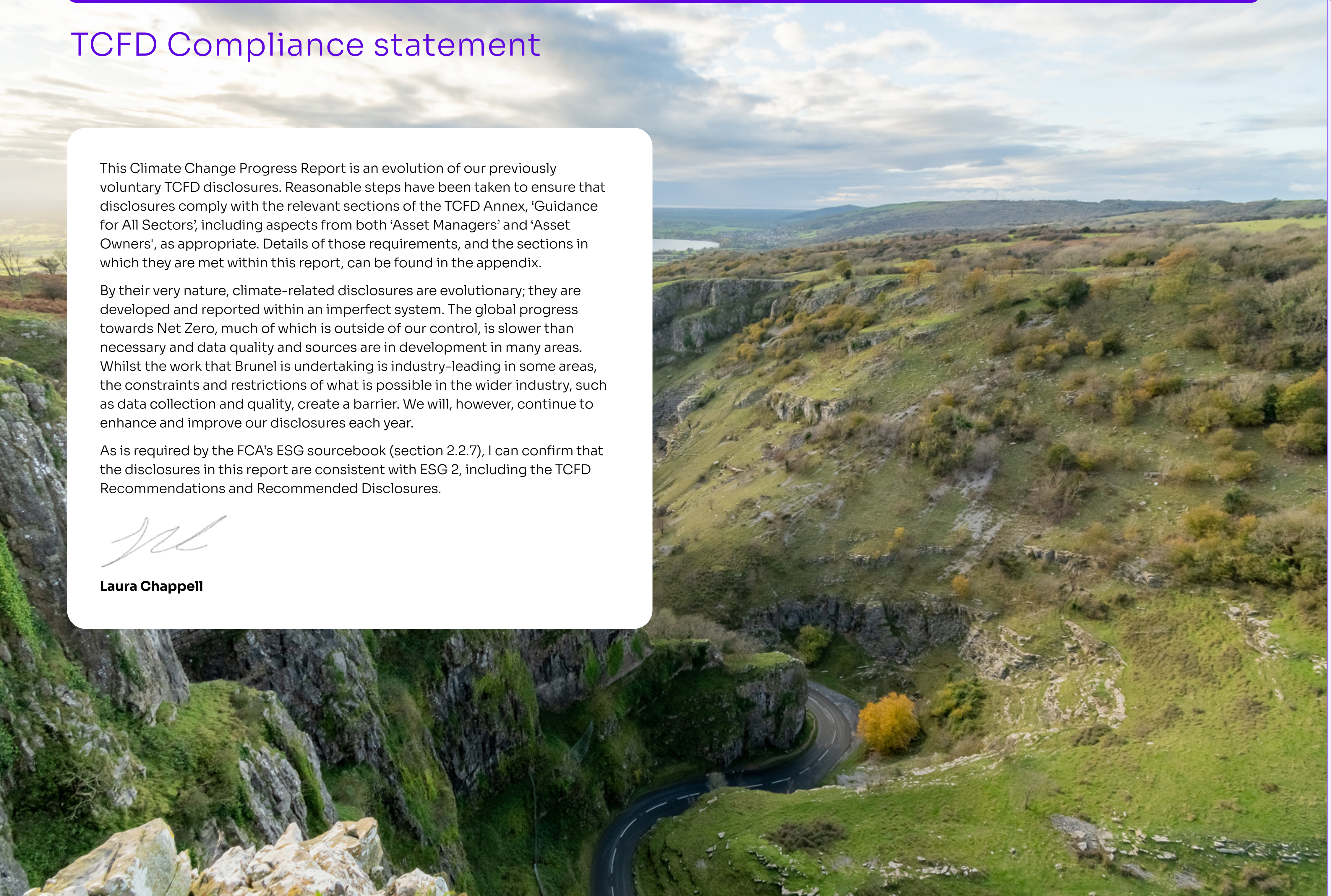
TCFD Compliance statement

This Climate Change Progress Report is an evolution of our previously voluntary TCFD disclosures. Reasonable steps have been taken to ensure that disclosures comply with the relevant sections of the TCFD Annex, 'Guidance for All Sectors', including aspects from both 'Asset Managers' and 'Asset Owners', as appropriate. Details of those requirements, and the sections in which they are met within this report, can be found in the appendix.

By their very nature, climate-related disclosures are evolutionary; they are developed and reported within an imperfect system. The global progress towards Net Zero, much of which is outside of our control, is slower than necessary and data quality and sources are in development in many areas. Whilst the work that Brunel is undertaking is industry-leading in some areas, the constraints and restrictions of what is possible in the wider industry, such as data collection and quality, create a barrier. We will, however, continue to enhance and improve our disclosures each year.

As is required by the FCA's ESG sourcebook (section 2.2.7), I can confirm that the disclosures in this report are consistent with ESG 2, including the TCFD Recommendations and Recommended Disclosures.

Laura Chappell



Paris-Aligned Asset Owner Commitment Statement

As asset owners with millions of beneficiaries around the world, we reiterate our full support for the Paris Agreement and strongly urge governments to implement the actions that are needed to achieve the goals of the accord, with utmost urgency.

Recognising the need to address the risks that investors and their beneficiaries face from climate change, investors are taking action, but we acknowledge that there is an urgent need to accelerate the transition towards global net zero greenhouse gas emissions and do our part in helping deliver the goals of the Paris Agreement.

In this context, Brunel Pension Partnership commits to the following consistent with our fiduciary obligations:

1. Transitioning our investments to achieve Net Zero portfolio GHG emissions by 2050, or sooner.
2. Implementing this commitment with the aim of achieving real economy emissions reductions and undertaking a comprehensive set of actions available to investors, drawing on the Paris-Aligned Investment Initiative's Net Zero Investment Framework.
3. Setting objectives and targets, including an interim target for 2030 or sooner for reducing Scope 1, 2 and 3 emissions associated with our portfolios and setting a target for increasing investment in climate solutions, consistent with a fair share of the 50% global reduction in CO_2 identified as a requirement in the Intergovernmental Panel on Climate Change special report on global warming of 1.5°C.
4. Where offsets are necessary where there are no technologically and/or financially viable alternatives to eliminate emissions, investing in long-term carbon removals.
5. Ensure any direct and collective policy advocacy we undertake supports policy and regulation relevant for achieving global Net Zero emissions by 2050 or sooner.
6. Implementing a stewardship and engagement strategy, with clear voting policy that is consistent with an objective for all assets in the portfolio to achieve Net Zero emissions by 2050 or sooner.
7. Engaging with asset managers, credit rating agencies, auditors, stock exchanges, proxy advisers, investment consultants, and data and service providers to ensure that funds, products and services available to investors are consistent with achieving global Net Zero emissions by 2050 or sooner.
8. Setting a target and reducing our operational (Scope 1 and 2) emissions in line with achieving global Net Zero emissions by 2050, or sooner.
9. Disclosing objectives and targets and publishing a clear Investor Climate Action Plan for achieving these goals as soon as possible, no later than one year from making this commitment, and reviewing and updating targets every five years or sooner.
10. Reporting annually on the strategy and actions implemented and progress towards achieving objectives and targets, and in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Brunel's commitment recognises that investors across the globe have different opportunities, constraints and starting points for achieving Net Zero emissions and there are a range of methodologies and approaches available to investors to set targets and implement strategies. In some asset classes or for some investment strategies, agreed Net Zero methodologies do not yet exist. We will, therefore, work to address these challenges.

Our commitment is based on the expectation that governments and policy makers will deliver on their commitments to achieve the 1.5°C temperature goal of the Paris Agreement, and in the context of fulfilling our fiduciary obligations.

Laura Chappell

Brunel wins:

Private Markets category at the IPE Transition Awards, June 2024

Impact Investing and Carbon & Net Zero Strategy awards at the Europe-wide IPE Awards in December

IPE Transition Awards 2024 WINNER PRIVATE MARKETS INVESTMENTS

IPE EUROPEAN PENSION FUND AWARDS 2024 WINNER CARBON & NET ZERO STRATEGIES

IPE EUROPEAN PENSION FUND AWARDS 2024 WINNER IMPACT INVESTING

We manage more than we can measure

This report provides information about the approach Brunel takes to climate change matters and the strategic objectives of the business. It is recommended that this report is not read in isolation. It should be considered alongside the Climate-related Product report which is designed to provide detailed metrics and information regarding individual Listed Markets portfolios. Unless otherwise stated, the metrics shown in this report relate to our Listed Markets portfolios.

Brunel's approach to managing climate-related financial risks covers all our investments, and we have made considerable progress across all the asset classes we invest in. Demonstrating progress in all asset classes is complicated as many of the tools and techniques for measuring progress are dependent on publicly available information and are designed for corporate holdings rather than other asset types e.g. property or asset-backed securities.

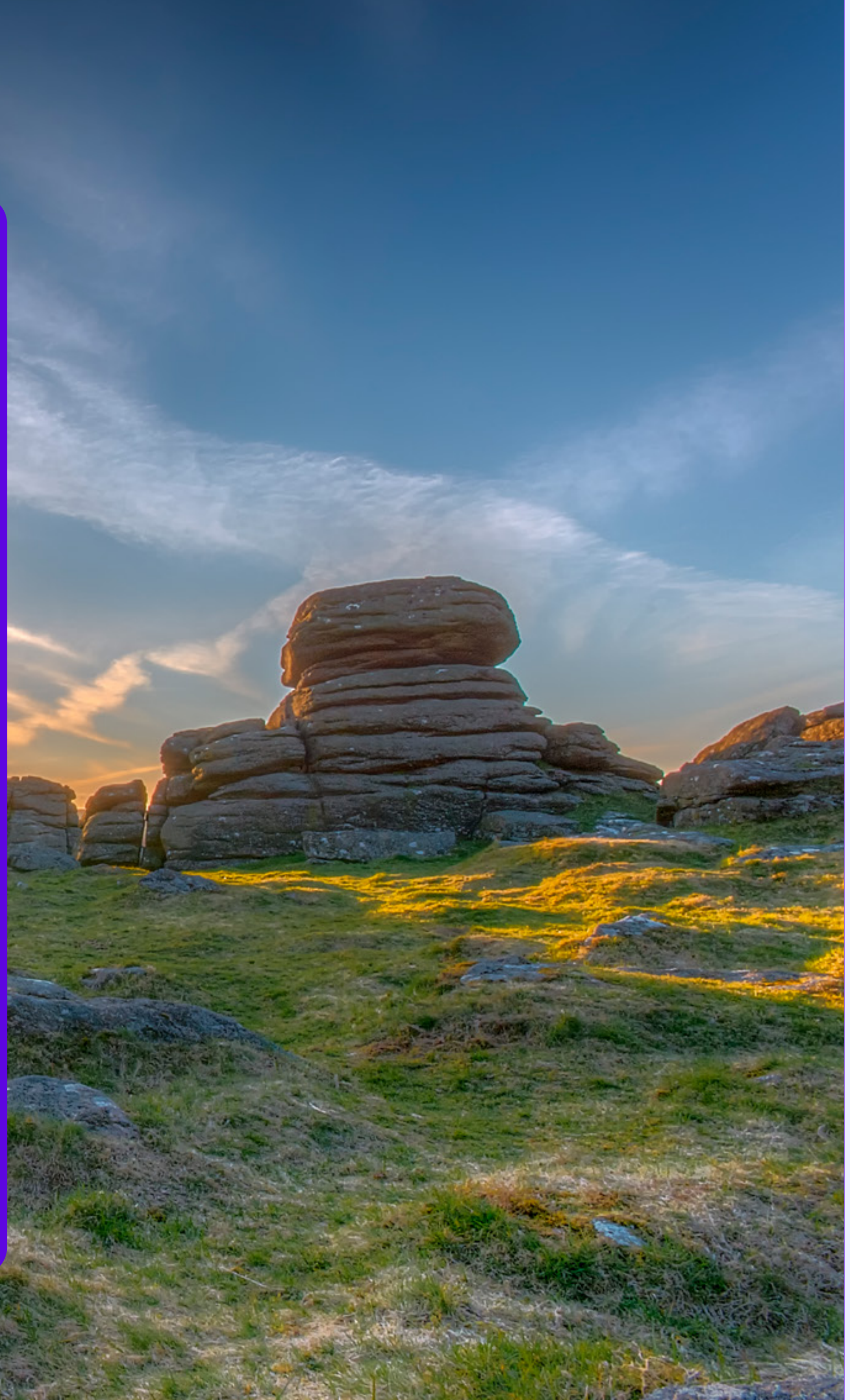
Our approach to climate risk management is consistent across all our active equity and corporate bond portfolios. Global Sustainable Equities (GSE) differs in its approach to climate opportunities in that the portfolio has a specific objective to pursue such opportunities. GSE also has restricted exposure to certain activities, which is typical of a product of this kind.

We seek to manage climate risk in each and every portfolio, as well as our own operations, but we are not in a position to quantitatively measure and report progress in all these areas. We prioritise the disclosure metrics for our listed equities and corporate bonds, as this represents the highest proportion of our assets under management (AUM).

As such, Brunel's Diversifying Returns and Multi-asset Credit portfolios both embed climate risk requirements into their design and on-going monitoring. However, both funds contain significant exposure to asset classes where methodologies are still being developed. As Brunel's portfolios are often comprised of multiple funds from different providers, we have opted not to include analysis for these portfolios at this time as the lack of consistency could be misleading.

Key areas of progress for 2024/25

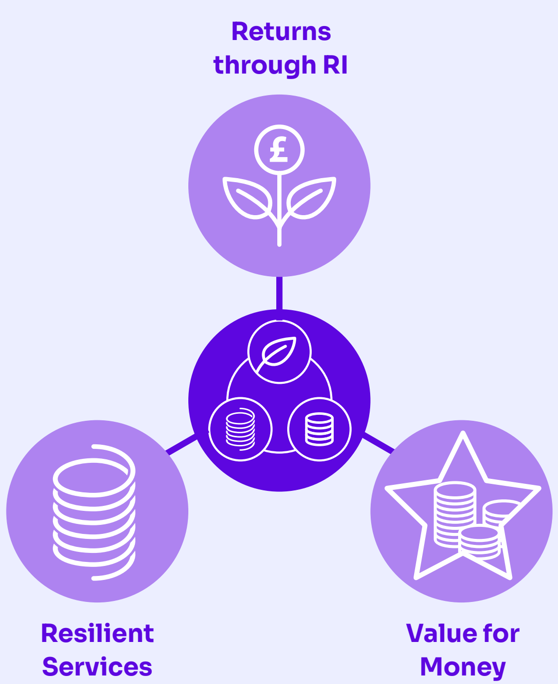
- Baseline for Scope 3 emissions in line with targets
- Green revenues and Transition Pathway Initiative analysis added to Climate-related metrics report
- Additional metrics in product report as different methodologies have different strengths and weaknesses
- Integration of ESG and climate risk metrics into our quarterly risk reporting
- Scope 2 disclosure analysis



Investing for a world worth living in – our mission

Forging better futures by investing for a world worth living in

Meeting our fiduciary duties to our partner funds, by efficiently managing their LGPS funds on behalf of their members. Our mission, underpinned by our Investment Principles shapes the why and how we do what we do. The dynamic strategy allows us to navigate the pace of change – whether this be global, national, industry-wide or internal, whilst prioritising returns through responsible investment.



We take a long-term view of our fiduciary duty, as do our partner funds, so investing responsibly is essential to meeting that duty over the long-term view that pensions necessitate. We believe that the integration of environmental, social and governance (ESG) risks is fundamental to successful long-term performance.

Brunel Investment Principles

1. Long-term investors
2. Responsible investors
3. Best practice governance
4. Decisions informed through experts and knowledgeable officers and committees
5. Evidence and research at heart of investments
6. Leadership and innovation
7. Right risk for right return
8. Full risk evaluation
9. Responsible stewardship
10. Cost-effective solutions
11. Transparent and accountable
12. Collaborate

Responsible Investment approach

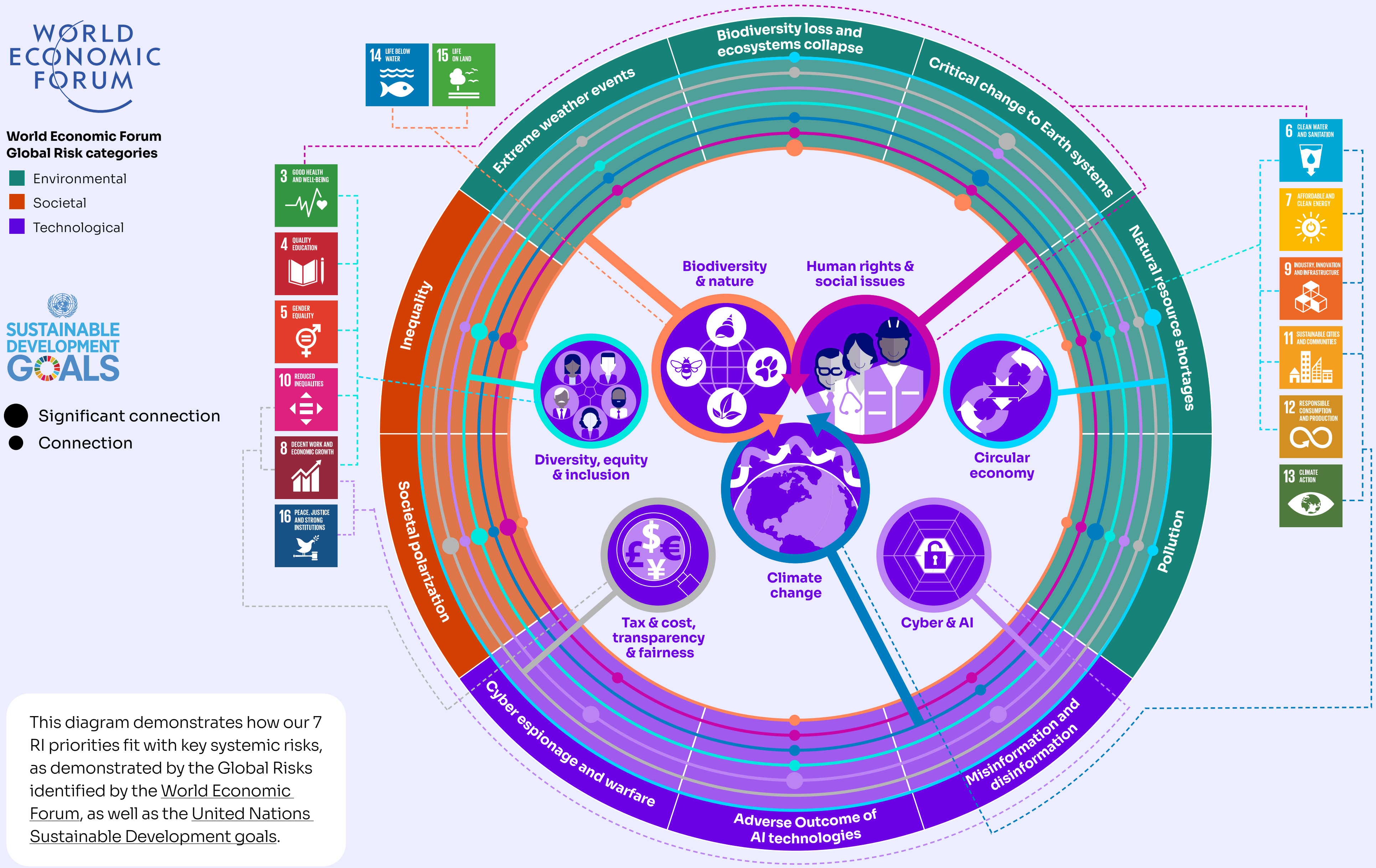
"We aim to deliver stronger investment returns over the long term, protecting our partner funds' interests through contributing to a more sustainable and resilient financial system, which supports sustainable economic growth and a thriving society."

We firmly believe that to meet our fiduciary duty to our partner funds, we must act, invest, and encourage others to act, as responsible stewards of capital. This requires us to embed and follow an approach of investing responsibly. We consider a wide range of impacts, risks and interdependencies, many outside the traditional purview of financial analysis, but believe them to be financially material when properly assessed and understood. This approach has lead to our seven RI priorities, which underpin all our actions.

As a small and dynamic organisation, we have to be efficient with resourcing, so leverage every opportunity to influence change. Managing systemic risk is a key, and impactful, way to focus on our priorities, and where possible we seek to collaborate and amplify our voice to drive change as part of wider engagement.

To ensure we are addressing systemic risk and rooting both our climate aspirations and our wider RI priorities in real world change, we have developed and shaped them with our partner funds and rooted in globally recognised priorities. Partnership is one of our key values, and we strongly believe that problems are best tackled together.

Investing for a world worth living in – our mission continued



This diagram demonstrates how our 7 RI priorities fit with key systemic risks, as demonstrated by the Global Risks identified by the World Economic Forum, as well as the United Nations Sustainable Development goals.

Investing for a world worth living in – our mission continued

We believe RI extends to our own operations (buildings, travel, people, and so on), as well as portfolio implementation and responsible stewardship. So we ensure that our own practices align with our expectation of the companies and assets in which we invest. Details about these intrinsic parts of Brunel day-to-day are measured and can be found in the Operational Risk section.

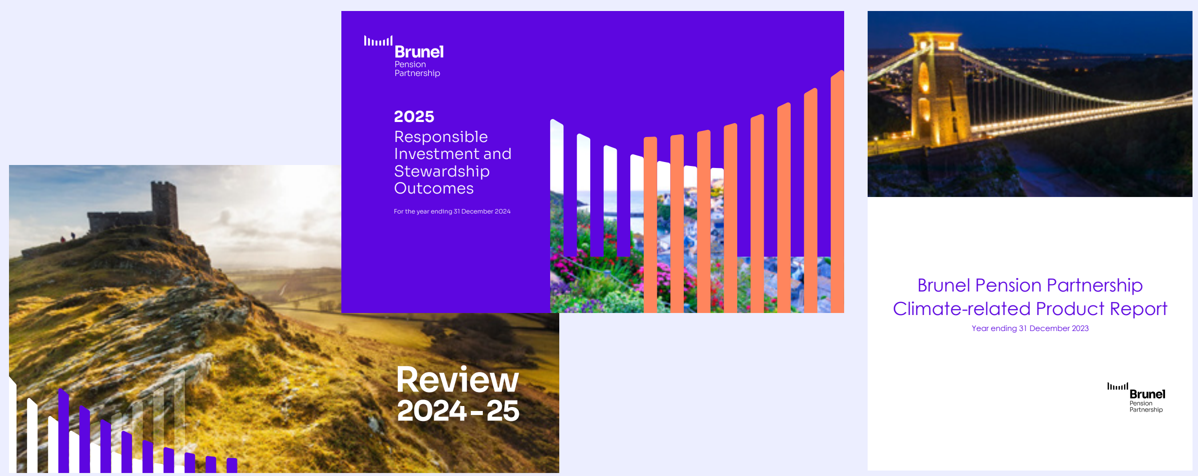
Finding out more

As transparency is a key part of the Brunel way, we make as much information as we can available.

Our website library hosts easily-accessible documents about us, as well as our Responsible Investment and Climate activity.

These documents can help you find out more:

- 2025 Responsible Investment and Stewardship Outcomes Report
- Climate Change Policy 2023-30
- Climate-related Product Report
- Annual Report & Financial Statements



Investing for a world worth living in – our mission continued

An unusual business model

As a UK Local Government Pension Scheme (LGPS) pool, Brunel holds an unusual place in the financial industry. Brunel spans some of the responsibilities associated and linked with an asset owner, and others of an asset manager – yet isn't strictly either of these things. Below is an overview of where some of the key responsibilities and accountability lie.

This distinction plays out to what is or isn't included within the reporting in response to the recommendations of the FCA and TCFD. The below diagram goes some way to explain why some elements are not within the control of Brunel and therefore not reported against.

Clients

Own the strategic investment approach for their pension fund

- commission investment products based on Strategic Asset Allocation requirements
- work in partnership with us to shape the investment principles & RI philosophy
- assurance

Brunel

Portfolio construction

- define the portfolio specification
- search for and select managers
- provide best practice guidance on RI topics

Portfolio & Manager monitoring

- continually monitoring performance metrics
- oversight of managers and products
- stewardship, engagement and advocacy (systemic and targeted)

Asset Managers

Investment Management

- asset selection
- complying with climate policy
- research, monitor and report

Governance

As a core aspect of meeting our fiduciary duty to our partner funds, climate risk is a principal (level 1) strategic risk for Brunel. Owned by the Chief Executive Officer, with oversight from Brunel's Audit, Risk and Compliance Committee, it forms part of Brunel's overall strategic risk framework.

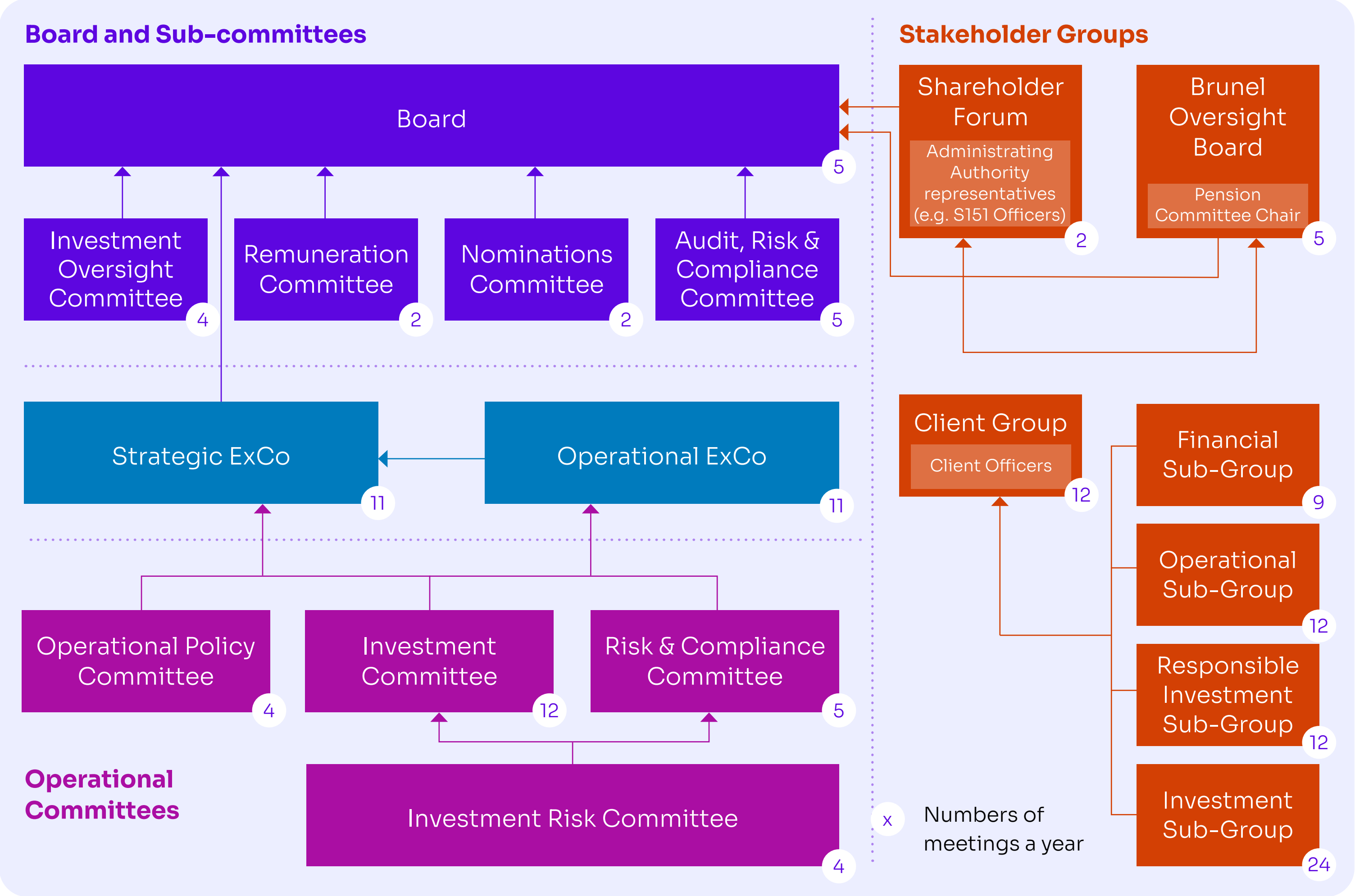
The Brunel value-for-money balanced scorecard, on which the performance of the organisation is judged, includes Key Performance Indicators (KPIs) based on climate-related risk (these are aligned to the Quarterly Key Risk Indicators (KRIs). These flow down through the organisation, informing and shaping business plans, budgets and remuneration.

The Brunel Board and our partner funds approve and sign off our Climate Change Policy and strategy. Strategic accountability sits with the Brunel Board with operational accountability sitting with our Chief Responsible Investment Officer and oversight from the Brunel Investment Committee. In 2024 this was enhanced by the introduction of a new board-level committee to provide oversight on the company's investment activities.

Responsibility for implementation of our climate change policy is diversified across the business, with all members of staff having a high level of awareness and responsibility for climate, and wider ESG risks, as they relate to their roles.

New in 2024 – the Investment Oversight Committee (IOC)

The IOC provides assurance that Brunel is fulfilling its fiduciary responsibilities to its partner funds and remains true to its Responsible Investment principles. It also considers compliance with product governance obligations under applicable regulations and board-level assurance across all investing activities.



Governance continued

Ultimately our Chief Investment Officer is responsible for ensuring the integration of climate risk into portfolio construction, implementation and overall investment decision-making. Investment team members all have an explicit responsibility for the implementation of our RI objectives, including climate risk.

Personal development focusses on maintaining and building this knowledge, including Chartered Financial Analyst Institutes' (CFA) UK ESG and Climate modules. For those who are senior managers under the Senior Managers & Certification Regime (SMCR), their statements of responsibility include climate, Net-Zero and wider RI competency requirements.

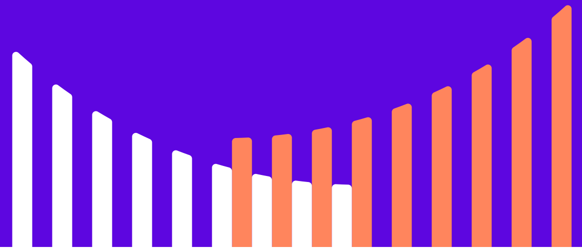
As a partner fund-led organisation, the view of our partner funds is essential to our governance. Partner fund interactions and inputs to key decisions are detailed in the diagram on the previous page, focussing on those around climate risks and opportunities. The Responsible Investment Subgroup, meets monthly, provides an in-depth opportunity for dialogue around partner fund needs and expectations around climate. Brunel has a dedicated Responsible Investment team of investment professionals who support the Brunel Investment Team and lead on engagement and stewardship activities. For further detail of our Responsible Investment approach, see our annual Responsible Investment and Stewardship and Outcomes Report.

Our governance framework applies and is used for all climate-related decisions at both a systemic or portfolio level. We don't take a materially different approach to any of our asset classes or portfolios. Our philosophy applies to our systemic industry influence, as well as across all portfolios. We treat everything the same as far as is practical. Differences in approach only arise from a pragmatic perspective, with some asset classes lagging behind others with available data or systems.

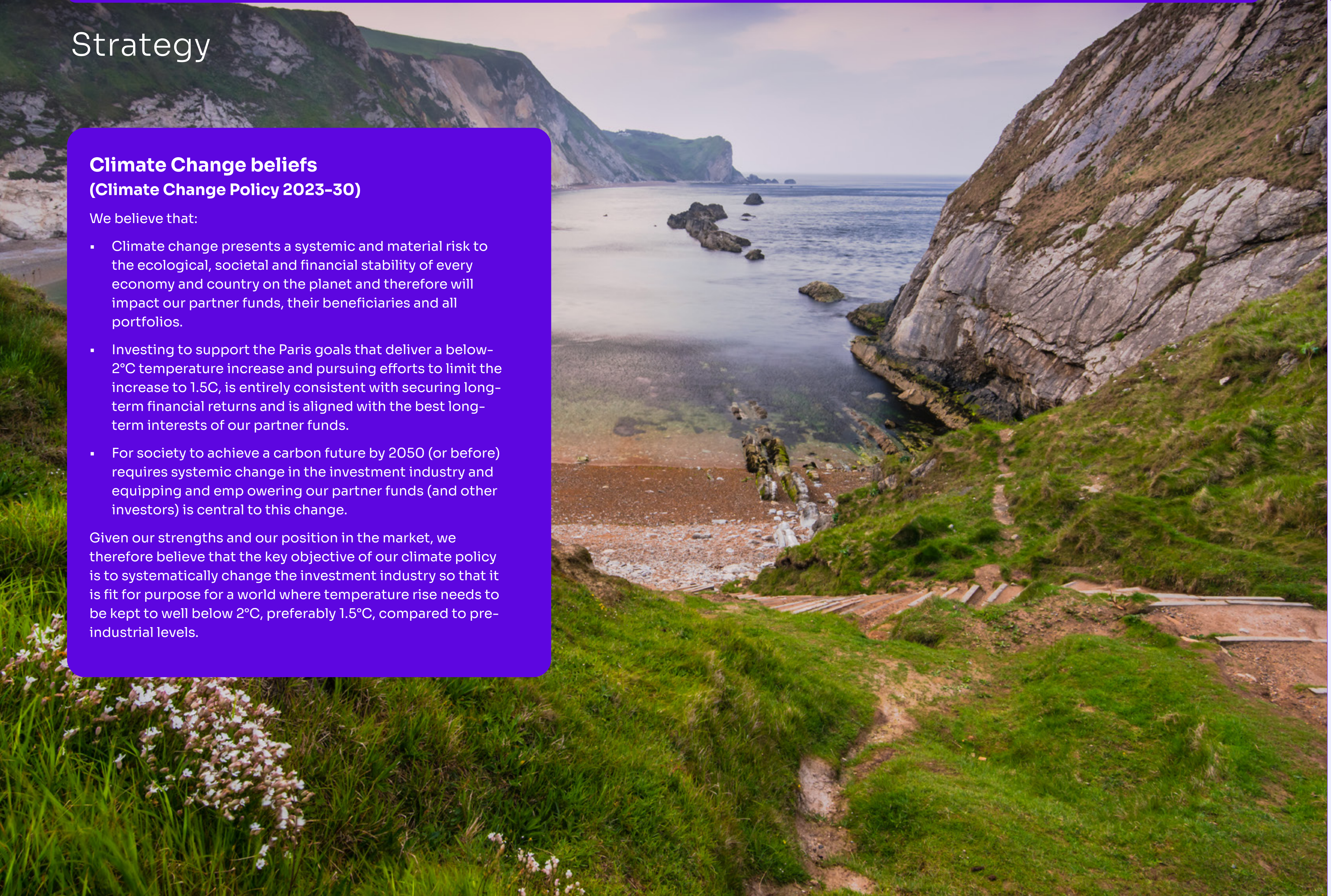
More details about the governance framework, and how it influences decision-making is given in the later risk section.

Evolving our approach to Climate Change – a partner fund's perspective

"The science around climate hasn't changed, we need to be acting, and demonstrating to our members, that we are acting in a way that responds to the scientific facts. We've had some really positive conversations with Brunel and the data and reporting that they provide us helps us shape these conversations. Within the Brunel Partnership we have an agreed approach to climate change actions, through our RISG meetings we are able to refine and enhance that approach to drive real-world change based on the scientific evidence."



Strategy



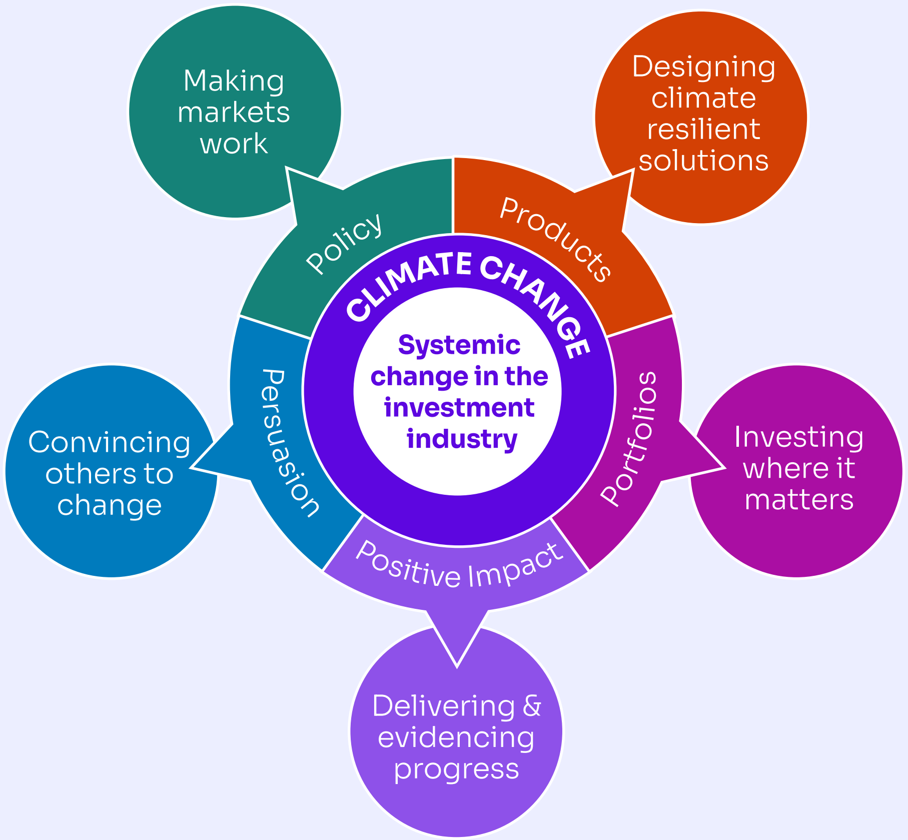
Climate Change beliefs
(Climate Change Policy 2023-30)

We believe that:

- Climate change presents a systemic and material risk to the ecological, societal and financial stability of every economy and country on the planet and therefore will impact our partner funds, their beneficiaries and all portfolios.
- Investing to support the Paris goals that deliver a below-2°C temperature increase and pursuing efforts to limit the increase to 1.5C, is entirely consistent with securing long-term financial returns and is aligned with the best long-term interests of our partner funds.
- For society to achieve a carbon future by 2050 (or before) requires systemic change in the investment industry and equipping and emp owering our partner funds (and other investors) is central to this change.

Given our strengths and our position in the market, we therefore believe that the key objective of our climate policy is to systematically change the investment industry so that it is fit for purpose for a world where temperature rise needs to be kept to well below 2°C, preferably 1.5°C, compared to pre-industrial levels.

Strategy continued



Policy	Encourage policy makers to establish comprehensive and robust climate change policy frameworks. These need to deliver significant reductions in greenhouse gas emissions, accelerate progress towards the low carbon economy, and enable effective adaptation to the unavoidable impacts of climate change.
Products	Ensure a range of climate resilient products are available to our clients and the wider investment market that deliver substantial climate change benefits and are Paris-aligned. These investment solutions must help clients also meet their future investment goals.
Portfolios	Ensure our investment portfolios are resilient under a range of climate change scenarios (both mitigation and adaptation) by adopting best practices on climate risk management and working with our managers to further improve and develop our processes.
Positive Impact	Enable investments in activities that directly support the low carbon transition and that enable effective adaptation to the unavoidable impacts of climate change.
Persuasion	Challenge and encourage companies and other entities in which we invest and with whom we contract with to support the transition to the low carbon economy, and to ensure that they are resilient to the unavoidable impacts of climate change.

Climate Change Strategy 2023-30

Brunel has a unique position in the investment industry, due to our scale, influence, strength and the support of our partner funds, in addition to our experience and expertise in managing climate change-related risks and opportunities. We believe it is our fiduciary duty to manage climate change and the associated risks and opportunities within our investment portfolios, as investment markets are not properly pricing in climate-related risks.

To catalyse change in the financial system at scale, we must work in partnership with others, enabling our partner funds to be agents of change and aligning ourselves with international efforts. Our Climate Change policy, published in January 2020 and updated in 2023 following our Climate Stocktake and detailed evaluation of the earlier policy's progress, centres around five priority areas: Policy Advocacy, Product Governance, Portfolio Management, Persuasion, and Positive Impact. We recognise that our five priorities are interrelated and overlap in places, and that our actions or ability to deliver a target may be constrained by policy, regulation, or the market environment. We will always be transparent and explain the steps we take to overcome barriers to progress.

Viewing climate-related risks – a timeframe

We consider timelines from an action perspective; this helps us focus our actions on prioritising risks to maximise impact. Time horizons that have a bearing on the actions taken to manage climate-related risks vary across asset classes, most particularly when comparing listed portfolios, where the liquidity enables us to continue to adapt, to those in our private markets portfolios where some of the asset allocation decisions taken today will be in the partner fund portfolio for the next 20 years and beyond.

With our focus on making significant climate-related impact by 2050, we have worked back from this point. Our Climate Change Strategy is working towards our first key milestone of 2030, and this represents our concept of short term.

Investment action-orientated timeframes:

Short term – present day to 2030
Medium term – 2031- 2040
Long term – 2041 – 2050 and beyond

How we approach...

Climate change impacts companies across the spectrum of our investments. To ensure that we are applying our policies in an appropriate and equitable way, across investments and assets classes, detailed below are the consistent Brunel approaches to key topics.

Deforestation

Biodiversity & Nature is one of our three key Brunel RI priorities. One of the priority's highly material issues is deforestation. Working with Hermes EOS, deforestation risks are considered within engagement activities and voting decisions, informed by company performance in the Forest 500 Index. In addition to engagement with companies, we have contributed to wider policy development as a member of the Investors Policy Dialogue on Deforestation (IPDD).

We are committed to strengthening our approach to managing deforestation, conversion and associated human rights risks. Embedded in the development of our approach to nature-related risks and opportunities will be an assessment of our exposure to deforestation risks across its portfolio. This will inform development

A second Climate Stocktake – reviewing our progress against our Climate Change Policy

In 2022 we undertook our inaugural Climate Stocktake, using the opportunity to add rigour to our Climate Change Policy process, reviewing the successes and weaknesses in the approach and evolving it accordingly. We analysed our holdings, engaged stakeholders, held partner fund workshops; and published a report on achievements and on our public policy advocacy. As well as looking backwards and evaluating our progress, we looked forward and sought to set new objectives and targets. A report on the Climate Stocktake (2022) process and its outcomes is available.

At time of publication (mid 2025) we are part-way through our second Climate Stocktake. We are following a similar approach fore the second Stocktake, engaging with partner funds and reviewing practices via key questions.

- Did we deliver what we said we would do?
- Does it still meet the expectations and needs of our partner funds?
- Is it best practice?
- What are other stakeholder views?
- Are asset managers aligned?
- Are there companies of concern?

Following the analysis, which we will publish, we will look to revise and enhance our Climate Change Policy, to ensure that it is driving the right behavioural change.

of a deforestation policy, of clear expectations for both companies and asset managers in relation to deforestation, and of metrics to measure progress.

Offsets

In line with best practice guidance, Brunel does not use carbon offsets in the construction of products or portfolios to achieve emissions reduction targets. We are supportive of the use of offsets by companies where there is currently no technological and/or financially viable alternative.

We advocate strongly for the regulation of the voluntary carbon market to enable the use of offsets to play a credible role in the transition to a Net-Zero economy. However, in doing so we fully acknowledge the current state of the market and support the application of the *Oxford Principles for Net-Zero Aligned Carbon Offsetting*, both by the companies in which we invest, but also investments into assets that contribute to the carbon market.

Stepstone Group is our strategic partner supporting our infrastructure investments. In November 2023 Stepstone published *An introduction to carbon credits and offsetting* which sets out both the challenges but also the opportunities from well-functioning carbon markets.

As with other of our climate ambitions, it is an area that requires systemic change. In working with the other investors we are trying to encourage and stimulate action towards the creation of an effective and regulated carbon market.

Scope 3 GHG emissions

Scope 3 GHG emissions arise as part of an organisation's value chain, for example emissions relating to supply chain or the product in use, rather than being produced by the organisation itself or assets it owns or controls. Whilst the organisation may not control the company or asset, they can still expose them to climate-related financial risks, but also opportunities.

Disclosure of scope 3 emissions is essential as:

- It can often represent as much as 80-90% of the total emissions for a company
- It allows more equitable risk assessment between companies that are vertically integrated versus those that outsource (thereby reducing their direct footprint, potentially making them appear lower-risk than they are)
- Its absence could lead to misallocation of capital by governments, corporates and investors
- Its absence could lead to misrepresentation of climate alignment

We believe the most effective action Brunel as an investor can take to achieve decarbonisation in relation to Scope 3 GHG is through ensuring companies and assets publicly disclose the data, thereby enabling investors to assess and take account of (price) the risk.

Our approach to Scope 3 GHG emissions is part of all 5 points of our climate strategy and all asset classes, in summary:

Policy	Ensure a clear ask for mandatory scope 3 disclosures, particularly by high impact companies. Advocating for International Sustainability Standards Board (ISSB) (S1 and S2) adoption by governments to create a globally consistent baseline, supported by the mandating of transition plans, starting with large, high impact companies and banks.
Products	The disclosure of material scope 3 emissions and related target setting are already components of our asset alignment criteria. Critical to its effectiveness to drive decarbonisation is to call for greater harmonisation of methodologies to enhance credibility of the data and analysis.
Portfolios	Brunel already includes portfolio level scope 3 data for first-tier direct supply chain emissions but will seek to enhance data and analysis of a wider range of relevant emissions in our climate-related product reporting.
Positive Impact	Proactive investment in climate solutions, supporting energy transition and other innovations that reduce the climate impact of products in use and supply chain emissions e.g. electrification of transport and regenerative agriculture.
Persuasion	Enhance the precision of the ask on companies and assets on which categories of scope 3 GHG we view as material. Seek to improve directly held listed assets in high impact sectors and our largest IT companies (see targets below). Scope 3 GHG disclosures and targets will continue to form part of escalation and voting strategies.

Strategy continued

Fossil fuel-related activities

The Internal Energy Agency (IEA) World Energy Outlook 2024 states that two-thirds of the overall increase in energy demand in 2023 was met by fossil fuels with energy-related carbon emissions reaching record highs.

The IEA utilised the Stated Policies Scenario (STEPS). STEPS takes into account the measures that have been, or are in the process of being, implemented in order to achieve announced energy and climate policy goals. The STEPS scenario models peak emissions from fossil fuels are expected by 2030. In this scenario, coal demand begins to decline around 2025, while oil and natural gas demand both peak towards the end of the decade. The fossil fuel share of total energy supply declines to 75% by 2030 and below 60% by 2050. In the IEA Net Zero scenario all fossil fuels decline from today, making up less than 65% of total energy supply by 2030 and around 15% by 2050.

More information about the IEA's Updated Roadmap to Net-Zero Emissions and World Energy Outlook and STEPS can be found on the IEA website.

The transition to the low carbon economy calls for significant change in the shape and structure of our economy and requires us to eliminate most or all fossil fuel use and achieve a Net-Zero carbon economy by 2050. Brunel actively seeks to reduce the dependence of fossil fuels through positive investment in low carbon sources and engagement with companies to reduce both demand and supply. We also seek to reduce our exposure to fossil fuels whilst balancing the desire for real world change that will reduce economy wide carbon emissions.

Our approach to fossil fuel activities is part of all 5 points of our climate strategy and all asset classes. In summary:

Policy	Strongly advocate for public policy to incentivise a shift away from fossil fuels throughout the economy
Products	Specific investment restrictions, where practicable are used in both public and private markets
Portfolios	Significantly reduce exposure through climate risk integration and asset allocation changes
Positive Impact	Significant investment energy transition through both listed and private markets
Persuasion	Escalation of stewardship activities and expectations, for example co-filing shareholder resolutions at banks and oil and gas companies

Potentially Stranded Assets

It is important to identify exposure to business activities in extractive industries in order to assess the potential risk of 'stranded assets'. Stranded assets are assets that may suffer premature write-downs and even become obsolete due to changes in policy or consumer behaviour.

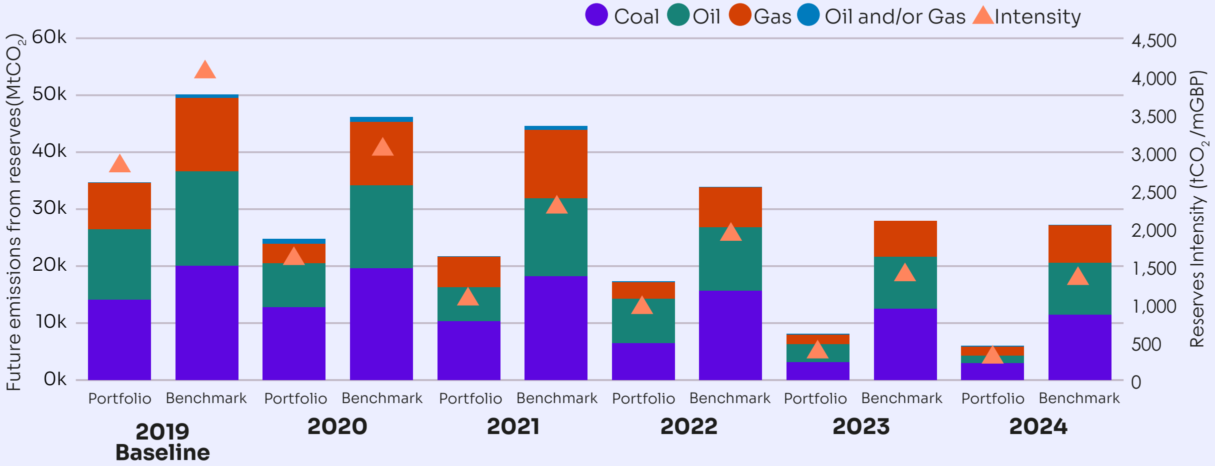
We identify the exposure to extraction-related activities for each of our Listed Markets portfolios by analysing the revenue exposure and potential emissions from reserves for fossil fuel-related activities. These metrics highlight companies with business activities in extractive industries, as well as companies that have disclosed both proven and probable fossil fuel reserves in the portfolio. In other words, these are not just 'fossil fuel companies' but those companies who rely heavily on the fossil fuel industry for their own revenues.

Strategy continued

When compared to the baseline universe of 2019, Brunel has achieved a 93% reduction in reserves intensity (this takes into account shifts in asset allocation and between fossil fuels, e.g. coal has a higher intensity than oil).

The chart below illustrates the changes and summarises the key drivers.

Brunel Aggregate Future Emissions from Reserves



As at December 2024.

The above decline has been achieved through:

- decarbonisation of the reported Brunel portfolios
- asset allocation changes between portfolios (due to partner fund investment decisions)
- additional Brunel sub-portfolios launched in 2021 (FTSE Russell Paris-aligned benchmark series)
- methodological distinctions switching from S&P Trucost to S&P Capital IQ

Currently, the Brunel Aggregate Portfolio is less exposed to both fossil fuel revenues (0.64% vs 1.77% and future emissions from reserves (6 MtCO2 vs 27.3 MtCO2) than its custom benchmark.

Strategy continued

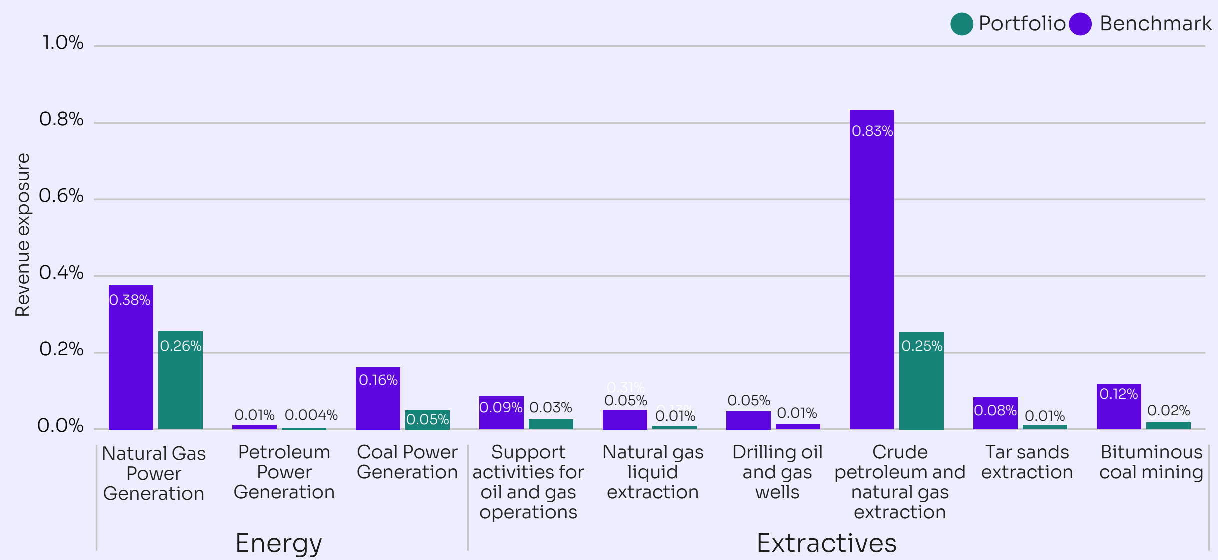
Exposure to fossil fuel activities

The fossil fuel-related activities metric shows the percentage of revenues that are engaged in fossil fuel-related activities. It identifies companies with exposure to fossil fuel-related energy generation (gas, petrol and coal power) and fossil fuel related extraction activities. This assesses the revenue exposure that each company has to these activities and aggregates this to an overall portfolio assessment.

The graph illustrates the revenue exposure breakdown of fossil fuel-related activity in the aggregate of Brunel's Listed Market portfolios (including index tracking funds) and the benchmark as at end December 2024. Our exposure is significantly below the benchmark in all areas.

The largest contributor to Natural Gas Power Generation revenues is NextEra Energy, while Shell is the largest contributor to crude petroleum and natural gas extraction revenues. NextEra Energy has made and continues to make significant investments in renewable energy and storage projects; it is already the largest corporate generator of renewable electricity in the world, implying substantial climate benefit.

Revenue Exposure Breakdown of Fossil Fuel-Related Activity – December 2024



As at 31 December 2024

From 2024, following extensive partner fund consultation and a formal approval process, Brunel will now make limited use of activity-based exclusions. This will apply to companies for which stewardship tools cannot affect enough of a change away from the activity engaging.

Revenue:

Where most of the company's revenue is focused on an activity that is often deemed controversial, and there is limited capacity for diversification; these companies can be defined as pure-play, focusing primarily on a single product or service area.

We apply this to:

- Thermal Coal Extraction revenues equal to or greater than 50%
- Oil Sands Extraction revenues equal to or greater than 25%
- Tobacco Production revenues equal to or greater than 25%

These activity-based exclusions are applied to our active segregated listed markets portfolios, although similar restrictions exist for the Paris-aligned index series.

Risk

Risks & opportunities

Brunel climate-related strategic risks and opportunities

Climate change is widely acknowledged as a foreseeable and materially significant financial risk. Investors are exposed to the risks and opportunities presented by climate change adaptation and mitigation – managing these impacts is an essential component of an investor's fiduciary duty.

This duty to manage climate change impacts creates a critical role for investors if we are to successfully transition to a low carbon economy and adapt effectively to the physical impacts of climate change. The need for capital required for mitigation and adaptation is an investment opportunity.

We offer our partner funds investments that directly support the low carbon transition and enable effective adaptation to the unavoidable impacts of climate change.

Whilst the risks are more visible, we can engage with the companies we invest in so they are resilient to regulatory and other changes that will result from climate change. We also advocate for, and support policy makers in, taking action to enable the low carbon transition and effective adaptation.

The differing needs reflect our overarching priority to affect real-world change. We therefore focus on systemic change and pride ourselves on being a leader in RI. Whilst we relish the opportunities to support the low carbon transition, we also acknowledge the catastrophic impact of inaction, by governments and society.

Driving systemic change is complemented by our established processes working in alignment with asset managers. We support them and, through them, the organisations we are invested in, to improve their climate-related data and disclosures. Further information about our engagement is included within both the Policy Advocacy and Persuasion sections later in the report.

Climate-related risk, for all the reasons detailed above, is one of the top-priority risks owned by Brunel's CEO. How we can influence and enact real-world change is discussed, considered and referenced in meetings at every level of the organisation.

We believe that addressing climate-related risk is consistent with our fiduciary duty to our partner funds and their members. However, as an LGPS pool, the direct risks or impacts to our business of not addressing climate-related risks are limited to partner fund dissatisfaction, potentially losing partner funds or incurring costs or reputational damage.

Sources of risk

Risk source	Risk description
Market and Reputational	Failure to manage climate risk through poor awareness and responsiveness over how climate risks will impact on markets, our operations, managers and portfolios and, by extension, our partner funds
Regulation and Technology	Failure to anticipate and effectively manage changes in the market context in terms of regulation, disruption, best practice, innovation and demand - both top-down in terms of product governance, and bottom-up in terms of the impact on individual asset managers and investments
Partner fund and product	Failure to provide portfolios that effectively respond to climate risk in the context of partner fund investment objectives, potentially undermining the objectives of pooling
Physical	Failure to ensure operational resilience
Partner fund and Human Capital	Failure to retain partner funds, attract talent and positively impact industry behaviour, due to mismanagement of all the above risks

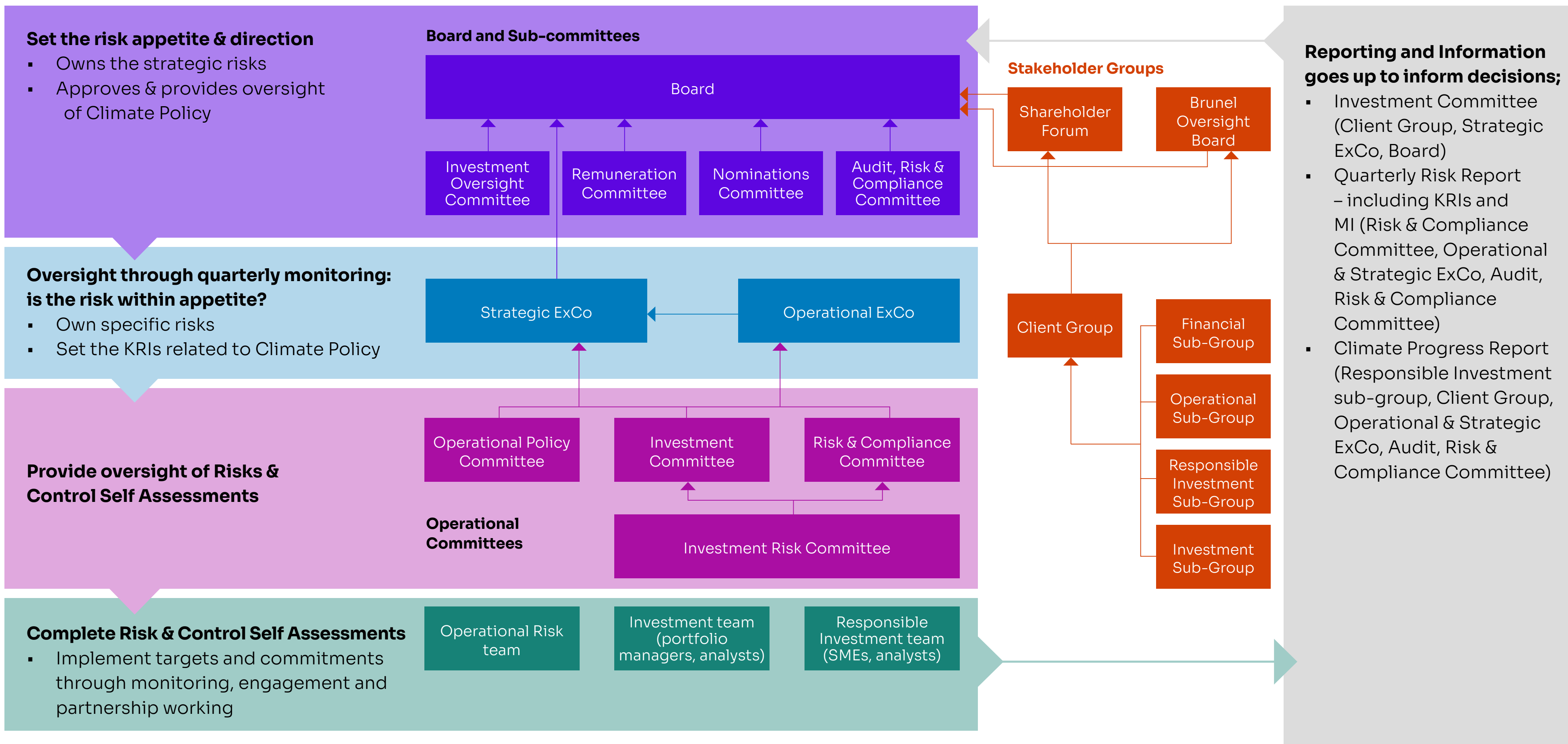
The 'Sources of risk' table details the principal sources of strategic risk that are within Brunel's direct sphere of influence. We consider these climate-related risks to be strategic risks to Brunel and as such follow our corporate governance process and are managed by our Executive Committee.

Risk continued

Reviewing Climate-Related risks

Climate-related risks are considered at every level of the organisation. Below is a reminder of our governance structure and where decision-making sits. Climate-related risks are often identified through the Responsible Investment and Investment teams, and information regarding the risks and impacts is then bought to the Investment Risk Committee (BIRC). In this forum the standard climate metrics are considered alongside the additional information provided and the materiality of the risk is determined, along with recommended courses of action. Where this related to a new risk, the emerging risk process (detailed below) is applied.

Key performance indicators tracked and reported against each quarter as part of the strategic risk review within the governance forums



Risk continued

A quarterly risk review forms part of the Strategic Executive Committee calendar and, where appropriate, Board meetings. Factors considered quarterly, as indicators of key risks (KRIs) are:

- Any failures to deliver requirements in line with regulatory or accepted policy commitments
- Any incidents of reputational damage relating to legitimate concerns or inability to respond to climate change
- If a manager is flagged as on watch for climate reasons
- The percentage of financed emissions in material sectors either aligned, aligning or subject to action and engagement
- If there is a failure to identify regulations which could have a material impact on our management of climate change risk
- Any partner fund concerns or complaints relating to the efficacy of Brunel as a leader in addressing climate change

Managing emerging risks and regulatory requirements

To ensure our risk management stays current and relevant, we enhance our standard governance with an emerging risk process. This allows us to consider new and evolving risks in an appropriate way, whether this is watching and observing or escalating a risk to the full risk management process.

Our emerging risk process:

Risk continued

Portfolio climate-related risks and opportunities

The primary challenge for Brunel in managing climate-related risks is their impact on investment portfolios. Portfolio performance is directly linked to the value of underlying assets, which are increasingly influenced by climate-related risks and opportunities. Ensuring portfolio diversification and a deep understanding of invested companies or assets is crucial, aligning with Brunel's climate change goals when selecting third-party managers.

Climate risks and opportunities are integral to the manager selection and review processes, involving thorough due diligence and formal annual reviews. Brunel's portfolio managers, supported by the RI team, also conduct regular monitoring. The Investment Risk Committee's quarterly review includes metrics on climate risk management and exposure to other ESG risks. Insights into this work are shared in our 2025 Responsible Investment and Stewardship Outcomes Report, in which we interview Tom Cottrell, a Portfolio Manager in our Listed Markets team. Tom creates and enhances our investment management information reports.

Working in partnership with our managers and general partners (GP), with the support of our strategic partners (SP), is vital to achieve effective alignment between our objectives and their actions regarding climate-related risk. This importance is reflected in the targets set within our Climate Change Policy. One of the key areas of progress is in the integration of climate emission report requirements into the private debt portfolios. Currently 90% of managers overseeing our Cycle 3 and Cycle 4 private debt portfolios have pledged their commitment to carbon emissions reporting.

Real World Impact

Stimulating real world change is a fundamental part of our Climate Change Policy 2023-2030 and a key objective for Brunel. This focus allows our teams to determine, and act upon the course of action that will deliver that change, rather than just enhance our reputation. This approach, agreed and followed hand in hand with our partner funds, can often mean making difficult decisions to remain invested in companies that do not immediately appear compatible with ambitious climate objectives. We have a robust escalation process for our engagement - such decisions are not taken lightly, and companies are monitored closely through our investment risk processes. We will use this report to be transparent on holdings that fall in that category, such as climate-controversial companies (see p.36) and those whose business model is highly focused on specific activities.

Brunel collaborates with asset managers to develop Paris-aligned investment solutions, committing to offer Paris-aligned options across all asset classes over time, in response to the requirements of our partner funds.

Applying our risk framework to our multi-asset approach

As active stewards of each of our portfolios, our approach to assessing, monitoring and managing climate-related risk is embedded in our processes. Culturally, climate is intrinsic to the Brunel way and it is consistently treated as an important and strategic point.

We strive to be as consistent as possible in our management across our portfolios, but this is not always practically possible. We access investments through a variety of instruments and legal structures which provide differing opportunities to impose specific requirements. We also acknowledge that different countries, sectors and asset classes are at different stages of maturity when assessing material ESG risks, and that the availability of relevant data varies enormously. We are clear in our Climate Change Policy that one size does not fit all, but we do not use that as an excuse for inaction. Quite the opposite, we view it as an opportunity for innovation to enhance the likelihood of bringing about real-world change.

By necessity, and as a reflection of the depth in which we engage in stewardship of our portfolios, there are intrinsic differences in how we approach climate-related risks.

We have now reached a position where **91% of our total AUM have Paris-Aligned Targets set against them, that increased the exposure to climate transition risk to 97% of assets-in-scope and we are on track to reach 100% by the end of 2025** — as detailed on the following page.

Risk continued

	AUM % (31.12.24)	Approach to climate risk and Paris Alignment	Paris-Aligned Target set
Listed Equity			
Active Equity	24.7%	Climate risk is fully integrated into our manager monitoring and assessment framework. Our commitment to achieve Net Zero by 2050 is translated into incremental increases in alignment expectations of all companies, with respective target dates (see metrics and targets). Underpinning these targets are a series of risk metrics which are monitored no less than quarterly.	✔
Global Sustainable Equity	10.6%	Although our approach to climate risk management is consistent across all our active equity and corporate bond portfolios, Global Sustainable Equities (GSE) differs in its approach to climate opportunities in that the portfolio has a specific objective to pursue such opportunities. GSE also has restricted exposure to certain activities, typical of a product of this kind.	✔
Passive Equity (pooled) index tracking to Paris-Aligned Benchmarks	13.7%	To be labelled Paris-aligned or Climate Transition Benchmarks ('PAB' and 'CTB', respectively) the benchmarks must meet minimum standards defined by the EU, including a minimum annual reduction in greenhouse gas emissions of 7 percent until 2050. PAB also has a relative decarbonisation goal of 50 percent relative to a market index, while CTB has a 30 percent relative reduction goal.	✔
Passive Equity (pooled) in non-Paris-Aligned funds (includes global, UK and Smart Beta)	4%	These portfolios track standard market cap weighted indices. As such our only risk reduction lever is market wide systemic stewardship, which is primarily undertaken through public policy advocacy, directly and through collaborative partnerships.	✔
Fixed Income			
Sterling Corporate Bonds (Active)	7.9%	Climate risk is fully integrated into our manager monitoring and assessment framework. Our commitment to achieve Net Zero by 2050 is translated into incremental increases in alignment expectations of all companies, with respective target dates (see metrics and targets). Brunel advocates for improvements in rules and processes around 'labelled bonds' to provide greater assurance as to their efficacy and value for money. In this context, our Sterling Corporate Bonds portfolio invests in labelled bonds but has no defined target.	✔
Gilts (UK Government debt 5/ 15 year)	2.6%	Brunel's sovereign debt exposure is almost all UK-based and designed for the primary purpose of liability matching. As such Brunel's primary risk reduction and Paris-Alignment mechanism is linked to UK Government NDC and policy implementation. Brunel policy work continues to focus on the UK Government's Net-Zero commitments, and we actively participate in supporting implementation.	✔
Multi-Asset Credit	8.7%	Multi-Asset Credit portfolios are committed to a Net-Zero ambition and embed climate risk management requirements into their design and on-going monitoring. The fund is comprised of three managers who in turn invest in a range of credit opportunities including but not limited to loans, corporate and sovereign debt, and securitised assets. Whilst all three managers provide a range of carbon metrics, methodologies are still being developed for many of these asset classes and there is no industry standard approach to aggregating the data.	✔

Risk continued

	AUM % (31.12.24)	Approach to climate risk and Paris Alignment	Paris-Aligned Target set
Private markets			
Real Estate and Cornwall Local Impact	5.7%	Brunel considers RI and climate throughout the life cycle of each real estate portfolios from construction, due diligence on sourced funds, and ongoing monitoring of holdings. Brunel uses a template to standardise collection of data covering over 50 RI and climate data points covering but not limited to energy management, physical climate risk, obsolescence, building accreditations and, most recently, TCFD and decarbonisation.	✓
Secured Income and EAPF	3.1%	The Secured Income (SI) and EARF GRI have strong ESG and climate credentials. In SI, the two long-lease property funds are designated Green Star (GRESB) funds and the third fund component is Greencoat Renewable Income (GRI) which is also the climate focus of the Cornwall Local Impact portfolio. The GRI seeks to generate contracted income from a diversified portfolio of assets with a focus on solar photovoltaic, offshore wind, bioenergy from waste and, as opportunities arise, assets in other renewable infrastructure areas.	✓
Infrastructure	4.3%	Brunel's Infrastructure portfolios have strong ESG credentials, limiting exposure to high climate impact areas, and have strategy targets for renewable and other climate solutions, including nature-based solutions (see metrics and targets).	✓
Private equity	2.4%	Climate data is still limited in private markets and the ESG Data Convergence Initiative (EDCI) is core part of Brunel's strategy to enhance disclosure. Neuberger Berman supports Brunel in assessing General Practitioners (GP) climate commitment, implementation and disclosure. We seek to integrate climate requirements, including disclosure and target setting wherever we are practically able to.	To be set 2025
Private debt	2.8%	As with private equity, Brunel's focus on building capacity and expectations on GP RI, climate integration and disclosure. We seek to integrate climate requirements, including disclosure and target setting wherever we are practically able to.	✓
Other			
Diversifying Returns	2.6%	Brunel's Diversifying Returns fund embeds climate risk requirements into its design and on-going monitoring. However, both funds contain significant exposure to asset classes where methodologies are still being developed. As Brunel's portfolios are often comprised of multiple funds from different providers, we have opted not to include analysis for these portfolios at this time as the lack of consistency could be misleading.	✓
Other	7.1%	This includes other AUM such as that held in cash or that managed on our behalf by another asset manager. Where this is the case Brunel engages with all relevant managers on their approach to Net Zero and climate risk management.	NA

Scenarios

Scenario analysis

As an organisation that places a high importance on comparable and consistent data, we understand the need and drive to provide consistency in scenario planning across our portfolios and the market. To that end we understand the TCFD recommendation to undertake and report on outcomes of scenario analysis and apply it as one of the inputs to our review and valuation of investments. This report focusses on the TCFD recommendations, but these are only one aspect of our ongoing monitoring and evaluations.

We are also very aware of the limitations of quantitative scenario planning of this type as a tool for assessing what impact climate change may have on our investment portfolios. Such analysis is in its infancy, and we, along with other firms, are evolving how we embed the analysis into our processes. Our focus is on providing decision-useful information for our partner funds, and this is only one way in which this goal can be achieved. Scenarios are a useful tool for our portfolio managers to engage in dialogue and to ask the right questions about holdings; they are not a tool to use in isolation. We do not use these to make specific investment decisions.

Our scenario analysis utilises market-standard scenarios including:

- NGFS scenarios (Orderly Net-Zero, Disorderly Net-Zero) for Transition Risk analytics for in-scope investments
- IPCC SSP, The Network for Greening the Financial System (NGFS) was established in 2017 by central banks and supervisors with the aim to promote best practices and enhance the role of the financial system to manage risk and mobilise capital for a low-carbon economy

Below is a table that provides a mapping between data and analytics from S&P our chosen data provider, and the NGFS scenarios. This, alongside our current carbon metrics, allows us to analyse companies' exposure to physical risk from climate change under varying future scenarios and analyse portfolio alignment and understand potential earnings at risk from carbon pricing on a portfolio level.

		International Scenario referred by S&P Global			
NGFS		Physical Risk	Transition Risk (Carbon Earning at Risk)	Paris Alignment (SDA)	Paris Alignment (GEVA)
NGFS Scenario	NGFS Sub Scenario	IPCC SSPx-y	IEA / OECD	IEA ETP	IPCC SSPx-y
Orderly	Low Demand	IPCC SSP1-1.9	High Scenario (IEA 2C)	Well below 2 degree (IEA Net Zero Scenario-1.5-degree)	Well below 2 degrees (IPCC SSP1-1.9)
Orderly	Net-Zero 2050	IPCC SSP1-1.9	High Scenario (IEA 2C)	Well below 2 degree (IEA Net Zero Scenario-1.5-degree)	Well below 2 degrees (IPCC SSP1-1.9)
Orderly	Below 2C	Low Scenario (IPCC SSP1-2.6)	Medium Scenario (IEA and OECD)	2-degree (IEA ETP 2DS-2-degree)	2-degree (IPCC SSP1-2.6)
Disorderly	Delayed Transition	Low Scenario (IPCC SSP1-2.6)	Medium Scenario (IEA and OECD)	2-degree (IEA ETP 2DS-2-degree)	2-degree (IPCC SSP1-2.6)
Too Little, Too Late	Fragmented World	Moderate Scenario (IPCC SSP2-4.5)	Low Scenario (IEA NPS Scenario)		3-degree (IPCC SSP2-4.5)
Hot House World	NDCs	Moderate-High Scenario (IPCC SSP3-7.0)		3-degree (IEA ETP RTS-2.7 degree)	4-degree (IPCC SSP3-7.0)
Hot House World	Current Policies	Moderate-High Scenario (IPCC SSP3-7.0)			4-degree (IPCC SSP3-7.0)
		High Scenario (IPCC SSP5-8.5)			5-degree (IPCC SSP5-8.5)

We have added a colour coding - green reflects the most climate-aligned scenario.

A Word from our CEO
TCFD Compliance statement
Investing for a world worth living in – our mission
Governance
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Future Focused
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Scenarios continued

Case Study: Baillie Gifford, climate scenarios workshop

Changes under way in our climate and energy systems are complex and uncertain. Taking the time now to explore varied but plausible futures, and considering how different investments may fare, should improve our decision-making. Working with academic partners, Baillie Gifford has created a set of global storylines that bind technology, society and nature across three possible futures: orderly, disorderly and failed climate transitions. These are used by their investment teams to challenge assumptions, test portfolio construction, and generate new ideas.

In November 2024, Brunel invited Baillie Gifford to host the same training for our own teams. Informed by the starting narratives, the day was spent debating the current state of the transition and testing specific asset classes and investments for sensitivity and resilience. Attendees came away with an improved mental toolkit for how to consider the first, second and third order consequences of different climate futures and how that would impact on people, communities, assets, sectors, geographies, economies.

We are supportive of the UK Pensions Regulator's review of how to make climate scenarios decision-useful. The review recognised the benefits of qualitative approaches with clear narratives which complement more quantitative approaches which are still developing.

S&P scenario tool

In their nature, scenarios are uncertain and not a precise science. The scenarios put forward will never come to pass as described but are also based on assumptions and often new and evolving data sets.

Physical Risk

What is it?

Physical risks stemming from climate change can manifest as persistent due to long-term alterations in climate patterns or acutely through specific events such as floods or storms. Supply chain disruptions, operational interruptions and asset damage are all examples of risk implications from physical risk.

How will we use the information?

To pinpoint the assets most vulnerable to climate hazards, using the point in time assessments of exposure to climate hazards.

The financial implications of these physical risks will be assessed by contrasting changes in climate hazard exposure against a location-specific baseline for each asset. This approach allows us to concentrate on the financial materiality of climate hazard exposures for distinct asset categories.

Paris Alignment (SDA & GEVA)

What is it?

Assessing the decarbonisation rates of individual companies in comparison to the targets set by the Paris Agreement. This enables us to track our listed portfolios and benchmarks against the goal of limiting global warming to less than 2°C above pre-industrial levels.

How will we use the information?

To combine the rates and evaluate the overall Paris alignment of the portfolio.

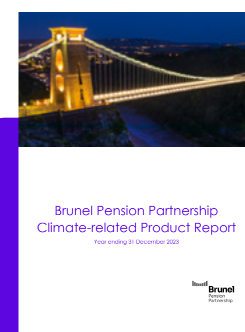
Transition Risk / Earnings at Risk

What is it?

A direct impact on a company's operations, of rising carbon prices, is likely to be seen, where regulations impose a higher price for greenhouse gas emissions. Companies may be vulnerable to pass-through costs of rising carbon prices as suppliers try and recover their own additional regulatory costs.

How will we use the information?

The S&P Earnings at Risk framework allows us to quantify a company's potential exposure to carbon price increases associated with Scope 1 and 2 emissions for holdings from 2025 to 2050.



Our Climate-related Product report provides the application and context of these scenarios and how they relate to our portfolios. New for 2024 – our product reports have been enhanced, and now include our Green revenues, Scope 2 disclosures and EVIC WACI as well as all of the other metrics.

Implementation

"Implementing our climate change policy is not just about ticking boxes or demonstrating progress. Everything we do is designed to make real-world change and we work hard to maximise the impact on our world. We focus on systemic change because, although it can be slow, it allows for the most widespread impact and real-world change.

Our Climate Change Policy targets actions that have the most impact and we strive to exceed expectations and requirements at every stage. We have high expectations for our stakeholders and use our influence to ensure they, as well as we, go further than simply meeting regulatory minimums."

Faith Ward,
Chief Responsible Investment Officer

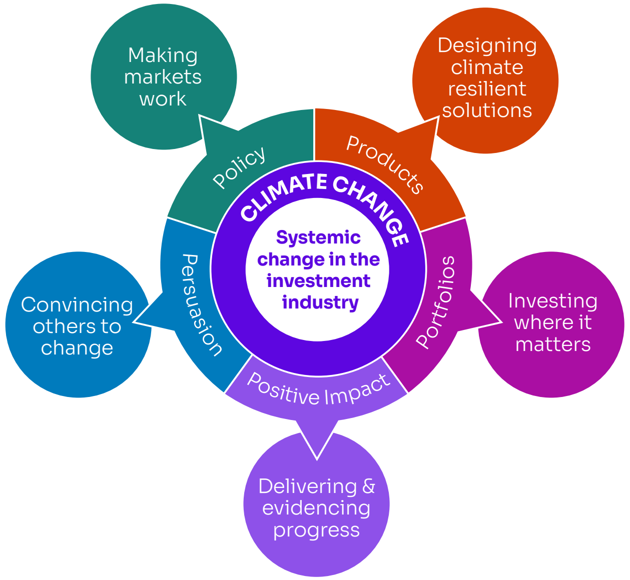
Our climate-related activity, as explained in the strategy section, sits within our Climate Change Policy. As we focus on driving real-world change and influencing the industry to improve, it is not always possible to draw a clear line between our objectives and measurable sources. Where methodologies do not support an objective, proxies are used to demonstrate progress against that objective. Reporting is shaped to align with our five priority areas to report against how each is progressing.

Overall Strategy Target

We commit to be Net Zero on financed emissions by 2050, with the goal of limiting global temperature rise to 1.5°C, and Net Zero on our own operations (scope 1 and 2) by 2030. This commitment is made through the Paris-Aligned Asset Owners, part of the Paris-Aligned Investment Initiative (PAII).

✓ = we have met this target, and will continue to work to maintain this achievement

P = we are progressing against this target



Implementation continued

Policy

We want policy makers to establish comprehensive and robust climate change policy frameworks. These need to deliver significant reductions in greenhouse gas emissions, accelerate progress towards the low carbon economy, and enable effective adaptation to the unavoidable impacts of climate change.

Making markets work

Addressing universal barriers to climate action and supporting a long-term thriving society is a significant strand to Brunel's activity. We use a range of approaches to influence policymakers to establish comprehensive and robust climate change policy frameworks.

Our Policy Advocacy work ranges from supporting policy makers and regulators through responding to consultations, providing advice, participating on working groups, coordinating and signing letters. Within all our activity we promote the need for the Just Transition to encourage this to be a material consideration in change.

Further examples of our work can be found on the Stewardship Pages of our website, and include:

During 2024, Faith Ward was re-elected as the Chair of the IIGCC and appointed as one of three Working Group Chairs to oversee the work of the UK's new Transition Finance Council (TFC).

Work supported by Brunel through the IIGCC included:

IIGCC's Transition Finance Working Group was chaired by Faith Ward, Chief Responsible Investment Officer, Brunel Pension Partnership

IIGCC's Call to Action – calling for a supportive policy environment for long-term investments in the UK's transition to net zero

We continue to influence a wide audience through involvement in industry groups:

International

- International Sustainability Standards Board (member of the Investor Advisory Group (ISSB IAG))

European

- Institutional Investors Group on Climate Change (Board Chair, Co-Chair of the UK Policy Working Group)
- Member of the Paris-Aligned Investment Initiative Steering Group

UK

- Transition Plan Taskforce Delivery Group (member and Co-Chair of the Adaptation Workgroup)

Policy

Target

100% of UK sovereign issuance to be subject to direct or collective engagement.

We continue to deliver against this ongoing target. Although the real impact of the target is outside of our influence, we are confident that we are engaging with 100% of our UK investments.

Implementation continued

Sovereign Debt

Brunel's sovereign debt exposure (around 2% of AUM) is almost all UK-based and designed for the primary purpose of liability matching. As such Brunel's primary risk reduction and Paris Alignment mechanism is linked to UK Government national determined contribution (NDC) and how we support UK policy implementation.

At the UNFCCC conference of the parties (COP29) in Baku, the UK enhanced its 2035 NDC by committing to reducing economy-wide greenhouse gas emissions by at least 81% by 2035, compared to 1990 levels, excluding emissions from international aviation and shipping. Despite this improvement the assessment of UK alignment (and by extension UK sovereign debt) with the Paris Agreement has been downgraded, based on the ASCOR Framework from the assessment published in last year's report. The ASCOR (Assessing Sovereign Climate-related Opportunities and Risks) Project, is an investor-led initiative supported by Investor networks and the Transition Pathway Initiative Centre, based at the Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science.

	Assessment	Next steps
Brunel Climate Target (delivery on commitments)	Yes	Policy advocacy with the UK Government and related policy makers has been an extensive component of Brunel's work and will continue to do so through 2024-25.
UK Government (Brunel summary based on ASCOR data)	Partial	Investors need a comprehensive UK Transition Plan that addresses key deficiencies such as clarity on energy transition (especially relating to fossil fuels), just transition and carbon pricing – these are all established asks of Brunel Policy Advocacy objectives.

The ASCOR Country Assessments are accessible on the TPI website. A summary for the UK are detailed below.

ASCOR Country Assessment – United Kingdom

(only applicable indicators are included)

Emission Pathways	
Emission Trends	Partial
2030 Targets	Partial
Net-Zero Targets	Partial

Climate Finance	
International Climate Finance	No
Transparency in Climate Spending	Yes

Climate Polices	
Climate Legislation	Yes
Carbon Pricing	Partial
Fossil Fuels	No
Sectoral Transitions	Partial
Adaptation	Yes
Just Transition	Partial

Yes Partial No

The International Climate Finance section was downgraded during the 2024 data update (23 Aug 2024).

Products

We want there to be a range of climate resilient products available to our partner funds and the wider investment market that deliver substantial climate change benefits and are Paris-aligned. These investment solutions must help partner funds also meet their future investment goals.

Setting Paris-Aligned targets

Our Climate Change Policy 2023-2030 sets out the ambition to align Brunel, its investments and operations, with the objectives of the Paris Agreement. The strategy is to increase the coverage of Brunel invested assets with a Paris Alignment target until we include all in-scope assets. Despite the geopolitical headwinds Brunel and its partner funds agreed to maintain high ambition but with pragmatic oversight on near term expectation of progress. This has been reflected in both the setting of new targets and in setting the enhanced climate maturity expectations.

Brunel is acutely aware that an enabling policy environment, and the country's transitioning of energy is fundamental for us to achieve targets and therefore acknowledge the scope of the targets may need to be adjusted if it becomes impractical to gather supporting data and be able to evidence progress. This is particularly pertinent to funds both operated and invested in the USA.

Currently, **91% of Brunel's total AUM (which is 97% of in scope assets) is covered by an Alignment Target and we have set an ambition of being at 100% in 2025**.

In line with our ambition to increase coverage of Paris-alignment targets, Brunel has set targets for its Diversified Return Fund and Private Debt portfolios, with Private Equity to follow by the end of the year.

Diversified Returns Fund

The DRF fund is made up of several strategies, all of which are pooled (not directly owned) and are designed to take advantage of alternative sources of alpha in the market. As such the asset managers do not necessarily examine the individual characteristics of individual names, investing instead in groups or baskets of companies. Therefore, our strategy is to focus on the market as a whole and where strategies enable us to do so, select those which are climate aware. We have therefore brought the DRF holdings into the scope of our overall product alignment target;

Brunel's ambition is that by 2040 all assets are i) achieving Net-Zero or ii) meeting a criterion considered to be aligned or iii) aligning*.

*For a directly owned listed market product to be on track for meeting its target, at least 80% of assets must fall into the first and second categories. However as DRF does not contain directly held assets DRF would meet the target even if 100% were still 'aligning' by 2040.

Private Debt

Brunel uses a proprietary tool for assessing private market managers, which includes a mandatory ESG questionnaire completed before investment including a thorough review of climate change strategies, such as the assessment and reporting of carbon footprints, plans for managing carbon emissions, and the use of carbon-related metrics in loan documentation

- **Net Zero Commitment:** Achieve net zero emissions by 2050 or sooner across all private debt investments. Encourage portfolio companies to set science-based targets.
  - **2030:** 40% Net Zero alignment across all private debt investments
  - **2040:** 75% Net Zero alignment across all private debt investments
  - **2050:** 100% Net Zero alignment across all private debt investments
  - Engage with 100% of portfolio companies to drive Net Zero practices
- **Climate Risk Integration:** Integrate climate risk assessments into the investment process

Evaluating alignment includes assessment of carbon emissions reporting of underlying companies for Scope 1, 2, and material Scope 3 emissions as well as total absolute portfolio carbon emissions. Through persistent and persuasive engagement, **90% of managers overseeing our Cycle 3 and Cycle 4 private debt portfolios have pledged their commitment to carbon emissions reporting.**

Implementation continued

Progressing Paris Alignment in listed equities

Brunel's listed equity exposure includes both index tracking and active equity components. As outlined above, one of Brunel's key achievements has been the co-creation of Paris-Aligned indices in 2021, these indices track investments, emphasizing adaptability to industry developments and rebalance annually, tilting the portfolio to companies who characteristics that support Paris Alignment. As at December 2024, **77% of equity index-tracking funds meet the Paris-Aligned index design requirements**.

In our Climate Change Policy 2023-2030 we set out a process, based on climate alignment that describes our basis for climate engagement and, ultimately, where appropriate, selective divestment in our active fund portfolios. This is a sensitive topic, and a careful balance between transparency, accountability, and regulatory requirements must be found.

As a fundamental part of that process the minimum requirements get more stringent over time, to ensure we keep pace with the rapid market, scientific, technological and policy developments and context. These requirements are set in consultation with partner funds and is illustrated in the flow chart below.

October	November	From December	Ongoing	June	Quarterly
CA100+ benchmark to evaluate corporate responsiveness to managing risk transparently	**CA100+ indicators** used to set minimum expectations annually	Expectations reflected in annual updates to **Stewardship Policy, Voting Guidelines** and **Climate Change Policy***	Enhanced engagement on companies at risk from failing	TCFD Report details forward looking expectations, communicates success and summarises exits** post transaction	Risk reporting (in-year)
		Update analysis with end of year holdings. This will detail non-compliant and at-risk companies **within the CA100+ universe**			
		Communicate expectations and controversial companies list to AMs and embed in risk reporting			
		Selective divestment process initiated			
		Briefing paper setting out climate maturity minimum expectations and next steps			
		Confidential Pension Committee Briefing paper on requirements and at-risk companies			

* Climate policy update in 2024/ 2026
** Exits may not be solely driven by climate concerns

Implementation continued

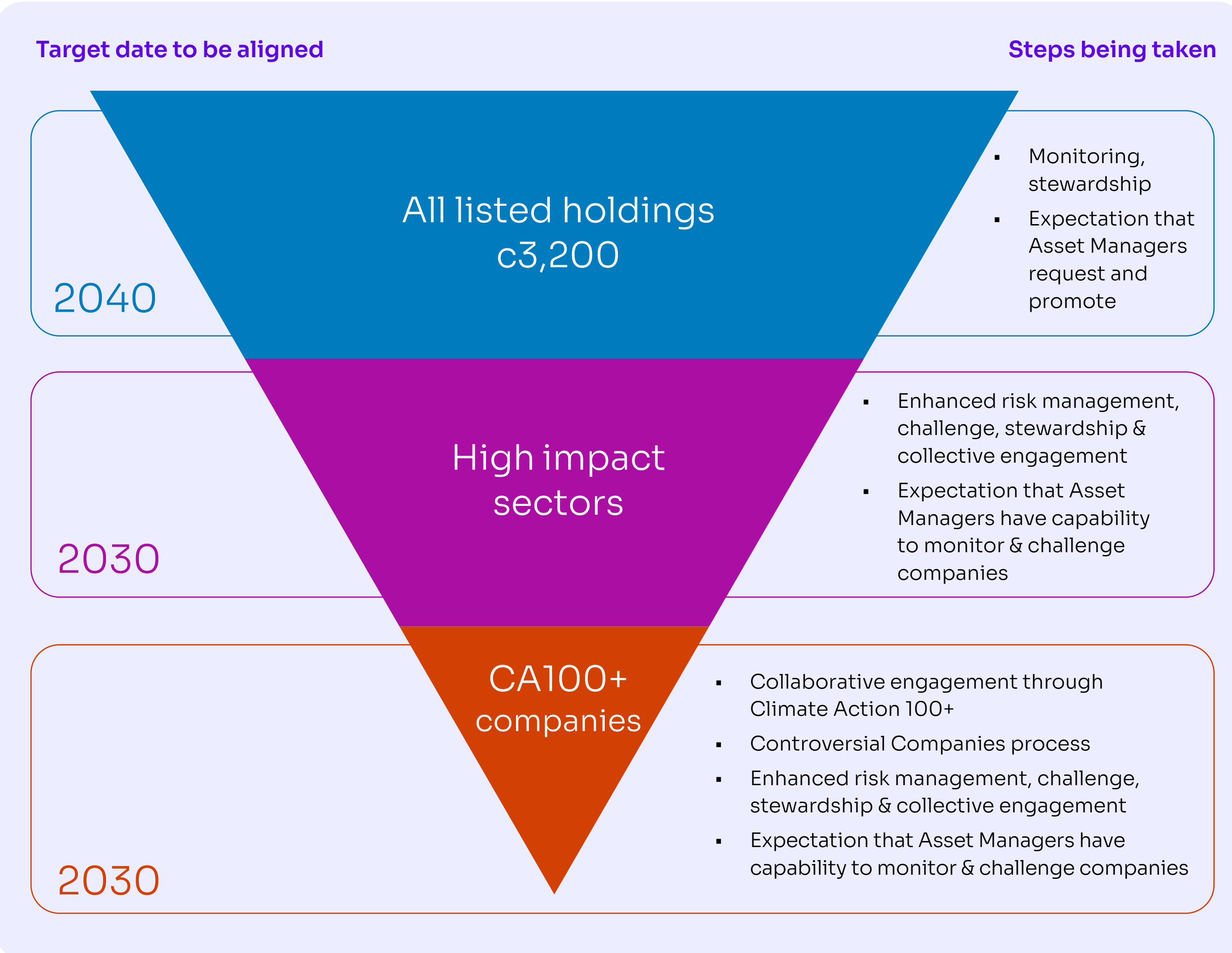
Who this applies to

Our 'climate alignment' criteria is detailed below ('our expectations') and applies to all of our listed holdings. When we expect them to become 'climate aligned' is based on the impact they have on the climate.

Holdings are grouped, based on this impact assessment, into:

- Listed holdings – c.3,200 companies held by Brunel
- High impact sectors – those companies that are part of a specified list of high impact sectors
- Climate Action 100+ companies – 165 organisations, identified by Climate Action 100+ (CA100+), an investor-led initiative, as the world's largest corporate greenhouse gas emitters

This grouping of our listed holdings is also used to prioritise our engagement activity, and underpins the steps taken to engage with the holdings.



Implementation continued

Summary of Alignment Maturity Expectations for 2025/2026

No.	Climate Action 100+ Disclosure Indicator	Essential for all markets	Strongly Recommended
1	Net-zero GHG Emissions by 2050 (or sooner) ambition	Meets all criteria (partial is acceptable for emerging markets)	
2	Long-term (2036-2050) GHG reduction target(s)	Yes - meets all criteria	
3	Medium-term (2026 to 2035) GHG reduction target(s)	Yes - meets all criteria **OR** Partial – meets some criteria	
4	Short-term (up to 2025) GHG reduction target(s)	Yes - meets all criteria **OR** Partial – meets some criteria	
5	Decarbonisation strategy	Yes - meets all criteria **OR** Partial – meets some criteria (DM only)	
6	Capital allocation alignment		Yes - meets all criteria **OR** Partial – meets some criteria
7	Climate policy engagement		Yes - meets all criteria **OR** Partial – meets some criteria
8	Climate Governance		Yes - meets all criteria **OR** Partial – meets some criteria
9	Just transition: The company considers the impacts from transitioning to a lower-carbon business model on its workers and communities		Yes - meets all criteria **OR** Partial – meets some criteria
10	Disclosure (TCFD or equivalent)	Yes - meets all criteria **OR** Partial – meets some criteria (DM only)	
11	Historical GHG Emissions Reductions (Beta)		Yes - meets all criteria **OR** Partial – meets some criteria

Here we only detail our expectations in relation to climate alignment, a subset of the more holistic climate risk assessment and stewardship expectations of holdings. For example, we also expect plans to be held to demonstrate management of physical climate risk and resilience.

Our expectations use the CA100+ 'Alignment Maturity' indicators, and form our baseline requirements of organisations, we of course, encourage companies in all groups to exceed these standards. For the 2024/25 cycle we formally included TPI Management quality scores in the evaluation process.

CA100+ is an initiative that aims to ensure that the world's largest listed corporate emitters take action on climate change. We use the CA100+ Net-Zero Company Benchmark, to help prioritise activity and target 'systemically important emitters. The Benchmark is not a disclosure mechanism or database itself, rather an evaluation tool - assessing companies against eleven indicators (see left).

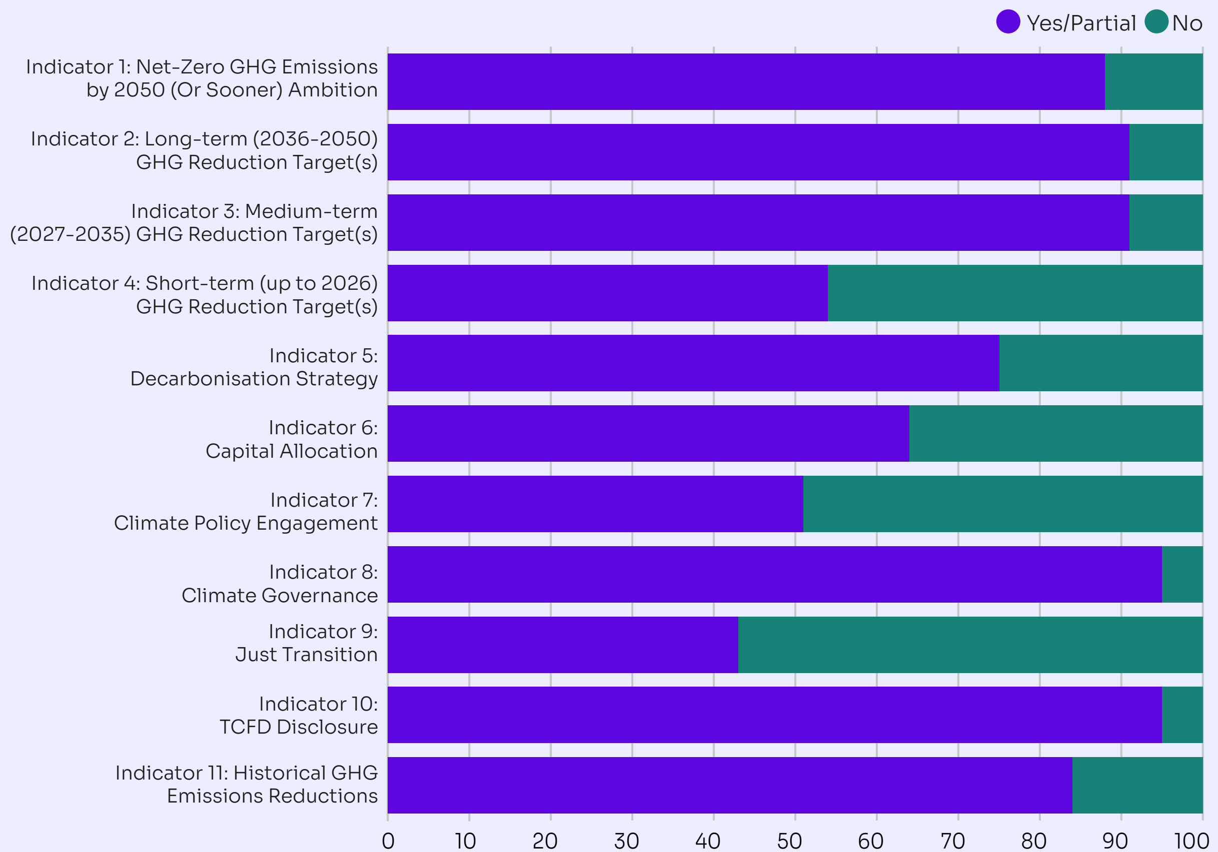
For those companies held in our active segregated portfolios which are part of the CA100+ benchmark, we have established an escalated stewardship approach. Companies unable to comply with baseline criteria, either through the CA100+ benchmark evaluation or in the provision of credible evidence, will be challenged via the asset manager and if designated "climate controversial" are likely subject to selective divestment within 12 months of completion of each annual cycle of evaluation.

As at 30 September 2024, Brunel had exposure to 129 of the 165 companies covered by CA100+ across our active and passive equities portfolios. Of these 32 are held in active portfolios and form part of the "climate controversial" process.

Implementation continued

CA100+ companies held by Brunel

Demonstrating whether the companies that Brunel has exposure to, within the CA100+, meet each of the ten indicators as listed in the table above (the 11th indicator shown in the later table was added in 2024)



As at 30 September 2024, Brunel had exposure to 129 of the 165 companies covered by CA100+ across our active and passive equities portfolios.

2024 controversial companies

In 2024 our definition of a controversial company was one that was unable to meet the requirements relating to ambition, target setting and levels of disclosure. Several companies in scope have left the portfolios due to portfolio turnover and changes in asset and manager allocations. Phillips66 was identified as a company that was not progressing in line with our climate policy expectations and in the context of the portfolio and has subsequently been exited.

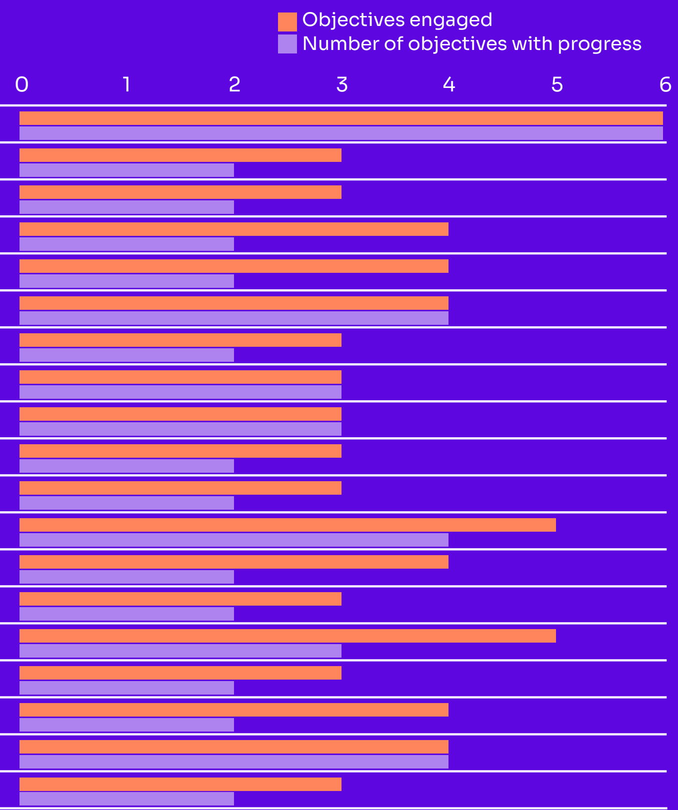
Exiting companies is seen as the last resort and where engagement with the company has not been sufficiently successful. We look to asset managers to undertake engagement with companies on all ESG and business-related risks. In addition, we work with our engagement research provider, EOS at Federated Hermes (EOS) to deliver ongoing engagement and activity with CA100+ companies, and this has helped contribute to a large number of companies making significant commitments to action.

Implementation continued

EOS progression of Climate Action 100 engagements

Brunel holds 129 CA100+ companies in total: 121 within index tracking portfolios (including Paris-aligned funds) and 44 in active portfolios*. The below graph provides EOS' progress report on engagement with some of these companies through CA100+.

Company Name	EOS Sector	Participation
Air Liquide	Chemicals	Co-lead
LyondellBasell Industries	Chemicals	Co-lead
Danone	Consumer Goods	Co-lead
Lockheed Martin	Industrials	Co-lead
Siemens Energy	Industrials	Co-lead
Holcim	Mining & Materials	Support
Anhui Conch Cement Co	Mining & Materials	Support
CRH	Mining & Materials	Support
POSCO Holdings	Mining & Materials	Co-lead
Rio Tinto	Mining & Materials	Support
thyssenkrupp	Mining & Materials	Support
TotalEnergies	Oil & Gas	Co-lead
Marathon Petroleum	Oil & Gas	Support
Valero Energy	Oil & Gas	Support
Bayer	Pharma & Healthcare	Support
Carrefour	Retail & Consumer Services	Support
Caterpillar	Transportation	Co-lead
Engie	Utilities	Support
Fortum	Utilities	Support



Source: EOS data

*Some companies appear in both the index tracking portfolios and the active portfolios.

Products

Target

P 100% AUM in material (high impact) sectors* In developed listed equities that are i) achieving Net Zero or ii) meeting a criterion considered to be aligned or iii) aligning** by 2030, extending to all markets by 2040.

P Brunel's ambition is that by 2040 all listed assets are i) achieving Net Zero or ii) meeting a criterion considered to be aligned or iii) aligning***.

* Currently in scope are listed companies on the Climate Action 100+ focus list; companies in high impact sectors consistent with Transition Pathway Initiative sectors including banks.

** Note that, for a product to be on track for meeting its target, at least 80% of assets must fall into in the first and second categories

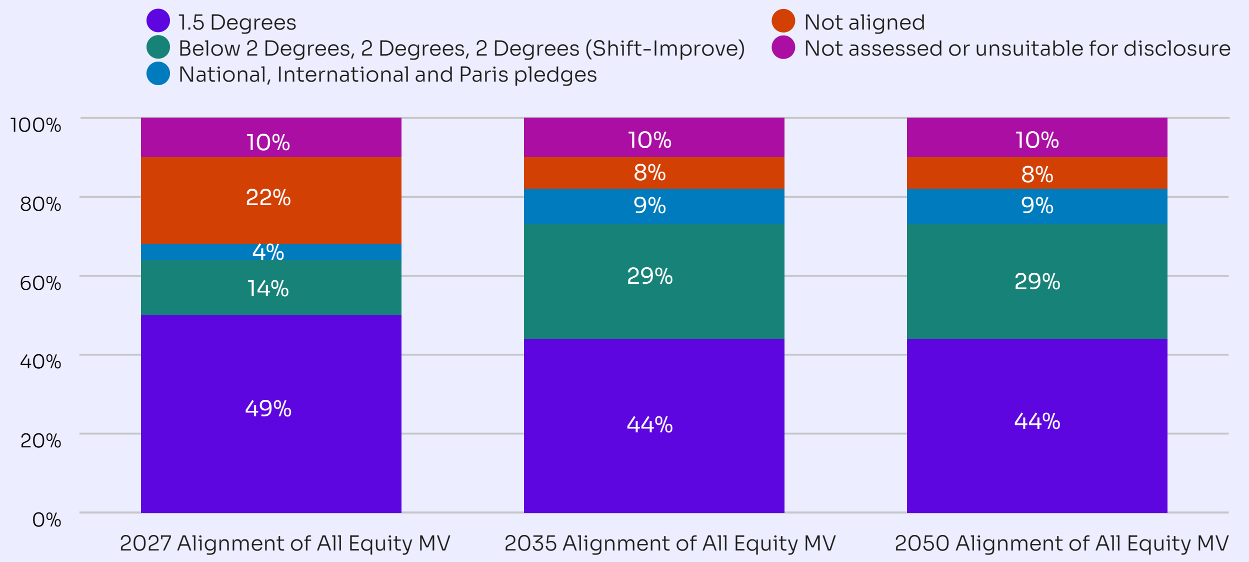
*** Note that, for a product to be on track for meeting its target, at least 80% of assets must fall into in the first and second categories

Looking at Paris alignment with sector specific lens

Whilst CA100+ is sector-neutral, TPI Carbon Performance allows us to evaluate companies in the context of their performance compared to their peers and sectoral decarbonisation pathway. We use TPI data because it is grounded in publicly available disclosures, which are subject to independent, academically rigorous, and transparent analysis. This ensures the data's reliability and credibility. TPI provides a view of companies' approaches to the low-carbon transition, evaluating both Management Quality and Carbon Performance. These two interconnected assessments offer insights into both a company's historical actions and, crucially, its future trajectory in reducing carbon emissions, providing us with more accuracy on transition risk in our portfolios.

Alignment of Listed Equity Holdings using TPI Carbon Performance

This shows the percentage of our listed equity holdings that have company alignment targets with the UN Paris Agreement goals, using several benchmark scenarios for each sector, which in most sectors are: 1.5 Degrees, Below 2 Degrees and National Pledges.



As at December 2024

Our use of TPI data includes:

- **FTSE Russell Paris-aligned benchmark series:** developed in coordination with FTSE Russell, the benchmark series not only meets the minimum requirements of the EU's Paris-aligned benchmark criteria by achieving a 50% reduction in carbon emissions over a ten-year period but goes a step further by integrating forward-looking metrics and governance protections from TPI
- **Voting guidelines:** we will selectively engage and vote against relevant company directors that are in the broader TPI universe if they are a material contributor to our financed emissions and have not at least reached Level 3 of the TPI framework, their strategy is not aligned to net zero ambitions, or they are not progressing against any of the alignment indicators. Companies in the oil and gas, coal mining, electric utilities, diversified mining or automotive sectors, and/or European, UK, Australian or New Zealand companies scoring below Level 4 will also be flagged
- **Risk reporting:** we incorporate TPI's Management Quality Scores and Net Zero Alignment criteria into our quarterly risk reporting on listed equities and corporate bonds to identify and manage areas of risk. Assets identified as risks are typically challenged directly with investment managers, with the TPI data being used as a reference point
- **Net Zero frameworks:** we work with investment managers on developing Net Zero/alignment frameworks. The TPI data/framework is a useful reference point to share with asset managers. The factors considered in the TPI data commonly form part of asset managers proprietary alignment indicators

Implementation continued

Portfolios

We want our investment portfolios to be resilient under a range of climate change scenarios (both mitigation and adaptation). We want to adopt best practices on climate risk management and to work with our managers to further improve and develop our processes.

Investing where it matters

Climate risk mitigation is firmly embedded in Brunel's manager appointment, monitoring and risk processes, supported by both routine engagements and our partnership approach to working, but also with the quarterly reporting of key metrics.

Quarterly reports detailing stewardship actions and carbon metrics are published on our website and detailed versions are shared with our partner funds. The reports include emission intensity and fossil fuel exposure, as well as other metrics and provide an ongoing view of climate-related financial risks. In addition to publishing these openly, they are shared with the Brunel Board, Brunel Oversight Board and Partner fund Group.

ESG and carbon-specific datasets are used to monitor and report, both internally and externally, on the risks within our investment portfolios.

Listed markets carbon metrics – for each portfolio

- Absolute carbon emissions
- Carbon to value intensity
- Disclosure rates
- Weighted Average Carbon Intensity (WACI)
- Fossil fuel related activities
- Fossil fuel reserves exposure
- Potential emissions from reserves
- Green Revenues
- Scenario analysis including alignment and climate value-at-risk

Brunel stresses the need to look at companies and assets across multiple metrics, as no one metric will be useful in isolation.

We have set a number of metrics and targets for our listed equity portfolios, which are outlined in our Climate Change Policy. A detailed breakdown of each portfolio, and wider metrics are included in our Climate-related Product Report. These have evolved from our previous Carbon Metrics reports, to further meet, and exceed, the requirements set out by TCFD.

Each of our partner funds receives a Climate-related Product Report annually, with the information reported for the underlying portfolios they are invested in, as well as their own 'Aggregate Portfolio'.

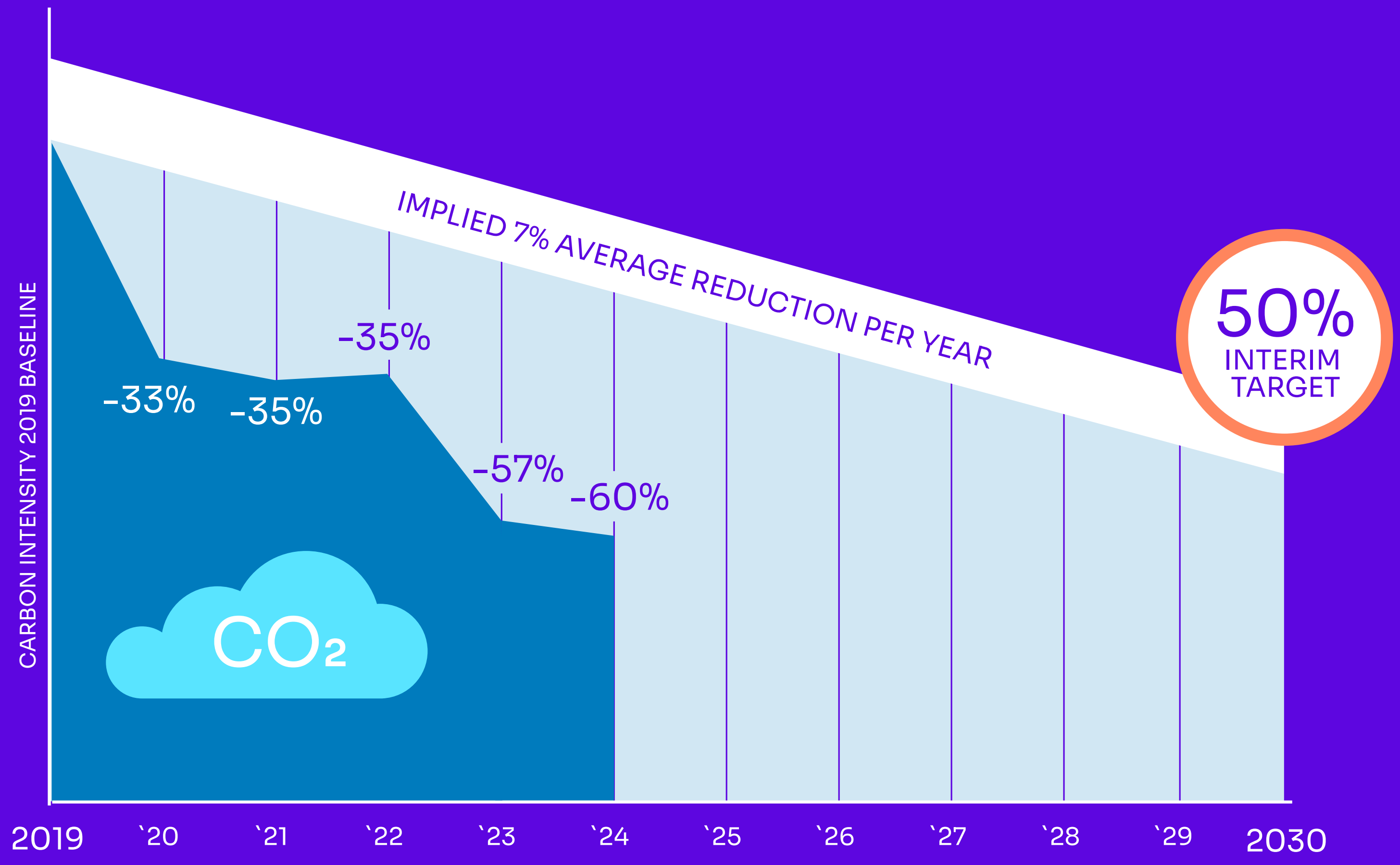
Portfolios

Target

Reduce emission carbon intensity (scope 1&2) for all Brunel's listed equity and corporate bond portfolios by 50% by 2030, using a trajectory of at least 7% per annum reduction, from baseline of investable universe as at 31/12/2019 (or appropriate subsequent date).

Implementation continued

All listed portfolios have achieved at least **7%** per annum reduction from the 2019 baseline. The aggregate Brunel portfolio has achieved a reduction of **60%** from the baseline of 2019 to 2024.



Implementation continued

Carbon metrics reporting overview

To allow for aggregate reporting, the Brunel Aggregate Portfolio has been used, along with a 'custom strategic benchmark' where appropriate.

The Brunel Aggregate Portfolio is made up of Brunel's listed market portfolios weighted by value of investments as of 31 December 2024. The custom strategic benchmark is used to enable a meaningful comparison. It is made up of the individual benchmarks from the Brunel portfolios and weighted accordingly, as of 31 December 2024.

Weighted Average Carbon Intensity (WACI)

The WACI, following the current recommendations of the Partnership for Carbon Accounting Financials (PCAF Standard), shows a portfolio's exposure to carbon-intensive companies. This measure is determined by taking the carbon intensity of each company and weighting it based on its holding size within the portfolio. It is a useful indicator of potential exposure to transition risks as carbon-intensive companies are more likely to be exposed to potential carbon regulations and carbon pricing.

The WACI of the Brunel Aggregate Portfolio (BAP) is below its Strategic Benchmark, with a relative efficiency of +24%. This relative efficiency has remained static, as both the portfolio and the benchmark have reduced. Our collaborative approach to working with our asset managers is a long-term commitment, and as such we look at the trend, and improvements since a 2019 baseline.

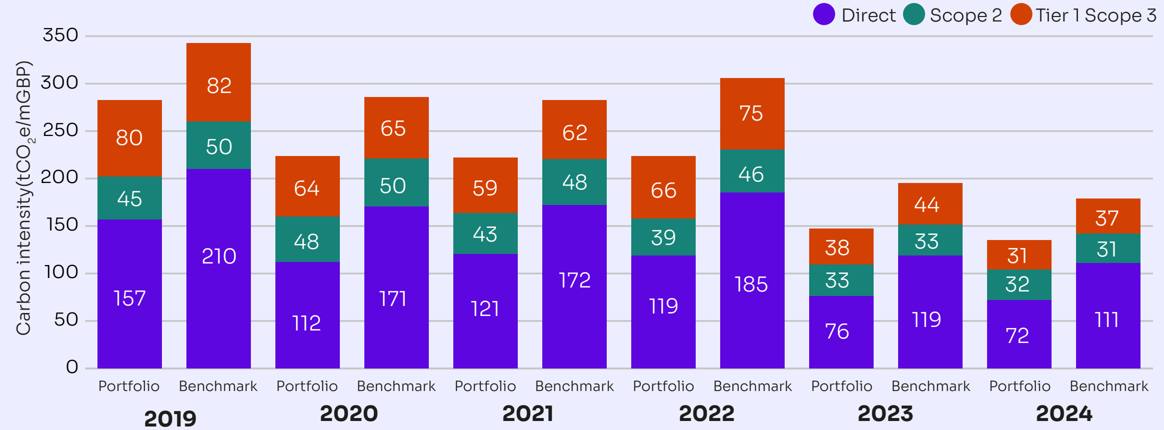
Carbon Intensity

Portfolio	Reduction %	2024 Portfolio	2019 Baseline
Aggregate	60.56%	135	343
Active Portfolios			
Global High Alpha Equities	69.68%	91	301
Global Sustainable Equities	40.10%	200	334
UK Active Equities	56.16%	124	282
Emerging Markets Equities	71.29%	164	570
Global Small Cap Equities*	50.20%	154	309
Low Volatility Global Equities	67.93%	107	334
Sterling Corporate Bonds**	40.95%	109	184
Passive Portfolios			
PAB Passive Global Equities	62.18%	115	303
CTB Passive Global Equities	53.47%	141	303
Passive Developed Equities	45.69%	165	303
Passive UK Equities	44.40%	156	281
Passive Smart Beta	42.94%	316	554

*Updated methodology in 2020 means we have taken December 2020 as a baseline for the Brunel Global Small Cap Equities
**This Portfolio has a baseline of 31 December 2021

Implementation continued

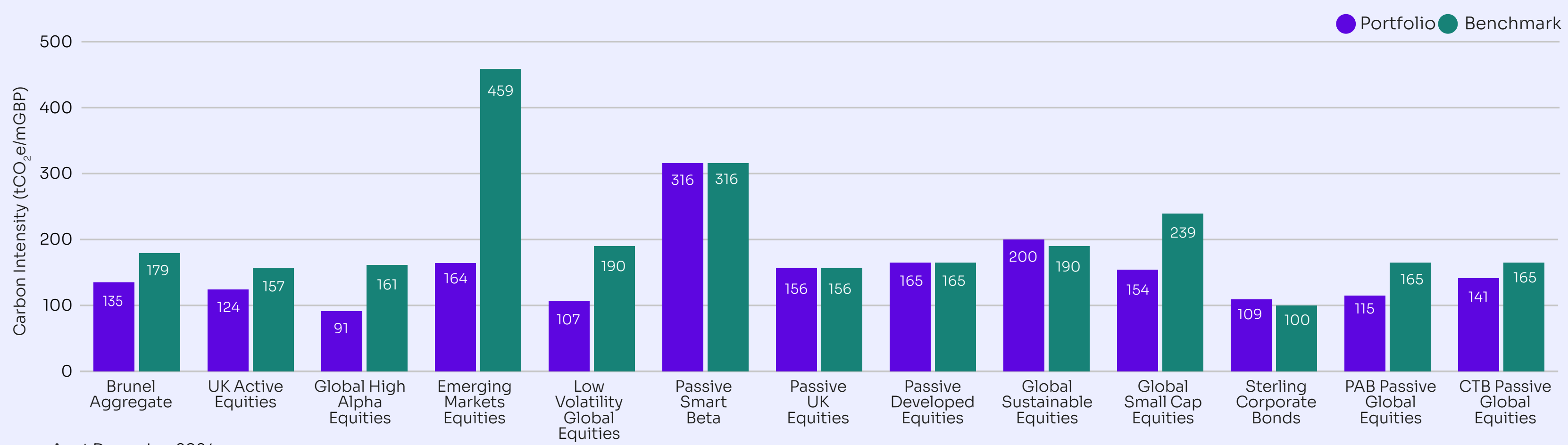
Brunel aggregate Weighted Average Carbon Intensity (WACI)



As at December 2024

Of the sub-portfolios, the highest intensity was the Brunel Passive Smart Beta Portfolio (316 tCO2e/mGBP), while the lowest one was the Global High Alpha Equities (91 tCO2e/mGBP).

Carbon Intensity of each portfolio



As at December 2024

Implementation continued

Disclosure Rates

This is a key metric for indicating the quality of data and comparability of corporate disclosures. It is essential to improving the quality of carbon disclosures.

We report on the level of company disclosures for the Brunel Aggregate Portfolio and each relevant Brunel portfolio.

The definitions of these are below:

Full Disclosure – Companies reporting their own carbon data (e.g. in financial reports, CDP disclosures etc) across the different Kyoto protocol gases* whereas previously only an aggregate emissions figure was required.

Partial Disclosure – The data disclosed by companies has been adjusted to match the reporting scope required by the research process. This may include data from previous years' disclosures, as well as changes in business activities.

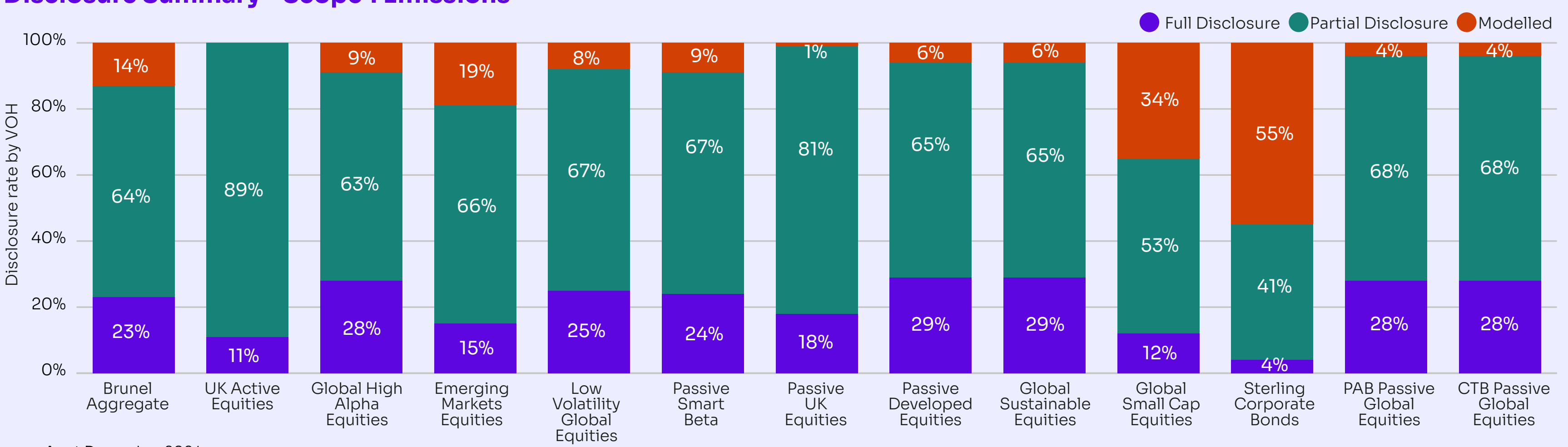
Modelled – In the absence of usable or up-to-date disclosures, the data has been estimated by employing S&P models.

Brunel's public policy position is to call for mandatory direct disclosure of scope 1, 2 and material scope 3 emissions data, removing the need for modelled disclosures.

Company disclosures rates are based on Scope 1 emissions, where the rate of companies in the Brunel Aggregate Portfolio for which fully disclosed carbon data was available was 35% (GHG weighted) and 23% (value weighted). It is positive to note that both GHG and value weighted modelled scope 1 disclosure rates have reduced in 2023.

*The Kyoto Protocol covers the following greenhouse gases:
- Carbon dioxide (CO2)
- Methane (CH4)
- Nitrous oxide (N2O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride (SF6)
- Nitrogen trifluoride (NF3)

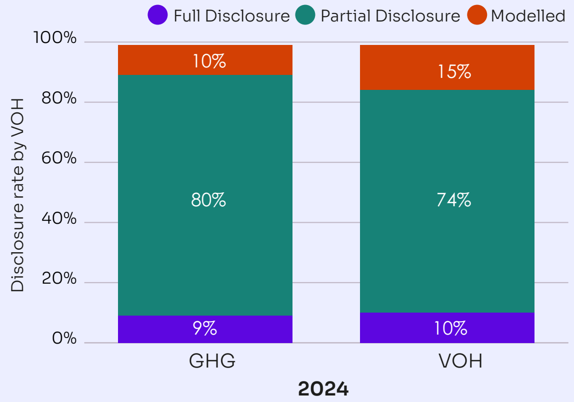
Disclosure Summary – Scope 1 Emissions



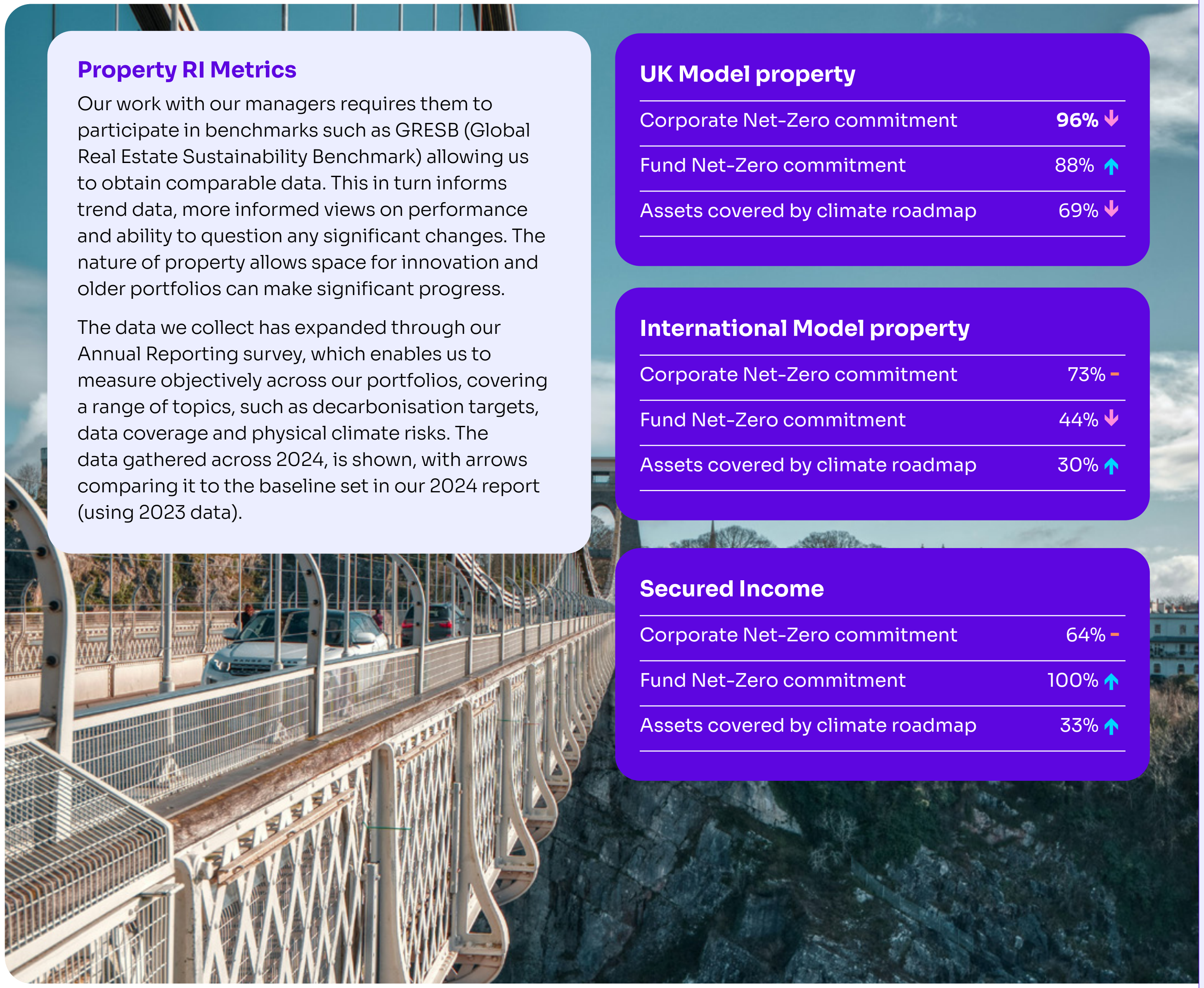
As at December 2024

Implementation continued

Disclosure Summary Scope 2



We have introduced Scope 2 emissions disclosure to enhance transparency as data quality improves. Scope 2 covers indirect emissions from purchased electricity, steam, heating, and cooling. Currently, only location-based data is included, with market-based data planned for future reports. The summary shows the proportion of holdings with full, partial, or modelled data across reported greenhouse gas emissions and value of holdings.



Property RI Metrics

Our work with our managers requires them to participate in benchmarks such as GRESB (Global Real Estate Sustainability Benchmark) allowing us to obtain comparable data. This in turn informs trend data, more informed views on performance and ability to question any significant changes. The nature of property allows space for innovation and older portfolios can make significant progress.

The data we collect has expanded through our Annual Reporting survey, which enables us to measure objectively across our portfolios, covering a range of topics, such as decarbonisation targets, data coverage and physical climate risks. The data gathered across 2024, is shown, with arrows comparing it to the baseline set in our 2024 report (using 2023 data).

UK Model property

Corporate Net-Zero commitment	**96%** ↓
Fund Net-Zero commitment	88% ↑
Assets covered by climate roadmap	69% ↓

International Model property

Corporate Net-Zero commitment	73% –
Fund Net-Zero commitment	44% ↓
Assets covered by climate roadmap	30% ↑

Secured Income

Corporate Net-Zero commitment	64% –
Fund Net-Zero commitment	100% ↑
Assets covered by climate roadmap	33% ↑

Implementation continued

Portfolios

Brunel Scope 3 Disclosure Targets

- P 100% of AUM in largest directly held IT companies to disclose their own upstream and downstream Scope 3 emissions by 2030
- P 100% of directly held high impact and banks to disclose their own material Scope 3 emissions by 2030

On p.36 we outline why this is a part of our strategy

Scope 3 Targets

We are still developing the methodology and reporting processes to support the Scope 3 disclosure targets relating to the listed companies in which we invest. We set out our approach below, but acknowledge that baselines and methodologies might change as we refine our reporting. We have drawn heavily on the guidance produced by the IIGCC's supplementary guidance: Scope 3 emissions of investments and FTSE Russell, Scope for improvement - Solving the Scope 3 conundrum.

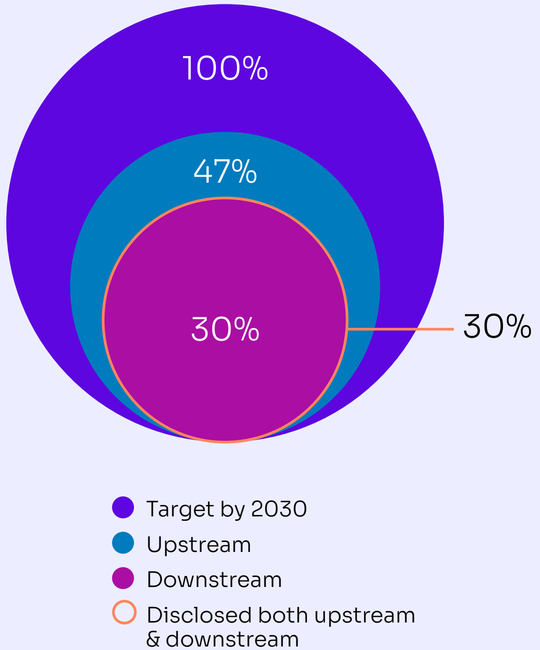
Information Technology

The 'largest directly-held IT companies' are defined as the top 20 companies held within the GICS Information Technology sector. By value of holdings (VoH) the top 20 companies make up approximately two thirds (c.67%) of Brunel's direct IT holdings, in the segregated listed equity and corporate bond portfolios, as of Q4 2024.

Among the top 20 IT companies:

- 7 companies (VoH: 30%) disclosed both upstream and downstream Scope 3 emissions
  - Of these, 6 companies are within the Top 10 by VoH
- 14 companies (VoH: 47%) disclosed material upstream Scope 3 emissions
- 7 companies (VoH: 30%) disclosed material downstream Scope 3 emissions

For context, we conducted a rough calculation using the S&P Tier 1 Scope 3 data point to understand exposure on a GHG basis. While this metric does not perfectly align with the 15 defined Scope 3 categories, it suggests that the Top 20 IT companies account for 37% of Tier 1 Scope 3 emissions (on an absolute basis) across the entire IT GICS sector.

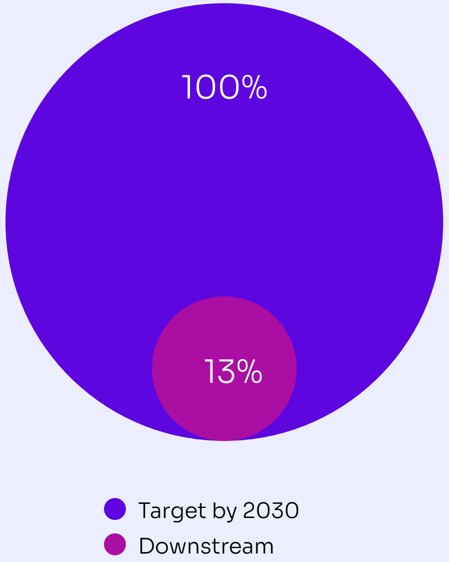


Material upstream and downstream for Scope 3 for IT sectors is purchased 'goods & services' and 'use of sold products'

Implementation continued

Banks

- Out of 52 directly held banks, 7 banks disclosed material Scope 3 emissions related to investments
- These represent 13% of the bank VoH within Brunel's active equity holdings



Material upstream and downstream for Scope 3 for banks is investment. Upstream is not applicable.

High Impact Companies

There are 444 companies classified as high impact across multiple sectors in directly held listed equities.

As an initial analysis based on the FTSE Russell Scope 3 Conundrum paper, the following two categories appear to be material across most sectors:

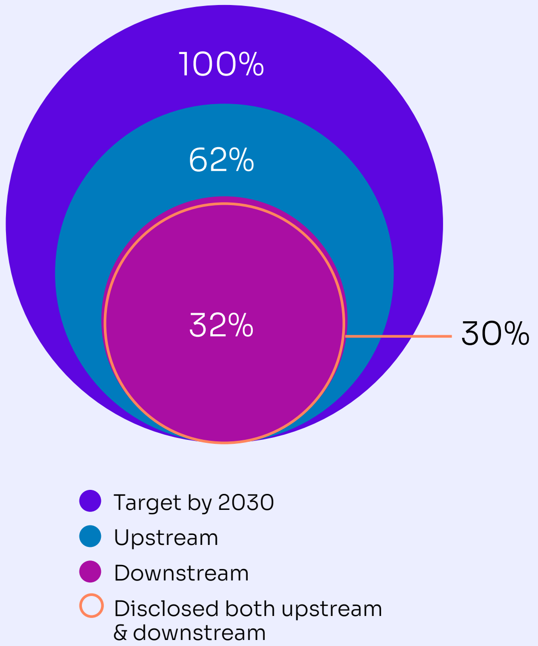
- Upstream: Purchased Goods and Services
- Downstream: Use of Sold Products

Applying this approach to the high-impact group yields:

- 62% of VoH with material Scope 3 in Purchased Goods and Services
- 32% of VoH with material Scope 3 in Use of Sold Products

30% of VoH disclose on both

We will continue to explore how to analyse and report Scope 3 emissions for these 3 key areas of our strategy.



Material upstream and downstream for Scope 3 for High impact sectors is 'purchased goods & services' and 'use of sold products'.

Implementation continued

Positive Impact

We want to enable investments in activities that directly support the low carbon transition and that enable effective adaptation to the unavoidable impacts of climate change.

Positive Impact

Target

We commit to providing investment opportunities across asset classes to contribute to Brunel's own alignment, which, in turn, allows partner funds to meet their climate solutions targets.

- ✓ Global Sustainable equity portfolio (reporting green revenues)
- ✓ Green, Climate and SDG bonds (report % AUM and £m)

15.6% of the GSE Portfolio is exposed to Green Revenues on a Weighted Average basis. This equates to **£603,021,301.7** of the portfolio being exposed.

As at the end of the quarter, the portfolio held 54 labelled bonds (10.1% weight):

Type	%	£ Value
Green Bond	3.58%	£103,157,741.08
Social Bond	1.65%	£47,438,295.08
Sustainability-linked Bond	0.96%	£27,735,762.37
Sustainable Bond	3.90%	£112,341,291.96
Total	**10.10%**	**£290,673,090.49**

As of 31 December 2024

Implementation continued

Positive Impact

Target

Brunel's Infrastructure portfolios have strong ESG credentials, limiting exposure to high climate impact areas and have strategy targets including;

- Cycle 1: >35% in renewable energy
- Cycle 2: 50% in renewable and climate solutions
- Cycle 3: 70% minimum target for Sustainable Infrastructure, of which at least 40% (i.e. most of the SI allocation) will be in climate solutions

These metrics are calculated using the FTSE Green Revenues methodology developed by FTSE Russell and adapted to infrastructure by StepStone.

Sustainable Investment Exposure Summary

Sustainable Exposure Summary	Percentage Sustainable Exposure	Value of Sustainable Exposure
Cycle 1	76%	£348,055,040.14
Cycle 2-G	73%	£227,030,218.55
Cycle 2-R	100%	£398,110,356.03
Cycle 3	94%	£247,867,506.85
Aggregate	85%	£1,221,063,121.57

As of 30 September 2024

Sustainable Investment Exposure Breakdown by Sub-Sector

Sector	Sub-Sector	Value	%
Energy Generation	Cogeneration	£45,206,898.51	3.2%
	Hydro	£593,090.51	0.0%
	Mixed Renewables	£170,022,274.86	11.9%
	Solar	£263,522,200.47	18.4%
	Waste to Energy	£10,830,324.51	0.8%
	Wind	£250,823,918.24	17.5%
	Geothermal	£3,081,302.26	0.2%
Energy Management and Efficiency	Buildings & Property (Integrated)	£68,982,902.12	4.8%
	IT Processes	£7,274,918.46	0.5%
	Power Storage	£36,403,294.18	2.5%
	Smart & Efficient Grids	£42,884,850.74	3.0%
	Energy Management Logistics & Support	£3,544,370.82	0.2%
Environmental Support Service	Smart City Design & Engineering	£127,819,781.65	8.9%
Transport Equipment	Railways	£37,848,371.42	2.6%
	Road Vehicles	£14,547,280.10	1.0%
	Shipping	£9,116,497.78	0.6%
Transport Solutions	Railways Operator	£14,027,810.01	1.0%
Waste and Pollution Control	Waste Management	£27,556,383.70	1.9%
Water Infrastructure and Technology	Water Infrastructure	£3,725,366.48	0.3%
	Water Utilities	£41,888,158.85	2.9%
Food & Agriculture	Sustainable Plantations (Tier 2)	£28,424,816.57	2.0%
	Agriculture	£12,938,309.33	0.9%
Unassigned	Unassigned	£213,375,128.01	14.9%
	Grand Total	**£1,434,438,249.58**	**100.0%**

As of 30 September 2024

Persuasion

Convincing others to change

We want the companies and other entities we invest in and contract with to support the transition to the low carbon economy, and to ensure that they are resilient to the unavoidable impacts of climate change.

Stewardship is a key tenet of our approach across RI, with extensive information to be found in our Responsible Investment & Stewardship Outcomes Report. Our approach to persuading companies to act upon climate change mirrors our overall engagement approach.

Within our Climate Change engagement, we also prioritise focus on physical climate risk, adaption and nature based solutions to allow us to effectively target our resources.

Amplifying our stewardship

In partnership with our asset managers

We:

- Work only with managers who are aligned with our approach to RI
- Set out clear expectations through our selection and appointment,monitoring and dialogue
- Support knowledge and capacity building in their teams
- Monitor and review performance against stewardship objectives

Asset Managers:

- Consider stewardship from the outset and as a core part of stock selection
- Engage directly with companies within their portfolios and constructively challenge them on their RI credentials

With a world-leading stewardship service provider

We:

- Provide clear expectations, through an annual survey, our RI Strategy and ongoing dialogue to inform their annual engagement plan
- Learn and expand our internal knowledge
- Vote directly where our views differ

EOS at Federated Hermes Limited (EOS):

- Leverage their representation of $2.1 trillion to provide impactful, consistent long-term engagements
- Provide enhanced tracking and outcome reporting
- Implement votes on our active portfolios
- Share knowledge and expertise with Brunel

Playing our part in collaborative initiatives

We lend our voice and expertise to wider efforts:

- Developing industry frameworks
- Convening and driving industry initiatives
- Supporting the asset owner community in cross-thematic issues
- Joining collaborative company engagements on priority issues

Directly where we can add value

We will engage directly where;

- we have specific expertise
- see a gap in the industry
- can amplify the efforts of our stakeholders
- have a history of engagement

We also include our Policy advocacy work as part of direct engagement.

Examples include ISSB, and the Transition Finance Council.

Implementation continued

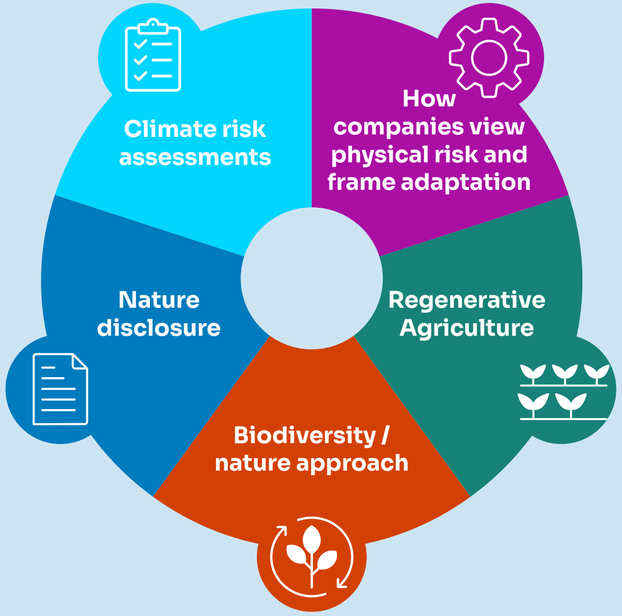
Case Study:
Tackling climate and nature physical risk in food and beverage companies

Physical climate risks play out through extreme weather events such as droughts, heat waves, water scarcity as well as flooding and increased pest and disease activities. They present risks to the operations of companies and create disruption to supply chains. While companies have strengthened their focus on decarbonisation, they are not adequately considering or responding to physical risk. Only 23% of companies in consumer staples – such as food and drinks products - have adaptation plans to address climate physical risks according to an S&P Global Assessment.

For this reason, Brunel Pension Partnership has developed an engagement on climate physical risks and biodiversity with consumer staples companies with support from Chronos Sustainability. The engagement aims to help companies assess, manage and adapt to climate impacts, and understand how biodiversity is used to increase resilience, whilst building investor capacity for effective stewardship on these issues.

Brunel and its participating partner funds, the pension funds for Avon, Cornwall, Environment Agency, Oxfordshire and Wiltshire, supported the selection of companies and development of the engagement framework and methodology which assesses companies on their approach to climate physical risks across the four key areas: governance; strategy; risk and impact management; and metrics and targets. An initial assessment based on publicly disclosed information provides a basis for the engagement and to track progress against.

In March 2024, engagement letters were sent to 20 focus companies. As of March 2025, 15 companies responded to the letter, 14 companies have completed one round of dialogues and 13 remain engaged in a second round of dialogues currently underway. Designing the programme to maximize partner fund participation on the calls has allowed them to bring their concerns and expectations of their beneficiaries directly to the staff focused on these topics within the companies.



The dialogues have been constructive. Most companies brought their technical experts to the conversation providing insights and examples that could not have been gleaned from reporting alone. The focus has been on the integration of climate adaptation and nature into climate risk strategies with leading companies sharing examples of good practice.

Key improvements

Through the first engagement meetings, four companies discussed with us how their boards have oversight on climate physical risks and biodiversity and two clarified the scope of their risk assessment. Feedback was provided to the companies during the dialogues that investors would like to see this information in the public reports to understand the company's approach to the topic.

Key insights

The meetings highlighted gaps in disclosure, but it became apparent that companies are doing more than they are reporting on. Based on the engagement with 13 companies, several key observations and areas of focus for improvement have emerged:

- The scope and quality of climate risk assessments varies significantly between companies such as the percentage of operations and supply chain which are covered, the use of location data, multiple time horizons and climate scenarios. How companies

Case Study:
Tackling climate and nature physical risk in food and beverage companies continued

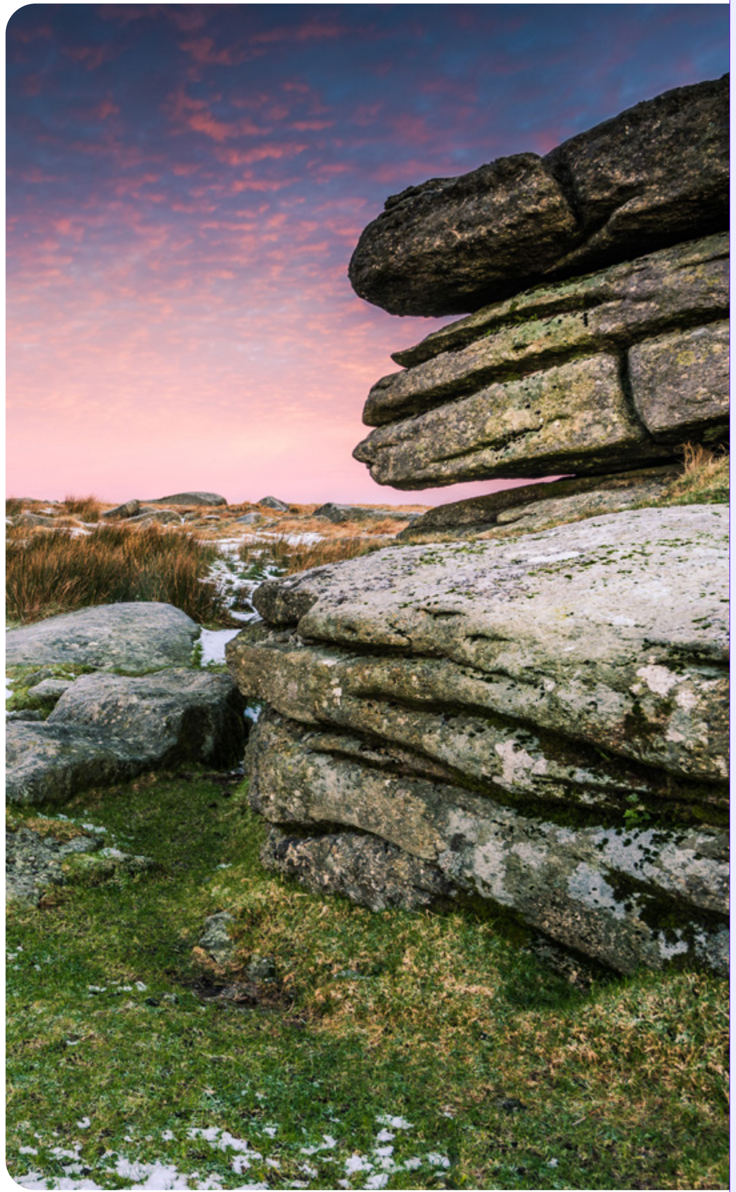
- use the results of the climate risk assessments in decision making for adaptation interventions is also diverse.
- Companies are not approaching climate physical risks systematically and from a holistic perspective such as through integrating their work on water, soil and biodiversity at strategically significant locations. This is also manifested in the governance of companies and the approach taken by company boards.
- Biodiversity and nature are nascent topics, with few companies having established biodiversity policies and are in the early stages of assessing related impacts and dependencies.
- Some companies are using regenerative agriculture as part of their adaptation strategies, but this lacks clear definitions, comprehensive measurement, and integrated approaches.
- As a mandatory framework, the Corporate Sustainability Reporting Directive (CSRD) is the immediate priority for companies.

The next round of dialogues is under way. Through peer-to-peer learning, companies will continue to be encouraged to raise the bar on good practice. The strategic integration of how companies approach net zero, adaptation, biodiversity and nature will be a key follow-up area. Given the maturity of the work on water risk, it is anticipated that further examples illustrating integration of adaptation interventions will be uncovered. An interim benchmark will be conducted in 2025 after the second round of dialogues to reassess the companies against the framework.

A full list of companies can be found on our website. Non-responsive companies included:

- **Keurig Dr Pepper Inc.**
- **Lamb Weston Holdings, Inc.**
- **PepsiCo, Inc**
- **Pernod Ricard SA**
- **Sysco Corporation**
- **Tesco PLC**
- **The Coca-Cola Company**

March 2024	May 2024 – January 2025	March 2025 – Ongoing	End of 2025	2026
Letters sent	Phase 1 dialogues complete	Phase 2 dialogues	Interim disclosure benchmark	Phase 3 dialogues



Implementation continued

Case Study:
Asset Owner Statement on Climate Stewardship

Our asset managers are our strategic partners in delivering our investment objectives. They are also a critical part of the investment eco-system and uniquely positioned to accelerate climate progress and build momentum for market change over time. We are, therefore, keen to ensure that they evolve stewardship efforts in a way that robustly addresses concerns around the systemic risks asset owners and beneficiaries face from climate change. This objective of alignment of interests spurred the Asset owner - Asset Manager 'aligning expectations' project.

Feedback from asset managers at Brunel led Asset Owner-Aset Manager Alignment Roundtable in 2023, prompted the development of the Asset owner statement on climate stewardship. Co-authored by Brunel with the People's Pension and Scottish Widows, the statement calls on asset managers to strengthen and evolve their climate stewardship approach in response to the imperative for climate action.

By providing clarity on asset owners' expectations on managers to meet beneficiaries' long-term interests, the statement is intended to be used as a resource to support managers in implementing these goals.

More than 25 investors, representing AUM of 1.5trn USD, signed the statement at launch and will use it to drive their engagement with managers during selection and ongoing monitoring.

The five principles that make up the statement build on existing industry guidance and best practise. They embed flexibility for asset owners to exercise independence in their decision-making accounting for a manager's progress to date, pinch points and challenges in stewardship delivery.

- Industry/market and public policy engagement should be core to the climate stewardship proposition across asset classes
- Where permissible, asset managers should prioritise collaborative initiatives to achieve greater impact and embed efficiencies in engagement activities
- Asset managers' prioritisation framework for company engagement should be rooted in a robust theory of change that delivers maximum impact
- A systematic approach to voting is imperative
- Stewardship function needs to be adequately resourced

The success of this statement will be determined by its effective use within the industry. This initiative is particularly relevant in an environment where managers are experiencing counter pressures to climate progress and need the ongoing support of their asset owners to build on their work in this area. We have had reassuring messages from our managers in support of this statement and expect this to contribute to its relevance in the industry. Brunel will continue to promote and report on the dialogue, progresses and challenges on implementation in the next report.

Voting, and our Voting Guidelines outline our expectations, both of our asset managers and companies. As we retain full voting rights across our segregated listed market assets, it becomes another tool in our Climate Change arsenal. The updates made in 2025 to these guidelines can be seen on our website.

Brunel has voted at 99.7% of votable company meetings in 2024. We have only not voted in instances where Unvoted meetings were due to share blocking, Power of Attorney (POA)'s or operational barriers.

During 2024, EOS made voting recommendations on 15,949 resolutions at 1,289 meetings.

Our voting statistics are made available on our website, to inform and promote the importance of the activity.

Case Study:
Glencore – Coal Exposure

Brunel voted against the re-election of Glencore's Chair due to inadequate management of climate risks associated with significant coal exposure and a lack of alignment with a Paris Alignment trajectory.

Implementation continued

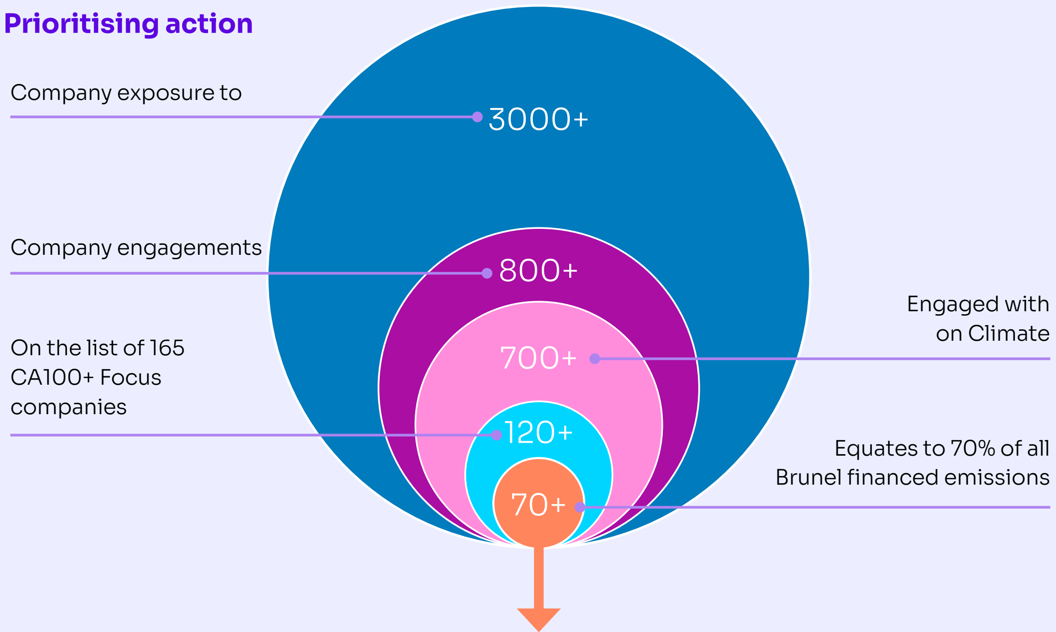
Persuasion

Target

70% of financed emissions in material sectors are either aligned, aligning or subject to direct or collective engagement and stewardship actions for all listed equity and corporate bonds by June 2024, increasing to 90% by June 2027.

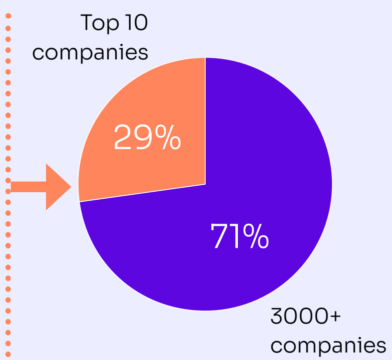
Each March we request our asset managers supply Brunel with their engagement plans which contain data points on engagement they are undertaking with the underlying issuers they hold on Brunel's behalf. Within these engagement plans, the managers disclose detail on a range of ESG topics, including measuring emissions, disclosure levels and setting targets for decarbonisation and alignment.

Prioritising action



Rank	Company Name	% of Brunel financed emmissions
1	Shell plc	5.84%
2	Waste Management, Inc.	4.74%
3	UPM-Kymmene Oyj	3.69%
4	Mondi plc	2.88%
5	L'Air Liquide S.A.	2.43%
6	CRH plc	2.30%
7	Glencore plc	2.12%
8	Drax Group plc	1.95%
9	Steel Dynamics, Inc.	1.95%
10	NextEra Energy, Inc.	1.88%

The top 10 companies are responsible for 29% of all of the Brunel financed emissions



Brunel financed emissions

As at 31 December 2024

Implementation continued

Persuasion

Target

- Engage with 100% of investment managers and general partners* on measuring emissions, disclosure levels and setting targets for decarbonisation and alignment by June 2024.
- Engage 100% of carbon-based energy and transport infrastructure assets as part of collective or direct engagement, or management interventions.

  Brunel Infrastructure portfolios have limited exposure to such assets and, where they do, it is often part of a wider programme of energy transition and/or efficiency.

Our engagament with GPs and asset managers is understaken directly or alongside our SPs, Stepstone and Neuberger Berman.

Brunel has appointed StepStone Infrastructure and Real Assets (SIRA) to manage a discretionary infrastructure vehicle and undertake climate engagements with GPs on our behalf. Engagement typically focuses on policy development, climate risk integration in due diligence, and post-investment monitoring and reporting. Given the materiality of carbon-based energy and transport infrastructure assets we seek to have clear transition plans in place to demonstrate alignment with our climate policy, this is integrated into the due diligence and on-going monitoring. The post-investment monitoring questionnaires include questions aimed specifically at addressing climate change. These questions explore how GPs develop their policies in alignment with globally recognised standards and how they monitor, measure and report on their carbon footprint, among other important climate-related considerations.

* Real estate scope is limited to the model portfolios and engagements in private markets will be a combination of direct and via our strategic partners.

Operational Risk

Brunel's strapline is: "Forging better futures by investing for a world worth living in", and this ambition underpins our focus on RI. Following through on that ambition requires commitment to progress internally as well as across our portfolios – as it enables us to maximise our influence.

Our 'Walking the Talk' thematic focus ensures that Brunel is deliberate in ensuring that we practise what we preach, including on climate risk. This is the third year in which Brunel has reported on our Carbon Footprint, working from the baseline of the first year we reported on: 2021-22. The latest report (covering 2023-24) is an improvement on previous years, due to improved and increased data collection.

We use an independent third party to ensure accuracy. The footprint was calculated by Carbon Managers using the data supplied by Brunel. The table below captures year-on-year emissions across Scopes 1, 2, and 3.

We publish our Carbon Reduction Plan which is completed in accordance with PPN 06/21 and associated guidance and reporting standards for Carbon Reduction Plans. Emissions are reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate government emission conversion factors for greenhouse gas company reporting.

Total emissions summary: 2023-24

Scope	Data type	23-24 total (tCO2e)	23-24 total (%)	22-23 total (tCO2e)	21-22 total (tCO2e)
Scope 1 direct (fuel & refrigerant)	Calculated from utility bills	4.19	3.3%	6.04	4.99
Scope 2 (indirect) Electricity usage	Calculated from utility bills	11.85 (0.00*)	9.4% (0.0*)	12.95 (0.00*)	10.24
Scope 3 Supply chain	Calculated from expense data, survey, spend estimates	110.66	87.3%	104.12	76.80
Total		**126.70**	**100%**	**123.11**	**92.03**

* Market-based figures. Brunel's electricity is renewable so both figures may be shown.

As the table above demonstrates, our Scope 3 emissions account for the overwhelming majority of Brunel emissions (87.3%), whereas Scope 1 (3.3%) and Scope 2 (9.4%) are relatively marginal within the aggregate figure.

Absolute emissions totals are crucial but do not account for changing staff numbers – and our workforce average (full-time equivalent) in 2023-24 was 9% higher than in 2022-23. To account for these changes, we also publish relative emissions performance metrics. These metrics also record for emissions per unit of revenue.

Relative emissions performance metrics

Name	KPI	Units
Carbon per FTE (last year 2022-23)	2.01	tCO2e / FTE
Carbon per FTE (this year 2023-24)	1.87	tCO2e / FTE
Carbon per revenue (last year 2022-23)	10.22	tCO2e / £m
Carbon per revenue (this year 2023-24)	9.27	tCO2e / £m

Operational Risk continued

Our methodology has been strengthened to target accuracy. Thus, data provided for the footprint calculation included:

- Expense system data and 3rd party funded travel
- Employee commuting data / homeworking survey
- HR headcount
- Data from historical utility bills for the leased office (except water which is modelled using surrogate data as these are unavailable)
- Bill evidence that the office power is from a renewable source

The footprint is then calculated by Carbon Managers using the data supplied by Brunel.

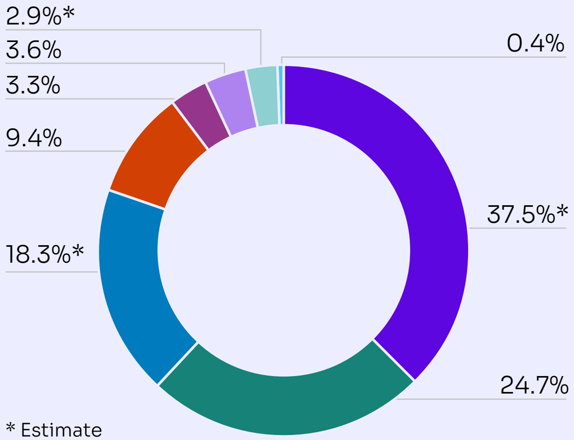
Fundamentally, we remain on track to meet our commitment of becoming Net Zero in operations (Scope 1 and 2) by 2030.

Our progress is based on far more detailed reporting. Our Scope 1 and Scope 2 emissions are typical for a company of our size, and we reduced our emissions in both in the reporting year. However, major improvements are challenging when we do not have control of our building.

Scope 3 emissions have increased slightly in absolute terms (before taking account of increasing staff numbers), with employee commutes and business travel each accounting for significant shares. We note that business travel emissions dropped vs the previous year, but homeworking and employee commute-related emissions both rose.

Our emissions are thus dominated by a few key areas:

Brunel CO2e footprint impact categories as % of total, 2023-24



* Estimate

Next steps

Our key emissions reduction initiatives include:

- Exec-level sustainability champion plus working group
- Fully renewable electricity supplier (ensuring 0.00 tCO2e Scope 2 footprint)
- The engagement of office landlord to cease fossil gas for heating and rely on green electricity (Scope 1)
- Continuing EV purchasing scheme (and office charging points)
- Improving data collection on commuting and on home office energy use (and encourage renewable tariffs)
- Embedding Sustainable Purchasing Policy when replacing IT equipment or purchasing office supplies
- Reviewing internal policies (e.g. travel, expenses) to reduce footprint
- Reduce business travel flight emissions (Scope 3) and engage staff on virtual-meeting preference
- Ensure our sustainability consultants update us on latest measures and technologies to reduce footprint
- Identify credible VCS/Gold Standard suppliers of carbon removal credits to treat unabated emissions

We will continue to report annually to track our progress as we target reductions by 2030.

See our Corporate Carbon Footprint Report 2023-24

Future Focused

All Responsible Investment issues are important, and we strive to act on as many areas as practical, directly, collaboratively with other investors, or in partnership with our asset managers and strategic partners. But we must also be ruthless in prioritising our resources, minded to making the most impact in fulling our fiduciary duty to our partner funds and their members.

As outlined in our introduction, our Climate Change Progress report seeks to provide a comprehensive overview of our approach and progress at managing climate-related financial risk and particularly focuses on the delivery of our Climate Change Policy to provide assurance that we are fulfilling our mission and our partner funds' expectations.

We will continue to do this despite the geopolitical headwinds and will remain resolute in our desire to stay firm, grounded in an investment approach based on science, evidence-based research, robust analysis, and the deep expertise of colleagues, managers and strategic partners. We acknowledge that the speed of progress may be slowed by disruption, but also that turbulent times can create new opportunities that will enable us to advance our RI and climate objectives.

Whatever may come we remain committed to act on climate change, key areas of focus for 2025-26 are to;

- Undertake the Brunel Climate Stocktake – evaluating our effectiveness and identifying areas for further development
- Actively shape the UK and wider policy agenda, specifically through our roles in the UK Transition Finance Council, IIGCC Policy Groups
- Actively support the ISSB in the adoption of a global baseline for sustainability and climate reporting
- Progress our evaluation of our policies and processes against the TNFD and identify our priorities for next steps
- Fulfil our aim to set Paris-aligned targets for 100% of in-scope assets by end of 2025
- Champion the more active and accurate assessment of physical climate risk and promote action to enhance climate resilience
- Continue our partnership working with partner funds, asset managers, and our strategic partners to support companies and other assets in managing and taking action on climate-related risk

And in doing so

We aim to systemically change the investment industry to build a financial system which is fit for a low carbon future.

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Some of the data included in this information relates to portfolios or assets of Brunel's partner funds which are not managed by Brunel as their discretionary investment manager ("Legacy Portfolios"). Brunel takes no responsibility for the accuracy or completeness of any data relating to Legacy Portfolios.

Any information or calculations provided in this report have been made based on Brunel's current views and information available to us as at a specific time, and may not have been updated for information available after this date. S&P data was rendered on 21/03/2024. The ESG regulatory environment, and the breadth and availability of ESG data, are subject to change, and undue reliance should therefore not be placed on the disclosures made in this information. Brunel does not make any representation or warranty as to the accuracy, completeness or sufficiency of any of the information provided in this report.

Appendix

TCFD Reference Index

The following demonstrates where in the report the TCFD requirements are met.

Requirement	Page / section
Governance	
The Board's oversight of climate-related risks and opportunities.	12, 22
Management's role in assessing and managing climate-related.	12, 21-22
Strategy	
The climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	16, 21
The impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	15-18, 24
Supplemental guidance for asset managers: How climate-related risks and opportunities are factored into relevant products or investment strategies; how each product or investment strategy might be affected by the transition to a low-carbon economy.	15, 16-18, 32, 39
The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	27
Supplemental Guidance for Asset Owners Asset owners that perform scenario analysis should consider providing a discussion of how climate-related scenarios are used, such as to inform investments in specific assets.	28
Risk Management	
The organisation's processes for identifying and assessing climate-related risks.	22-26
Supplemental guidance for asset managers: Describe, where appropriate, engagement activity with investee companies to encourage better disclosure and practices related to climate-related risks in order to improve data availability and asset managers' ability to assess climate-related risks.	24, 32, 39, 49
Describe how material climate-related risks are identified and assessed for each product or investment strategy.	23
Supplemental guidance for asset owners: Describe, where appropriate, engagement activity with investee companies to encourage better disclosure and practices related to climate-related risks to improve data availability and asset owners' ability to assess climate-related risks.	22, 30, 37, 39, 49
The organisation's processes for managing climate-related risks.	21-24

Requirement	Page / section
Risk Management	
Supplemental guidance for asset managers: Asset managers should describe how they manage material climate-related risks for each product or investment strategy.	24-26
Supplementary asset owner guidance: firms should describe how they consider the positioning of their total portfolio with respect to the transition to a low-carbon energy supply, production, and use. This could include explaining how asset owners actively manage their portfolios' positioning in relation to this transition.	21
How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	21-23
Metrics and Targets	
The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	23, 25-26, 29-55
Supplemental guidance for asset owners & managers: Describe metrics used to assess climate-related risks and opportunities in each product or investment strategy. Where relevant, describe how these metrics have changed over time. Where appropriate, provide metrics considered in investment decisions and monitoring. Describe the extent to which assets under management and products and investment strategies, where relevant, are aligned with a well below 2C scenario, using whichever approach or metrics best suit organizational context or capabilities. Indicate which asset classes are included.	23, 25-26, 29-55 & Climate-related Product Report
Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	17, 39-44
Supplemental guidance for asset managers: Disclose GHG emissions for assets under management and the weighted average carbon intensity (WACI) for each product or investment strategy, where data and methodologies allow. These emissions should be calculated in line with the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF Standard) or a comparable methodology. In addition to WACI, asset managers should consider providing other carbon footprinting metrics they believe are useful for decision-making.	41, 42, 45, 46, 55
The targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	15, 30, 37, 39, 45, 47, 48, 53, 54, 56

Getting in touch with the team

If you have any questions or comments about this report please email Faith Ward, Chief Responsible Investment Officer at RI.Brunel@brunelpp.org.

Please visit our website to read our latest reports, news and insights and other materials to keep you up to date.