

Annual Report 2025

Climate-related financial disclosures in line with TCFD recommendations

 **True Potential**
Administration

 **True Potential**
Investments



We believe it is our responsibility as a business to play our part in working towards a **sustainable** future.



In this report:

Foreword	02
Introduction	03
Governance	04
Board Oversight and the Board and Management's role in assessing and managing climate-related risks and opportunities	04
Strategy	06
Climate risk and opportunity identification	06
Performing scenario analysis to identify current and future climate risk and opportunity	07
Climate-related risks and opportunities arising in the short, medium, and long term	09
The resilience of our strategy	11
Risk management	12
Metrics & targets	13
Scope 1, 2 and 3 GHG emissions	13
Climate-related targets	15
Concluding remarks	16



Our next steps and transition for the future

On behalf of the Management Board of True Potential Administration LLP (**TPA** and the **TPA Board**), and on behalf of the Management Board of True Potential Investments LLP (**TPI** and the **TPI Board**), we are pleased to present our 2025 Task Force on Climate-related Financial Disclosures (**TCFD**) entity report.



 **Henrietta Jowitt**

 **Jeff Casson**

We believe it is our responsibility as a business to play our part in working towards a sustainable future.

Many of our clients invest over the long term, saving for retirement and future security, and as this future is inextricably linked to climate, it is important we ensure our own time horizons as a business support these goals.

To help our clients achieve their financial goals, we believe a business that considers, and over time enhances its approach to sustainability, will create a stronger foundation from which to deliver better outcomes for our clients. The TCFD recommendations in respect of disclosures provide a framework to guide our approach to climate risk management.

In terms of context, in prior years TPI and TPA each prepared a standalone TCFD report. This year in recognition that both

entities share common traits; the same group strategy, corporate structure, and shared office space for example, we have developed a combined report, whilst highlighting TPI and TPA distinctions where applicable and to comply with governance and regulatory requirements.

Based on the information set out in this report and the conclusions we have drawn, we assess TPA and TPI to have a low exposure to physical and transition climate-related risks. This is due to a limited number of physical and transition climate-related risks being identified as having the potential to cause material impacts to TPA and TPI and our operations.

As noted in last year’s TCFD entity reports, the True Potential Group Limited (the **Group**) formed a new Sustainability Committee, consisting of representatives from different legal entities and across different functional areas from within True Potential.

The establishment of a Sustainability Committee underpins the Group’s approach to sustainability more generally while ensuring all group legal entities continue to meet their regulatory reporting requirements.

During 2025, this reporting requirement included the approval of a Sustainability Plan by the Group’s Executive Committee. This is an internal plan containing specific goals across the four pillars of our sustainability strategy: Wellbeing, Climate & Nature, Stewardship & Investment and Community.

A number of commitments have been made across these four pillars, including the agreement to purchase carbon credits from a project in the North-East of England (Doddington North) and the appointment of a strategic charity partner, Tiny Lives UK. The fact that Doddington North and Tiny Lives are local to the North-East of England, was a key factor in choosing them to help

support our sustainability commitments, which includes our focus on building and supporting the local communities in which we operate and where our colleagues live.

On behalf of the TPA and TPI Boards, we hope you find this report informative. We also confirm that the climate-related disclosures included within this report comply with the FCA and TCFD’s requirements under the Rules as set out by the FCA for asset managers and asset owners.

Henrietta Jowitt,
Chief Executive,
True Potential Administration LLP,
June 2026

Jeff Casson,
Chief Executive,
True Potential Investments LLP,
June 2026

Our approach to TCFD reporting

In accordance with the FCA Rules and the TCFD's recommendations, the following report includes the TCFD-aligned entity-level climate-related disclosures for TPA and TPI.

It covers climate-related disclosures associated with TPA in its role as a UCITS* Authorised Fund Manager (**AFM**) for the True Potential OEIC 1, True Potential OEIC 2, True Potential OEIC 3 and the True Potential Unit Trust and their underlying sub-funds (together the **Funds**).

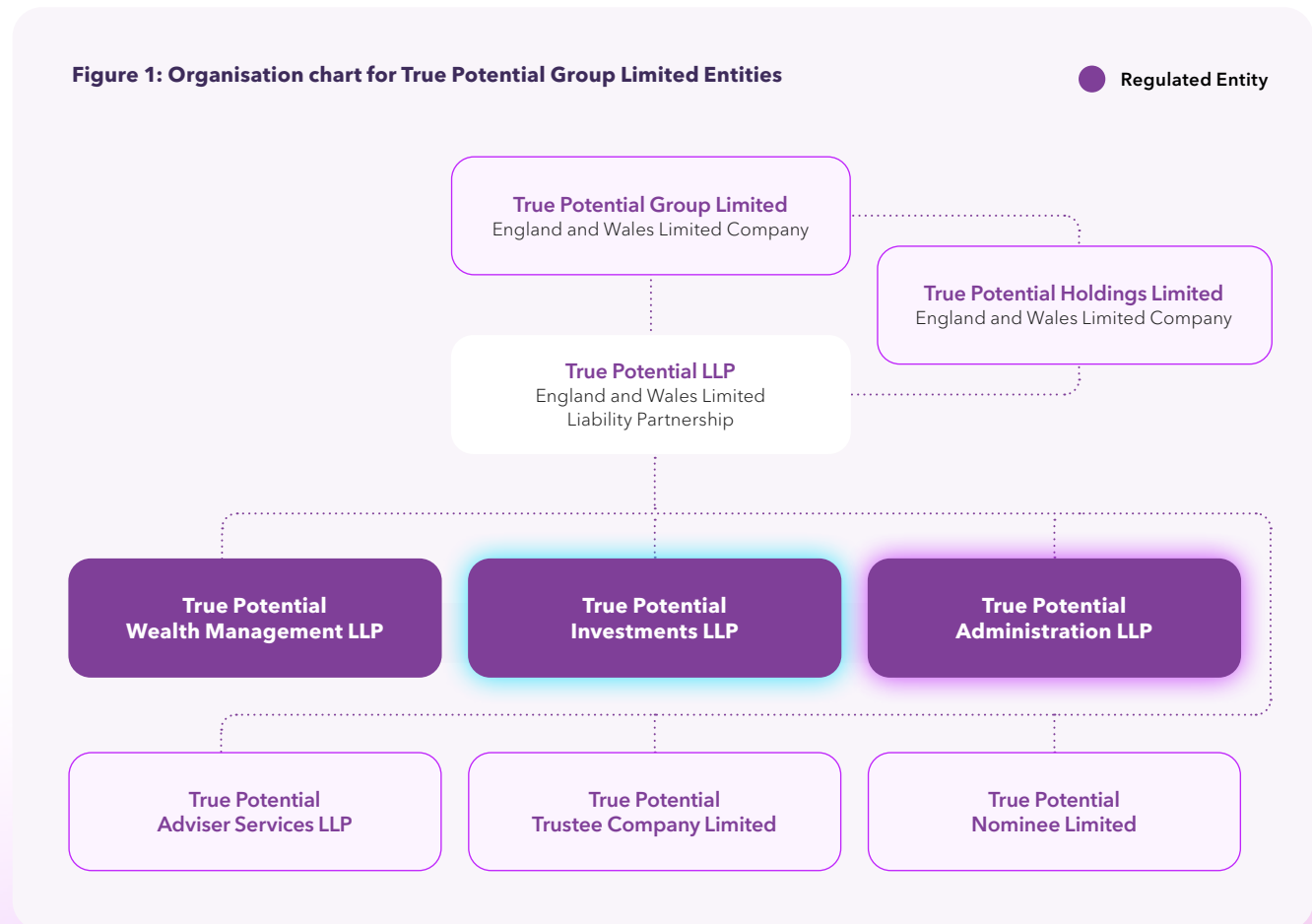
In addition, this document also provides climate-related financial disclosures covering the overall assets managed by TPI for its TCFD in-scope business, which includes its role as a portfolio manager, and as operator of the TPI Personal Pension Scheme (**TPIPPS**).

True Potential Group Limited is the corporate parent of TPA and TPI, and the overall corporate structure of the Group is illustrated within the organisation chart on the right (Figure 1). The purpose of this report is to provide an overview of TPA's and TPI's approach to addressing climate-related issues across its Governance, Strategy, Risk Management and Metrics and Targets in line with the FCA Rules.

TPA and TPI are committed to ensuring that climate-related risks and opportunities are considered across the business. They now have climate-related risks embedded into their internal risk framework, and their respective risk committees, the Executive Risk Committee (**ERC**) and TPA's Audit Risk and Compliance Committee (**ARCC**) have climate as an agenda item with responsibility to report to their respective Boards, on a quarterly basis.

* UCITS stands for Undertakings for the Collective Investment in Transferable Securities, which in the case of TPA are the Funds (referred to in this report) regulated by the FCA.

Figure 1: Organisation chart for True Potential Group Limited Entities



Governance

Climate-related risks and opportunities are considered within the Group's established governance framework for risk management, as set out in the Group Risk Management Framework (RMF).

Board and Executive Oversight

The framework enables consistent identification, assessment, management and oversight of risks across the Group and its regulated entities, while preserving appropriate entity level accountability and governance, including specific arrangements relating to the independence of TPA.

The Group Board retains overall responsibility for the Group's strategy and risk appetite, including oversight of material climate-related risks and opportunities. This is supported by the Group Risk Committee (**GRC**) and Group Audit Committee (**GAC**), which provide oversight and challenge on behalf of the Group Board in relation to risk management effectiveness, internal controls and reporting.

Day-to-day executive responsibility for the management of risks, including climate-related risks, sits with the Group Executive Committee (**ExCo**), supported by its sub-committees.

In particular, the ERC is the primary executive forum responsible for the assessment, management, escalation and monitoring of risks across the Group, including emerging and thematic risks such as climate-related risks.

Role of Entity Boards and Committees

The Boards of TPA and TPI operate within the Group governance framework and retain responsibility for overseeing how Group strategy, risk appetite and risk management arrangements are applied within their respective entities, taking account of entity-specific business models and regulatory obligations.

For TPA, this includes additional governance arrangements designed to reflect the independence requirements applicable to the AFM. The TPA Audit, Risk and Compliance Committee (**ARCC**) provides formal oversight and challenge on behalf of the TPA Board in relation to risk management, including climate-related risks. The ARCC receives regular reporting derived from Group level risk management processes and considers whether climate-related risks



are being appropriately identified, assessed and managed within TPA's activities.

For TPI, the Board exercises oversight of climate-related risks through standing agenda items and regular reporting, drawing on Group Risk reporting and analysis. Climate-related risks are considered as part of the Board's wider oversight of risk profile, risk appetite alignment and delivery of good customer outcomes.

In all cases, entity Boards do not manage risk directly. Their role is to provide oversight, challenge and assurance, supported by reporting from executive management and Group Risk, and to satisfy themselves that climate-related risks are being managed in line with the RMF and applicable regulatory expectations.

Group Risk and Sustainability Governance

The Group Chief Risk Officer (**CRO**) has delegated accountability for the operation of the RMF and chairs the ERC. Group Risk and Compliance support the Boards and executive committees by providing independent oversight, challenge and reporting in relation to climate-related risks.

The Group Sustainability Committee operates beneath ExCo and supports the development and delivery of the Group's sustainability strategy, including climate-related initiatives. Where relevant, outputs from sustainability activity that give rise to material risk considerations are routed into the Group's risk management processes and governance forums, including ERC, ARCC and entity Boards.

Governance continued

Risk Management

Integration with the Group Risk Management Framework

Climate-related risks and opportunities are managed as an integral part of the Group's overall risk management approach, in line with the RMF. Climate risk is not treated as a standalone risk type; rather, climate-related risks are identified, assessed and managed within existing risk categories in the Group

1

The First Line of Defence (1LoD),

comprising the business and functional areas within TPA and TPI. The 1LoD is responsible for:

- Identifying climate-related risks and opportunities arising from their activities;
- Assessing the inherent and residual risk impact and likelihood;
- Designing, implementing and operating controls;
- Owning and monitoring Key Risk Indicators (**KRIs**);
- Managing remediation actions where risk levels are elevated or outside appetite.

2

The Second Line of Defence (2LoD),

comprising Group Risk and Group Compliance, provides independent oversight and challenge of the 1LoD's management of climate related risks. This includes:

- Maintaining the RMF, risk taxonomy and supporting policies and methodologies;
- Providing challenge on risk identification, assessment and control effectiveness;
- Aggregating and analysing climate-related risk information across the Group;
- Monitoring alignment with risk appetite and escalating issues through ERC and other governance forums as required;
- Producing consolidated risk reporting for executive committees and Boards.

The 2LoD does not own or operate climate-related risks or controls.

3

The Third Line of Defence (3LoD),

Internal Audit, provides independent assurance over the design and operating effectiveness of the RMF and its application, including coverage of climate-related risks where relevant.

Risk Taxonomy, including Financial, Investment & Performance, Operational, Strategic, Regulatory and Consumer Outcomes Risk, as appropriate to their nature and impact.

TPA and TPI apply the RMF and associated policies, standards and methodologies, as approved by their respective Boards.

Application of the Three Lines of Defence

The Group applies a Three Lines of Defence (**3LoD**) model to the management of climate-related risks:

Risk Identification, Assessment and Reporting

Climate-related risks identified through scenario analysis, horizon scanning or regulatory developments are assessed using the Group's standard risk management processes, including:

- Risk and Control Self-Assessments (**RCSAs**);
- Alignment to the Group Risk Taxonomy;
- Assessment against the Group Risk Appetite Framework;
- Recording and monitoring within the Group Risk Management System (**Ruleguard**).

Climate-related risks are monitored through KRIs and periodic reporting. Where risk levels approach or exceed appetite, escalation occurs through established governance routes, including ERC, ARCC (for TPA), entity Boards and, where required, the Group Board and GRC.

Continuous Development

The Group continues to enhance its management of climate-related risks in line with the evolution of regulatory expectations, data availability and the Group's sustainability strategy. Improvements to scenario analysis, metrics, controls and governance are incorporated into the RMF and supporting processes on an ongoing basis.

Strategy

We have undertaken two key assessments to help us form the basis of the continued development of our strategy and plans. First was a climate risk and opportunity assessment and the second was a scenario analysis.



The purpose of these assessments was to improve our understanding of the range of climate-related risks and opportunities that could already be present, or become present in the future, in relation to TPA's and TPI's direct operations and investments. This reflects our understanding of the importance of having a clear oversight of TPA's and TPI's exposure to climate-related risks, as well as the potential opportunities that could emerge for TPA and TPI in the future.

We review the identified climate-related risks and opportunities annually for currency, in order to ensure that they remain valid, complete, and relevant. In addition, since 2024 we have sought to add clarity to the articulation of these risks and opportunities where necessary. While we do not perform a scenario analysis annually as it would not yield new results year-on-year, we aim to refresh the analysis regularly.

In addition, TPA and TPI periodically assess key climate risk indicators, regulatory developments, and emerging

environmental trends to determine when a review of its climate scenario analysis is required, ensuring alignment with evolving risks and strategic objectives.

Climate risk and opportunity identification

We undertook the initial climate risk and opportunity assessment during the first half of 2024 to identify relevant physical and transition risks and opportunities in relation to TPA's and TPI's businesses. We subsequently reviewed that assessment again for this year's report, to ensure that no major changes had taken place.

In alignment with the TCFD's guidance, a list of climate-related risks and opportunities across the following categories was generated:

- **For climate-related risks this included:** policy and legal, technology, market, reputation, acute physical and chronic physical.
- **For climate-related opportunities this included:** resource efficiency, energy source, products/services, markets and resilience.

In respect of the Funds, TPI has its own Sustainability Policy. TPI's Sustainability Manager performs regular due diligence on our appointed sub-investment managers to understand how they fulfil our expectations in respect of sustainability.



Strategy continued

Through the engagement of an independent third-party advisor, a series of potential physical and transition risks and opportunities were identified, based upon relevance to TPA's and TPI's businesses. Each identified risk and opportunity was assigned an exposure rating, a likelihood rating and an overall significance rating.

Exposure ratings represent the potential impact of a risk or opportunity on TPA's or TPI's business, whilst likelihood ratings represent the potential likelihood of a risk or opportunity actually impacting TPA's or TPI's business. Following this, for each risk or opportunity the previously assigned exposure and likelihood ratings were considered in parallel – and an overall significance rating was assigned (representing the overall significance of each risk/opportunity).

Based upon the assigned exposure, likelihood and significance ratings, the potential materiality of each physical and transition risk in relation to TPA's and TPI's business were assessed. Following this, the most relevant and significant physical and transition risks and opportunities were prioritised as a focus area, for more detailed assessment during scenario analysis (as outlined on the right).

Performing scenario analysis to identify current and future climate risk and opportunity

Entity-level Scenario Analysis

A climate-related scenario analysis was performed on our operational assets (including our offices and the data centres which we rely on during our day-to-day operations). This scenario analysis aimed to further assess and improve our understanding of the potential physical and transition risks and opportunities that could emerge and impact our operations, business strategy, products, services and financial position across different future time horizons and climate scenarios.

The time horizons that were included within this scenario analysis cover the

period between now and 2050 – enabling us to understand which of the identified risks and opportunities could emerge and impact TPA or TPI across the short, medium and long-term. Below is a summary of how we defined short, medium and long-term within this assessment.

A number of climate scenarios were also selected for inclusion within this scenario analysis, which are summarised within Table 1 (page 8). For physical, this included the Intergovernmental Panel on Climate Changes (**IPCC**) climate scenarios, termed Shared Socioeconomic Pathways (**SSP**), whilst for transition this included

the 2023 Network for Greening the Financial Systems (**NGFS**) climate scenarios.

Based upon the findings of this scenario analysis – we identified several physical and transition risks and opportunities in relation to TPA and TPI (which are outlined in Table 2 (page 9) Table 3 (page 10)). We continue to analyse each of these risks and opportunities and will conduct further scenario analysis when it is appropriate to do so (for example if our business structure and/or business model were to change).



Short-term: Within the next five (5) years

Rationale: Understanding our exposure to climate-related risks and opportunities within the next five years aligns with a number of our financial planning activities such as reforecasting, liquidity planning as well as regulatory capital and financing requirements.



Medium-term: Between five (5) and ten (10) years into the future

Rationale: Understanding our exposure to climate-related risks and opportunities between five and ten years into the future aligns with our Group-led annual 5-year business planning process.



Long-term: More than ten (10) years into the future

Rationale: Understanding our exposure to climate-related risks and opportunities ten years or more into the future ensures that we are aware of, and consider, the effectiveness of our existing risk management controls and the potential long-term impacts of climate change on TPA and TPI. This will allow for more effective long-term business and financial planning in relation to any identified climate-related risks and opportunities.

Strategy continued

Table 1: Description of the physical and transition scenarios used in scenario analysis

The Task Force divided climate-related risks into two major categories;

Transition Risks: which are risks related to the transition to a low-carbon economy and Physical Risks which are risks related to the physical impacts of climate change.

	Physical		Transition	
	Source and scenario	Description	Source and scenario	Description
Scenarios	Source: IPCC Scenario: SSPS-8.5 This scenario results in a 4.4°C mean warming by 2100.	A business-as-usual scenario which has continued high emissions with no additional climate policy. This scenario assumes: <ul style="list-style-type: none"> • Current CO₂ levels double by 2050, and there are many challenges to mitigation, with few challenges to adaptation; and • Energy demand triples by 2100 and is dominated by fossil fuels. 	Source: NGFS Scenario: Current Policies This scenario results in a 3°C mean warming by 2100.	This scenario assumes that only currently implemented policies are preserved. Emissions grow until 2080 leading to about 3°C of warming and severe physical risks.
	Source: IPCC Scenario: SSP1-2.6 This scenario results in a 1.8°C mean warming by 2100.	This scenario is aligned to the current commitments under the Paris Agreement (2015). It is implied that the world reaches net-zero emissions in the second half of the century by shifting towards a more sustainable path.	Source: NGFS Scenario: Net Zero by 2050 This scenario results in a 1.4°C mean warming by 2100.	This scenario assumes that an ambitious transition takes place across all sectors of the economy. Net CO ₂ emissions reach zero around 2050, giving at least a 50% chance of limiting global warming to below 1.5°C by the end of the century.
Time Horizons	Baseline, 2030 and 2050		Baseline, 2030, 2040 and 2050	

Strategy continued

Climate-related risks and opportunities arising in the short, medium, and long term

The results of the physical and transition scenario analysis are shown in Tables 2 and 3. These tables include a description of the impacts of each of the key physical and transition risks and opportunities that were identified in relation to both TPA and TPI. We believe that the controls we have in relation to these risks are adequately robust to mitigate their potential impact and allow us to accept them as part of doing business. These tables also highlight the associated time horizons whereby each climate-related risk and opportunity could potentially become material.

Risk time horizon key

- Short term
- Medium term
- Long term

Table 2: Physical risks

Impact of river and extreme rainfall flooding on office buildings Risk/Opportunity: Risk	Impact of extreme heat on operations Risk/Opportunity: Risk	Impact of extreme winds and storms on office buildings and data centres Risk/Opportunity: Risk
<p>Description of Impact</p> <ul style="list-style-type: none"> Water damage to our office buildings, equipment and utilities can incur operational costs for repairs and replacements, as well as maintenance costs. Flooding could pose a health and safety risk leading to downtime if personnel are unable to work. Downtime for repairs and replacements can cause operational disruptions (which could cause knock-on negative reputational impacts and revenue losses). <p>Potential Financial Impact</p> <ul style="list-style-type: none"> Negative reputational impact. Revenue losses. Increased Operational Expenditure (OpEx) and Capital Expenditure (CapEx). The Group are tenants in the office buildings. 	<p>Description of Impact</p> <ul style="list-style-type: none"> Extreme heat could cause operational issues with IT equipment and data centres. This could lead to disruption to operations (e.g., those associated with IT services) and cause knock-on negative reputational impacts and revenue losses. <p>Potential Financial Impact</p> <ul style="list-style-type: none"> Negative reputational impact. Revenue losses. Increased OpEx and CapEx. 	<p>Description of Impact</p> <ul style="list-style-type: none"> Extreme wind and storms could cause physical damage to our offices and data centres. Power outages, damage to assets, and communication disruptions caused by extreme wind and storms can also lead to significant downtime and disrupt operations. (which could cause knock-on negative reputational impacts and revenue losses). <p>Potential Financial Impact</p> <ul style="list-style-type: none"> Negative reputational impact. Revenue losses. Increased OpEx and CapEx.

Strategy continued

Table 3: Transition risks and opportunities
Risk time horizon key

Short term Medium term Long term

Impact of government and external regulation on existing investment products

 Risk/Opportunity: **Risk**

Description of Impact

- Implementation of government policies, subsidies and taxes resulting in reduced profitability for companies held in TPA funds and managed by TPI.

Potential Financial Impact

- Decreased revenues due to reduced demand for products and services, as performance of the funds will be impacted.

Impact of substitution of existing products and services with lower emission investment products

 Risk/Opportunity: **Risk**

Description of Impact

- Technological developments drive prices of renewable alternatives down and lead to substitution of fossil fuels in key sectors leading to a reduction in demand for TPA's investment products which are managed by TPI.

Potential Financial Impact

- Decreased revenues due to reduced demand for products and services.

Impact of changing customer behaviour on investments

 Risk/Opportunity: **Risk**

Description of Impact

- By not offering clients a fund with a climate / ESG asset class focus, TPA and TPI could miss out on a potential revenue opportunity and lose clients and market share to peers.

Potential Financial Impact

- Decreased revenues due to reduced demand for products and services.

Impact of carbon pricing mechanisms on investments

 Risk/Opportunity: **Opportunity**

Description of Impact

- Carbon pricing is likely to cause price volatility in the fossil fuels market, and will ultimately reduce demand for higher emission fuel sources – this presents an opportunity for renewables to replace them (and therefore the Funds' exposure to renewable or diversified energy producers).

Potential Financial Impact

- Increased revenues due to increased demand for renewable products and services.

Impact of developing new low carbon products on investments

 Risk/Opportunity: **Opportunity**

Description of Impact

- The energy transition will increase investment into many markets that align with the low carbon transition. There is an opportunity for TPA and TPI to reposition investments out of emissions intensive industries and into markets which are seeing growth due to the energy transition, including shifting from

more emissions intensive products and services into lower carbon ones. This could increase revenues as demand for investment products will increase.

Potential Financial Impact

- Increased revenues due to increased demand for new financial products.

Strategy continued

Product Reporting

We acknowledge that the underlying investments of the Funds could potentially affect climate change, and conversely, climate change could impact the performance of the investments in the Funds. We have therefore undertaken a more specific product-level scenario analysis assessment of the Funds using climate data that has been sourced from MSCI (full details of this assessment can be found within our Product Reports). This product-level scenario analysis provides insights into the potential impact of physical and transition risks on the Funds.

To assess physical (both acute and chronic events) and transition risks (including policy and technology changes), three climate scenarios were integrated into this analysis, which are built upon the Network for Greening the Financial Systems (**NGFS**) scenarios. You will find these reports here:

[Product Reports →](#)



The metrics in this report are displayed for each fund and include the carbon footprint across a fund's scope 1, 2 and 3 greenhouse gas emissions. The report shows the potential financial impact climate risk can have on the fund as well as the Implied Temperature Rise (**ITR**). The ITR estimates the projected temperature rise impact of the fund by 2100 based on the current greenhouse gas emissions from its underlying holdings. This metric shows how a company aligns with the Paris Agreement.

The resilience of our strategy

Based upon the results of our scenario analysis which considered a range of climate scenarios and time horizons, including scenarios for both physical and transition that are consistent with a global average temperature increase of 2°C or lower (IPCC SSP1-2.6 and NGFS Net Zero by 2050), we assess TPA and TPI to have a low exposure to physical and transition

climate-related risks. This is due to a limited number of physical climate-related risks being identified as having the potential to cause material impacts to TPA or TPI. As a result, the overall physical risk profile associated with our direct assets is noted as being low to moderate. These results demonstrate an initial positive view of the resilience of our physical assets to climate change. It should be noted that the physical risk impact to TPA is the same as TPI as both businesses operate using the same physical assets.

Additionally, while the scenario analysis identified the regulation of existing operations and products as the most significant transition risk to consider, it also identified a number of potential opportunities which could materialise in the short to medium term that TPA and TPI could potentially capitalise on. To deepen our understanding of resilience

within future assessments we intend to undertake a more detailed analysis of each of the risks and opportunities we have identified as having the potential to be material in relation to TPA or TPI.

Investors will be aware that as per the Funds' prospectuses, TPA delegates investment management to TPI and based upon that appointment and appropriate oversight of TPI, TPA is satisfied that TPI has policies in place that adequately consider climate change.

The findings of our already completed and future assessments will be used to inform our sustainability strategy, financial planning, risk management and investment processes (and the investment policies used by delegated investment managers TPI) to ensure that TPA and TPI are resilient to the potential risks posed by climate change to its business and prepared to capitalise on any relevant climate-related opportunities.

As we improve our understanding of data associated with our operational and investment-related emissions, and its availability and quality improves, in line with Group strategy we will also seek to develop greenhouse gas (**GHG**) emission reduction targets, how we monitor these and to explore the implementation of a transition plan, in line with the Paris Agreement's commitment to limit warming to 1.5°C.

“The findings of our already completed assessments will be used to inform our sustainability strategy, financial planning, risk management and investment processes.”



Risk management

As approved by their respective Boards, TPA and TPI operate in accordance with the Group Risk Management Framework (**RMF**), which sets out the overarching principles, governance arrangements and processes for identifying, assessing, managing and reporting risks across the Group.

The climate-related assessments outlined above identified and assessed climate-related risks in alignment with the RMF, including the Group's risk taxonomy, risk assessment methodology, and risk appetite framework. This involved consideration of the potential impact and likelihood of each climate-related risk and opportunity identified through scenario analysis.

Where relevant, material climate-related risks have been integrated into the relevant entity-level risk registers, alongside other key business risks. These risk registers are used to record, monitor and manage risks inherent to TPA and TPI and form a core input to the Group's enterprise risk profile. Climate-related risks identified through scenario analysis are therefore captured and managed through the same governance, escalation and oversight mechanisms as other non-financial, strategic and emerging risks.

Group Risk provides independent second line oversight of TPA's and TPI's risk registers, applying a structured review and challenge process to ensure risks are appropriately identified, assessed and articulated. This independent review

considers the scale and nature of risk exposures, the adequacy of risk management actions, and the consistency of risk assessment against the Group's RMF standards. Through this process, Group Risk identifies gaps, emerging risks, and areas requiring enhanced management attention.

Risk information is aggregated and reviewed using ongoing monitoring and management information, enabling timely identification of changes to the risk profile and supporting proactive escalation where required. This continuous oversight helps ensure that TPA and TPI remain aligned with regulatory expectations, strategic objectives, and the evolving external risk environment, supporting operational resilience and effective risk governance.

For risks recorded within the risk registers, risk ratings are assigned based on impact and likelihood, in line with the Group's risk assessment methodology. Each risk is initially assessed on an inherent basis, reflecting the level of risk exposure assuming no mitigating actions are in place.



Subsequently, existing risk management actions and mitigating measures are considered to determine the residual risk exposure. The effectiveness of these measures is assessed, taking into account their design and maturity, and this assessment informs the resulting residual risk rating.

Risks captured within the risk registers are subject to at least annual review through the Risk and Control-Self-Assessment (**RCSA**) process, ensuring that climate-related risks continue to be considered alongside other material risks and remain aligned to the Group's evolving risk profile. Risk registers are reviewed on a continual basis by first line risk owners, with second line oversight and challenge provided by Group Risk.

Residual risk ratings are used to determine appropriate escalation and ongoing management, including reporting through executive and Board level governance forums where relevant.

As TPA's and TPI's climate risk journey continues, the Group will continue to enhance and refine its risk management processes, including the identification, assessment and oversight of climate-related risks, to ensure they remain proportionate, forward looking and aligned with regulatory expectations and best practice.

Metrics & targets

TPA

TPI

We use metrics to assess TPA's and TPI's GHG emissions, in addition to Fund-level emissions (see TPA TCFD Product Reports for full details).

We continue to work with an independent energy consultancy firm that supplies us with the information needed to support our ambition to limit the GHG emissions from our buildings and that our energy use is planned, considered and efficient.

Scope 1, 2 and 3 GHG Emissions

TPA's and TPI's GHG Emissions

We have collected, analysed and summarized our GHG data and relevant KRIs on a quarterly basis. This data enables us to assess how we are managing our GHG emissions.

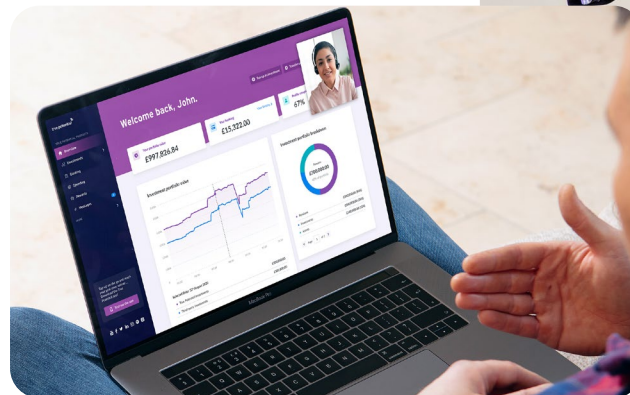
We currently gather data on the following KRIs:

- Scope 1, 2 and 3 carbon dioxide equivalent (tCO₂e) emissions; and
- Energy consumption (kWh).

TPA's and TPI's Scope 1, 2 and 3 emissions are calculated in alignment with the GHG Protocol Corporate Standard methodology and Streamlined Energy and Carbon Reporting (**SECR**) requirements.

Scope 1 and Scope 2 (location-based) emissions are calculated for our Newcastle Head Office and Scope 3 - Category 6 (Business Travel) emissions are calculated for all TPA and TPI employees.

Tables 4 and 5 on page 14 shows our total energy use and tCO₂e emissions by Scope 1, 2 and 3 between 2023 and 2025 for TPA and TPI respectively.

[Product Reports →](#)



Metrics & targets continued

TPA

TPI

Table 4: TPA Scope 1, 2 and 3 emissions from 2023-2025

			2023			2024			2025		
			Total kWh	tCO ₂ e	Total tCO ₂ e	Total kWh	tCO ₂ e	Total tCO ₂ e	Total kWh	tCO ₂ e	Total tCO ₂ e
Scope 1	Natural gas		5,213	0.95	1.01	3,193	0.58	0.58	3,601	0.66	0.66
	Vehicles		233	0.06		-	-		-	-	
Scope 2	Electricity		21,123	4.30	4.30	16,877	3.49	3.49	16,811	2.98	2.98
Scope 3	Business Travel	Personal cars	10,186	2.46	3.73	1,839	0.44	3.48	5,009	1.21	4.08
		Train		1.07			1.09			1.26	
		Flights		0.20			1.95			1.61	
			Total	9.04		Total	7.55		Total	7.72	

Table 5: TPI Scope 1, 2 and 3 emissions from 2023-2025

			2023			2024			2025		
			Total kWh	tCO ₂ e	Total tCO ₂ e	Total kWh	tCO ₂ e	Total tCO ₂ e	Total kWh	tCO ₂ e	Total tCO ₂ e
Scope 1	Natural gas		39,285	7.18	7.18	29,236	5.35	5.35	33,971	6.22	6.48
	Vehicles		-	-		-	-		1,088	0.26	
Scope 2	Electricity		157,075	31.94	31.94	154,532	32.00	32.00	155,610	27.54	27.54
Scope 3	Business Travel	Personal cars	5,694	1.38	6.03	1,753	0.42	6.55	-	-	6.37
		Train		0.30			1.02			2.42	
		Flights		4.35			5.11			3.95	
			Total	45.15		Total	43.90		Total	40.39	

Metrics & targets continued

The following metric is used to assess progress against our aim to reduce our GHG emissions:

Figure 2: TPA GHG emissions by year per employee headcount
tCO₂e/employee for each year

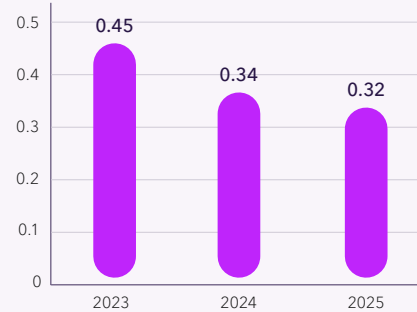
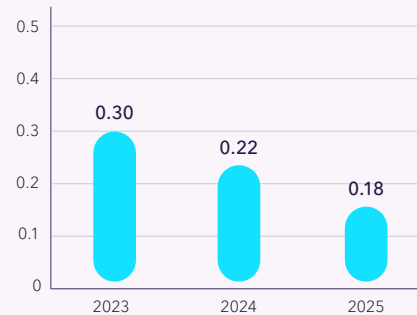


Figure 3: TPI GHG emissions by year per employee headcount
tCO₂e/employee for each year



TPA

TPI

GHG emissions per annual headcount

- This intensity metric has been chosen to indicate changes to our emissions in line with any changes to employee numbers.
- Given that the 2025 emissions intensity presented to the left uses actual data, it will be used as a benchmark to track changes in TPA's and TPI's emissions going forward.

Fund-level and Sovereign Bond GHG Emissions

We undertake an analysis of the Scope 1, Scope 2 and Scope 3 (estimated) GHG footprint of the assets held in the Funds. At a high level, based on a tonne (t) CO₂e/£ million (m) invested metric, it has been identified that some of the Funds have a relatively high concentration/exposure to the following carbon intensive sectors:

- Energy;
- Utilities; and
- Materials.

MSCI's Implied Temperature Rise (**ITR**) metric, which estimates the temperature rise impact a fund has based on current GHG emissions from its underlying holdings, identifies the temperature rise impact of the Funds to range from 1.9°C to 3.1°C.

This metric shows how a company aligns with the Paris Agreement, which is to keep global temperature rise this century well below 2°C above

pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C.

Our annual TCFD Product Reports will allow us to track the emissions intensity of each of the Funds and improve our understanding of (and allow us to consider) how any changes in the composition of each of the Funds could impact their emissions intensity. More detail on each of the Funds can be found in our Product Reports.

Sovereign Bond Greenhouse Gas Emissions data is disclosed as a separate section in our TCFD Product Reports.

[Product Reports →](#)

These emissions differ from that of corporate bonds and equities as GHG intensity is reported in tCO₂e/£m GDP nominal.

Additional detail can be found in our TCFD Product Reports (including information on assumptions and data coverage).

Climate-related targets

We do not yet have any climate-related targets in place because we believe these will be more helpful once our climate journey has further evolved and climate-related data becomes more available and meaningful; nonetheless we are in the process of evaluating and defining what targets would be appropriate for TPA and TPI. This could include an emissions reduction target, targets related to potentially material climate-related risks/opportunities identified during scenario analysis, or climate-related targets associated with the Funds.





Concluding remarks:

During 2025, TPA's and TPI's journey to enhance its approach to climate-related risks and opportunities and climate-related governance and risk management has continued. We recognise there is still work to be done across climate change and sustainability more generally. This will continue to be an area of focus for our Sustainability Committee going forwards.

At a Group level, the establishment of the GSC in 2024 and the approval of a sustainability policy and our sustainability strategy during 2025 has benefitted TPA and TPI. We look to the future with encouragement, as our continued work in this area will create further progress and improvement.

Glossary

Expression	Definition
Carbon Footprint	Total carbon emissions for the portfolio divided by the fund's market value, expressed in tCO ₂ e/£m.
Climate Value at Risk (CVaR)	A measure of the potential financial impact of climate-related risks and opportunities, under a set of different scenarios. A forward-looking metric on how climate change may affect the performance of the portfolio.
EVIC	Enterprise Value Including Cash.
Financed Carbon Emissions	Carbon emissions normalized by £m invested measures the scope 1 and scope 2 carbon emissions attributed to an investor per GBP million invested, reflecting the emissions associated with their investments.
GHG	Green House Gas.
NGFS	Network for Greening the Financial System is a group of Central Banks and supervisors looking to improve management of climate risk and support the transition toward a sustainable economy.
REMIND Model	REMIND (Regional Model of Investment and Development) is a model developed by the Potsdam Institute for Climate Impact Research (PIK) that analyses the interactions between land-use, economy, energy, and climate systems.
Scope 1 Emissions	Direct GHG emissions originating from sources controlled or owned by an organisation.
Scope 2 Emissions	Indirect GHG emissions originating from the purchase of electricity, steam, heat or cooling for the organisation's own use.
Scope 3 Emissions	Indirect GHG emissions originating as a result of activities external to the reporting organisation. Due to the nature of these emissions, Scope 3 emissions are unreliable.
tCO₂e	Carbon dioxide equivalent, or CO ₂ , measured in tons.
WACI	Weighted Average Carbon Intensity measures a portfolio's carbon-intensive exposure by calculating the weighted average of the carbon intensity (measured in tCO ₂ /£m sales) of the underlyings within the portfolio.

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