Climate-related financial disclosures in line with TCFD recommendations.

Annual Report 2024.

True Potential Administration LLP.

true potential administration

Contents.

Foreword.

On behalf of the Management Board of True Potential Administration LLP (**TPA** and the **TPA Board**), I am pleased to present our 2024 Task Force on Climate-related Financial Disclosures (**TCFD**) entity report.

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

Many of our customers 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 and decisions as a business acknowledge and support these goals.

To help our customers 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 customers. The TCFD recommendations provide a framework to guide our approach to climate risk management.

Based on the information set out in this report and the conclusions we have drawn, we assess TPA 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.

While TPA is publishing this report in respect of the four TCFD climate-related pillars, it is worth noting that True Potential Group Limited (the **Group**) has now formed its own Sustainability Committee, consisting of representatives from different legal entities and across different functional areas within the Group. This committee will develop the Group's approach to sustainability more generally.

On behalf of the TPA Board, 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

Henrietta Jowitt
Chief Executive Officer,
True Potential Administration LLP

June 2025

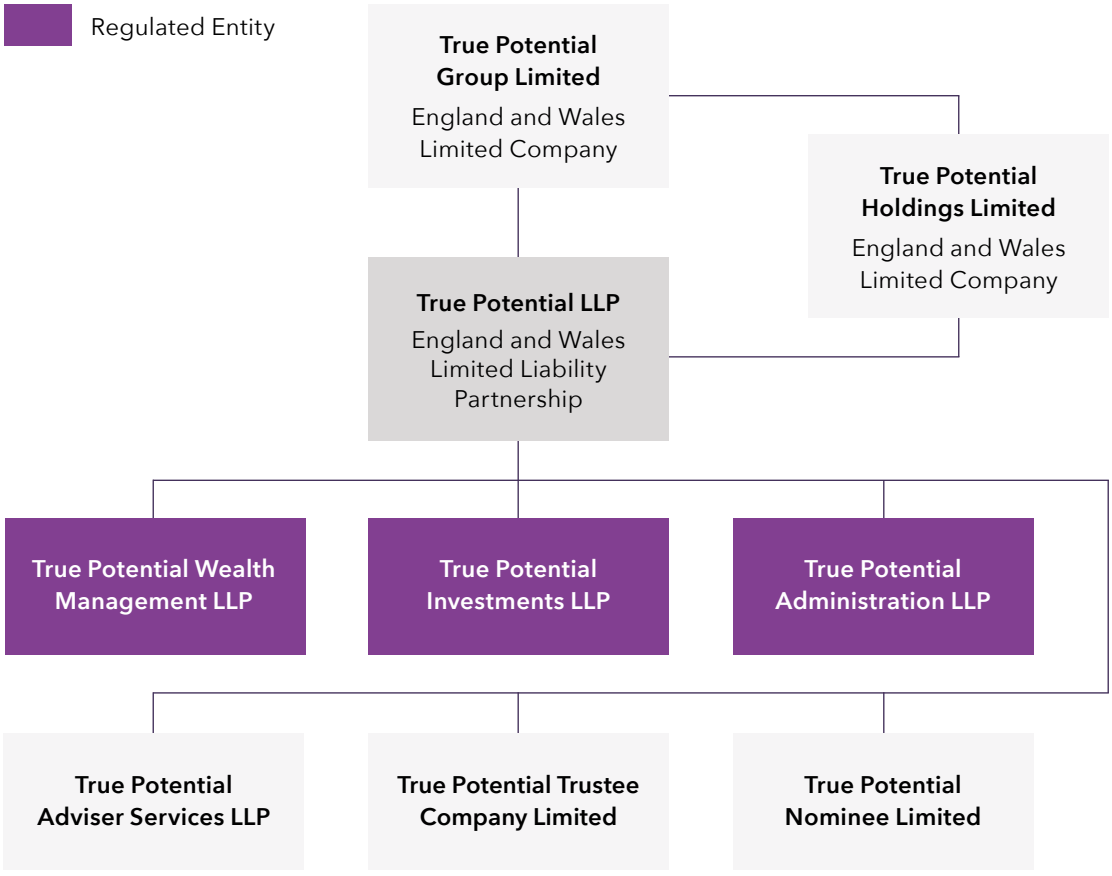
Introduction.

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.

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 (the **Funds**).

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

Figure 1: Organisation chart for True Potential Group Limited Entities.



* 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.

As UCITS management company for the Funds, we are committed to ensuring that climate-related risks and opportunities are considered across TPA's business. We now have climate related risks embedded into our internal risk framework and our TPA Audit, Risk and Compliance Committee (discussed below) has climate as a standing agenda item with responsibility to report to the TPA Board.

Governance.

The identification, assessment and management of climate-related risks and opportunities is embedded within TPA's governance structure.

The Group Board is responsible for setting the Group's overall strategy and taking decisions related to annual budgets, and future direction on sustainability including its impact on climate and nature. The Group is supported by a Group Executive Committee (**ExCo**), to whom the overall day-to-day running of the Group has been delegated. In 2024 the Group also approved the formation of a Group Sustainability Committee (**GSC**), that sits beneath the ExCo and manages day-to-day sustainability matters for the Group. The GSC comprises TPA representation amongst its members and supports TPA in meeting its TCFD requirements.

The TPA Board is responsible for implementing the Group strategy in line with its own business plan and objectives, subject to complying with its regulatory obligations and accountability for acting in the interests of the unitholders in its funds.

The TPA Board meets at least four times per year and more regularly as required. The key purpose of the TPA Board is to ensure TPA's long-term success by achieving the following objectives:

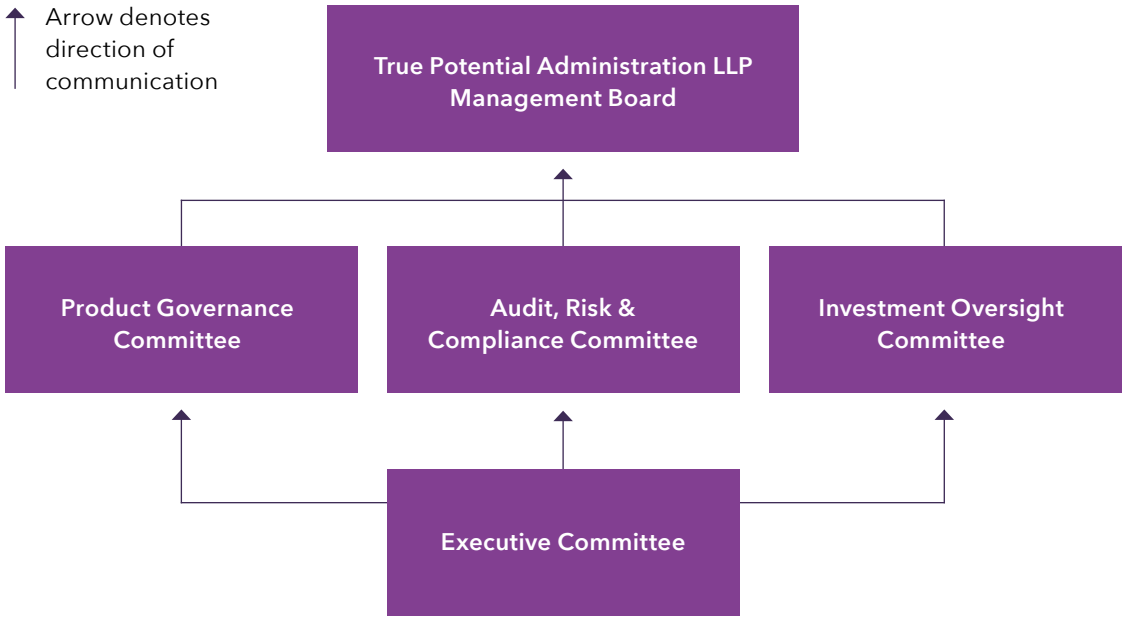
- Ensuring TPA has an appropriate strategy and associated business plans, consistent with the Group strategy and regulatory framework.
- To monitor the execution and delivery of the strategy and business plans by senior executive management within TPA.
- Ensuring TPA demonstrates good governance including strong cultural, financial and operational management and leadership, with due regard to the interests of the Funds and their consumers.
- The establishment of an effective organisational structure with systems of control that have appropriate emphasis on risk management, sufficient to ensure compliance with all applicable regulations.
- Ensuring senior executive management within TPA conduct business with integrity and all necessary due skill, care and diligence.

TPA Board Oversight and the TPA Board and Management's role in assessing and managing climate-related risks and opportunities.

As described above, the TPA Board is TPA's ultimate governing body, and therefore it is the TPA Board's responsibility to direct and implement any changes in line with the Group Board's vision, including with respect to climate-related issues, subject always to its objective of protecting the interests of the Funds' unitholders.

There are also a number of TPA Board level Committees that have been delegated responsibility for the management of specific issues and topics. Below (Figure 2) displays an organisation chart, highlighting the interactions between TPA's Committees and the TPA Board.

Figure 2: The communication between TPA's Board and Committees.



TPA's Audit, Risk & Compliance Committee.

During 2024, the TPA Audit, Risk and Compliance Committee (**ARCC**) continued to retain responsibility for the management of climate-related issues. This included reviewing and determining the relative significance of climate-related risks and opportunities in relation to our business and integrating these risks and opportunities into our internal risk management framework.

The ARCC comprises of a Committee Chair (Independent Non-Executive AFM Director), one or more Independent Non-Executive Directors, the CEO and the Chief Risk Officer.

In addition, and also during 2024, the ARCC continued to retain responsibility for considering and reviewing the most appropriate course of action to take to further manage climate-related risks that are considered as being potentially material in relation to TPA's business. Any output is then discussed with Group Risk and Compliance and the Group Executive Risk Committee which are group functions established during the course of 2024. This includes the consideration of implementing measures, mitigants and/or management plans to further manage risks, and where appropriate, assigning (and measuring progress against) key risk indicators (KRIs).

The ARCC has climate-related issues as a standing agenda item, which are discussed during every quarterly ARCC meeting.

To facilitate TPA in achieving its goal of defining risk appetite, approving capital plans and monitoring key risks to TPA, climate-related risks have been integrated into TPA's risk management framework (see 'Risk Management' section for further details).

From July 2024, TPA's adoption of a Group Risk Management Framework and risk appetite statements (approved by the TPA Board), signifies strategic progress towards a more structured and transparent approach to risk governance. By implementing a comprehensive framework, TPA ensures that risks are assessed, monitored, and managed consistently across all business units, aligning with organisational objectives. The risk appetite statements serve as guiding principles, defining the level and types of risk the organisation is prepared to accept in pursuit of its goals. This facilitates informed decision-making, enhances accountability, and strengthens resilience against uncertainties. Ultimately, the framework fosters a culture of proactive risk management, enabling TPA to navigate challenges effectively while capitalising on opportunities in a controlled and sustainable manner.

Board oversight of climate-related issues.

The ARCC's Chair is a Board member and so has clear lines of communication with the TPA Board and provides it with an update on any significant matters that require the Board's attention. The CEO of TPA is responsible for providing the TPA Board with an update on climate-related issues on a quarterly basis. During these meetings, the CEO of TPA is expected to provide the Board with:

- An update on any climate-related issues (including those relating to the TCFD's guidance) that could impact TPA and its business (with a particular emphasis on climate-related issues that are considered as being potentially material to TPA and its business)
- Key Risk Indicators (KRIs), derived from the Group Risk Taxonomy, provide TPA with a structured approach to identifying, measuring, and monitoring potential threats, ensuring a comprehensive understanding of its risk profile and enabling proactive risk management decisions; and
- Presentation of climate-related topics that require Board engagement, insight and approval.

The ARCC's climate-related responsibilities are intended to support the TPA Board in reviewing and guiding TPA's business objectives, strategy, risk management policies, financial planning (including annual budgets, business plans and investments/investment policies) and to ensure that the TPA Board has an appropriate level of oversight over climate-related issues (including TCFD guidance and the FCA Rules).

The Group Board Risk Committee and the Group Board Audit Committee are responsible for reviewing the Group risk management and financial controls but also have oversight responsibilities over the regulated entities (including TPA), which allows for a consistent approach to risk and controls.

The TPA Board and Management Committees operate within the Group governance structure but with independent non-executive representation on the TPA Board to reflect the appropriate independence of governance over the ACD.

Strategy.

As part of the work performed leading to the publication of our inaugural TCFD Entity Report last year, we undertook two key phases of assessment, a climate risk and opportunity assessment and 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 direct operations and investments. This reflects our understanding of the importance of having a clear oversight of TPA's exposure to climate-related risks, as well as the potential opportunities that could emerge for TPA in the future.

We believe that performing a scenario analysis every year in relation to our business would not yield different results, unless there have been significant changes to our business infrastructure and/or business model. As this has not been the case, we have published the same findings as last year in our update below.

However, we do believe that the climate-related risks and opportunities identified as key last year should be reviewed at least annually and therefore, we have undertaken a review of these since our last report. This was to ensure that the climate-related risks and opportunities previously identified remain valid and complete. We also sought to add clarity to the articulation of these risks and opportunities where necessary.

In addition, TPA periodically assesses 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 a 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 business. We reviewed that assessment again for this years' 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.

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 business. 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 business, whilst likelihood ratings represent the potential likelihood of a risk or opportunity actually impacting TPA'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 business was 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 within the section below).

Performing a scenario analysis to identify current and future climate risks and opportunities.

Entity-level Scenario Analysis.

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 across the short, medium and long-term. Below is a summary of how we defined short, medium and long-term within this assessment:

- **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. This will allow for more effective long-term business and financial planning in relation to any identified climate-related risks and opportunities.

A number of climate scenarios were also selected for inclusion within this scenario analysis, which are summarised within Table 1 below. 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 (which are outlined in Table 2 and 3 respectively). 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).

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

	Physical		Transition	
	Source and scenario	**Description**	**Source and scenario**	**Description**
Scenarios	**Source: IPCC** **Scenario: SSP5-8.5** 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: • Current CO_2 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	

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 TPA. 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.

Table 2: Summary of the physical climate-related risks and opportunities identified in the scenario analysis for physical assets.

Risk Item	Risk/ Opportunity	Time Horizon(s)	Description of Impact	Potential Financial Impact
Impact of river and extreme rainfall flooding on office buildings.	Risk	Short, medium and long term	• 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).	• Negative reputational impact. • Revenue losses. • Increased Operational Expenditure (**OpEx**) and Capital Expenditure (**CapEx**).
Impact of extreme heat on operations.	Risk	Long term	• 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.	• Negative reputational impact. • Revenue losses. • Increased OpEx and CapEx.
Impact of extreme winds and storms on office buildings and data centres.	Risk	Medium term	• 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).	• Negative reputational impact. • Revenue losses. • Increased OpEx and CapEx.

Table 3: Summary of the transition climate-related risks and opportunities identified in the scenario analysis.

Risk Item	Risk/ Opportunity	Time Horizon(s)	Description of Impact	Potential Financial Impact
Impact of government and external regulation on existing investment products.	Risk	Short to medium term	• Implementation of government policies, subsidies and taxes resulting in reduced profitability for companies held in TPA funds.	• Decreased revenues due to reduced demand for products and services.
Impact of substitution of existing products and services with lower emission investment products.	Risk	Short to medium term	• 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.	• Decreased revenues due to reduced demand for products and services.
Impact of changing customer behaviour on investments.	Risk	Short to medium term	• By not offering clients a fund with a climate / ESG asset class focus, TPA could miss out on a potential revenue opportunity and lose clients and market share to peers.	• Decreased revenues due to reduced demand for products and services.
Impact of carbon pricing mechanisms on investments.	Opportunity	Short to medium term	• 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).	• Increased revenues due to increased demand for products and services.
Impact of developing new low carbon products on investments.	Opportunity	Short to medium term	• The energy transition will increase investment into many markets that align with the low carbon transition. There is an opportunity for TPA to reposition its investments out of emissions intensive industries and into markets which are seeing growth due to the energy transition, such as low carbon alternatives to emissions intensive products and services. This could increase revenues as demand for its investment products will increase.	• Increased revenues due to increased demand for new financial products.

Product Reporting.

We acknowledge that the underlying assets 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 at: www.truepotential.co.uk/fund-administration/#fund-documents.

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 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. 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 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 we have identified as having the potential to be material in relation to TPA. Our risk process is described in more detail on the next page.

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, we are satisfied that TPI has policies in place that adequately consider climate change.

The findings of our already completed and future assessments (as outlined above) will be used to inform our strategy, financial planning, risk management and investment processes (and the investment policies used by our delegated investment manager TPI) to ensure that TPA is 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.

Risk management.

As approved by the TPA Board, from July 2024 TPA follows the Group Risk Framework which forms a fundamental part of our approach to internal risk management. Our climate-related assessments outlined above, identified and assessed climate-related risks in alignment with our annual Risk and Control Self-Assessments (RCSAs).

This included the consideration of the potential impact and likelihood of each climate-related risk and opportunity that was identified. We have also taken steps to integrate a number of the identified climate-related risks, alongside other key business risks, into our internal controls register. Our internal controls register, which aims to track and manage any operational risks inherent to TPA, has integrated climate-related risks identified in the scenario analysis assessment.

For risks that are integrated into our internal controls register, risk ratings are assigned based upon impact and likelihood. Identified risks are initially given an inherent risk rating, which assumes the absence of any risk mitigation measures.

Following this, we then review any risk management/risk control measures that are in place for each of the risks. The potential impact of these control measures on the identified risks is then assessed and assigned a rating based upon their potential effectiveness (considering the control's design). In addition, an RCSA is performed to ensure proper consideration is given to all previously identified risks at least annually.

The results of this analysis are then combined to provide a residual risk rating which is used to determine the escalation of risks for further management. It is then the responsibility of the first-line risk owners and TPA's second-line function to input newly identified risks into the internal controls register. Following this, each risk and its internal controls are reviewed on a quarterly basis by the first-line risk owners, overseen and managed by the second-line function, and reported to the ARCC. For risks that exceed TPA's risk appetite/require further management or controls, these are reviewed during ARCC meetings and escalated to the Board where necessary (see the 'Governance' section for further details on how the ARCC and the Board communicate).

From July 2024, Group Risk independently evaluates TPA's risk and controls register through a structured assessment process, ensuring an objective review of risk exposures and mitigation measures. By leveraging analytics and risk assessment methodologies, Group Risk identifies gaps, emerging threats, and areas requiring immediate attention. Real-time reporting mechanisms facilitate timely insights into necessary actions or shift in the organisation's risk profile, enabling proactive risk management. This ongoing oversight ensures that TPA remains aligned with regulatory requirements, strategic objectives, and evolving risk landscapes, strengthening its resilience and operational integrity.

As TPA's climate journey continues we will continue to enhance our risk management processes.

Metrics & targets.

We use metrics to assess TPA's GHG emissions, in addition to Fund-level emissions (see TPA 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 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 (CO_2e) emissions; and
- Energy consumption (kWh).

TPA'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 employees.

Table 4 below shows our total energy use and CO_2e emissions by Scope 1, 2 and 3 between 2022 and 2024.

Table 4: Scope 1, 2 and 3 emissions from 2022-2024.

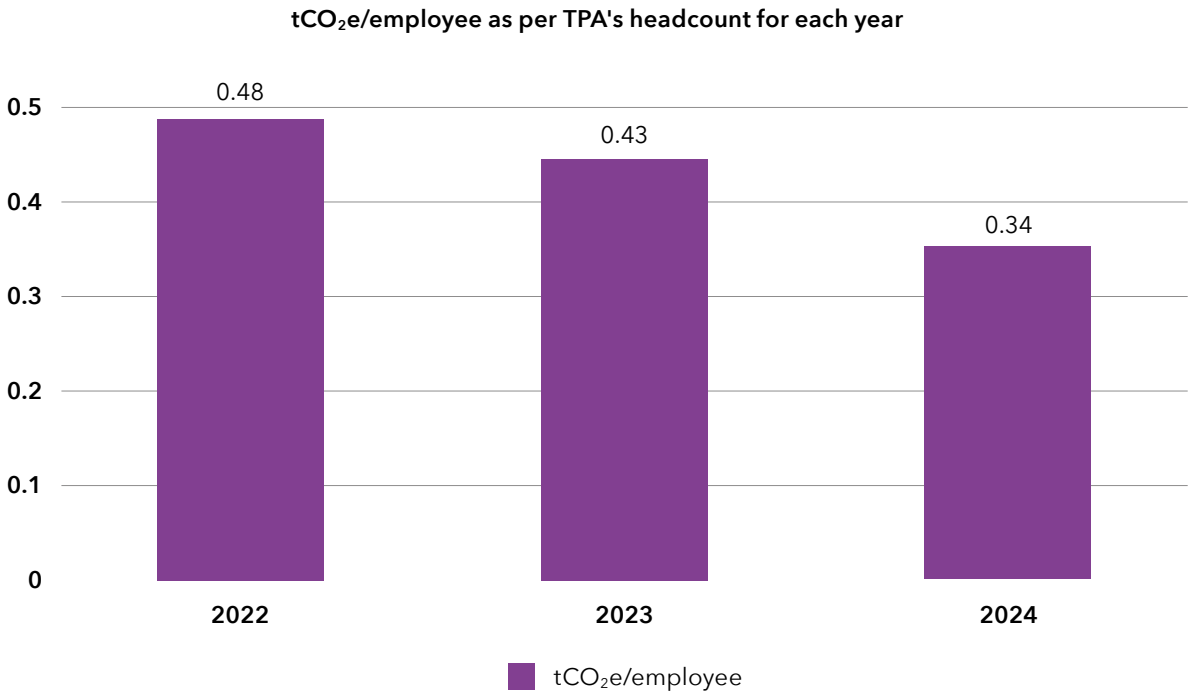
			2022			2023			2024		
			Total kWh	tCO_2e	Total tCO_2e	Total kWh	tCO_2e	Total tCO_2e	Total kWh	tCO_2e	Total tCO_2e
Scope 1	Natural gas		10,292	1.88	**2.27**	5,213	0.95	**1.01**	3,193	0.58	**0.58**
	Vehicles		1,571	0.39		233	0.06		-	-	
Scope 2	Electricity		21,468	4.15	**4.15**	21,123	4.30	**4.30**	16,877	3.49	**3.49**
Scope 3	Business Travel	Personal cars	2,834	0.7	**1.73**	10,186	2.47	**3.73**	1,839	0.44	**3.48**
		Train		0.87			1.07			1.09	
		Flights		0.16			0.20			1.95	
				Total	**8.15**		**Total**	**9.04**		**Total**	**7.55**

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

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.
- While the 2022 emission intensities can be used as an indication of TPA's emissions intensity in the given years, it should be noted that Scope 1, 2 and Scope 3 - Business Travel (for personal cars only) emissions have been estimated using Group level emissions as a proxy and weighted as per the number of TPA employees for the given year. Scope 3 - Business Travel (for trains and flights only) emissions have been estimated using 2023 actual emissions data as a proxy and weighted as per the number of TPA employees in the given year.
- Given that the 2023 emissions intensity presented below uses actual data, it will be used as a benchmark to track changes in TPA's emissions going forward.

Figure 3: GHG emissions by year of employee headcount.



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.

Despite the Funds' exposure to certain carbon intensive sectors, 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 1.7°C to 2.8°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 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. These emissions differ from that of corporate bonds and equities as GHG intensity is reported in tCO_2e/£m GDP nominal.

Additional details can be found in our 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. 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 2024, TPA's journey to enhance its approach to climate-related risks and opportunities and climate-related governance and risk management has continued. At a Group level, the establishment of the GSC has benefitted TPA and we look to the future with encouragement, as improvements will further benefit this progress. While TPA continues to remain compliant with the FCA and TCFD requirements, we recognise that we still have work to do on devising climate-related targets and a transition plan and this will be an area of focus for us in the year ahead.

Glossary.

Expression	Definition
Carbon Footprint	Total carbon emissions for the portfolio divided by the fund's market value, expressed in tCO_2e/£m invested.
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.
tCO_2e	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 underlying within the portfolio.

true potential
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