Stagecoach Group Pension Scheme

Taskforce on Climate-related Financial Disclosures (TCFD) Report for Year Ending 30 April 2026

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Introduction

Climate change refers to the long-term warming of the planet, driven largely by greenhouse gas emissions. Limiting further rises in global temperatures is likely to require a coordinated transition across the whole economy, with governments, investors and companies working together. Recognising that climate change is a key risk to financial markets, the Financial Stability Board commissioned the Taskforce on Climate-related Financial Disclosures (TCFD) in 2015. The Board determined that it would be desirable to have clear, comprehensive, high-quality information pertaining to the impact of climate change; thus, the objective of the TCFD is to improve and increase the reporting of climate-related financial information.

In 2017, the TCFD released a set of recommended disclosures in four thematic areas, designed to highlight how organisations are managing both climate-related risks and opportunities (CRROs). The four key themes (set out below) represent the core elements of how organisations operate. Sufficient flexibility is allowed for within the disclosures to account for local circumstances, whilst not undermining ease of comparability across organisations.

The Trustee of the Stagecoach Group Pension Scheme ("Trustee") has a fiduciary duty to act in the best interests of Scheme members, including considering all factors that could influence the resilience of the Scheme over time. As a long-term investor, diversified across asset classes, regions and sectors, it is in the interest of the Scheme that the market is able to effectively price climate-related risks and that policy makers are able to address market failure. The Trustee recognises the financial materiality of both the risks and opportunities linked to climate change and the associated transition, and has taken, and will continue to take, steps to identify and address these risks and opportunities.

This is the Trustee's fourth TCFD report. This report structure follows the TCFD recommendations, which are aligned with the four pillars as set out below:

Governance

The organisation's governance around climate-related risks and opportunities

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Risk management

The processes used by the organisation to identify, assess, and manage climate-related risks

Metrics and targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities



Source: TCFD

Executive Summary

Set out below is a member-friendly summary of the contents of this report. Page 5 onwards provides full detail on the climate-risk disclosures for the year ended 30 April 2026. Additionally, Appendix II has a glossary of terms that are used throughout this report.

Scheme changes over the year

During the year to 30 April 2026, the Trustee, Stagecoach Group Limited and Aberdeen Group plc completed a transaction which resulted in Aberdeen Corporate Services Limited becoming the Principal Employer, with abrdn Investments Limited ("Aberdeen") being appointed as investment manager. With the exception of some legacy illiquid assets, the entirety of the Scheme's investments were transferred from the management of SEI to Aberdeen.

The Trustee's long-term expectations for the Scheme to 'run on' have been maintained and the climate-related risks and opportunities that were previously considered as financially material to the Scheme have not significantly changed, nor has the approach of the Trustee to climate change. As a result, whilst the approach of Aberdeen to climate change factored into the decision making process when agreeing the above changes, the content of this report remains largely unchanged.

Governance

The Trustee retains overall responsibility for climate-related risks and opportunities, supported by the Scheme's advisors. It oversees how their manager (Aberdeen) and other advisors integrate financially material climate and wider ESG factors, including through regular reviews of investment processes, engagement and voting activity, while maintaining their own knowledge through ongoing training.

Strategy

The Trustee considers both physical and transition risks, as well as opportunities from the move to a low-carbon economy, over short-, medium- and long-term horizons. This helps the Trustee ensure that the Scheme is resilient in the face of climate-related risks, which feeds into their risk management processes.

Climate considerations are integrated through manager selection, monitoring and stewardship. Climate-related scenario analysis has been previously undertaken for the Scheme, which indicated an adverse impact on assets of around 2% over 10 years across the scenarios considered. The Trustee remains satisfied that the Scheme is resilient and that Aberdeen's sponsor covenant is robust, having taken into account the covenant work undertaken during the year and reviewing Aberdeen's own climate-related disclosures at a high-level. As the Scheme's new investment strategy is not yet fully embedded at the time of preparing this report, the Trustee plans to update the climate scenario analysis across investment, funding and covenant in the coming years.

Risk management

Climate-related risks are integrated into the Scheme's overall risk-management framework and considered through investment strategy reviews, valuations, covenant reviews and manager monitoring. Identified risks are assessed by likelihood, impact and materiality, recorded in the Scheme's risk registers and managed through controls including manager oversight, engagement and voting, regular training, climate metrics, scenario analysis and annual planning.

Metrics and targets

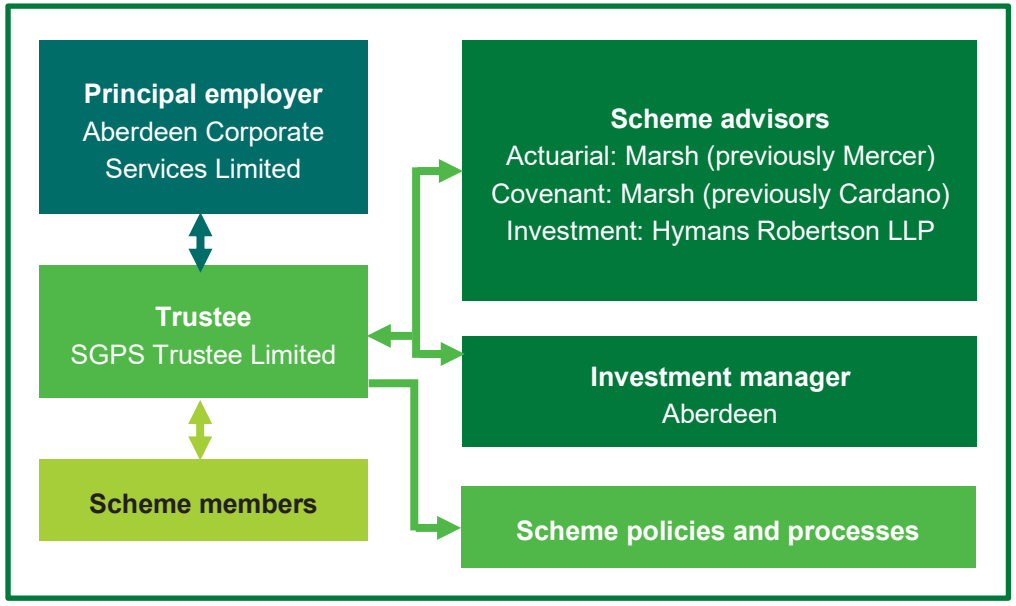
The Trustee monitors total carbon emissions, weighted average carbon intensity, carbon footprint, emissions-data coverage and the proportion of holdings with science-based targets. The Trustee uses a data-quality target and will review both the metrics and targets annually as coverage, methodologies and forward-looking measures improve. The metrics for the Scheme have been calculated, where possible, across the Scheme's assets. The credit portfolio for the Scheme currently only partly meets the expectation of the 'Good' data coverage target that has been set. Working with Aberdeen to improve the remainder of the credit portfolio data coverage will be an action for the Trustee in the coming year.

Governance

Describe the Trustee Board's oversight of climate-related risks and opportunities.

Governance structure

The Trustee retains overall responsibility for the Scheme and its management, including consideration of financially material climate-related risks and opportunities and oversight of how these risks and opportunities are addressed within Scheme risk management processes. However, the Trustee has delegated responsibility for the consideration of asset class and stock level decisions to their investment manager within an agreed investment framework. The Trustee requires Aberdeen to be cognisant of climate change risks and opportunities within its investment processes and appropriately assess and manage climate-related risks. In addition, the Trustee delegates responsibilities concerning the identification, assessment and management of climate-related risks and opportunities to the Scheme's other advisors. How the Trustee oversees and assesses each party with respect to these activities are set out in this document.



Trustee's oversight

To maintain oversight of climate-risk management, the Trustee meets regularly with its investment manager. The manager is expected to explain how climate-related risks and opportunities, alongside other factors, are integrated into their investment processes. The Trustee is satisfied that the manager's investment processes appropriately account for these factors.

The Trustee also considers engagement with portfolio companies important and delegates engagement and voting to their investment manager. Where appropriate, the manager is expected to engage proactively and exercise voting rights in line with its house policies. The Trustee has reviewed these policies and consider them appropriate, including in relation to climate-related risks and opportunities. The manager must report voting activity at least annually and disclose any changes to their policies each year.

Training

The Trustee believes it is important to consider financially material ESG factors, including climate-related risks and opportunities, in investment decisions. In order to do this, they must maintain an appropriate understanding of how climate change may affect the Scheme directly or through the employer covenant. As such, they receive regular training and updates from their advisors and investment manager on climate change and broader responsible investment topics and consider climate-related risks and opportunities through discussions and decisions at regular Trustee meetings.

Governance

Describe the Trustee Board's role in assessing and managing climate-related risks and opportunities.

The parties involved in the identification, assessment and management of climate-related risks and opportunities for the Scheme, including the relevant responsibilities of those parties, is set out in more detail below.

Trustee Board

The Trustee is ultimately collectively responsible for the oversight of all strategic matters related to the Scheme. This includes the governance and management framework for climate-related risks and opportunities. The Trustee annually reviews its own role and responsibilities as well as those of the Scheme's service providers. The Trustee takes an active role in assessing and reviewing its advisors; feedback on service levels and performance in general is provided periodically both formally and informally.

Investment Advisors

The Trustee has also appointed Hymans Robertson LLP to provide independent investment advice. This includes providing oversight and challenge on the actions of the Discretionary Manager, including their approach to addressing climate-related risks and opportunities.

Investment Manager

The Trustee appointed abrdn Investment Limited ("Aberdeen") as discretionary asset manager during the year to 30 April 2026. Aberdeen has responsibility for the following activities that the Trustee has delegated to them. Within the management of a discretionary multi-asset portfolio, Aberdeen has responsibility for the following:

- The identification, assessment and management of climate-related risks and opportunities when undertaking the management of the Scheme's investments.
- Where applicable, exercising voting rights and engage with portfolio companies on behalf of the Trustee.
- Provision of information, including some climate scenario analysis and climate-related metrics, to the Trustee and their other advisors for use in discussions, decisions and reporting.

Scheme Actuary

The Scheme Actuary, Jonathan Black FFA of Marsh (formerly Mercer), is responsible for helping the Trustee assess the impact of the potential uncertainties introduced by climate risk in the Scheme funding assumptions and strategy.

Covenant Advisor

The Scheme's covenant advisor, Marsh (formerly Cardano Advisory), helps the Trustee understand the potential impact of climate change risk on the covenant of Aberdeen Corporate Services Limited as the Principal Employer of the Scheme.

Strategy

Describe the climate-related risks and opportunities the Trustee Board has identified over the short, medium and long term.

Climate-related opportunities

The efforts to mitigate and adapt to climate change will likely result in new opportunities, for example, through resource efficiency and cost savings, the adoption and utilisation of low-emission energy sources and the development of new products and services, and improved resilience along the supply chain. Climate-related opportunities will vary by region, market and industry.

Climate-Related Risks

There are two main types of climate-related risks: physical risks (i.e. those relating to the physical impacts of climate change), and transition risks (i.e. risks relating to the transition to a lower-carbon economy). Physical and transition risks exhibit an inverse relationship. Rapid global efforts to reduce emissions are likely to reduce physical risks whilst exacerbating transition risks. Inversely, a more gradual reduction in global emissions may reduce transition risks but result in increased physical risks. Below sets out the main physical and transition risks from climate change that the Trustee considers.

Physical climate risks

Acute Risks

Event-driven risks, including those that result from severe weather events such as hurricanes, cyclones and floods. Such events could have a negative impact on asset values through:

- physical damage to real assets
- supply chain disruptions
- increased insurance costs, or the inability to gain insurance
- reduced revenue from decreased production capacity

Chronic Risks

Risks resulting from longer-term shifts in climate patterns, such as sustained temperature increases that may cause higher sea levels and more regular heat waves. Reduced revenue and profits from decreased production capacity and increased costs, resulting, for example, from:

- damaged roads, buildings and transit infrastructure
- reduced productivity and hours worked by staff
- reduced agriculture harvests, yields and volumes, and unstable year-to-year production
- reduced construction output
- water and food scarcity increasing company input costs
- droughts reducing hydropower electricity production
- overloaded power grids with the demand for cooling systems; regular power blackouts and falls in company production

Transition-related climate risks

Policy and legal

Regulations brought in to address companies' behaviour towards climate change could result in stock price falls. For example, from the effects of write-offs, asset impairment, and early retirement of existing assets due to policy changes.

Market and reputational

- reduced demand for a company's products or services due to increased demand for more 'environmentally-friendly' offerings
- prolonged reputational damage resulting in significant loss of customers
- societal pressure for increased regulation or taxation of key business activities
- competitors who may move to decarbonise more rapidly

Technology and policy

Rapid product obsolescence or changes in consumer behaviour, for example:

- increased consumer uptake of electric vehicles
- increased demand for energy efficiency, renewable energy, battery power storage and carbon capture practices to be utilised by organisations

Stranded asset risk

Re-pricing of companies' assets (e.g. fossil fuel reserves, land valuations, securities valuations).

Time horizons

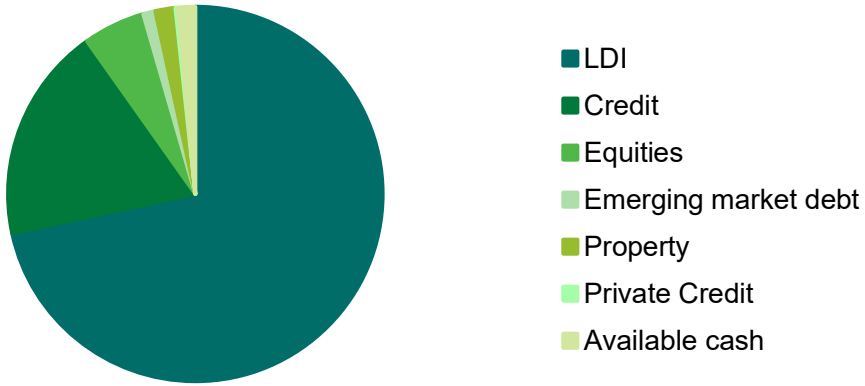
The Trustee recognises that climate-related risks and opportunities can materialise and impact the Scheme over the short-, medium- and long-term. The Trustee has defined the short-term, medium-term and long-term as relevant when considering the Scheme's lifetime as shown in the table below. In determining the timeframes, the Trustee has taken account of the Scheme's liabilities and the funding strategy that was in place during the Scheme year.

Horizon	Rationale
Short-term Up to 3 years	Consistent with the time period between actuarial valuations
Medium-term 3-10 years	Step down in the discount rate in 2031, corresponding to the point of significant maturity
Long-term 10+ years	Scheme expected to be invested in a low-dependency portfolio from this point onwards

Scheme information

When considering the below risks, it is worth noting the relevant Scheme information, which includes the Scheme's funding level and asset allocation (excluding Repo/Equity funding) as at 30 April 2026, as set out below. This reflects the valuation that was undertaken during the year.

	30 April 2026	
	Long Term Objective basis	Technical Provisions basis
Liabilities	£1,049.0m	£1,002.2m
Assets	£1,133.0m	£1,133.0m
Surplus/(Deficit)	£84.0m	£130.8m
Funding Level	108.0%	113.1%



The table below considers and identifies the potential investment, funding and covenant risks that may materialise over the chosen time horizons. Covenant risks may be included in the table once further analysis and discussion with Aberdeen has been undertaken.

	Investment – Physical risks		Investment – Transition risks				Funding
	Acute	Chronic	Policy and legal	Market and reputational	Technology and policy	Stranded assets	Longevity impact
Short term	✓		✓	✓			
Medium term	✓	✓			✓		
Long term		✓				✓	✓

Strategy

Describe the impact of climate-related risks and opportunities on the Scheme's, strategy and financial planning.

Climate-related risks and opportunities are integrated into the Trustee's investment strategy by Aberdeen as an element of its management of the portfolio.

The Trustee uses climate metrics and scenario analysis to assess the potential impact of climate change on the Scheme's investments, funding position and employer covenant, while recognising that data quality and coverage are expected to improve over time.

Future exposure to climate-related risks and opportunities will be influenced by:

- Climate scenario analysis and its implications for funding outcomes.
- The availability of reliable climate-related data and metrics.
- Investment managers' approaches to assessing and managing climate risks.
- Stewardship activities, including engagement and voting.
- Managers' participation in collaborative industry initiatives that promote climate-related best practice and transparency.

Describe the resilience of the Scheme's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The Trustee uses climate scenario analysis to assess how climate-related risks and opportunities could affect the Scheme's funding position and sponsor covenant over time. Scenario analysis is not intended to predict future outcomes but to test the resilience of the Scheme under a range of plausible climate pathways. The Trustee has previously assessed the Scheme under three climate scenarios, consistent with TCFD guidance and Pension Climate Risk Industry Group (PCRIG) recommendations:

- **Orderly transition (1.5°C)**: Early and coordinated global action limits warming to 1.5°C, with a gradual transition to a low-carbon economy.
- **Disorderly transition (2°C)**: Delayed and less coordinated action results in a more abrupt transition and higher transition risks.
- **Hot house world (>3°C)**: Insufficient climate action leads to higher levels of global warming, increasing physical climate risks.

The analysis considers the potential impact of these scenarios on the Scheme's assets, liabilities and funding position over the short, medium and long term relative to a baseline scenario that does not explicitly allow for climate-related impacts.

Key conclusions

This previous analysis indicated that the Scheme's assets could be adversely affected under all three climate scenarios. The estimated impact on asset values is around 2% over the next 10 years, depending on the climate pathway realised. Any impacts are expected to emerge gradually over time. Overall, the results suggest that the Scheme remains resilient across the scenarios considered, although climate-related risks continue to require ongoing monitoring. Full details of the previous climate scenario analysis results are in the Appendix.

Employer covenant impact

During the year to 30 April 2026, the Scheme's Sponsoring Employer changed from Stagecoach Group Limited to Aberdeen, with the covenant now supported by an uncapped section 75 "look-through" guarantee from Aberdeen Group plc.

During the year, Marsh carried out a detailed assessment of the strength and resilience of Aberdeen's covenant as the Scheme's new Sponsoring Employer. This covered Aberdeen's financial position, the covenant support structure and key covenant risks. Climate-related risks were not reviewed in detail as part of this work and no climate scenarios were modelled. The Trustee has instead considered Aberdeen's own public climate-related disclosures, as summarised within the Appendix.

In the meantime, the Trustees will continue to monitor climate-related developments at Aberdeen as part of its ongoing covenant monitoring, including through the information sharing protocol agreed with Aberdeen, and would bring the analysis forward if there were a material change to Aberdeen's business or to the covenant support structure.

2026 and looking ahead

The previous analysis, plus additional discussions on wider Scheme resilience, has satisfied the Trustee that the current information they hold is sufficient to determine the resilience of the Scheme to climate-related risks and opportunities at this stage. The Trustee will consider whether to update the climate scenario analysis again for next year's report.

Risk Management

Describe the Trustee Board's process for identifying, assessing, and managing climate-related risks.

Identification and assessment of risks

The Scheme's risk-management framework includes a risk register, which is monitored on a regular basis by the Trustee. The Trustee still retains all oversight over risk management, however delegates some risk management activities, including the selection of securities to the appointed investment managers. The Trustee expects the Scheme's advisors and investment managers to identify and assess climate-related risks in respect of the Scheme and its assets on behalf of the Scheme.

More broadly, ESG (particularly climate-related) risks can be identified by various parties including the Trustee, the Scheme's advisors and managers as outlined under the Governance section of this report as part of the ongoing management of the Scheme. ESG risks may be identified as part of the following processes: investment strategy reviews; triennial valuations; covenant reviews; considering asset classes; and selection of investment managers, individual mandates and investments. Any key risks identified are discussed by the Trustee and are listed on the Scheme's risk register and/or the specific climate-related risks and opportunities (CRROs) risk register as discussed below in order to be monitored on a regular basis.

Once risks are identified and added to the risk register, they're then evaluated and prioritised based on the overall threat posed to the Scheme.

The Trustee prioritises risks based on the size, scope and materiality of the risk event. This includes rating the likelihood and impact of the risk event to produce a score reflecting the threat that the risk event poses to the Scheme, then deciding on the appropriate action (mitigation, control or acceptance) based on this score and available courses of action. Rating the risk's likelihood and impact may be informed by scenario analysis and calculated metrics where relevant. This helps the Trustee to build up a picture of the Scheme's risks more widely and where ESG risks sit in the overall risk management framework.

Management of risks

The Scheme's Statement of Investment Principles ("SIP") sets out the Trustee's policies relating to the management of financially material risk factors (including climate change). The statement, which can be found online here, was updated during the year. The Trustee reviews the SIP at least annually. As set out in the SIP, the Trustee manages exposure to climate-related risks primarily through delegation to, selection of, and monitoring of the appointed investment managers. The Trustee regularly reviews the processes employed by their investment managers and their approach to assessing climate-related risks. Furthermore, the Trustee believes that proactive, ongoing and constructive engagement with companies, backed by a strong willingness to vote, can help raise standards and improve companies' accountability for impacts made on the climate, and expect the appointed investment managers to carry out engagement and voting activity in respect of their mandates.

However, the Trustee also employs a number of other risk management techniques and controls in order to support the management of identified climate-related risks. Examples of the risks identified and the controls in place as described within this section have been included within Appendix I, but include the risk of poor knowledge and understanding, poor investment performance and governance, and not meeting reporting and compliance requirements. Risk controls that the Trustee has in place include, as well as appointing appropriate investment managers, actions such as regular training, frequent monitoring, and building climate-related activities such as TCFD reporting into broader annual planning for the Scheme.

Risk Management

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management.

The Trustee has prepared a specific climate-related risks and opportunities (CRROs) risk register which is included as an Appendix to this policy statement and will be appended to future annual TCFD reports. Risks will be prioritised based on materiality, likelihood and financial impact.

The Trustee also maintains a wider risk register encapsulating risks material to the Scheme that is reviewed periodically. Risks specifically related to CRROs are reviewed at least annually – the review of all risks relating to the ongoing governance of the Scheme forms part of the Trustee's decision-making process and is recorded in meeting minutes accordingly.

Due to the wide variety of risks, as well as the complexity of these risks and how they may interact with each other, there is significant uncertainty of the net impact of climate risk and how it may impact the Scheme's strategy across the risk areas of funding, investment, and covenant.

The Trustee use both scenario analysis and the climate-related metrics chosen and collected for the Scheme to help inform the approach to this uncertainty, as well as to better understand the resilience of the Scheme to climate change. The scenario analysis and climate-related metrics are covered in more detail under the Strategy and Metrics and Targets sections of this report. These have also been used to inform the CRRO under Appendix I.

Recognising that most climate-related metrics are backward-looking and may not fully capture forward-looking plans, the Trustee believes that proactive and collaborative engagement with investee companies is critical to the long-term management of climate-related risks and opportunities. The activity of engaging with investee companies, on behalf of the Trustee, is delegated to the investment manager.

Role of the investment manager

An Investment Management Agreement is in place with Aberdeen, which sets out the Trustee's expectations of the manager and the parameters for the management of the portfolio. Aberdeen supports the Trustee's approach to managing climate-related risks through their reporting, which is used to assess climate risks and identify potential investment opportunities across the portfolio. As part of this reporting, Aberdeen uses outputs from its bespoke scenario analysis tools to assess the potential impact of climate change on individual companies across different geographies, sectors and industries for the corporate bond portfolio.

The Trustee also monitors its manager's stewardship activity, with voting and engagement activity which is reported annually through the Implementation Statement. The Trustee delegates voting and engagement activities to Aberdeen where applicable and expects them to engage actively with investee companies.

Metrics and Targets

Disclose the metrics used by the Trustee to assess climate-related risks and opportunities in line with its strategy and risk management process.

The Trustee has selected and disclosed the following metrics within this TCFD report.

Measure	Selected metric
1. Absolute emissions-based measure	**Total Carbon Emissions in tCO2e** This measures the total greenhouse gas emissions attributable to a portfolio and is expressed as tonnes (t) of carbon dioxide (CO2) equivalent (e) – i.e. tCO2e. 'Carbon dioxide equivalent' is a standard unit for counting greenhouse gas (GHG) emissions regardless of whether they're from carbon dioxide or another gas, such as methane. For each holding within a portfolio, its associated total carbon-equivalent emissions can be prorated according to the investor's ownership share – this metric is the sum of these prorated amounts. In other words, this metric represents the sum of the prorated carbon emissions of the holdings in the portfolio based on the investor's ownership share. This gives a sense of the scale of the emissions associated with each holding and the potential reduction required to assist the transition to a net zero economy.
2. Emissions intensity measure(s)	**Weighted Average Carbon Intensity (WACI)** This is a key metric for measuring a fund's exposure to carbon intensive assets, expressed in tCO2e per million dollars (USD) of sales. This metric provides a broad indication of how heavily a portfolio's underlying holdings are involved in greenhouse gas emissions. The WACI is calculated as the weighted average of the carbon intensities of the underlying holdings, whereby the weights are the percentage allocations to each holding. This metric can be used across equities and corporate bonds.
	Carbon Footprint Carbon footprint tells the Trustee how many tonnes of CO2e emissions were produced by a particular portfolio for each million dollars (USD) invested. This metric may facilitate comparison across sectors, portfolios and companies and is therefore useful for internal and external purposes. A drawback of this metric is that increasing security prices can result in falling carbon footprints, without a commensurate fall in carbon emissions. In addition, the metric does not capture differences in the size of companies, nor the carbon efficiency of their production processes etc. relative to other companies within the same industry.
3. Additional climate-related metric	**Data Quality** Data coverage is the key metric for examining data quality at present. Coverage for each of the funds is expressed as the percentage of the fund's total market value for which there is Scope 1 and 2 emissions data, meaning that the coverage figures take into account the relative size of the underlying security positions. The Trustee are mindful of the lack of coverage in certain areas of the market, in particular, fixed income and government bonds. The Trustee expects that over the coming years, data quality will likely improve. At this point in time, due to this lack of coverage, the Trustee has been unable to reliably include this data within this report. Upon improvement of data coverage, however, the Trustee will include metrics for those mandates where metrics are currently missing within future reports.
4. Portfolio alignment metric	**Percentage of mandate for which Science-based Targets have been set** The Trustee has decided to adopt a binary target measurement being the percentage of holdings (by value) in each mandate for which Science-based Targets have been set. This metric is simple, understandable, and gives a sense of the extent to which companies within the portfolio are taking steps to address climate risk by putting in place appropriate strategies, objectives and targets.

Metrics and Targets

Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions, and the related risks.

Scope 1, 2 and 3 data

Where relevant, the metrics are calculated using Scope 1 and Scope 2 emissions data. Scopes 1 and 2 encompass those emissions that are owned or controlled by a company, whereas Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by it. As Scope 1 and 2 emissions are more directly measurable, the quality and coverage of Scope 1 and 2 data is far greater than that of Scope 3, but Scopes 1 and 2 represent only a small part of a typical organisation's total climate impact. Research from the Carbon Disclosure Project (CDP) suggests that Scope 3 emissions are 5.5 times larger than those of Scopes 1 and 2 combined.

At present, Scope 3 data is not widely available, and the Trustee has decided to exclude Scope 3 data from the calculations. Methodologies concerning Scope 3 data are less established and many companies are only beginning to analyse their Scope 3 emissions. Given the lack of comprehensive Scope 3 data, metrics will be measured versus targets based on Scope 1 and Scope 2 emissions. However, this will be kept under review and the reliability of Scope 3 emissions will be re-assessed by the Trustee annually.

Selected Metrics

The metrics used to assess climate-related risks and opportunities are in line with the investment strategy and risk management processes. These represent metrics that are available today and the Trustee expects data to continue to improve over the coming years as company level disclosure becomes more comprehensive and widespread, along with third-party verification of alignment.

Data limitations and keeping metrics under review

The limitations we face today are not necessarily limitations we will face in the future, as this is an area that is changing rapidly, with research organisations continually developing new metrics and companies generating better data.

The Total Carbon Emissions, Weighted Average Carbon Intensity and Carbon Footprint are all backward-looking metrics. While useful to measure for the companies held in portfolios, they do not consider companies' future expected carbon emissions projections. Moreover, they do not consider scientifically robust targets and business plans that companies may have put in place to reduce future carbon emissions. Consequently, the Trustee will in future consider using forward-looking carbon emissions metrics as well as backward-looking ones.

The Trustee has adopted the above metrics as necessary starting points. However, the Trustee will review the selection of metrics and targets to ensure that they remain appropriate considering the evolving regulatory landscape and the strategy employed.

The Trustee will also review data as it becomes more complete and meaningful (such as Scope 3 emissions data and forward-looking alignment data).

Metrics and Targets

Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions, and the related risks.

Set out below is the Scheme's metrics for the assets held as at the Scheme year end of 30 April 2026. The metrics are not necessarily as at 30 April 2026; indeed, with many asset classes there is somewhat of a lag in the data underlying carbon-related metrics – this depends on a number of elements, such as company reporting dates. Further commentary on the Scheme metrics is included below the table. Some numbers may not sum to 100% where expected due to rounding.

Fund / Strategy	Asset size	Coverage (i.e. Data Quality)	Total Carbon Emissions		Weighted Average Carbon Intensity		Carbon Footprint		% of Fund/Strategy that have SBTI Approved Target			
			Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3	Aligned	Aligning	Committed	No commitment/ insufficient data
	(£m)	*(% MV)*	*(tCO_2e)*		*(tCO_2e / $M sales)*		*(tCO_2e / $M invested)*		*(% NAV)*			
Credit												
Investment Grade Credit	***189.2***	58.4%	4,237	55,464	28.9	378.0	22.4	293.1	2%	16%	16%	66%
Global High Yield	***17.3***	65.0%	1,038	4,657	7.1	31.7	44.2	198.2	2%	8%	20%	69%
Direct Private Credit[1]	***2.4***	-	-	-	-	-	-	-	-	-	-	-
Property												
Pooled Property Fund	**20.2**	-	67	732	-	-	26.7	291.9	-	-	-	-
Alternatives												
Emerging Market Debt Fund[2]	**11.6**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	69.9%	30.1%
LDI and gilts		**For gilts:**	**Territorial[3]**	**Imported[3]**								
UK Gilts	**867.2**	100.0%	*389,110,000*	*357,890,000*	-	-	-	-	-	-	100.0%	-
Total Portfolio	**1,107.9**	**There are no available metrics for the remainder of the Scheme's assets.**										

[1] Metrics data not yet available as at the time of this version of the report. Given the proportion of assets in this allocation and the efforts already taken to gather data this year, the Trustee is satisfied that they have made all reasonable efforts to gather this data, and will further endeavour to collect it in advance of next year's report.

[2] As the emerging market debt fund holds debt across a broad range of institutions in different countries, at this point in time it is not yet possible to calculation emissions figures. However, it is possible to estimate the proportion of holdings where said institutions have committed to net zero targets. Therefore, this information has been included.

[3]When considering government bonds, the typical Scope 1, 2, and 3 classifications are not applicable. Instead, reporting provides 'Territorial' and 'Imported' emissions, which are somewhat akin to Scope 1 and Scope 3 emissions respectively; this is shown above.

Trustee assessment of Carbon Metrics

The Trustee notes that the availability of climate metrics varies materially across the Scheme's investments. This reflects the continuing challenges in obtaining consistent and comparable data across private market, property, sovereign and derivative investments. Scope 1 and 2 emissions data coverage is 58.4% for Investment Grade Credit and 65.0% for Global High Yield, while full coverage is shown for UK Gilts. For the credit assets where emissions data is available, Investment Grade Credit has the larger absolute carbon emissions, reflecting its significantly larger allocation, while Global High Yield has a higher Scope 1 and 2 carbon footprint. Scope 3 measures are substantially higher than Scope 1 and 2 measures for both funds, illustrating the importance of value-chain emissions despite the greater uncertainty associated with this data. The Trustee expects the breadth and quality of these metrics to improve over time and will continue to monitor developments with Aberdeen.

Metrics and Targets

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

The Trustee wishes to set meaningful targets over which they or their delegates can exercise some influence. The Trustee has taken a measured approach to setting climate-related targets and will continue to review how they can use quantitative analysis and recognised industry frameworks to set meaningful climate-related targets. Given the assets held, the primary challenge for the Trustee is that data quality is not yet at an appropriate level in order to place reliance on Scheme emission calculations. Consequently, the Trustee has adopted a data quality target.

The Trustee set a target in respect of its investment grade credit holdings being to achieve a "Good" data-quality score by 30 April 2026. Prior to the change in investment manager and underlying strategy, both investment grade credit funds held had achieved an "Excellent" score at 30 April 2025 under the agreed framework. In light of the changes to the Scheme's investments over the last year, the Trustee decided to maintain the target of "Good" across their credit portfolio in the short term to ensure emissions data for the new credit portfolio remains at an appropriate standard. This will enable discussions on any further climate-related targets in upcoming years that the Trustee may wish to set.

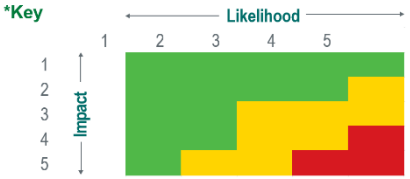
This target remains in line with the previously agreed framework outlined below, which takes into account availability of both reported data as well as estimates to provide a clear data score for each mandate.

Score	Emissions data requirements
4 – Excellent	At least 75% of actual data available OR >95% overall coverage including at least 75% actual data
3 – Good	At least 65% of actual data available OR >70% overall coverage including at least 45% actual data
2 – Adequate	At least 45% of actual data available OR >60% overall coverage using estimates
1 – Poor	Less than 45% of actual data available OR <60% overall coverage using estimates

Based on the metrics set out on page 14, the Investment Grade Credit portfolio currently has a score of 'Adequate' data coverage. This does not yet meet the target set by the Trustee and, given this fund forms the largest part of the Scheme's credit portfolio, will be the focus of the Trustee's discussions with Aberdeen. Whilst the Scheme's allocation to the Global High Yield Fund remains small in the context of the Scheme assets, it does meet the 'Good' requirement set. Finally, the Trustee is still waiting on information regarding the Direct Private Credit allocation and will consider whether this fund meets the 'Good' target as and when that information is available.

The Trustee will undertake an annual review of the target to ensure that they remain appropriate and challenging, given the ever-changing economic, environmental, and technological environment. The agreed target above may be revisited once achieved and data coverage has improved.

APPENDIX I: TCFD CRRO REGISTER



	RISK	IMPACT (1-5) (1=LOW, 5=HIGH)	LIKELIHOOD (1-5) (1=LOW, 5=HIGH)	CONTROLS	OVERALL RATING*](Green / Amber / Red)
A.	**KNOWLEDGE AND UNDERSTANDING**				
1.	*Key persons, such as the Trustee, do not have sufficient knowledge and understanding to be able to identify, assess and manage CRROs in relation to the Scheme.*	4	1	• *The Trustee has received annual training on CRROs in preparing the TCFD report.* • *Responsibility is delegated to investment manager for the implementation of an investment strategy to meet the objectives.*	
2.	*Trustee's appointed investment managers do not keep abreast of developments in this area.*	5	1	• *Aberdeen has processes in place to ensure that all financially material risks and opportunities are considered* • *The investment adviser maintains independent oversight of the investment manager and has an assessment process in placet to consider the manager capability.*	
B.	**INVESTMENT PERFORMANCE AND GOVERNANCE**				
1.	*There is a fundamental failure in the integration of financially material considerations around CRROs in the Trustee's investment strategy.*	5	1	• *The Trustee assesses whether sufficient consideration is given to CRROs by the manager, by monitoring the climate-related engagements, shareholder voting and portfolio positioning undertaken by the investment managers.* • *The investment advisor incorporates CRRO-related considerations into the advice and oversight it provides to the Trustee.*	
2.	*There is a failure by third-party providers in supplying data on shareholder voting, shareholder engagements, carbon emissions, or carbon emission intensities.*	3	2	• *Aberdeen has processes in place to obtain, utilise and report climate related information, including in its use of third-party providers.* • *The Trustee and its investment adviser monitors the availability of information and will discuss concerns with Aberdeen as needed.*	
C.	**REPORTING AND COMPLIANCE**				
1.	*The Trustee does not produce the annual TCFD Report in accordance with legislative requirements/ timescales.*	4	1	• *The provision of the TCFD report has been added to the Trustee Roadmap.* • *The provision of the report will be considered by the Trustee annually.* • *The TCFD report will be considered and developed with progress reported at main Trustee meetings to ensure that it is provided well within legislative requirements/timescales.*	

APPENDIX II: GLOSSARY

Asset Class
An asset class is a group of investments that typically share a lot of the same characteristics, which may be subject to the same rules and regulations. Equities, bonds and property are three well-known asset classes.

Covenant
If the Scheme were to have a funding shortfall, i.e. if the Scheme's assets were lower than the value of the liabilities on the technical provisions basis, the Trustee would look to the Principal Employer (or Sponsor) to make the necessary additional contributions to restore full funding. The legal obligation on the Principal Employer to provide these contributions and remove the shortfall, and its ability to satisfy these obligations, is known as the sponsor covenant.

Engagement
Engagement with respect to assets of the Scheme means communication with a person or organisation, typically via investment managers, with the aim of driving change.

ESG
ESG refers to Environmental, Social and Governance issues, collectively a series of risk factors that could impact the value or future performance of an investment. Particular issues covered by ESG factors include:

- Environment: resource use, pollution, waste
- Social: human rights, employee diversity and welfare
- Governance: management structure, business ethics and executive compensation

Financial Stability Board (FSB)
The FSB is an international body that monitors and makes recommendations about the global financial system. It was established after the G20 London summit in April 2009 as a successor to the Financial Stability Forum.

Greenhouse Gases (GHG)
Greenhouse gases are gases in the Earth's atmosphere that are capable of absorbing infrared radiation and thereby trap and hold heat in the atmosphere. The main greenhouse gases are: water vapour, carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O).

Low-carbon economy
An economy based on energy sources that produce low levels of GHG emissions.

Mandate
An instruction to an asset manager about how the Scheme's money may be invested.

Net Zero
Net zero refers to the amount of all GHG (which includes but is not limited to carbon dioxide) being emitted being equal to those removed. It typically also includes reduction of total emissions as much as possible, with only the remaining unavoidable emissions being offset.

Paris Agreement
The Paris Agreement on climate change is a 2015 global accord seeking to keep the rise in global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the increase to 1.5°C. As of 2021, the Paris Agreement was signed by 191 countries, and ratified by 186 countries.

Responsible Investment
The integration of ESG factors into investment decision-making and asset stewardship practices.

Scope 1 Emissions
All Direct Emissions via activities of an organisation or under their control. This includes fuel combustion on site, e.g. gas boilers, fleet vehicles and air-conditioning leaks.

Scope 2 Emissions
Indirect Emissions from electricity purchased and used by the organisation. Emissions are created during the production of the energy and eventually used by the organisation.

Scope 3 Emissions
All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint, covering emissions associated with business travel, procurement, waste and water.

Stewardship
Stewardship of assets is a tool that can shape corporate behaviour using methods including engagement and voting.

Voting
When investors are shareholders in a company via the investments they hold, this typically provides them the opportunity to vote on company matters at meetings such as an Annual General Meeting (AGM). Issues that can be voted on include climate change plans, executive pay, the election of board directors, and much more. However, this opportunity only arises with certain types of assets, such as equities. Additionally, a lot of voting is undertaken on behalf of pension schemes by investment managers, due to pension schemes typically being one of many investors in a fund which then invests within such companies.

Appendix III: Previous Climate Scenario Analysis – Methodology

Funding level projections under the different scenarios

The Trustee previously engaged SEI to provide the scenario analysis, and the results are presented below. To quantify and assess the climate-related impact on the Scheme's assets, SEI drew inputs of financial impacts of physical and transition damages, also known as Climate Value at Risk ("CVaR") (a metric produced by MSCI), to develop its own view of financial impacts on various asset classes under different climate scenarios. SEI used these impacts to develop its own proprietary SEI Climate Capital Markets Assumptions ("Climate CMAs"). Subjectivity is involved concerning the extent to which physical and transition impacts have been priced in at present, and the horizon over which the climate impacts may be fully realised.

The scenario analysis was conducted using the three climate change scenarios highlighted above. This shows a forward-looking projection of the Scheme's funding level (i.e. the Scheme's Assets divided by the Scheme's Long-term Objective Liabilities) at 30/04/2025, and projected out 15 years to 30/04/2040, allowing for expected asset returns under the different scenarios, pensions paid out and any deficit contributions paid in over the period.

Appendix IV: Previous Climate Scenario Analysis – Detailed Results

Funding level projections

Orderly Transition

In this scenario, the Scheme typically experiences a more moderate level of transition policy risk and technology opportunities than under the Disorderly Transition. In this scenario, the Scheme is exposed to the lowest levels of physical risks associated with chronic and acute physical impacts of climate change. This is because early action slows the accumulation of carbon dioxide in the Earth's atmosphere and achieves net zero by 2050.

Disorderly Transition

In this scenario, the Scheme is exposed to the highest policy-related transition risks (as well as the greatest technology opportunities) relative to the other scenarios, on aggregate. In this scenario, the Scheme is exposed to greater levels of physical risks – associated with the chronic and acute physical impacts of climate change – than under an Orderly Transition, as the world experiences greater levels of warming and its resultant impacts.

Hot House Scenario

The Scheme is subject to the least transition policy risk and technology opportunities, relative to the other scenarios. While the use of low-carbon technologies will continue to grow, such growth occurs at a slower pace than for the Orderly and Disorderly Transition scenarios, resulting in more heavily discounted future benefits. In this case, a more aggressive physical risk model is applied because there are more unknowns. Physical risk models are continuing to evolve and the Intergovernmental Panel on Climate Change assessments paint an increasingly concerning picture of the risks associated with climate change.

Results

The table below shows the funding level projection for the Main Section assuming that the current investment strategy remains in place over the next 15 years.

	Base Scenario	Orderly Transition	Disorderly Transition	Hot House / No Transition
30/04/2025 Base year	113%	113%	113%	113%
30/04/2030 5-year	122%	121%	121%	121%
30/04/2035 10-year	137%	134%	135%	136%
30/04/2040 15-year	165%	159%	161%	161%

Source: SEI. Long-term Objective Liabilities based on the cashflows provided by the Scheme Actuary, Mercer, and discounted on gilt plus 50bps. Based on the 31/10/2022 valuation results from Mercer.

The results of the analysis suggest that the Scheme's assets could be adversely impacted by climate risk under each of the three scenarios. In aggregate, the magnitude of this impact is likely to be in the region of 2% of the Scheme's assets (depending upon the realised future climate pathway) in 10 years' time, though any such impact would likely materialise over a significant length of time.

The Trustee notes that modelling tools have inherent limitations and climate scenario modelling is complex. Climate scenario models do not predict the outcome and there is a high degree of uncertainty and subjectivity in these assumptions, scenarios and model setting in general, upon which the output is highly dependent. However, the results of the analysis suggest that the Scheme's assets could be adversely impacted by climate risk under each of the three scenarios.

Covenant Scenario Analysis

Climate-related risks facing Aberdeen

As a financial services business, Aberdeen's direct exposure to climate change is lower than that of more carbon-intensive sectors. However, it is exposed indirectly through the assets it manages and administers, because a material portion of its revenues are driven by asset values and client flows.

In its 2025 Sustainability Report and 2026 Climate Transition Plan, Aberdeen reports that it is mainly exposed to transition risk, which is most financially material to its Investments business. The key risks Aberdeen identifies are:

- Changing client preferences: demand shifting towards climate-focused products and solutions, which could lead to outflows if Aberdeen's offering does not keep pace.
- Policy uncertainty: a lack of clarity on the pace of climate policy change, which could affect markets and investment returns.
- Reputational and regulatory risk: stakeholder concerns about Aberdeen's approach to climate change, alongside increasing sustainability reporting and anti-greenwashing requirements.
- Physical risk: extreme weather events disrupting Aberdeen's operations and services, or damaging investment assets such as real estate.

Aberdeen has carried out its own climate scenario analysis across a range of transition and warming scenarios. It concludes that its direct exposure to climate-related risks is low and that it would remain resilient over its three-year business planning horizon.

Aberdeen also reports good progress against its emissions reduction targets for its own operations and its investment portfolios, and aims to reach net zero in its operations by 2040.

Aberdeen's analysis was carried out for its own reporting purposes over a three-year horizon, which is shorter than the Scheme's expected run-on horizon. It does not replace a covenant-specific assessment, which the Trustees intend to carry out next year (see next steps below).

Climate risks are partly mitigated by the strength of Aberdeen's financial position, including an investment grade credit rating (BBB+), net cash of around £1.1bn, net assets of around £5.0bn and a robust regulatory capital buffer (CET1 coverage of 163% at 31 December 2025). The Scheme is also well funded.

Having considered the information available, the Trustees are satisfied that Aberdeen's covenant remains robust and that climate-related risks are not expected to materially weaken it over the short term, based on the public disclosures noted. The Trustees recognise that climate-related risks to the covenant may become more material over the medium to long term, in particular through their correlation with the Scheme's investment risks.

Appendix V: Metrics – historic detail

The metrics for the 2024/25 Scheme year are set out below. These are included within this report given these assets were held by the Scheme for the majority of the Scheme year, as well as noting that monitoring changes from previous reporting can be helpful when considering Scheme progression on the metrics and the chosen target.

Fund / Strategy	Asset size	Asset weight	Coverage*	Total Carbon Emissions (attributable to Main Section)	Weighted Average Carbon Intensity	Carbon Footprint	% of Companies that have SBTI Approved Target
	(£m)	*(%)*	*(% MV)*	*(tCO_2e)*	*(tCO_2e / $M sales)*	*(tCO_2e / $M invested)*	*(% NAV)*
Equity							
Global Select Equity Fund	31.9	2.5%	99.5%	1,629	102.4	38.4	55.4%
Global Managed Volatility Fund	18.4	1.5%	98.8%	1,332	109.9	54.4	61.3%
Fixed Income							
High Yield Fixed Income Fund	18.7	1.5%	73.7%	3,396	238.8	136.0	15.1%
Emerging Markets Debt Fund	18.7	1.5%	8.9%	11,152	925.8	448.7	0.7%
Multi-asset							
Ruffer	46.3	3.7%					
Pyrford	19.1	1.5%					
Alternatives							
Barings - Property	68.6	5.5%	-	-	-	-	-
Private Equity	7.0	0.6%	-	-	-	-	-
LDI and UK Credit							
UK Credit Fixed Interest Fund	145.8	11.7%	76.2%	3,431	45.9	17.7	19.4%
UK Long Duration Credit Fund	252.1	20.2%	84.4%	8,229	57.8	24.5	20.2%
LDI	618.8	49.5%	-	-	-	-	-
Other							
Cash / Other	4.8	0.4%	-	-	-	-	-
Total Portfolio	**1,250.1**	**100.0%**					

*The coverage column contains the data quality metrics, i.e. the % of the portfolio for which reported and estimated emissions data has been collected