THE GO-AHEAD GROUP PENSION PLAN TCFD REPORT FOR THE YEAR ENDING 31 MARCH 2025

Trustee's Report in respect of the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2022

GoAhead

Fidelity INTERNATIONAL

The Go-Ahead Group Pension Plan report for the year ending 31 March 2025

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A copy of this statement can be found here:
https://retirement.fidelity.co.uk/costs-and-charges/goah.

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Trustee Foreword

We, the Trustee of the Go-Ahead Group Pension Plan, present the Plan's annual climate change report covering both the Defined Benefit (DB) and Money Purchase (MP) Sections of the Plan. This is the third year we have published such a report.

The Trustee believes that climate change is likely to be a key factor which influences financial outcomes for the Plan and its members and have material implications for the wider world. As a result, we believe that it should be monitored and managed appropriately. Whilst the Trustee's overarching beliefs and principles around climate change are consistent across both sections of the Plan, the different profile and time horizon of the members in each section, and the investment portfolios used means there are different approaches taken in certain areas and we have tried to highlight these within this report.

As you will see throughout the report, the Plan is in a strong place from a funding perspective for the DB Section and the Trustee has insured a portion of the Plan's DB liabilities. This provides the context for what you will read throughout the report, which is that, while the Trustee takes climate change seriously, the Plan's DB funding strategy is expected to be relatively robust under a range of different climate scenarios.

With regard to the MP Section, the Trustee understands that there are significant climate risks associated with investing in certain asset classes. However, such risks are inherent in seeking growth which is in the long term financial interest of members. The Trustee has taken steps to increase the Working Life Strategies (the investment strategies which target different retirement options, including the default investment option for new members) allocation to investments with explicit ESG considerations, which was extended further with investment changes made in 2024. Over the long term, the Trustee believes the changes that have been made will improve outcomes for members and help to manage the potential risks associated with climate change.

Throughout this report, you will see examples of how the Trustee, its advisors and its investment managers have been working to improve the ESG characteristics of the Plan from changes to the MP investment strategy through engagement with managers, underlying portfolio companies and public policy makers.

Within the report, we describe the exposures that the Plan's assets have to different climate change metrics and the Trustee's target to approximately reduce the carbon footprint (scope 1 and 2 emissions) of the Plan's corporate assets by 50% by 2030 and to achieve net-zero by 2050 (further information on what this metric means is provided within the report).

Last year we told you about the inclusion of Scope 3 emissions data, which seeks to reflect the indirect emissions from the underlying investments. Proper appreciation of these emissions is critical in building a true picture of the climate risk associated with the assets we hold. However, as highlighted last year, we should be careful not to place too much reliance on the raw numbers. Significant challenges and gaps in calculating Scope 3 emissions remain, which means that the quality of the data is not where we would like it to be, and coverage is more limited than for Scope 1 and 2 emissions. In addition, there is not necessarily consistency from investment manager to investment manager around the provision of information and format of this information. With some information not available or reported by investment managers to monitor the metrics which the Trustee agreed at the outset, and which will be formally reviewed next year.

The Trustee of the Go-Ahead Group Pension Plan

Executive summary

Governance

The Trustee has had processes in place for a number of years for managing risks relating to environmental, social and governance ("ESG") considerations, including climate risk.

During the Plan year to 31 March 2025, the Trustee hasn't made any significant changes to the investment strategy and as such any change in the reported metrics is driven by changes in the constituents of the underlying investments or changes in the quality of the underlying data used to calculate the metrics.

Strategy

In 2023, the first year that the Trustee was required to prepare its climate change report, the Trustee worked with its Investment Consultant to carry out climate change scenario analysis for the Plan based on the strategy in place at December 2022. The analysis guided the Trustee in reviewing the potential impact of climate change for both sections of the Plan and identifying any areas where particular action may be required.

The Trustee will update the climate scenario analysis at least every 3 years and more frequently should any of the factors have changed materially to warrant an update to the analysis, consistent with the requirements of the regulation. Over the Plan year, the Trustee conducted a review and agreed that updating the climate scenario analysis was not warranted for this report as there were no material changes to the funding objective and strategy of the Plan. Next year will mark 3 years since the initial climate scenario analysis was undertaken and the Trustee will refresh the analysis as part of producing next year's report.

Risk management

Managing the risk associated with climate change remains very important to the Trustee and the Trustee works with its Investment Advisor and Fiduciary Manager to ensure that climate risk is considered in investment decisions using appropriate governance measures and top down and bottom up analysis. The Trustee believes that Stewardship is an important tool and this report highlights some great examples of manager engagement by the Plan's Fiduciary Manager and public policy engagement by EOS at Federated Hermes

Metrics and targets

We stay committed to meeting our target of net zero by 2050 on the Plan's corporate assets and some progress has been shown to date. The Trustee, through its Fiduciary Manager and other parties, continued to engage with the underlying investment managers on climate data and has been assessing the suitability of the climate metrics on an ongoing basis.

A formal review of the ongoing appropriateness of the metrics and targets previously set by the Trustee was undertaken as part of this year's report, as a result the Trustee agreed to retain the metrics that were previously agreed upon.

Section 1: Introduction

The Trustee of the Go-Ahead Group Pension Plan (hereinafter referred to as the “Trustee” and the “Plan”, respectively) presents its annual report under the Occupational Pension Schemes (Climate Change Governance and Reporting) (Amendment, Modification and Transitional Provision) Regulations 2022 (the “Regulations”) for the year ended 31 March 2025. The principal employer of the Plan is The Go-Ahead Group Limited (the “Sponsor”).

The Trustee is subject to the requirement to produce disclosures in line with the Regulations. The aim is to improve and increase reporting of climate-related financial risks and opportunities. This report sets out the Trustee’s approach to compliance in each of these four areas and covers the DB and MP Sections of the Plan.

The framework requires disclosures in four broad categories:

- **Governance:** around climate-related risks and opportunities
- **Strategy:** the actual and potential impact of climate-related risks and opportunities on the strategy and financial plans of the Plan under different climate scenarios
- **Risk management:** how the Trustee identifies, assesses, and manages climate-related risks
- **Metrics and targets:** the metrics and targets used to assess and manage climate-related risks and opportunities.

Section 2: Governance

Overview of context

As of 31st of December 2024 the DB section of the Plan was valued at £439.4m and as can be seen by the asset allocation chart below, the Scheme has a low-risk portfolio, with most assets invested in Liability Driven Investment (largely UK Government Bonds) and high-quality credit. As at the end of the year, the DB Section was over 100% funded on the Technical Provisions basis and is therefore not currently expecting to receive additional deficit contributions from the Company. The DB Section has completed two buy-in transactions covering a proportion of the Plan's pensioners and currently targets a relatively low return of gilts + 1.4% pa on the assets excluding the buy-ins, utilising a diversified portfolio approach. The DB Section seeks to hedge close to 100% of the interest rate and inflation sensitivity of its liabilities, scaled to the value of the assets. Whilst the Trustee continues to place a high-level of priority on further engaging with, monitoring and seeking to manage climate change risks and opportunities, the Trustee is starting from a lower risk position than many other pension schemes, and has less reliance on corporate assets than many schemes. This does not suggest complacency on the part of the Trustees but is instead mentioned to provide context to the broader report.

For the MP Section, the vast majority of assets are held in a small number of funds, with a large proportion of members being invested in the default investment strategy. To align with the Trustee's investment beliefs and to ensure the default investment strategy meets the charge cap requirements, the Default Working Life Strategy is predominantly made up of passively managed investments. Whilst ESG considerations have been implemented into the default design, these do not necessarily have a climate focus, with the Trustee not wanting to limit the opportunity set or increase concentration risk. The Trustee will continue to review the level of ESG opportunities and level of Sustainable Investment used in the default investment option, with the next triennial strategy review taking place later in 2025.

Overview of approach to climate change

The Trustee has identified climate change, alongside other Environmental, Social and Governance (ESG) factors, as an important risk and opportunity which requires oversight and management over the long-term for the whole Plan.

The Trustee's key overarching investment policies (including those in relation to climate risk) are detailed in the Trustee's Statement of Investment Principles (SIP) which can be found online at the following link: https://retirement.fidelity.co.uk/costs-and-charges/goah. The SIP is typically reviewed on an annual basis or when there is any significant change to the Plan's circumstances. The SIP was last updated in June 2024, with the most recent updates described in the Plan's annual implementation statement, which can also be found using the link above.

The Trustee also monitors the risks and opportunities associated with climate change through the Plan's risk register which details the controls and monitoring that the Trustee has in place to appropriately manage these risks and opportunities.

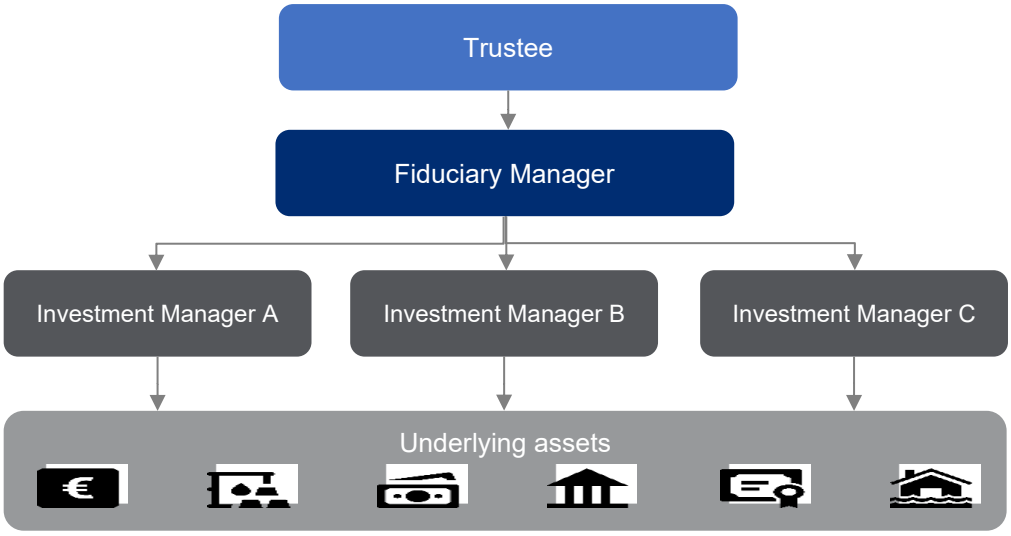
Whilst the Trustee may delegate certain aspects of its investment arrangements, the Trustee retains ultimate responsibility for setting the Plan's strategy, policies, and actions in this area and the Trustee ensures that such third parties are closely monitored and held accountable for the work they do on behalf of the Plan. The Trustee regularly reviews their external consultants and advisers and will be

explicitly considering their risk expertise, capabilities and resources and how they incorporate climate change into their advice as part of the next formal review process.

Given the pace of progress around sustainable investment, trustee understanding and action on climate and ESG has increased over recent years and is expected to remain a priority going forwards.

The main parties to which the Trustee delegates some form of responsibility for implementing its policies in relation to climate change and SI more widely are:

- **DB Section - Fiduciary Manager (FM) –** The Trustee has appointed WTW as its FM in relation to the DB section to implement the Trustee's investment strategy. The FM allocates the Fund's assets between asset class and investment managers, as shown in the diagram below.



The FM helps to ensure that climate change is considered as part of ongoing portfolio construction, the selection of the underlying investment managers and the conduct of stewardship activities. The Trustee receives updates on the FM's work in this area and how it applies to the Plan's investments. WTW holds membership of important industry bodies such as the Net-Zero Asset Managers Initiative as well as being a signatory to the UK Stewardship Code. The consideration of sustainable investment is fully embedded in its investment processes.

The Trustee has set the FM objectives against which they are assessed annually which includes specific reference to advice, training and reporting on ESG matters and assisting the Trustee in meeting its obligations under the Regulations. The Trustee was satisfied with the work completed on its behalf over the year.

- **DB Section - Oversight Provider –** The Trustee also employs an Oversight Provider, XPS, who assists the Trustee with monitoring and holding the FM accountable for its actions including those related to Sustainable Investing (including the consideration of ESG factors). As part of its oversight activities, XPS benchmarks WTW's SI-related activities against those of other fiduciary managers. No major areas for concern with WTW were highlighted in its review.

- **Investment Managers –** The investment managers are responsible for managing climate change risks and opportunities within their mandates, consistent with their investment guidelines. This includes the selection of assets as well as their ongoing stewardship activities. For the DB

Section, the FM assesses the investment managers approach to ESG integration and stewardship activities before investing on the Trustee's behalf, and on a periodic basis as part of its ongoing manager research activities. For the MP Section, ESG issues have been considered in the construction of the lifestyle designs and self-select fund range.

- **Other advisors –** The Trustee may also take advice from the Scheme Actuary, Legal Advisor and Covenant Advisor regarding the extent to which climate change may affect the funding strategy of the DB Section of the Plan and the ability of the Sponsor to support it. Alongside this, to further satisfy itself, the Trustee also receives updates from the Sponsor on evolutions to their strategy to manage climate change risks and opportunities.

- **MP Section -** The Trustee receives advice from the MP Investment Advisor, WTW, on the exposure to sustainable investment in the Working Life Strategy designs (the investment strategies that target different retirement options, including the default investment option for new members) and wider self-select fund range. Sustainable Investment and ESG considerations are reviewed as part of the triennial investment strategy review. The Trustee made changes in 2024 to the underlying components of the Default Working Life Strategy to introduce allocation to investments with ESG considerations. The Trustee will consider opportunities to expand the investment in funds which factor in climate change in future, as market practice and available options develop over time. The next triennial investment strategy review is scheduled to take place later in 2025 where this will be considered.

The Trustee typically meets at least four times a year with investment matters being discussed in Trustee meetings rather than being delegated to a sub-committee, with climate change being discussed at least annually. The Trustee recognises that climate change is a fast-evolving and complex area which therefore requires ongoing discussion and education.

The Trustee has a strong belief that stewardship (voting and engaging with the underlying companies the Plan invests in) is an important way in which the Trustee can influence outcomes. In relation to the DB Section, the Trustee delegates part of the implementation of this policy to the FM and underlying investment managers but retains overall responsibility and accountability for the policy. For the MP Section, the Trustee delegates voting and stewardship of the funds to the investment managers. The Trustee considers the implementation of this policy on an annual basis.

The Trustee considers and publishes annually its implementation statement, which can be found on https://retirement.fidelity.co.uk/costs-and-charges/goah. The implementation statement covers not only changes to the SIP and how the Trustee considers it has met the investment principles set out in the document, but also consideration of voting information from its investment managers, and how these implement the stewardship objectives of the Trustee.

Overview of key climate activities conducted over the year

WTW who acts as MP Investment Adviser and DB FM carried out several activities to help the Trustees meet their climate goals. The Trustee is satisfied that these activities are adequate in helping the Trustee assess and manage its climate relate risks, opportunities and targets. These activities provided by WTW throughout the year include:

- Confirming its adherence to the UK Stewardship Code

- Maintaining climate change as their top theme for engaging with investment managers. WTW engaged with over 150 investment managers and almost 300 products on the topics of stewardship and sustainability
- Engaging with and responding to several government consultations
- Leading the project to update the ICSWG Engagement Reporting Guide
- Active membership of the UK Government's Transition Plan Taskforce

The FM also undertakes engagement with investment managers where it sees areas for improvement in relation to the adoption and integration of SI considerations. An example of such an engagement with one of the underlying credit managers is shown in the following case study.

Case study: FM engagement with underlying investment manager

Background	Actions and progress
The engagement with the manager on climate emissions reporting revealed that, due to the nature of short-term bridge lending, borrowers generally do not provide carbon emission data. This presents a challenge in accurately assessing and reporting climate emissions for these loans. Addressing this gap will be crucial for improving transparency and aligning with broader sustainability goals.	There has been ongoing engagement with the manager regarding carbon emission reporting for bridge lending, where over 50% of assets are in land with planning. Due to the nature of these assets, data availability on carbon emissions is very poor. Continuous engagements have taken place with the manager, including the Project Manager, Environment, Social, and Governance lead, and Chief Investment Operations, to determine the best approach for carbon emission reporting. Recent Partnership for Carbon Accounting Financials (PCAF) guidance on real estate debt has also been shared. The manager is currently in the process of estimating the emissions of the assets and will provide this information in the next quarter. This is currently an ongoing engagement with the manager and WTW will continue to work on the climate reporting.

DB Section Case Study – EOS at Federated Hermes

As outlined in our SIP, the Trustee recognises that the long-term financial success of our investments is influenced by a range of factors which includes appropriate management of ESG issues (including climate). As such, we typically invest with investment managers with the expectation of a long-term relationship, and we expect investment managers to take a similar approach with the companies that they invest in. The FM engages with our investment managers where appropriate on their approach to stewardship and engagement. We have identified climate change and human and labour rights as two key priorities in this area.

The FM also employs EOS at Federated Hermes ("EOS") a stewardship service provider to support the efforts of the appointed investment managers in their company-level engagement on a wide range of topics. EOS also carries out public policy engagement and advocacy on behalf of the Trustee. As at 31 December 2024, EOS represented $2.2trn of assets under advice. The FM has been working closely with EOS for many years, and the Head of Sustainable Investing chairs their Client Advisory Board. The FM engages with EOS on behalf of the Trustee to help support its engagement approach and voting policies. Over 2024, this included:

- 994 companies engaged across regions on 4,267 issues and objectives
- 62 companies in their core programme featured engagements with the CEO or chair
- Making voting recommendations on 143,075 resolutions at 14,701 meetings, including recommended votes against 25,070 resolutions
- Participation in a range of global stewardship initiatives.

Section 3: Risk Management

Climate change is a key risk and opportunity and therefore receives particular attention as part of the Trustee's ongoing risk management processes. The Trustee thinks about how it integrates climate into this in three ways:

Governance (DB and MP Sections)

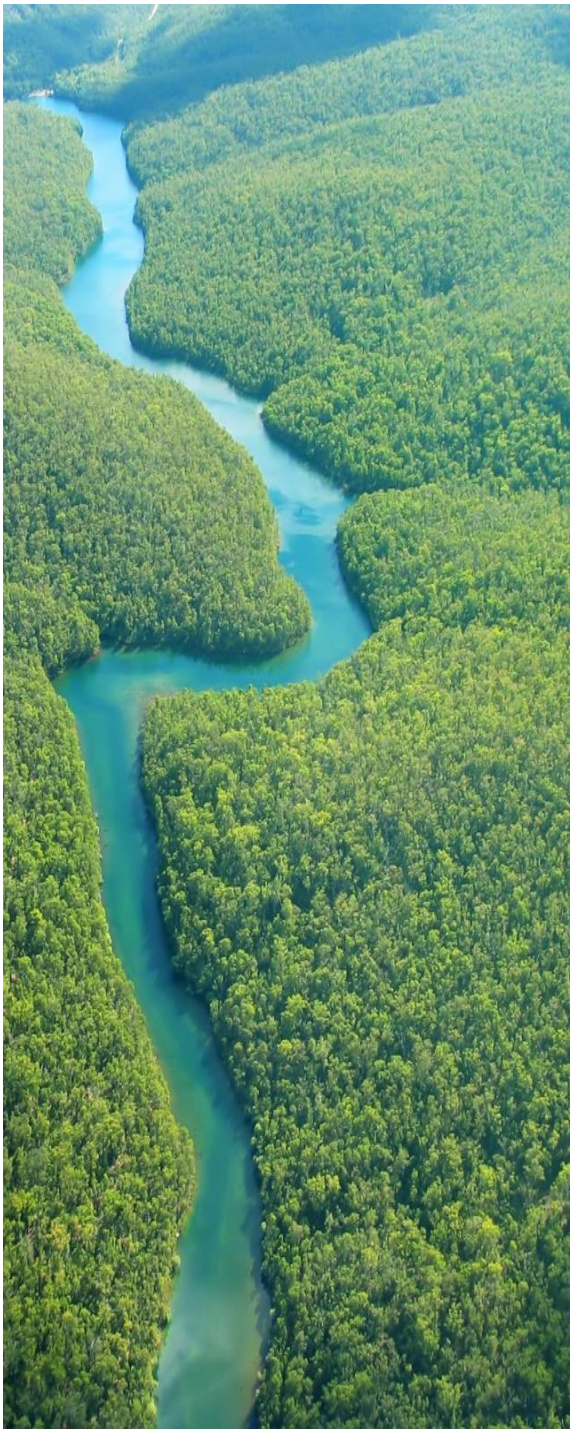
The Trustee has documented its approach to climate change within the Plan's SIP. The Trustee recognises that whilst it can delegate some of its responsibilities in this area, it retains overall responsibility. In addition, the potential risks to the Plan's investments associated with climate change are documented within the Trustee's risk register which is reviewed annually. This clearly details the potential impact and likelihood of the risk, the controls in place and the actions the Trustee takes to manage, mitigate, and exploit both the risk and opportunity.

Top-down

For the DB Section, the climate change scenario analysis shown in Appendix 2 of this report, provides the Trustee with a holistic overview of the potential impacts of climate change and how they may affect the Plan's DB funding strategy (across assets, liabilities, and covenant). This is an important risk management tool for a top-down risk and opportunity assessment.

As set out in the next section, the Trustee has set a target to reduce the DB Section's carbon footprint (Scope 1 and 2 emissions) of the non-government bond assets by approximately 50% to 2030 and to reach net-zero by 2050. Although this ultimate goal is based upon the carbon footprint, the Trustee recognises that this is a simple and backward looking metric and therefore the Trustee also monitors a dashboard of climate metrics alongside this.

For the MP Section, the Trustee has considered the potential impact of climate change on member accounts as a result of varying climate outcomes. This analysis was completed in the year to 31 March 2023, and will be carried out at least triennially.



Bottom-up

The Trustee also conducts more granular analysis to manage the risks and opportunities associated with climate change. These include:

Security analysis – The FM assists the Trustee in measuring and monitoring the various climate change related metrics for the underlying securities within the portfolio. This includes metrics such as absolute carbon and carbon footprint. These provide the Trustee with a more detailed understanding of the DB Section's exposures.

For the MP Section, the same principles will be applied to track climate exposures in the MP Section investments.

Manager analysis – For the DB Section, the Trustee delegates the appointment, retention and termination of investment managers to the FM. The FM assesses the investment managers' approach to ESG matters including climate change as part of its research process. Consideration is given to the outcome of this research before appointing a manager and the assessment of investment managers is challenged and reviewed on a periodic basis. The Trustee's FM Oversight Provider, XPS, has also assessed and reported on the FM's approach in this area and no significant issues have been raised.

Stewardship

One of the other tools that the Trustee uses is stewardship which is a key means for asset owners to influence the actions of companies and broader industry. Over the year, the Trustee has undertaken, with support from its advisors and Fiduciary Manager:

- A review of the voting activities of the Plan's equity managers.
- Engagement via EOS with companies and industry (see governance section)
- Contributed, via the FM, to a number of industry initiatives, working groups and consultations

For the MP Section, climate risks and ESG considerations are made when reviewing the investment strategy and reviewing the fund options available to members. As highlighted above, the next triennial investment strategy review will take place later in 2025.

Money Purchase Section Approach

The Trustee considers that the MP Section has various risks to consider in the design of the MP Section default investment option as well as the other lifestyles and self-select investment options.

Whilst the Trustee believes that sustainable investing should provide members with improved outcomes in the long term, there are other design considerations which are also significant and included in the Trustee's investment beliefs:

- The balance of investing in growth seeking assets when members are far from retirement to seek investment return, but moving towards a position which broadly matches how members are expected to take their MP Section savings from the Plan.

- The Trustee considers that passive management is best suited to the objectives around investing and selecting a suitable fund range for members to invest in. In considering investment options, they have selected investments which do not restrict access to the entire market where possible. As such, the Trustee has not selected more specialist funds which aim to target impact investing at present.

- Whilst costs and charges are not a driver in the selection of the component funds, the Trustee considers that there are limitations around the level of active management that can be included in the default design of the investment strategy given the charge cap requirements.

- The necessity to retain investments in liquid assets and investments which are daily dealt further limits the Trustee's ability to invest in non-liquid asset types beyond what is already intrinsically included in the existing designs of the pooled funds used by the Trustee.

- The Trustee has determined its approach to illiquid assets, deciding not to incorporate these into the default investment strategy at the current time, and has documented its policy on illiquid assets in the SIP which was adopted in June 2024.

Section 4: Strategy

Appropriately managing the risks and opportunities associated with climate change from a strategic perspective, is a key part of the Trustee's role. The Trustee recognises that climate change could have a material impact on the potential success of the overarching funding strategy and therefore seeks to ensure that this matter is given appropriate consideration.

DB Section:

To support this, the Trustee undertakes climate change scenario analysis to test the resilience of the Plan's funding strategy under a range of plausible climate scenarios. Importantly, the Trustee recognises that climate change could have a material impact on the investments of the Plan, the life expectancy of the Plan's members and the support provided by the Sponsor's covenant. This scenario analysis was undertaken in 2023. The Trustee's intention is to repeat this analysis at least every three years or sooner should there be a material change in either the Plan's circumstances or the assumptions underlying the analysis. Over the Plan year, the Trustee conducted a review of this and agreed that updating the climate scenario analysis was not warranted as there were no material changes to the funding objectives and strategy of the Plan. The Trustee will therefore undertake scenario analysis next year, three years subsequent to the existing analysis.

To appropriately assess the impact of the climate change scenario analysis, the Trustee has agreed the following time horizons over which climate risks and opportunities should be considered:

- **Short Term** – to 2027: This is the timeframe over which the funding strategy will be revisited in detail as part of the Actuarial Valuation as at 2027

- **Medium Term** – to 2030: This is the timeframe over which significant climate action is expected, climate transition risks are expected to emerge and is aligned with the Trustee's objective.

- **Long Term** – to 2035: broadly consistent with the duration of the Plan's liabilities

The Trustee has identified the following categories of climate-related risks and opportunities:

Transition risk	Physical risk	Regulatory risk	Reputational risk
The indirect impact arising because of changes in society and economies to combat or adapt to climate change	The direct impact arising because of chronic and/or acute changes in climate and extreme weather events	Regulators are increasing pressure on pension schemes to explicitly consider climate change.	The increasing spotlight on pension schemes and climate change increases the risk of being “named and shamed”
Examples:			
• Assets: Some industries become obsolete (e.g. coal), reinvent themselves or others emerge (electric vehicles) • Liabilities: Improvements in mortality from healthier lifestyles	• Assets: Damage to physical assets underpinning securities (e.g. real estate and infrastructure) • Liabilities: Excess deaths arising from extreme weather	• Implementation Statement • DWP Pensions bill • Mandatory climate change reporting	• 2018 EAC report on 25 biggest UK schemes

Case study: Bio-diversity

As an example of climate related opportunity investment, the TWIM Secure Income Fund in which the Plan is currently invested made a commitment to a biodiversity co-investment opportunity which helps to develop and maintain Habitat Banks across the UK for the purpose of generating and selling Biodiversity Net Gain (BNG) credits. With limited competition in the market for generating offsite BNG credits on a mass scale, this provided first mover benefit associated with a new asset type.

The Trustee has assessed how the categories identified are relevant to the agreed short-, medium- and long-term time horizons.

	Short Term	Medium Term	Long Term
Timeframe	To completion of the next Triennial Actuarial Valuation (2027)	2028 – 2030: period between short and long time horizons	2035 – consistent with duration of Plan's liabilities.
Primary types of risk	• Regulatory • Reputational • Transition	• Reputational • Transition	• Transition • Physical
Key risk exposure	The Trustee's assets are predominately exposed to transition risks through its equity and bond allocations. In addition, the Trustee is exposed to regulatory risks, including fines, if it does not comply with evolving regulatory requirements, and the Trustee (and Sponsor) could be exposed to reputational risks if the Trustee's policies are misaligned with peers and/or sponsor.	Transition risk in relation to the Plan's assets (especially equity and bonds) is expected to continue through the medium term. In addition, the Trustee (and Sponsor) continue to be exposed to reputational risks if the Trustee's policies are misaligned with peers and/or sponsors. As the Trustee's long-term goal is to buyout the Plan with an insurer, the Trustee may become exposed to the impact on insurer pricing of climate risk, including the impact on future expected returns and other financial and demographic assumptions during this time period.	As we look out over longer time periods, physical risk may begin to dominate as much of the expected transition risk will have materialised. These physical risks would be most expected to impact assets such as the real assets which the Plan accesses or the allocation to secure income assets which holds direct investments in infrastructure (as an example). As the Trustee expects to have bought out the Plan within this timeframe, consideration should be given to the exposure of any insurer. Given the long-term nature of these risks, there is a high level of uncertainty in terms of the likely effect and the potential magnitude of their impact.

Working with its FM, the Trustee seeks to mitigate the risks and take advantage of opportunities which may occur so as to improve the likelihood of the Plan meeting its short- and medium-term funding and investment goals.

These time horizons, risks and opportunities are key inputs into the Trustee's climate scenario analysis. The Trustee, in conjunction with the FM and Scheme Actuary, and using its knowledge of the Sponsor's approach to managing climate risk, has conducted this scenario stress testing.

DB Section: Annual review of climate scenario analysis

The Trustee updates the climate scenario analysis at least every 3 years. In the intervening years, the Trustee reviews whether any factors have changed materially to warrant an additional update to the analysis. Over the year, the Trustee conducted this review and agreed that updating the climate scenario analysis was not warranted. The Trustee is therefore continuing to progress the previous actions identified as part of the previous analysis which are outlined in the Appendix 2 to this report. As noted in the summary of the analysis, the Trustee is aware of concerns in the industry about the severity of some of the climate scenarios and expects to address this in the future as the industry's approach to scenario analysis evolves.

Money Purchase Section

This section sets out the MP Section's strategy, which has been considered as part of the scenario analysis. The Trustee has considered the same four climate scenarios for the MP Section as the DB Section. The full scenario analysis can be found in Appendix 3.

Summary of MP Section Assets

The vast majority (over 95%) of the MP Section's assets are investments in the Default Working Life Strategy. The default strategy initially invests in the Go-Ahead Sustainable Global Equity Fund, the underlying assets of which are invested in the L&G Future World Global Equity Index (50% Hedged) Fund. The fund employs an index tracking strategy, aiming to replicate the performance of its benchmark (the Solactive L&G ESG Global Markets Index). The index aims to provide exposure to developed and emerging equity markets while considering significant environmental, social and corporate governance (ESG) issues. As part of LGIM's commitment to address climate change, companies that fail to meet LGIM's minimum standards in low carbon transition and corporate governance standards may be excluded from the fund, and as a result the fund may not hold all of the constituents of the index. In addition, to minimise transaction costs, the Fund will not always own all the assets that constitute the index and on occasion it will own assets that are not in the index.

Between 20 and 10 years to retirement, the allocation to the L&G Future World Global Equity Index (50% Hedged) Fund is reduced with the introduction of the Go Ahead Plan Growth Fund, which has a broad objective of investing 60% in equities and 40% in bonds and alternatives. The underlying assets of the Go Ahead Plan Growth Fund are 35% invested in the L&G Future World Global Equity Index (50% Hedged) Fund and 65% invested in the L&G Diversified Fund. At 10 years from retirement, the strategy invests 100% in this Fund. The L&G Diversified Fund aims to reduce its carbon footprint by targeting a 25% reduction by the end of 2025, 50% by 2030, and net zero emissions by 2050, relative to its 2019 footprint. Information provided by L&G confirms that the carbon footprint of the fund is on track to meet its 2025 target.

In the ten years to retirement, the working life strategy moves towards the at-retirement target, which assumes members will use their MP Section assets in a number of ways but will take a significant proportion of their savings as cash. At retirement, the default working life strategy invests 60% in cash, 40% in the diversified growth fund.

The glidepath of the default working life strategy design is set out in the chart below.

The Trustee has identified the following key climate-related risks to its investment strategy for the MP Section.

- **Transition risks**: this relates to the risks (and opportunities) from the realignment of the global economic system towards low-carbon, climate-resilient and carbon-positive solutions (e.g. via regulations or market forces).

- **Physical risks**: this relates to the physical impacts of climate change (e.g. rising temperatures, changing precipitation patterns, increased risk to coastal systems and low-lying areas from rising sea levels and increased frequency and severity of extreme weather events). These physical risks could cause both indirect and direct damage to assets.

Section 5: Metrics and targets

A key facet of the Trustee's ongoing monitoring and management of climate change is having good data on the Plan's exposures. Although there are limitations with some of the metrics presented and the completeness of data, the Trustee still believes that these can help inform the ongoing monitoring and management of the Plan.

Consistent with the Regulations, the metrics disclosed for both sections of the Plan have been selected from the following categories:

- An absolute emissions metric
- An emissions intensity metric
- An alignment metric
- One additional climate change metric

It is also important to be clear which emissions are captured within the above metrics and therefore the Trustee has referred to the categories of emissions as follows:

- **Scope 1 emissions:** all direct emissions from the activities of an entity or the activities under its control;
- **Scope 2 emissions:** indirect emissions from electricity purchased and used by an entity which are created during the production of energy which the entity uses;
- **Scope 3 emissions:** all indirect emissions from the activities of the entity, other than scope 2 emissions, which occur from sources that the entity does not directly control.

Due to the nature of the emissions, scope 3 emissions are significantly more difficult to calculate than scope 1 or scope 2 emissions for any given entity. It is also the case that, for some assets, even scope 1 and scope 2 emissions are difficult to calculate. The Trustee has sought to cover Scope 1, 2 and 3 emissions where possible within the metrics displayed in this report but noting that in some cases the quality of available data from investment managers may limit the Trustee's ability to include full disclosure of this information. Scope 1 and 2 emissions are reported separately to Scope 3 emissions given their differences in data quality and application. Further detail is provided on this under the Scope 3 section.

Overview of analysis

The following table details the rationale for choosing these metrics

Metric	Definition	Rationale
Total Carbon Emissions (“tC02e”)	An ‘absolute emissions’ metrics which gives a measure of carbon emissions attributable to the Fund. This is calculated in line with the Greenhouse Gas (GHG) protocol methodology and currently includes only Scope 1 and 2 emissions. The underlying emissions data has been sourced from MSCI and, in line with the protocol, includes all of the major GHG gases with a conversion into carbon emissions equivalent quantities. We have used each entity’s enterprise value, including cash (EVIC) to attribute carbon emissions.	Mandated as part of the Department for Work and Pensions Statutory guidance
Carbon Footprint (tCO2e / $m invested)	An ‘emissions intensity’ metric which gives a measure of how many equivalent tonnes of carbon emissions each million invested causes. This uses a comparable methodology as the total carbon emissions referenced above for underlying data and emissions attribution for companies.	It provides a direct measure of absolute emissions, which ultimately impact global outcomes and provides a simple comparable measure across portfolios of different sizes
Percentage of assets with approved Science based targets (“SBTi”)	A ‘portfolio alignment’ metric which is a forward-looking measure of the percentage of assets with targets validated by the Science-Based Targets Initiative.	It provides a consistent verification of a company’s alignment to the Paris agreement.
Climate Solutions	This metric has been chosen as the Trustee’s **“additional climate metric”.** Climate opportunities are determined based on companies that may be considered EU Taxonomy eligible based on the criteria set out in the taxonomy (which provides a minimum standard across sustainability disclosure requirements and puts some rigour around what investments can be considered sustainable).	It aims to assess exposure to investments that are most likely to benefit from the transition to a low carbon economy and therefore helps to provide a balance of the risks and opportunities presented by the transition to a low carbon global economy with the potential to enhance investment returns through investment in such assets. It is expected that the approach to calculating this metric will evolve over time.

DB Section

The table below summarises the results of our analysis in respect of the Plan's asset portfolio over the past two years. Starting the previous year, the Trustee has begun reporting on the Plan's Scope 3 emissions, which are presented separately from the Scope 1 and 2 results shown below.

The table below compares the results of the analysis undertaken on the portfolio as at December 2023 and 2024. The subsequent commentary provides further details on the results.

Consistent with the provisions of the Regulations, the Trustee has opted to exclude the Plan's buy-in arrangements from its analysis at this time but will assess annually as to whether that position remains appropriate. In practice, the Plan's buy-in is a highly illiquid and bespoke asset, so there is very limited scope for the Trustee to engage with the buy-in provider and influence any ESG related outcomes.

DB Section non-LDI assets	31 December 2023	31 December 2024
Total Carbon Emissions ("tCO2e") Scope 1 and 2	14,262	15,286
Carbon Footprint (tCO2e / $m invested)	47	46
% of assets with approved Science based targets (SBTi)	8.8%	20.8%
Exposure to climate related solutions	2.2%	7.2%

Observations on analysis

As illustrated in the table above, the Plan's Total Carbon Emissions increased over the year. The main driver of this change was the reallocation within the portfolio - specifically, the corporate bond allocation replacing a significant portion of the Secure Income Fund, which fell from 29.1% to 9.9% over the year. While corporate bonds typically carry higher reported emissions, this shift was part of a broader strategy to enhance liquidity and credit quality, not a move toward less sustainable assets. Alternative Credit also contributed to the increase in emissions, despite its allocation being halved. A minor change in the carbon calculation methodology further influenced the metrics. Conversely, the 50% reduction in Private Markets exposure helped to modestly offset the overall rise in emissions. There was a notable increase in the proportion of assets with approved science-based targets (SBTi) and exposure to climate-related solutions, primarily driven by the inclusion of the corporate bond allocation. This shift reflects improved data coverage and transparency among listed companies, allowing for more accurate reporting of climate metrics compared to the previous year. A secondary contributor was a slight rise in the percentage of assets within the Global Equity Portfolio that have approved science-based targets, which increased from 42.2% in December 2023 to 49.9% as at December 2024. Please note that we expect the methodology and taxonomy in relation to climate-related opportunities will continue to develop and are subject to change in future years.

Data quality and the calculation of metrics

Whilst the Trustee has aimed to carry out the analysis as far as they are able, the availability of data is dependent on external factors which are largely outside of the Trustee's control, such as certain companies not disclosing their GHG emissions. In calculating absolute emissions and carbon footprint, the Trustee was able to obtain data on c46% of the portfolio, excluding liability driven investments (LDI) and the Plan's buy-ins. The Trustee's expect the level of data availability to improve each year, and WTW engages with the investment managers on making improvements in these areas and identifying appropriate proxies where possible. A proportion of the Plan's portfolio is invested in non-public companies and strategies, as such, direct GHG emissions data is not available in respect of these. For these assets, the Trustee has proxied the exposure by using appropriate geographic and sector weights for the underlying holdings. This represents c10% of the total portfolio.

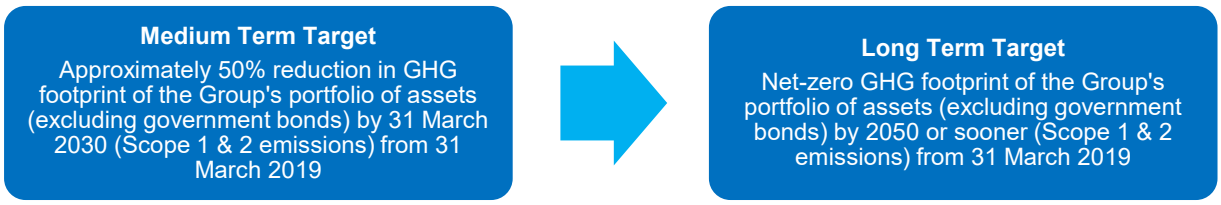
Carbon emission (CE) data quality – Scope 1 & 2	% of non-LDI assets
Actual holdings – CE reported by company	45
Actual holdings – CE estimated by third party	4
Actual holdings – CE estimated by manager	4
Proxied holdings	10
No data	37

The emissions metrics analysis is based upon MSCI's data, which is undertaken on a company-by-company basis using MSCI's Company Specific Intensity Model which will primarily use direct emissions data, but also estimates (using industry averages) where required. MSCI is a market leader in terms of their ESG research and reporting quality. CO2e represents a single unit of measurement for total greenhouse gas emissions (often referred to as CO2 and equivalents) and includes the seven gases mandated under the Kyoto protocol.

On the Trustee's behalf, the FM works with investment managers to improve the quality of the data supplied for these purposes over time. In addition, the Trustee also expects methodologies to evolve and industry standards to emerge to reflect improvements in data coverage. This is expected to result in some year-on-year fluctuations within the calculation of certain climate metrics. The Trustee will monitor how these metrics evolve over time on an annual basis and seek to understand the drivers for change.

Target – DB Section

As referenced, the Trustee has also identified carbon footprint as the metric on which to set a target. This target is to reduce the Plan's carbon footprint (scope 1 and 2 emissions, excluding LDI and the Plan's buy-ins) by approximately 50% by 2030 and to achieve net-zero by 2050. Further information on the treatment of UK government bonds within the LDI portfolio is provided later in this report.



Ultimately the intention would be to measure this against a 2019 baseline, but the Trustee recognises the difficulties in backdating information. The Trustee is reassured that the FM has also made a commitment that is consistent with this objective and a key part of its responsibility will be monitoring the FM's progress against this objective over time. The Trustee intends that this goal will be achieved through engagement (with the Plan's underlying managers and companies invested in), impact investing where suitable (in assets such as green energy), strategic changes (investing in assets with lower climate risk) and also as a result of the 'free-rider' effect where actions taken by the wider industry will lead to a reduction in overall carbon output. This recognises that although the Trustee has

and will take positive actions, the Trustee won't be able to achieve this goal alone and will require the continued collaboration of the global community to combat climate change.

The Trustee recognises that measurement of the progress of the Plan and the whole investment industry in stewarding the transition to a net zero and climate-resilient economy is an important issue. There is no single definitive metric that can be used to adequately measure progress as climate is a multi-dimensional issue, and the data and analytics in this space are rapidly evolving. In line with the regulations, the Trustee has however set a target on a single metric as outlined above. It is well acknowledged in the industry that there are several difficulties associated with measuring progress against a carbon footprint goal, such as data quality, backdating of metric information and the fact that changes in the metric are often driven largely by noise (e.g. a company value changing) rather than reductions in real world emission. The Trustee has reported year on year progress below in relation to the carbon footprint (Scope 1 and 2 emissions) of the Plan's non-government bond assets. As can be seen from the table above, this has reduced from 47 to 46 tCO2e / $m invested over the year.

Over time, the Trustee expects that the longer-term trend of Plan's carbon footprint will continue downwards, towards the Trustee's net-zero target. The Trustee, however, also recognises that there may be short term deviations in some years. This could be due to changes in underlying holdings and ongoing developments within the industry (such as data availability and methodology changes). The Trustee also recognises that a key driver of change will be the actions of governments, consumers and corporates and while the Trustee will do what it can to ensure the objective is achieved, there is reliance placed on the actions of others.

Steps taken over the year to achieve target

The Trustee has taken the following steps to help achieve the target outlined. These are in addition to the various other points referred to throughout this statement.

- Appointed an FM that has a net zero pathway. The Trustee assesses the FM annually.
- One of the Plan's Global Equity managers has appointed a leading stewardship services provider to engage and with companies, industry initiatives and regulators to support decarbonisation over time.
- The Trustee reviewed the engagement activities of the FM over the year and was comfortable with the work being undertaken.
- The underlying managers continue to have strong policies and processes in these areas.

The Trustee's view on approaching scope 3 emissions

Scope 3 emissions data is critical to help build a better picture as we decarbonise our portfolios and economies. However, the Trustee believes that currently reported scope 3 emissions data is largely inadequate for making accurate climate-informed investment decisions. Further, given data issues, the Trustee believes that disclosing the scope 3 emissions of investment portfolios at this stage will necessarily be limited in coverage, subject to large estimation errors, and not fit for meaningful comparison between investors or over time. At a minimum, the Trustee believes any scope 3 emissions disclosures should be disaggregated from Scope 1 and 2 emissions. The Scope 3 emissions are therefore outlined below separately.

Data providers, like MSCI, have tried to solve for this problem by providing scope 3 datasets using proprietary models and internally vetted methodologies. However, current solutions rely significantly on top-down sector emissions data with limited use of bottom-up data (which is company-specific). Models that rely on sector information limit users' ability to distinguish companies from peers.

Whilst scope 3 emissions disclosure is improving, we believe that the investment industry can play a proactive role in accelerating and supporting this trend. Our FM is working closely with and engaging data providers to promote better disclosures. Similarly, our FM engages extensively with the asset management community, including n pushing for better corporate disclosure, and for the adoption of generally accepted standards and methodologies. Our FM also undertakes direct and indirect policy engagement, advocating for the adoption of common standards and methodologies, including those of the International Sustainability Standards Board. Our FM believes the recently released IFRS S1 and S2, including provisions around scope 3 emissions, are a highly significant forward step.

	Carbon Emissions Data			
	Absolute Emissions (tCO2e) – Scope 3		Carbon Footprint (tCO2e / $m) – Scope 3	
	2023	2024	2023	2024
Total assets excluding LDI	65,960	212,303	217	635

Carbon emission (CE) data quality % of non-LDI assets		
	2023	2024
Actual holdings – CE reported by company	6	39
Actual holdings – CE estimated by third party	15	4
Proxied holdings	42	16
No data	37	41

Government Bonds

As referenced earlier in the report, the Trustee has elected to exclude the DB Section's Bulk Annuities from the metrics provided in this report, at this time. The Trustee has also opted to exclude the DB Section's LDI assets from the Plan's target and to report the climate metrics for these asset classes separately. The reason for the separate disclosure is because the underlying methodology is materially different, as are the potential actions available to the Trustee. The Trustee will revisit this decision periodically and may choose to amend this decision in the future.

For UK Government Bonds, for example, the carbon emissions are calculated as the territorial emissions in the whole of the UK i.e. those that take place within a country's territorial boundaries and include exports but omits imports. The denominator used to attribute emissions is the total amount of UK Government Debt outstanding.

The rationale then for the current exclusion of Government Bonds from the Plan's target is as follows:

- The Trustee primarily holds Government Bonds as assets to hedge the DB Section's liabilities and as such, even if reducing exposure to these assets would lead to an overall improvement in climate metrics, it may lead to greater funding and investment risk.
- The Trustee recognises that it has limited capacity and capability to engage with the government on climate related metrics.
- The level of financial risk arising from these assets is perceived to be much smaller i.e. the influence of climate change.

Whilst the above provides the rationale as to why the Plan excludes liability hedging assets from the Plan's target, the Trustee still believes it is useful to monitor these figures over time. As such, the table below shows the climate metrics provided by the Plan's LDI manager, BlackRock.

The Trustee, via their FM, does also continue to monitor that the manager of these Government Bonds appropriately considers climate change in their actions, whether that be selecting bank counterparties for derivatives or engaging with industry discussions and consultations on climate related matters.

The industry has been working on an acceptable standard for measuring and attributing the carbon emissions associated with sovereigns for some time. The methodology proposed by the Partnership for Carbon Accounting Financials (PCAF) was previously accepted by many including the IIGCC and NZIF and is the methodology which the Plan's LDI manager has switched to using. Since the change in methodology, the underlying government data supporting this approach has not yet been updated. As a result, no suitable comparison data is currently available, and reporting is limited to a single year, the first since the methodology was adopted. Due to a two-year reporting lag in UK government data, the most recent available figures reflect the Plan's LDI holdings as of 31 December 2024, amounting to £173,817,596, but are based on 2022 data. The Trustee plans to introduce year-on-year comparisons in future reports and will also assess whether it is appropriate to include LDI assets in the Plan's net zero target.

The DB Section's LDI assets

Metric	31 December 2022
Total allocation	£173.8m
Total allocation (% of total Plan assets)	33.2%
Production GHG Intensity (tCO2e/ USD million GDP PPP)	120.6
Consumption GHG per Capita (tCO2e/ capita)	9.2

MP Section

The Trustee has agreed to use the same metrics to measure the exposure to climate change in the Money Purchase Section. Details are shown in the table below, covering all the investment options available to members. The Trustee hasn't set a target for the MP Section at present but will consider developing market practice in this area following the full scenario analysis to be carried out in 2026.

Going forward

The Trustee is continuing to monitor the evolving climate measurement landscape with the expectation that the robustness of the metrics will improve over time. The Trustee looks forward to sharing updates on our progress in monitoring and managing climate risks and opportunities over time.

Whilst the reporting of climate information is still relatively new, it has been challenging to obtain relevant information from the investment managers in a consistent format between providers and providing the same information as was provided last year to 31 March 2024. We expect as market practice develops in this area, that the investment managers will improve their information processes.

An example of this being that HSBC have decided to align their reporting with the year end, to 31 December. This does not align with the Plan's year end of 31 March 2025 and the date to which the rest of the Plan, or with previous reports. Trends and movements in the metrics should still be visible in the reporting provided by HSBC.

Observations on the metrics

Whilst the metrics have only been considered for 3 years, there has been a shift in the Total Carbon Emissions and Carbon Footprint for the Plan, with significant decreases in both areas. This is largely owing to the change in investment design for the default investment design, with a significant increase in investment in the LGIM Future World Global Equity Index Fund and decrease in investment in the LGIM Diversified Growth Fund which was observed in the year to 31 March 2024.

There have been no changes to the investment strategy over 2025 which would impact on the Carbon Footprint of the investments. The Carbon Emissions per $m invested decreased from 31 March 2024 to 31 March 2025 by c16% for the Plan. Decreases in the scope 1 and 2 Total Emissions has been seen across the fund range. Relating to the Plan assets, this has reflected a 6% decrease in the emissions. We expect to see some gradual movement to reduce carbon emissions due to adherence

to the Paris Compact. We do not expect the Total Emissions in the Plan to reduce every year, due to the increasing assets under management, which saw the overall assets increase by £46m over the Plan year due to a combination of contributions and investment returns.

Metrics information provided by the investment managers to 31 March 2025 is included in the table below. The investment managers are as yet to report on Exposure to climate related solutions. The table below includes both Scope 1 and 2 emissions. Data coverage includes both reported and estimated data. The proportion of assets are calculated at a fixed point as at the year end, as with previous calculations, this being 31 March 2025 for the table below.

Fund		% of MP Section assets	Total Carbon Emissions (tCo2e)	Carbon Footprint (tCo2e/$m invested)	% of assets with approved Science based targets (SBTi)	Exposure to climate related solutions	Data Coverage
LGIM	LGIM Future World Global Equity Index	47.8*	6,364	20.0	49.6%	-	97.6%
	LGIM Diversified Growth	33.0**	16,080	73.3	26.4%	-	62.9%
	L&G Future World Annuity Aware	0.0	6	37.0	22.0%	-	35.0%
BlackRock	BlackRock Cash	15.6	45	0.4	3.9%	-	91.2%
	BlackRock (30:70) Currency Hedged Global Equity	0.9	288	48.6	46.4%	-	95.4%
	BlackRock World Ex UK Equity Index	0.9	151	26.7	47.8%	-	99.1%
	BlackRock UK Equity Index	0.4	159	55.1	55.2%	-	96.6%
	BlackRock Over 15 Year UK Gilt Index	0.1	0	0.4	0%	-	0.2%
	BlackRock Corporate Bond All Stocks	0.1	13	22.7	29.6%	-	91.8%
	BlackRock Emerging Market Equity	0.1	61	121.8	20.4%	-	100%
	BlackRock Over 5 Year Index Linked Gilt	0.0	0	0.4	0%	-	0.1%
HSBC	HSBC Islamic Global Equity***	1.1	99	13.6	-	-	99.0%
Total MP			**23,266**	**35.2**	**34.0%**	**-**	**85.1%**

* Estimated based on 35% allocation to Go Ahead Plan Growth Fund in addition to holdings in the Go Ahead Sustainable Global Equity Fund. This invests 50% in currency hedged, 50% unhedged.
** Estimated based on 65% allocation to Go Ahead Plan Growth Fund in addition to holdings in the Go Ahead Plan Diversified Fund.
*** Information provided by HSBC to 31 December 2025. Data provided does not include % of assets with an approved Science based targets (SBTi)

The table below includes scope 3 emissions. HSBC have confirmed that they do not currently report on Scope 3 emissions as Scope 3 data is highly estimated and can vary drastically between sources. They plan to incorporate Scope 3 emissions data in future reporting.

Fund		% of MP Section assets	Total Carbon Emissions (tCo2e)	Carbon Footprint (tCo2e/$m invested)	Data Coverage
LGIM	LGIM Future World Global Equity Index	47.8*	119,221	374.7	97.6%
	LGIM Diversified Growth	33.0**	140,706	641.4	62.9%
	L&G Future World Annuity Aware	0.0	115	703.5	35.0%
BlackRock	BlackRock Cash	15.6	7,946	76.6	91.2%
	BlackRock (30:70) Currency Hedged Global Equity	0.9	2,470	417.3	95.5%
	BlackRock World Ex UK Equity Index	0.9	1,404	248.6	99.1%
	BlackRock UK Equity Index	0.4	1,732	598.8	96.6%
	BlackRock Over 15 Year UK Gilt Index	0.1	48	78.0	0.2%
	BlackRock Corporate Bond All Stocks	0.1	143	246.7	91.8%
	BlackRock Emerging Market Equity	0.1	171	507.0	100.0%
	BlackRock Over 5 Year Index Linked Gilt	0.0	22	78.0	0.1%
HSBC	HSBC Islamic Global Equity***	1.1	270	23.5	99.0%
Total MP			**274,233**	**419.4**	**86.1%**

* Estimated based on 35% allocation to Go Ahead Plan Growth Fund in addition to holdings in the Go Ahead Sustainable Global Equity Fund. This invests 50% in currency hedged, 50% unhedged.
** Estimated based on 65% allocation to Go Ahead Plan Growth Fund in addition to holdings in the Go Ahead Plan Diversified Fund.
*** Information provided by HSBC to 31 December 2025.

Metrics information provided by the investment managers to 31 March 2024 is included in the table below for comparison.

Fund		% of MP Section assets	Total Carbon Emissions (tCo2e)	Carbon Footprint (tCo2e/$m invested)	% of assets with approved Science based targets (SBTi)	Exposure to climate related solutions	Data Coverage
LGIM	LGIM Future World Global Equity Index	48.9*	7,002	24.0	47.6%	-	98.4%
	LGIM Diversified Growth	33.3**	16,839	84.7	25.4%	-	82.2%
	L&G Future World Annuity Aware	0.0	7	50.7	27.2%	-	79.8%
BlackRock	BlackRock Cash	14.6	78	0.9	6.0%	-	90.3%
	BlackRock (30:70) Currency Hedged Global Equity	1.0	325	57.3	43.6%	-	91.4%
	BlackRock World Ex UK Equity Index	0.8	155	30.8	44.3%	-	90.8%
	BlackRock UK Equity Index	0.5	174	63.6	52.1%	-	93.3%
	BlackRock Over 15 Year UK Gilt Index	0.1	-	-	-	-	-
	BlackRock Corporate Bond All Stocks	0.1	21	33.1	27.0%	-	69.7%
	BlackRock Emerging Market Equity	0.1	54	148.7	16.4%	-	86.4%
	BlackRock Over 5 Year Index Linked Gilt	0.1	-	-	-	-	-
HSBC	HSBC Islamic Global Equity	0.6	71	18.8	50.0%	-	100%
Total MP			**24,727**	**41.7**	**34.0%**	**-**	**91.8%**

* Estimated based on 35% allocation to Go Ahead Plan Growth Fund in addition to holdings in the Go Ahead Sustainable Global Equity Fund. This invests 50% in currency hedged, 50% unhedged.
**Estimated based on 65% allocation to Go Ahead Plan Growth Fund in addition to holdings in the Go Ahead Plan Diversified Fund.

The table below includes 2024 scope 3 emissions. HSBC did not report on Scope 3 emissions during this period as Scope 3 data is highly estimated and can vary drastically between sources.

Fund		% of MP Section assets	Total Carbon Emissions (tCo2e)	Carbon Footprint (tCo2e/$m invested)	Data Coverage
LGIM	LGIM Future World Global Equity Index	48.9*	127,093	435.6	98.4%
	LGIM Diversified Growth	33.3**	133,597	672.0	65.9%
	L&G Future World Annuity Aware	0.0	87	574.7	42.7%
BlackRock	BlackRock Cash	14.6	8,420	96.7	92.2%
	BlackRock (30:70) Currency Hedged Global Equity	1.0	2,535	447.7	97.9%
	BlackRock World Ex UK Equity Index	0.8	1,295	257.0	99.2%
	BlackRock UK Equity Index	0.5	1,760	642.3	94.7%
	BlackRock Over 15 Year UK Gilt Index	0.1	-	-	-
	BlackRock Corporate Bond All Stocks	0.1	174	275.0	90.8%
	BlackRock Emerging Market Equity	0.1	199	552.2	98.6%
	BlackRock Over 5 Year Index Linked Gilt	0.1	-	-	-
HSBC	HSBC Islamic Global Equity	0.6	-	-	-
Total MP			**275,160**	**467.0**	**86.5%**

* Estimated based on 35% allocation to Go Ahead Plan Growth Fund in addition to holdings in the Go Ahead Sustainable Global Equity Fund. This invests 50% in currency hedged, 50% unhedged.
**Estimated based on 65% allocation to Go Ahead Plan Growth Fund in addition to holdings in the Go Ahead Plan Diversified Fund.

Appendix 1: Data sourced from MSCI

Notes for data sourced from MSCI (shown in Section 5)

Emissions are attributed to investors using "enterprise value including cash" (ie EVIC, the value of equity plus outstanding debt plus cash).

The total GHG emissions figures omit any companies for which data was not available. For example, if the portfolio was worth £200m and emissions data was available for 70% of the portfolio by value, the total GHG emissions figure shown relates to £140m of assets and the portfolio's carbon footprint equals total GHG emissions divided by 140. In other words, no assumption is made about the emissions for companies without data.

The science-based targets metric equals the % of portfolio by weight of companies that have a near-term carbon emissions reduction target that has been validated by the Science Based Targets initiative (SBTi). The MSCI database does not distinguish between companies which do not have an SBTi target and companies for which MSCI does not check the SBTi status, so the coverage for this metric is equal to the % of the portfolio with an SBTI target.

Treatment of sovereign bonds held within the DB Section's LDI portfolio

As noted in the main report, information on the carbon emissions for the DB Section's LDI portfolio was provided by the investment manager, BlackRock. The manager has recently switched to reporting on emissions for sovereign debt using the methodology provided by the Partnership for Carbon Accounting Financials (PCAF) which has been adopted by a number of industry bodies including the Institutional Investors Group on Climate Change (IIGCC). The PCAF standard looks to apply equivalent scope 1, 2 and 3 categories to sovereign emissions as are used for corporates. The metrics shown in this report are based on the following methodology.

<u>Production GHG Intensity (tCO2e/ USD million GDP-PPP)</u>

Sovereign Production GHG Intensity = scope 1 excl LULUCF Intensity (tCO2e/ USD million GDP-PPP	Reported or estimated Scope 1 emissions (from sources within the country's boundaries) intensity of greenhouse gases for the country in tons of CO2 equivalent per year, adjusted for PPP (to remove price level differences between countries and aid easier comparison). The intensity metric excludes land use, land use change and forestry (LULUCF).

<u>Consumption GHG Intensity (tCO2e/ capita)</u>

Sovereign GHG Consumption Emissions Intensity per capita (tCO2e/population)	Reported or estimated emissions per capita for the country territory in tons of CO2e per capita. MSCI calculates consumption emissions on Scope 1 excluding LULUCF) + Scope 2 (emissions from imported energy used within the country) + Scope 3 (emissions from non-energy imports used within the country) minus exported emissions (to avoid double counting in the country which imported them).

Appendix 2: DB Section scenario analysis

DB Section: Previous climate scenario analysis – as at 31 December 2022

Working with its FM, the Trustee seeks to mitigate the risks and take advantage of opportunities which may occur so as to improve the likelihood of the Plan meeting its short- and medium-term funding and investment goals.

These time horizons, risks and opportunities are key inputs into the Trustee's climate scenario analysis. The Trustee, in conjunction with the FM and input from the Scheme Actuary and Covenant Advisor, has conducted this scenario stress testing and presented the results within this section. The key climate scenarios that the Trustee has considered are:

	Lowest Common Denominator	Inevitable Policy Response	Global Coordinated Action	Climate Emergency
Description	A 'business as usual' scenario where current policies continue with no further attempt to incentivise further emission reductions.	A delay in meaningful action but a rapid shift in policy in the mid/late 2020s. Policies are implemented but not in a very co-ordinated manner.	Policy makers agree on and immediately implement policies to reduce emissions in a globally co-ordinated manner.	An immediate, ambitious and coordinated response in which aggressive policy is pursued and more extensive technology shifts are achieved.
Temperature rise vs pre-industrial levels	3.5ºC	2.0ºC	2.0ºC	1.5ºC
% of Renewable energy by 2050	30-40%	80-85%	65-70%	80-85%
Transition risk level (shorter term)	Low	High	Low – Medium	Medium – High
Physical risk level (Medium-longer term)	High	Low – Medium	Low	Low

The 'base case' is the central funding projection against which the climate scenarios are considered. It projects, using the FM's investment model, the assets and liabilities of the Plan over the period considered. This considers commonly used central UK life expectancy projections for the liabilities (which includes an assumed long-term rate of improvement of 1.5% p.a. over period). It assumes that the current asset portfolio of the Plan remains the same. It also does not make any explicit future allowance for climate change outcomes within the assumptions, but there is an implicit assumption that future outcomes will rhyme with history (which has exhibited other such large external shocks). We expect that current market pricing, which is to some extent built into the model, only allows for a small amount of transition risk (similar to the Lowest Common Denominator scenario) and makes no allowance for physical risk.

The climate scenarios considered were created to reflect the differing paths that could be taken to meet, or fail to meet, the temperature rise target agreed as part of the Paris Agreement. The Paris target is to limit global temperature rises to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. They have been constructed with reference to the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) and other industry research. The scenarios differ in the size of the physical risks, based on the resulting temperature impacts, but also in the size of the transition risks (see above the key parameters). These are translated into estimate GDP growth impacts which are used to inform the estimated impact on assets returns. The liability impacts modelled are focused on the climate impacts on mortality. Specifically, we assume that the long-term rate of mortality improvement will vary in each scenario, and we re-calculate liability values under these different mortality assumptions. The impact of each scenario on mortality assumptions has been derived using judgement from professional Actuaries at WTW and are designed to illustrate the potential direct and indirect impacts of climate on mortality. These include the impacts of climate change on weather patterns, lifestyles, and the socioeconomic situations of members. In the view of the Trustee, the four scenarios selected reflect an appropriate range of plausible decarbonisation pathways and are relevant in the context of the Plan's DB journey and funding plans. The Trustee recognises that there is the potential for more extreme outcomes than reflected in the chosen scenarios.

Below the Trustee has illustrated the impact of the climate change scenarios on the Plan's DB funding level. The key results from the climate scenario analysis are outlined below. The Trustee has considered these over a timeframe that is consistent with the Plan's longer term time horizon (c.15 years).

The Trustee recognises that assuming such climate scenarios are priced in gradually, year by year, is an unrealistic expectation and in practice this is likely to be far less linear. The Trustee has therefore also included a one-off shock which seeks to illustrate the impact if climate change was to be reflected instantaneously. This assumes that markets immediately price in the transition and physical risks over the next 20 years and that the market initially overreacts to this news in struggling to price in the actual impact. Whilst this is potentially unrealistic, the Trustee thinks this helpfully stress tests the assumptions made in the analysis and helps consider how robust the funding strategy might be. The Trustee also recognises the uncertainty in the underlying assumptions and that, in reality, the shocks experienced could be larger.

In some climate scenarios, the modelling process implies reduced life expectancies (relative to other scenarios and/or schemes' central mortality assumptions) and therefore a relative reduction in the Plan's liabilities. This is a plausible potential outcome arising from the negative impacts of increasing climate change. This can suggest a relative improvement in the expected funding position for the Plan even when combined with associated reductions in the value of the Plan's assets (given their relatively low-risk nature). This effect is most clearly demonstrated in the "Lowest Common Denominator" scenario below. However, it is important to recognise that an assessment of what is in the best interests of the Plan and its members is a much broader question than the impact on funding level alone. Key considerations may be a reduction in the quality (and length) of members' lives, and the quality of the environment that they will retire into. Consequently, the results of any such modelling should not be assumed to reflect any complacency or acceptance (either implicit or explicit) that the Trustee considers global inaction or business-as-usual with respect to climate change to be in the best interests of the Plan or its members. The Trustee believes that climate change is a systematic risk of unprecedented scale and severity. Actions to address it are a collective priority, given the risks it presents to individual pension schemes, the ongoing resilience of the savings universe, and the planet as a whole.

DB Section - Impact of Climate Drags on the Plan's Funding Level

The chart below shows how the Section's funding level is expected to evolve under the different climate scenarios considered (defined in the earlier table). This illustrates the range of potential funding outcomes. The scenarios vary based on the level of assumed transition and physical risk that occurs (shown in the earlier table), such that over the short-term a high transition risk scenario has greater impact on asset returns and in the longer term there is a greater impact of the physical risk from climate change.

DB Section - Impact of Climate Shocks on the Plan's Funding Level

As part of the above analysis, the Trustee has also engaged with the Sponsor, considering how the Sponsor's business could be impacted by climate change. As part of these discussions, the Trustee has been reassured by the size of the Sponsor's business and the Sponsor's policies and commitments in the area of ESG, which have been recognised by a number of external bodies.

As a result of the combined analysis, the Trustee's assessment is that the investment and funding strategy of the Plan is relatively resilient to climate risk, and that the Plan is expected to be relatively well protected against the impact of climate change – the worst of the climate scenarios from the perspective of the Plan's journey plan adds c2 years. The Trustee believes this is driven by four key factors:

- **The Plan's reasonably strong funding position** – This was over 90% (on a prudent gilt+0.25% basis) at the date of the analysis conducted.

- **The Plan's diversified asset portfolio and reasonably low level of investment risk** – The Plan holds a diversified portfolio of assets, targeting a return of c1.25% in excess of its liabilities

- **The allocation to climate positive investments** – The Plan has an allocation to investments which are expected to benefit from the transition to a low-carbon economy. For example, the TWIM SIF invests into the ownership and development of the major sources of renewable energy, including wind, solar, renewable heat, hydro and energy from waste.

- **The Plan has transacted two partial buy-ins** – The Trustee has already mitigated some of the life expectancy risk within the Plan through insuring a significant proportion of its pensioner liabilities.

Although the analysis provided the Trustee with some reassurance on the robust nature of the Plan's DB funding strategy, it did also clearly highlight that climate change could have a material impact on the Plan's outcomes. This reiterated to the Trustee that it warrants continued focus as part of the Trustee's broader SI strategy and should remain a priority area for portfolio monitoring, stewardship activities and manager engagement.

In terms of next steps, the Trustee is focussing on partnering with a high-quality FM which invests a significant amount of resource in this area, both through its own industry wide initiatives, its engagement with investment managers, and also through its appointment of EOS (see case study above).

As mentioned earlier, the Trustee intends to update this analysis at least every three years and will be testing annually whether this needs to be done more frequently, including if there have been material

changes to the scenarios used or the Plan's funding strategy. The Trustee recognises that the development of climate scenarios is a relatively new process and anticipates that these will evolve in line with industry practice over time.

Appendix 3: MP Section Scenario Analysis

Climate change timescales

Climate risks and opportunities were measured over the short-, medium- and long-term. In this context it has considered the potential impact on members' projected account values over different time horizons, where 'short-term' is the members 5 years from retirement, 'medium term' is members that are 20 years from retirement and 'long-term' is new joiners that are 40 years from retirement. In addition, the Trustee has considered the impact on member fund values should the market suddenly price in the full impact of the lower cashflows under each scenario as a one-off shock. The timing over which the market reflects the lower cashflows for each scenario is uncertain.

The analysis assumes a 'base case' scenario, which reflects what was priced into the market at the time of the analysis. The deviance from the base case under each scenario reflects the potential impact of climate-related risks on the member account values. The results are in the table below which shows the projected reduction in the members fund value at retirement.

Impact on fund value at retirement relative to the base case

Default Working Life Strategy			
Impact on expected pot size	New joiner	Mid-career	Pre-retirement
Base Case	0%	0%	0%
Least Common Denominator	-13%	-4%	0%
Inevitable Policy Response	-11%	-9%	-1%
Global Coordinated Action	-9%	-4%	-1%
Climate emergency	-8%	-6%	-1%

Following the investment changes that were completed in early 2024, given the additional allocation to equities, meant the climate risk and potential impact for new joiners increased across the four scenarios considered. The higher exposure to global equities contributes more significantly to climate risks modelled.

Whilst the revised Default Working Life Strategy has a higher climate risk, the Trustee considered that this is an acceptable increase when also considering expected improvement for members' outcomes in the long term.

Impact on fund value as a percentage of salary following a one-off shock

The one-off shock analysis considered the impact on the same example members but also considered the impact on a member at the end of the lifestyle, an 'At Retirement' member. In this analysis it was assumed that the market initially overreacts, resulting in twice the longer-term impact. The results show the impact on the member's fund value at the end of the year.

Default Working Life Strategy			
Impact on expected pot size	Mid-career	Pre-retirement	At retirement
Base Case	0%	0%	0%
Least Common Denominator	-8%	-4%	-3%
Inevitable Policy Response	-11%	-8%	-5%
Global Coordinated Action	-7%	-4%	-3%
Climate emergency	-9%	-6%	-4%

In these examples, the new joiner is not included in the table above, because they are expected to have a nil fund value, as such, a one off market event wouldn't impact this member. The increased allocation to equities in the revised default design has a more detrimental effect on the fund value of the 'Mid-year' member identified in the modelling. As noted above, the increased allocation to equities is expected to improve member outcomes over the long term, so the Trustee believes this to be an acceptable increase in risk.

Example member assumptions

The following assumptions were used in the modelling.

	Current age	Retirement age	Current salary	Current Fund value	Contribution rate as a % of salary	Future salary increases
New joiner	25	65	£20,000	£0	8%	CPI
Mid-career	45	65	£26,000	£20,000	8%	CPI
Pre-retirement	60	65	£27,000	£25,000	8%	CPI
At retirement	65	65	£30,000	£30,000	8%	CPI

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