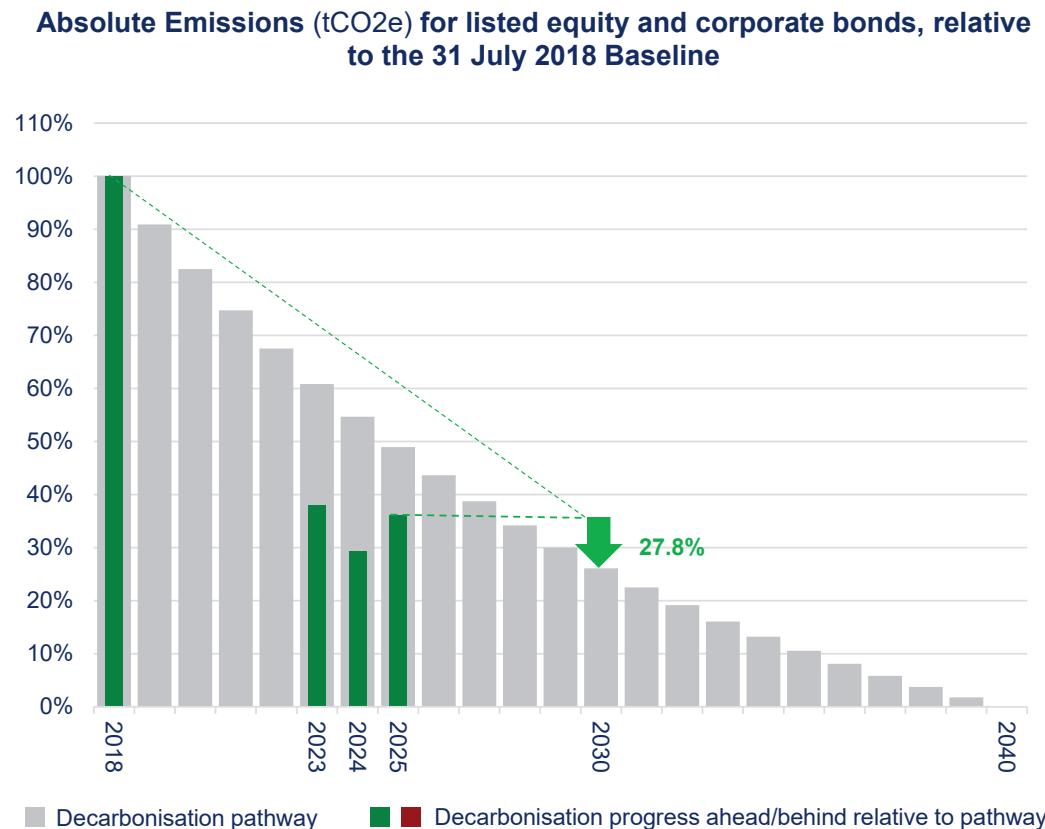


# Decarbonisation Progress – Listed Portfolio

## Absolute emissions: progress relative to a transition curve consistent with net zero by 2040

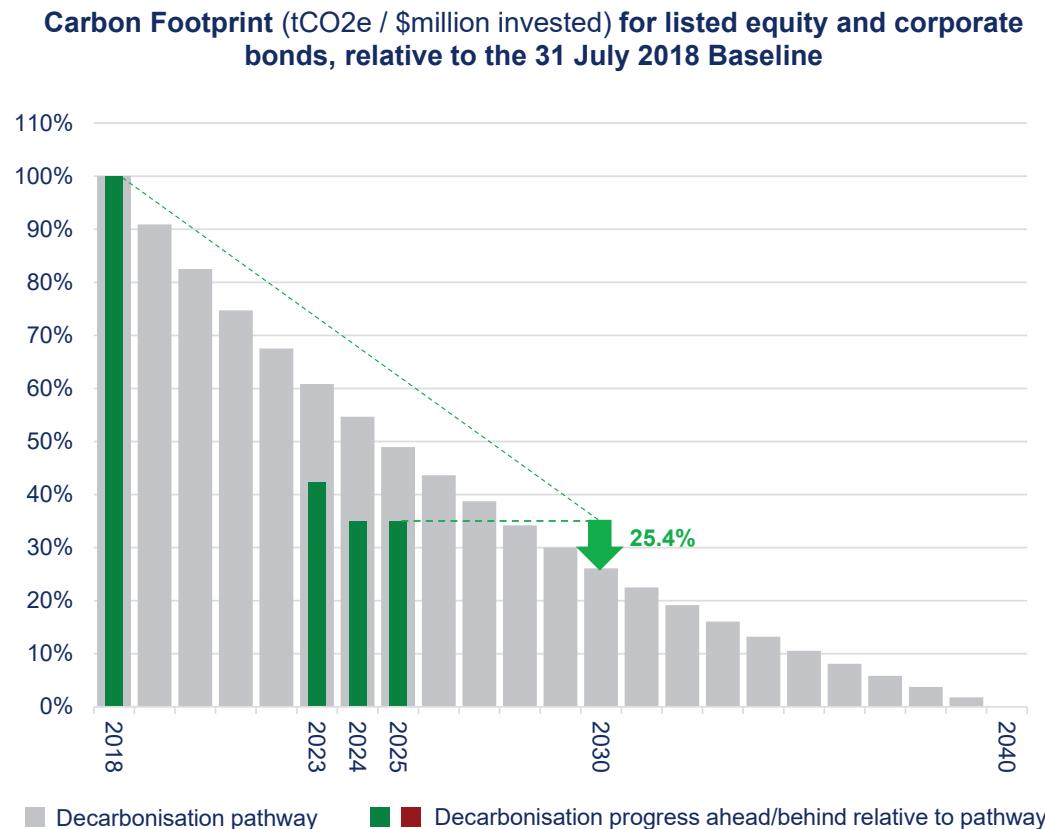


- The graph shows the agreed decarbonisation pathway for the Fund's listed portfolio, based on Absolute Emissions, starting from a baseline as at 31 July 2018. It compares this portion of the Fund to the decarbonisation target of achieving net zero by 2040 or earlier.
- The 2018 baseline figure has been adjusted to include the absolute emissions attributable to the corporate bond portfolio as at 2023.** As a reminder, 2018 data coverage was deemed insufficient to include within the baseline for corporate bonds. As such, it was agreed to use the 2023 figure, adjusted for changes in market value over the period.
- After updating the baseline, **Absolute Emissions for the listed portfolio have decreased by 64% and remain ahead of the decarbonisation pathway.**
- During the 7-year period there have been a number of strategic changes to the portfolio, which have contributed to a decrease in emissions.
- Emissions are required to reduce by a further 28% from the 2025 position to achieve the 2030 interim target.
- Emissions have decreased slightly from 2023 to 2025, reflecting a reduction in carbon intensity for the underlying portfolios during this period.
- To date, targets have been set on Scope 1 and 2 emissions. We still see issues with consistency and quality with respect to Scope 3 data, and we do not yet consider it to be sufficiently robust to set targets against.

Source: Mercer, using data from MSCI. The most recent data is based on stocklists as at 31 July 2025, using metric calculations and data feeds as at 17 September 2025, or latest available. Prior data corresponds to stocklists from prior years and is taken from previous Mercer reports.

# Decarbonisation Progress – Listed Portfolio

## Carbon Footprint: progress relative to a transition curve consistent with net zero by 2040



- The graph shows an illustrative decarbonisation pathway for the Fund's listed portfolio, based on its Carbon Footprint, starting from a baseline as at 31 July 2018. It compares this portion of the Fund to the decarbonisation target of achieving net zero by 2040 or earlier.
- The 2018 baseline has been adjusted to include the 2023 corporate bond data, as outlined on the previous slide.
- Relative to the July 2018 baseline, **the overall Carbon Footprint of the listed portfolio has decreased by 65%**.
- The Carbon Footprint has also decreased from 2023 to 2024, whilst staying broadly unchanged from 2024 to 2025. We consider the drivers of the 2024-25 movement in detail on slide 14; whilst the overall figure is similar, the Fund's underlying managers have exhibited a range of change drivers.
- The only two mandates in place over the whole period, the Baillie Gifford Global Alpha mandate (which moved to a Paris Alignment mandate in 2022) and Northern Trust Emerging Markets fund (the Northern Trust holdings were switched to the Green Transition fund in 2021), have shown a significant decrease in Carbon Footprint of 66% and 86%, respectively.

Source: Mercer, using data from MSCI. The most recent data is based on stocklists as at 31 July 2025, using metric calculations and data feeds as at 17 September 2025, or latest available. Prior data corresponds to stocklists from prior years and is taken from previous Mercer reports.