

Hewlett-Packard Limited Retirement Benefits Plan

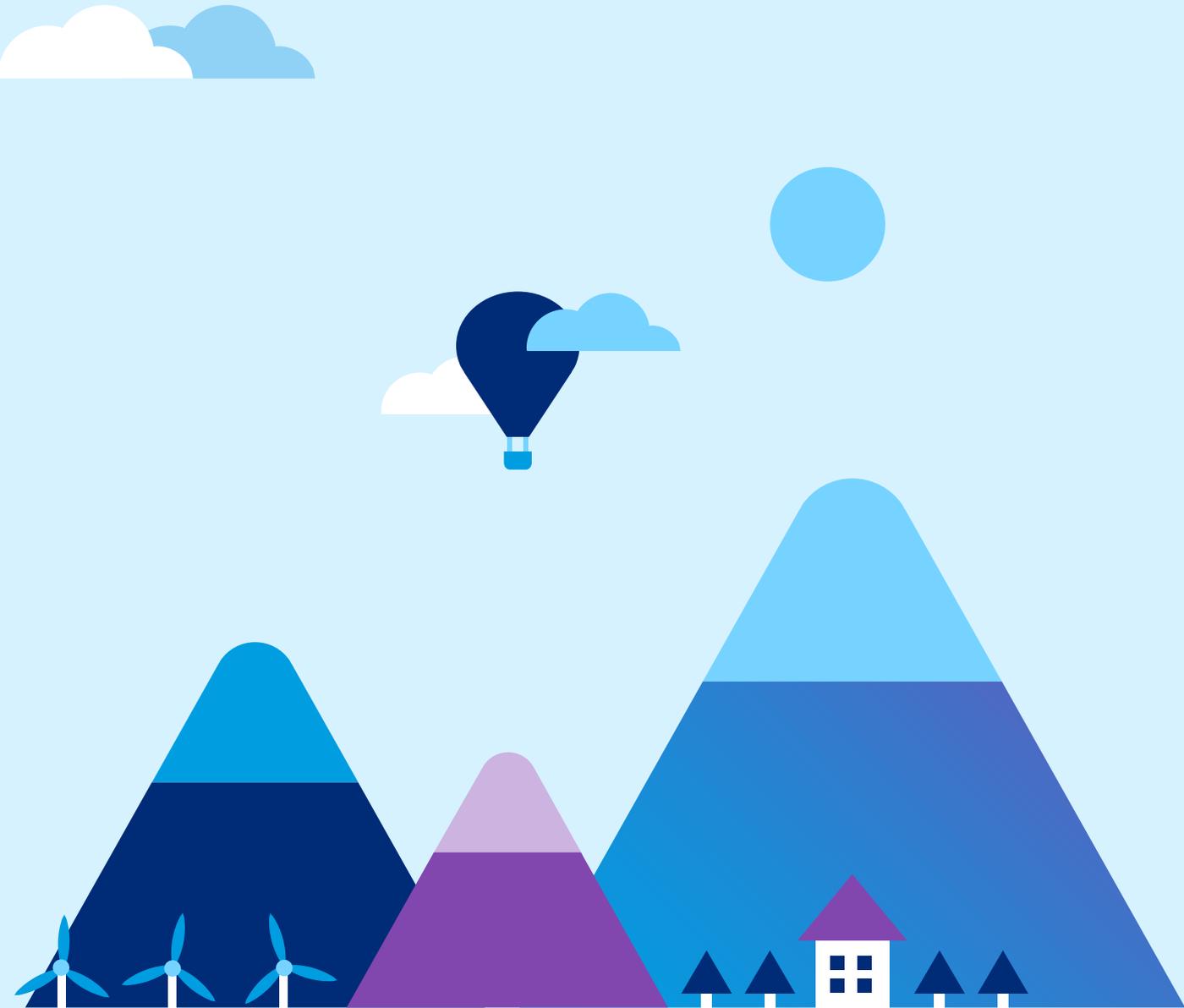
Climate change governance and
reporting disclosures

Reporting period: 12 months to 31 October 2025

March 2026

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Introduction

Dear Members,

Welcome to our fourth climate change report, which has been prepared in line with the statutory requirements prescribed by the Department of Work and Pensions . The Taskforce on Climate-Related Financial Disclosures (“TCFD”) fulfilled its remit and was disbanded in October 2023, with the TCFD framework taken over by the International Sustainability Standards Board (“ISSB”). This report is now referred to as the ‘Climate Change report’ throughout, rather than the ‘TCFD report’.

Climate change will have far reaching impacts for economies, societies and the environment. Climate change is one risk amongst many that the Trustee of the Hewlett-Packard Limited Retirement Benefits Plan (“the Plan”) measures, monitors and manages. As a responsible institutional investor, we recognise the importance of understanding and managing the financial risks and opportunities associated with climate change. To this extent, the Trustee seeks to consider climate-related risks and opportunities alongside other risks in a balanced and proportionate way. The Trustee may therefore continue to invest in companies that are exposed to climate risk, where there is a sufficiently attractive investment case and the relevant asset manager believes there is an opportunity to engage and influence changes in the behaviour and actions of a company.

Climate change is a complex process, both from a scientific and an economic perspective. With this in mind, the Trustee’s assessment of climate-related risks and opportunities has been carried out based on information that is available at the time for preparing this report. This includes data from the Plan’s employer, the assets in which the Plan invests and the different global warming scenarios that we have analysed.



This report is split into sections to help members understand:



- **Governance:** How the Trustee incorporates climate change into its decision-making;
- **Risk Management:** How the Trustee incorporates climate-related risk into its risk management processes;
- **Strategy:** How potential future climate warming scenarios could impact the Plan and the Trustee's funding strategy; and
- **Metrics and Targets:** The climate related metrics that the Trustee has chosen to measure, the status of current investments against those metrics, and the climate related target that the Trustee has chosen to adopt for the investment portfolio.

The last section of this report covers the more technical aspects of the climate scenario modelling and climate metrics and sets out the methodology and assumptions used to produce the information contained in this report.

The core policies and processes of the Trustee have not materially changed over the reporting year. Relative to the prior year, the key changes are:

Climate-related metrics: The Trustee has continued to develop its approach to calculating climate-related metrics, in line with industry best practice. As such, metrics for this reporting year may not be directly comparable with the prior reporting year. We have included explanatory notes where this is the case.

Updated climate-scenario analysis: In 2025, the Trustee updated its climate scenario analysis of the Plan's investments, funding and employer covenant, to meet regulatory requirements and to reflect changes in circumstances since the last full assessment in 2022.

Disbanding of the TCFD Working Group ("TCFDWG"): The responsibilities of the TCFDWG have been transferred to the Funding and Investment Sub-Committee ("FISC") (see Governance Section for full description of the FISC's responsibilities), now that the annual climate reporting process is set up and running smoothly, becoming a regular annual task that no longer requires a separate working group.

For two of the Plan's investment mandates, emissions (and emissions intensity) have increased relative to the prior reporting year. In this regard we would note that:

¹ The Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 and the Occupational Pension Schemes (Climate Change Governance and Reporting) (Miscellaneous Provisions and Amendments) Regulations 2021

²The Hewlett-Packard Limited Retirement Benefits Plan (the "Plan") is split into two sections: the Hewlett-Packard ("HP") Section and the Digital Section with distinct assets and liabilities. The investment strategy for the sections is broadly the same and, unless otherwise stated, this report refers to the Sections together as "the Plan" throughout.

- Climate change is a long-term risk, and progress is not expected to be linear. It is not therefore uncommon to see increases in the metrics that are being measured when considering changes on a year-on-year basis. The Trustee is primarily concerned with longer term changes, which it will assess over time as data improves; and
- The increase in emissions reported for some of the Plan's less liquid investments is primarily driven by changes in the quality of the underlying data and how this is reported, rather than asset allocation decisions being made by the investment managers, or worsening climate metrics from the underlying companies in the portfolio. This sort of volatility in climate metrics is to be expected as industry practices develop and standardise for less liquid investments.
- In addition, the Trustee made a new investment in the JP Morgan Infrastructure Investment Fund (IIF) during the year. This was a strategic long-term investment, adding a diversifying source of return to the Plan's portfolio. The Trustee recognises that emissions related to the IIF are higher than the Plan's other investments, however, this is to be expected given the nature of the underlying holdings. The IIF is fairly typical for an infrastructure fund in terms of its emissions. Whilst IIF has not yet set a net zero target, the fund's carbon footprint has reduced by 8% over 2024. The IIF also holds a material proportion in renewables (>20%), which would be expected to make a real-world contribution to decarbonisation.

Whilst there have been some observed increases in emissions across the Plan's investments (notwithstanding the above comment), we are pleased to report that the Plan's Buy & Maintain Credit portfolio, against which the climate-related target is set, has continued to decarbonise along the agreed pathway. This is primarily as a result of inflows during the year being used to purchase bonds associated with lower carbon emitting companies, and the sale of bonds related to one particularly high emitter. The Trustee is pleased with the progress that has been made in this regard.

We hope you look forward to reading this report. If you would like to contact the Trustee with any questions you would like to raise, please email us at iphpplan@zedra.com.

Paul Early

Chair of Hewlett-Packard Limited Retirement Benefits Plan Trustee Limited



Governance

Trustee governance approach

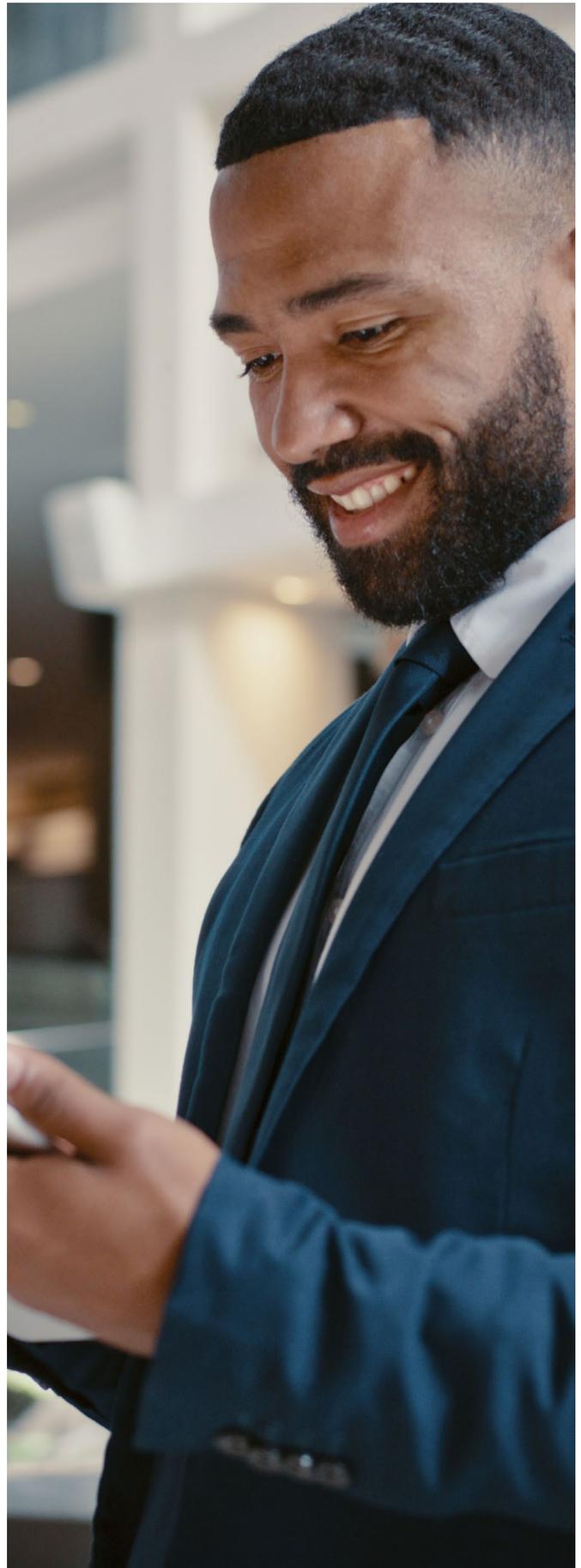
The Trustee has ultimate responsibility for ensuring effective governance of climate-related risks and opportunities. The Trustee maintains a Statement of Investment Principles (“SIP”), which details the key objectives, risks and approach to considering Environmental, Social and Governance (“ESG”) factors, such as climate change, as part of its investment decision making. The document is reviewed on at least a triennial basis, but typically annually.

The Trustee’s key beliefs relating to ESG are:

- ESG factors may have a material impact on business performance and investment risk and return outcomes
- Good stewardship can create and preserve value for companies and markets as a whole.
- Long-term sustainability issues, particularly, but not limited to, climate change, present risks and opportunities that increasingly may require explicit consideration.

The Trustee has sub-committees that have a specific focus and decision-making powers. The Trustee will consider the recommendations of the sub-committees and will review any decisions that require its approval. Of relevance to the oversight of climate-related risks and opportunities is the FISC (formerly the Trustee Investment Sub-Committee (“TISC”). The FISC is responsible for overseeing all funding and investment matters. It also monitors the financial strength of the Company to assess its ability to continue to provide financial support to the Plan. It makes recommendations to the main Trustee Board in relation to the funding of the Plan and investment strategy. It is also responsible for producing the annual Climate Change report.

Climate change forms an explicit agenda item at least annually for the Trustee and its sub-committees when the Trustee’s Climate Change report is updated. The Trustee is satisfied that the amount of governance time spent is reasonable and will allocate more (or less) time to these matters as required.



The Trustee's advisors

Investment Consultant

The Trustee has appointed Mercer as Investment Consultant to the Plan. Mercer's role is to provide ongoing advice on investment strategy and manager appointments. This includes advice on managing and monitoring investment-related risks, such as climate change, which are considered at quarterly meetings. Mercer supports the Trustee in producing the Plan's Climate Change report.

On an annual basis, the Trustee formally reviews the performance of the Investment Consultant against agreed strategic objectives in line with the requirements of the Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations 2021. As of this reporting year, this process formally covers the Investment Consultant's advice to the Trustee in relation to climate risk and opportunities.

Secretarial Support

Zedra Inside Pensions Limited ("Zedra") provides secretarial support to the Plan. Zedra's role is to assist the Trustee in the general running of the Plan and to undertake Plan governance activities on behalf of the Trustee, such as coordinating required public disclosures.

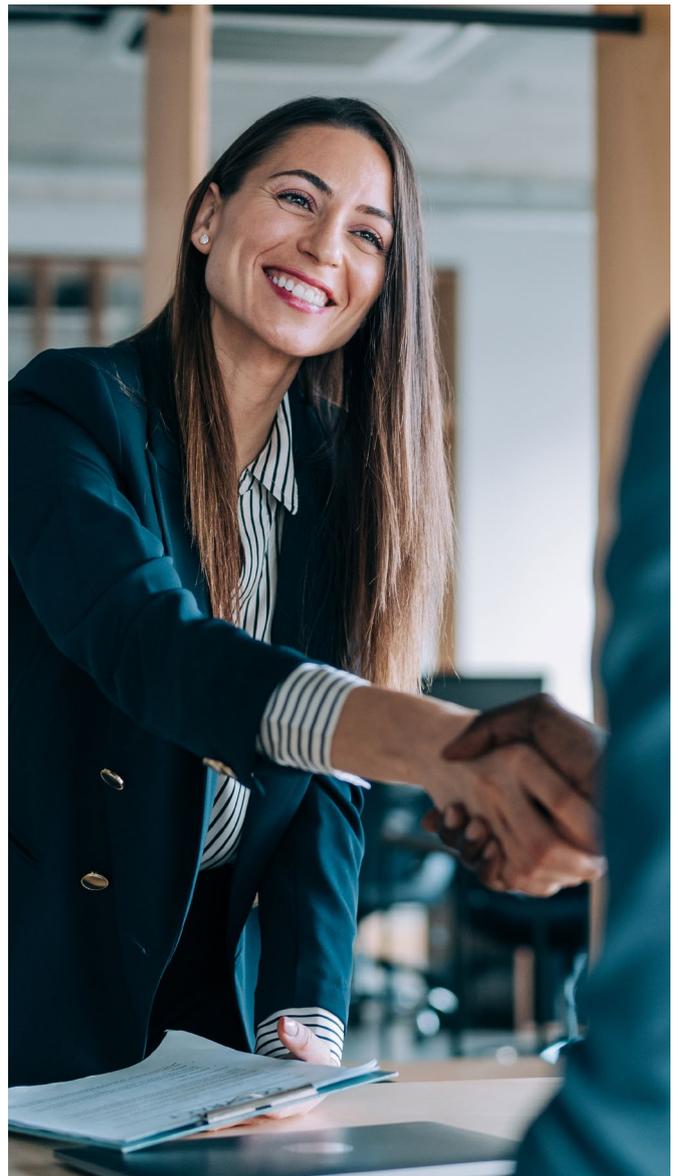
Covenant Advisor

The Trustee has appointed Cardano Limited ("Cardano") as Covenant Advisor to the Plan. In November 2024, Cardano was acquired by Mercer. References to Cardano will be changed to Mercer from the next climate change report. Cardano advises the Trustee in relation to the ability of Hewlett Packard Enterprise ("HPE") to support the Plan, now and in the future. This is known as the 'employer covenant'. Climate-related exposures could have a positive or negative impact on the strength of HPE's employer covenant. Therefore, Cardano includes climate-related matters in the covenant advice provided to the Trustee. In addition, since 2022, Cardano has undertaken regular climate scenario analysis of HPE to assess the resilience of the employer

covenant to climate risks. During 2025, Cardano prepared a full update of its scenario analysis to assess the potential impact of climate risk on the Plan from the perspective of the employer covenant.

Actuarial Advisor

The Trustee has appointed Aon Solutions UK Limited ("Aon") as actuarial consultant. Aon's role is to provide ongoing advice on funding strategy along with advice on members' benefits. This includes providing input to enable the Trustee to consider the impact of climate risks on funding strategy.



Risk Management

A key part of the Trustee's role is to understand and manage risks that could have a financially material impact on both the Plan's investments and the wider funding position. Climate change is one of the risks that the Trustee considers alongside other financially material risks that may impact outcomes for members. The Trustee does not explicitly take into account non-financial matters.

This section summarises the primary climate-related risk management processes and activities of the Trustee. These help the Trustee understand the materiality of climate-related risks, both in absolute terms and relative to other risks that the Fund is exposed to. The Trustee prioritises the management of risks primarily based on potential impact on the security of members' benefits in the context of the overall funding strategy.

Governance

- The Trustee's Statement of Investment Principles ("SIP") is reviewed at least triennially, but typically annually, and sets out how climate-related investment risks are managed and monitored.
- The Trustee maintains a risk register which includes identifying climate risks and opportunities, and operates an Integrated Risk Management framework to monitor and mitigate financially material risks to the Plan.
- The Trustee receives training from time-to-time on climate-related issues. The training allows the Trustee to challenge whether the risks and opportunities are effectively allowed for in its governance processes and wider activities, and to be able to challenge its advisors to ensure the governance support and advice adequately covers the consideration of climate-related risks and opportunities.
- The Trustee receives six monthly updates from the Sponsor and Group on the health of the Covenant. This enables the Trustee to track and

monitor progress of the Sponsor against selected targets, as well as to stay informed of the latest climate scenario developments including renewable energy outlook and carbon prices, and whether these present a risk to the Plan's covenant.

Strategy

- Mercer will take climate-related risks and opportunities into account as part of the wider strategic investment advice provided to the Trustee.
- Cardano incorporates climate-related risks into its analysis and advice to the Trustee in respect of the employer covenant.
- Climate scenario analysis for the investment and funding strategy of the Plan will be reviewed at least triennially, or potentially more frequently if there has been a material change to the strategic asset allocation.

A summary of the Trustee's climate scenario analysis is included in the next section of this report. Climate scenario analysis is one approach to help the Trustee understand the materiality of climate-related risks that could impact the Plan over time. The effective date of the climate scenario analysis included in this report is 30 June 2025, taking into account updated information and the latest reporting disclosures from HPE.

Reporting & Stewardship

- The Trustee receives an annual report of climate-related metrics and progress against any target set in respect of the assets held in the Plan. The Trustee expects to use the information to engage with the investment managers regarding progress against these targets.
- For the mandates against which the Trustee has set its climate-related target, the Trustee includes climate-related metrics in its quarterly reporting that it receives from the investment managers, via the Investment Consultant.
- The Trustee receives a voting and engagement activity summary on an annual basis as part

of the preparation of the Engagement Policy Implementation Statement (“EPIS”). The statement summarises how the relevant investment managers vote and engage on climate-related issues (among other key engagement priorities), and how these align with the Trustee’s policies as set out in the SIP. In the EPIS, the Trustee has also defined what it considers to be a ‘significant vote’, as carried out by the Plan’s investment managers on the Trustee’s behalf. The Trustee includes climate change as a key theme in determining significant votes. The statement is available on the Plan’s website.

- The Trustee gives its investment managers full discretion in evaluating ESG factors in the stock selection and risk management process, including climate change considerations. The Trustee also delegates responsibility to the investment managers for exercising voting rights and stewardship obligations attached to Plan investments. This includes engagement with issuers of debt and equity and other relevant persons regarding appropriate matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest and risks, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

risks and opportunities when appointing a new manager, in the ongoing review of a manager’s appointment, or as a factor when considering the termination of a manager’s appointment. This assessment will predominantly be carried out using Mercer’s ESG relevance and integration indicators, which summarise, where relevant, Mercer’s views on the extent to which financially material ESG factors are integrated into the manager’s investment process and decision-making across asset classes.

- The Trustee views climate risk as financially material and therefore expects investment managers to identify and include climate risk in their decisions around stock selection and retention.
- Zedra supports the Trustee by keeping a log of presentations provided by the Plan’s investment managers, ESG educational sessions and any additional training received as a point of reference when making decisions about investment manager selection and retention.

Manager Selection and Retention

- The Trustee, with advice from Mercer, will consider an investment manager’s firm-wide and strategy-specific approach to managing climate-related



Climate Risks and Opportunities

The effects of climate change will emerge over many decades. The Trustee has considered two types of climate-related risks and opportunities in its climate scenario analysis:

1. Transition risks and opportunities

This covers the potential financial and economic risks and opportunities from the transition to a low carbon economy (i.e. one that has a low or no reliance on fossil fuels), in areas such as:

- Policy and legislation
- Market
- Technology
- Reputation

Risks include the possibility of future restrictions, or increased costs, associated with high carbon activities and products. There are also opportunities, which may come from the development of low-carbon technologies. In order to make a meaningful impact on reducing the extent of global warming, most transition activities need to take place over the next decade and certainly in the first half of this century.

2. Physical risks and opportunities

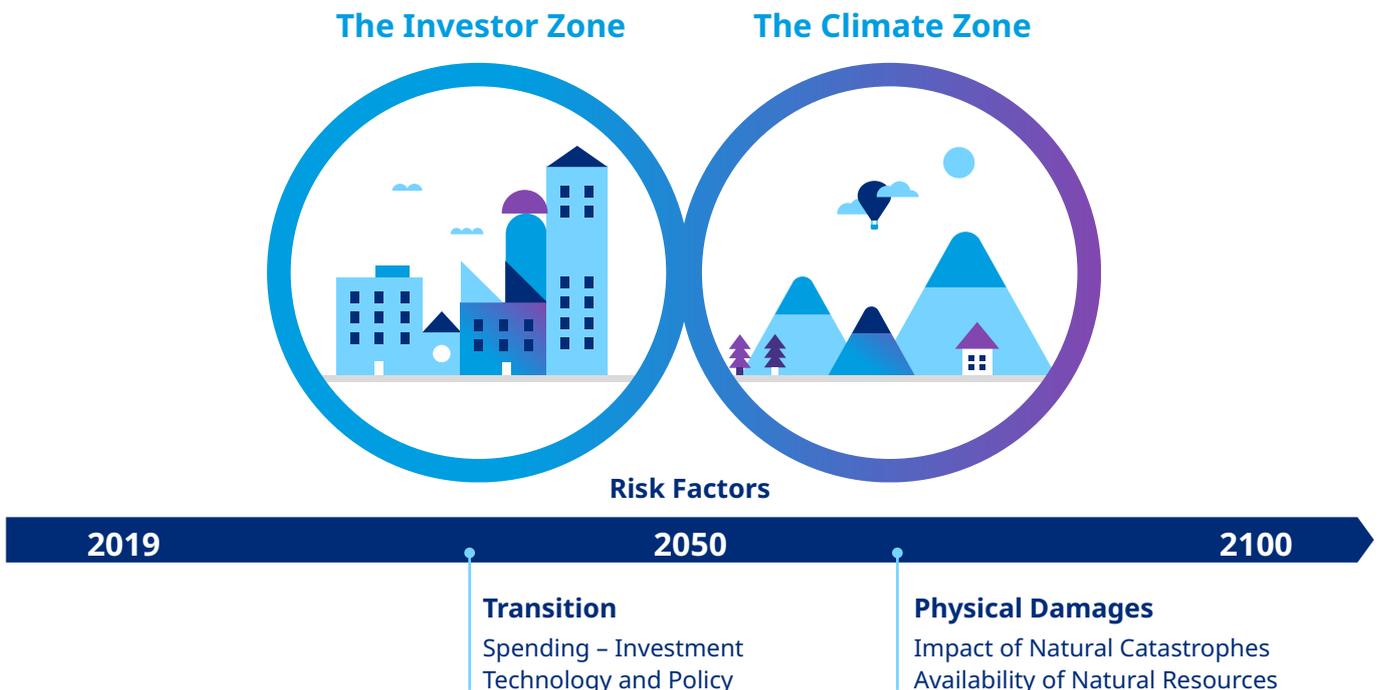
The higher the future level of global warming, the greater physical risks will be in both frequency and magnitude. Physical risks cover:

- Physical damage (storms; wildfires; droughts; floods)
- Resource scarcity (water; food; materials; biodiversity loss)

Physical risks are expected to be felt more as the century progresses, although extreme weather events may increase in the near term. The ultimate extent of the risks is highly dependent on whether global net zero greenhouse gas emissions are achieved by 2050.

There are investment opportunities, for example, in certain types of infrastructure and real estate that are designed to be resilient to the physical impacts of climate change, as well as being constructed and operated in a way that has low or no net carbon emissions. There are also opportunities for investment in those companies or industries that focus on energy conservation and resource efficiency.

Figure 1: Climate risk factors over time



Source: Mercer

Strategy

The effects of climate change will be felt at different times in the future and to different extents. The Trustee believes it is important to understand how the Plan's exposure to climate-related risks may change over time, when the risk exposure may be greatest and what actions can be taken now, or in the future, to avoid those risks becoming increasingly financially material to the Plan.

To help with this assessment, the Trustee has defined short, medium and long-term time horizons for the Plan. The climate-related risks and opportunities that are relevant to the Plan vary over these periods.

The Trustee recognises that, due to the funding position of the Plan and the expected trajectory of future progress (including the range of possible outcomes), the timeframe over which the Plan is expected to hold assets that are materially exposed to climate risks is potentially relatively short. The below timeframes have therefore been determined by reference to this time horizon which the Trustee has determined appropriate taking into account the Plan's liabilities and its obligation to pay benefits. Should the Plan's investment time horizon change, the Trustee will review and update its definitions for the short, medium and long term.

Short Term

- Less than 5 years (period to 2030)
- The time period in which the Plan expects to achieve full funding on the Long-term Basis (gilts + 0.25% p.a.).

Medium Term

- 5 to 15 years (2030 to 2040)
- Defined by the timescale during which the Plan will reach "significant maturity".

Long Term

- Over 15 years (beyond 2040)
- Over this period the Trustee expects the Plan's investments to be substantially de-risked, or to have been transferred to an insurer to manage as part of a buy-in, and therefore climate risk is expected to be less material to the Plan.

The Trustee has considered the following short, medium and long-term drivers of risk in relation to climate change:

Over the short term (period to 2030), risks may present themselves through rapid market re-pricing relating to climate transition as:

- Scenario pathways become clearer. For example, a change in the likelihood of a well below 2°C warming scenario occurring (i.e. an increase in probability would be expected to drive additional transition risk).
- Market awareness grows. For example, the cost and impacts of the transition suddenly influence market pricing.
- Policy changes unexpectedly surprise markets. For example, if a carbon price or significant regulatory requirement was introduced across key markets to which the portfolio is exposed, at a sufficiently high price to impact behaviour.
- Market sentiment is shocked. For example, falls in markets could create a downward spiral where economic sentiment worsens and asset values fall.
- Perceived or real increased pricing of greenhouse gas emissions/carbon.
- Substitution of existing products and services with lower emission alternatives may impact part of the portfolio.
- Litigation risk relating to dangerous warming becoming more prevalent.
- Increases in the energy/heat efficiency of buildings and infrastructure.
- As well as risks associated with these drivers, there could also be opportunities. For example, investing in climate solutions as policy support strengthens.

Over the medium term (2030 to 2040), risks are likely to be more balanced reflecting both transition and physical risk. Over this time period the transition pathway will unfold and the level of anticipated physical damage will become much clearer. While the full extent of the physical damage is unlikely to have occurred markets are likely to be allowing for it to a large degree in asset pricing.

Over the long term (beyond 2040), physical risks are expected to come to the fore. This includes the impact of natural catastrophes leading to physical damages through extreme weather events. Availability of resources is expected to become more important if changes in weather patterns (e.g. temperature or precipitation) affect the availability of natural resources such as water. The impact of global heating on productivity, particularly in areas closer to the equator, will also be a key driver.

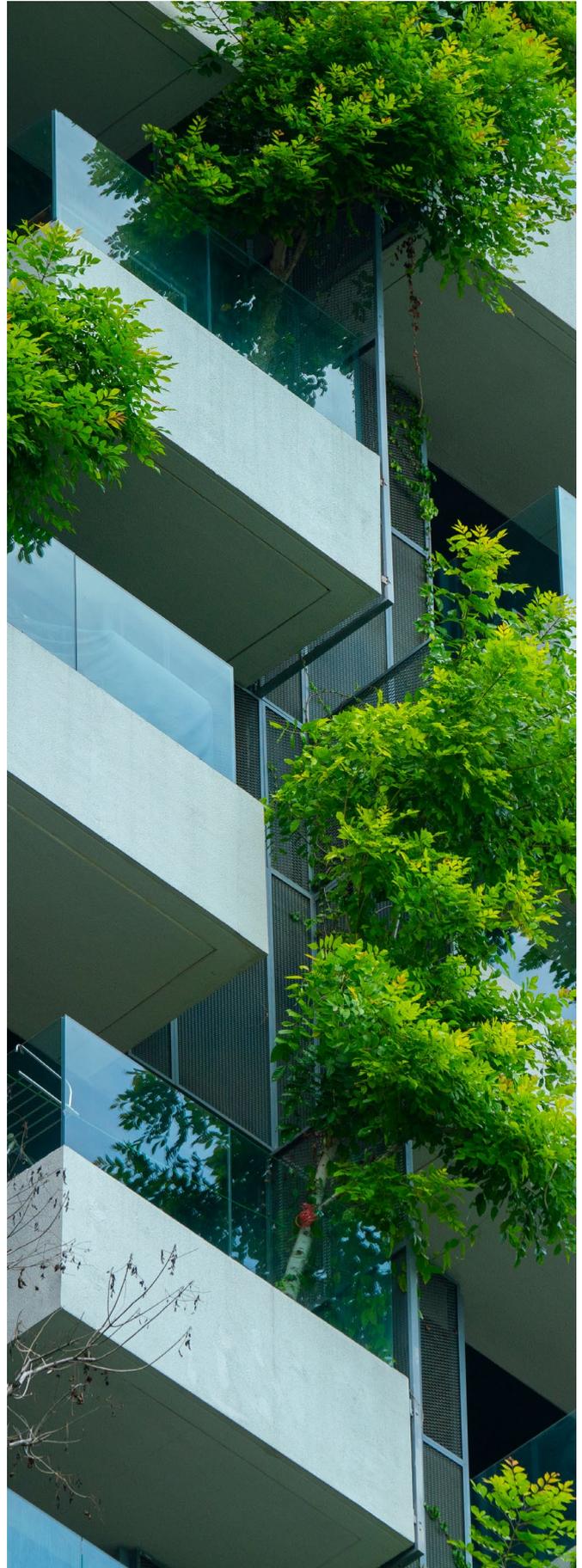


Investment Impacts and Opportunities

Over the short term, the Plan is exposed to climate-related risks through its allocation to bonds, as debt issuers are themselves exposed to both transition and physical risks in the short term. The Plan is also exposed to climate-related risks through its allocation to public equity and unlisted infrastructure equity, albeit this risk is assessed as being less material given the relative size of the Plan's equity holdings, compared to its bond assets. The climate scenario analysis helps the Trustee understand which market sectors are most exposed to climate-related risks and which are well positioned to transition to a low carbon economy.

Over the medium term, the climate-related focus is similar to the focus over the short term as it will be centred on bond assets. Over this time period, bond investments where the issuer of the debt has made minimal effort to support the low carbon transition (or suitably account for climate-related risks) may lead to a potential default or downgrade. Market surprises due to unexpected policy changes related to climate change could lead to asset price volatility and therefore funding level volatility. The Plan holds a diversified portfolio so therefore would expect to be insulated from this volatility to a degree. Exposure to this market volatility is expected to reduce over time as the Plan reduces its allocation to risk assets in line with its long-term funding strategy. The resilience of the funding strategy to climate-related risks is therefore expected to improve.

Over the long term, investment opportunities remain in industries which are supportive of the transition to a low carbon economy. As the Plan matures, the Trustee would expect its exposure to these industries to decrease as the Trustee aims to reduce investment risk with a view to providing the greatest security possible for members' benefits. A typical investment strategy of this kind would invest in high quality corporate bonds, government bonds and cash, all of which we would see as suited to a transition to a low carbon economy due to climate-related risk being priced into their value over the long term.



Climate scenarios

In order to assess the potential impact of climate-related transition and physical risks, the Trustee has considered four possible climate scenarios. These scenarios consider the expected degrees of warming of the atmosphere by the end of the century relative to pre-industrial levels.

The scenarios considered by the Trustee are:

- **1.6°C Scenario (“Rapid Transition”)**
- **1.9°C Scenario (“Delayed Transition”)**
- **2.9°C Scenario (“Limited Transition”)**
- **3.7°C Scenario (“Failed Transition”)**

See Table 1 for further details.

The analysis is based on scenarios developed by Mercer working with Ortec Finance. These scenarios were selected by the Trustee to test a broad range of feasible outcomes and the Plan’s exposure to both transition and physical risks.

In designing scenario analysis a fundamental decision is whether to assume that any climate impacts are priced in today. The analysis in this report is expressed relative to a ‘climate-informed’ baseline ; the implication is that all return impacts are presented in terms of how they are different to what we are assuming is priced in today.

The Trustee will continue to review the scenarios modelled and reported in future assessment periods. It is important to note that the modelling may understate or overstate the true level of risk due to the uncertainty around the future economic impacts of climate change. Further, there is not currently an agreed market practice for the modelling of each climate scenario. Modelling of the financial impact on the Plan under each climate scenario may therefore differ across the industry. The Trustee has endeavored to present results on a consistent basis where possible, and stated where there are differences in methodology. The Trustee expects that methods will converge in future as market practice around climate reporting improves.

Climate scenario analysis must be undertaken in

the first scheme year during which trustees are subject to requirements of the Regulations, and in every third year thereafter. The Trustee may update climate scenario analysis more regularly if deemed appropriate, as was the case in respect of the employer covenant climate scenario analysis during the previous reporting period, to reflect changes in information available from the Plan employer. The Trustee has also carried out updated funding and investment climate scenario analysis for this reporting period, as this is the third such period.

The Technical Section of this report provides more detail on the modelling approach, along with the assumptions and comments on the limitations of the scenario analysis.



Table 1: Scenario modelling

	1.6°C Scenario	1.9°C Scenario
Summary	Sudden divestments in 2026 to align portfolios to the Paris Agreement goals have disruptive effects on financial markets with sudden repricing followed by stranded assets and a sentiment shock.	Policy change is delayed until 2030 when ambition increases and the feasibility and competitiveness of low-carbon technology means that emissions reach net-zero later in the century.
Temperature change	Average temperature increase stabilises at 1.6°C around 2050.	This scenario includes additional economic damage consistent with 1.9°C of average temperature rise.
Expected Emission and energy production	Net Zero by 2050. This scenario sees fossil fuels nearly eliminated from electricity. By 2060, coal-fired power is gone, with only a small share of gas remaining. Variable renewables comprise 84% of power generation, while other renewables account for 8%. Carbon capture and storage (CCS) offsets emissions in hard-to-abate sectors at 4% by 2060.	~10.9 GtCO ₂ by 2064, Reflecting initial limited policies and then step up from 2030, fossil fuels are almost phased out in 2060. Variable renewables make up 84% in 2060, other renewables totaling 7% in 2060. CCS technologies to offset emissions in hard-to-abate sectors are 4% in 2060. Nuclear is the remaining balance of 4% in 2060.
Key policy & tech assumptions	A highly ambitious low-carbon policy and rapid technology transition. Higher carbon prices, larger investment in energy efficiency and faster phase out of coal-fired power generation.	Policy changes are delayed until 2030. An ambitious set of policies are then introduced, leading to improvements in energy efficiency and replacement of unabated fossil fuel-based technologies with lower-carbon alternatives.
Financial climate modelling	Pricing in of transition and physical risks of the coming 40 years occurs within one year in 2026. As a result of this aggressive market correction, a confidence shock to the financial system takes place in the same year.	Pricing in of transition and physical risks associated with 1.5°C up to 2050 takes place over the first 4 years. The additional damage, beyond 1.5°C, impacts asset performance on a year-by-year basis with no advance pricing in.

Physical risks considered

Physical risks are regionally differentiated. There is considerable variation in expected temperature increase by region. Physical risks are built up from:

- Gradual physical impacts associated with rising temperature (agricultural, labour, and industrial productivity losses)
- Economic impacts from climate-related extreme weather events
- Current modelling does not capture environmental tipping points or knock-on effects (e.g., migration and conflict).

Table 1: Scenario modelling

	2.9°C Scenario (due to lower performance expectations.)	3.7°C Scenario (extreme weather events.)
Summary	The world fails to meet the Paris Agreement goals and global warming reaches 2.9°C above pre-industrial levels by 2100. This scenario poses high risks from extreme weather and financial market implications by the 2030s due to lower performance expectations.	The world fails to meet the Paris Agreement goals and global warming reaches 3.7°C above pre-industrial levels by 2100. Physical climate impacts cause large reductions in economic productivity and increasing impacts from extreme weather events.
Temperature change	Global average temperatures are 1.8°C warmer than pre-industrial levels by 2050 and 2.9°C warmer by 2100	Expected increase of 3.7°C, with a high-likelihood range of an increase between 2.8°C and 4.6°C by 2100.
Expected Emission and energy production	~c.35.8 GtCO ₂ by 2064. The share of fossil fuels in the electricity generation mix decreases by 55% in the period from 2020 to 2060. Variable renewables (wind and solar) make up 54% in 2040, and 82% in 2060, other renewables totaling 7% in 2060. CCS technologies to offset emissions in hard-to-abate sectors are 0% in 2060.	~45.1Gt CO ₂ by 2064, Globally, the share of fossil fuels in the electricity generation mix decreases from 3% (oil), 35% (coal) and 24% (gas) in 2020 to 1% (oil), 10% (coal) and 8% (gas), respectively, in 2060. While the increasingly cost-competitive variable renewables (wind and solar) grow from 39% in 2040, to 68% in 2060, and other renewables reach 7% in 2060.
Key policy & tech assumptions	Policymakers take moderate steps on climate change, with existing carbon markets continuing and a slight rise in carbon prices. Regulation and taxation of fossil fuels remain limited, while low-carbon technologies, are increasingly adopted due to cost reductions and efficiency gains.	Existing policy regimes are continued with the same level of ambition, with no new policies enacted and with some roll-back of those most recently announced policies (including elements of the US Inflation Reduction Act), due to political uncertainty.
Financial climate modelling	Physical risks are priced in two different periods: around 2030 (risks of first 40 years) and around 2040 (risks of 40-80 years).	Physical risks are priced in two different periods: around 2030 (risks of first 40 years) and around 2040 (risks of 40-80 years).

Physical risks considered

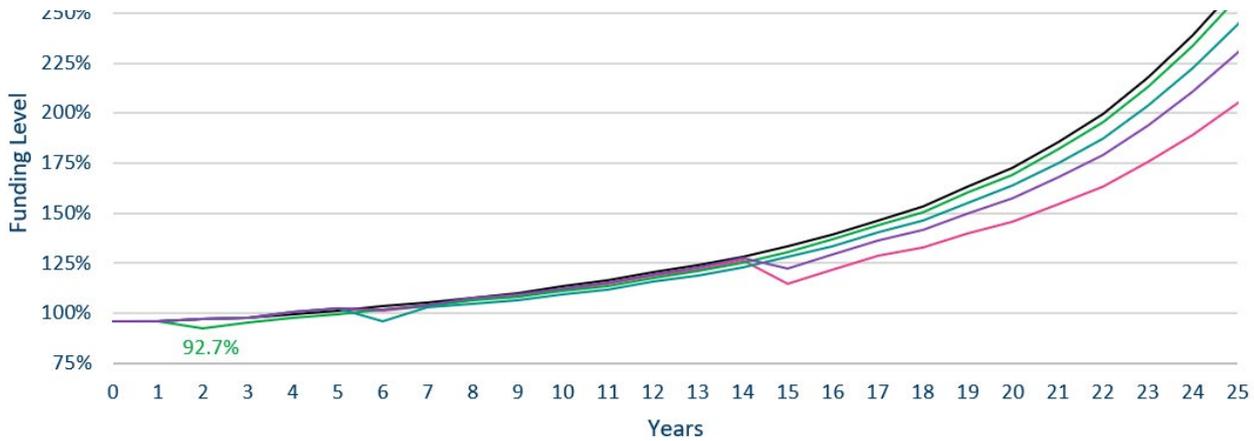
Physical risks are regionally differentiated. There is considerable variation in expected temperature increase by region. Physical risks are built up from:

- Gradual physical impacts associated with rising temperature (agricultural, labour, and industrial productivity losses)
- Economic impacts from climate-related extreme weather events
- Current modelling does not capture environmental tipping points or knock-on effects (e.g., migration and conflict).

Scenario Analysis Results

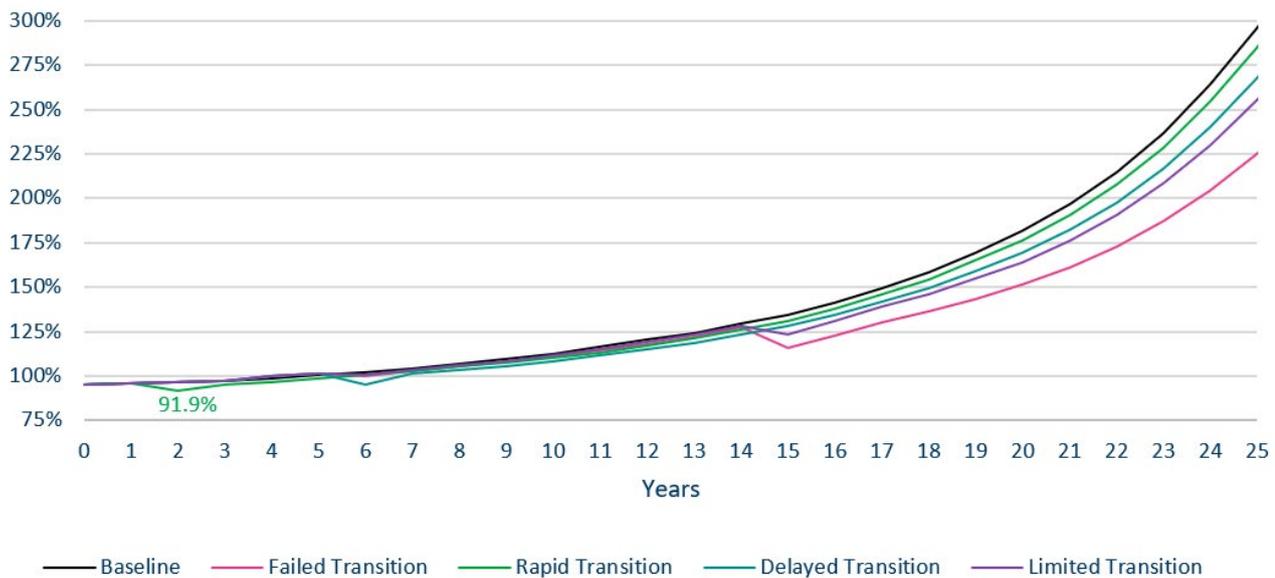
Four scenarios have been considered as part of this analysis for the Plan. The analysis shows the impact on the funding level (as measured on the Long-Term Basis ("LTB") (gilts + 0.25% p.a.)) compared with the expected baseline funding level progression.

Figure 2: HP Section Funding Level Progression



Source: Mercer. Based on assets and liabilities as at 30 June 2025.
 Does not allow for future de-risking and assumes a static investment strategy.
 Lowest level of funding achieved is shown on the chart (92.7% - occurs in year 2 under the 'Rapid Transition' scenario).

Figure 3: Digital Section Funding Level Progression



Source: Mercer. Based on assets and liabilities as at 30 June 2025.
 Does not allow for future de-risking and assumes a static investment strategy.
 Lowest level of projected funding achieved is shown on the chart (91.9% - occurs in year 2 under the 'Rapid Transition' scenario).

Scenario Analysis Findings

In light of the above quantitative analysis, the Trustee noted the following findings:

Short Term (5 years)

Transition risk dominates and as such the **Rapid Transition is the most impactful scenario**. There is a shock to asset values by the end of 2026 followed by a partial recovery, which results in a c.-2% impact (relative to baseline) on the LTB funding level by 2030. There are very limited impacts under a Failed or Delayed Transition. Equity repricing has the biggest asset class impact on the Rapid Transition over the short term.

Medium Term (5-15 years)

At the beginning of the period, transition risks continue to dominate and as such the Rapid Transition is the most impactful scenario. By the end of the period, physical damages are the dominant driver, **and the Failed Transition is the worst scenario**, which results in a c. -18% impact (relative to baseline) on the LTB funding level by 2040. Negative equity performance also has the biggest negative impact under a Failed Transition in the medium term.

Long Term (15 years +)

Over the long term, physical damages continue to be the dominant driver, and **the Failed Transition is the worst scenario**. However, this ignores any action taken by the Trustee in future (e.g. to further de-risk).

Crucially, under all scenarios the financial position of the Plan is expected to be strong, and the funding level remains above 100% after 5-7 years. As such, the modelling implies that the Plan is able to continue to pay pensions as they fall due under each of the scenarios modelled, and the Plan's investment strategy is robust with regards to climate risk over the short and medium term.

The funding level analysis above takes into account the impact of interest rates and inflation expectations upon the value of the liabilities. Of note, realised inflation is expected to be elevated under the Rapid Transition, resulting from damages to agriculture and change in food prices, increasing the value of benefits with inflation-linked increases. These impacts are substantially hedged by the Plan's allocation to Liability Driven Investment holdings. It does not, however, explicitly take into account the impact of changes to mortality.

Impact on Plan Funding

Mortality Scenario Analysis

The Trustee considers the impact of climate change on mortality as a material risk and has therefore conducted scenario analysis to assess the expected long-term impact on the Plan. This analysis has been run on an as consistent basis as possible with those run by the Plan's investment and covenant advisors. Aon refers to the scenarios as 'Abrupt' and 'No' Transition. This is equivalent with Mercer's Rapid and Failed Transition scenarios, respectively.

The charts below show how mortality improvements, plotted on the Y-axis, are expected to change over time, plotted on the X-axis, under each of the different warming scenarios.



Base Scenario

All of the warming pathway scenarios considered are compared against a base scenario in charts similar to the one to the right.

The grey circles indicate the actual pattern of mortality seen in the England & Wales male population over 2000-2022 (note in particular the extremely high mortality in 2020 and 2021) with a grey line showing the smoothed mortality rates produced by the standard improvements model. The blue line shows how mortality is projected to continue to improve over time under the base scenario – for each chart we add a line relating to improvements under that scenario.

The level of mortality indicated is based on male pensioners aged 50-90. We have standardised the population to allow for a fair comparison over time.

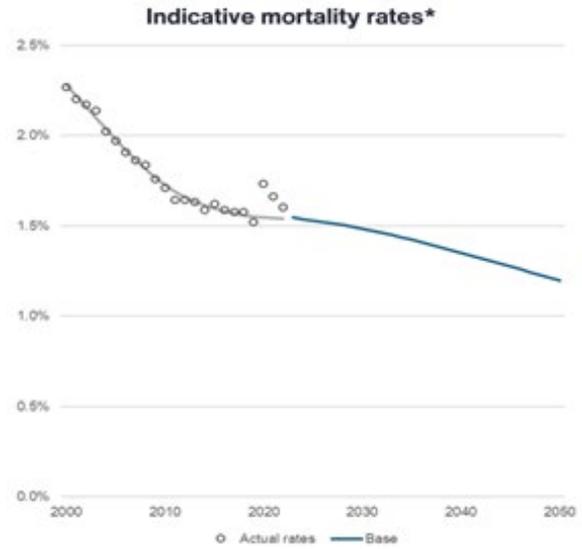
Where a scenario is positive for life expectancy, the scenario’s line will show lower mortality (below the blue line). Where it is negative, the scenario line will be above the blue line. All else being equal, lower mortality leads to higher life expectancy and higher liabilities

Rapid/Delayed Transition

Green policy measures create considerable economic disruption, hampering economic growth and hurting corporate profitability, initially leading to a global recession in 2030 followed by several years of weak growth as the transition to low carbon is made.

Significant falls in GDP only start occurring from around year 5 and start to recover from around year 12. Short to medium term mortality improvements are in line with the base scenario but longer-term improvements are slightly lower

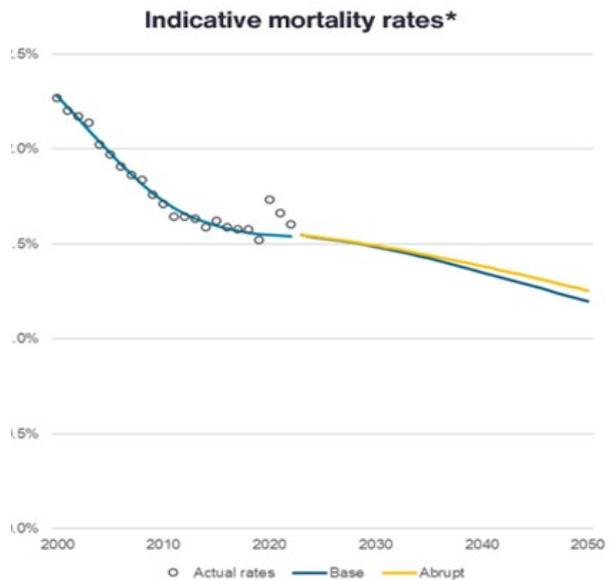
Figure 4: Mortality progression under Base Scenario



*Pension scheme (SAPS S3PMA) mortality, standardised using European Standard Population 2013, males aged 50-90.

Source: Aon

Figure 5: Mortality progression under Rapid or Delayed Transition Scenario



*Pension scheme (SAPS S3PMA) mortality, standardised using European Standard Population 2013, males aged 50-90.

Source: Aon

Limited Transition

Disruption to health and social care services, and damage to related infrastructure, due to extreme weather (potentially coinciding with increased demand) may increase mortality.

Significant falls in GDP start from around year 10. Prolonged recession leads to issues with the provision of healthcare and ultimately to falls in life expectancy, with overall improvements at 1% p.a. over the long term.

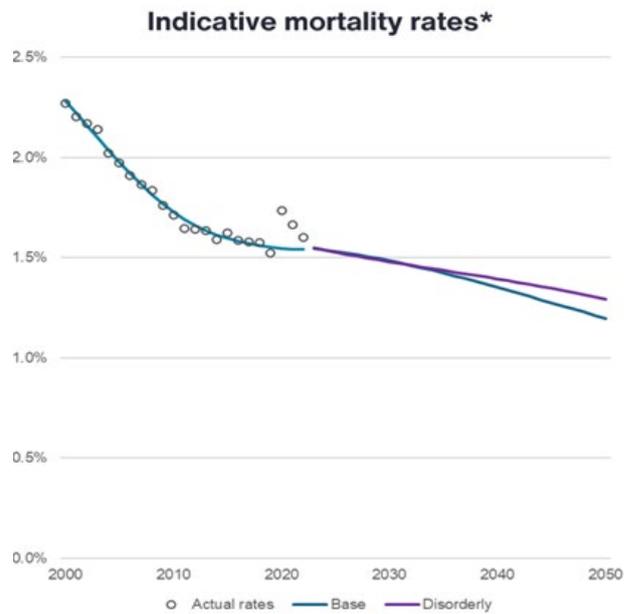
Failed Transition

Under this scenario, limited consideration is given to environmental challenges. Governments and businesses rely on the (false) hope that market forces will provide engineering solutions to mitigate and adapt to climate change naturally, without worldwide government intervention. In the short-term more money may be spent on health services, perhaps reducing mortality slightly.

There is growing awareness of a changing environment and the damaging effects a lack of action is having, over the intermediate term. There is a higher incidence of damaging storms, water shortages, higher pollution levels and reduced agricultural yields (leading to higher food prices). Markets become more volatile and climate change begins to have a growing drag on economic growth and asset returns. In such an environment, there may be no long-term future improvements in mortality (consistent with what we saw between 2014 and 2018).

In terms of the direct climate impacts, fewer deaths from warmer winters may more than offset any impact of heatwaves but the impact is likely to be marginal.

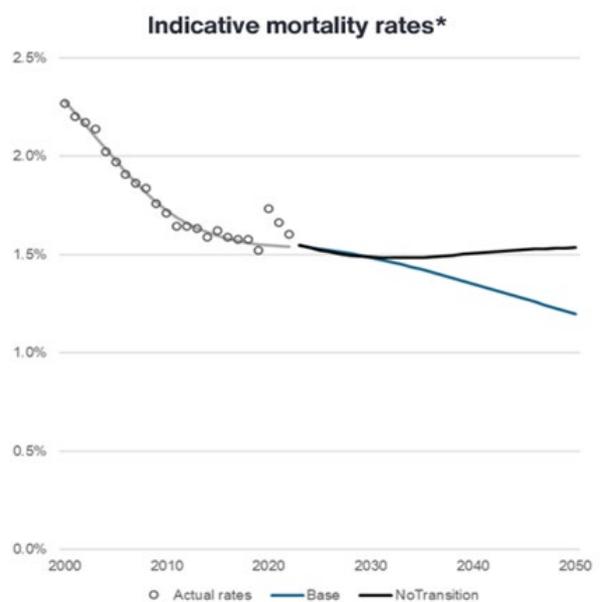
Figure 6: Mortality progression under Limited Transition Scenario



*Pension scheme (SAPS S3PMA) mortality, standardised using European Standard Population 2013, males aged 50-90.

Source: Aon

Figure 7: Mortality progression under Failed Transition Scenario



*Pension scheme (SAPS S3PMA) mortality, standardised using European Standard Population 2013, males aged 50-90.

Source: Aon

Mortality

Table 2: Liability impacts under different climate scenarios

Scenario	Aon assumed long-term improvement in mortality	Ultimate liability impact (age 60) from change in mortality
Base Case	1.50% p.a	-
Failed Transition	0.00% p.a.	-3.50%
Limited Transition	1.00% p.a.	-1.00%
Delayed Transition	1.25% p.a.	-0.50%
Rapid Transition	1.25% p.a.	-0.50%

Source: : Aon

The ultimate liability impact is the adjustment to be made to the Mercer scenario to allow for mortality effects. Figures are based on impact on male life expectancy but each scenario impacts females to the same extent. The figures are approximate in that they have been calculated to reflect the impact on life expectancy for a member age 60 rather than being calculated based on full membership data for each Section but we consider them to be appropriate for both Sections of the Plan.

Resilience of the Plan's Investment Strategy

Impact on mortality

Using analysis provided by Aon, in its capacity as Actuarial Consultant to the Plan, mortality changes directly due to the warming pathway climate scenarios considered are expected not to be material relative to the overall funding changes in the projection. Mortality changes are not therefore expected to have a material impact on the funding strategy shortened time period over which the Trustee is considering climate related risks (based on current research). That said, mortality may emerge as the predominant impact compared to those from interest rates and inflation due to the Plan's liability hedging portfolio.

Impact on interest rates and inflation

Under a Rapid or Delayed Transition scenario, attempts by central governments to help support a low carbon transition is expected to be inflationary. This would be expected to increase the value of the liabilities of the Plan in respect of benefit payments over the long-time horizon, which will be largely offset by the movement of the assets supporting the liability hedging portfolio. Therefore, the impact on the funding strategy is expected to be low.

Summary

Whilst the climate scenario analysis indicated a marginal negative impact to the investment strategy over the timeframe which the Plan is expected to hold assets, the overall impact on the investment strategy and funding strategy is relatively low. Considering climate-related risks alongside other risks that the Plan is exposed to, the Trustee believes the current investment and funding strategies continue to be resilient to climate-related risks. This position will be kept under review.

Covenant scenario analysis

The Trustee recognises it is crucial to better understand the potential impact on the covenant of the effects of climate change, which may influence the near-term or longer-term funding strategy of the Plan.

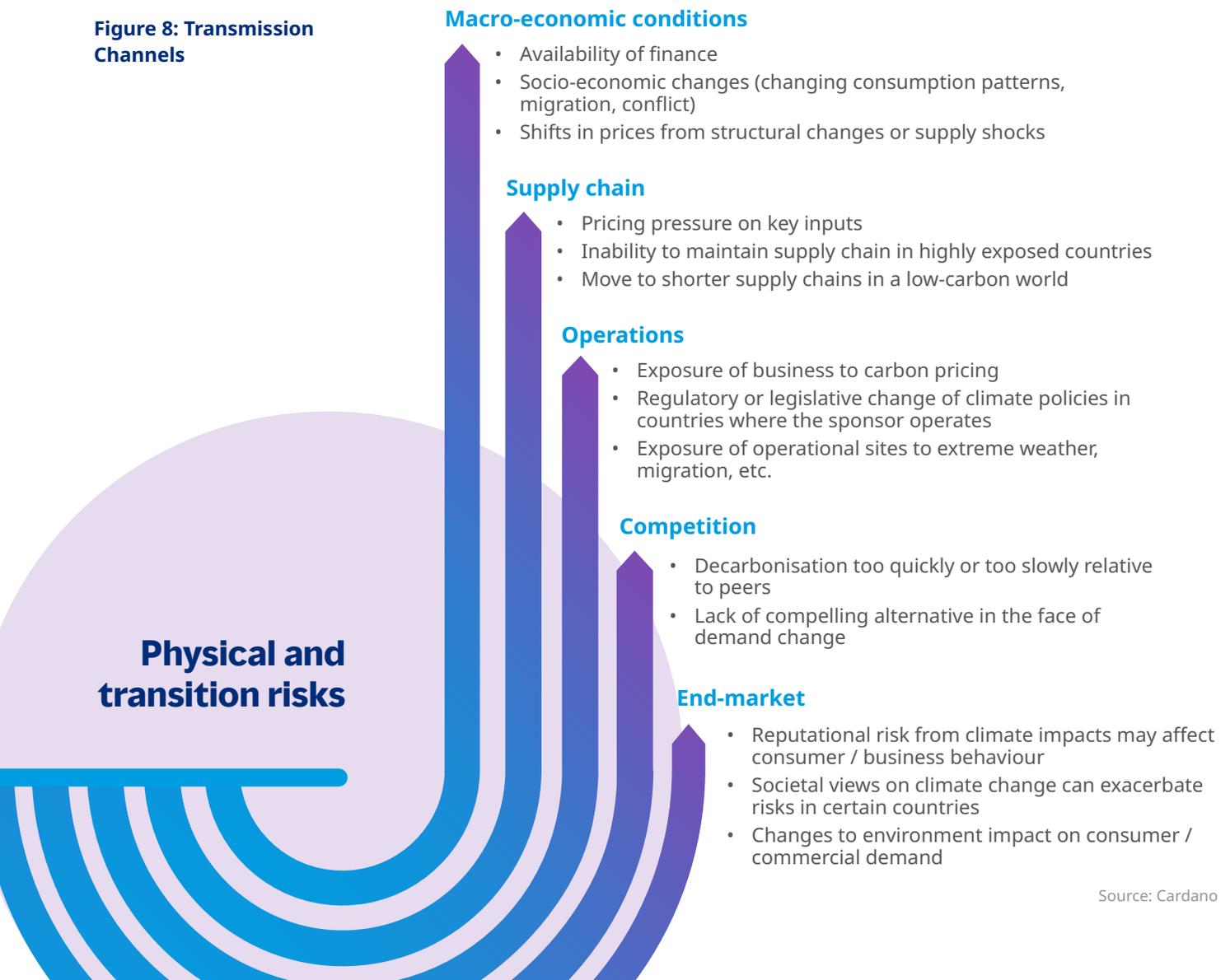
The Trustee’s assessment, carried out by Cardano, has been focussed on HPE rather than the Plan’s UK Sponsor (Hewlett Packard Limited) given the integrated nature of the Group and covenant.

During 2025, Cardano carried out a full assessment of the potential exposure of the Plan’s covenant to climate scenarios to assist the Trustee in producing the Plan’s Climate Change report. The analysis demonstrated that, despite progress against some targets, updated information and scenarios have tended to increase the risks of climate change to HPE compared to the previous assessment in 2022 and high-level reviews performed in 2023 and 2024.

Transmission channels

Climate change can impact a business or organisation throughout the entire value-chain and the key issues arising as a result of climate change are complex and multi-dimensional. Figure 1 provides an overview of the transmission channels and the potential risks or impacts from climate change that have been considered as part of the high-level assessment of HPE.

Figure 8: Transmission Channels



Climate scenarios

The following three climate scenarios, representing a sub-set of the scenarios considered by the Trustee's investment and actuarial advisors, were considered for the covenant scenario analysis. The "failed transition" scenario was not considered for the covenant scenario analysis as this scenario did not align with the scenarios that Cardano are able to model.

Table 2: Climate scenarios

Overview	Rapid Transition (1.6oC Scenario)	Delayed Transition (1.9oC Scenario)	Limited Transition (2.9oC Scenario)
Description	Global decarbonisation starts now, so policies intensify gradually but immediately. Large transition changes will happen quickly	Political and social organisations delay action until 2030. Thereafter, a set of highly ambitious low carbon polices are introduced	Policymakers take moderate steps to address climate change but NDCs made under the Paris Agreement are not fully met
Physical risks	Long-term physical risks are reduced but deviations from present climate still expected	Long-term physical risks are slightly reduced but deviations from present climate still expected	Physical climate impacts are high and widespread, causing severe disruption
Transition risks	Highest in the near-term as policies are implemented immediately	Occur in the near-term, but relatively muted across the broad market	Limited transition risks as existing carbon markets and regulations largely continue
Macroeconomic impact	Sudden divestments have disruptive effects on financial markets. Following initial sudden repricing there is partial recovery and economic resilience but stranded assets remain	Overall longer-term impact on GDP growth muted, with assumed long-term benefit from green tech investment offset by physical impacts	Material financial market implications from the 2030s, due to lower expected performance. Financial markets price in climate risks in 2030 and 2039
Alignment	Broadly aligned to Mercer's and Ortec's Rapid Transition scenario	Broadly aligned to Mercer's and Ortec's Delayed Transition scenario	Broadly aligned to Mercer's and Ortec's Limited Transition scenario

Scenario analysis

Table 3 below provides an overview of the scenario risk analysis over time on the covenant of HPE. The key findings from the risk analysis remain consistent with the analysis presented in the Trustee’s first report on climate change, as follows:

- In the near term, a Rapid Transition appears to result in heightened transition risks, primarily due to the impact that rapid global de-carbonisation and new regulations could have on HPE’s extensive supply chain and operations. These transition risks could include changing customer preference, direct financial liabilities for Scope 1 and 2 emissions, higher pass-through costs from suppliers, utilities and transporters or, in extreme scenarios, financial responsibility for some proportion of Scope 3 emissions. These risks have tended to increase as a result of growth in AI-related products, which require more energy and drive increases in associated emissions; however, the assumed coordinated policy response mitigates the overall risk to HPE.
- The mid-term represents the period of highest risk exposure for the employer covenant, as a result of increasing physical risk exposure in the Limited Transition scenario and a peak in transition risks under the Delayed Transition scenario, where a rapid move to reduce emissions is assumed to occur around 2030.
- In the long-term, risks associated with a Limited Transition scenario are expected to be higher, resulting from rising physical risks as the intensity and frequency of extreme weather events increases over time. Acute and chronic climate events could have widespread impacts on HPE, including reducing workforce productivity, impacting customer data centre operations and disrupting the supply chain.

Table 3: Assessed climate scenario risk analysis over time

	Near-term < 5 years	Mid-term 5 – 15 years	Long-term 15 years +
Rapid Transition	Medium risk	Medium risk	Medium risk
Delayed Transition	Lower risk	High risk	Medium risk
Limited Transition	Lower risk	High risk	High risk

Source: Cardano.

In addition to the identified risks, the Trustee is aware that HPE may also benefit from opportunities to provide customers with products and services that better enable them to meet sustainability targets and limit environmental impact. If successful, these opportunities could partly offset risks identified in Cardano’s assessment.



Conclusions from Scenario Analysis

The Trustee recognises that, due to the funding position of the Plan and the expected trajectory of future progress (including the range of possible outcomes), the timeframe over which the Plan is expected to hold assets that are materially exposed to climate risks is potentially relatively short. The Trustee has therefore focussed its attention with regard to the climate scenario analysis on the short-term timeframe (i.e. to 2030).

Over this period, the 3.70C “Failed Transition” Scenario does not have a significant impact on investments or funding levels given the risk associated with this scenario is primarily physical risk, which is expected to come through over the longer term. The main impact from the Plan’s perspective is under a 1.60C “Rapid Transition” scenario, where there is assumed to be a shock around 2026 (within a reasonable tolerance), as markets price in transition costs.

This 1.6°C “Rapid Transition” scenario assumes credit spreads initially widen, but recover over subsequent years as defaults do not increase as expected. Equities including unlisted (infrastructure) equity also suffer in this scenario. However, the impact on the funding position is smaller due to the Plan’s relatively small allocation to both public equity and unlisted (infrastructure) equity. The result is a funding level fall of c. 2% by 2030 on the Long-Term Basis for both the HP and Digital Section.

Under all scenarios modelled the financial position is expected to be strong, and the funding level remains above 100% after 5-7 years. As such, the modelling implies that the Plan is able to continue to pay pensions as they fall due under each of the scenarios modelled, and the Plan’s investment strategy is robust with regards to climate risk over the short and medium term.

A “Rapid Transition” is one of many scenarios that could occur. The Trustee will therefore consider any potential changes to mitigate this risk alongside the wider risk/return considerations associated with the Plan’s investment strategy. The Trustee will next refresh its climate-scenario analysis in 2028.

To the effective date of this report the Trustee has not made any changes to the Plan’s investment strategy for the explicit purpose of reducing exposure to climate-related risks. The Trustee notes that there is limited scope to reduce the climate-related risk inherent to the Plan’s investments, and that the Plan cannot fully insulate itself from climate risk. This is because of the relatively short timescale over which the Plan is expected to hold assets that have material exposure to these risks.

To mitigate the assessed exposure of the employer covenant to climate-related risks, the Trustee has undertaken the following steps:

- Regular monitoring of HPE’s carbon emissions and broader progress towards sustainability targets, including engagement with HPE management where necessary;
- Training and regularly conducted horizon scans for potential regulations or changes in competitor policy that may impact the Group;
- Considering how HPE’s exposure to climate risk might impact the Plan’s longer term journey planning, including undertaking integrated contingency planning with the Trustee’s other advisors where relevant; and
- Integrating climate risk metrics into ongoing covenant monitoring processes.



Metrics and Targets

Metrics

The Trustee has chosen to present four climate-related metrics in this report. The climate-related metrics help the Trustee to understand the climate-related risk exposures and opportunities in the Plan’s investment portfolios and identify areas for further risk management, including investment manager portfolio monitoring, and voting and engagement activity and priorities. The metrics in this report are:

1. Absolute emissions metric: Total carbon emissions;
2. Emissions intensity metric: Weighted Average Carbon Intensity (“WACI”)
3. Portfolio alignment metric: Implied temperature rise; and
4. Additional climate change metric: Data quality

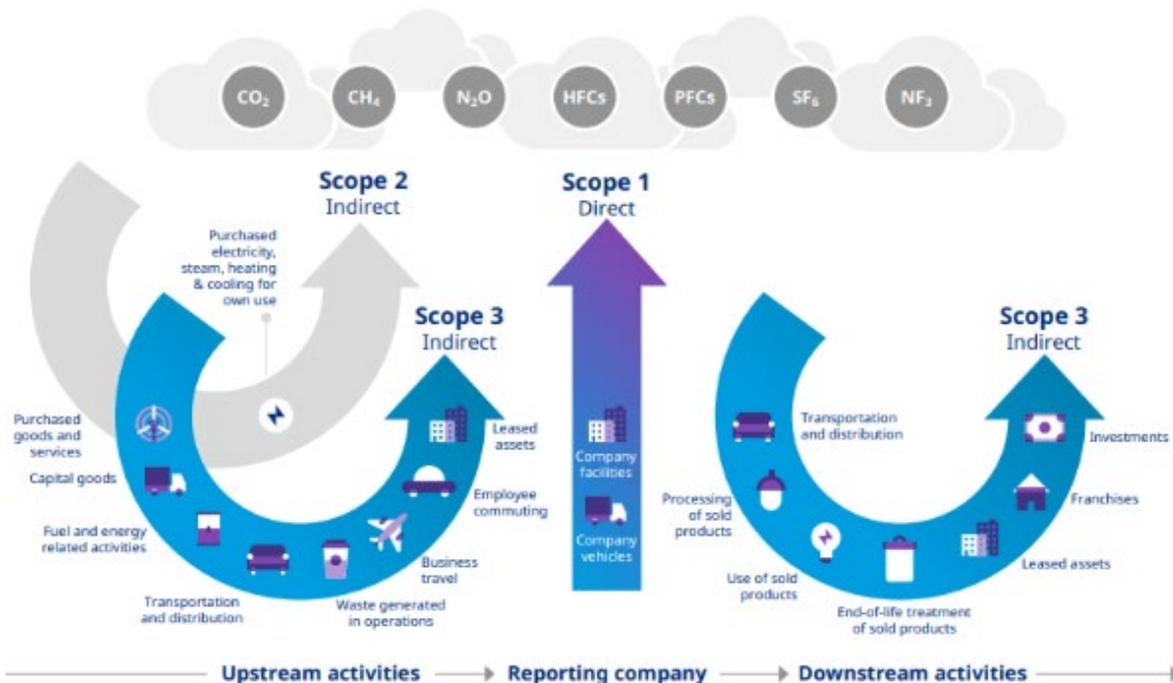
The metrics presented in this report are as at 31 December 2024. The metrics relate to the Plan’s financed emissions only and exclude emissions associated with the operation of the Plan. Further details are included in the Technical Section.

The Trustee recognises the challenges with various metrics, tools and modelling techniques used to assess climate change risks. The Trustee aims to work with its investment adviser and investment managers to improve the approach to assessing and managing risks over time as more data becomes available. The Technical Section of this report sets out the data limitations and assumptions used in collating these metrics.

1. Total carbon emissions

This metric represents the underlying investee company’s or issuer’s reported or estimated greenhouse gas emissions, where available, and is expressed in absolute terms on an annual basis. It includes various scopes of emissions, which are summarised in the following diagram.

Figure 9: Scopes of emissions



Source: Greenhouse Gas (“GHG”) Protocol

Scope 1, 2 and 3 corporate emissions are defined as follows:

- **Scope 1 “direct” emissions:** those from sources owned or controlled by a company
- **Scope 2 “indirect” emissions:** those caused by the generation of energy (e.g. electricity) purchased by a company.
- **Scope 3 “indirect” emissions:** In this category go all the emissions associated, not with the company itself, but that occur in the value chain of the reporting company.

There are seven recognised greenhouse gases, as defined by the GHG Protocol. In order to simplify reporting, each greenhouse gas is calibrated relative to carbon dioxide and is reported as ‘carbon dioxide equivalent’ emissions (CO₂e).

For the purpose of this report, scope 1, 2 and 3 emissions have been reported where available. The absolute emissions metric is a proxy for the share of GHG emissions that are ‘owned’ by the Plan through investing in the underlying companies and issuers, including countries (referred to as ‘sovereign exposure’ through government debt). This metric is expected to be volatile through time, meaning that progress to reduce absolute emissions will not be linear. Absolute emissions are also influenced by changes in asset value, rather than solely by the climate-related activities of the investment managers or underlying companies.



Table 5: Total carbon emissions data (exc. LDI)

Asset Class	Manager	Absolute Emissions (tCO2e)											31/12/24
		Scope 1+2					Scope 3 Upstream			Scope 3 Downstream			Strategic Asset Allocation ("SAA") ²
		Coverage ¹ (%)	HP Section	% Change relative to 2023	Digital Section	% Change relative to 2023	Coverage (%)	HP Section	Digital Section	Coverage (%)	HP Section	Digital Section	HP Section / Digital Section (%)
Synthetic Equity	Insight	99.7%	7,634	+6%	8,183	+6%	99.7%	15,180	16,273	99.7%	39,846	42,714	12/12
Infrastructure	JP Morgan	100.0%	13,188	-	14,067	-	-	-	-	-	-	-	8/8
Multi-Asset Credit	Apollo	20.9%	10,734	-38% ³	13,402	-38% ³	39.0%	18,168	22,685	39.0%	52,656	65,747	
	PIMCO (LDIF)	23.5%	1,351	-42%	2,086	-42%	23.5%	10,943 ⁴	16,894 ⁴	-	-	-	22/22
	PIMCO (IF)	24.6%	1,826	-31%	2,825	-31%	24.7%	13,404 ⁴	20,735 ⁴	-	-	-	
Buy & Maintain Credit	Insight	92.1%	3,797	-33%	3,997	-34%	92.1%	15,609	16,860	92.1%	15,376	16,259	14/14
Long Dated Assets	M&G ⁵	-	-	-	-	-	-	-	-	-	-	-	7/7
Senior Private Debt	GSAM BS III	100.0%	962	-44%	1,056	-44%	100.0%	1,887 ⁶	2,072 ⁶	-	-	-	
	GSAM BS IV	100.0%	2,981	+51%	3,073	+51%	100.0%	4,554 ⁶	4,696 ⁶	-	-	-	5/5
	M&G	-	-	-	-	-	-	-	-	-	-	-	

Source: MSCI, Mercer Calculations and Investment Managers. The Plan also allocates to Asset Backed Securities through the Liability Driven Investments (LDI) portfolio, however coverage on these mandates is not high enough (< 25%) to draw meaningful conclusions from the data. Where there is < 100% coverage, the figures in this analysis have been pro-rated at the individual manager fund level (where reasonable data is available) to present full coverage as if full data was available.

- Coverage is defined as the percentage of underlying fund assets for which there is data available, relative to total fund assets. Further information is outlined in the Technical Section.
- The Plan's strategic allocation is set by the Trustee and can also be referred to as the 'Target' allocation of the Plan's assets to the relevant asset class.
- The upstream figure quoted in relation to PIMCO Multi-Asset Credit includes both upstream and downstream scope 3 emissions, as PIMCO does not currently report the downstream/upstream split for Scope 3.

Relative to the prior reporting year, the Trustee has made a number of changes to the investment strategy. This includes the introduction of the JP Morgan Infrastructure Investment Fund, increased allocations to Synthetic Equity, Multi-Asset Credit ("MAC") and Buy & Maintain Credit, combined with a reduced allocation to LDI.

Over the year, the M&G Long Dated Assets were being sold down and Senior Private Debt was running off, meaning the allocations to these investments also reduced. M&G have not reported metrics this year for the Long-Dated Asset Fund as a result of the fund being in wind down, with only a relatively small amount of residual assets in the fund as at 31 December 2024. They have also been unable to report on metrics for the Real Estate Debt Fund, in line with previous years. As such, at a total portfolio level and for some of the Plan's mandates, the metrics in this year's report are not directly comparable with last year's report.

Relative to the prior reporting year, scope 1 + 2 absolute emissions fell across all of the Plan's mandates except for the Insight Synthetic Equity mandate (driven by the increased allocation) and the GSAM Broad Street IV fund which saw a material increase in reported emissions. The introduction of the JP Morgan Infrastructure Investment Fund also contributed materially towards absolute emissions. Explanations for the level of emissions reported by GSAM and JP Morgan are summarised below.

- **GSAM:** The vast majority of the data that GSAM provide for these mandates is estimated, due to the nature of the assets being privately owned and managed. The metrics shown are therefore heavily dependent on the assumptions and approach taken by GSAM in calculating the metrics, which may vary year-on-year, rather than necessarily the actions of the underlying portfolio companies. It is difficult to draw conclusions from metrics for mandates with poor data quality for this reason. This year in particular, an improvement in sourcing and data quality of metrics related to an AI-led engineering company within the Fund was a significant driver of the year-on-year increase in reported emissions.
- **JP Morgan:** The Plan made a new allocation towards the JP Morgan Infrastructure Investment Fund (IIF) during the year. This was a strategic investment, adding a diversifying source of return to the Plan's portfolio. Emissions related to the JP Morgan IIF are high compared to the Plan's other investments, which is not unexpected given the nature of the underlying holdings. Whilst IIF has not yet set a net zero target, it does hold a material proportion in renewables (>20%) which will be vital for the energy transition. JP Morgan noted that one US electric utility and one US independent power producer within the portfolio are key contributors to the Fund's overall emissions.



Weighted Average Carbon Intensity (exc. LDI)

WACI is an intensity measure of emissions that takes the Total GHG Emissions figure and weights it to take account of the revenue of the underlying portfolio companies. This metric is calculated by taking the total carbon emissions of each underlying security, as expressed on the previous page, and dividing by the annual revenue of the same security. For each investment this allows the Trustee to determine carbon intensity per \$1m of revenue generated and therefore provides a better understanding on where specific action might have the greatest actual impact.

Analysing the WACI assists the Trustee in identifying carbon-intense sections of the Plan's portfolio.

Table 6: Weighted average carbon intensity data

Asset Class	Manager	WACI / Sovereign Carbon Intensity (tCO ₂ e / \$M revenue) / (tCO ₂ e / \$M PPP-Adjusted GDP)							% Change	SAA
		Scope 1+2			Scope 3 Upstream		Scope 3 Downstream			
		Coverage (%)	Fund	% Change from 2023	Coverage (%)	Fund	Coverage (%)	Fund		
Synthetic Equity	Insight ²	99.7%	114.9	-2%	99.7%	245.0	99.7%	447.0	-2%	12/12
Infrastructure	JP Morgan	100.0%	944.0%	-	-	-	-	-	-	-
Multi-Asset Credit	Apollo	39.1%	167.6	-38%	39.6%	226.6	39.6%	438.3	-30%	
	PIMCO (LDIF)	23.5%	46.5	-44%	23.5%	697.3 ³	-	-	-27%	22/22
	PIMCO (IF)	24.9%	80.1	-6%	24.9%	840.9 ³	-	-	+119%	
Buy & Maintain Credit	Insight	93.9%	58.7	-21%	93.9%	220.5	93.9%	141.4	-14%	14/14
		93.8%	58.8		93.8%	225.7	93.8%	139.2		
Long Dated Assets	M&G ⁴	-	-	-	-	-	-	-	-	7/7
Senior Private Debt	GSAM BS III	100.0%	85.5	-5%	100.0%	137.2 ³	-	-	-53%	
	GSAM BS IV	100.0%	124.5	+75%	100.0%	189.1 ³	-	-	-7%	5/5
	M&G	-	-	-	-	-	-	-	-	

Source: MSCI, Mercer Calculations and Investment Managers. The Plan also allocates to Asset Backed Securities through the Liability Driven Investments (LDI) portfolio, however coverage on these mandates is not high enough (< 25%) to draw meaningful conclusions from the data. Where there is < 100% coverage, the figures in this analysis have been pro-rated at the individual manager fund level (where reasonable data is available) to present full coverage as if full data was available.

- Coverage is defined as the percentage of underlying fund assets for which there is data available, relative to total fund assets. Further information is outlined in the Technical Section.
- It is assumed that Synthetic Equity replicates the MSCI ACWI benchmark.
- The upstream figure quoted includes both upstream and downstream scope 3 emissions, as this manager does not currently report the downstream/upstream split for Scope 3.
- Includes the M&G Lond-Dated Asset Fund III (LDAF), the M&G Secured Property Income Fund (SPIF) and the M&G Secured Lease Income Fund (SLIF).

WACI reduced across all of the Plan's mandates except for the GSAM Broad Street IV fund. The JP Morgan Infrastructure mandate, which was introduced over the year, reported the highest WACI compared to the Plan's other mandates. The WACI for the Buy & Maintain Credit mandate fell by 21% over the year, representing strong progress, bringing both Sections c.40% below their 2030 targets. Progress was partly due to inflows over Q2 2024 being used to purchase bonds with lower WACI, and the sale of a relatively high carbon issuer from the portfolio.

Implied temperature rise

This is a forward-looking metric that considers the pledges, commitments and business strategy changes that underlying investee companies/issuers have made. It provides a prediction of the potential temperature rise over the rest of the century based on the activities of those companies and issuers. The metric illustrates the degree of portfolio alignment with the goals of the Paris Agreement (notably to limit warming to well below 2°C by the end of the century).

The Trustee has chosen to include this metric in the report because of its relative simplicity in presentation. It also provides a useful way to see, at a glance, the positioning of a fund towards a low carbon economy. Asset allocations with high Implied Temperature Rise metrics are invested in companies or issuers that are not transforming their businesses or activities in order to reduce the reliance on fossil fuels. This is also a measure of climate transition risk with greater transition risk highlighted in asset allocations with a higher Implied Temperature Rise.

Table 7: Implied temperature rise data

Asset Class	Manager	Implied Temperature Rise (°C)			SAA
		Coverage (%)	Fund	% Change from 31 Dec 2023	HP/Digital (%)
Synthetic Equity	Insight ¹	99.6%	2.6	0.0	12/12
Infrastructure	JP Morgan				
	Apollo	39.1%	3.1	+0.4%	
Multi-Asset Credit	PIMCO (LDIF)	26.2%	2.3	-0.3%	22/22
	PIMCO (IF)	28.6%	2.4	-0.1%	
Buy & Maintain Credit	Insight ⁴	93.9% / 93.8%	1.7	-0.1%	14/14
Long Dated Asset Fund	M&G ³	-	-	-	7/7
Senior Private Debt	GSAM BS III	-	-	-	
	GSAM BS IV	-	-	-	5/5
	M&G	-	-	-	

Source: MSCI, Mercer Calculations and Investment Managers.

Sovereign bond metrics

For sovereign bonds, emissions are defined as those that relate to production and consumption in line with the Partnership for Carbon Accounting of Financials ("PCAF") guidance. Emissions in this report are showing including and excluding those from land use, land use change and forestry ("LULUCF").

Production emissions: those attributable to emissions produced domestically and include domestic consumption and exports.

Consumption emissions: these include production emissions, minus exported emissions, plus imported emissions (emissions related to energy and non-energy imports from goods or services from outside the country territory as a result of activities taken place in the country territory).

The largest allocation for the Plan is to the Liability Driven Investment (LDI) portfolio, and therefore this portfolio makes up the largest proportion of the Plan's absolute emissions. These assets are held to provide protection for the Plan's funding level against changes in interest rates and inflation. The Trustee is not able to influence the level of emissions for the LDI portfolio, although it is pleasing to note that carbon intensity has fallen by c.15% over the reporting year.

Table 8: Sovereign production emissions

Mandate	Production Emissions Including LULUCF						Production Emissions Excluding LULUCF						SAA
	Sovereign Carbon Intensity (tCO ₂ e / \$M PPP-Adjusted GDP)			Absolute Emissions (tCO ₂ e)			Sovereign Carbon Intensity (tCO ₂ e / \$M PPP-Adjusted GDP)			Absolute Emissions (tCO ₂ e)			
	Metric	Coverage	% Change	Metric	Coverage	% Change	Metric	Coverage	% Change	Metric	Coverage	% Change	
HP Section	103.0	100%	-15%	112,145	100%	-28%	99.0	100%	-18%	107,791	100%	-31%	32.0%
Digital Section	103.0	100%	-15%	118,340	100%	-28%	99.0	100%	-18%	113,746	100%	-31%	

For production emissions including LULUCF, absolute emissions in respect of funded gilt exposure (£158.6m / £231.8m) are 20,461 / 29,904 tCO₂e. Absolute production emissions including LULUCF from additional exposure achieved through gilt repos (£710.5m / £685.4m) are 91,684 / 88,436 tCO₂e. For production emissions excluding LULUCF, absolute emissions in respect of funded gilt exposure (£158.6m / £231.8m) are 19,667 / 28,743 tCO₂e. Absolute production emissions excluding LULUCF from additional exposure achieved through gilt repos (£710.5m / £685.4m) are 88,125 / 85,003 tCO₂e.

Table 9: Sovereign consumption emissions

Mandate	Consumption Emissions									SAA
	Sovereign Carbon Intensity (tCO ₂ e / capita)			Sovereign Carbon Intensity (tCO ₂ e / \$M PPP-Adjusted GDP)			Absolute Emissions (tCO ₂ e)			
	Metric	Coverage	% Change	Metric	Coverage	% Change	Metric	Coverage	% Change	
HP Section	8.1	100%	-11%	138.9	100%	-17%	151,134	100%	-30%	32.0%
Digital Section	8.1	100%	-11%	138.9	100%	-17%	159,483	100%	-30%	

Source: Mercer, using data from MSCI. All data is based on stocklists as at 31 December 2024, using metric calculations and data feeds as at 07 August 2025, or latest available. Sovereign emissions data shown are consistent with the Partnership for Carbon Accounting Financials (PCAF) definition of consumption emissions, equivalent to production emissions, less exported emissions, plus imported emissions. Emissions data exclude land use, land-use change and forestry. Additional information on the approach that has been taken is set out in the Technical Section. Change is relative to 31 December 2023.

Digital Sections: Where mandates are synthetic, the allocation weight represents the market value of exposure. Emissions from total long exposure to gilts (£869.1m / £917.1m) are shown in the table above. Emissions associated with gilt exposure from reverse repo contracts (-£166.6m / -£77.1) are not included in the analysis. Gilts posted out as collateral are included in gilt valuations; gilts received as collateral are excluded. Cash (£4.4m / £4.7m) and Network Retail Bonds (£6.6m / £9.5m) have been excluded.

Absolute emissions in respect of funded gilt exposure (£158.6m / £231.8m) are 27,574 / 40,301 tCO₂e. Emissions from additional exposure achieved through gilt repos (£710.5m / £685.4m) are 123,560 / 119,183 tCO₂e.

Data quality

Data Quality aims to represent the proportions of the portfolio for which the Trustee has high quality (or “reported”) data. The Trustee has considered underlying data provided by investment managers that is reported, estimated, or not reported, to determine how representative the analysis is of the Plan’s actual portfolio.

Data Quality also assists the Trustee in monitoring quality of reporting over time, as investment managers/companies are expected to continually improve their reporting on climate-related metrics. There have been a number of changes to the underlying mandates in the Plan’s investment strategy over the reporting period. The chart below shows the data quality for the current reporting period (solid colours) relative to the prior reporting period (shaded colours) for the applicable mandates.

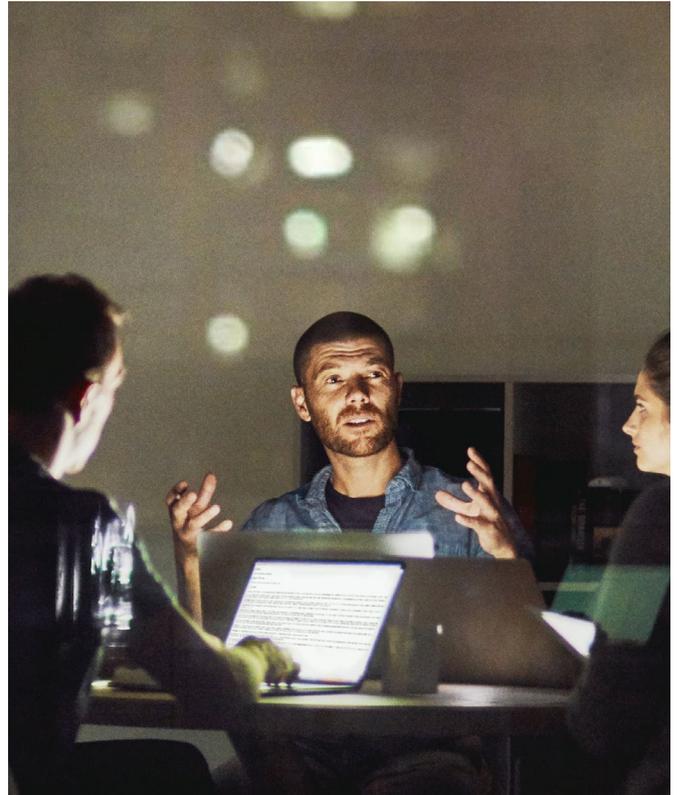
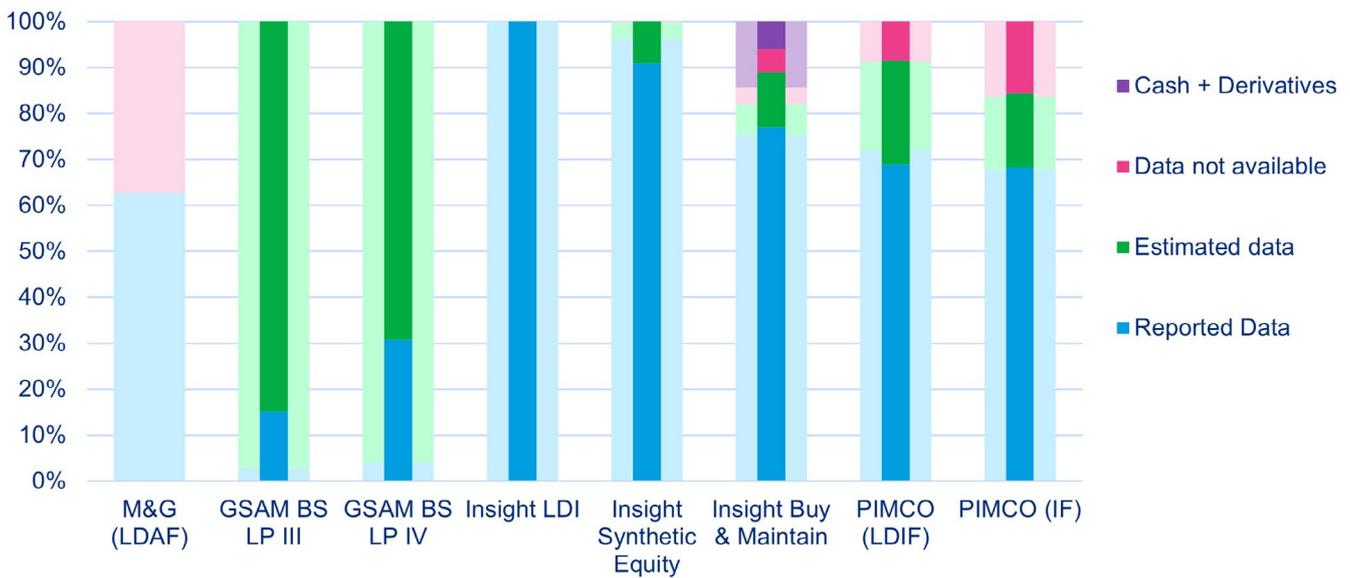


Figure 10: Data quality chart



Source: Investment Managers

Data quality for the 2023 reporting year has been restated for the PIMCO funds to reflect updated information received from the manager.

JP Morgan and Apollo were unable to provide a breakdown of data quality and so have been excluded from the chart. M&G were also unable to provide data quality this year given the fund is winding down, however last year’s data quality is included for reference. Overall, Data Quality has improved across the mandates shown with the amount of reported data increasing with less reliance on estimated data.

Trustee Target

The Trustee keeps its target under review to ensure it remains appropriate and relevant, taking into account any changes to the investment strategy of the Plan, the availability of data and wider market developments.

Over the long-term, as the Plan's funding level improves, the investment strategy is expected to evolve as a means of reducing investment risk. This will be achieved through the sale of higher risk assets and investing further into lower risk assets, which are designed to match the movement of the Plan's liabilities and provide cashflows to meet pension payments. The Trustee has agreed to focus on the carbon intensity of the lower risk assets, in particular investment grade credit, given this is expected to have a greater role to play in the Plan's investment strategy over the medium term.

The Trustee believes that setting quantitative targets for the purpose of monitoring the Plan's climate-related credentials provides a robust framework for assessing progress. Quantitative measures also help the Trustee in identifying, managing and tracking the Plan's exposure to financial risks and opportunities that climate change will bring.

Within the investment strategy, the Liability Driven Investment portfolio has the largest allocation. The exposure is mainly to UK government gilts. The Trustee has no control over the carbon intensity of the UK and has concluded that a target set for the liability hedging mandate would be impractical.

Most of the remaining asset classes which would be considered low risk currently have limitations with the provision of climate-related data, notably the private markets strategies. The Trustee expects that provision of climate-related data will improve for these asset classes over time as reporting on climate-related data becomes commonplace. Mercer will continue to work with

the investment managers on the Trustee's behalf with the aim of obtaining better data from the underlying assets (when available).

The Plan's previous climate-related target was to reduce the WACI associated with the Plan's Buy & Maintain Credit portfolio by 60% by 31 December 2030, from a baseline of 31 December 2021. When this target was put in place, the Plan's Buy & Maintain Credit portfolios were managed by L&G. However, L&G's mandate was disinvested in full in 2022 due to liquidity needs.

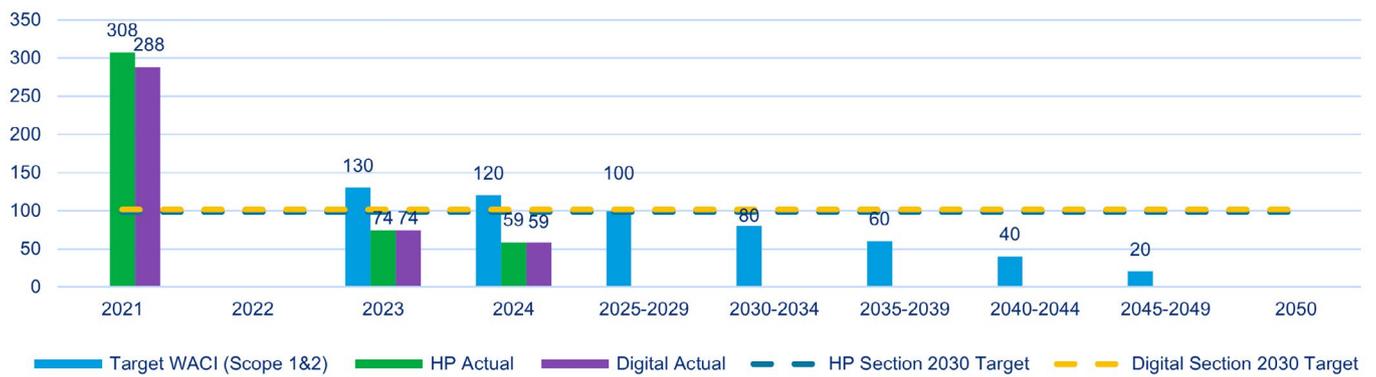
The Insight Buy & Maintain Credit mandate was then implemented in 2023, at a significantly lower WACI than the previous L&G mandate, and included target WACI levels at 5-year intervals, based on a net zero 2050 trajectory. The materially lower WACI of the Insight portfolio was one of the factors considered when appointing Insight as the Plan's new Buy & Maintain Credit manager.

As a result of the step-change from the L&G to Insight portfolios, in 2024 the Trustee decided to revise the target percentage reduction in WACI by 2030 to align with the Insight target trajectory, with the same baseline (2021).



As of 2024, the Trustee’s climate related target is to **reduce the Weighted Average Carbon Intensity associated with the Plan’s Buy & Maintain Credit portfolios by 68% for the HP Section / 65% for the Digital Section by 31 December 2030, from a baseline of 31 December 2021. They are comfortable that this target remains appropriate.** This target is based on a theoretical trajectory towards net zero by 2050 (although the Trustee notes this is beyond the expected time horizon of the Plan).

Figure 11: Progress relative to target



The HP and Digital Sections have slightly different % targets because the starting WACI for the portfolios was different for each Section, whilst the target WACI is the same for both Sections.

Relative to the 2021 baseline, the WACI of the Buy & Maintain Credit portfolios has fallen by c. 81/80% for the HP/Digital Sections, respectively, with WACI falling by 21% over the year. As previously mentioned, the majority of this improvement was a result of the switch to Insight from LGIM, which was made with the progress towards the Plan’s WACI target in mind, noting the materially lower emissions associated with the Insight Buy & Maintain Credit portfolios.



Appendix – Technical Section

The return impacts of the climate scenarios represented in this report are relative to the 'baseline'. The baseline represents what we are assuming the market is currently pricing in. The baseline includes a 10% weight to a **Failed Transition**, 35% weight to a **Delayed Transition**, 5% to a **Rapid Transition**, 15% to a **Limited Transition** and 35% to a range of **low impact scenarios**

Climate scenario modelling is a complex process. The Trustee is aware of the modelling limitations. In particular:

1. The further into the future you go, the less reliable any quantitative modelling will be.
2. Looking at average asset class returns over multi-decade timeframes leads to small impacts. The results are potentially significantly underestimated.
3. There is a reasonable likelihood that physical impacts are underestimated. Feedback loops or 'tipping points', like permafrost melting, are challenging to model particularly around the timing of such an event and the speed at which it could accelerate.
4. Financial stability and insurance 'breakdown' is not modelled. A systemic failure may be caused by either an 'uninsurable' 4°C physical environment, or due to the scale of mitigation and adaption required to avoid material warming of the planet.
5. Most adaptation costs and social factors are not priced into the models. These include population health and climate-related migration.
6. New and emerging risks, such as the impact of climate change on biodiversity loss, and vice versa, is expected to be integrated into climate scenario modelling over time once the supporting science and impact on econometrics and finance is better understood.



Data sources

Climate-related metrics provided by Mercer have been sourced from MSCI using stock list data provided by the investment managers. Other data has been requested directly from the investment managers.

Scope of emissions

Scope 1, 2 and 3 emissions data have been included in this report, with the exception of the Insight LDI mandate. The assessment of the UK government's emissions WACI could therefore be considered an understatement.

Data coverage

Data coverage refers to the proportion of an asset in which the various climate-related metric data is available. There are gaps in the data as:

- Some public listed companies are not publishing climate-related data or are providing poor quality data. This is relevant to public equity and corporate bonds. Obtaining data for emerging market equity can also be challenging due to general disclosure and transparency challenges.
- Many private companies do not currently produce climate-related data and coverage for private markets, such as private equity and private debt, will be low, or zero for mature funds.
- Sovereigns, or governments, may not publish climate-related data in the public domain. This is

- a particular challenge for emerging market debt. For UK government debt, data is available but there is a delay in the data being published.
- Short-term instruments, such as secured finance assets, have limited data available due to the short-term nature of the individual assets.

In this report, the Trustee has used a pro rata approach to scale up each climate metric in order to present the data as if full coverage was available for each asset. This assumes that the part of an investment fund that does not have data available has the same investment characteristics (for example, same sector or geography) as the part where there is data. For example, where an investment manager can only provide climate metrics on half of the underlying investments for a particular strategy, we have assumed that the remaining half for which data cannot be provided has identical climate characteristics as the half for which climate can be provided. The relevant climate metric as provided by the investment manager has then been scaled up to allow for this. In this example, the data would be doubled to get to 100% coverage.



Glossary

Carbon intensity

The amount of emissions of carbon dioxide (or other greenhouse gasses) released per unit of another variable such as revenue, gross domestic product (GDP), per \$1million invested etc. over a given time period (typically annually). See also Weighted Average Carbon Intensity (WACI).

Credit spread

The difference in yield between two debt securities of the same maturity but different credit quality. In the Plan's context, this is typically the difference in yield between corporate bonds (of varying credit quality) and UK government bonds.

Decarbonisation

The process by which countries, individuals or other entities aim to achieve zero fossil carbon existence. Typically refers to a reduction of the carbon emissions associated with electricity, industry and transport.

Global warming

The estimated increase in global mean surface temperature expressed relative to pre-industrial levels unless otherwise specified.

Greenhouse gases

Gases in our planet's atmosphere which trap heat. They let sunlight pass through the atmosphere but prevent heat from leaving the atmosphere. Greenhouse gases include: Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur Hexafluoride (SF₆), Nitrogen Trifluoride (NF₃).

Net zero (CO₂ emissions)

Net zero carbon dioxide (CO₂) emissions are achieved when CO₂ emissions are balanced

globally by CO₂ removals over a specified period. The term "net zero" is also typically associated with the 2050 date or earlier, as this is aligned with the scientific recommendations to achieve a 1.5°C scenario.

Paris Agreement

The Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC) was adopted on December 2015 in Paris, at the 21st session of the Conference of the Parties (COP) to the UNFCCC. The agreement, adopted by 196 Parties to the UNFCCC, entered into force on 4 November 2016 and as of May 2018 had 195 Signatories and was ratified by 177 Parties. One of the goals of the Paris Agreement is "Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels", recognising that this would significantly reduce the risks and impacts of climate change. Additionally, the Agreement aims to strengthen the ability of countries to deal with the impacts of climate change.

Physical risks

Dangers or perils related to the physical or natural environment that pose a threat to physical assets e.g. buildings, equipment and people. Mercer's scenario analysis grouped these into the impact of natural catastrophes (for instance sea level rise, flooding, wildfires, and hurricanes) and resource availability (particularly water). See also Transition risks.

Scope 1, 2, 3 emissions

Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. Emissions are measured over annual periods.

Transition

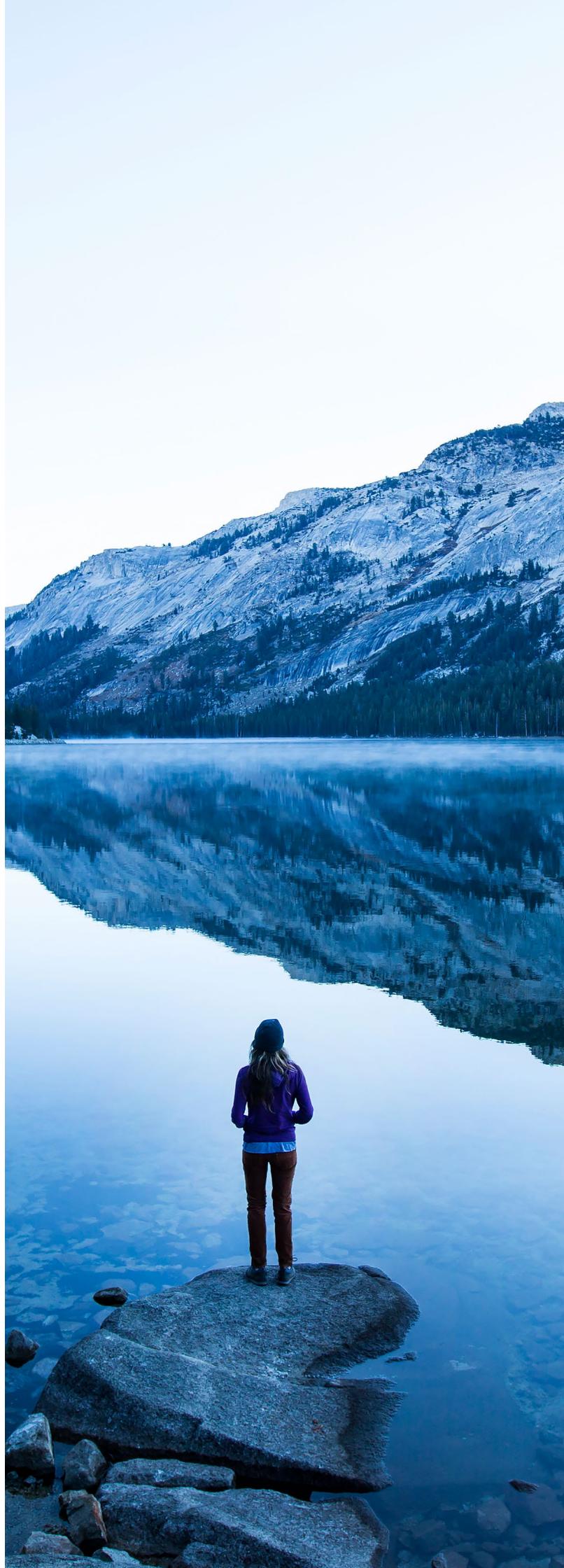
The process of changing from one state or condition to another in a given period of time. Transition can be in individuals, firms, cities, regions and nations, and can be based on incremental or transformative change.

Transition risks

Risks from policy changes, reputational impacts and shifts in market preferences, norms and technology. See also Physical risks.

Weighted Average Carbon Intensity (WACI)

The carbon intensity of a portfolio, weighted by the proportion of each constituent in the portfolio. Carbon intensity is calculated for each company as (Scope 1, 2 and 3 carbon emissions / \$m sales) over a given time period (typically annually).



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The compliance is on the basis that the Trustee is the addressee and the only user and that the document is only to be used to feed into the climate change scenario analysis being carried out for the Plan. If you intend to make any other decisions after reviewing this document, please let us know and we will consider what further information we need to provide to help you make those decisions.

The document has been prepared under the terms of the Agreement between the Trustee and Aon Solutions UK Limited on the understanding that it is solely for the benefit of the addressee.

The Trustee has been supported by Mercer in the production and design of this report.

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Cardano

Cardano Advisory carried out such reviews, analyses and enquiries as deemed necessary and appropriate under the circumstances to perform its work based on the Trustee's requirements as communicated to Cardano Advisory. The Trustee has confirmed to Cardano Advisory that the scope of work covers the issues which, together with their own experience, enable the Trustee directors to consider relevant matters. Cardano Advisory's opinion speaks only as of its date and is based on the assumption that the information that has been provided by or on behalf of the Trustee, Management and publicly available information is complete and accurate in all material respects and not misleading in any material respect. Cardano Advisory has not audited or otherwise independently verified this information.

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