Our TCFD Statement

As Trustees of the Unilever UK Pension Fund, we believe that the transition to a more sustainable global economy is inevitable and that, as with any economic transformation, there will be winners and losers. The Trustees believe that businesses that rely on the unsustainable consumption of resources, degradation of the natural world or social exploitation will ultimately fail. Conversely, businesses that adapt quickly to the transition, to mitigate risks and grasp opportunities, will prosper.

From this viewpoint, it is clear that our members' interests and sustainability are inextricably linked. As a pension fund investing on behalf of our members, we must act quickly and effectively to minimise the risks and maximise the opportunities afforded by the transition to a sustainable economy.

Of the many sustainability challenges to be addressed, we consider climate change to be our priority, and the impact of global warming to be the most immediate and significant risk to the global economy. It is now the focus of policy makers, industry leaders and investors, and the pace of change is accelerating. We therefore believe that we must act quickly and decisively in order to stay ahead of the curve so that our members benefit rather than suffer from the transition to a 'net zero' economy.

We support the aims of the Task Force on Climate-related Financial Disclosures (TCFD) and believe that transparency of the risks and opportunities associated with climate change is essential for the design and execution of a successful investment strategy. We therefore actively encourage the businesses in which we invest to provide climate related financial information according to the TCFD's recommendations.

Our report provides an overview of the governance, strategy and risk management tools, and metrics and targets employed by the Fund to inform how sustainability considerations are taken into account by the Board of Trustees, who are ultimately responsible for the management of the Fund.

We expect climate change to have an impact on our Fund's assets and liabilities and having assessed our Fund's position against a selection of plausible future climate scenarios in the last reporting year, we concluded that our funding and investment strategy exhibits a relatively high degree of resilience against climate-related risks.

In line with our Sustainability objectives and priorities to focus on, we have set targets to reduce the carbon intensity of our portfolio by 30% by the end of 2024 and 50% by the end of 2029 (across the Fund's DB and DC sections combined and from the baseline position at 31 March 2020). As at 31 March 2022, two years on from the base-line, the Fund has achieved a reduction in carbon intensity of 16% and is on track to meet its targets.

Availability of robust climate metrics data remains a challenge for us in some of our holdings and we continue to work collaboratively with our investment managers and data providers for further improvements. For the avoidance of doubt, where this report refers to "Sustainability", it should be read as encompassing climate change and climate-related risks and opportunities.

1. Governance

The Board of Trustees is ultimately responsible for the oversight of all the Fund's risks and opportunities. Specifically, it is responsible for setting the Investment Strategy and for agreeing our overall approach to Sustainability.

The Board delegates certain oversight responsibilities to Committees of the Board which are therefore directly involved in managing climate related risks and opportunities:

- The Investment & Funding Committee ('IFC'): has responsibility for implementation of the investment strategy and the review of investment risks for the DB section of the Fund.
- The Defined Contribution Committee ('DCC'): has similar responsibilities to the IFC but for the DC section of the Fund.
- The Audit & Risk Committee ('ARC'): supervises the Fund's risk management framework and the review of the Fund's Report and Financial Statement Accounts and other regulatory disclosures.

The Board and its Committees are supported by the in-house Executive teams. These includes the Univest Company (Unilever's internal expert investment centre) and the Unilever UK Pensions Department, as well as the Fund's external investment advisers.

The Chief Investment Officer ("CIO") and Head of Trustee Services work collaboratively across the whole pension fund and are accountable to the Board for the execution of strategy and the ongoing identification, assessment and management of Fund risks, including climate-related risks.

There is dedicated expert Sustainability resource within Univest Company, which the CIO utilises in order to drive the Fund's Sustainability agenda.

The CIO, the Head of Trustee Services and the Trustees external Investment advisors have Sustainability related annual objectives and are assessed annually on these.

The Trustee Board meets at least quarterly, and Sustainability is a regular item integrated within the agenda. The IFC, DCC and the ARC also meet quarterly and report to the Board on their strategic and risk management responsibilities, including on Sustainability which is discussed at every quarterly IFC and DCC meeting. A regular programme of training is provided to the Trustees, CIO and Univest Company to keep them refreshed and updated on topics relevant to their duties, including Sustainability.

1.1 Progress during the Fund year ending 31 March 2023

The Board's view is that Sustainability should be fully integrated into 'business as usual' and therefore managed seamlessly within existing Fund processes and through established governance bodies. An implementation plan has been established which maps out our priorities with specific emphasis on climate change related initiatives.

As part of our governance and progress made during the Fund year, the Trustees, IFC, DCC CIO and/or Univest Company received training and updates on the following topics during the year:

- Sustainability Policy
- Our investment beliefs as they relate to Sustainability
- Carbon footprinting
- Objectives of the new sustainability focused Global Credit Bond fund, which includes minimising climate-related risks and taking advantage of climate-related opportunities
- Sustainability Scorecard for the Fund's investment managers
- Considerations and principles for reviewing the Fund's carbon journey plan

2. Strategy and Risk Management

The principal climate related risks for our Fund lie within our asset portfolio. The resources that we deploy directly for the management and operation of the Fund (such as employees, systems and office accommodation) are modest and the physical and transition risks associated with them are not material to the Fund.

Our strategic and risk management response to climate change is therefore focused on securing the long-term value and security of the assets that we invest on behalf of our members.

Our ambition is to position our Fund ahead of the curve so that our members benefit rather than suffer from the transition to net zero economy.

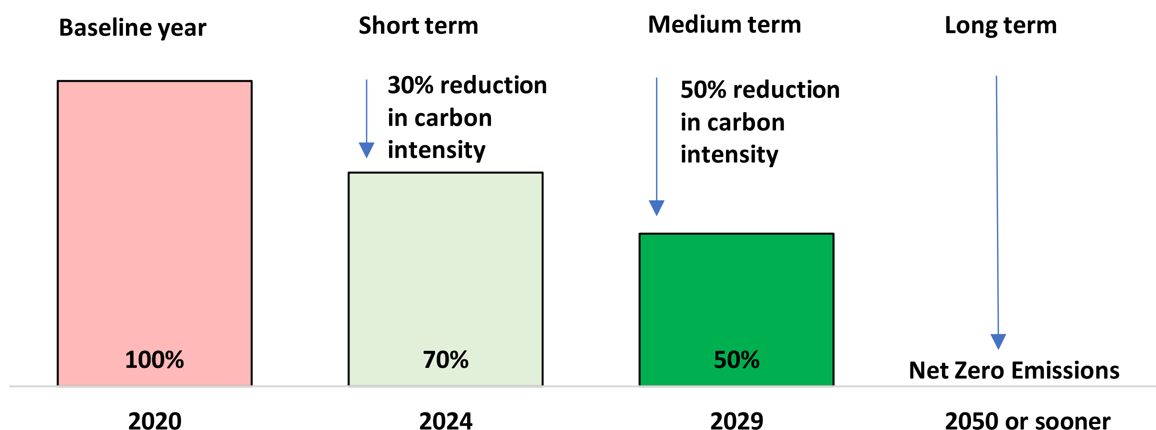
We have set two Sustainability goals consistent with this ambition:

1. A resilient investment portfolio that is favourably positioned with respect to the risks and opportunities afforded by the transition to a sustainable economy. With our immediate priority being climate change, we aim to reduce the carbon intensity of our portfolio by 50% by the end of 2029.

2. To maintain an eco-system of investment managers, advisors and other external collaborators with the knowledge, capabilities and capacity to help us construct and manage a resilient portfolio.

2.1 Our time horizons

The time horizons relevant to our Fund as are as follows, and are aligned with our short, medium and long term targets to reduce our Fund's carbon intensity:



We have developed Carbon Journey Plans for both the DB and DC sections of our Fund, which plots our path to achieve the short and medium term targets. We have identified the key levers available to us to help deliver this.[1]

1 The levers are defined as follows:
Portfolio de-risking – – the reduction in the Fund's return seeking assets for the DB Section, once certain funding triggers are achieved, thereby reducing total level of return seeking assets exposed to climate risks;
Policy impact – the reduction in corporate emissions resulting from governmental pressure on businesses to align with their net zero commitments;
Mandate changes – the impact of changing investment manager mandates;
Engagement – active ownership activities to encourage companies to reduce emissions;
Impact investing – investing to generate positive sustainability impact alongside financial returns.

2.2 Identification and assessment of climate-related risks and opportunities

The Trustees assess the strength of the employer covenant annually against the impact of risks and opportunities due to climate change. A third-party specialist consultant is employed by the Trustees to carry out this exercise. The analysis conducted during the reporting year concluded that under the various climate change scenarios and time-horizons considered, coupled with the mitigating actions being taken by the Company, the impact was considered to be immaterial.

The Trustees also recognise that climate-related risks could have an impact on the value of the investments made on behalf of the members, over the short, medium and long term, and therefore the risk needs to be understood and managed. For example, climate-related risks could affect:

- The ability of the underlying companies we invest in to pay dividends, impacting the share prices and therefore the valuation of our equity holdings
- The creditworthiness of the companies we invest in, therefore impacting the value of our fixed income holdings
- The rental values of the real estate assets the Fund holds, therefore impacting the value of our real estate holdings.

The risks related to climate change comprise transition risk and physical risks, which were identified and assessed as part of the work undertaken on scenario analysis.

Transition risk to dominate over first ten years	Physical risk to dominate over next ten years and beyond
Transition risk: occurs in the process of moving to a more Sustainable global economy. These include policy changes (e.g. sudden imposition of carbon taxes or carbon emission limits), risk of stranded assets, technological advances and changes in consumer behaviour.	**Physical climate risks**: are those which arise both from gradual changes in climate as well as extreme weather changes, both of which can result in damage to assets (e.g. to our real estate portfolios, supply chain disruption and resource depletion, impacting the companies we invest in).

2.3 Our three-tiered implementation approach:

The Trustees have agreed a three-tiered implementation approach to Sustainable investment, which is a key tool within our investment strategy to identify, assess and manage climate-related risks and opportunities.

2.3.1 Tier 1 - Investment manager monitoring

A structured approach to monitoring the extent to which our investment managers take Sustainability considerations into account, including climate risks and opportunities, when making investment decisions on our behalf.

This involves the use of a Sustainability monitoring tool to understand the level to which Sustainability considerations are incorporated into each strategy and to monitor managers' abilities and progress. The manager is given a rating as a result of this process. If a manager falls short of expectations, and there is no clear path to improvement, their appointment may be terminated.

For new managers, we use a due diligence process across seven criteria, of which Sustainability, including climate change, has the highest weighting. All new mandates include appropriate clauses to ensure that Sustainability factors are considered when selecting, retaining and realising investments.

Progress for the Fund year ending 31 March 2023

With the support of our CIO and Univest Company, we have defined the minimum Sustainability requirements our managers must meet and integrated a revised framework for our Sustainability monitoring tool focusing on the Trustees' new Sustainability ambition. The intention of this action is to better integrate Sustainability across our managers and reduce our Fund's risks to those investment managers who fail to take Sustainability into account through their investments.

For the DB section of the Fund, the enhanced Sustainability monitoring has been extended to cover our alternative investment managers as well, in addition to our existing coverage for our equity and fixed income managers.

For the DC section of the Fund, the enhanced Sustainability monitoring covers 100% of global developed equities and 100% of multi asset credit portfolios, thereby covering 100% of active mandates across the DC investment plan options. We are in the process of expanding coverage to our remaining passive mandates.

2.3.2 Tier 2 - Investing in funds which have a Sustainability bias or tilt.

Investing in funds which integrate Sustainability in their investment processes and decision making, and which are aligned with our Sustainability beliefs and goals.

Progress for the Fund Year ending 31 March 2023

During the year, our global credit bond fund in our DB section was significantly enhanced to be more Sustainability focused. This included hardcoding carbon reduction targets in the underlying investment manager mandates, in order to reduce climate-related risk and capture climate-related opportunities.

For the DB Section of the Fund, our global developed equity funds, global credit bond fund and property funds now have a Sustainability bias.

For the DC section of the Fund, we have a bespoke Sustainability multi-factor global developed equity fund with an external fund manager. This fund is accessible across all DC investment options which have global equity exposure, including the default option and accounts for 100% of the DC section's global developed equity investments. We are in the process of reviewing the mandate to fully align it to our carbon reduction targets.

2.3.3 Tier 3 - Specific investments in Sustainable impact opportunities.

The DB section of the Fund has committed 2.5% of its total assets to investing in opportunities that offer positive Sustainable impact alongside financial returns. Our internal investment expertise centre has set up the Univest Sustainability Funds (USF) I and II for this purpose, focused on making private market investments in this area, examples being renewable energy and the manufacture of zero-emission electric commuter buses. USF II, in particular, is a climate focused fund, designed to focus on medium and high-impact investment opportunities arising as a result of climate change and the environment. It also includes an allocation to green bonds.

Progress for the Fund year ending 31 March 2023

During the year, we invested a further c.£54m in underlying Sustainability focused opportunities via our commitments to USF I and II.

For the DC section of the Fund, we continue to engage with our managers and our investment platform provider to encourage better product offerings in Sustainability focused impact investments.

2.4 Climate Scenario Analysis

We carried out climate scenario analysis for both sections of the Fund in November 2021, following a significant de-risking of asset allocation for the DB Section that took place shortly beforehand.

Two scenarios were examined:

- 'Least Common Denominator', to understand the impact on our funding and investment strategy when no further attempts to limit global warming are made and temperature rises are likely to exceed 2 degrees Celsius above pre-industrial levels. This scenario assumes that transition risk is already allowed for in current market prices. In other words, current policies continue with no further attempt to incentivise further emissions reductions, and that socioeconomic and technological trends do not shift markedly from historical patterns.

- A 'Global Coordinated Action' scenario, to understand the impact on our funding and investment strategy from actions taken to limit global temperature increases to 2 degrees Celsius. This scenario assumes that the Fund could be exposed to transition risk as actions are taken to limit global warming e.g. via policy changes, technological advances and changes in consumer behaviour.

2.4.1 DB Section – scenario analysis

For the DB Section of the Fund, the analysis of the expected impact on assets suggested that under the two climate scenarios considered the Fund could experience a 0.1% p.a. shortfall in future asset returns.

The Trustees expect climate change to also potentially have an impact on the DB Section's liabilities over time, however, there is an unknown element as to when the impact on the liabilities would materialise from any changes in longevity trends. The Trustees modelled the impact on the Fund's liabilities by assuming that the changes occur gradually over time starting immediately from the date of our analysis. On this basis, the analysis suggested that under the Least Common Denominator scenario, where temperatures are likely to exceed 2 degrees Celsius, the Fund could experience a c. 0.4% p.a. fall in value of the liabilities. Whereas, under the Global Coordinated Action Scenario, limiting temperatures to 2 degrees Celsius, the Fund could experience a c. 0.3% p.a. increase in value of the liabilities.

2.4.2 DC Section – scenario analysis

For the DC Section of the Fund, we found that the value of investments could be affected by longer term physical risks given the longer time period over which some members will have exposure to equities e.g. for younger members who will have longer holding periods for their investments.

Under the Least Common Denominator scenario, the investment options could experience a fall in annual returns of c. 0.3% - 0.5%, whereas under the Global Coordinated Action Scenario, the

investments might only experience a fall of c. 0.1% - 0.3% p.a. Of all the DC investment options, the equity funds are expected to be the most affected under the Least Common Denominator scenario. However, the long term returns on equities are still expected to outstrip those of cash and bonds, therefore on balance we believe that holding equities remains worthwhile.

2.4.3 Scenario analysis conclusions

Based on the scenarios examined, we concluded that our Fund's funding and investment strategy exhibits a relatively high degree of resilience against climate-related risks. The analysis has not been repeated again this year, given further de-risking in the DB Section and progress made by the Fund in enhancing further mandates for the DB and DC Sections, both of which are expected to lead to further improvements in the degree of resilience against climate-related risks.

Overall, the climate scenario analysis has helped us understand how climate risks are embedded in our investments. In line with our three-tiered implementation approach, we continue to make progress on our actions to minimise these risks and take opportunities into account. We will continue to monitor our portfolio in line with regulatory requirements and in conjunction with our triennial investment strategy review process.

2.5 Our strategic engagement approach

We firmly believe that we can best drive change and protect our members' interests through ownership and engagement. The decision to divest from a company that is poorly placed with respect to climate risks should be a natural consequence of our investment managers' processes. However, we have decided to exclude companies that derive more than 50% of their revenues from coal mining or coal power generation on the basis that these companies expose us to the risk of value destruction in the near-term given that they are unlikely to successfully transition to a sustainable economy. This applies to the DB section's listed equity and fixed income investments. Our DC section's Sustainability multi-factor equity fund is also aligned with this approach.

An external stewardship provider has also been appointed to carry out the majority of the DB Section of the Fund's stewardship activities including voting and engagement. The provider covers 100% of the DB section's listed equity holdings. The stewardship provider seeks to ensure that our portfolio companies' strategies and actions are aligned to the goals of the Paris Agreement on Climate Change.

2.6 Collaborative initiatives

We recognise that working with others will be necessary for achieving our carbon reduction targets, in keeping with our second Sustainability goal of achieving an eco-system of investment managers, advisors and other external collaborators with the knowledge, capabilities and capacity to help us construct and manage a resilient portfolio. We cannot do this with in-house resources alone. Through Univest Company we are involved with a number of collaborative initiatives including the UN Net Zero Asset Owners Initiative, the UN Principles of Responsible Investment, the Institutional Investor Group for Climate Change.

3. Metrics and Targets

During the year, we conducted our third comprehensive carbon footprinting analysis[2].

The primary carbon metric we use to measure our progress is Weighted Average Carbon Intensity ("WACI"), using Scopes 1 and 2 carbon emissions. WACI measures a portfolio's exposure to carbon intensive companies. WACI is represented as tonnes of carbon dioxide emissions (or equivalent amount of other greenhouse gases) over million pounds of revenue i.e. tCO2e/£m revenue.

We have chosen not to report the carbon footprint of the portfolio and to choose WACI as our emissions intensity measure instead. WACI is one of the metrics recommended by the TCFD for portfolio carbon footprinting and we consider that WACI is better aligned with our Sustainability objectives and priorities and provides a more meaningful basis on which to measure our ambitions to reduce the portfolio's carbon intensity.

We have included Scope 3 emissions data in this year's report, as much as we were able to, including the use of estimates to increase our coverage. Scope 3 emissions include both upstream and downstream supply chains, such as the extraction and production of purchased materials and fuels, flight emissions, waste disposal and company investments, and as such they can be the largest source of emissions in the value chain.

Although we have included Scope 3 emissions data, at this stage our targets do not encompass Scope 3 emissions as we have yet to resolve challenges such as double counting, data availability and accuracy to the point where we would be sufficiently confident to set a target including these emissions. We continue to engage with our managers and data providers on improving data quality and reporting.

It should be noted that these reduction targets do not cover Scope 1 and 2 emissions associated with the Fund's own infrastructure and operations; these are not material in the context of our investments.

We also monitor:

- an additional carbon metric, greenhouse gas (GHG) emissions, which sets out the total GHG emissions in our portfolio;
- portfolio alignment metric, which is the percentage of our portfolio with Science-Based Targets based on information available to us;
- data coverage of our emissions metrics by asset class across the portfolio.

The Trustees have been able to achieve emissions coverage for c. 90% of the portfolio[3]. Like our peers, obtaining robust climate metrics data remains a challenge for us in some of our holdings and we continue to work collaboratively with our investment managers and data providers to improve our data coverage.

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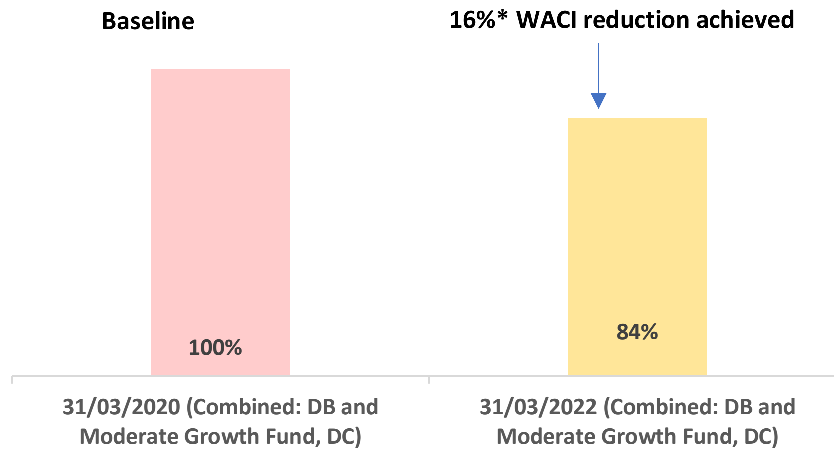
[2] The estimated metrics are based on underlying company emissions for the 2020 financial year, which is the most recent data available to us at the time of calculation. We note that the quality of data being reported for listed equities and listed fixed-income assets continues to be significantly better than that for real estate, private equity funds and other alternative asset classes; In these cases our carbon footprinter made several approximations which can impact the accuracy of our results. As for many investors, obtaining climate change data continues to be a challenge and we continue to work with our managers and carbon footprinting provider to improve the data coverage.

[3] Further details on data coverage can be found in the appendix.

3.1 Our progress

The chart below sets out our Fund's progress (the DB and DC sections combined), compared to our baseline as at 31 March 2020.



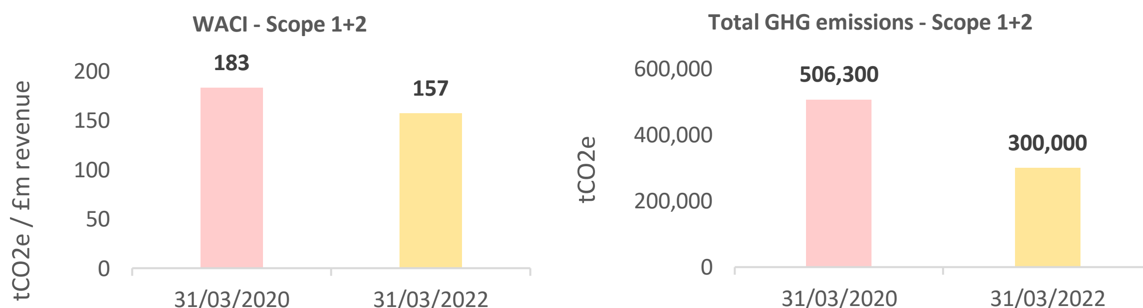
The DB Section of the Fund achieved a de-risking event led by improvements in the funding level, which further reduced sensitivity to climate risks at total Fund level. The WACI of the DB Section decreased over the year, whilst the WACI of the DC Section has increased. Overall, the Fund's WACI has reduced by 16%[4] over the last two years, and by 13% over the last reporting year. This has resulted in the Fund holding a lower proportion of carbon intensive holdings at the end of the reporting period.

The combined view of our DB and DC sections allows to us to monitor our progress towards our carbon reduction target at the Fund level. We note that the combined WACI reduction figure is an average, weighted by the value of the Fund's underlying holdings in both the DB and DC sections.

Analysing our results further, the section below provides a breakdown of our Fund's progress between the DB and DC sections at a more granular level. In line with the regulatory guidance on TCFD from the DWP, in the breakdown for the DB and DC sections we have recorded the carbon metrics for our sovereign bond holdings separately.

3.1.1 For the DB Section:

Total assets (excluding all sovereign bonds)
Scope 1 and 2 emissions

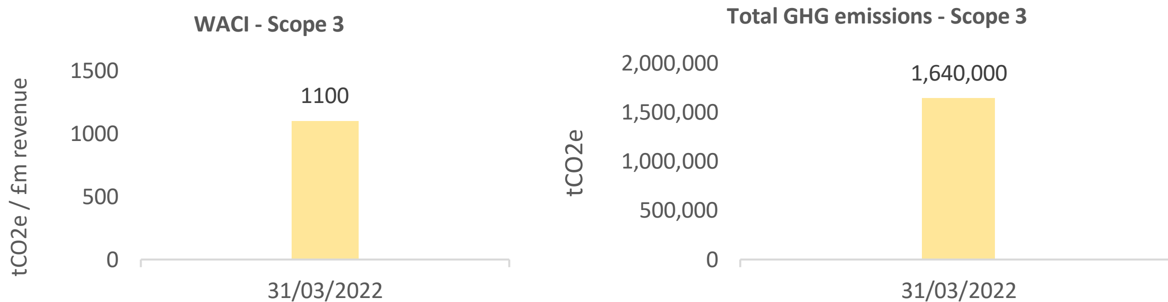


Source: ISS ESG

*+[4] The figures above exclude the carbon metrics for the Matching assets held for liability hedging purposes.

The Fund's total assets (excluding all sovereign bonds) have experienced a WACI reduction of c. 14% over the two years since the baseline date of 31 March 2020. Total GHG emissions have also fallen by c. 40%. This is a good outcome for our Fund.

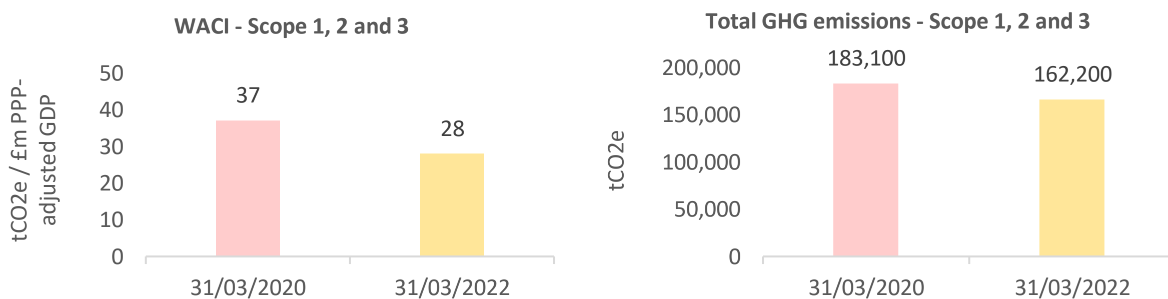
Scope 3 emissions
We estimate our Scope 3 emissions as at 31 March 2022 to be:



As indicated earlier, we have estimated our Scope 3 emissions as far as we were able to. Scope 3 emissions tend to be the largest for most holdings and companies in general (compared to Scope 1 and 2 emissions), but there continues to be significant challenges in accuracy and availability of data to support any investment decisions.

Portfolio alignment metric
Based on the information available to us, the percentage of companies in our listed equity and debt portfolios which have approved or committed Science-Based Targets, ranged from 22% to 52%. Further details are set out in the appendix.

Sovereign bonds (includes UK Government bonds in our LDI portfolio and other Government bonds)*



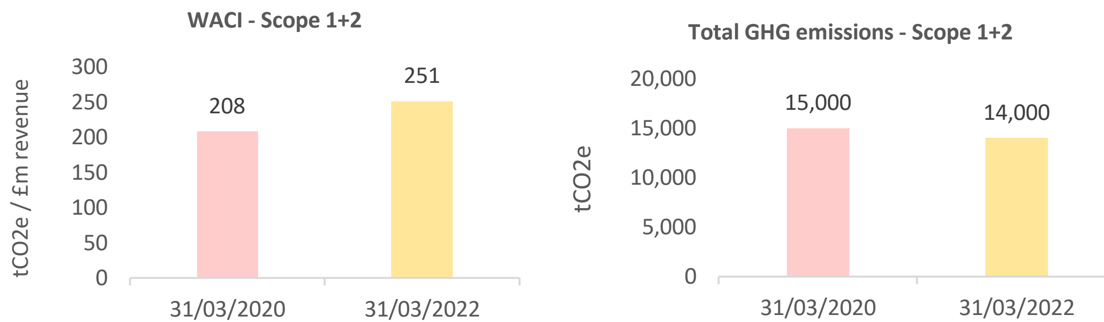
*The emissions from sovereign bonds have been estimated using the Government Emissions approach but adjusted for PPP-adjusted GDP which is different in approach from last year; this follows the Platform Carbon Accounting Financials (PCAF) standard at the time of the analysis; the approach is to be reviewed for next year's reporting following PCAF's finalised guidance issued in Q1 2023. The WACI has been normalised based on PPP-adjusted GDP.
Source: ISS ESG

For our sovereign bond portfolio, WACI decreased by c. 24% and total emissions decreased by c. 11%. Largely this is as a result of a change in financial inputs in the calculation of metrics for sovereign bonds further to updated guidance from PCAF, leading to lower emissions for many of our developing countries' government bonds.

3.1.2 For the DC Section:

For the DC section, we set out the WACI for the Moderate Growth Fund, because this is where the majority of our members are invested.

Moderate Growth Fund (excluding sovereign bonds)
Scope 1 and 2 emissions



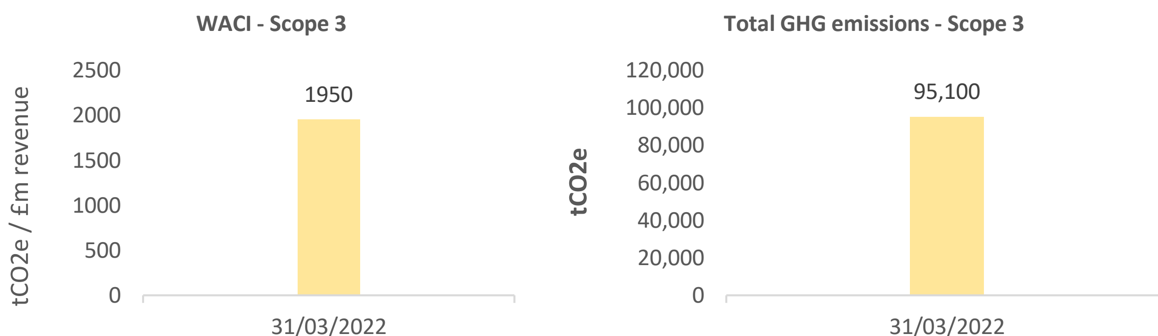
Source: ISS ESG

Based on our primary metric WACI, the Moderate Growth fund experienced an increase of c. 20% in WACI over the two years to 31 March 2022. The increase in WACI mainly came from a higher proportion of energy names in the fund as at the end of the reporting period, largely as these holdings outperformed the market following the energy crisis, representing a higher percentage share of the indices.

The Trustees are taking further action to align the mandate with the Fund's specific carbon reduction targets and look forward to reporting progress next year.

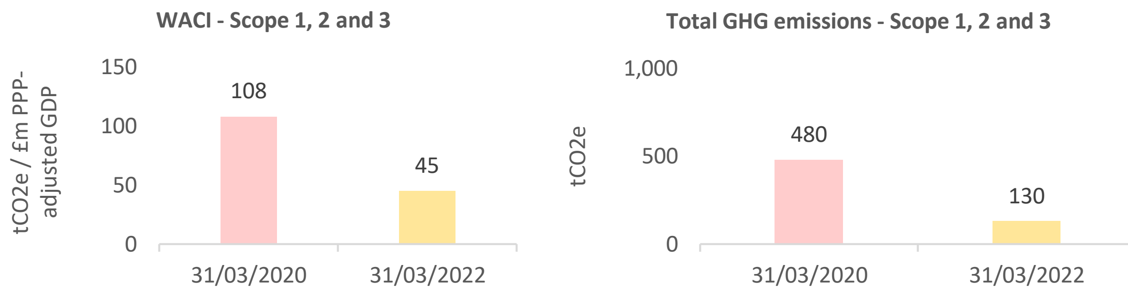
Conversely, GHG emissions for the fund decreased over the year by 7%, despite the fund's holdings increasing in value by £28m over the year. Combined with the WACI results, overall, this suggests that the fund's holdings as at 31 March 2022 were emitting more emissions per generated revenue, but less emissions per pound invested, highlighting the importance of assessing a number of carbon metrics as a balanced approach.

Scope 3 emissions



Portfolio alignment metric
Based on the information available to us, the percentage of our listed equity, debt and cash portfolios with approved or committed Science-Based Targets, ranged from 19% to 51%. Further details are set out in the appendix.

Sovereign bonds



* The emissions from sovereign bonds have been estimated using the Government Emissions approach but adjusted for PPP-adjusted GDP which is different in approach from last year; this follows the Platform Carbon Accounting Financials (PCAF) standard at the time of the analysis; the approach is to be reviewed for next year's reporting following PCAF's finalised guidance issued in Q1 2023. The WACI has been normalised based on PPP-adjusted GDP.

In our DC section; sovereign bonds in our Moderate Growth fund experienced a decrease in WACI and GHG emissions; as did our DB section, this is mostly due to a change in financial inputs in the calculation of metrics due to the updated guidance from PCAF.

The impact of the emissions within the sovereign bonds is limited at the overall Fund level; as the emissions from the sovereign bonds in the Moderate Growth fund account for only a very marginal percentage[5] of the total emissions from the Moderate Growth fund.

4. Looking Forward

Having undertaken a substantial review of our approach to Sustainability in 2021 and having set ourselves challenging objectives as a result, we look forward to working towards achieving these over the coming years.

Our immediate priorities involves us spending time further developing and evolving the way that progress towards our Sustainability goals is monitored and reported, as well as further enhancing our mandates to align with our Sustainability goals. We will continue to engage with our managers to improve their Sustainability integration, quality of data collection, reporting and accuracy of the data we use, especially in the non-mainstream asset classes.

We look forward to reporting further progress in due course.

[5]Covering all Scope 1, 2 and 3 emissions

Appendix

Data coverage*

DB Section:

Asset class	31 March 2021**	31 March 2022**	% of total portfolio assets as at 31 March 2022
Listed equity	99%	99%	c. 12%
Listed credit (developed markets)	92%	80%	c. 10%
Listed credit (emerging markets)	70%	87%	c. 4%
Sovereign bonds/LDI***	100%	100%	c. 51%
Alternative assets (Property, Real Estate Debt, Hedge Funds, Private Equity, Asset-backed securities)****	<50%	<50%	c. 23%

DC Section (Moderate Growth Fund):

Asset class	31 March 2021**	31 March 2022**	% of total moderate growth fund as at 31 March 2022
Listed equity	99%	99%	64%
Listed multi asset credit	70%	76%	26%
Listed Property (REITS)	98%	99%	10%

* Based on Scope 1 and 2 emissions data
**Emissions coverage figures shown are based on underlying reported information by the underlying entities, as well as those emissions which were estimated by our carbon footprinter using company and sector based averages
***Coverage data includes government bonds only and not any unfunded leverage
**** Each individual asset class has coverage at less than 50%

Portfolio alignment metrics (data included where available)

Fund (DB Section)	Companies with SBT*	Fund (DC Section)	Companies with SBT*
Global Developed Market Equities	53%	Global Developed Market Equity	45%
Emerging Market Equities	22%	Emerging Market Equities	21%
Global Credit Bonds	41%	Multi Asset Credit	19%
Fixed Interest Corporate Bonds	52%	Flexible Credit	36%
Global High Yield	22%	Global Property	35%
Emerging Market Debt (Corporate Exposure only)	28%	Cash	19%

*% of fund with approved or committed targets verified by the Science-Based Targets Initiative.

Glossary of Terms

Carbon emissions
The Trustees refer to carbon emissions, which is used as shorthand for the six main greenhouse gases (GHGs), defined by the Kyoto Protocol (Carbon dioxide (CO_2); Methane (CH_4); Nitrous oxide (N_2O); Hydrofluorocarbons (HFCs); Perfluorocarbons (PFCs); and Sulphur hexafluoride (SF_6)). As an equivalence measure for WACI in the charts shown in the TCFD Statement, 1 tCO_2e/Mio GBP is currently comparable to 4,000 pounds of coal burned or 8.5 barrels of oil consumed, according to estimates provided by the United States Environmental Protection Agency.

Net zero
As noted by the Intergovernmental Panel on Climate Change (IPCC), net zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period. Anthropogenic in terms of climate change refers to the impact humans have had on climate change, primarily through emissions of greenhouse gases.

Scope 1 Greenhouse Gas Emissions
Scope 1 emissions refer to all direct GHG emissions, or in other words, emissions from sources that are owned or controlled by the operating company.

Scope 2 Greenhouse Gas Emissions
Scope 2 emissions refer to all indirect GHG emissions stemming from the consumption of purchased electricity, heat or steam.

Scope 3 Greenhouse Gas Emissions
Scope 3 emissions are all indirect emissions not covered in Scope 2. This includes both upstream and downstream supply chains, such as the extraction and production of purchased materials and fuels, flight emissions, waste disposal and investments.