

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

CLIMATE DISCLOSURES FOR YEAR ENDED 31 MARCH 2024

Produced by: BCF Pension Trust

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Foreword

This document is the third TCFD statement for the BCF Pension Trust ("BCF" or "the Scheme"). It includes data as of 31st March 2024 to align with the Scheme's financial year-end and details the work conducted by the Trustee to manage climate-related risks and opportunities.

This report has been prepared with support from Redington (the Trustees' investment advisor).

Introduction

This statement sets out the approach of the Trustees with regards to assessing, monitoring and mitigating climate-related risks in the context of their broader regulatory and fiduciary responsibilities to Scheme members.

The Trustees support the recommendations set out by the Taskforce on Climate-Related Financial Disclosures (TCFD) on the basis that it will allow them to more effectively managed climate-related risks and opportunities on behalf of members.

This statement has been prepared in accordance with the regulations set out under "The Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (as amended) and the Occupational Pension Schemes (Climate Change Governance and Reporting) (Miscellaneous Provisions and Amendments) Regulations 2021"" and provides a status update on how the Scheme is currently aligning with each of the four elements set out in the regulations (and in line with the recommendations of the TCFD). Details on these elements are as follows:

- **Governance:** The Scheme's governance around climate-related risks and opportunities.
- **Strategy:** The actual and potential impacts of climate-related risks and opportunities on the Scheme's investment strategy.
- **Risk Management:** The processes used to identify, assess and manage climate-related risks.
- **Metrics and Targets:** The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

As stated in the Scheme's Statement of Investment Principles, the Trustees' main objectives are to:

- Invest the Scheme's assets in a manner that is consistent with the religious, social and ethical considerations of the Brethren;
- Enable Scheme members to maximise their income in retirement, subject to those considerations;
- Hold sufficient cash to meet likely benefit outgoings from time to time; and
- Maintain adequate readily realisable assets to meet unexpected cashflow requirements.

The Brethren abide by strong moral beliefs that include avoidance of certain ways of investing (for example via pooled or collective funds), as they are not free to be partners in business or shareholders in a corporate body unless all partners or shareholders are members of the Brethren.

The Trustees acknowledge that these beliefs are likely to constrain access to certain asset classes that would normally be deemed appropriate for long-term investment associated with retirement planning (for example, equities), but the Trustees will not hold investments within the Scheme that infringe the core beliefs of the Brethren. As such, the current asset classes the Scheme is invested in are:

- Cash,
- UK Government Bonds,
- Secured Loans (direct loans to organisations in the education sector), and
- Property (direct investment in a single property).

Given the nature of the direct investments, it has not yet been possible to obtain specific carbon data for each investment. Proxy data has therefore been used where appropriate. More detail on this is included in the Metrics & Targets section.

Governance

Governance refers to the operational procedures and internal controls that ensure effective oversight of the Scheme. Those involved in governance activities bear responsibility for addressing climate-related risks and opportunities. This encompasses the Trustees, as well as other decision-makers involved in Scheme-wide matters, such as investment strategy, and the Funder's capacity to support the Scheme.

Role of the Trustee Board

The Trustee Board of the BCF Pension Trust is ultimately responsible for the decisions and oversight of all climate-related risks and opportunities related to the Scheme. This includes approval of the governance and management framework relating to environmental, social and governance ("ESG") considerations.

Due to the beliefs held by members of the Scheme, the Trustees are not able to invest in any pooled funds unless all other investors in the fund have the same religious beliefs. However, the Trustees will take ESG factors into account when considering the Scheme's investments and many of the investments held by the Scheme have a strong social purpose.

The Trustees have chosen not to delegate responsibility in respect of climate risks and opportunities. Rather, the Trustee Board has collective responsibility for setting the climate change risk framework.

The Trustees have discussed and agreed their overarching approach to managing climate change risk. It recognises that ESG factors, including climate change, may have a material financial impact on certain investments held as assets of a pension scheme. When assessing new investment opportunities, a key part of the process is the evaluation of the extent to which its ESG factors align with the Trustees' investment objectives.

In summary, the Trustees believe that:

- Climate change may create investment opportunities, however given the Trustees' beliefs they will be restricted in taking advantage of such opportunities. Where possible, and where appropriately aligned with their strategic objectives and fiduciary duty, the Trustees will seek to capture such opportunities through the investment portfolio.
- The most appropriate time horizons for the Scheme are as follows:
 - short-term: 1-3 years
 - medium-term: 4-10 years
 - long-term: 11+ years
- Climate-related risks and opportunities are assessed over the above time horizons. Where appropriate, the Trustees consider transition and physical risks separately.

The Trustee Board receives regular training on climate-related issues, at least annually, to ensure that it has the appropriate degree of knowledge and understanding on these issues to support good decision-making. The Trustees expect advisers to bring important and relevant climate-related issues and developments to their attention in a timely manner.

Role of advisors or other stakeholders deemed relevant

Investment consultants: the Trustees' investment consultants, Redington, provide strategic and practical support in respect of the management of climate-related risks and opportunities, whilst also supporting with complying with the climate change regulations. This includes provision of regular

training and updates on climate-related issues to enable the Trustees to assess the Scheme's exposure to climate-related risks.

Redington have helped over 40 DB & DC Schemes on their TCFD journeys and provide a tailored approach including:

- Relevant **training** on climate change from an investment perspective and relevant climate metrics;
- A climate beliefs **survey** to help trustees formulate and document your own climate beliefs and policies;
- Access to **specialist research** on climate investment products / asset classes to consider embedding into investment strategies;
- Climate **scenario analysis and stress tests**;
- A **final TCFD statement** and report for the Scheme to publish.

As such, the Trustees are satisfied that Redington is competent in terms of firmwide and consultant climate expertise, tools, thought leadership and assessment of investment managers, which align with Investment Consultants Sustainability Working Group Climate Competency Framework 2021.

Investment managers: the Trustees do not appoint investment managers to operate pooled investment on behalf of the Scheme due to the religious, social and ethical beliefs of the Brethren Church. However, the Trustees have appointed Evelyn Partners to manage a portfolio of UK Government Gilts and Cazenove Capital Management to manage the cash invested by the Scheme.

Strategy

Strategic consideration of climate-related risks and opportunities is essential for the Trustees to mitigate the effects of climate change where possible. Evaluating these risks and opportunities is crucial to understanding the potential future impact of climate change on the Scheme.

The Trustees consider climate-related risks and opportunities and their potential implications on the Scheme's investment strategy over the short, medium and long term. The consideration of these factors is incorporated throughout the investment process, from strategic asset allocation to manager selection and portfolio monitoring.

During the previous reporting period, the Scheme made a direct investment in a commercial warehouse property. The property supports the Trustees' social purpose as it is used by a charity which offers assistance to other charities, governments and emergency services in areas including disaster relief and homelessness, however specific climate-related data is not available for the property at this time.

The Scheme has also made a number of direct secured loans to several educational trusts from whom it is not possible at present to get climate-related data at this time.

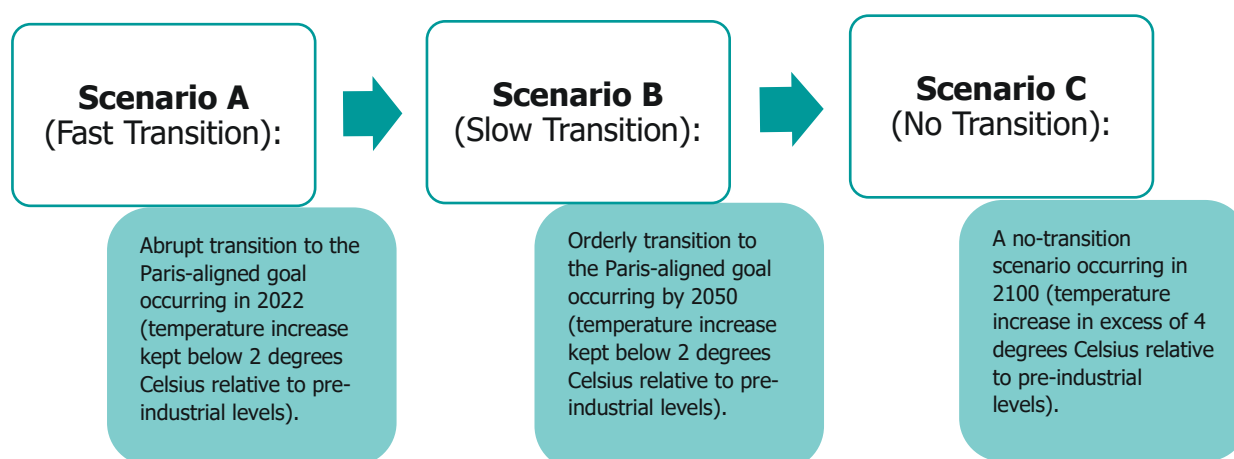
Given the nature of its investments, the Trustees believe that exposure to climate-related risks is minimal in the short and medium term but may increase gradually over the longer term. Specifically:

Physical risks, i.e. those that arise from both gradual changes in climatic conditions and extreme weather events.

Transition risks i.e. risk of re-pricing which would occur as part of the move to a low-carbon economy.

The Trustees, on an ongoing basis, assess the impact of the identified climate-related risks and opportunities on the Scheme's investment strategy. Due to the constraints imposed by the Trustees' investment beliefs (particularly being unable to invest alongside other investors on a pooled basis), it is more challenging to seek out specific climate related opportunities, which tend to occur within either listed equities or private market assets. However, the Trustees are currently working with Redington to explore whether there is a way to make an investment into these asset classes that aligns with the investment beliefs.

In order to assess the impact on the Scheme's assets, the Trustees undertake scenario analysis consistent with the Prudential Regulation Authority ("PRA")'s Life Insurance Stress Tests ("the PRA stress test scenarios"), as recommended by the Pensions Climate Risk Industry Group ("PCRIG"). The



stresses are designed to show what the impact on the value of the Scheme's assets would be in the following scenarios:

The results of these scenarios can be seen in **Appendix A** and remain unchanged for this Scheme year as there have not been any material changes to investment strategy. The results of the scenarios provide the Trustees with a clear overview of how resilient the investment strategy is with regards to various different climate change outcomes.

The Trustees include the results of these climate scenarios into the investment decision-making process.

The Trustees note the assessment of climate-related risks and opportunities may vary depending on the time horizon in question. As such, they assess climate risks and opportunities over the following time horizons which they deem appropriate in light of the Scheme's existing strategic objectives:

	Duration
Short term	1-3 years
Medium term	4-10 years
Long term	11+ years

Risk Management

Organisations should describe their processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks. Reporting on risk management processes provides context for addressing significant risks and achieving appropriate outcomes.

As noted previously, the Scheme's assets are exposed to climate-related risks including risks stemming from transitioning to a lower carbon economy, and physical risks from shocks caused directly by climate change. The Trustees identify and assess the impact of these climate-related risks on all of the assets in which they invest by conducting and reviewing the results of climate-related stress tests on a periodic basis.

The Trustees have also integrated climate change into the Scheme's wider risk management and receives additional climate-related reporting from their Investment Consultants (on an annual basis). This reporting contains relevant climate metrics as set out under the climate change regulations and includes carbon emissions, carbon footprint and portfolio alignment (provided in Appendix B). This allows the Trustees to better identify and manage the climate-related risks which are relevant to the Scheme on an ongoing basis. The Trustees have identified 'risks posed by climate change, including both transitioning to a lower carbon economy, and physical risks from shocks caused directly by climate change' within their Risk Log and assesses these risks on a regular basis. If these risks materialise, the Trustees, with the assistance of the Investment Consultant, would engage with the investment managers and counterparties to explore ways to mitigate them.

Due to the nature of its investments, the Scheme already has low carbon metrics and scenarios analysis results. The Scheme's exposure to climate-related risk is therefore expected to be low. However, the Trustees expect to engage more fully with some of the counterparties to its investments to understand how they might be thinking about climate change and to determine whether they can provide more specific data to support the metrics disclosure in this report.

The table below details the Trustees' climate risk management plan:

Activity	Final approval	Advisor / supplier support	Due date	Frequency of review	Last completed
Governance					
TCFD report	Trustee Board	Redington	October 2024	Annual	Oct 2023
Add / review climate risks and activity on key Scheme documentation (e.g. risk register)	Trustee Board		N/A	Annual	n/a
Trustee training	Trustee Board	Redington	N/A	Annual	Sept 2023
Review SIP	Trustee Board	Redington	March 2024	Annual	Oct 2023
Review SIP Implementation Statement	Trustee Board	Redington	Oct 2024	Annual	Oct 2023
Strategy					

Activity	Final approval	Advisor / supplier support	Due date	Frequency of review	Last completed
Identify climate-related risks and opportunities (over agreed time periods) for investment strategy	Trustee Board	Redington	Oct 2024	Ongoing	Oct 2023
Scenario analysis - agree approach	Trustee Board	Redington	Dec 2024	Triennial	Dec 2021
Scenario analysis - undertake modelling	Trustee Board	Redington	Mar 2025	Triennial	March 2022
Risk Management					
Identify, assess and manage key climate related risks	Trustee Board	Redington / Evelyn Partners	Dec 2024	Triennial	Dec 2021
Metrics and targets					
Obtain data for agreed metrics	Trustee Board	Redington	March 2025	Annual	March 2024

Metrics and Targets

Metrics and data play a crucial role in informing the Trustees' comprehension and monitoring of climate-related risks within the Scheme. Quantitative measures, including both greenhouse gas emissions and non-emissions-based metrics, assist the Trustees in identifying, managing, and tracking exposure to financial risks and opportunities associated with climate change.

With regards to quantitative metrics, the Trustees – on an annual basis – monitor and report:

- Total greenhouse gas emissions of the Scheme's assets ("absolute emissions metric");
- Carbon footprint – i.e. total carbon dioxide emissions for the portfolio normalised by the market value of that portfolio ("emissions intensity metric");
- Data Coverage – i.e. an indication of the % of assets which have carbon emissions data available for reporting. This has been chosen as it offers a simple, readily-available metric which aids efficiency of reporting and can provide a useful 'confidence indicator' when considering the implications of metrics 1 and 2 as part of strategy decisions (e.g. placing less weight on these metrics where data quality is confirmed as poor); and

Portfolio Alignment – i.e. a forward-looking metric that measures the Scheme's alignment to the Paris agreement and global climate goals. The metric chosen for BCF is Implied Temperature Rise (ITR) as it has a higher coverage than the other methods. During the Scheme year, MSCI (the data provider) has made the following updates to their ITR model:

Improvement ¹	Previous Model	New Model
Higher scenario ambition	2.0°C scenario benchmark Net Zero horizon in 2070	1.55 °C scenario benchmark Net Zero horizon in 2050
Pathways more science-based, transparent and sector-specific	In-house MSCI Pathways Some sectoral differentiation	NGFS Net Zero 2050 Pathways High sectoral differentiation
Greater consistency with global carbon budget consumption over 2020-2050	Revenue budget adjustment No fixed baseline year	Market-share budget adjustment Fixed baseline year: end 2019
Assessment of transition planning and progress	Ambition-based projected emissions	Target credibility-based projected emissions

As the model enhancements can have offsetting effects depending on sector, the ITR output may not increase across all assets. The Trustees are comfortable with using the updated model going forward, however, due to these changes, understands that it may be difficult to do a direct comparison between this year's data and last year. The expectation is that, going forward, these figures will be more comparable year on year.

¹ <https://www.msci.com/documents/1296102/31997292/MSCI+ITR-cbr-en-CheatSheet.pdf/2015bb29-2840-f34c-bcfb-307131d1cdce?t=1707933688920#:~:text=MSCI%20ESG%20Research%20recently%20implemented%20a%20series%20of,to%20deliver%20a%20clearer%20view%20of%20climate%20progress.>

The Trustees monitor 'asset class level' carbon estimates in the absence of reliable, reported line-by-line emissions data from MSCI or the counterparties of the Scheme's investments. This is done in order to calculate data quality, carbon footprint, and total greenhouse emission metrics. The Trustees acknowledge that using asset class modelling of emissions for assets where this data is not available enables a more holistic view of the Scheme's total portfolio emissions, even though it recognises that the modelled data is not perfect.

The Trustees have set two explicit targets for the Scheme regarding the data coverage metric:

- Firstly, to improve data coverage to include the actual gilt portfolio within the next three years. Over the course of the Scheme year covered by this report, this target has not been met due to the continued lack of consensus on how best to measure sovereign emissions. However, Partnership for Carbon Accounting Financials ("PCAF") has recently changed guidance on calculating carbon intensity for sovereign debt. MSCI (the data provider used for the metrics data) is currently implementing these changes and it is hoped that this will feed into our data by the next Scheme year.
- Secondly, to improve the specificity of the data quality for those asset classes where proxy data is currently used, i.e. secured loans and property. Given that secured loans are direct investments in private educational trusts, the Trustees will explore the feasibility of engaging with the counterparties to obtain more accurate emissions data and, therefore, improve data quality. The Trustees review these metrics and targets on an annual basis as part of the TCFD metrics dashboard produced by Redington, and this will be reported on an annual basis in TCFD reports. The Trustees will periodically review their selection of metrics and targets to ensure they remain appropriate for the Scheme.

The targets will be embedded in the governance, strategy and risk management processes. On an annual basis, the Trustees will measure performance against this target and furthermore determine whether this should be retained or replaced.

The results of the metrics analysis as of 31 March 2024 are shown in Appendix B.

Going forward, the Trustees will use the results to identify the climate-related risks and opportunities which are relevant to the Scheme.

Signed for and on behalf of BCF Pension Trustees Ltd by

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Chair of Trustees

Date September 2024

Appendix A: Scenario Analysis

As part of its 2020 biennial stress tests, the Bank of England's Prudential Regulation Authority ("PRA") conducted an exploratory exercise to test the impact of future climate change scenarios on the assets and liabilities of (re)insurers, using predictions by the Intergovernmental Panel on Climate Change ("IPCC") and academic literature as the basis for their modelling assumptions.

Using the same methodology, Redington have constructed similar tests that allow the Trustee to examine the impact on the funding position, via the effect on asset values, of the Scheme under three scenarios.

The magnitude of each of the physical and transition shocks varies across industries under each scenario, meaning some assets may fare better or worse under one scenario compared to another. For Scenario A (fast transition): the downside comes almost entirely from transition risk. For Scenario B (slow transition): the downside comes from a mix of transition risk and physical risk. For Scenario C (no transition): the risk is entirely physical risk.

The results and descriptions of these scenarios as of 31st March 2022 can be seen below. In line with the guidance, scenario analysis should be updated every three years or when there are significant changes in the investment portfolio. Since there have been no material changes to the Scheme's investment strategy during the Scheme year, it was not necessary to update these figures, however, the scenario analysis will be updated for the Scheme's fourth TCFD report.

Scenario	Impact on scheme (%)
Scenario A: Abrupt transition to the Paris-aligned goal occurring in 2022 ² (temperature increase kept below 2 degrees Celsius relative to pre-industrial levels).	-0.3%
Scenario B: Orderly transition to the Paris-aligned goal occurring by 2050 ³ (temperature increase kept below 2 degrees Celsius relative to pre-industrial levels).	-0.5%
Scenario C: A no-transition scenario in 2100 ⁴ (temperature increase in excess of 4 degrees Celsius relative to pre-industrial levels).	-0.9%

In terms of the assumptions made under these scenarios, the PRA recognised that feedback loops between climatic shocks and structural economic change need to be incorporated when assessing the financial impacts on businesses of physical and transition risk under each emissions scenario. However, due to existing modelling and data constraints, this is a complexity that is purposely excluded from the modelling.

Due to the Scheme's large allocation to cash, the default is well protected in the event of any adverse market events that may occur as a result of climate change. Given that the Scheme has exposure to secured loans, for which we use a Corporate Bond Index as a proxy, the Scheme faces a larger physical stress and so leads to a larger overall stress at a total portfolio level under Scenario C. Having said that, it can be concluded that we do not believe these numbers are of material concern as they remain fairly small.

² The PRA stress tests are provided as immediate, one-time shocks in asset value and converted into other one-time, immediate shocks across our asset class universe. Abrupt transition shows the impact of the transition assuming this took place in 2022.

³ Orderly transition shows the impact in 2050 assuming transition will occur by 2050.

⁴ No transition shows the impact of making no changes by 2100.

Appendix B: Carbon metrics results and analysis

Climate reporting as of 31st March 2024 is shown below. This reporting includes the chosen metrics as described above.

Where possible and where there is reasonable data coverage, the Trustees monitor 'line-by-line' emissions reporting for funds. However, given the current make-up of the portfolio and the fact that many of the investments do not have associated ISINs, the Trustees monitor 'asset class level' carbon estimates in the absence of reliable, reported line-by-line emissions data from MSCI. The Trustees note using asset class modelling of emissions for assets where this data is not available enables a more holistic view of the Scheme's total portfolio emissions, albeit recognising that the modelled data is not perfect. Therefore, although the data coverage has been stated as 100% in most cases, it is reflective of the proxy used, rather than the portfolio itself.

The asset class modelling of emissions has been provided by Redington and is based on asset class 'building blocks':

- **Cash** – As cash is a current asset, i.e. short term, any exposure to emissions or climate risk is negligible.
- **Gilts** - Partnership for Carbon Accounting Financials ("PCAF") has recently changed guidance on calculating carbon intensity for sovereign debt. MSCI (Redington's data provider) is currently implementing these changes and that will feed into our data by the next Scheme year. This goal was stated last year but there was a delay in implementation. MSCI has confirmed that the data will be available later in 2024.
- **Secured Loans** – For the data for these private secured loans, we have used a suitable proxy, Corporate Debt GBP. Given the use of a proxy, we have included the data coverage for the proxy rather than the investments themselves. The Trustees have engaged with the holders of the secured loans for this data, however they have confirmed that they are unable to provide it at this time.
- **Property** – The data for the property investment has been proxied as Commercial Property. Similar to the secured loans, the data coverage figure is for the proxy rather than the property investment itself. Similar to the above, the Trustees have engaged with the property and confirmed that they were not able to provide emissions data at this time.

Emissions metrics have been calculated in line with the GHG Protocol Methodology.

Asset Class	Asset Value		Carbon Footprint				Carbon Emissions				ITR		Data Coverage	
			2024		2023		2024		2023		2024	2023	2024	2023
	2024	2023	S1&2	S3	S1&2	S3	S1&2	S3	S1&2	S3				
Cash	49	40	0	0	0	0	0	0	0	0	N/A	N/A	100%	100%
Gilts	5	5	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A
Property	1	1	11	47	7	50	14	61	7	49	2.4	1.7	100%	100%
Secured Loans	10	8	49	495	58	391	473	4,743	488	3,309	2.0	2.0	100%	100%
Total Portfolio	64	54	8	75	9	62	487	4,804	495	3,358	2.0	2.0		

The total portfolio metrics for Carbon Footprint are a weighted average of the total portfolio and assume that the corresponding metrics for the Cash and Gilts portfolios are 0 for the year.

The table above shows a rise in Scope 3 emissions for all asset classes, reflecting MSCI's improvement in Scope 3 emissions reporting. There has been a transition in the estimated dataset used from MSCI to one that prioritises company-reported data. This shift towards using actual company data over industry-based estimates has led to a general increase in reported Scope 3 emissions. However, this change is considered to enhance the accuracy of Scope 3 emissions data, representing a more prudent reporting strategy.

The total portfolio ITR metric has remained the same from 2023 to 2024. MSCI changed the way in which it calculates ITR since the last report. A summary of the changes are as follows:

- Global temperature increases are caused by an increasing stock of Greenhouse Gases ("GHGs") in the atmosphere.

- The total remaining GHGs that can be emitted, before 2°C is exceeded, can be estimated. This is known as the global carbon budget. For every company, a portion of the global carbon budget can be allocated. This is determined by which sector the company is in. In the case of BCF, this takes the carbon budgets for the property and corporate debt asset classes.
- Once each company has a carbon budget, data providers estimate the companies' projected emissions over the next five decades based on their emissions track record, stated reduction targets, and other data.
- This determines whether a company is overshooting or undershooting its carbon budget. If a company is overshooting, it is a net contributor to global temperature rises in excess of the goals of the Paris agreement. It is therefore not aligned.
- For a portfolio, company budgets can be aggregated, as well as the cumulative sum of over/undershoots and this number is then translated into an implied temperature rise in degrees at the end of the century. The total portfolio aggregate ITR metric is not a weighted average of the individual asset class ITR metrics, hence why it seems to be the same as the metric for the secured loans.

The ITR for the Property allocation increased since the last report. This increase is attributed to the revised ITR methodology, which led to a reduced carbon budget for Property/Real Estate, thereby elevating the ITR figure. Additionally, the availability of more granular data in this Scheme year has allowed us to select a sector of the property market that is better aligned to the actual property that the Scheme owns.

Glossary of Terms (ESG and Carbon Metrics Review)

Enterprise Value Including Cash (EVIC): Defined as the sum of market capitalisation of shares and book values of total debts and minority interests at fiscal year end. No deductions of cash or cash equivalents are made to avoid potential negative enterprise values. This is the recommended denominator metric for carbon attribution according to the GHG Protocol, the global standard for carbon accounting endorsed by the European Union and the DWP.

Estimated Scope 3 Carbon Footprint (tCO₂e / EVIC £m): Measurement of the estimated Scope 3 CO₂e emissions of a fund per million pounds of EVIC. Scope 3 emissions refer to all those that are not in direct control of a company's productive activities. Namely, all those emissions from a company's upstream supply chains and downstream product use by the consumer.

Estimated Total Mandate Carbon Emissions (tons): Represents the total share of Scope 1, Scope 2 and Scope 3 carbon emissions a fund is responsible for.

Please note the metric is sensitive to the investment holding size in the fund.

MSCI Climate Metrics Coverage: The proportion by value of a fund for which carbon metrics are available from MSCI.

Scope 1 & 2 Carbon Footprint (tCO₂e / EVIC £m): Measurement of the Scope 1 & 2 CO₂e emissions of a fund

Total Carbon Footprint (tCO₂e / EVIC £m):

Measurement of the CO₂e emissions of a fund per million pounds of EVIC using Scope 1, Scope 2 and Scope 3 emissions. Given a company's direct Scope 1 emissions will inevitably be another company's indirect Scope 3 emissions, aggregating the individual Scope emissions results in a higher number of emissions than exists. To mitigate double-counting, we apply a scaling factor in accordance with MSCI's methodology. This metric may be used to assess a fund's contribution to global warming versus other funds.

Previous Total Carbon Emissions (tCO₂e / £m invested) are estimated by looking at the funds' respective holdings and emissions 12 months ago.

Tons of Carbon Dioxide Equivalents (tCO₂e):

Tons of greenhouse gases including methane, nitrous oxide, carbon dioxide, and fluorinated gases. Given the abundance and prominence of carbon as a greenhouse gas, all the other gasses are considered carbon equivalents.

Weighted Average Carbon Intensity (tCO₂e / sales £): A weighted average of the scope 1 & 2 emissions carbon intensity of companies, defined as a company's total emissions divided by its total sales.

This metric can be interpreted as a measure of the relative carbon efficiency of a fund, can be used for sovereign assets, and is not affected by movements in companies' valuation. However, it is sensitive to movements in price.

per million pounds of EVIC. Scope 1 emissions refer to those which are directly connected to the production of a company's product or service. For example, the burning of fossil fuels to power the electricity grid. Scope 2 emissions refer to those from the electricity used to power the facilities and machinery of a company.