

Britvic Pension Plan

Climate change governance and
reporting disclosures

Reporting period: 12 months to
31 March 2026



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Section 1

Dear Members

Welcome to our fourth climate change report, which has been prepared in line with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) and the statutory requirements prescribed by the Department of Work and Pensions¹.

The Trustee of the Britvic Pension Plan (the “Trustee” of the “the Plan”) has a legal fiduciary responsibility to invest the Plan’s assets in the best way possible for its members. As part of this responsibility, the Trustee recognises:

- Climate change as **a risk** that could impact the financial security of members’ benefits if it is not properly measured and managed.
- That climate change presents **an opportunity**, by investing in companies or assets that are expected to perform well in an economy that is positioned to address the challenges associated with climate change.

The Trustee’s assessment of climate-related risks and opportunities has been carried out based on information that is currently available, both in terms of data from the companies and assets in which the Plan invests and in consideration of the different global warming scenarios we have analysed. This data is subject to change as climate change reporting improves.

This report has been split into several sections to help members understand:



Governance: How the Trustee incorporates climate change into its decision making;

Strategy: How potential future climate warming scenarios could impact the Plan;

Risk Management: How the Trustee incorporates climate-related risk in its risk management processes; and

Metrics and Targets: How the Trustee measures and monitors progress against different climate-related indicators known as metrics.

The final section sets out the methodology and assumptions used to produce the information contained in this report.

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

The Plan has two sections: the Defined Benefit Section (“DB Section”) and the Defined Contribution Section (“DC Section”). For the purposes of this report, the DC Section focusses on the Default Lifestyle (Drawdown Focused). As at 31 March 2026, the DB Section had £474.5m of invested assets and the funding level on the Low Dependency (Gilts + 0.25% p.a.) basis was 107%. For the DC Section, the funds making up the Default Lifestyle (Drawdown Focused) strategy had £200.7m of invested assets at Plan year end.

Climate change is one risk amongst many that the Trustee measures, monitors and manages. To this extent, climate change needs to be considered alongside these other risks in a balanced and proportionate way. The Trustee will therefore continue to invest in companies where there is a sufficiently attractive investment case, and the investment manager believes there is an opportunity to engage and influence change in the behaviour and actions of a company.

Whilst the core policies and processes of the Trustee have not materially changed over the Plan year, the Trustee updated its **climate scenario analysis for the DB Section as at 31 March 2025** following a change to the long-term strategic asset allocation (“SAA”) adopted by the Trustee in October 2025. The prior climate scenario analysis for the DB Section had been completed as at 31 March 2022. Details of the updated scenario analysis can be found in the Strategy section and Technical Appendix of this report.

This report reflects some updates to the Plan's climate-related metrics and progress against target. Further details are provided in the ‘Metrics and Targets’ Section of the report:

Climate-related metrics – The metrics as at 31 March 2025 show that the Plan's DB Section corporate bond metrics improved compared with 2024, with reductions in Scope 1 and 2 absolute financed emissions and carbon footprint. The data coverage for the DC Section's climate-related metrics remained broadly unchanged.

The 12-month decarbonisation progress for the DB Section's corporate bond metrics reflects a combination of portfolio changes (e.g. exposure/weights), issuer-level changes and broader market-driven effects. Sovereign bond metrics also improved over the year, with reductions in absolute emissions and emission intensity measures.

Within the DC Section, reported greenhouse gas emissions for the Default Lifestyle strategy remained broadly stable over the period despite a material increase in assets. As a result, the emissions intensity of the strategy has reduced. The Trustee notes that this reflects a combination of factors, including the revised investment strategy implemented during the year, changes in underlying company emissions and continued improvements in data quality and coverage. The Trustee has also introduced SBTi coverage as a new metric, providing a forward-looking measure of the proportion of portfolio companies with science-based emissions reduction targets.

The Trustee's climate-related target remains unchanged: ***to reduce the carbon intensity across the Insight Buy & Maintain Investment Grade Credit mandate by over 30% by 31 March 2030, using the carbon footprint metric measuring Scope 1 and 2 emissions and using a baseline date of 31 March 2022.***

Progress against target – As at 31 March 2025, the carbon footprint of the portfolio remained above the baseline. However, significant progress was achieved over the year. The portfolio measured 43% above the baseline at 31 March 2025 compared with 76% above the baseline in the previous year.

The Trustee notes the importance of understanding the reasons for changes in climate-related metrics year-on-year. In particular, the sharp increase in the carbon footprint in 2024 reflected improved availability of data for certain holdings, including Airline EETCs. Over the latest reporting year, data for these holdings remained available and the corporate bond portfolio's total carbon footprint reduced. The Trustee will continue to monitor progress against the target, and the ongoing appropriateness of the target, and will engage with the investment manager to understand the underlying drivers of change.

The Technical Appendix sets out the methodology and assumptions used to produce the information contained in this report.

As always, members are encouraged to contact the Trustee if there are comments you wish to raise.

Alison Bostock

Chair of the Britvic Pension Plan

Section 2

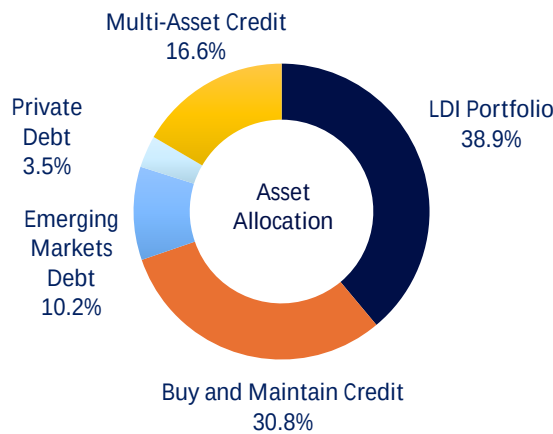
Investment Arrangements

Summary of the Plan's Assets

This section sets out the Plan's invested assets and highlights parts of the asset portfolio which are within the scope of climate-change related reporting requirements and therefore considered as part of the scenario analysis and metrics (where available) in this report.

The Plan provides both defined benefit ("DB") and defined contribution ("DC") pension benefits with a total asset size of c. £675m. Members may be invested in the DB Section, DC Section or have benefits in both Sections.

DB Section



The actual asset allocation as at 31 March 2025 of the DB Section is set out in the chart to the left.

The Trustee, as far as they are able, has considered metrics for the Plan's assets, excluding for the Private Debt (due to the availability of data from the investment managers), which equates to 3.5% of total DB Section assets.

The Trustee has considered scenario analysis based on the strategic asset allocation and how this is expected to change over time.

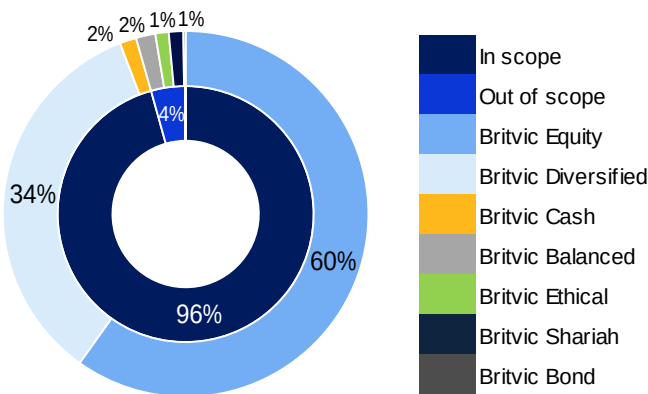
DC Section

The Plan's DC investment arrangements are provided by Aegon.

The majority of the funds available to members are managed by L&G with one fund managed by each of BlackRock and HSBC.

As a minimum, the scope of reporting for DC arrangements is expected to cover popular arrangement(s), which is considered to meet one of the following criteria:

- £100m or more of invested DC assets; or
- accounts for 10% or more of the assets used to provide money purchase benefits.



Summary of assets within the Plan's DC Section as at 31 March 2026.

The popular arrangements are approximately 96% of the total DC Section assets as at 31 March 2026.

Section 3

Governance



Trustee's governance approach

The Trustee has ultimate responsibility for ensuring effective governance of climate-related risks and opportunities in relation to the Plan's investment strategies for the DC and DB sections and the funding strategy for the DB section. The Trustee maintains a Statement of Investment Principles (SIP), which details the key objectives, risks and approach to considering Environmental, Social and Corporate Governance ("ESG") factors, such as climate change, as part of its investment decision making. The document is reviewed on at least triennial basis or following a significant change in investment policy. The latest SIP was updated in June 2026.

The Trustee's approach to the oversight and management of climate-related risks and opportunities is consistent with its approach to considering other financially material risks and opportunities facing the Plan's investment strategy for the two sections of the Plan (noting that different risks and opportunities may apply to the DB Section and DC Section).

- For the DB Section, the Trustee considered the impact of climate-related risks and opportunities on the funding strategy as part of the actuarial valuation as at 31 March 2025.
- For the DC Section, the Trustee undertook a review of the investment strategy during 2024 and implemented the agreed changes in March 2025. Climate-related risks and opportunities were considered as part of this review.

The Trustee's overall investment beliefs on sustainability are:

- Good stewardship and ESG issues may have a material impact on investment risk and return outcomes.
- Good stewardship can create and preserve value for companies and markets as a whole.
- Long-term sustainability issues, particularly climate-change, present risks and opportunities that increasingly may require explicit consideration.

These investment beliefs are unchanged from our previous climate change report. In addition, in reviewing its beliefs pertaining to the DC Section, the Trustee agreed to consider how best to integrate ESG factors, including climate change, into the funds offered to members. This will be considered further in the work the Trustee is undertaking to review the investment strategy for the DC Section.

Roles of those undertaking scheme governance activities

The Trustee has reviewed in detail the roles and responsibilities of those undertaking or advising the Trustee on the Plan's governance activities and produced a Climate Change Governance Policy, which outlines the processes in place, roles and responsibilities of the various stakeholders. This is reviewed at least triennially and was last reviewed in August 2025.

The Trustee is responsible for understanding and maintaining oversight of the Plan's climate-related risks and opportunities and takes independent advice from its professional advisors and input from its investment managers to assist with this objective.

The Trustee is responsible for agreeing the strategic asset allocation for DB and DC Sections of the Plan, and the DB Section's funding strategy, and will consider the impact of climate-related risks and opportunities on strategy. The Trustee is responsible for any changes to the Plan's risk register and integrated risk management framework, and for ensuring the applicable climate-related risks are documented.

The Trustee has Sub-Committees that have a specific focus and decision-making powers as set out in their respective terms of reference. The Trustee will consider the recommendations of the Sub-Committees and will ratify any decisions that require its approval. The Trustee will review quarterly minutes of meetings held by the Sub-Committees and these enable the Trustee to ensure the Sub-Committees are fulfilling their duties. Of relevance to the oversight of climate-related risks and opportunities are:

DB Section: The Investment Sub-Committee ("ISC") has the oversight and decision-making responsibility for the derivation and implementation of the DB Section investment strategy (including integration and reporting on ESG and climate change). This includes the appointment and ongoing review of DB Section investment manager appointments and performance considerations.

DC Section: The Defined Contribution Sub-Committee ("DC Sub-Committee") is responsible for the oversight and development of the DC Section of the Plan. However, the Trustee Board has reserved the power to make material changes to the DC investment options.

The Trustee delegates responsibility to the ISC and DC Sub-Committee actions in relation to the oversight of climate-related risks and opportunities, including:

- To allocate sufficient agenda time to climate change governance and reporting.
- To consider, review and propose climate-related metrics and targets to the Trustee for approval and to assess progress against targets.
- To undertake the annual review of professional advisors, provide a summary of climate-related activity and liaise with professional advisors on their climate-related objectives.

- To consider, discuss and, if deemed appropriate, propose undertaking new climate scenario analysis and to agree time horizons for scenario analysis, and the climate scenarios to use, with investment advisors.

The Trustee and its Sub-Committees meet at least quarterly (and more frequently, as deemed necessary) where investment performance and risk management are reviewed, and where climate-related risks may be considered as part of wider agenda items including investment and funding strategy, manager selection and retention or investment reporting.

The Trustee is satisfied that the amount of governance time spent is reasonable and will allocate more time at future meetings if any analysis or wider industry research requires additional Trustee review and consideration.

Roles of advisors

The appointed professional advisors will assist with the production of the Plan's TCFD report on an annual basis, including providing input to climate scenario analysis at least triennially for the DB and DC sections of the Plan.

The Trustee has appointed the following professional advisors:

- Mercer Limited as Investment Consultant for the DB Section of the Plan: The DB Investment Consultant meets with the ISC at least quarterly.
- Willis Towers Watson ("WTW") as Investment Consultant for the DC Section of the Plan: The DC Section's Investment Consultant meets with the DC Sub-Committee at least quarterly.
 - The Investment Consultants provide ongoing advice on investment strategy and investment manager appointments. This includes training and advice on managing and monitoring investment-related risks, such as climate change. The Investment Consultants advise on the choice of climate-related metrics and targets for the DB and DC Sections and support the Trustee with stewardship activities, which may be related to climate change, such as monitoring and reporting on voting and engagement activities of the invested assets.
- WTW as Funding Advisor with Laura Amerasekera as the appointed Scheme Actuary who provides advice on a quarterly basis on the funding position of the DB Section of the Plan. On at least a triennial basis, this will also include an understanding of the potential funding impact resulting from changes to financial or demographic assumptions driven by climate.
- Penfida as Covenant Advisor who provides annual assessments of the Plan Sponsor's ability and willingness to continue to support the Plan. Climate-related exposures are considered alongside other factors that could have a positive or negative impact on the strength of the Sponsor's covenant.

Assessment of advisors

The Trustee establishes and maintains processes to satisfy itself that those assisting with or advising on Plan governance activities take adequate steps to identify and assess any climate-related risks and opportunities.

The Trustee expects advisors to act with integrity and diligence in fulfilling the set objectives and will use meetings with the advisors to assess and challenge them. Where relevant, this includes discussion of the steps taken by advisors to identify and assess any climate-related risks and opportunities.

The Trustee has set a series of strategic objectives for the DB Investment Consultant and the DC Investment Consultant, and these have been set to closely align with the Plan's respective investment strategies. On an annual basis, the Trustee (via its sub-Committees) reviews formally the performance of the Investment Consultants against the respective strategic objectives. This includes a review of the Investment Consultant's advice to the Trustee in relation to climate risks and opportunities.

The Trustee also reviews the performance of the Scheme Actuary and Covenant Advisor on an annual basis, including how climate-related risks and opportunities were incorporated into their advice to help the Trustee to continue to understand the wider resilience of the funding strategy to climate-related risks.

The Sub-Committees and Trustee apply the appropriate amount of scrutiny, challenge and discussion to advice relating to climate related risks.

Time and resources spent on climate-related matters

The Chair of the Trustee is responsible for ensuring that sufficient time is allocated for consideration and discussion of climate matters by the Trustee and its advisers. The Trustee, as part of its regular meeting schedule, will allocate agenda time to climate change topics, amongst other ESG topics. Climate change will form an explicit agenda item at least annually for the Trustee and its sub-committees when the Trustee's annual climate-related financial disclosures report is updated. It will also be covered as part of other agenda items as part of a wider discussion of funding or investment strategy, or as part of the investment manager's appointment and review discussions.

There are several workstreams that are to be completed regularly for the Trustee to fulfill their responsibility for managing climate risks and opportunities. It is important to note that many of the workstreams will cover wider ESG risks other than just climate change risk, as the Trustee does not consider climate risks in isolation but holistically alongside the various other ESG risks the Plan may be facing. Over the Plan Year, the following workstreams were completed:

- ISC discussion with Insight regarding the ongoing appropriateness of the Trustee's climate-related target for the Buy & Maintain Credit portfolio and the reasons for the reversal in the Plan's progress against its climate-related target previously reported, including the impact of improved data coverage for Airline EETC holdings;
- Trustee review and approval of the Climate Change Governance Policy as part of its triennial review;
- ISC review of updated DB Section climate-related metrics as at 31 March 2025, including improved corporate and sovereign emissions data, updated data quality information and additional analysis on target progress;
- ISC review of updated DB Section climate scenario analysis, including the resilience of the investment and funding strategy under a range of climate scenarios.

No standalone climate change or ESG projects were undertaken in respect of the DC Section during the Plan year. However, climate-related risks and opportunities continued to be integrated into the Trustee's governance and investment oversight processes. In particular, the Trustee completed a review of the DC investment strategy during 2024, with the agreed changes implemented in March 2025, and climate-related risks and opportunities were considered as part of that review and the associated decision-making process.

Training and climate competency

Research into how climate-related risks and opportunities impact financial markets is constantly evolving and expanding. The Trustee receives training on a regular basis to keep up to date with developments and will allocate time on meeting agendas to cover items such as climate-change scenario analysis or reporting of metrics.

The Trustee and Sub-Committees will continue to receive refresher training on climate-related risk as appropriate. Climate change will continue to form an explicit agenda item at least annually for the Trustee and its Sub-Committees when the Trustee's annual TCFD report is updated. It will also be covered as part of other agenda items as part of a wider discussion of funding or investment strategy, or as part of the investment manager appointment and review discussions.

Section 4

Strategy



As a long-term investor, the Trustee recognises the risks and opportunities arising from climate change are diverse and continuously evolving. In relation to climate-related risks, the Trustee believes it is important to understand how the Plan's exposure to these 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 financially material to the Plan. The effects of climate change, and the actions or measures taken by governments, businesses or individuals, will be felt at different times in the future and to different extents.

Climate Scenario Analysis Results for Plan year ending 31 March 2026: DB Section

The Trustee agreed to update the climate scenario analysis for the DB Section of the Plan during the year to 31 March 2026 following updates to the Plan's investment strategy and SAA. The previous climate scenario analysis was carried out during the Plan year ending 31 March 2023, which was the first detailed climate scenario analysis carried out by the Trustee. Details of the analysis are included in the Technical Appendix of this report, but a summary of the main conclusions is outlined below. A key takeaway for the Trustee is a successful transition is an imperative for the Plan and for members. However, short- to medium-term climate-related repricing events could have a negative impact on credit spreads and the value of the DB Section assets relative to the liabilities.

Impact on funding position



- While the results show that there is expected to be a negative impact on the Self Sufficiency basis (gilts+0.25% p.a.) funding level under certain scenarios and timeframes, the impact is expected to be limited given the low-risk nature of the investment strategy and the high levels of liability hedging. Climate sensitivity for the DB investment strategy is predominantly driven by credit spread movements.
- The DB Section of the Plan is in a very strong funding position, and climate risk is not expected (in isolation, over any timeframe) to result in a deficit emerging and therefore further reliance on the sponsor covenant.

Higher warming scenario more impactful over longer-term 	- There is a greater divergence in the relative impact of climate scenarios over time frames 15 years and beyond. Scenarios, where there is limited transition action and higher physical damages, are expected to have a greater negative impact on investment returns. - The Trustee will not seek to maximise returns under a Failed Transition scenario, for example, skewing the portfolio to invest more in the Oil & Gas sector as a Failed Transition is not in the best interest of the Plan members nor wider society. - Physical risk is expected to be a consideration in the long term, at which point financial position of the Plan, and supporting investment strategy, is expected to be sufficiently robust to withstand any potential negative impact.
Investment manager engagement / alignment 	- Over the long term, a successful transition is a good outcome for the Plan; this supports the Trustees' ongoing engagement with asset managers on both the DB Section and the DC Section. - The Trustee's climate-related metric analysis for the DB Section highlighted high emissions intensity and low transition capacity for some of the holdings within the Emerging Market Debt mandate. The Trustee will continue to engage with the investment manager to understand how they are engaging with the underlying companies on climate-related issues.
Reporting, Monitoring and Governance 	- The Trustee and ISC will continue to review the Plan's climate-related target and work with investment managers to drive progress to enhance the likelihood of meeting the agreed targets.

Source: Mercer

Climate Scenario Analysis Results for Plan year ending 31 March 2026: DC Section

The Trustee agreed to update the climate scenario analysis for the DC Section of the Plan during the year to 31 March 2025 due to changes in the Default investment strategy. The previous climate scenario analysis was carried out during the Plan year ending 31 March 2023, which was the first detailed climate scenario analysis carried out by the Trustee. Details of the analysis are included in the Technical Appendix of this report.

While the Trustee keeps climate scenario analysis under regular review, it was not considered necessary to refresh the underlying scenarios or modelling approach for the current reporting period. The materials risks, pathways and transmission mechanisms captured by the scenarios remain unchanged, and continue to provide an appropriate framework for assessing the potential financial impacts of climate change on the Default Lifestyle (Drawdown Focused) strategy over the relevant time horizons.

In addition, there have been no material changes to the Default Lifestyle structure, asset mix or climate risk exposures during the year that would be expected to alter the conclusions drawn from the most recent analysis. The Trustee therefore considers that the existing scenario analysis remains fit for purpose and proportionate and continues to support effective oversight of climate related risks and opportunities within the DC Section.

Climate change in respect of the Sponsoring Employer

The Trustee has considered the Sponsor's climate disclosures and taken advice from its covenant advisor, Penfida. In January 2025, Britvic Limited (previously Britvic Plc), the sponsor to the Britvic Pension Plan, was acquired by Carlsberg Group ("Carlsberg").

Carlsberg carries out climate scenario analysis on a regular basis, which is disclosed in its Annual Report and Accounts². It applies three ranges of scenarios, drawing on sources from the Intergovernmental Panel on Climate Change (IPCC), the Network for Greening the Financial System (NGFS) and other analyses referencing the IPCC. These three ranges were: a low emissions scenario (limiting warming to 2°C), an intermediate-emissions scenario and a very high-emissions scenario.

A high-emissions scenario, with pathways exceeding 4°C warming, was applied to understand physical risks (i.e. when the most significant impacts of climate change would affect Carlsberg's business and wider society), while a low-emissions scenario, limiting warming to 2°C, was applied to understand transition risks (i.e. the business risks that would arise if society was on track to reach net zero, but Carlsberg's business did not make a similar transition). These scenarios were applied to analysis with time horizons of 2025, 2030 and 2050.

The 2025 Annual Report concluded:

"In the low-emissions scenario, we expect stricter regulations, including expanded carbon pricing. This may increase expenses within our operations and procured goods. The decarbonisation efforts of our ESG programme can largely mitigate these transition risks.

In the intermediate-emissions scenario, transition risks related to carbon pricing are much lower than under RCP 2.6². Physical risks, such as key ingredient supply chain instability, are higher, but still manageable.

In the very high-emissions scenario, transition risks are minimal, but physical risks – particularly key ingredient supply chain instability – become more severe. More frequent and intense droughts and heatwaves could disrupt global ingredient supply, causing shortages and higher costs. While some of these risks can be partially managed, the chance of serious impacts increases if multiple major sourcing regions are affected for long periods. Our model also showed that changes in temperature and precipitation can affect consumer demand, but these effects are limited to certain seasons and are not material at Group level.

Although several other climate-related risks could affect our business, only carbon pricing and key ingredient supply chain instability currently exceed materiality thresholds in the long term.

² https://www.carlsberggroup.com/media/1tgf0wsy/carlsberg-group_2025-annual-report.pdf

² Representative Concentration Pathway 2.6, a climate scenario developed for use by the IPCC. It assumes strong global action to reduce greenhouse gas emissions, resulting in a lower-warming pathway than higher-emissions scenarios.

Overall, we believe we can adjust and adapt our strategy and business model to climate change in several ways. We have already initiated the transition to a more climate-resilient business model through our ESG programme, including net zero decarbonisation plans and the shift to regeneratively grown ingredients. From a net risk perspective, most risks, particularly transition risks, can be almost fully mitigated. Other physical risks still pose residual risks, requiring ongoing monitoring of mitigation effectiveness.

Our resilience is further strengthened by site-level responses, including the ability to shift production to other Group facilities in the region in the event of a climate-related hazard in a given location, such as a severe flood. Site-level assessments indicate that while certain hazards (e.g. extreme precipitation) may be locally material, our business is generally effective at responding and adapting to disruptions, minimising overall impacts at Group level.”

Carlsberg’s climate-related impacts, risks and opportunities

Carlsberg conducted its climate-related scenario analysis, including resilience assessment, in H1 2024 and partially updated it in 2025 to better analyse physical risks in their upstream value chain. Their scenario analysis identified two primary risks that exceed materiality thresholds:

1. Transition Risk – Carbon Pricing

Exposure: Stricter climate regulations and expanded carbon pricing regimes will increase operating costs and procurement expenses, particularly under low-emissions scenarios.

Mitigation: Carlsberg’s ESG programme, including net zero decarbonisation commitments and shift to regeneratively sourced ingredients, can largely mitigate these transition risks.

2. Physical Risk – Key Ingredient Supply Chain Instability

Exposure: Changing precipitation and temperature patterns create uncertainty around the availability and cost of key brewing ingredients. In high-emissions scenarios, more frequent droughts and heatwaves could disrupt global supply chains, causing material shortages and cost inflation.

Mitigation: Multi-layered approach including (i) operational flexibility to shift production between Carlsberg’s facilities by region; (ii) diversified sourcing geographies; (iii) regenerative agriculture initiatives to improve ingredient resilience. While some risks can be partially managed, residual physical risks remain, particularly if multiple major sourcing regions are affected simultaneously.

Table 1: Summary of Carlsberg’s material impacts, risks and opportunities

Material impacts, risks and opportunities	Description	Value chain stages						Time horizon	Impact, risk or opportunity		
		Agriculture	Packaging	Production & administration	Distribution	Selling & marketing	Packaging reuse & recycling				
Carbon emissions in our operations and value chain								Short term	Medium term	Long term	
Emissions generated by our agricultural sourcing	We source ingredients from agricultural businesses, with emissions generated during the farming and processing of these raw materials.	●						●	●	●	Negative impact
Emissions generated by the production of our packaging	GHGs are emitted in the production of packaging used to prepare our products for transportation and sale.		●					●	●	●	Negative impact
Emissions generated from our production sites	GHGs are emitted by our production sites, by burning fuels ourselves, using purchased energy during operations, and in the generation and transportation of the energy we purchase.			●				●	●	●	Negative impact
Emissions generated from transportation and distribution	The transportation and distribution of our products result in GHG emissions.				●			●	●	●	Negative impact
Emissions generated by product refrigeration in bars and shops	GHGs are emitted in the powering of fridges, which are used to keep drinks cool in bars and shops.					●		●	●	●	Negative impact
Carbon pricing on our own operations and purchased goods	Our operations result in GHG emissions throughout the value chain, with potentially broad-based impacts contributing to climate change globally. The potential for carbon pricing to increase the costs of purchased goods and the costs of our own operations presents a financial risk to the business.	●	●	●						●	Business risk
Key ingredient supply chain instability	Our products are highly dependent on the sourcing of agricultural materials. Where these materials are affected by a natural hazard, such as a drought or a flood, availability and cost may be affected.	●								●	Business risk

Source: Carlsberg Group Annual Report 2025

Assessment of climate-related risks and covenant strength

Based on public information from Carlsberg and Penfida's assessment, the Trustee has concluded that near-term climate-related risks are not expected to be financially material.

Impact on the Pension Funding Partnership ("PFP")

The Trustees owned a Limited Partner interest (the "PFP interest") in a Scottish Limited Partnership (the "Pension Funding Partnership" or the "PFP"). Given the Plan's surplus funding position at 31 March 2026, the Plan's interest in the PFP concluded on this date.

Section 5

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.

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 Plan is exposed to. The Trustee prioritises the management of risks primarily based on its potential impact on the security of members' benefits/prospective investment returns.

Governance

- The Trustee's Statement of Investment Principles is reviewed at least triennially and sets out how investment climate-related risks are managed and monitored.
- The Trustee maintains a risk register to monitor and mitigate financially material risks to the Plan. The climate-related risks (defined as physical risks and transition risks) are reviewed annually to ensure the assessment of the likelihood and impact continue to remain appropriate for the Plan given the developing research and understanding on this subject.
- The Plan's advisors for the DB Section work with the Trustee on an Integrated Risk Management framework, covering holistic funding, investment, covenant risks and climate-related risks. The Trustee is planning to review this framework in the second half of 2026 now the 2025 actuarial valuation is complete.
- The Trustee and its Sub-Committees receive 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 advisers to ensure the governance support and advice adequately covers the consideration of climate-related risks and opportunities. This process also affords the Trustee an opportunity to identify new and emerging risks related to climate change. The training completed over the Plan year is summarised in the Governance section of the report.

Strategy

- The Investment Consultants for the DB and DC sections will take climate-related risks and opportunities into account as part of any wider strategic investment advice provided to the Trustee and its Sub-Committees. This includes highlighting the expected change in climate-risk exposure through proposed asset allocation changes, both from the top-down level (via climate scenario analysis) and bottom-up (via climate-related metrics).
- The Trustee believes that good stewardship and ESG issues may have a material impact on investment risk and return outcomes and will therefore be considered as part of the Plan's investment process. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that require explicit consideration. When setting investment strategy, ESG factors, including climate change, will be considered alongside a number of other factors that can influence investment strategy.
- The Scheme Actuary provides information to the Trustee regarding the impact of climate change on the DB Section's funding strategy. This forms part of triennial valuation discussions and is incorporated into any other discussions of funding strategy.
- The Covenant Advisor provides information to the Trustee regarding the climate resilience of the sponsor at least triennially. This informs the Trustee's views on the funding and investment strategy for the DB Section.
- Climate scenario analysis for the investment and funding strategy of the Plan will be reviewed at least triennially, or more frequently if there has been a material change to the strategic asset allocation or improvements in the methodology. Key findings from the Trustee's latest climate scenario analysis, completed in February 2026 for the DB Section, was set out in the previous section. Climate scenario analysis is the primary tool to help the Trustee understand the materiality of climate-related risks that could impact the Plan over time.
- The results of the climate scenario analysis, as well as the metrics and targets set in relation to climate change, are also used as part of making funding and other strategic decisions relating to the DB Section of the Plan. The climate-change impact of different decisions is considered as part of the decision-making process.

Reporting

- The Trustee receives annual reports of climate-related metrics and progress against targets in respect of the assets held in the Plan. The Trustee may use the information to engage with the investment managers. Details of the metrics and progress against target are included in the next Section of this report.
 - In respect of the DB Section, the ISC will review the metrics and progress against target in respect of the DB assets. The ISC and Trustee may use the information to engage with the investment managers and will take the information into account if there are any proposed strategic asset allocation changes.
 - Similarly, the DC Sub-Committee will review the metrics in respect of the DC assets. The DC Sub-Committee and Trustee may use the information to engage with the investment managers and will take the information into account if there are any proposed strategic asset allocation changes for the Default Lifestyle (Drawdown Focused) fund.

- The Trustee receives a summary of engagement activity on an annual basis as part of the preparation of the Implementation Statement. The statement summarises how the investment managers engage on climate-related issues (among other key engagement priorities). The statement is available on the Plan's website.

Manager Selection and Retention – DB Section

- The ISC, with advice from Mercer in its role as Investment Consultant, will consider an investment manager's firm-wide and strategy-specific approach to managing climate-related risks and opportunities when either 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.
- Mercer assesses investment managers on the integration of ESG factors (including climate change) into their investment processes. A manager's stewardship process forms part of the rating assessment. This is considered at the firm level and at the investment strategy/fund level.
- The ISC maintains a schedule for meeting the DB Section's investment managers. The ISC requires the investment managers to present on their approach to managing climate-related risks and opportunities, as well as broader environmental, social and governance considerations.
- During the Plan year covered by this report, the focus was on engaging with the investment managers to understand the reasons for the year-on-year changes to emissions based metrics and how the investment managers take climate-related risks and opportunities into account in their stock and issuer selection decisions.

Manager Selection and Retention – DC Section

- The DC Sub-Committee, with advice from WTW, will consider an investment manager's firm-wide and strategy specific approach to managing climate-related risks and opportunities alongside other factors when either 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.
- In making any investment manager or fund recommendation WTW includes an assessment of investment managers' integration of ESG factors (including climate change) into their investment process. A manager's stewardship process forms part of the assessment. This is considered at the firm level and at the investment strategy/fund level.

Risk Management activity over the Plan year to 31 March 2026

Table 2: Summary of climate-related risk management activity

Governance 	The climate-related training carried out by the Trustee and its sub-committees over the Plan year is summarised in the Governance section of this report.
Strategy 	- A review of the ongoing suitability of the investment strategy for the DB and DC Sections was considered by the ISC and the DC Sub-Committee over the Plan year, including a consideration of the impact of climate-related risk. - Climate scenario analysis for the DB Section was conducted during the Plan year to reflect changes to investment strategy since the last review in 2022 and using updated climate scenarios. The conclusion was that the funding and investment strategies were relatively robust under the climate scenarios modelled due to the strong funding position of the Plan and based on the expectation that the investment strategy of the Plan would reduce its investment risk exposure of the medium- to long-term time horizons modelled. - The Trustee undertook a review of the DC Section's investment strategy during 2024 and implemented the agreed changes in March 2025. Climate scenario analysis was updated at that time to reflect the revised Default Lifestyle (Drawdown Focused) investment strategy, and the Trustee considers that the analysis remains appropriate for the current reporting period.
Reporting 	- The Trustee's Implementation Statement included details of the Trustee's most significant votes in respect of the DC Section, which covered topics including climate change. The DB Section does not have any voting rights from the assets it invests in. - The Investment Consultants presented their investment manager ESG assessments to the ISC and DC Sub-Committee based on their proprietary ratings. These were presented as part of the quarterly performance monitoring process. No concerns were highlighted in any of the investment manager appointments because of the ESG assessments.
Manager selection and retention	DB Section: During the year to 31 March 2026, the Emerging Market Debt mandate with BlackRock was sold and the proceeds transferred to the Insight Buy & Maintain Investment Grade Credit Fund. DC Section: There were no changes to the managers and funds used within the DC Section during the Plan year.

Section 6

Metrics & Targets



Metrics

The Trustee has chosen to present climate-related metrics across four different categories in this report. The climate-related metrics help the Trustee to understand the climate-related risk exposures and opportunities associated with the Plan's investment portfolio and identify areas for further risk management, including investment manager portfolio monitoring, voting and engagement activity and priorities.

The following metrics are provided in this report:

Metric category	Selected metric	Further detail
Absolute emissions	Total Greenhouse Gas Emissions	The total greenhouse gas emissions (in metric tons) of the Plan's investments.
Emissions intensity	Carbon Footprint	Total greenhouse gas emissions (in metric tons) weighted to take account of the size of the investment made (in \$million).
Portfolio Alignment	% of portfolio companies with targets approved by the Science Based Targets initiative (SBTi)	A portfolio-level indicator showing the extent to which underlying companies have set emissions reduction targets validated as science based and aligned with climate goals, including the Paris Agreement. This metric provides insight into the degree of forward-looking decarbonisation alignment within the funds held in the DB Section and DC Section.
Additional	Data Quality	Represents the proportions of the portfolio for which the Trustee has high quality data.

The metrics in this report relate to the Plan's financed emissions only and exclude emissions associated with the operation of the Plan. Where metrics relate to emissions, these cover scope 1, 2 and 3. Scope 1, 2 and 3 corporate emissions are defined as follows:

- **Scope 1 “direct” emissions:** those from sources owned or controlled by the Company (e.g. direct combustion of fuel from vehicles); and
- **Scope 2 “indirect” emissions:** those caused by the generation of energy (e.g. electricity) purchased by the 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.

For sovereign emissions, the emissions are defined as those that relate to production (scope 1) and consumption (scope 1, 2 and 3 minus exported emissions) in line with the Partnership for Carbon Accounting of Financials (“PCAF”) guidance. Emissions in this report are consumption emissions showing including and excluding those from land use, land use change and forestry.

- **Production emissions:** those attributable to emissions produced domestically and include domestic consumption and exports; and
- **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 metrics presented in this report are as at 31 March 2025 (or the nearest available date) for the DB Section and as at 31 December 2025 for the DC Section. The metrics are based on the actual asset allocation at that date for the DB Section and the DC Section. The charts below set out how the metrics have changed since the baseline year of 31 March 2022 for the DB Section. Further details are included in the Technical Appendix.

Following advice from its investment consultants, the DB Investment Sub-Committee and the DC Sub-Committee agreed to change the reported portfolio alignment metric from Implied Temperature Rise (“ITR”) to % of portfolio companies with targets approved by the Science Based Targets initiative (SBTi). Whilst the ITR metric was easy to interpret, the changing methodology of the data provider led to significant changes in the reported metric year-on-year. The SBTi metric allows the Trustee to understand the alignment of the investment portfolios to the climate transition.

The Trustee recognises the challenges associated 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 continuously improve the approach to assessing and managing risks over time as more data becomes available. The Technical Appendix of this report sets out further information on each metric along with the data limitations and assumptions used in collating these metrics.

Table 3: Climate-related metric data, scope 1 & 2 emissions as at 31 March 2025 (unless stated otherwise)

Asset Class	Manager	Asset Allocation (%)	Strategic Exposure Type	Climate-related metrics					
		£477.9m Total Plan AUM		Total GHG Emissions (tCo2e)	Corporate Carbon Footprint (tCo2e/\$M invested)	<u>Sovereign</u> Carbon Intensity (tCO2e / \$M PPP-Adjusted GDP)	SBTi	Corporate <u>Sovereign</u> Data Coverage	
Emerging Market Debt	BlackRock	5.2%	Sovereign	7,654		247.4			92.1%
	Schroders	4.9%	Sovereign (58%)	4,230		240.5			79.2%
			Corporate (35%)	3,052	287.9		16.0%	84.9%	
Private Debt	ICG ¹	3.5%	n/a						
Multi-Asset Credit	Mercer	16.6%	Corporate (77%)	5,768	63.0		2.0%	30.0%	
			Sovereign (0%)	2		184.4			100.0%
Buy and Maintain Bonds	Insight	30.8%	Sovereign (3%)	686		138.9			89.8%
			Corporate (95%)	10,127	55.6		33.0%	76.9%	
LDI	LGIM	38.9%	Sovereign	61,551		138.9			100.0%
Total (in scope of analysis)		96.5%							74.6% of Total portfolio
Total emissions (non-sovereign exposures)				18,947					27.8% of Total portfolio
Total emissions (sovereign exposures)				74,123					46.8% of Total portfolio

Source: Mercer, using data from MSCI. All data is based on stocklists as at 31 March 2025, using metric calculations and data feeds as at 19 January 2026, or latest available. Allocation weights represent the actual asset allocation for that mandate or, for mixed mandates, the actual; allocation to corporate bonds within the mixed mandate. The valuation at 31 March 2025 excludes cash held in the Trustee Bank Account.

The Technical Appendix sets out the methodology and assumptions used in the calculation of the metrics. 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.

Where mandates are synthetic, the allocation weight represents the market value of exposure.

Emissions from total long exposure to gilts (£343.4m) are shown in the table above. Emissions associated with gilt exposure from reverse repo contracts (-£216.3m) are not included in the analysis. Cash and other derivative contracts have been excluded.

Absolute emissions in respect of funded gilt exposure (£169.4m) are 30,359 tCO₂e. Emissions from additional exposure achieved through gilt repos (£174.0m) are 31,192 tCO₂e.

¹ICG is unable to provide any metrics in respect of the private debt mandate.

Table 4: Climate-related metric data, Scope 3 emissions as at 31 March 2025 (Corporate bonds)

Asset Class	Manager	Asset Allocation (%) £209m in scope AUM	Climate-related metrics					
			Total GHG Emissions (tCo2e)			Carbon Footprint (tCo2e/\$M invested)		
			Scope 3 Upstream	Scope 3 Downstream	Data Coverage	Scope 3 Upstream	Scope 3 Downstream	Data Coverage
Emerging Market Debt	Schroders	4.9%	2,040	14,018	87.7%	192.4	1,322.1	87.7%
Buy and Maintain Bonds	Insight	30.8%	16,030	10,884	76.9%	88.9	60.4	76.9%
Multi-Asset Credit	Mercer	16.6%	13,501	22,301	-	131.8	217.7	-
Total (in scope of analysis)		43.7%						

Source: Mercer, using data from MSCI. All data is based on stocklists as at 31 March 2025, using metric calculations and data feeds as at 19 January 2026, or latest available. An overview of these metrics is provided in the Appendix. Allocation weights represent the actual asset allocation to corporate bonds within the mixed mandates.

Table 5: Climate-related metric data, Scope 3 emissions as at 31 March 2025 (Sovereign bonds)

Asset Class	Manager	Asset Allocation (%) £227m in scope AUM	Climate-related metrics	
			Non-Energy Imports - Scope 3 (tCO2e / \$M PPP-Adjusted GDP)	
			Metric	Data Coverage
Buy and Maintain Bonds	Insight	30.8%	69.2	89.8%
Emerging Market Debt	Schroders	4.9%	59.1	79.2%
Emerging Market Debt	BlackRock	5.2%	60.0	92.1%
LDI	Insight	71.9%	69.2	100.0%
Total (in scope of analysis)		80.5%		

Source: Mercer, using data from MSCI. Where mandates are synthetic, the allocation weight represents the market value of exposure. Sovereign emissions data shown are consistent with the Partnership for Carbon Accounting Financials (PCAF) definition of Scope 3 sovereign consumption emissions. Coverage denotes availability of data across eligible assets.

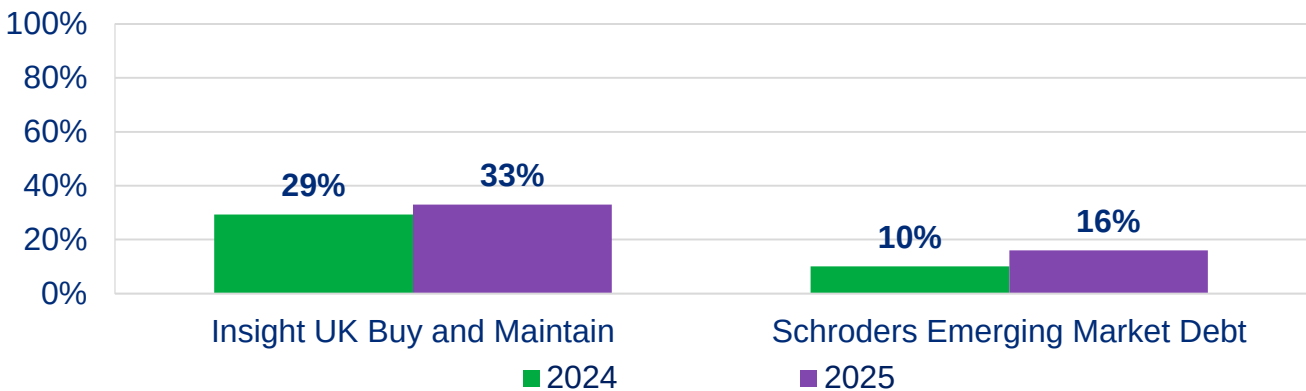
Total emissions depend on the size of the investment, the proportion of assets carbon metrics can be provided for, and the change in carbon emissions of the underlying assets.

The largest asset allocation for the DB Section is to the liability hedging assets (Insight LDI) and therefore this fund makes up the largest proportion of the DB Sections' total carbon emissions. These hedging assets provide good protection against changes in interest rates, inflation and life expectancy and therefore the Trustee expects the allocations to these assets to increase over time as the funding levels of the DB Section improves.

The total absolute emissions (consumption) decreased by 29,940 tCO2e over the year. This was driven by a c. 32% decrease in absolute emissions of the Insight LDI portfolio due to a reduction in value of the assets in the LDI mandate over the period and due to a reduction in sovereign carbon intensity.

The Trustee has undertaken attribution analysis to understand in greater detail the key drivers for the change in the carbon intensity metric over the year.

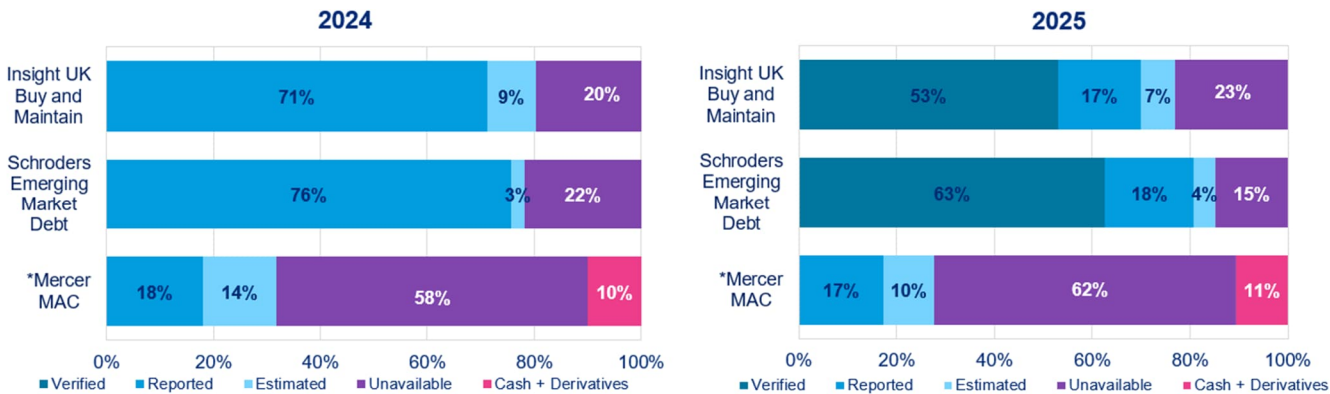
Figure 1: Portfolio Alignment – SBTi (Science Based Targets initiative)



Source: Mercer, using data from MSCI.

The chart above illustrates the proportion of companies invested in each mandate that have climate transition plans and targets which have been approved by the Science Based Targets initiative (SBTi). The proportion of companies within the Insight Buy and Maintain portfolio that have climate transition plans and targets approved by the SBTi increased by 4% to 33% (up from 29%), while the Schroders Emerging Market Debt portfolio increased by 6% to 16% (up from 10%). These improvements demonstrate that investment managers are successfully engaging with portfolio companies to strengthen climate integration, commitments and transition planning.

Figure 2: Data quality



Source: Mercer, using data from MSCI. All data is based on stocklists as at 31 March 2025, using metric calculations and data feeds as at 19 January 2026, or latest available. *Data Quality for Mercer MAC Fund: the percentage of the data that was not considered in the report has been considered as Cash or Derivatives.

Data Quality aims to represent the proportions of the portfolio for which the Trustee has access to high-quality emissions data. The charts above show the distribution in the quality of data available for each mandate in respect of Scope 1 and 2 emissions for the current year (2025) versus the prior year (2024). This follows the Partnership for Carbon Accounting Financials (PCAF) data quality scoring approach, where a score of 1 indicates the highest data quality and a score of 5 the lowest. Scores 1 and 2 correspond to reported emissions, with score 1 specifically indicating verified emissions. A score of 3 represents estimated emissions based on granular asset-level information (e.g., the company's physical production data), while score 4 reflects estimations using less specific data (e.g., the company's revenue). Finally, a score of 5 indicates emissions estimated with very limited information (e.g., only the company's industry classification is available).

Over the year to 31 March 2025, Data Quality has improved across the Schroders and Insight mandates, with a notable shift towards verified and reported emissions.

DC Section

Table 6: Climate-related metric data, scope 1 & 2 emissions as at 31 December 2025

Fund	AUM	Total GHG Emissions (tCo2e)	Carbon Footprint (tCo2e/\$M invested)	Science-based targets (coverage)	Data Coverage
Britvic Equity	£125.5m	8,496.4	50.3	50.6%	98.0%
Britvic Diversified	£72.5m	7,402.2	75.8	30.6%	81.3%
Britvic Cash	£2.6m	<1	3.2	n/a	84.4%
TOTAL	£200.7m	15,898.6			

Source: L&G, BlackRock and WTW. As at 31 December 2025. Britvic Cash carbon intensity measure is tCo2e/\$M sales as at 28 February 2026.

For the example members who are invested in the default Lifestyle arrangement, their individual metrics are shown in the following table. These have been calculated based on their assumed fund value and fund allocations (according to their assumed age and term to retirement).

Table 7: Climate-related metric data, scope 1 & 2 emissions as at 31 December 2025

Fund	AUM	Total GHG Emissions (tCo2e)	Carbon Footprint (tCo2e/\$M invested)	Science-based targets (coverage)	Data Coverage
New Joiner	£0	0	50.3	50.6%	98.0%
Near Retirement	£200,000	10.0	50.3	50.6%	98.0%
Post de-risking	£200,000	10.5	75.8	30.6%	81.3%

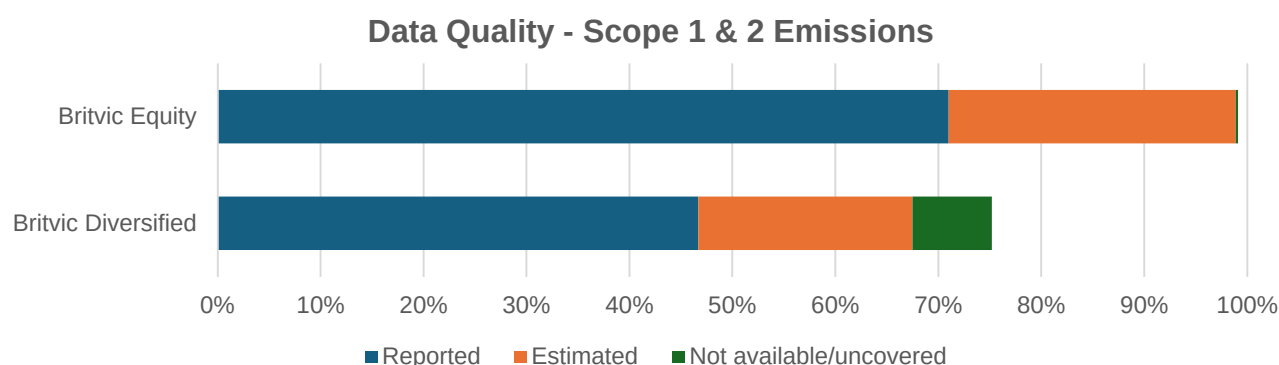
Source: L&G and WTW. As at 31 December 2025.

Table 8: Climate-related metric data, scope 3 emissions as at 31 December 2025

Fund	AUM	Total GHG Emissions (tCo2e)	Carbon Footprint (tCo2e/\$M invested)	Data Coverage
Britvic Equity	£125.5m	124,674.7	737.7	98.0%
Britvic Diversified	£72.5m	75,489.2	773.2	81.3%
Britvic Cash	£2.6m	n/a	n/a	n/a
TOTAL	£200.7m	200,163.9		

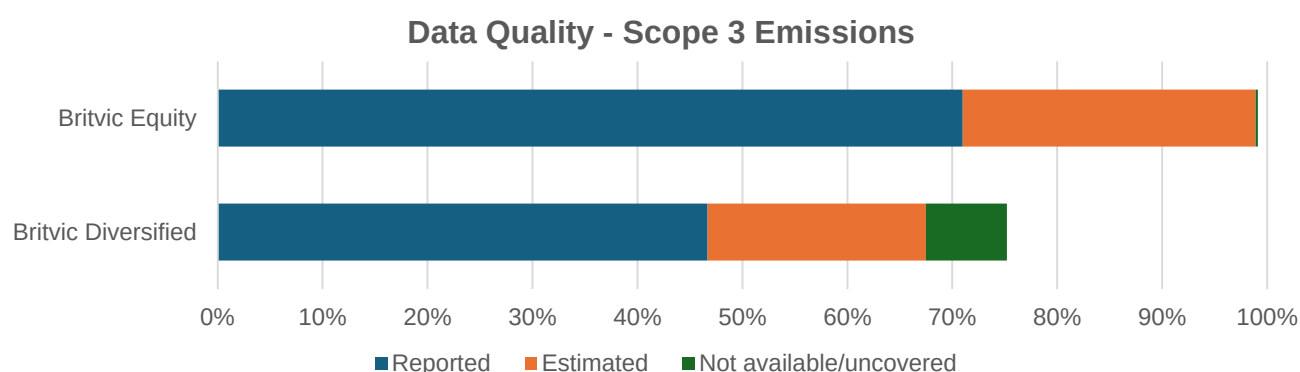
Source: L&G, BlackRock and WTW. As at 31 December 2025.

Figure 3: Data quality for the DC Section (Scopes 1 & 2 emissions)



Source: L&G, BlackRock and WTW. As at 31 December 2025.

Figure 4: Data quality for the DC Section (Scope 3 emissions)



Source: L&G.

Targets

The Trustee has agreed to set a target initially for the DB Section only. The Trustee has agreed not to set a formal target for the DC Section for the time being and will review this decision annually.

DB Section

The Trustee has no discretion over the decarbonisation pathway for UK gilts. Therefore, the target was set against the remaining assets, of which corporate bonds, and specifically the Buy and Maintain Credit portfolio, was the most material and was expected to form a key part of the Plan's short-term and medium-term investment strategy (represented 35% of the strategic asset allocation at 31 March 2026).

The target set against the Buy and Maintain Credit portfolio takes into account:

- The target has the opportunity for real world impact through active engagement; and
- The metric used for the target is readily available and has sufficient supporting data.

Active stewardship should play a vital role over simply divesting in moving to a low carbon economy. This can be achieved through a clear engagement and measurement program focused on forward-looking measures aimed at transition and net zero commitments at a company level.

Taking into account the availability of historical data coverage for the asset classes, the Trustee has agreed to set a target against the carbon intensity metric:

The Trustee aims to reduce the carbon intensity across the Buy and Maintain Investment Grade Credit mandate by >30% by 31 March 2030 using the carbon footprint metric measuring Scope 1 and 2 emissions and using a baseline date of 31 March 2022 (see Figure 5).

The baseline date represents the time point where historical carbon footprint data can be provided by the investment manager.

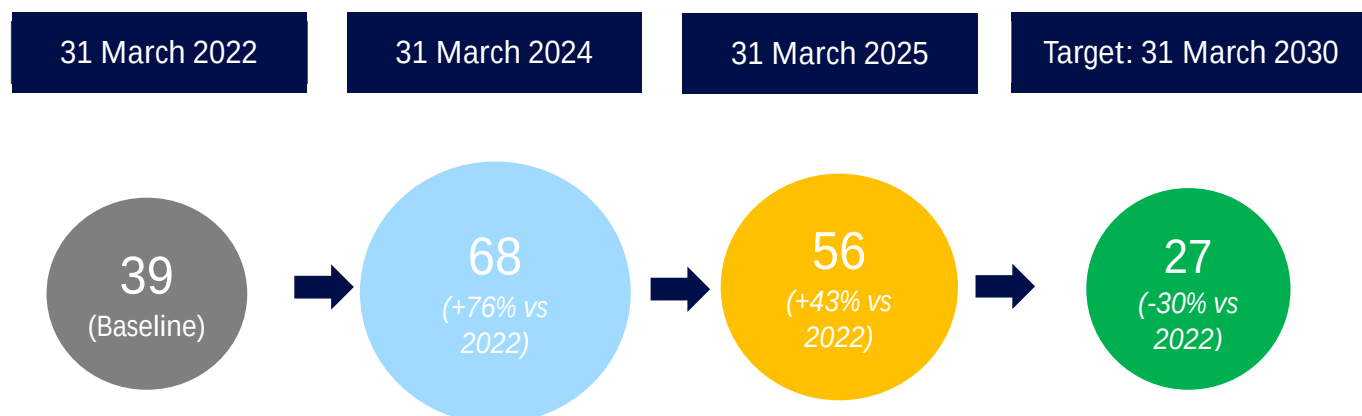
The Trustee does not expect the reduction in carbon footprint to be smooth or consistent on a year-by-year basis. The Trustee will review its targets at least annually and intends to set specific targets for other asset classes and include Scope 3 emissions when the available data has improved and there are suitable methodologies.

A wide range of factors will affect whether the Trustee achieves its targets and the Trustee has varying degrees of control over these factors. For example, the quality and availability of data means that the quoted greenhouse gas emissions are likely to change.

Ultimately achieving the desired level of decarbonisation will depend on global economies overall successfully decarbonising. Notwithstanding that there are factors outside of the Trustee's control, the Trustee's intention is to meet its targets and it engages with its investment managers to make clear its requirements.

The Trustee will continue to work with the Plan's corporate bond manager and the Investment Consultant to the DB Section of the Plan to formalise the actions required to move towards the Trustee's climate-related target.

Figure 5: Progress of the Buy & Maintain Investment Grade Credit climate-related target



As measured by Scope 1 and 2 emissions based Carbon Footprint (tCo2e/\$M invested). Starting data has been updated to be consistent with the change to the metric calculation methodology.

The Carbon Footprint of the Corporate bond portfolio has **decreased by c. 16.2%** from March 2024 to March 2025 (from 68 tCO₂e/\$m to 56 tCO₂e/\$m) but **increased by c. 43.0%** from March 2022 to March 2025. While this represents positive progress towards the Plan's climate-related target, the carbon footprint remains above the baseline set at 31 March 2022 (baseline: 39 tCO₂e/\$m; current: 56 tCO₂e/\$m). As a result, the portfolio's Carbon Footprint has to reduce by c. 52% to achieve the reduction target for 2030.

It is important to note the underlying drivers of this change to understand the extent to which the reduction is attributable to portfolio management decisions versus data quality improvements. There was a significant jump in the Carbon Footprint for the Buy & Maintain Investment Grade Credit mandate as at 31 March 2024. This was due the availability of new data (rather than estimated) on Enhanced Equipment Trust Certificates in respect of debt issued by airlines. The exposure at that date to these securities was 3.2% of the portfolio but were highly carbon intensive relative to the rest of the portfolio. Data over the reporting year shows a reduction in carbon intensity, including data in respect of these securities.

Appendix A

Technical Appendix

Roles of those undertaking scheme governance activities

The Investment Sub-Committee (“ISC”)

The ISC has the oversight decision-making responsibility for the derivation and implementation of the investment strategy (including integration and reporting on ESG and climate change). This includes the appointment and ongoing review of investment manager appointments and performance considerations.

The Defined Contribution Sub-Committee (“DC Sub-Committee”)

The Defined Contribution Sub-Committee (“DC Sub-Committee”) is responsible for the oversight and development of the DC Section of the Plan. However, the Trustee Board has reserved the power to make material changes to the DC investment options.

Roles of advisers

The Trustee has appointed advisers to the following roles:

Investment consultant to the Defined Benefit Section (Mercer Limited)

- Advises on strategic asset allocation taking into account climate risk, supported through the provision of climate scenario analysis;
- Advises on the choice of climate-related metrics and targets as well as changes to investment mandates;
- Advises on manager selection, taking into account the Trustee’s sustainability beliefs and climate-related targets;
- Monitors investment manager performance against relevant climate-related targets;
- Supports the Trustee with stewardship activities, which may be related to climate change, such as monitoring and reporting on voting and engagement activities of the invested assets.
- Liaises with investment managers and other professional advisers to provide training to the Trustee on climate change, as appropriate; and
- To assist the Trustee in producing the Plan’s climate-related financial disclosures report on an annual basis.

Investment consultant to the Defined Contribution Section (Willis Tower Watson)

- Advises on investment arrangements, including the default investment strategy, taking into account climate risk, supported through the provision of climate scenario analysis;
- Advises on the choice of climate-related metrics and targets as well as changes to investment mandates;
- Advises on manager selection, taking into account the Trustee's sustainability beliefs and climate-related targets;
- Supports the Trustee with stewardship activities, which may be related to climate change, such as monitoring and reporting on voting and engagement activities of the invested assets.
- Monitors investment manager performance against relevant climate-related targets;
- Liaises with investment managers and other professional advisers to provide training to the Trustee on climate change, as appropriate; and
- To assist the Trustee in producing the Plan's climate-related financial disclosures report on an annual basis.

Funding Adviser (Willis Tower Watson – Laura Amerasekera, Scheme Actuary)

- Advises on the funding position quarterly including an understanding of the potential funding impact resulting from changes to financial or demographic assumptions driven by climate change;
- Advises on funding strategy robustness to climate risk. Provides input to enable strategic asset allocation decisions to be made considering impact of climate risks on funding strategy; and
- Provides input into scenario analysis and advises on funding implications.

Covenant Adviser (Penfida)

- Assesses the Sponsor's ability and willingness to continue to support the Plan. Climate-related exposures are considered alongside other factors that could have a positive or negative impact on the strength of the Sponsor's covenant; and
- Provides input into scenario analysis and advises on covenant implications.

Regular monitoring and governance activities

- Climate change training session (minimum frequency = annual)
- Scenario analysis modelling the investment strategy and funding strategy (minimum frequency = first year and every 3 years thereafter)
- Review appropriateness of undertaking scenario analysis in light of a) data availability changes b) material changes in investment strategy / funding position (minimum frequency = annual)
- Metrics data collection (minimum frequency = annual)
- Target setting / target appropriateness review (minimum frequency = annual)
- Review of manager ESG assessment, climate policies (minimum frequency = quarterly)

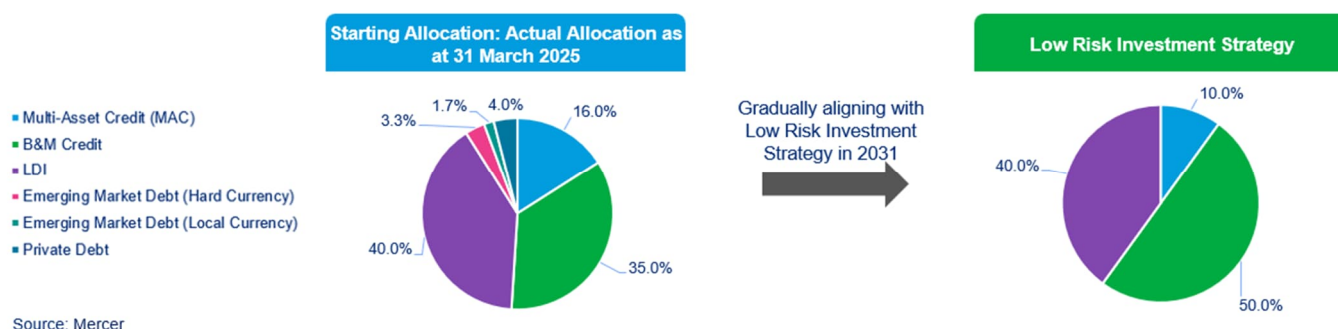
- Stewardship, covered as part of the Trustee's annual implementation statement (minimum frequency = annual)
- Climate covenant assessment (minimum frequency = annual)
- Drafting annual climate-related financial disclosures report (minimum frequency = annual)

Climate scenario analysis

Asset Allocations Modelled in Climate Scenario Analysis

DB Section Strategic Asset Allocation(s) modelled

The analysis uses a starting position of the actual asset allocation at 31 March 2025 and assumes the Plan gradually moves towards a Low Risk Investment Strategy by 2031, as set out in the chart below:



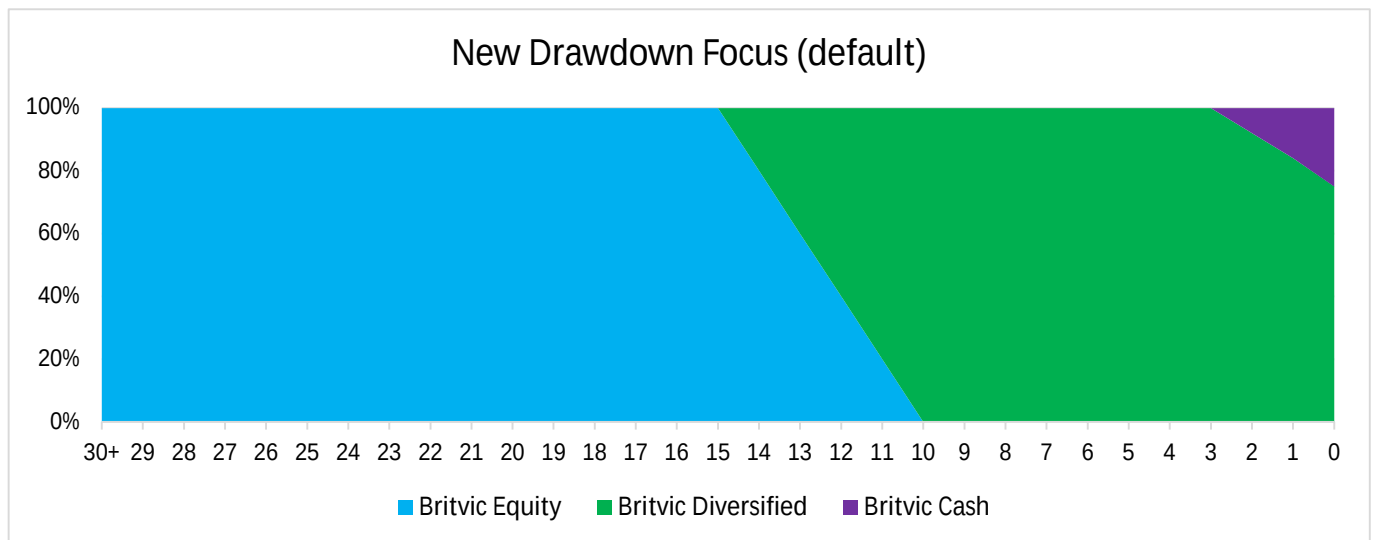
DC Section Popular Arrangements Modelled

A popular arrangement is defined in the statutory guidance as a fund or lifestyle strategy which £100m or more of the Plan's assets are invested, or which accounts for 10% or more of the assets used to provide money purchase benefits (excluding assets which are solely attributable to Additional Voluntary Contributions). For the Plan, the Default Lifestyle (Drawdown Focused) is the only popular default arrangement. The following table and chart shows the allocations to the relevant underlying fund for this Lifestyle option.

Years to Retirement	Britvic Equity Fund (L&G MSCI ACWI Adaptive Capped ESG Index Fund)	Britvic Diversified (100% L&G Diversified Fund)	Britvic Cash (100% BlackRock Cash Fund)
15+	100%	0%	0%
14	80%	20%	0%
13	60%	40%	0%
12	40%	60%	0%
11	20%	80%	0%
10	0%	100%	0%
9	0%	100%	0%

Years to Retirement	Britvic Equity Fund (L&G MSCI ACWI Adaptive Capped ESG Index Fund)	Britvic Diversified (100% L&G Diversified Fund)	Britvic Cash (100% BlackRock Cash Fund)
8	0%	100%	0%
7	0%	100%	0%
6	0%	100%	0%
5	0%	100%	0%
4	0%	100%	0%
3	0%	100%	0%
2	0%	92%	8%
1	0%	84%	16%

Source: WTW.



Source: WTW.

Climate scenario narratives – DB Section

Investment and Funding Climate Scenario Analysis Assumptions	Rapid Transition	Delayed Transition	Limited Transition	Failed Transition
Summary	Highly ambitious low-carbon policy and rapid technology transition. Sudden divestments in 2026 to align with the Paris Agreement goals have disruptive effects on financial markets with sudden repricing followed by stranded assets and a sentiment shock .	Limited additional action until 2030 , at which point a highly ambitious set of low-carbon policies is introduced. Financial markets price in transition and physical risk in 2030 to align with the ambitious policy change, associated with stranded assets and a sentiment shock .	Emissions targets and commitments are not fully met. Financial markets price in climate-related risks in 2030 and 2039 as the scale of future risks become more widely accepted and understood.	No new climate policies are enacted , but transition progresses on economic grounds. Financial markets price in climate-related risks in 2030 and 2039 as the scale of future risks become more widely accepted and understood.
Temperature change	Average temperature increase stabilises at 1.6°C from 2050 onwards.	Expected increase of 1.9°C by 2100.	Expected increase of 2.9°C by 2100.	Expected increase of 3.7°C by 2100.
Expected Emission and energy production	Net Zero by 2056. Cumulative emissions of c. 500 GtCO ₂ by 2064. 92% of energy production from various renewable sources (excluding nuclear) by 2060.	Cumulative emissions of c. 940 GtCO ₂ by 2064. 91% of energy production from various renewable sources (excluding nuclear) by 2060.	Cumulative emissions of c. 1,490 GtCO ₂ by 2064. 54% and 82% of energy production from various renewable sources (excluding nuclear) by 2040 and 2060 respectively.	Cumulative emissions of c. 1,750 GtCO ₂ by 2064. 51% and 75% of energy production from various renewable sources (excluding nuclear) by 2040 and 2060 respectively.
Key policy and technology 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	Limited additional action until 2030, when a highly ambitious set of low-carbon policies is introduced. The world is faced with moderate impacts from extreme weather events and temperature change.	Moderate policy steps taken to increase climate action including working towards 2030 targets but commitments are not fully met because policy actions are too weak and not urgent enough.	Existing policy regimes are continued with the same level of ambition, with no new policies enacted.
Financial climate modelling	Pricing in of transition and physical risks over 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 occurs in 2030. 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 occurs at two different timepoints: 2030 (risks of first 40 years) and 2039 (risks of 40-80 years).	Physical risks are priced in two different timepoints: 2030 (risks of first 40 years) and 2039 (risks of 40-80 years).
Impacts on inflation	Transition risk is associated with inflationary pressures over the short-term. Transition costs, including policy costs (e.g. carbon pricing) and costs associated with deployment of new low-carbon technologies, modestly increase short-		Chronic physical risk is associated with inflationary pressures over the medium- to long-term. Higher projected temperatures reduce agricultural yields and drive up food prices, increasing medium- to long-term inflation under the Limited and Failed Transition scenarios (Kotz et al., 2024).	

Investment and Funding Climate Scenario Analysis Assumptions	Rapid Transition	Delayed Transition	Limited Transition	Failed Transition
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term inflation under the Rapid and Delayed Transition scenarios.

Physical risks considered	Physical risks are regionally differentiated and increase dramatically with rising global temperature. 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 The Failed Transition incorporates the adverse effects of hitting multiple climate tipping points (e.g. collapse of the Greenland and West Antarctic ice sheets, the collapse of East Antarctic subglacial basins, loss of mountain glaciers, Amazon rainforest dieback, and boreal permafrost collapse). Risks such as climate-related migration and conflict are not captured.			
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Source: Mercer and Ortec Finance. Climate scenarios as at 31 March 2025.

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 5% weight to a **Rapid Transition**, 35% weight to a **Delayed Transition**, 15% to a **Limited Transition**, 10% to a **Failed Transition**, and 35% to a range of **no/low impact scenarios**.

Climate scenario narratives – DC Section

	Nationally Determined Contributions	Delayed Transition Below 2°C	Below 2°C	Net Zero 2050	Hot House World
Description	A "business as usual" outcome where current policies continue with no further attempt to incentivise further emissions reductions. Socioeconomic and technological trends do not shift markedly from historical patterns.	Delays in taking meaningful policy action result in a rapid policy shift around 2030. Policies are implemented in a somewhat but not completely co-ordinated manner resulting in a more disorderly transition to a low carbon economy. Emissions exceed the carbon budget temporarily, but then decline.	Globally co-ordinated climate policies are introduced immediately, becoming gradually more stringent over time. Companies and consumers take the majority of actions available to capture opportunities to reduce emissions.	A more ambitious version of the 'Below 2°C' scenario where more aggressive policy is pursued immediately. More extensive technology shifts are achieved with Carbon Dioxide Removal ('CDR') used to accelerate the transition, broadly in line with sustainable levels of bioenergy production.	The world follows a Net Zero 2050 pathway, however the resultant temperature outcome exceeds 2°C due to a lower than expected remaining carbon budget and/or the impact of climate tipping points. Use of Carbon Dioxide Reduction (CDR) technologies is relatively low.
Temperature Rise	~2.5°C	~2.0°C	~2.0°C	~1.5°C	~3.0°C
Renewable energy by 2050	c85%	c90%	c90%	c90%	c90%
Physical risk level (longer term)	High	Medium	Medium	Low-Medium	High
Transition risk level (shorter term)	Low	High	Medium	High	High

Source: WTW

DB and DC Sections: Limitations associated with climate modelling

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. There is a reasonable likelihood that physical impacts are grossly 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.
3. 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.

4. Most adaptation costs and social factors are not priced into the models. These include population health and climate-related migration.
5. 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.

Risk Identification

The analysis focuses specifically on climate risk. Other risks should be considered as part of a wider review which may include asset liability modelling. Our climate scenarios are not necessarily “extremes” and so should not be construed as illustrating the maximum risk exposure.

Time Horizons

To help with the assessment of the Plan's exposure to climate-related risks, the Trustee defined short-, medium- and long-term time horizons for the DB and DC Sections of the Plan, starting from 2022 (the date at which the most recent climate change scenario analysis was undertaken) for the DB Section and 2025 for the DC Section.

Time horizons for the DB Section (from 2025)

Short term	3 years (to 2028)	This period aligns with the Plan's long term funding objective and covers one actuarial valuation cycle.
Medium term	6 years (to 2031)	Focus will shift more towards the risk-reducing assets and their potential exposure to climate-related risks.
Long term	15 years (to 2040)	The period also broadly aligns with the Plan's liabilities' duration, and assumes the Plan maintains full funding over the long term, supported by a low-risk investment strategy.

Time horizons for the DC Section (from 2025)

Short term	3 years (to 2028)	This period aligns with the final de-risking period of the DC Section Default Lifestyle strategy, over which part of a member's investments switches to cash, and so is particularly relevant for a member who is just about to enter that phase.
Medium term	15 years (to 2040)	This period aligns with the initial and then final de-risking periods of the DC Section Lifestyle strategies, over which a member's investments switch from the Britvic Equity Fund to the Britvic Diversified Fund and the Britvic Cash Fund, and so is particularly relevant for a member who is just about to enter that phase.
Long term	40 years (to 2065)	This period is most relevant for a younger member who has recently joined the DC Section and has a full investment time horizon ahead of them before they retire.

Drivers of risk in relation to climate change

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

- Over the short term (out to 2028), 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 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 (out to 2031), 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 2031), 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.

Climate-related risks and opportunities relevant to the Plan

Having taken into account the Plan's DB strategic asset allocation and the DC popular arrangements, as set out in Section 2, the following risks and opportunities have been identified:

- Over the short term, the Trustee has identified the inter-related risk of climate transition risk and asset repricing risk as being most relevant to the DB investment strategy and DC popular arrangements. Over this time period opportunities are most likely to occur in transition related investment such as climate solutions.

- The Trustee's ability to understand these short-term changes can position the Plan favourably, for example taking advantage of the climate transition by avoiding and reducing investment in high-emitting carbon sensitive businesses/assets that do not have a business plan that supports the transition to a low carbon economy
- Over the medium term, the Trustee has concluded that both transition risk and physical risk (particularly in the form of asset repricing to allow for future physical damage) could be material.
- The Trustee's ability to understand these changes and evolve the portfolio as the pathway develops should help to control risk and potentially enhance returns. The Trustee seeks to select managers and choose indices that can identify potential emergence of low carbon opportunities and the decline of some traditional sectors.
- Over the long term, the Trustee has identified physical risk as the key driver of climate-related risk.

The Trustee has investigated the potential impacts of these risks and opportunities in scenario analysis. The Trustee notes that the impacts will differ across DB and DC Sections and that the DC Section is likely to be impacted to a greater extent over the medium- and long-term, given the growth-focused investment strategy needed to generate good member outcomes.

The Trustee has different investment advisors for the DB Section and the DC Section. The climate scenario analysis carried out for each Section is based on similar scenario pathway narratives but different underlying assumptions. Given no-one has clear foresight for how climate change will truly impact the world and the general economy, the Trustee believes the different approaches provide insight into the potential range of outcomes and helps enhance the way the Trustee considers the impact of an important systemic risk on the Plan's assets, and on the funding status of the DB Section.

DB Section

Climate change scenarios

The Trustee has undertaken climate scenario analysis as at 31 March 2025 to test the resilience of the investment and funding strategy adopted by the Trustee. Quantitative climate change scenario analysis has been undertaken on the Trustee's strategic asset allocation to assess the potential implications of climate change under four modelled scenarios:

- **Rapid Transition (1.6°C)** - Average temperature increase stabilises at 1.6°C from 2050 onwards (relative to pre-industrial average). This scenario assumes sudden downward re-pricing across assets in 2026. This could be driven by a change in policy, consideration of stranded assets or expected costs. The shock is partially sentiment driven and so is followed by a partial recovery. Physical damages are most limited under this scenario.
- **Delayed Transition (1.9°C)** - Average temperature increase of 1.9°C by 2100. This scenario assumes a sudden step-up in action by governments and wider society act in 2030 to decarbonise and to limit global warming to well below 2°C. This sudden action is reflected in a re-pricing in financial markets in 2030. Physical impacts are also priced in 2030 but are relatively muted (compared to the Limited and Failed Transition scenarios).
- **Limited Transition (2.9°C)** - Average temperature of around 2.9°C by 2100. This scenario assumes that policymakers implement limited action and fall short of meeting the Paris Agreement goals. The associated physical risks are reflected in re-pricing events in 2030 and late 2030s.
- **Failed Transition (3.7°C)** - Average temperature increase of 3.7°C by 2100. The world fails to co-ordinate a transition to a low carbon economy. Physical climate impacts significantly reduce economic productivity and have increasingly negative impacts including from extreme weather events. These are reflected in re-pricing events in 2030 and late 2030s. Physical damages are most significant under this scenario.

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.

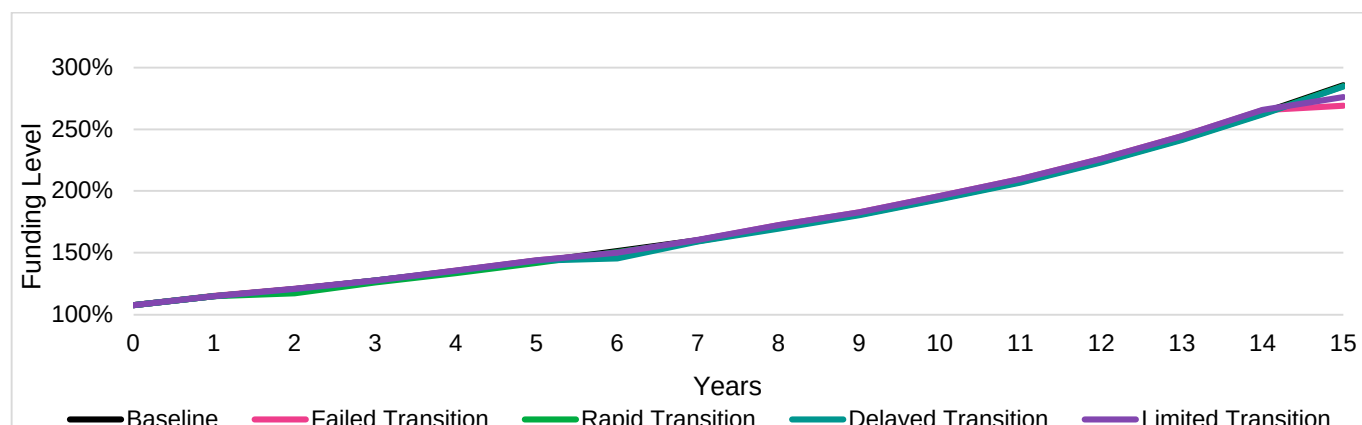
In designing scenario analysis, a fundamental decision is whether to assume that any climate impacts are priced in today. The analysis in this report is expressed relative to a 'climate-informed' baseline³; the implication is that all return impacts are presented in terms of how they are different to what we are assuming is priced in today.

Climate change scenarios

The charts below represent the output of the Trustee's quantitative analysis of the investment and funding strategy. The chart represents projections of the Low Dependency (Gilts+0.25% p.a.) funding level from an analysis date of 31 March 2025 over a period of 15 years. Projections include the impact of future contributions and assume a dynamic asset allocation that allows for future expected de-risking.

³ 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 an **Delayed Transition**, 5% to a **Rapid Transition**, 15% to a **Limited Transition**, and 35% to a range of **low impact scenarios**.

Figure 6: Projections of the Low Dependency funding level¹ from 31 March 2025 under the three climate scenarios



Source: Mercer

¹Analysis based on invested asset only and excludes the value of the Pension Funding Partnership ("PFP"). This was estimated to be £50.9m as at 31 March 2022. See page 15 for more information about the PFP

The funding level analysis above considers the impact of interest rates and inflation expectations on the value of the liabilities. Of note, realised inflation is expected to be elevated under the Rapid Transition and Delayed Transition scenarios, resulting from damages to agriculture and change in food prices, increasing the value of benefits with inflation-linked increases. These impacts are partly hedged by the Plan's allocation to Liability Driven Investment ("LDI") holdings. It does not, however, explicitly consider the impact of changes to mortality.

Impact on mortality

The Trustee has separately considered the impact of climate change upon Plan members' mortality at a high level. In the UK, mortality changes directly due to climate change (over the Trustee's short term and medium term projection periods used within this report) are not expected to be material in the context of general uncertainty about life expectancy, while noting actual outcomes are impossible to accurately predict and will depend on complex interactions between various factors. This position will be re-assessed at the next actuarial valuation as at 31 March 2028.

DB Section: Scenario Analysis Findings

The Trustee noted the following findings with respect to the DB Section:

Key findings from the DB Section climate scenario analysis as at 31 March 2025

Short Term (2025 to 2028)

Over the short term, transition risk dominates with the Rapid Transition having the biggest impact. An initial fall in asset returns (relative to baseline) is driven by a transition shock impacting the economy and investment markets causing losses. This could be driven by unprecedented policy action, with markets initially overreacting before partially recovering. The actual timing of any shock or recovery is uncertain.

There is a shock to asset values by the end of 2027 followed by a partial recovery, which results in a c.1.4% impact on the Gilts +0.25% basis funding level by 2028. There are very limited impacts under a Failed, Limited or Delayed Transition.

	Under the Rapid Transition scenario there is a shock to returns of about -2.9% in 2027 followed by a partial recovery. Overall, investment returns decrease by 1.0% p.a. over the 3-year period to 2028 under the Rapid Transition scenario.
Medium Term (2028-2031)	Over the medium term, transition risk and physical risk are both factors. The impact of transition risks under the Rapid Transition and physical risks under the Failed Transition are broadly similar. As medium-term physical damages begin to be priced in, the Delayed Transition becomes the most impactful scenario with c.6% impact on the funding level and resulting in a reduction in returns of around 5.3% p.a. by 2031.
Long Term (2032-2040)	Over the long term, physical impacts become significant, with the Failed Transition resulting in significant falls in asset value relative to the baseline Over the long term, physical impacts and damages are the dominant driver, and the Failed Transition is the worst scenario, reducing the funding level by c.16.6% by 2040. The Failed Transition also causes a reduction in returns of around 9.3% p.a. The impact is limited due to the lower risk nature of the investment strategy.

Source: Mercer

DC Section

Climate change scenarios

The Trustee undertook climate scenario analysis as at 31 March 2025 to test the resilience of the investment strategy for the Default Lifestyle strategy adopted by the Trustee. Quantitative climate change scenario analysis has been undertaken on the Trustee's strategic asset allocation to assess the potential implications of climate change under four modelled scenarios; Nationally Determined Contributions (~2.5°C), a Delayed Transition Below 2°C (~2°C), Below 2°C (~2°C), Net Zero 2050 (~1.5°C), and Hot House World (-3°C). The analysis is based on scenarios developed by WTW. These scenarios were selected by the Trustee to test a broad range of feasible outcomes and the DC Section's exposure to both transition and physical risks.

For the DC Section, five climate scenarios have been shown, relative to a base case.

DC Section climate scenario definitions

	Nationally Determined Contributions	Delayed Transition Below 2°C	Below 2°C	Net Zero 2050	Hot House World
Description	A "business as usual" outcome where current policies continue with no further attempt to incentivise further emissions reductions. Socioeconomic and technological trends do not shift markedly from historical patterns.	Delays in taking meaningful policy action result in a rapid policy shift around 2030. Policies are implemented in a somewhat but not completely co-ordinated manner resulting in a more disorderly transition to a low carbon economy. Emissions exceed the carbon budget temporarily, but then decline.	Globally co-ordinated climate policies are introduced immediately, becoming gradually more stringent over time. Companies and consumers take the majority of actions available to capture opportunities to reduce emissions.	A more ambitious version of the 'Below 2°C' scenario where more aggressive policy is pursued immediately. More extensive technology shifts are achieved with Carbon Dioxide Removal ('CDR') used to accelerate the transition, broadly in line with sustainable levels of bioenergy production.	The world follows a Net Zero 2050 pathway, however the resultant temperature outcome exceeds 2°C due to a lower than expected remaining carbon budget and/or the impact of climate tipping points. Use of Carbon Dioxide Reduction (CDR) technologies is relatively low.
Temperature Rise	~2.5°C	~2.0°C	~2.0°C	~1.5°C	~3.0°C
Renewable energy by 2050	c85%	c90%	c90%	c90%	c90%
Physical risk level (longer term)	High	Medium	Medium	Low-Medium	High
Transition risk level (shorter term)	Low	High	Medium	High	High

Source: WTW

The scenarios differ in the size of the physical risks, based on the resulting temperature impacts, but also in the size of the transition risks. The Hot House World scenario, where decisive action is taken, and the Net Zero 2050 scenario, where transition is more disorderly due to delays in meaningful action, represent bigger transition risks than the Below 2°C scenario.

The Trustee has carried out the scenario analysis for the DC Section's Default Lifestyle (Drawdown Focused) strategy, which qualifies as a "popular" defined contribution arrangement with more than 10% of the total defined contribution assets.

Climate scenario methodology for the Defined Contribution Section

As individual members in a defined contribution pension plan bear their own investment risks, unlike in a defined benefit plan, climate change is likely to impact them very differently.

DC Section member risk exposure

Member Status	Risk exposure	Impact of sudden pricing in of climate costs
Younger members	Likely to be more exposed to the long-run physical risks due to their long investment time horizon	May not be material given limited build up of funds
Older members	More likely to be more exposed to short-term transition risks	Could be significant depending on the level of de-risking at point of pricing impact

In order to capture these elements, the following factors have been modelled for the Default Lifestyle (Drawdown Focused) strategy:

- The impact, compared to the base case, on final pot size if climate change asset impacts materialise as drags on return through time.
- The impact on pot size if climate change asset impacts occur as an immediate shock. We have expressed this as a percentage reduction in pot value after 1 year, compared with the pot value under the base case, in order to demonstrate the severity of the impact.

The following table sets out the assumptions for the example members used in the modelling.

Member cohort assumptions

Member Status	Age	Retirement Age	Existing pot size	Initial salary	Contribution rate	Annual salary increase
New Joiner	25	65	£0	£35,000	10%	CPI + 1%
Pre de-risking	50	65	£200,000	£59,000	12.5%	CPI
Near retirement	62	65	£200,000	£37,000	12.5%	CPI

The following figures demonstrate the following:

- The potential impact on the final pot compared to the base case under the four scenarios and base case.
- The potential pot size at risk from a severe market shock from climate change (e.g. sudden changes to regulation or introduction of a carbon tax) leading to rapid market repricing in the next year. Effectively this is the impact of the market pricing in the impact of each scenario in a single year, and how much of a member's pot would be lost compared to the base case.

The aim of these colour-coded ratings is to highlight differences between members and scenarios.

Summary of the impact of climate scenarios on the Default Lifestyle (Drawdown Focused) Strategy

Impact on the final pot size compared to the base case	New joiner	Pre-de-risk	Pre-retirement
Base Case	0%	0%	0%
Nationally Determined Contributions (NDCs)	-29%	-7%	0%
Delayed Transition Below 2°C	-10%	-5%	0%
Below 2°C	-9%	-3%	0%
Net Zero 2050	-8%	-6%	-2%
Hot House World	-37%	-10%	-1%

Summary of a climate shock scenario on the Default Lifestyle (Drawdown Focused) Strategy

Pension pot at risk (as proportion of pot size)	New joiner	Pre-de-risk	Pre-retirement
Base Case	0%	0%	0%
Nationally Determined Contributions (NDCs)	0%	-45%	-27%
Delayed Transition Below 2°C	0%	-24%	-14%
Below 2°C	0%	-14%	-8%
Net Zero 2050	0%	-25%	-16%
Hot House World	0%	-56%	-33%

Source: WTW



No impact or positive impact



Impact of -5% or less



More than -5% impact

The table below outlines the expected impact of climate related risk on each of the relevant freestyle (non-Default Lifestyle) funds under each scenario. The shocks reflect the potential impact on fund value if markets were to suddenly price in each of the climate scenarios.

Expected impact of climate related risk on the relevant freestyle funds under each climate scenario

Fund	Nationally Determined Contributions	Delayed Transition Below 2°C	Below 2 °C	Net Zero 2050	Hot House World
	Shock Impact (%)	Shock Impact (%)	Shock Impact (%)	Shock Impact (%)	Shock Impact (%)
Britvic Equity	-45%	-24%	-14%	-25%	-56%
Britvic Diversified	-27%	-14%	-8%	-16%	-33%
Britvic Cash	0%	0%	0%	0%	0%

Source: WTW

DC Section: Scenario Analysis Findings

The overall climate change exposure of the default strategy is relatively limited for older members, if the impact of climate change on their investments materialises as it drags on performance over time. This analysis only considers the impact on members whilst a member of the Plan. It does not consider how members may be impacted post-retirement, for example if they are continuing to invest in an income drawdown arrangement.

Younger members are more exposed than older members under all scenarios, due to longer holding periods and the physical risks that are incurred further into the future.

Were a market re-pricing shock due to climate change materialise in a single year, the impact would be more severe for members who have built up a reasonable defined contribution pot.

Younger members are not exposed to shocks in the short term due to their low pot sizes. As those members become older, they will be exposed to climate-related shocks over the medium and longer terms. This demonstrates that, for young members, the quicker the climate-related costs are priced into asset valuations the better.

From an asset perspective, members of different ages are more exposed to different scenarios. For older members, high transition risk scenarios (e.g. Net Zero 2050/Hot House World) are a bigger risk. For younger members, the trade-off of higher transition costs for lower physical costs is a worthwhile trade financially, as they stay invested long enough to cover the payback period.

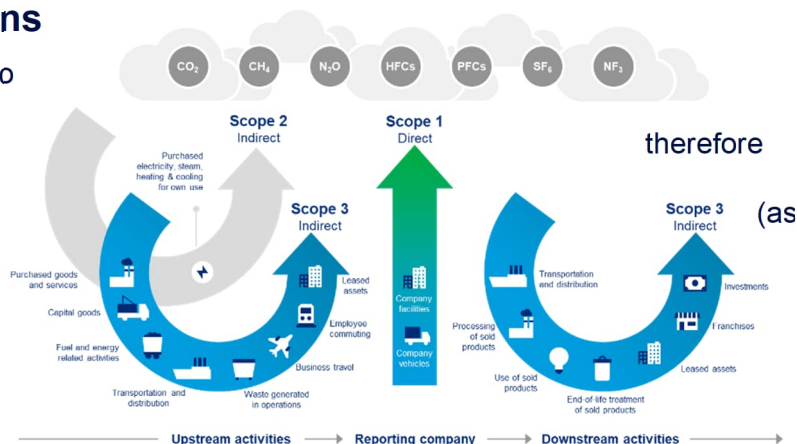
The Trustee has not made any changes to the investment strategy as a result of the scenario analysis.

Climate metric analysis approach

Total Greenhouse Gas Emissions

This metric takes an ownership approach to answer what proportion of a company's or asset's emissions an investor owns and is responsible for financing. It includes the seven types of greenhouse gas ("GHG") defined in the Kyoto Protocol⁴, across the three scopes of emissions, as summarised in the graphic.

Emissions of the seven greenhouse gases have different impacts on climate change. To simplify reporting, each greenhouse gas is calibrated relative to carbon dioxide and is reported as 'carbon dioxide equivalent' emissions (CO₂e). In this way the Trustee can compare companies that emit different amounts of different gases on a consistent basis. Recognising the different methodologies used to calculate absolute emissions for sovereigns and corporates, the Trustee reports sub totals at the corporate and sovereign levels as well as a grand Total Greenhouse Gas Emissions figures.



The Trustee has chosen this metric to understand the absolute amount of emissions financed by the Plan's investments.

In respect of sovereign debt investments, the Trustee follows the Partnership for Carbon Accounting of Financials ('PCAF') to derive absolute emissions.

Carbon Footprint

Carbon Footprint is an intensity measure of emissions that takes the Plan's total GHG Emissions figure and normalises it to take account of the size of the investment.

Analysing an investment fund's Carbon Footprint assists the Trustee in identifying carbon-intense sections of the Plan's portfolio. The Trustee has therefore chosen this metric to assist it in prioritising carbon intense parts of the investment strategy for potential re-allocation or engagement as a means of mitigating associated climate-related risks.

Weighted Average Carbon Intensity

Weighted Average Carbon Intensity (WACI) is an alternative intensity measure of emissions that normalises a company's total GHG Emissions figure by its revenue. This metric is calculated by taking the total carbon emissions of the investment and dividing by annual company revenue. A different approach is taken for sovereign bonds, where the specified sovereign GHG Emissions are normalised by capita, in line with PCAF guidance and in this report, also shown normalised by Purchasing Power Parity adjusted Gross Domestic Product (PPP-adjusted GDP). A portfolio level intensity metric is calculated as the weighted average of the underlying holdings' intensity metrics.

⁴ https://unfccc.int/kyoto_protocol

Analysing a fund's WACI assists the Trustee in identifying how carbon efficient the business models of the companies held within a portfolio are. Alongside Carbon Footprint, the Trustee has chosen this metric to assist it in prioritising carbon intense parts of the investment strategy for potential re-allocation or engagement as a means of mitigating associated climate-related risks.

% of portfolio companies with net zero targets approved by the Science Based Targets initiative (SBTi)

The Science Based Target initiative (SBTi) has established an industry standard methodology for companies setting long-term carbon emission reduction targets that are in line with climate science. Companies submit their net zero plans to SBTi, who then act as an independent assessor of the validity of the plans. Science-based targets provide a forward-looking indicator of the extent to which underlying companies have committed to reducing greenhouse gas emissions in line with climate science and internationally recognised climate goals. Targets validated by the Science Based Targets initiative are designed to be consistent with emissions pathways that limit global warming to well below 2°C, and, where applicable, to 1.5°C.

The Trustee has chosen this metric because it provides a measure of portfolio alignment with the goals of the Paris Agreement. The Trustee considers this metric to be particularly relevant for the DC Section, given the long-term investment horizons of many members and the importance of understanding how well positioned portfolio companies are for a transition to a lower-carbon economy. Underlying funds with a low percentage of companies with SBTi-approved targets could indicate investment in companies or issuers that are not setting targets to align their businesses or activities with net zero, which is a forward-looking indication of climate transition risk.

The Trustee recognises that the SBTi does not currently cover every sector, however, is cognisant that the Initiative's coverage across additional companies and sectors is expanding rapidly.

Data Quality

Data Quality aims to represent the proportions of the portfolio for which the Trustee has high quality data. The Trustee has considered whether the underlying emissions data has been verified by a third party, reported by the company, estimated by the data provider, or unavailable to determine the 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 companies are expected to continually improve their reporting on climate-related metrics. As the quality of data improves, the decision usefulness of the climate metrics reported on the Plan's portfolio increases. In addition, the Trustee is able to identify the companies in the portfolio that are not currently reporting emissions data and use this as the basis for engagement.

Data collection

Data sources

Climate-related metrics provided by Mercer have been sourced from MSCI using stock list data provided by the investment managers. Climate-related metrics in respect of the Pension Funding Partnership ("PFP") and from ICG regarding the Private Debt mandates are not currently available. More information about the PFP is set out in the Strategy section.

For the DC Section, all metrics data has been sourced from the investment managers, L&G and BlackRock.

Proxy data

For some asset classes, data coverage is too low (or no data is available) to be able to take a pro rata approach. Use of proxy data (data of other asset classes or funds that broadly represent a given fund) can help provide climate-related data where coverage for an asset class/fund is limited.

For the DB Section, the Trustee considered the use of proxy metric data for Private Debt, however, the characteristics of the proxy fund would be too different from the invested assets to be able to make any informed investment decisions with the information and be of limited use from an engagement standpoint. For now, no data on these asset classes has been presented. These assets represent c. 3.5% of the total actual asset allocation.

Scope of emissions

Scope 1, 2 and 3 emissions data has been included in this report, except where noted. The data coverage for Scope 3 emissions data is improving but the assessment of an invested company's carbon footprint could be considered an understatement. Scope 1, 2 and 3 emissions are as defined by the GHG protocol.

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 and debt 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. The private debt mandate for the DB Section of the Plan has reduced in size since the last TCFD report and will continue to do so over the next few years as the portfolios run off.
- 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 money market assets, have limited data available due to the short-term nature of the individual assets.

Where there are gaps in data availability, a pro rata approach has been used to scale up each climate metric in order to present the data as if full coverage was available for each asset, unless otherwise stated. This assumes that the emissions associated with the holdings where there is no data will be the of the same proportion for the holdings where data is available. Similarly, it is assumed that the carbon intensity of the holdings where data is unavailable will be the same as the carbon intensity of the holdings where data is available. Where part of the portfolio is not representative of the portion where there is data coverage, the climate metrics have not been scaled.

The Trustee is working with its investment advisors and investment managers to address the data gaps, as far as they are able, through continued engagement with investment managers alongside preparation of annual TCFD reporting.

DC Section

Britvic Equity and Diversified Funds – L&G

Carbon emissions data and company fundamental data is sourced from third party data vendors. The investment manager reports carbon for asset classes covered by its third- party data provider ISS.

Coverage for eligible assets will not always be 100%. This will often be because ISS has not provided carbon data for a given company as it has not published its carbon emissions data. For the purpose of calculating these metrics, the investment manager disregards all positions that are ineligible and not covered in the fund and recalculates the weights so that the sum of the weights is 100%. This process is called reweighting and its purpose is to ensure that they are not making any assumptions for missing/ineligible data points, in particular they are not assuming that missing data is equal to 0.

Britvic Cash Fund – BlackRock

Carbon emissions data, where available, is sourced from MSCI

Important notices from data providers

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