The NMR Pension Fund

Climate Impact Report

For the period 1 April 2025 to 31 March 2026

Table of contents

1. Introduction and Chair Foreword

1.1 A message from the Chair of the Trustee of The NMR Pension Fund (the Fund) and the Chair of The Pensions Responsible and Sustainable Investment Committee (PRSIC)

On behalf of the Trustee Board, we are happy to present our fourth climate change report that details the progress we have made over the last 12 months. We believe that understanding and managing the risks and opportunities associated with climate change is important in delivering the pensions the Fund is committed to pay. Over the past 12 months, the Pensions Responsible and Sustainable Investment Committee (PRSIC) has continued to oversee activities such as the appraisal of the Fund's investment managers, an assessment of the progress the Fund is making on its journey towards achieving our net-zero commitment and reviewing the results of the updated climate change scenario analysis.

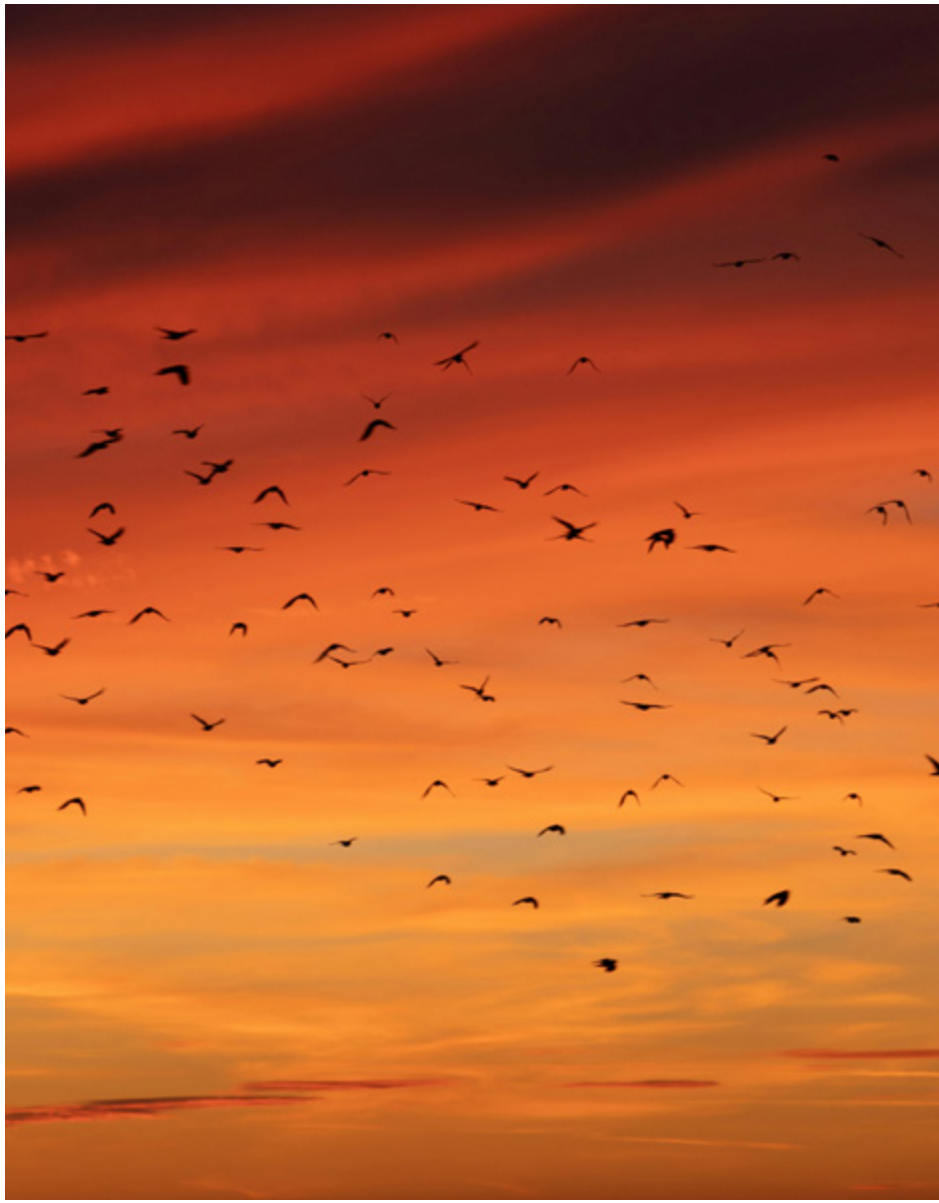
We are pleased with the progress that the Fund has made relative to its objectives over the past year. We will continue to monitor and engage with our investment managers, and we will review the progress the Fund has made relative to our targets.

As a Board we continue to seek to improve our knowledge, monitoring and reporting of climate change and the wider area of Responsible Investment (RI).

We look forward to sharing details of further progress with you again next year.

Andrew Didham
Chair of the Trustee Board

Christopher Coleman
Chair of the PRSIC



1.2 Executive Summary

Our objectives

- Net zero carbon emissions by 2050.
- 50% reduction by 2030 (relative to a 31 December 2021 baseline).

Our actions

- Reviewed our Responsible Investment Policy.
- Reviewed updated climate change scenario analysis for the Fund's DB and DC assets and liabilities.
- Continued to challenge our investment managers on portfolio investments.
- Retained our PRI signatory status.

Our plans

- Closely monitor our progress and report to you annually.
- Continue to challenge our advisers and managers.
- Seek further climate-related investments consistent with our strategic objectives.

1.3 Introduction

The Trustee of the Fund presents its fourth annual report under the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (the Regulations) for the period ended 31 March 2026.

The principal employer of the Fund is N M Rothschild & Sons Limited. The Fund has defined benefit and defined contribution sections with total assets to invest of around £1bn.

The Trustee has devoted considerable time and effort to enhancing its understanding of the risks and opportunities that climate change presents to the Fund. We have set an objective of ensuring that the Fund has net zero carbon emissions by 2050, with around a 50% reduction to be achieved by 2030 – we see this goal as being one that is in the best interests of our members as well as wider society.

The climate change framework requires disclosures in four broad categories:

Governance
Around climate-related risks and opportunities.

Strategy
The actual and potential impact of climate-related risks and opportunities on the strategy and financial plans of the Fund under different climate scenarios.

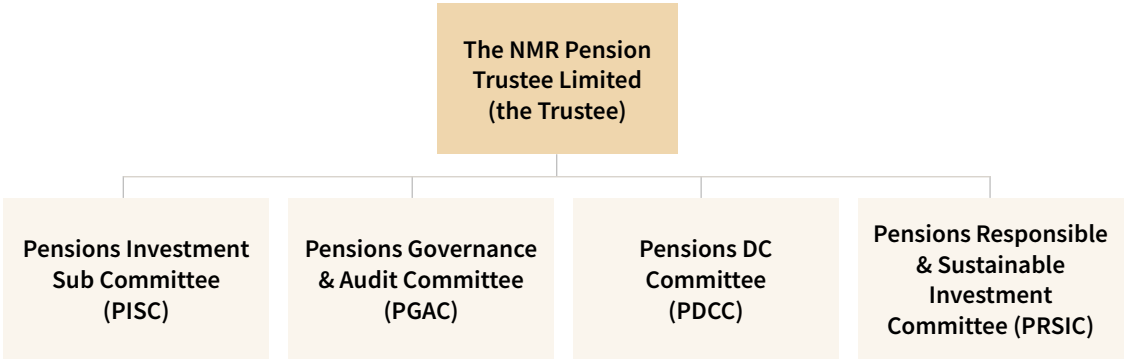
Risk management
How the Fund identifies, assesses, and manages climate-related risks.

Metrics and targets
The metrics and targets used to assess and manage climate-related risks and opportunities.

2. Governance

2.1 Overall governance of Responsible Investment matters

The Trustee remains responsible for overseeing all investment-related matters, including climate-related risks and opportunities. However, to ensure sufficient focus on key areas of Fund governance, the Trustee has set up several committees to efficiently govern and conduct Fund matters, with remits to consider specific areas of importance in greater levels of detail.



The PRSIC was established in November 2020, with the responsibility of developing and overseeing the Trustee's approach to responsible investment (RI) (including the oversight of climate-related risks and opportunities) and to maintain a formal policy in this area. The PRSIC typically meets three times a year, reporting and making recommendations to the Trustee.

The Trustee's view is that proper integration of RI considerations is important to all aspects of the Fund's investment process to ensure better outcomes for members and to manage associated risks and opportunities. The Trustee has set itself the overall aim of exhibiting good practice relative to peers in the area of RI and seeks to maintain this position over time through the work undertaken by the PRSIC.

In line with the Climate Change Governance and Reporting Regulations, the Trustee is required to implement climate change governance measures and produce a TCFD report containing associated disclosures.

The Trustee maintains and publishes a Responsible Investment Policy that clearly sets out its beliefs and approach to RI; the latest version is available on the Fund website. As part of this policy, the Trustee sets out five key principles that will guide its approach to RI:

Alignment
Where practical and consistent, the Trustee will look to align its policies with those of the Sponsor. The Trustee expects that the Fund's investment managers have a formal ESG policy and that the investment managers adhere to the Principles of Responsible Investment (PRI) or a recognised equivalent standard.

Integration
The Trustee aims to integrate sustainability considerations throughout the investment process. The Trustee has agreed a set of investment beliefs relating to sustainability and reviewed them during 2025. The Trustee monitors ESG and climate risks within the Fund's portfolio and sets targets for the improvements of key metrics over time. The Trustee leverages the investment adviser's research and expects them to monitor each manager's approach to sustainability.

Impact
The Trustee is mindful of real-world impacts when it invests and therefore requires the investment managers to consider impact throughout key stages of their investment processes (including strategy selection and overall portfolio review). The Trustee receives recommendations and analysis from its investment advisers to allow them to consider impact when making investment decisions.

Stewardship
The Trustee considers proper stewardship to be a key responsibility, recognising the role the Fund can play as an active asset owner. However, the Trustee does not have the resources to exercise all its duties directly. As such, the Trustee will seek to ensure its stewardship responsibilities are being effectively implemented through the Fund's investment managers.

Monitoring and reporting
The Trustee will regularly monitor and report on the sustainability of its portfolios and strategy to relevant stakeholders.

2.2 Activity of the PRSIC

The PRSIC operates under a formal Terms of Reference set by the Trustee Board.

The key responsibilities of the PRSIC are:

Policy

- Conduct a beliefs exercise every three years with the full Board to document the Trustee's evolving views on climate change impact.
- Develop and maintain a RI policy for the Fund.
- Set out and monitor the Trustee's stewardship priorities.

Governance

- Monitor the performance of the investment advisers appointed to advise the Trustee on RI matters.
- Work closely with the PISC to support the selection process for new investment managers where required.
- Review the policies and processes of the Fund's investment managers in relation to RI and climate change and engage with these managers where appropriate.

Regulatory

- Ensure the Trustee complies with its climate change reporting obligations.
- Prepare an annual PRI submission.
- Monitor evolving climate related regulations and consider how to address these.

Impact

- Ongoing assessment of the Trustee's RI training requirements.
- Review and make recommendations to the Board on additional codes and/or initiatives where appropriate.

The PRSIC is made up of members of the Trustee Board, with representatives from the Rothschild & Co Pensions Team in attendance at each meeting.

The PRSIC is advised by the Fund's investment advisers.

For the Defined Benefit (DB) Section this is WTW and for the Defined Contribution (DC) Section this is Lane Clark & Peacock (LCP). It also draws on resources and expertise (both internal and external) as required to fulfil its duties.

Over the course of the year, the key areas of focus of the PRSIC in relation to climate change were:

- The preparation and review of the Fund's fourth climate impact report, which was published in October 2025.
- Appraisal of the Fund's investment managers and assessment of progress against the Fund's net-zero commitments.
- Preparation and submission of the Fund's PRI submission.
- Periodic reviews of the implications of climate change for the Sponsor's covenant.
- A review of climate scenario analysis for the DC Section's popular arrangements, alongside the DC strategy review.
- Consideration of the Fund's Carbon Journey Plan and key climate change metrics.

2.3 Service providers

The Trustee has prepared a Statement of Governance Climate related risks and Opportunities, which formally documents the roles and responsibilities of the Trustee and the Trustee's investment advisers in relation to climate change. This document identified the following key service providers and sets out the expectations of the Trustee in relation to the services they provide.

As part of its ongoing governance processes, the Trustee regularly undertakes assessments of each adviser's capabilities, including the incorporation of climate change risks and opportunities into the advice provided. In addition to this, the Trustee has set formal objectives for the Fund's DB and DC investment advisers, which include considering the risks and opportunities associated with all RI matters, including climate change. The investment advisers are assessed against these objectives on an annual basis by the Trustee.

The Trustee expects the Fund's investment managers to have integrated RI considerations (including those relating to climate change) into their investment processes and decision making. The Trustee has delegated responsibility for stewardship to its investment managers, subject to oversight by the PRSIC.

To ensure that its policies are being followed, the PRSIC reviews each manager's approach to RI annually, which includes the investment advisers' assessment of each manager's RI capabilities, alongside a bespoke questionnaire to understand recent developments in more detail. The report also sets out the Fund's exposures to areas excluded by the Sponsor's policies. This provides the Trustee with a framework to monitor and highlight any areas that may need further investigation. This review separately covered both DB managers and DC managers. The review of the DC managers focused on those used in the DC Section's popular arrangements.

At all PRSIC meetings over the Fund year, climate was a key agenda item. In addition to those areas noted on the previous page, topics covered over the year included:

- A review of the Trustee's practices compared with those of similar schemes, as identified by its investment advisers, in relation to climate change management, alongside other RI issues.
- An update to the terms of the Fund's segregated mandates to reflect the Trustee's agreed RI policies and objectives.
- A deep-dive into the DB equity manager's approach to voting on the Fund's shares.
- A review of the Statement of Governance of Climate-Related Risks and Opportunities.
- The preparation of the Fund's annual submission to the PRI.

Case study – DB Section

During 2025, the DB Investment Adviser engaged with one of the Fund's illiquid credit managers, which operates a residential lending strategy, to encourage the development of more formal climate and sustainability reporting. Discussions focused on the manager's reporting methodology and the application of relevant climate-related frameworks, building on previous engagement regarding the strategy's ESG approach and climate-related narrative.

As part of this engagement, the DB Investment Adviser shared the latest Partnership for Carbon Accounting Financials (PCAF) guidance on financed emissions, while recognising the practical limitations associated with small-balance residential lending portfolios, also working with the manager to assess the strategy's alignment with existing climate reporting frameworks, resulting in the manager providing additional climate solutions data and enhanced sustainability-related disclosures.

The DB Investment Adviser continues to engage with the manager on opportunities for further improvement. This reflects the challenges of applying current real estate climate reporting frameworks to strategies focused on lending against vacant properties, where there is limited industry guidance available. The Trustee is encouraged by the manager's constructive and proactive approach to these discussions, demonstrating a willingness to improve transparency and disclosure rather than avoid reporting where established frameworks are not yet fully applicable.

3. Strategy

The Trustee believes that the purpose of embedding climate risk considerations into investment decisions is twofold – improving investment outcomes for members, as well as positively impacting the world they live in. Climate change is a financially material risk to the Fund, and merits significant attention.

As part of its analysis of climate risks faced by the Fund, the Trustee identified and defined the following elements:

Transition risks	Physical risks
This relates to the risks and opportunities arising from efforts made to transition towards a net-zero economy (both domestically and globally) to limit climate change. The financial impact of these risks and opportunities is generally expected to occur in the medium term, with some occurring in the short term. Risks arising could include regulatory or societal changes rendering parts of the business of invested companies worthless – for example, fossil fuels 'in the ground' which become economically unviable to extract due to a lack of a suitable market or due to regulations preventing their extraction. Opportunities include early investment in assets, which are likely to benefit from climate change adaptations, such as green energy providers.	This relates to the direct effects of climate change on the Fund and its members. Whilst these comprise both acute or short-term risks (e.g., extreme weather or wildfire events), and chronic or long-term risks (e.g., rising sea levels), the main financial effects are expected to be longer term in nature. An increased number and magnitude of extreme events may cause changes to the physical landscape, which could lead to assets being devalued or destroyed. This would directly impact asset classes such as property or infrastructure, as well as the value of a company's equity and bonds if they own assets that are affected or if physical events impact their business model. Changing temperatures is also expected to have a long-term impact on the life expectancy of members.

Alongside these, there are also litigation and reputational risks, resulting from failure to account for physical and transitional risks, and legislation and regulation. These risks are likely to be experienced simultaneously over various time horizons and asset types and sectors. The Trustee believes that these primary risks will impact the performance of Fund assets in various inter-related ways.

Stranded Assets	Rising Operating Costs	Inflation Risk	Interest Rate Risk	Other Pricing Risk	Opportunity Failure Risk
Investment in organisations that rely wholly or extensively on fossil fuels and carbon intensive activities for their earnings may not be able to practically transition to the conditions of a low carbon economic environment. As a result, their capital value is likely to be significantly diminished during a transitional phase and could be completely eroded over time.	A large proportion of investee organisations will experience increased operating costs because of both the transitional and physical effects of climate change, which is likely to reduce income generation, have a negative effect on capital value and could also have a resulting negative effect on the organisations' credit ratings.	Rising operational costs, products and services supply issues, increased taxes and tariffs and increased sovereign spending in response to climate change issues could all result in elevated inflation. This may devalue certain inflation sensitive assets as well as create wider economic issues that could negatively affect the Fund's assets, as well as increase members' cost of living in retirement. There are also plausible climate scenarios in which inflation falls.	Rising inflation is often managed by central banks by increasing interest rates. Rising and high inflation rates due to climate-related issues will likely create upward pressure on interest rates, which will affect some interest rate sensitive assets more than others and will likely create a drag on economic activity with corresponding negative effects on investment assets. There are also plausible climate scenarios in which interest rates fall.	There is a risk that assets may be mispriced, either overvalued or undervalued, due to climate related risks not being fully reflected in forward looking valuation models. This mispricing can occur in both positive and negative directions, depending on how climate risks and opportunities are assessed and integrated into investment decisions.	There are, and will be, certain assets that will benefit from the transition to a low carbon economy and/or the development of products and services that mitigate the effects of climate change. As a result, there is a risk of missing opportunities to invest in assets that could help offset exposure to others negatively impacted by climate related transitional and physical risks. This could lead to an imbalanced portfolio if climate risks are not adequately considered in forward-looking investment strategies.

With the timing of the impact from climate change being uncertain, the Trustee believes that it is sensible to assess how the Fund may be affected according to different time horizons. In selecting these different time horizons, the Trustee has considered a range of factors impacting the DB and DC Sections of the Fund.

Time horizon	Key considerations in selecting time horizons
Short term *– through to 2028 for DB, or 3 years for DC investments*	▪ Consistent with the three-year actuarial valuation and investment strategy review cycle for the DB Section. ▪ Over this period, further developments in relation to climate change regulatory environment and climate data quality are expected. ▪ Consistent with the triennial investment strategy review frequency for DC.
Medium term *– through to 2035 for DB, or 10 years for DC investments*	▪ Financial effects of "transition risk" are expected to dominate. ▪ Position of considerable maturity for the DB Section, with the majority of members expected to have retired by 2035. ▪ Expected to capture a full business cycle.
Long term *– through to 2050 for DB, or 4 years for DC investments*	▪ Financial effects of physical risk exposure are expected to be more pronounced. ▪ Target to achieve carbon neutrality by 2050. ▪ Vast majority of DB members will have reached retirement. ▪ Reflects long-term impacts on retirement outcomes for the youngest DC Section members.

3.1 Climate scenario analysis

The Trustee uses climate scenario analysis to assess the resilience of the Fund's investment and funding strategy to climate related transition and physical risks over the short, medium and long term. In 2026, updated climate scenario analysis was prepared for the Fund by WTW and LCP which was considered by the PRSIC.

The updated analysis reflects evolved climate scenarios, incorporating feedback from industry bodies and regulatory guidance, and includes the introduction of a new scenario to test the potential impact of higher than expected temperature rises.

The analysis does not seek to assess the likelihood of individual scenarios, but rather to understand the range of potential outcomes and test the robustness of the Fund's strategy.

3.2a DB Section – scenario analysis

The analysis considered five climate scenarios which are in part defined through their success, or otherwise, in meeting the Paris Agreement target of a 2.0^0C temperature rise. The scenarios differ in the severity and timing of transition and physical risks, and the analysis does not seek to assess the likelihood of individual scenarios.

The approach taken is consistent with the statutory guidance for pension schemes published by the Department for Work & Pensions. The scenarios are not exhaustive, and the analysis is expected to be further refined as data and methodologies improve. Furthermore, the Trustee hopes to incorporate input received from the covenant adviser into future analysis.

The key results from the scenario analysis for the DB Section are shown below. The table sets out the key parameters that define each underlying scenario, as well as the financial impact that climate risk might have on the funding level.

Having reviewed the analysis, the PRSIC noted that climate change represents a significant risk to both asset returns and member longevity. In practice, the impacts of climate change are expected to emerge principally over the next 10-15 years. In this context, the decision to run-on over the medium-term will mean that the Fund is exposed to such risks. A longer time horizon for investment would expose the Fund to even greater climate risks – in particular longer term physical risks – but potentially open more opportunities for longer term impact investing as a hedge against some of those risks. The approach to credit investment should also consider climate related risks, as there is a clear trade-off between the efficiency of longer-dated bonds and their exposure to such risks.

In some of the scenarios, the modelling process implies reduced life expectancies (relative to typical mortality assumptions) and therefore a relative reduction in the liabilities with a corresponding increase in the funding position. Whilst this is a plausible potential outcome it is important to recognise that an assessment of what is in the best interests of the Fund's members is a much broader question than the impact on funding level alone. The Fund's investment strategy, and implementation of strategy, should continue to reflect the Trustee's wider views on this question.

	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 emission 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 most 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
Transition risk level	Low	High	Medium	High	High
Physical risk level	High	Medium	Medium	Low – Medium	High
Assumed impact on general life expectancy	Very Negative	Negative	Negative	Positive	Very Negative
Estimated impact on funding level in 2030 relative to base case	+1.3%	-1.4%	-1.4%	-3.5%	-0.1%

The tables below summarise the risks and opportunities climate change present for the DB Section alongside some of the actions that have or could be taken.

	Short-term (to 2028)	Medium-term (to 2035)	Long-term (to 2050)
Risks	▪ Primarily transition risks depending on the speed over which the transition to a low carbon economy takes place. ▪ Changing views on climate transition or regulatory perspectives may lead to sudden repricing of some assets over a short timeframe.	▪ Combination of transition risks, the rising costs of which might strain business profitability and lead to defaults in the credit portfolio, and increasing physical risks. ▪ May begin to see an impact on mortality from climate change.	▪ Material impact of physical risks arising from climate change with some asset classes and regions being more severely impacted than others. ▪ The impacts of climate change may become a material source of longevity volatility.
Opportunities	▪ Increased regulatory uncertainty may make such investments less attractive in the short-term.	▪ Impact investments, particularly in the real asset (renewables) and private equity space. ▪ Finance required for transition may open opportunities in credit assets.	▪ Impact investments will continue to present opportunities, particularly in the real asset (renewables) and private equity spaces.
Mitigating actions	▪ WTW engages with investment managers on the Trustee's behalf to assess how they are integrating climate risk into their investment processes. ▪ Longevity hedging could be considered (subject to pricing).	▪ Investments in climate opportunities, including emerging technologies, may be more attractive over this timeframe. ▪ Longevity hedging could be considered (subject to pricing).	▪ Long-term mitigating actions will be very dependent on the choice of end-game.

3.2b DB Section – assessment of risk to the covenant arising from climate change

The Trustee seeks independent advice from its covenant adviser, LCP, who prepared an initial report in 2022 considering how climate-related risks may impact upon the Fund's sponsor covenant. This work has subsequently been updated on an annual basis, with the most recent update in September 2025 (the 2025 Covenant update). LCP's findings from the 2025 Covenant update have been used in the preparation of this report.

LCP's reporting focuses on the climate risk exposures and opportunities of Rothschild & Co SCA (the Group), given the principal employer does not report independently on these matters, with conclusions prepared for the Trustee in the context of the Fund's investment and funding risks.

The data set out in the 2025 Covenant update shows that the Fund would have remained in a surplus on a buy-out basis even after a prescribed stress test, and it was observed that there remains a relatively low level of covenant reliance.

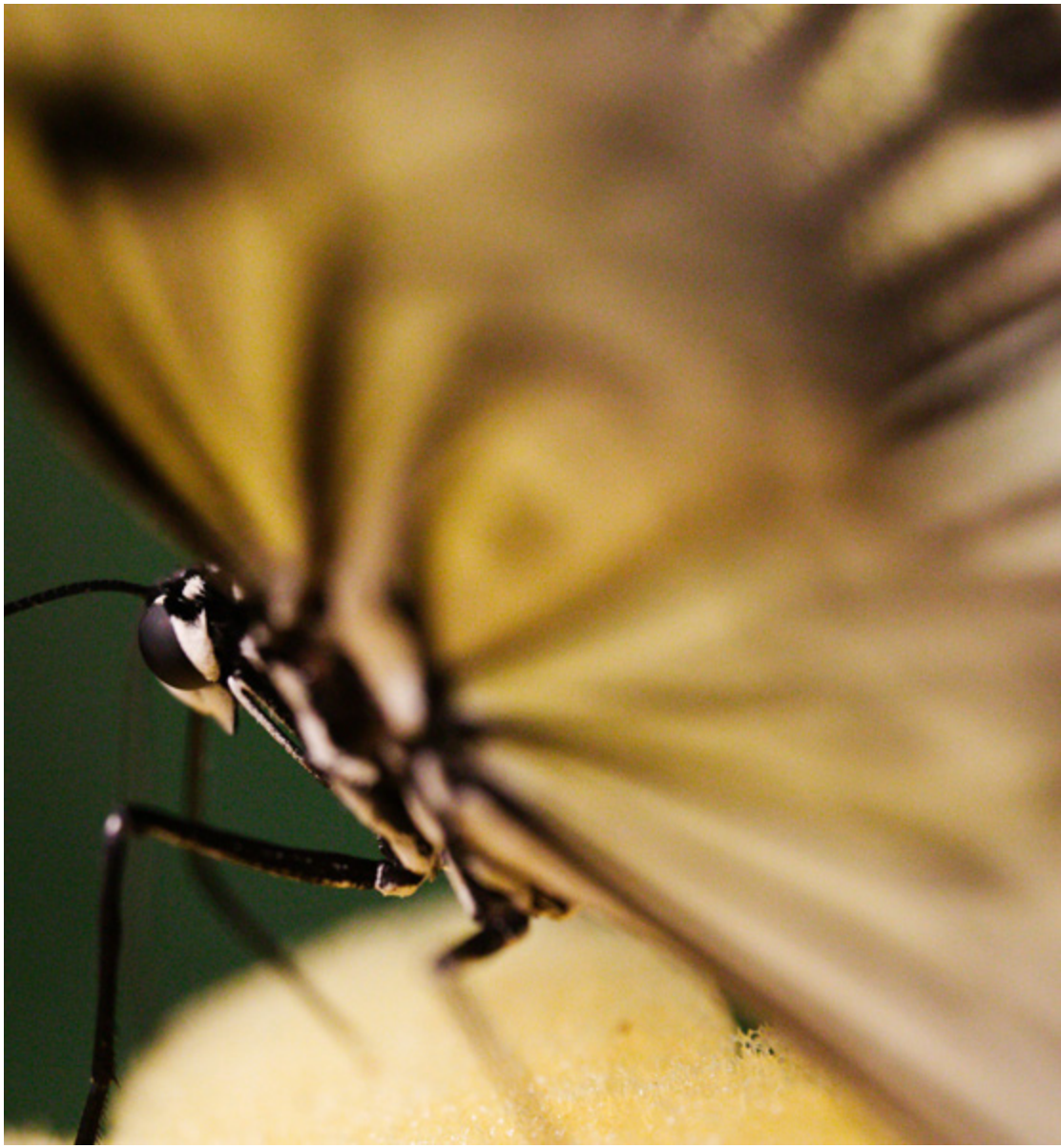
However, there are no formal plans for the Fund to enter insurance transactions in order to sever the covenant link, and as such the period over which the Fund will need to rely on its covenant is uncertain. The Trustee is therefore mindful that it will need to continue to assess the risks that climate change could have on the sponsor covenant on a periodic basis.

In preparing the 2025 Covenant update LCP considered information within the public domain (for example, the Group's Sustainability Report), independent ratings from organisations such as CDP (formerly known as the Carbon Disclosure Project) and answers to questions from senior employees at the Group. LCP's conclusions were therefore drawn from a diverse range of sources,which has further allowed LCP to assist the Trustee in its qualitative assessment of risks under various climate scenarios.

[1]MSCI" = Morgan Stanley Capital International
[2] "CDP" – Carbon Disclosure Project

The key conclusions from the 2025 Covenant update are summarised below:

- Given the strength of the covenant, and the Group's actions to mitigate against identified climate risks, LCP continued to conclude that climate related matters do not currently present a material risk to the probability of members receiving their full benefits. However, LCP noted that this conclusion could change over time and the situation should therefore be monitored.
- Given the nature of the Group's operations, transition risks such as regulatory, compliance and reputational risks remain more likely to have an impact than physical risks.
- The Group has a broad, diverse and evolving governance structure in place regarding the assessment of climate-related risk, which includes engagement from the Group's senior leadership team. The Group's climate strategy is also integrated within each legal entity, including the Fund's principal employer. LCP considered this to be a robust approach, and that the Group appears well placed to effectively manage climate risks and opportunities.
- The Group had recently completed its first Group-wide 'Double Materiality' assessment (being an assessment which identifies sustainability issues that are significant either because of their impact on the environment and society, or because of their financial impact on the business, or both). This exercise revised the Group's conclusions of the most material sustainability matters,supporting a more targeted and robust strategy and identifying several new initiatives to better mitigate climate-related risks and capture opportunities. This highlights the Group's ongoing commitment to integrate climate change into its strategic decision making.
- The Group continued to make progress towards limiting its environmental impact and contributing towards a more sustainable economy. For example, the Group's annual operational emissions reduced in 2025, highlighting progress in reaching its operational emissions targets. Although any direct incremental financial 'benefit' may be relatively immaterial, successful climate action can help preserve the Group's reputation with clients and mitigate internal risks such as staff dissatisfaction.
- LCP also concluded that there are significant market opportunities for the Group to capture, for example opportunities to provide further advisory services to its clients, and that the Group has the financial resources available to support these initiatives.



[1]MSCI" = Morgan Stanley Capital International
[2] "CDP" – Carbon Disclosure Project

3.2c DB Section: Conclusions on covenant risk under different climate scenarios

Climate Scenario	Short term - 2 years (to 2028)		Medium term - 7 years (to 2035)		Long term - 27 years (to 2050)	
	Transition	Physical	Transition	Physical	Transition	Physical
Least Common Denominator	Low risk	Low risk	Low risk	Medium risk	Low risk	Higher risk
Inevitable Policy Response	Low risk	Low risk	Medium risk	Medium risk	Low risk	Medium risk
Global Coordinated Action	Medium risk	Low risk	Medium risk	Low risk	Low risk	Low risk
Climate Emergency	Higher risk	Low risk	Medium risk	Low risk	Low risk	Low risk

Business risk key

- Low risk
- Medium risk
- Higher risk

The table above highlights the results of the Trustee's assessment of how the Group's exposure to transition and physical risks may vary depending on the different climate scenarios considered, and over different time periods.

The Group operates in an industry mainly exposed to transition risks rather than physical risks. Although rapid changes to regulation and/or technology could present risks to the business in the short-to medium-term, the Group appears well prepared to manage such risks and adapt over longer time horizons as it has a well-defined and diverse strategy to combat the potential impact of climate change, in turn reducing the exposure to these risks.

Based on the information that the Trustee has reviewed, they currently consider that even in scenarios where higher risk impacts could adversely affect the Group's operations and financial performance, it is unlikely that any adverse outcomes could reach the scale whereby residual covenant exposure could not be supported. This conclusion is strengthened by the fact that no deficit contributions are currently due to the Fund given that it is in surplus on both its technical provisions and buy-out basis.

Informed by the independent covenant assessment, the Trustee has not considered it necessary to change the Fund's investment strategy because of climate risks related to the employer covenant.

3.2d DC Section – scenario analysis

The Trustee has determined that the DC Section has two "popular" arrangements as defined in the Regulations: both the default "NMR Retirement (Drawdown Focus) Lifestyle", and the NMR World (ex-UK) Equity Fund – Passive, have more than 10% of DC assets invested. Together, these arrangements represent around 88% of total DC assets.

The Trustee recognises that climate-related risks can affect members in different ways depending on the strategy in which they are invested, the size of their pot, the level of contributions being paid, and the length of time to retirement. Members invested in the NMR World (ex-UK) Equity Fund – Passive, are more exposed to equity-market climate risks because the fund is wholly invested in listed equities. Members invested in the default arrangement are also exposed to climate-related risks, although the extent of that exposure changes over time as the lifestyle strategy evolves.

The Trustee used climate scenario analysis as an important tool to identify, assess and manage climate-related risks and opportunities within the DC Section. The analysis considered the default NMR Retirement (Drawdown Focus) Lifestyle and the NMR World (ex-UK) Equity Fund – Passive, over the short, medium and long term time horizons defined earlier in this report. For simplicity, the analysis assumed an expected retirement age of 65.

The climate scenario analysis was carried out during the Fund year and was considered alongside the DC strategy review at the March 2026 PRSIC meeting. The Trustee compared the climate resilience of the current and proposed default strategy as part of its assessment of the proposed changes.

In all scenarios considered, climate change is expected to have a material impact on long-term investment markets. Equity markets are projected to be more affected than bond markets, and in each scenario average expected returns are lower than in a world with less climate disruption. As a result, climate change is expected to reduce projected retirement outcomes for many members, although the scale and timing of the impact will vary between strategies and over time.

For members invested in the NMR World (ex-UK) Equity Fund – Passive, the impact is expected to be more pronounced because the fund is fully invested in equities. For members invested in the default arrangement, the likely impact depends on age and stage within the lifestyle strategy. For older members, the short-term impact of climate-related market shocks is expected to be more limited because of the lower level of growth assets held as retirement approaches. For younger members, the longer-term impact of weaker returns and physical climate risks is expected to be more significant, although longer. time horizons give greater opportunity to recover from shorter-term transition shocks.

Overall, the Trustee considers both the current and proposed investment strategies to be resilient under a wide range of climate-related scenarios. In reaching this view, the Trustee recognises that climate risk cannot be entirely eliminated without potentially compromising expected long-term returns and broader investment objectives.

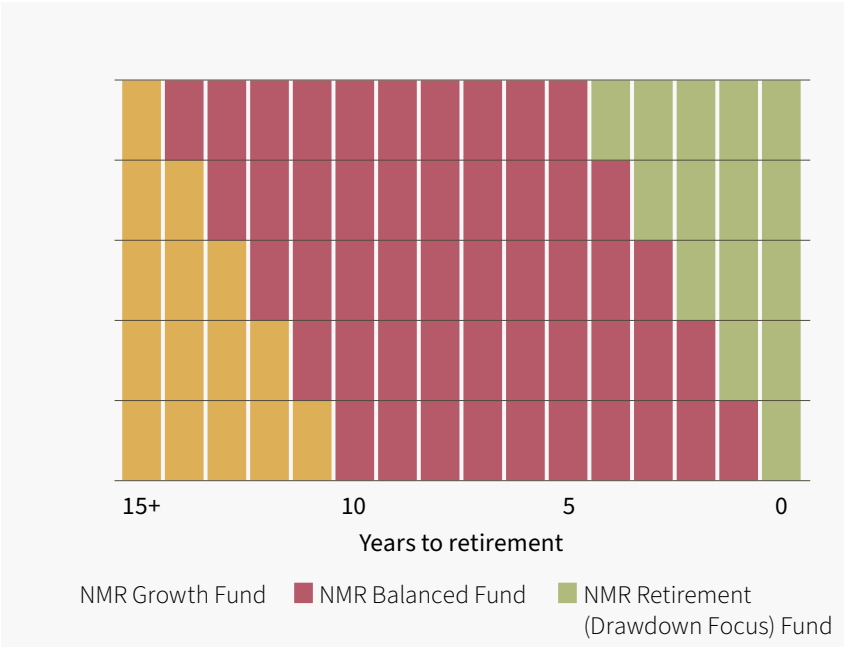
The Trustee believes that the proposed strategy continues to strike an appropriate balance between managing climate-related risks and delivering suitable expected outcomes for members. Climate considerations formed part of the broader assessment undertaken as part of the strategy review.

How resilient are the strategies used in the popular arrangements in these climate scenarios?

- In all these scenarios, equity markets are significantly impacted by climate change, with lesser but still material impacts in bond markets. All three scenarios envisage, on average, lower investment returns and these result in lower retirement outcomes for members. These impacts are particularly acute for members invested in the NMR World (ex-UK) Equity Fund, since it is a 100% equity fund.
- For younger members, longer-term impacts would be more significant as there is a risk of lower investment returns over an extended period. A longer term to retirement gives members more time to recover. However, volatility in equity markets will also be a main concern for members as they approach retirement age and look to crystallise their benefits. High Warming leads to the largest losses for those members further from retirement.
- Both the current and proposed strategies are resilient to a broad range of scenarios, albeit with a wide range of projected outcomes. Climate risk cannot be fully avoided without reducing expected growth, the Trustee views both strategies as striking an appropriate balance.

The chart below shows the funds used and the glidepath for the NMR Retirement (Drawdown Focus) Lifestyle.

Fidelity NMR Drawdown Focus Lifestyle



There are a number of ways in which the Trustee expects to achieve the Carbon Journey Plan objective over time.

Engagement

The Trustee aims to support the reduction of emissions associated with the Fund's portfolio by seeking to understand how the investment managers are responding to climate-related risks and opportunities. This includes reviewing their strategies, capital allocation decisions, and alignment with regulatory requirements such as transition planning. Through the PRSIC's engagement with the Fund's investment managers and the input of its investment advisers, the Trustee monitors how these factors are being considered in investment decisions. This approach is viewed as a key element in managing the investment risks associated with climate change.

Mandate changes including disinvestment

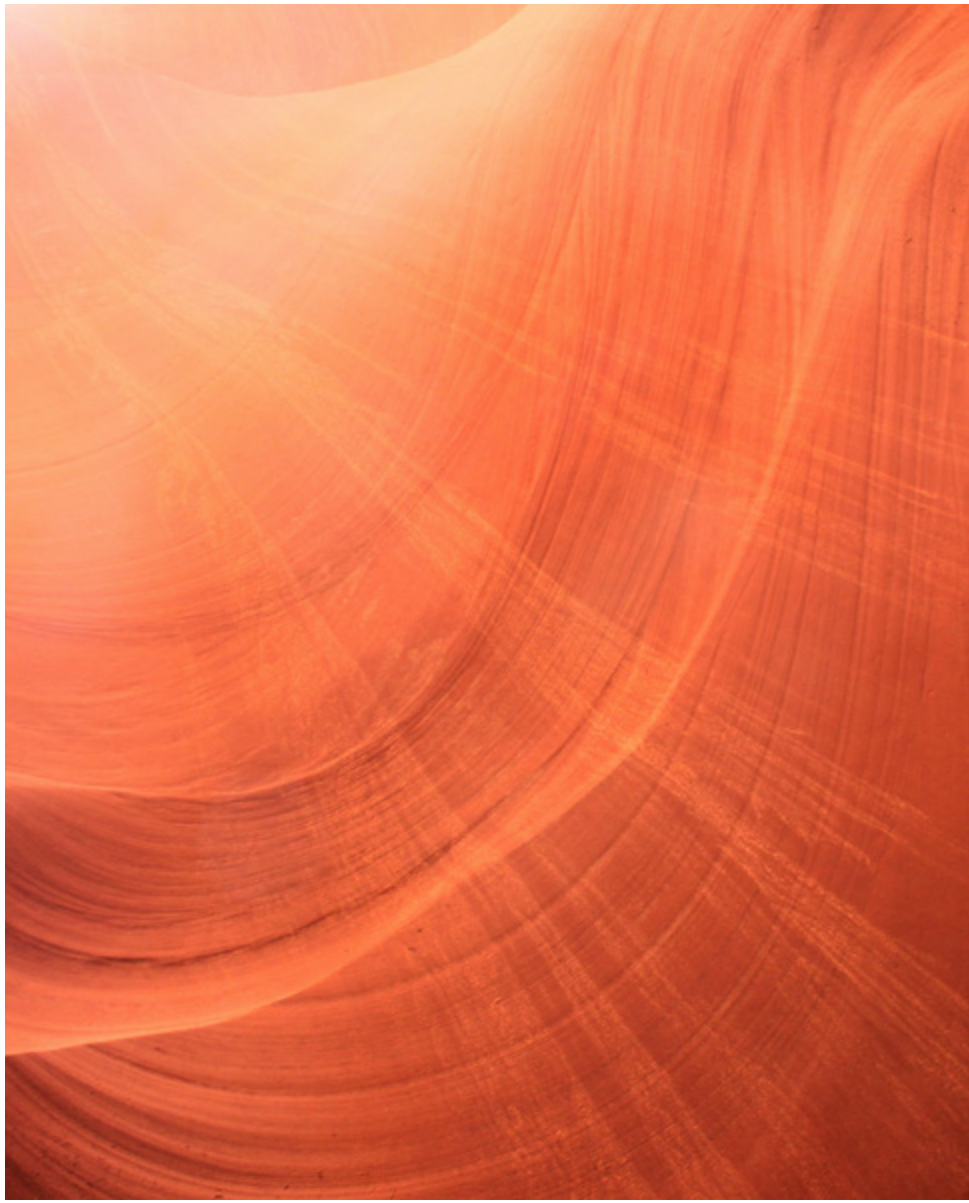
Over time the Trustee expects to review mandate guidelines and restrictions, particularly in relation to disproportionately emitting strategies. Where investment managers are unable or unwilling to evolve their approach, this may ultimately result in the Fund selling assets if deemed necessary to do so.

Free rider

Recognising common goals across the investment industry, the Trustee expects the Fund to benefit from the actions and efforts of other participants through a decline in the emissions associated with all asset classes.

Impact

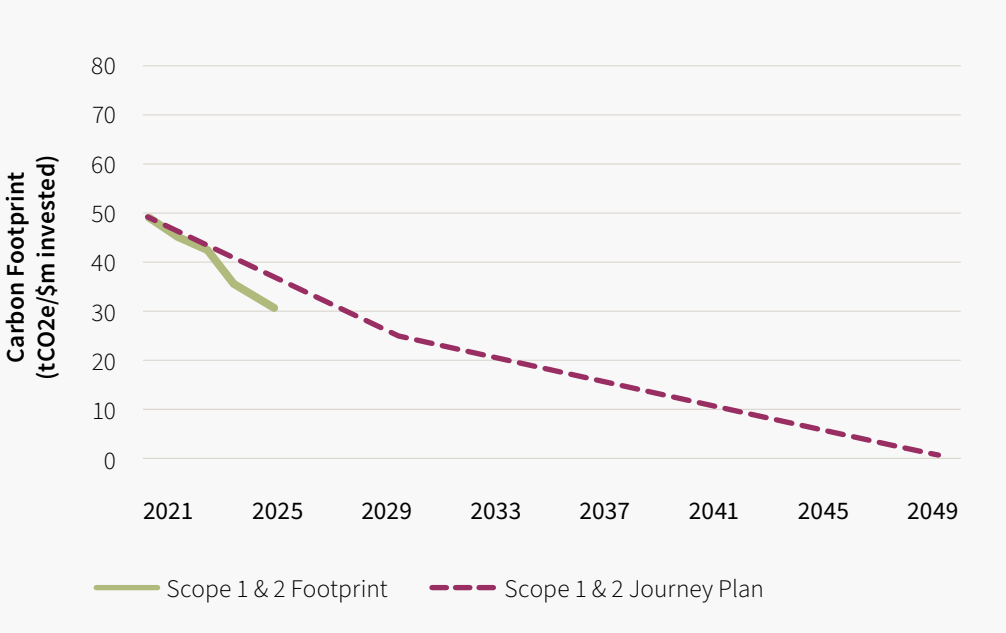
The Trustee will regularly assess the RI characteristics of new investments, with a view to identifying strategies that might benefit from the tailwinds of the global move to net zero.

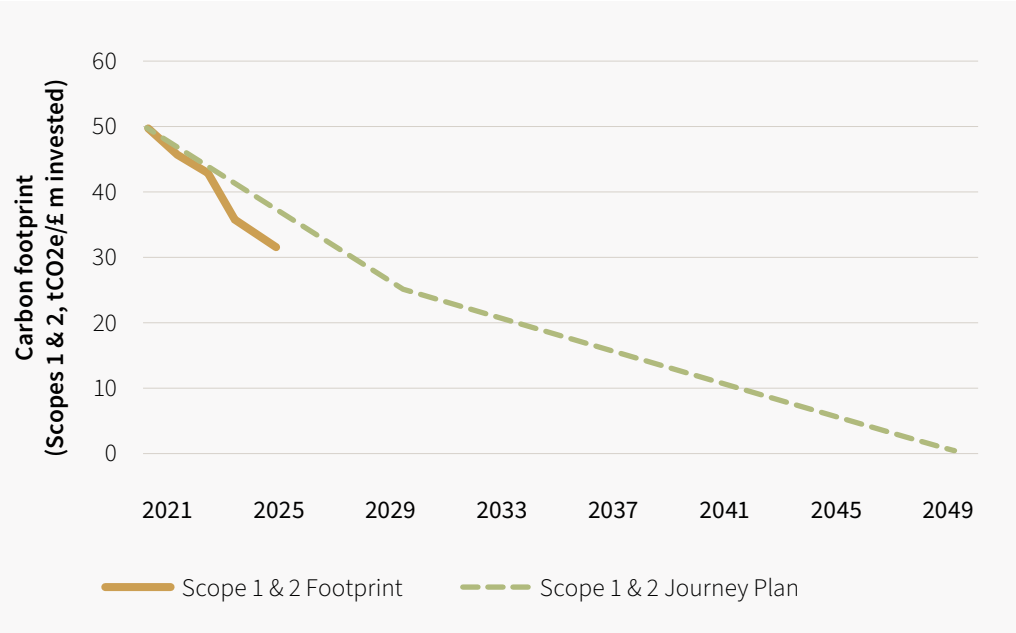


To provide a more visual representation of the Fund's Carbon Journey Plan, the graphs below show the progress of the Fund's Carbon Footprint versus the carbon journey plan for both the DB and DC sections. The dotted line shows the target of approximately a 50% reduction up to 2030 and that targeted progression to net-zero beyond this point.

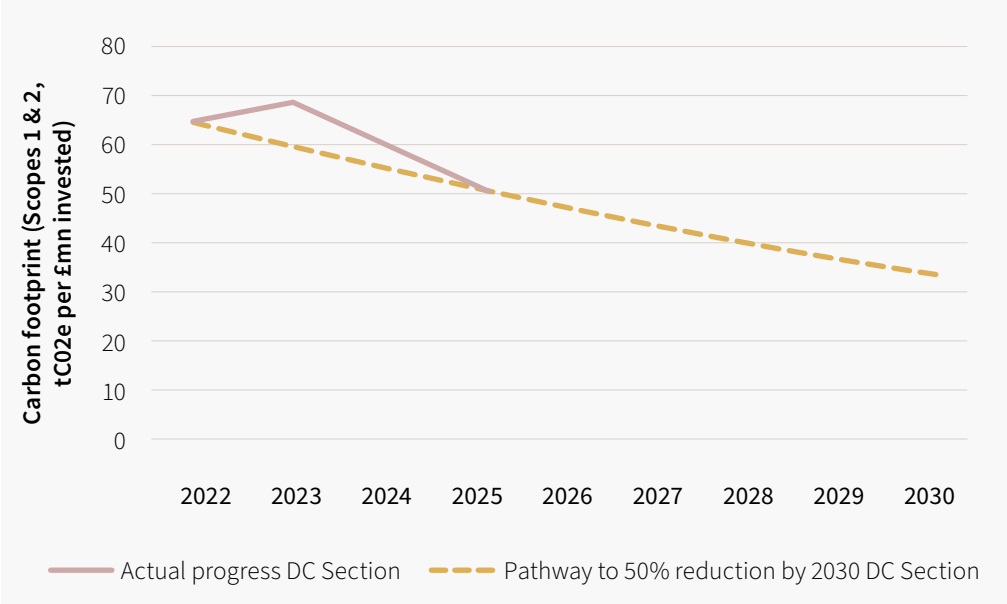
As at 30 September 2025, the default arrangement's carbon footprint is broadly in line with the DC carbon journey plan.

Carbon Journey Plan - DB Section





Carbon Journey Plan - DC Section



Notes to the Carbon Journey Plan:

The Carbon Journey Plan covers Scope 1 and 2 emissions.

The emissions associated with UK Government bonds are not included in the Fund's Carbon Journey Plan monitoring as the Fund is required to hold UK gilts to hedge its pension liabilities and as such disinvesting on sustainability grounds would be inappropriate from a fiduciary duty standpoint. The Trustee also has limited capability to effectively engage with the UK Government. The emissions from the UK gilts will still be calculated and monitored separately, measured as the tons of carbon emissions per £m invested similar to Carbon Footprint. In respect to the DC Section only, currency conversion from USD based on the date the emissions are as of, e.g., 30 September each year.

The base-year for the calculations is 2021 for the DB Section and 2022 for the DC Section.

4. Risk Management

We consider that climate change is both a key risk and opportunity for the Fund and it therefore receives particular focus within the Trustee's ongoing risk management processes. Similar to previous years, there remain three key ways in which we integrate climate change into our decision-making processes.

1

Top-down analysis

Alongside the climate change scenarios considered in the previous section, the Trustee undertakes an annual review to assess the high-level impact of climate change on the Group's covenant. This allows us to understand the impact that different climate change scenarios might have on the ongoing strength of the Sponsor.

Climate change continues to be a stewardship priority for the Trustee and over the past 12 months the PRSIC considered a deep dive into the DB equity manager's approach to voting on the Fund's shares, including in relation to climate issues.

2

Bottom-up analysis

A second approach we take to assess the risks and opportunities associated with climate change is through a deeper analysis of the attributes of the underlying investments. This analysis includes:

Security analysis – Our investment advisers calculate various climate change related metrics linked to the underlying securities within the portfolio. In aggregate, these metrics provide us with a more detailed understanding of the Fund's exposures and the overall characteristics of each mandate within the portfolio.

Following a review of this analysis, the PRSIC may engage with one or more of the Fund's managers to understand in more detail the nature and rationale for certain exposures within their portfolio and to obtain an understanding of the manager's engagement plans with some of the companies we invest in.

For both Sections, the PRSIC monitors the exposure the Fund has to certain sectors that are either excluded by the Sponsor under its group-wide policy or identified as 'red flags' under the policy of the Wealth Management business. Whilst the Trustee has not explicitly adopted either policy, we understand that it is important to monitor these exposures to ensure their inclusion in the Fund is understood and appropriate. Where possible, we look to engage with the Fund's investment managers to understand the rationale behind any holdings in these areas and if possible or appropriate, encourage the investment manager to reduce the holding.

Manager analysis – Our investment advisers also conduct an annual review of the Fund's underlying investment managers, providing an assessment of their policies, processes and actions around RI, which includes a focus on climate change. Again, where areas of particular concern are identified the PRSIC will engage with the relevant investment managers to challenge them.

3

Identifying new strategies and managers

In line with the overall objective to achieve net-zero emissions intensity by 2050, the Trustee will explicitly consider both the emissions characteristics, climate change opportunities and managers assessments when assessing new managers for the Fund.

Recognising the Trustee's overall objectives in this area, the Fund's investment advisers are expected to focus on managers and strategies that are highly rated for their RI characteristics.

The Trustee has developed a "Carbon Journey Plan" for the DB assets, with a target of reaching net zero Scope 1 and 2 carbon emissions intensity by 2050 with around a 50% reduction in emissions by 2030. The Trustee has selected these as targets as they align with the Paris Agreement and the UK Government's climate pledge. Although this goal is based upon the Fund's carbon footprint, the Trustee recognises that this is a simple and backward looking metric and therefore the Trustee also monitors a dashboard of climate metrics alongside this. Exposures and trends across multiple metrics are assessed rather than focusing just on the carbon footprint target.

However, the Trustee views carbon footprint as the most comparable metric across pension schemes of different sizes. Additionally, it provides a normalised emissions figure that identifies efficient investment managers rather than those that just produce the lowest total emissions.

The Trustee recognises that the progress of the Fund relative to the agreed objectives may not be smooth, particularly in the short term. As calculation methodologies change and data quality improves, it is likely that the measured position of the Fund will change. Nevertheless, the Trustee considers that it is important to understand and present the data currently available, whilst considering a broad range of both quantitative and qualitative factors in its management of the Fund.

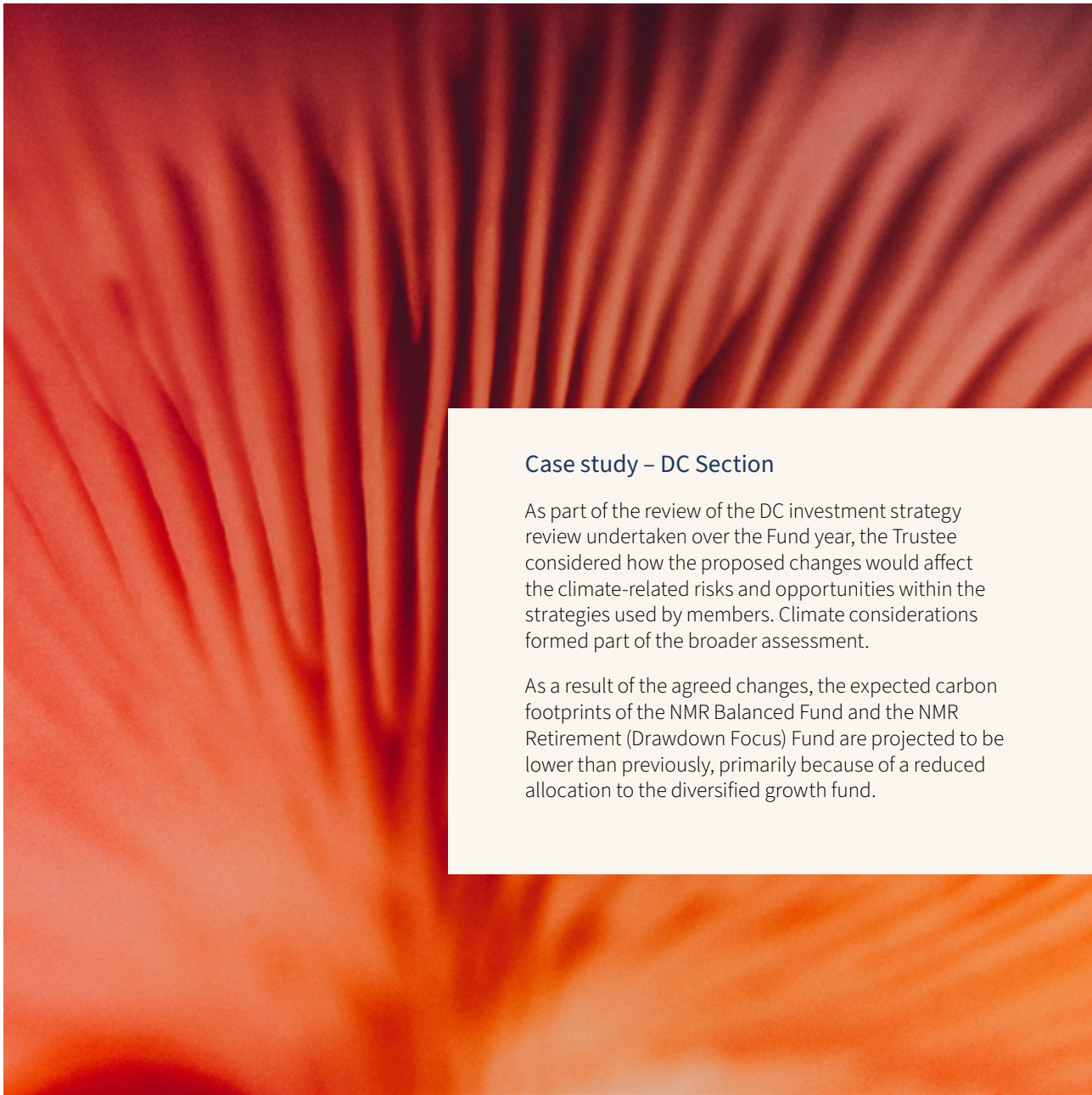
There are several ways in which the Trustee expects to achieve the Carbon Journey Plan objective over time.

4.1 DC Section specifics

Within the DC Section, assets are invested predominantly through pooled funds, many of which are implemented on a passive basis. As a result, exclusions are generally more constrained than in segregated mandates, particularly where the Trustee wishes to retain low-cost pooled and passive implementation. The PRSIC therefore places particular emphasis on ensuring that the underlying investment managers appropriately address climate-related issues, for example through assessment of issuers' transition plans and effective stewardship aimed at encouraging better corporate practice.

The Trustee undertakes an annual review of the DC investment managers' approaches to climate change. This review considers areas such as stewardship activity, climate expertise, use of scenario analysis, manager resources and the quality of climate-related data and reporting. The review helps the Trustee assess whether the managers used within the DC Section's popular arrangements continue to manage climate-related risks and opportunities appropriately.

The Trustee has set a Carbon Journey Plan for the equity and corporate bond elements of the DC default investment strategy, with the objective of reaching net zero Scope 1 and 2 carbon emissions intensity by 2050 and an interim target of a 50% reduction by 2035. Progress against this target is monitored using the Trustee's selected emissions intensity metric and considered alongside a broader dashboard of climate-related metrics.



Case study – DC Section

As part of the review of the DC investment strategy review undertaken over the Fund year, the Trustee considered how the proposed changes would affect the climate-related risks and opportunities within the strategies used by members. Climate considerations formed part of the broader assessment.

As a result of the agreed changes, the expected carbon footprints of the NMR Balanced Fund and the NMR Retirement (Drawdown Focus) Fund are projected to be lower than previously, primarily because of a reduced allocation to the diversified growth fund.

4.2 Stewardship

One of the other risk and opportunity assessment tools the Trustee uses is stewardship. As mentioned in other parts of the report, this is a key way in which the Trustee can influence the actions of companies and broader industry and therefore mitigate the climate risk the Fund is exposed to and enhance the potential opportunities available as part of the transition. Over the Fund year the Trustee has undertaken, with support from its advisors:

- Engagement with investment managers both directly and via the Fund's investment advisers.
- Completed its first publicly reported PRI submission.
- Contributed, both directly and via the Investment advisers, to a number of industry initiatives, working groups and consultations.
- Undertaken training to understand the merits of participation in other stewardship initiatives, such as the FRC Stewardship Code and TNFD reporting.

Summary

Through the use of the variety of risk tools referenced above, the Trustee has identified a number of key areas to continue further work to help exploit and manage the opportunities and risks associated with climate change. The key priorities are continuing to ensure that the investment managers are appropriately factoring climate change into their approach and stewardship activities as well as making sure that any future insurance activity includes due consideration to climate change as a factor.

5. Metrics and Targets

5.1 Fund metrics and target

As part of the Trustee's commitment to net zero and the TCFD framework, the Trustee has selected a number of metrics and targets that will be monitored on an annual basis through future publications of this report.

These comprise the following metrics:

Absolute emissions	**Total Carbon Emissions (tCO_2e)**: This is an absolute metric that estimates the total carbon emissions attributable to the Fund's investments. The calculation is based, where available, on MSCI data covering direct and indirect emissions (Scopes 1, 2 and 3) associated with the underlying companies in which the Fund invests. Where company-specific emissions data is unavailable, emissions are estimated using industry- and country-specific proxies. While these estimates are inherently less precise, they enable the Trustee to assess emissions across the Fund's entire portfolio rather than only the proportion for which reported data is available. Emissions attributable to the Fund's government bond holdings have also been calculated by the Fund's LDI manager, ensuring broader coverage across the Fund's assets.
Carbon Intensity	**Carbon Footprint calculated as the total carbon emissions per $m invested (tCO2e/$m invested)**: This is a carbon emissions "intensity" metric, providing a figure that can be compared with other investors. The Trustee has set long-term target to achieve net zero emissions intensity in 2050, with a 50% reduction by 2035. We will monitor our progress in reducing this metric as part of our 'Carbon Journey Plan', which is set out in the previous section.
Alternative	**Data quality (percentage of data with issuer-specific data vs. percentage of data modelled using proxies)**: This aims to measure the proportion of the Fund's assets for which we have high quality data.
Portfolio alignment	**Percentage of assets with SBTi or equivalent**: The SBTi is a partnership between the Carbon Disclosure Project, the UN Global Compact, World Resources Initiative and the World Wildlife Fund for Nature. The initiative provides an external mechanism for companies to have their carbon reduction plans validated as being in line with an objective to limit global warming to 1.5 degrees. Over time, the Trustee expects an increasing proportion of the Fund's investments to be aligned with this objective.
Weighted Average Carbon Intensity (WACI, tCO2e/ $m of revenue)	This is a secondary carbon emissions intensity metric calculated as the level of emissions per million dollars of revenue for each holding in the Fund. These figures are then averaged using the Fund weights to produce the WACI figure. The Trustee agreed to monitor this to align the Fund's progress with the Company.

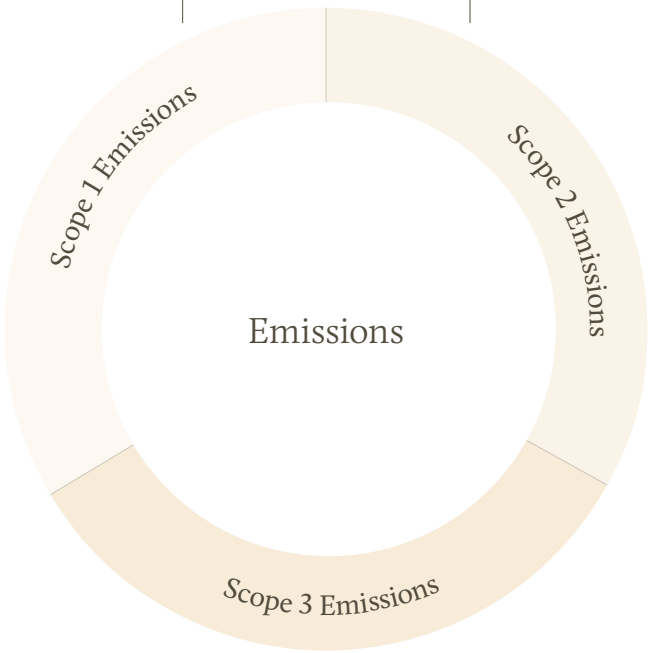
The first four metrics have been selected in accordance with the TCFD framework. The Trustee has adopted Carbon Footprint as its preferred emissions intensity measure in place of Weighted Average Carbon Intensity (WACI), consistent with DWP guidance and to support greater comparability across the pensions industry.

The Trustee regards data quality as a critical enabler of effective climate reporting. Improving the quality, coverage and consistency of underlying data will strengthen the robustness and comparability of climate-related disclosures and, ultimately, support better-informed decision-making regarding climate-related risks and opportunities within the portfolio.

The TCFD reporting framework also requires the Trustee to define the scope of the emissions monitored, which are as follows:

Direct emissions from a company's owned or controlled sources. This may include emissions from a firm's manufacturing processes or emissions from company vehicles.

Indirect emissions from the generation of purchased energy, such as heating for company facilities.



All other indirect emissions, including those of suppliers and customers. These may include emissions related to transportation and distribution of goods and disposal of waste generated in operations. Due to the nature of the emissions, Scope 3 emissions are significantly more difficult to calculate than Scope 1 or Scope 2 emissions.

5.2 DB Section reporting

The data for the metrics has been collated using a combination of manager-provided data, proxied data based on sector/geographical breakdowns, and relevant benchmark data. This data is then uploaded into the investment adviser's ESG tool (which uses MSCI underlying data) to determine the carbon related metrics the Fund is required by TCFD regulation to report.

Reflecting the above, the Fund's metrics for the DB Section have been presented opposite. Over the year to 30 September 2025, the Fund has made further progress towards the agreed short-term target, with a c.33% reduction in emissions intensity having been reported relative to the 2021 baseline.

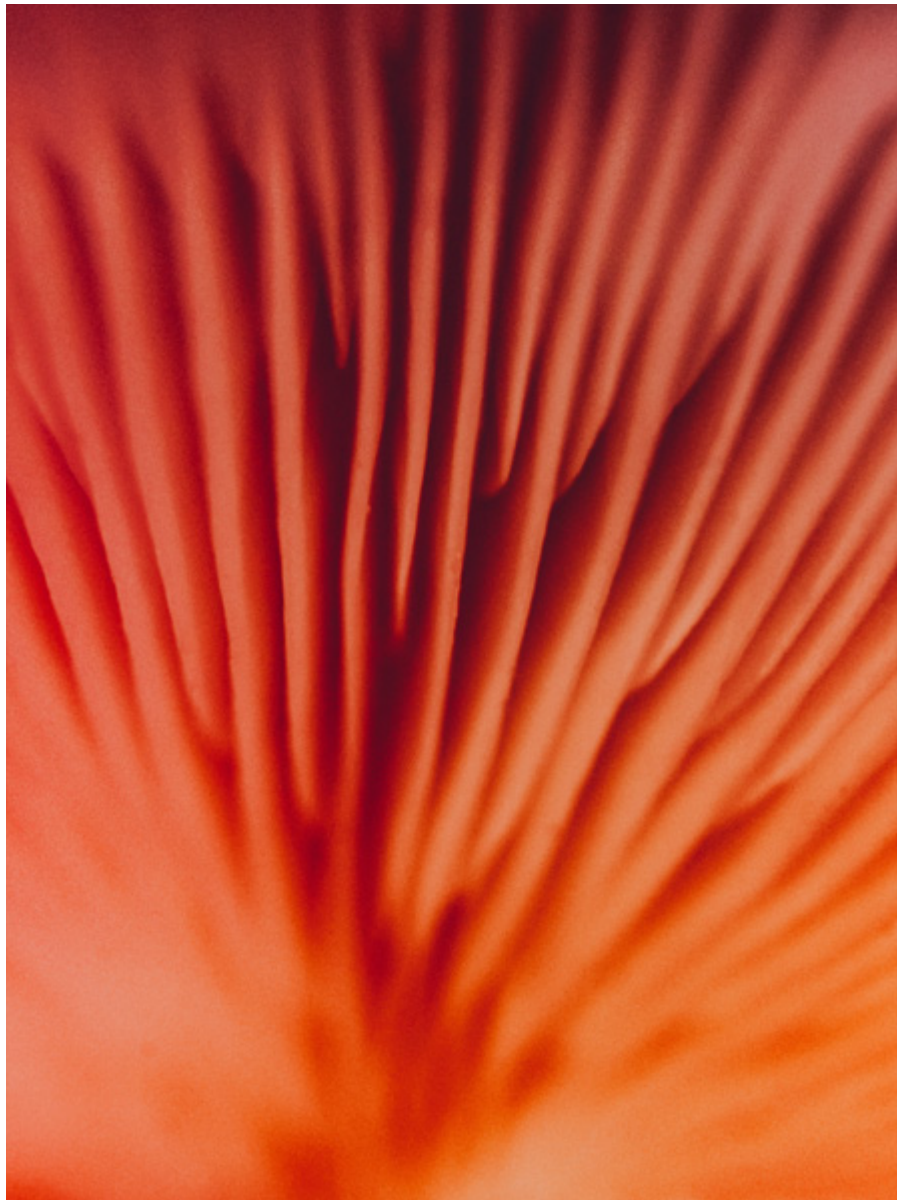
NMR Pension Fund	30 Sep 2024	30 Sep 2025
Total Assets	£758m	£721m
Total Carbon Emissions (tCO2e) (Scope 1 and 2)	35,889	31,725
Total Carbon Emissions (tCO2e) (Scope 1, 2 and 3)	256,626	337,176
Total Carbon Emissions for UK Government bonds (tCO2e) (Scope 1 and 2)	66,496	55,770
Carbon Footprint (tCO2e/$m invested) (Scope 1 and 2)	35.3	32.7
Carbon Footprint (tCO2e/$m invested) (Scope 1, 2 and 3)	252.3	347.2
Carbon Footprint for UK Government bonds (tCO2e/£m invested) (Scope 1 and 2)	163.2	158.6
Data Quality (proportion of the Fund's portfolio with direct emissions data) – (Scope 1 and 2)	27.4%	39.6%
% of assets with SBTi targets	13.3%	16.5%
WACI (tCO2e/$m revenue) (Scope 1, 2 and 3)	524	983

Explanation of the movements in the metrics can be found below:

Metric	Directional change	Explanation
September 2024 vs September 2025		
Metric 1 – Carbon Emissions		There was a decrease in total carbon emissions for Scope 1 & 2 over the year, driven primarily by reduced emissions observed across public markets, particularly global equities. However, Scope 3 emissions increased over the year, largely driven by improved data quality.
Metric 2 – Carbon Footprint		The Fund has seen a reduction in Scope 1 & 2 footprint over the year across the majority of assets but an increase when including Scope 3 figures. Similar to total emissions, this has been driven by improved transparency and the ability to report this data.
Metric 3 – Data Quality		Data quality improved over the past year, which has largely been driven by the Fund's increased allocation to public assets such as global equities, along with the ongoing improvement of underlying illiquid managers to report portfolio data.
Metric 4 – Alignment		The estimated SBTi coverage has improved over the year, which is primarily driven by the increased exposure to public equity assets.
Additional Intensity Metric – WACI		When including Scope 3 emissions, the portfolio's WACI has significantly increased between 2024 and 2025. This is driven by one of the holdings in the Fund's Long Term Credit portfolio.

The following outlines how the methodology of how the Fund's metrics are measured:

Carbon Emissions	The Total CO2 emissions of the portfolio using underlying assets or proxied data from MSCI.
Carbon Footprint	The assessment of the efficiency of the portfolio's carbon emissions per $m invested (emissions / $m invested attributed by EVIC). This separates out emissions attributed to investments in sovereign bonds.
Enterprise Value Including Cash (EVIC)	This is the sum, as at year-end, of the market capitalisation of ordinary shares, preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents.
Data Quality	This provides a breakdown of the percentage of the underlying strategies where the carbon data is derived from the actual holdings data of the Fund. If this is not available, then the strategies are proxied based on the high-level industry and geographic region breakdown of the mandate in question.
Alignment	This is measured as the percentage of the portfolio classified as Aligned, Aligning or Not Aligned based on guidance set out in the IIGCC's "Net Zero Investment Framework". Companies are categorised as High or Low impact depending on their industry classification and assessed against the following six criteria: Ambition, Targets, Emissions Performance, Disclosure, Decarbonisation strategy and Capital Allocation Alignment using data sourced from CA100+, TPI, SBTi and MSCI.
SBTi	The Science-Based Target Initiative. An organisation that defines and promotes science-based emissions reduction targets.
Weighted Average Carbon Intensity (WACI)	The assessment of the efficiency of the portfolio's carbon emissions per $m invested (tCO2e Scope 1 + 2 emissions / $m Sales or GDP). This separates out emissions attributed to investments in sovereign bonds.
UK government bond carbon footprint	This is calculated as the Fund's share of the total UK greenhouse gas emissions divided by the market value of gilts in issuance. This has been calculated as the annual productions emissions data for the UK for 2024 normalised by the total UK government debt as at 30 September 2025.



5.3 DB Data Quality

Whilst the Trustee has aimed to conduct the analysis to the best of their ability, the availability of data is dependent on external factors which are largely outside the Trustee's control such as certain companies not disclosing their carbon emissions.

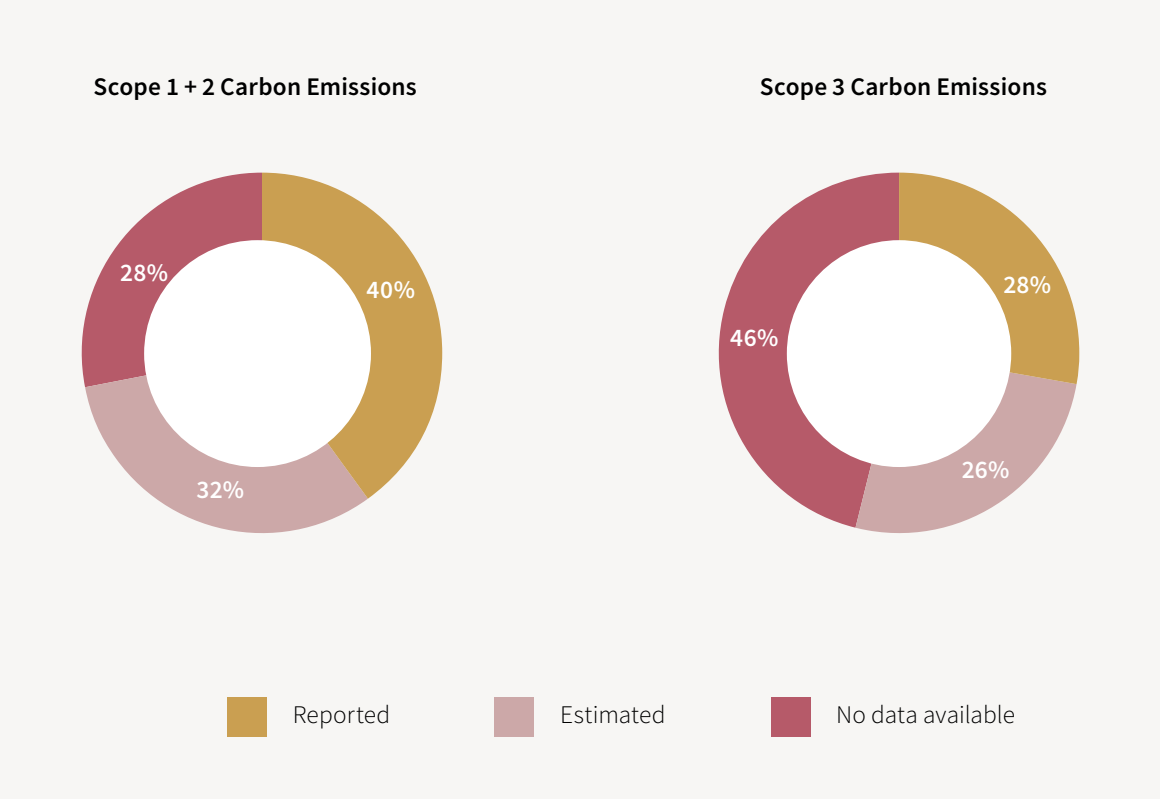
The charts opposite show how the Fund has been modelled, be it through the analysis of direct company holdings data, where it was available, or using proxies. For the private market assets the exposure has been proxied using relevant geographic and sector weights for the underlying holdings. The charts only show this breakdown in respect of the Fund's assets excluding Bulk annuities, LDI (Government Bonds) & Cash.

Whilst the Trustee aims for 100% data quality for its underlying investments, it understands that there are limitations with data availability, particularly for private market assets. The Trustee uses MSCI, a market leader in sustainability-related data, to provide ESG and carbon metrics for the underlying companies.

Whilst MSCI has a broad, constantly expanding and improving set of data, this primarily covers public companies due to the nature of the legislative requirements for these companies. Private companies, on the other hand, are not always subject to the same level of transparency and thus require proxying using characteristics that map to similar public companies. Our expectation is that data coverage will continue to improve as pressure from the investment industry, including from the Fund's investment managers leads to further transparency for private market assets and the Trustee will continue to monitor and encourage this over time.

Where data was not available on the underlying holdings, the Trustee has followed the 'pro-rata approach' which involves scaling up the Fund data that exists rather than assuming such positions have zero emissions. The Trustee believes this is a more accurate and prudent approach to take.

The Trustee will monitor how these metrics evolve over time on an annual basis to understand the drivers for change.



The Trustee's view on approaching Scope 3 emissions

Scope 3 emissions data is critical to help build a better picture as we decarbonise our portfolios and economies. However, the Trustee believes that current reported Scope 3 emissions data is largely inadequate for purposes including making accurate climate-informed investment decisions. Further, given data issues, the Trustee believes that disclosing the Scope 3 emissions of investment portfolios at this stage will necessarily be limited in coverage, subject to large estimation errors, and not fit for meaningful comparison between investors or over time. As a result of this, the Trustee believes any Scope 3 emissions disclosures should be disaggregated from Scope 1 and 2 emissions. The Scope 3 emissions are therefore outlined below separately.

Data providers, like MSCI, have tried to solve this problem by providing Scope 3 datasets using proprietary models and internally vetted methodologies. However, current solutions rely significantly on top-down sector emissions data with limited use of bottom-up data (which is company-specific). Models that rely on sector information limit users' ability to distinguish companies from peers. While there is sizable support from the investment industry and others for better disclosures, we need to be realistic around the current issues of reliability of Scope 3 data available at this time.

Importantly, assessing risks and opportunities are not purely about emissions. In this section, we report on non-emission metrics such as data quality and the exposure to climate solutions. The Trustee considers a range of sustainability factors when making investment decisions.

Whilst Scope 3 emissions disclosure is improving, we believe that the investment industry can play a proactive role in accelerating and supporting this trend. Our investment advisers are working closely with and engaging data providers to promote better disclosures.

Similarly, they engage extensively with the asset management community, including pushing for better corporate disclosure, and for the adoption of generally accepted standards and methodologies. Our investment advisors also undertake direct and indirect policy engagement, advocating for the adoption of common standards and methodologies,including those of the International Sustainability Standards Board and believe the recently released IFRS S1 and S2, including provisions around Scope 3 emissions, are a highly significant step forward.

5.4 DC Section reporting

The DC Section's popular arrangements are the default NMR Retirement (Drawdown Focus) Lifestyle and the NMR World (ex-UK) Equity Fund – Passive. Because the default arrangement invests through several underlying funds over time, the tables below show climate-related metrics for the principal funds used within the DC Section. The Trustee uses this data, together with analysis at arrangement level, to monitor the climate characteristics of the DC Section's popular arrangements and to inform investment decisions.

		2024						2025				
		Metric 1	Metric 2	Metric 3	Metric 4			Metric 1	Metric 2	Metric 3	Metric 4	
Fund	% total assets at 30/09/2024	Total GHG emissions (Scopes 1 & 2, tCO2e)	Carbon Footprint (Scopes 1 & 2, tCO2e per £1m)	Coverage	% of assets with SBTi targets	WACI (tCO2e/£m revenue)	% total assets at 30/09/2025	Total GHG emissions (Scopes 1 & 2, tCO2e)	Carbon Footprint (Scopes 1 & 2, tCO2e per £1m)	Coverage	% of assets with SBTi targets	WACI (tCO2e/£m revenue)
NMR Growth Fund	58%	2,379	55.92	**99%**	45%	152.64	60%	2,334	47	**100%**	55%	139
NMR Balanced Fund	13%	1,934	84.32	**74%**	31%	199.83	14%	1,957	82	**77%**	34%	212
NMR Retirement (Drawdown) Fund	2%	1,620	77.24	**76%**	31%	183.9	2%	1,640	74	**73%**	34%	192
NMR World (ex-UK) Equity Fund - Passive	14%	1,369	36.64	**99%**	47%	96.53	13%	1,203	33	**100%**	56%	91

Reflecting the above, the Fund's Scope 3 metrics for the DC Section have been presented below.

	2024				2025			
	Metric 1	Metric 2	Metric 3		Metric 1	Metric 2	Metric 3	
	Total GHG emissions (Scope 3, tCO2e)	Carbon Footprint (Scope 3, tCO2e per £1m)	Scope 3 coverage	Scope 3 WACI (tCO2e/£m revenue)	Total GHG emissions (Scope 3, tCO2e)	Carbon Footprint (Scope 3, tCO2e per £1m)	Scope 3 coverage	Scope 3 WACI (tCO2e/£m revenue)
NMR Growth Fund	17,684	503.23	**97%**	970.93	17,289	460.92	**99%**	970.93
NMR Balanced Fund	9,429	610.7	**78%**	1,397.52	16,461	745.29	**74%**	1,397.52
NMR Retirement (Drawdown) Fund	6,950	534.8	**75%**	1,310.65	13,693	677.09	**76%**	1,310.65
NMR World (ex-UK) Equity Fund - Passive	8,223	384.52	**97%**	740.98	10,477	310.82	**99%**	740.98

Explanation of the movements in the metrics is shown below:

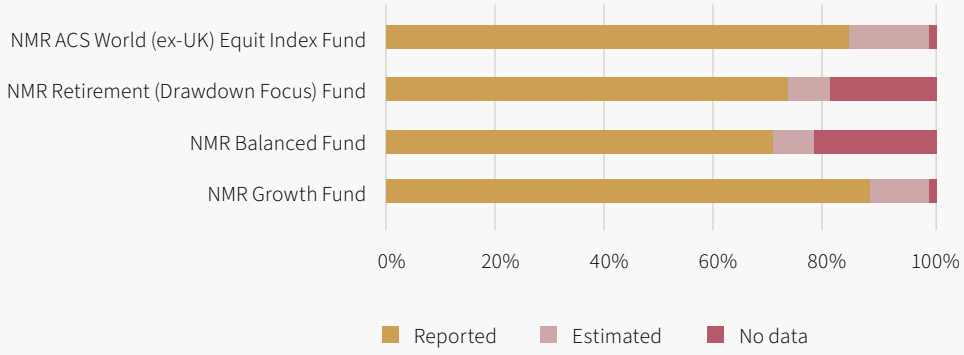
September 2024 vs September 2025				
Metric	**Fund**	**Directional change (Scope 1&2)**	**Directional change (Scope 3)**	**Explanation**
Metric 1 – Carbon emissions	NMR Growth Fund	▶	▲	Total emissions across Scopes 1,2 remained broadly constant for all funds used in the default lifestyle despite increases in asset values. The total emissions across Scopes 1,2 reduced for the NMR World (ex-UK) Equity Fund. The increase in Scope 3 emissions for the NMR Growth Fund was driven by a large increase in Scope 3 emissions intensity in the constituents of the BlackRock MSCI World index Fund , along with an increase in Scope 3 emissions from the L&G Low Carbon Transition Fund. Scope 3 emissions also increased for the NMR World (ex-UK) Equity Fund, driven predominantly by an increase in asset values, which more than offset a reduction in emissions intensity. Increased asset values also explain some of the increase in Scope 3 emissions in the NMR Balanced Fund but this fund also saw increases in emissions intensity from the allocation to the L&G Diversified Fund, which has a relatively high carbon intensity across all scopes and itself also saw increased Scope 3 emissions intensity from 2024.
	NMR Balanced Fund	▶	▲	
	NMR Retirement (Drawdown) Fund	▶	▲	
	NMR World (ex-UK) Equity Fund	▼	▲	
Metric 2 – Carbon footprint	NMR Growth Fund	▼	▼	All funds recorded lower Scope 1 and 2 carbon footprints over the year. This reflects a reduction in the carbon intensity of global equity market indices. The NMR Growth Fund's Scope 3 carbon footprint also decreased, which can be attributed to the MSCI and emerging market equity funds' carbon footprint decreasing over the year. While the NMR Balanced and the NMR Retirement (Drawdown) Funds saw a small reduction in Scope 1&2 carbon footprint, their Scope 3 carbon footprint increased. This reflects Scope 1&2 decarbonisation in developed equity markets as well as the allocation to the L&G Diversified Fund, whose Scope 3 carbon footprint increased. The NMR Retirement (Drawdown) Fund, which has a larger allocation to corporate bonds, saw increases in its Scope 3 carbon footprints as a result.
	NMR Balanced Fund	▼	▲	
	NMR Retirement (Drawdown) Fund	▼	▲	
	NMR World (ex-UK) Equity Fund	▼	▲	

September 2024 vs September 2025				
Metric	**Fund**	**Directional change (Scope 1&2)**	**Directional change (Scope 3)**	**Explanation**
Metric 3 – Data quality	NMR Growth Fund	▲	▲	Data quality for the two equity funds: the NMR Growth Fund and NMR World (ex-UK) Equity fund both either remained high or improved versus an already high baseline. Similarly, Data quality for the NMR Balanced Fund also increased, this reflects the increased coverage of the Diversified Fund. Data quality for the NMR Retirement (Drawdown) Fund decreased slightly as coverage within the short duration credit reduced.
	NMR Balanced Fund	▲	▲	
	NMR Retirement (Drawdown) Fund	▼	▼	
	NMR World (ex-UK) Equity Fund	▲	▲	
Metric 4 – Alignment	NMR Growth Fund	▲		The percentage of assets invested in issuers with validated SBTi targets or equivalent increased across all funds over the period. The Trustee views this as a positive indicator of improving alignment, although it recognises that this metric has limitations and does not in itself provide a complete picture of portfolio resilience to climate change. The Trustee expects this metric to improve further over time as more companies adopt and validate science-based targets.
	NMR Balanced Fund	▲		
	NMR Retirement (Drawdown) Fund	▲		
	NMR World (ex-UK) Equity Fund	▲		
Additional intensity metric - WACI	NMR Growth Fund	▼	▲	WACI for Scope 1 and 2 emissions decreased year-on-year for the two equity funds but increased for the NMR Balanced Fund and the NMR Retirement (Drawdown) Fund. The reduction in WACI for the equity funds provides greater comfort that some decarbonisation is occurring on a revenue-normalised basis, rather than being driven solely by changes in asset values. However, the increase in WACI for the mixed asset funds suggest that progress is less consistent where there is exposure to asset classes with higher emissions intensity. WACI increased for all funds for Scope 3 emissions, which suggests that value chain emissions remain a significant challenge and are not yet being reduced consistently.
	NMR Balanced Fund	▲	▲	
	NMR Retirement (Drawdown) Fund	▲	▲	
	NMR World (ex-UK) Equity Fund	▼	▲	

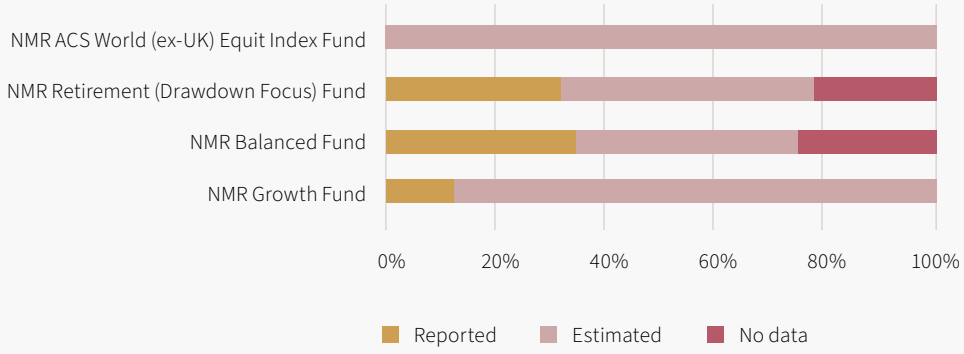
5.5 DC Data Quality

As at 30 September 2024

DC Section Data Quality (Scope 1&2)

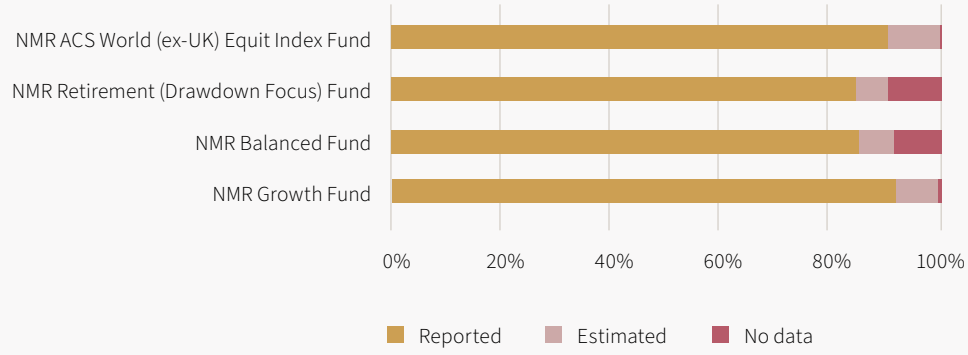


DC Section Data Quality (Scope 3)

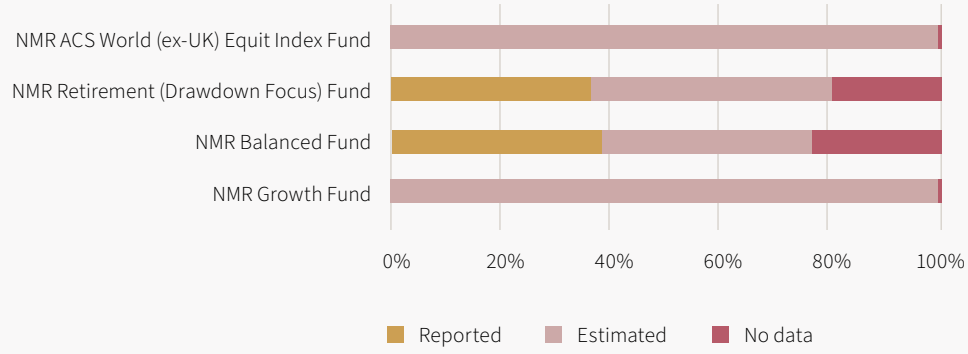


As at 30 September 2025

DC Section Data Quality (Scope 1&2)



DC Section Data Quality (Scope 3)



The NMR Retirement (Drawdown Focus) Lifestyle has relatively high data quality. Around 60% of the DC Section's assets were invested in the NMR Growth Fund as at 30 September 2025, and this fund was wholly invested in listed equities over the year, an asset class for which emissions data coverage is typically strongest.

The NMR Balanced Fund and NMR Retirement Fund, which made up 14% and 2% of the DC Section's assets respectively as at 30 September 2025, continue to have lower data quality than the equity-only funds. Coverage improved slightly for the NMR Balanced Fund, while it decreased slightly for the NMR Retirement (Drawdown) Fund. This reflects, in part, allocations to corporate bonds, but the most significant data gaps arise from exposure to the L&G Diversified Growth Fund, which includes asset classes such as commodities and private credit where reliable emissions data remain harder to obtain.

To help improve data quality for corporate bonds, the PRSIC has asked its investment adviser to engage with the data provider regarding a specific valuation input which is a key driver of lower coverage for these assets. The Trustee's investment adviser is also engaging with the diversified growth manager to encourage further improvement in emissions data for the underlying alternative assets.

The NMR World (ex-UK) Equity Fund is wholly invested in listed equities and therefore has very high data quality. For Scope 1 and 2 emissions, the vast majority of the underlying data was reported in companies' accounts, and data was unavailable for less than 1% of the Fund.

The Trustee expects that, in future years, changes in the data quality metric will be driven primarily by changes in the strategic asset allocation and by improvements in data availability for the Fund's less transparent exposures.

6. Appendices

Appendix 1: Further information on climate-related metrics

The Trustee's view on approaching Scope 3 emissions

Scope 3 emissions data is critical to help build a better picture as we decarbonise our portfolios and economies. However, the Trustee believes that current reported Scope 3 emissions data is largely inadequate for purposes including making accurate climate-informed investment decisions. Further, given data issues, the Trustee believes that disclosing the Scope 3 emissions of investment portfolios at this stage will necessarily be limited in coverage, subject to large estimation errors, and not fit for meaningful comparison between investors or over time. At a minimum, the Trustee believes any Scope 3 emissions disclosures should be disaggregated from Scope 1 and 2 emissions. The Scope 3 emissions are therefore outlined below separately.

Data providers, like MSCI, have tried to solve this problem by providing Scope 3 datasets using proprietary models and internally vetted methodologies. However, current solutions rely significantly on top-down sector emissions data with limited use of bottom-up data (which is company-specific). Models that rely on sector information limit users' ability to distinguish companies from peers. While there is sizable support from the investment industry and others for better disclosures, we need to be realistic around the current issues of reliability of Scope 3 data available.

Importantly, assessing risks and opportunities are not purely about emissions. In this section, we report on non-emission metrics such as data quality, exposure to climate solutions and the Trustee considers a range of sustainability factors when making investment decisions.

Whilst Scope 3 emissions disclosure is improving, we believe that the investment industry can play a proactive role in accelerating and supporting this trend. Our investment advisor is working closely with and engaging data providers to promote better disclosures. Similarly, our investment advisor engages extensively with the asset management community, including pushing for better corporate disclosure, and for the adoption of generally accepted standards and methodologies. Our investment advisor also undertakes direct and indirect policy engagement, advocating for the adoption of common standards and methodologies, including those of the International Sustainability Standards Board. Our investment advisor believes the recently released IFRS S1 and S2, including provisions around Scope 3 emissions, are a highly significant forward step.

Listed equities and corporate bonds – DC Section

Notes for data sourced from MSCI

Emissions are attributed to investors using "enterprise value including cash" (ie EVIC, the value of equity plus outstanding debt plus cash).

The total GHG emissions figures omit any companies for which data was not available. For example, if the portfolio was worth £200m and emissions data was available for 70% of the portfolio by value, the total GHG emissions figure shown relates to £140m of assets and the portfolio's carbon footprint equals total GHG emissions divided by 140. In other words, no assumption is made about the emissions of companies without data.

The science-based targets metric equals the % of portfolio by weight of companies that have a near-term carbon emissions reduction target that has been validated by the SBTi. The MSCI database does not distinguish between companies which do not have an SBTi target and companies for which MSCI does not check the SBTi status, so the coverage for this metric is equal to the % of the portfolio with an SBTi target.

Emissions data coverage and quality

Where coverage of the Fund analysed is less than 100%, this is because of the MSCI database:

- Does not cover some holdings (e.g. cash, sovereign bonds, bonds that have recently matured, shares in companies no longer listed when the analysis was undertaken).
- Does not hold emissions data for some companies because the company does not report it and MSCI does not estimate it.
- Does not hold EVIC data for some companies, so emissions cannot be attributed between equity and debt investors.

The last of these reasons is usually the main explanation for the fairly low coverage of bond portfolios.

The MSCI database records whether emissions data is reported or estimated, and which estimation method has been used, but not whether companies' reported emissions have been independently verified. Our investment adviser has asked MSCI to introduce this distinction.

Where emissions data is estimated, MSCI uses one of three methods:

- For electric utilities, MSCI's estimate of Scope 1 emissions is direct emissions due to power generation, calculated using power generation fuel-mix data.
- For companies not involved in power generation, which have previously reported emissions data, MSCI starts with a company-specific carbon intensity model.
- For other companies, MSCI uses an industry segment-specific carbon intensity model, which is based on the estimated carbon intensities for 1,000+ industry segments.

MSCI is a leading provider of climate-related data, so we would expect the coverage to compare favourably with other data sources.

Our DB Investment Adviser is engaging with MSCI to encourage them to improve EVIC coverage for debt issuers and to distinguish between companies which do not have an SBTi target and companies for which it does not check the SBTi status.

7. Glossary

Absolute Emissions
The total emissions attributable to the Fund's assets.

Carbon Footprint
The total carbon emissions per $ million invested invested (tCO2e/$m invested).

Carbon Journey Plan
The Trustee's agreed plan to reach the Fund's carbon reduction targets by the target dates.

CO2e
Carbon dioxide emissions or equivalent.

CTVaR
Climate Transition Value at Risk. The loss or gain in the Fund's value as a result of the net zero transition, measured as an expected change in the current value of the Fund's assets.

ESG
Environment, Social and Governance.

EVIC Methodology
Enterprise Value including Cash methodology. Emissions are weighted across equity, debt and loans.

Net Zero
The position of removing as many greenhouse gases as are emitted.

Physical Risk
The direct effects of climate change on the Fund and its members.

PDCC
The Pensions Defined Contribution Committee of the Fund.

PGAC
The Pensions Governance and Audit Committee of the Fund.

PISC
The Pensions Investment Sub Committee of the Fund.

PRSIC
The Pensions Responsible and Sustainable Investment Committee of the Fund.

Popular arrangement
The Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 define a popular arrangement for a DC pension scheme as Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021.

Portfolio Alignment
The percentage of the portfolio aligned with a particular net-zero initiative.

Responsible Investment
Making investment decisions and engaging with companies to encourage a positive impact on the world.

SBTi
The Science-Based Target Initiative. An organisation that defines and promotes science-based emissions reduction targets.

Scope 1 Emissions
Direct emissions from a company's owned or controlled sources. This may include emissions from a firm's manufacturing processes or emissions from company vehicles.

Scope 2 Emissions
Indirect emission from the generation of purchased energy, such as heating for company facilities.

Scope 3 Emissions
All other indirect emission, including those of suppliers and customers. These may include emissions related to the transportation and distribution of goods and disposal of waste generated in operations.

Sponsor
N M Rothschild & Sons Limited (the Principle Company)
Rothschild & Co Continuation Limited
Rothschild & Co Wealth Management (UK) Limited
Five Arrows Managers LLP (DC Section only)
Rothschild & Co Equity Market Solutions Limited (DC Section only)

Transition Risk
Risks and opportunities arising from efforts made to transition towards a net-zero economy (both domestically and globally) to limit climate change.

WACI
Weighted Average Carbon Intensity. The total carbon emissions per $ million of revenue of each holding in the portfolio (tCO2e/$m revenue).

The NMR Pension Fund (rothschildandco.com)
sustainability@rothschildandco.com

rothschildandco.com