A climate for Good Investment

Task Force on Climate-related Financial Disclosures (TCFD)
Report to December 2025

CCLA
GOOD INVESTMENT

Contents

CCLA supports Koestler Arts

Koestler Arts is the UK's leading arts charity. It is nationally respected for its ground-breaking work using the arts as a catalyst for positive change in the lives of people within the criminal justice system and in the public's perception of their potential.

Cover image courtesy of Koestler Arts. *A Break from the World*, HM Young Offender Institution Aylesbury, Arts Society Chiltern Hills Area Highly Commended Award for Painting.

koestlerarts.org.uk

Introduction

At CCLA, we believe that climate change is a systemic risk to the global economy and that, unmitigated, it poses not only a significant financial risk to the value of our clients' investments over the long term, but also our collective way of life.

Whilst our approach is different to other parts of the industry, CCLA remains committed to achieving net-zero emissions on the listed equities[1] within its portfolios by no later than 2050 and we remain committed to playing our part in developing an approach to managing the risks and opportunities associated with climate change that reflects the need for urgent action and can mobilise our industry to be a force for good.

Period under review

2025 had its challenges. Global temperatures continued to rise, with the world off track for limiting the increase to 1.5 °C.

The 30th United Nations Climate Change Conference (COP30) provided some positives, including agreements to scale up finance for developing countries and for adaptation, although harder decisions on fossil-fuel reduction were again deferred. As UN Secretary-General António Guterres warned, 'The hard truth is that we have failed to ensure we remain below 1.5 degrees … Every fraction of a degree means more hunger, displacement and loss.'[2]

Across the investment landscape, political pressures prompted some institutions to reconsider their involvement in climate alliances, creating shifts in collaborative initiatives. These have been real headwinds, but the direction of travel has not changed.

More investors expect companies to engage in transition planning, there is growing interest in climate stewardship, and continued investor engagement provides a credible route for supporting real-world decarbonisation and safeguarding long-term value. CCLA continues to stay the course in its stewardship work.

Actions taken

Our stewardship work has historically focused on listed equities. However, while equities represent the largest proportion of our assets under management (46% as of December 2025), they are by no means the only asset class that we deploy on behalf of our clients.

The second largest asset class in our overall mix of investments is cash and money market instruments, representing 30% of our total assets under management (as at December 2025). During the second part of the year, we introduced a revised framework for our cash funds designed to identify laggards and prioritise engagement

A key focus of the new framework is the approach taken by financial institutions to fossil-fuel financing. We rank financial institutions on the strength of their Reclaim Finance[3] oil and gas, and coal expansion policies, and engage with them to help them move forward. The objective is to encourage counterparties to strengthen their coal, oil and gas expansion policies with a view to supporting the eventual phase-out of these fuels.

1 Listed equities are share or stock holdings in companies that are tradeable on public markets. In this report, when referring to listed equities we exclude listed collective vehicles, such as investment trusts, whose primary business is to invest in other companies to generate a profit, and only refer to individual companies, whose primary business is to provide a service or sell a product to generate a profit.

2 United Nations Climate Change (6 November 2025), 'This COP must ignite a decade of acceleration and delivery: UN Secretary-General address to Belém Leaders Summit', online at https://unfccc.int/news/this-cop-must-ignite-a-decade-of-acceleration-and-delivery-un-secretary-general-address-to-belem

3 https://reclaimfinance.org/site/en/our-demands-on-oil-and-gas

Within property we invested in a new system called Jupiter Intelligence Climate Score[4] which allows CCLA to assess physical and extreme weather risk within the property portfolio using geolocation coordinates and elevation data. This allows CCLA to identify and manage risk as well as ensure efficient capital allocation. (For clarity, Jupiter Intelligence is a separate entity from Jupiter Fund Management and Jupiter Asset Management.)

As Chief Executive, I couldn't be prouder of our approach to tackling climate change and, as we begin our new partnership with the wider Jupiter Group, I know our ambition for this work is only going to grow.

Peter Hugh Smith
Chief Executive, CCLA

We view climate change as the largest threat to our planet, ecosystems and communities. If unmitigated, it will lead to increased erratic weather patterns, higher sea levels, biodiversity collapse and unprecedented mass migration. Consequently, it is a material threat to medium and long-term shareholder value.

4 For more information see www.jupiterintel.com

About CCLA

CCLA was born through the launch of the Church of England Investment Fund in 1958, which allowed church organisations to pool their funds for greater efficiency and service. Local authorities followed this lead in 1961, and in 1963 the Charity Commission followed suit for the broader charity market.

With the introduction of financial services regulation in 1987, Churches, Charities and Local Authorities (CCLA) Investment Management Limited was formed. Our approach to environmental, social and governance (ESG), and ethical and responsible investment stems from this heritage.

During July 2025, it was announced that, subject to regulatory approval, CCLA was to be acquired by Jupiter Fund Management plc (Jupiter), approval was granted in December 2025 and CCLA became part of the Jupiter Group on 2 February 2026.

In order to align with our new parent company's reporting period, the approach set out in this report relates to the nine months ending 31 December 2025. Plans are underway to align CCLA's transition approach with that of the wider Jupiter Group. As regulatory expectations evolve, we will continue to align our disclosures with applicable UK sustainability and climate-related requirements.

Climate change and investment policy

We have long considered climate change to be the largest threat to our environment, our communities and, consequently, to the success of investment markets. For this reason, we are committed to accelerating the transition to a net-zero emissions economy and taking steps to protect the value of our clients' portfolios during the transition. We will do this through our Act, Assess and Align sustainability framework:

Act

Acting to increase the pace of climate action.

We believe that investor activism is the best way to address climate change and achieve net-zero emission portfolios.

For this reason, we commit to the following:

- Leading impactful engagements, both directly and in collaboration with other investors, with listed equity holdings and money market fund counterparties on climate change.
- Incorporating climate risk into our AGM voting activity. Our specific requirements of companies will be disclosed annually in our proxy voting policy.
- Working with policymakers to push for progressive regulation and legislation and encouraging any industry organisations, that CCLA is a member of, to promote climate action in line with the requirements of the Paris Agreement.[5]

SCOPES 1, 2 AND 3

Scopes 1, 2 and 3 are a categorisation of greenhouse gas (GHG) emissions.

Scope 1 emissions: GHG emissions that a company makes directly – for example while running its boilers and vehicles.

Scope 2 emissions: emissions companies make indirectly – such as purchased electricity or energy for heating and cooling buildings – that is being produced on its behalf.

Scope 3 emissions: All the emissions associated, not with the company itself, but that the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them. Usually the largest emission category.

5 United Nations Framework Convention on Climate Change (2025), 'The Paris Agreement', online at https://treaties.un.org/doc/Publication/MTDSG/Volume%20II/Chapter%20XXVII/XXVII-7-d.en.pdf

Assess

Assessing high-carbon sector companies' position against the energy transition as part of our listed equity investment process (with the exception of collective vehicles) and avoiding those that do the most harm.

We recognise that high-carbon, and fossil-fuel-based, assets face increased financial risks during the inevitable energy transition.

For this reason, we commit to the following:

- Avoiding companies that have the most significant negative climate impact. We believe that active ownership, rather than exit, is more likely to increase the pace of climate action. However, it is our view that the companies that contribute the most to climate change face significant, long-term financial risks. In some cases, this makes it difficult for us to quantify their fair value.
- Assessing the most exposed companies' position against the Paris Agreement on climate change. Recognising the potential for regulation, legislation and changing consumer preferences to impact upon future profitability, we assess the decarbonisation plans of those companies that are in carbon intensive sectors prior to purchase. On the back of this analysis we require the approval of CCLA's Investment Committee prior to investing in companies in the electrical utility sector that are not assessed as being aligned with the nationally determined contributions (NDCs).
- Assessing the impact of climate-related risk within our property funds.

Align

Aligning our portfolios with our clients' requirements and disclosing information about our approach to managing the risks and opportunities associated with climate change.

To achieve this we:

- tailor our investment solutions to meet our clients' climate change priorities as discerned through our regular client consultation process
- commit to reporting annually on how we have discharged this policy, including information and analytics on our funds' transition to net-zero emissions, and providing details of our management of the opportunities and disclosing risks associated with climate change.

Accountability

In setting this policy we acknowledge that the scope for CCLA to invest for net zero and to meet the commitments set out above depends on the evolving regulatory environments within which CCLA, and the companies we invest in, operate.

As such, this policy has been set in the expectation that governments will follow through on their own commitments to ensure the objectives of the Paris Agreement are met, including increasing the ambition of their NDCs.

We consider this to be part of our fiduciary duty to our clients and by taking these steps we aim to achieve net-zero emissions in listed equity investments no later than 2050. To achieve this our approach goes beyond specific climate-related exclusions, it includes a decreasing maximum portfolio carbon footprint (listed equities), calibrated in line with Net Zero Investment Framework (NZIF) requirements.

As a signatory to Net Zero Asset Managers (NZAM) initiative, CCLA is assessed by the CDP processes which awarded CCLA a C Rating in its 2025 assessment.[6]

6 This is an assessment of the likelihood of current and future climate hazard. Due to CCLA's turnover and number of employees we qualify for the Small and Medium Enterprise (SME) questionnaire. B is currently the highest achievable grade for an SME as there is currently no methodology to determine an A score.

Key changes during the year

Money markets

During the second half of 2025 we expanded our climate-related engagement to our cash/money market funds, our second largest asset class. Money market instruments represent the second-largest asset class in our overall mix of investments. They comprise our cash-focused funds – the CBF Church of England Deposit Fund, the COIF Charities Deposit Fund and the Public Sector Deposit Fund – which are also held within our core long-term multi-asset funds.

The key focus of the new framework is the approach taken by financial institutions to fossil-fuel financing. We rank financial institutions on the strength of their Reclaim Finance oil and gas and coal expansion policies, and engage with them to help them move forward. The objective is to encourage counterparties to strengthen their coal, oil and gas expansion policies with a view to supporting the eventual phase-out of these fuels.

In September 2025, we corresponded with each of the listed institutions approved for use by our cash team (40 companies). By the end of the year, we had received responses from 12 companies and had met six.

Listed equity

In January 2025, we updated the climate section of our voting policy as well as our stewardship approach, both of which now encompass higher expectations on the listed equity proportion of our portfolio investments.

Our previous focus was on the largest absolute emitters in our portfolios, identifying those companies which were significant sources of greenhouse gas emissions. We have since refined our approach to better reflect where influence is most needed to support real-world decarbonisation.

We now identify companies that are systemically important to the transition to net zero. We use the Transition Pathway Initiative (TPI) methodology to identify and assess companies in high impact sectors' preparedness for transition to a low-carbon economy. We aim to support companies in reaching the level 5, where credible transition plans are in place and being delivered, with the top score, 5*, recognising leading performance.

This shift supports more effective engagement by:

- focusing on companies whose actions have broader implications for sector-wide change
- enabling clearer benchmarking of company progress using a robust, widely recognised tool
- supporting alignment with broader investor expectations and collaborative initiatives. Our aim remains the same: to support credible, science-based transition plans that lead to real-world emissions reductions.

These changes have been reflected in our voting guidelines which set out the basis on which we vote. Our voting approach is principles-based, covers key voting topics and we will apply discretion in the application of our principles and guidelines to ensure they are effective and in the best interests of our clients; this ensures consistency across all of our stewardship activity. Depending on the severity of the issue we may choose to vote against the appointment or reappointment of one or more of the following: the entire board, either the board chair or CEO, or appropriate board committee members.

Property

We recognise the importance of environmental and social impact when considering property selection and improvements. Before purchase, all properties and tenants undergo due diligence to ensure compliance with fund restrictions and standards on the prevention of financial crime. If the potential investment is approved, we conduct additional checks on environmental risks and building energy efficiency.

We did not purchase any new properties in 2025. However, we continued to undertake several significant upgrades to improve the properties owned in our funds.

In relation to reporting, our ability to set targets and track progress in property investments has historically been hindered by our dependence on tenants and third-party managing agents to collect and share building performance data. In 2025, our collection of data increased considerably. This will assist in the expansion of asset-level action plans and portfolio risk management.

Additionally, we have increased our ability to report on climate-related risk within property via the Jupiter Intelligence Climate Risk database. This allows the team to integrate physical and extreme weather risk into portfolio management and workflow allows CCLA to manage risk within the portfolio.

About this report

Enhancing the comprehensiveness, consistency and comparability of climate-related disclosures is a critical near-term imperative for financial institutions, corporates, regulators and governments. The recommendations and guidance of the Task Force on Climate-related Financial Disclosures (TCFD) provide a globally recognised framework for organising and delivering climate-related disclosures by corporates and financial institutions.

This report is our third TCFD report and sets out our approach to the management of climate-related risks and opportunities. Our aim is to provide stakeholders with a comprehensive understanding of the impact of climate change on CCLA and the actions we have taken to mitigate these risks.

The report covers the period between 1 April 2025 and 31 December 2025 and covers both CCLA Investment Management Limited and CCLA Fund Managers Limited (a wholly owned subsidiary of CCLA Investment Management), together 'CCLA'.

The report covers governance, strategy, risk management and metrics and targets in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

1. **Governance:** We describe CCLA's governance around climate-related risks and opportunities, highlighting the board's and management's role in assessing and managing these risks and opportunities.
2. **Strategy:** We present our strategic framework, which sets out the risks and opportunities associated with climate change. By incorporating scenario analysis and stress testing methodologies, we evaluate potential financial impacts.
3. **Risk management:** We discuss our approach to identifying, assessing and managing climate-related risks, both physical and transitional.
4. **Metrics and targets:** In this section, we outline the key metrics used to assess and track our progress in managing climate-related risks and opportunities. We provide operational emissions and targets and, in respect of the listed companies we invest in, quantitative data and qualitative insights.

While we endeavour to use words and explain terminology so that it will be understood, there may be terminology in the report that you are unfamiliar with. Should there be terms you are unfamiliar with please, in the first instance, refer to our glossary document on our website: www.ccla.co.uk/glossary

Compliance statement

The disclosures in the report, including any third party or group disclosures cross-referenced in it, comply with the requirements under the FCA ESG Sourcebook Section 2: Disclosure of climate-related financial information.

Dr James Corah
Head of Sustainability, CCLA

Governance

Board and management oversight of climate-related risks and opportunities

The process set out below relates to the year under review. The governance structure and approval process changed following CCLA's acquisition by Jupiter, see box on page 14.

The process for the year under review followed a clear governance structure for overseeing our management of the risks and opportunities associated with climate change in our investments:

- The board of **CCLA Investment Management Limited (CCLA IM)** is responsible for overseeing our approach to climate change and investment. To facilitate this oversight the board are provided with an annual overview of CCLA's management of climate-related financial risks.
- CCLA's **Executive Committee** holds responsibility for the company's approval of CCLA's approach to managing the risks and opportunities associated with climate change, including the Climate Change and Investment Policy.
- CCLA's **Investment Committee**, supported by the quarterly **ESG Forum**, is responsible for routine monitoring of the implementation of CCLA's management of the risks and opportunities associated with climate change. In addition, climate change-related metrics are included within CCLA's enterprise risk management framework.
- Day-to-day responsibility for the implementation of CCLA's approach to climate change and investment is held by CCLA's **Head of Sustainability**, who is a member of the company's **Executive Committee**.

To support the above, we held ESG Forum meetings, with a standing agenda including any regulatory updates, ESG integration across asset classes, engagement, and exposure to restricted activity. The forum comprised individuals across the sustainability and wider investment teams, and compliance.

CCLA's Investment Committee oversaw and evaluated the effectiveness of all our stewardship activity. Quarterly reports are provided to the relevant committees and/or boards for monitoring.

For CCLA's own internal operational emissions, CCLA implemented an environmental management system (EMS) in line with the requirements of the internationally recognised voluntary standard ISO 14001:2015 to effectively manage these impacts and to show continuing commitment to the protection of the environment.

Ensuring sufficient expertise and resources

Climate change is a complex topic and as such CCLA is committed to maintaining sufficient expertise to manage this. As at 31 December 2025, ten sustainability experts (eight full-time equivalent) comprised our sustainability team, of which six had experience in the sustainable finance industry of more than ten years.

For CCLA's own internal operational emissions, CCLA has implemented an environmental management system (EMS) in line with the requirements of the internationally recognised voluntary standard ISO 14001:2015 to effectively manage these impacts and to show continuing commitment to the protection of the environment.

We recognise that all staff have a part to play in improving CCLA's environmental performance, and training will be provided as necessary to ensure our objectives are met. All staff must complete CCLA's annual sustainability and environmental management training module.

SUSTAINABILITY TEAM

Name and job title	Years at CCLA	Qualifications	Responsibilities
Andrew Adams Senior Analyst: Sustainability Data & Proxy Voting	13	BA, MSc, CFA Cert ESG Investing	Andrew has worked in sustainable investment for 13 years. He supports the stewardship work of the team through maintaining various data systems and leading the day-to-day work of proxy voting.
Amy Browne Director of Stewardship	5	BA, CISI, PCIAM, IAD, IMC, CFA Cert ESG Investing	Responsible for leading and coordinating CCLA's stewardship activity across all areas, from public health and environment to corporate labour standards. Amy led the development of the CCLA Corporate Mental Health Benchmark and oversees the $10 trillion global investor coalition on workplace mental health that supports it.
Josephine Carlsson Church Ethics Lead & Secretary to the Church Investors Group	5	BA, CFA Cert ESG Investing	Specific responsibility for church-related ethical issues within the sustainability team at CCLA. Josephine is also Secretary to the Church Investors Group (a group of 65 institutional church investors in the UK who have assets of approximately £26 billion), a role that involves promoting ecumenical collaboration and cooperation on ethical investment matters.
James Corah Head of Sustainability	16	BA, MSc, PhD, CFA Cert ESG Investing,	Responsible for CCLA's approach to responsible investing. This includes our work to deliver real and lasting change through active stewardship, integrating environmental, social and governance factors into our investment processes and ensuring that our portfolios are aligned with the values and mission of our clients.
David Ellis Director, Governance & ESG Integration	10	BSc (Econ)	David has worked in ESG for over 30 years and is responsible for the development of CCLA's proxy voting policies and corporate governance stewardship programme. Additionally, he manages CCLA's implementation of ethical and responsible screening.
Helen Wildsmith Stewardship Director – Climate Change	16	BSc, MSc, PhD	Leads CCLA's climate change-related policy work and engagement with NextEra. Helen has been working with the Powering Past Coal Alliance since 2017 and sits on the Delivery Group of the UK Government's Transition Plan Taskforce (TPT) as an investment sector expert on mining and electrical utilities.
Martin Buttle Better Work Lead	3	BSc, MSc, PhD, CFA Cert ESG Investing	Responsible for the Better Work pillar of CCLA's engagement strategy, which includes coordinating the Find it, Fix it, Prevent it programme on modern slavery as well as broader engagements on Living Wage, Decent Work and Business and Human Rights.
Sara Thornton Consultant, Modern Slavery	3	BA, MSc	As former Independent Anti-Slavery Commissioner, Dame Sara Thornton leads CCLA's policy engagement work on modern slavery and forced labour. She also oversees the development of Find it, Fix it, Prevent it programme on modern slavery.
Sophie Walk Sustainability Coordinator	1	BA	Provides support for the delivery of CCLA's engagement programmes, with a focus on the CCLA Modern Slavery Benchmark.
Tessa Younger Better Environment Lead	2	MA, CFA Cert ESG Investing	Tessa has worked in ESG for over 30 years. Leads CCLA's Better Environment work, managing all stewardship on environmental issues, including climate change and nature, with the aim of driving clear improvements at the companies in which CCLA invests.

Source: CCLA, as at 31 December 2025.

CLIMATE GOVERNANCE POST ACQUISITION

Following CCLA's acquisition by Jupiter in February 2026 the governance of climate-related matters changed to follow the wider Jupiter process. Oversight of sustainability and climate-related matters is embedded across Jupiter's Board, committees and management structures, with clear accountability for strategy, risk management, remuneration and operational delivery. This framework supports effective oversight of climate risks and opportunities, responsible investment practices and progress against the Group's sustainability and net-zero commitments. Details of the process can be found on pages 41–42 of Jupiter's 2025 Sustainability Report.*

*Jupiter (Match 2026), 'Sustainability report 2025', online at https://dms-api.jupiteram.instinctcentral.io/documents/permalink/jupiter-sustainability-report-2025.pdf

CLIMATE-RELATED DATA PROVISION

Category	Data point	Comment	Use
Ethical screening	Sustainalytics' Product Involvement	This is a suite of data identifying companies' climate-related involvement in activities restricted by our clients	The data is programmed into our order management system (OMS) to support compliance with the relevant portfolio's ethical screens.
	Urgewald	Additional ethical screening data covering companies' involvement in climate-change-related activities specifically based on gas extraction and coal-fired power stations	The data is programmed into our OMS to support compliance with CCLA's Climate Change and Investment Policy.
Climate change and investment	MSCI Carbon and Climate Portfolio Analytics	Data to identify companies' carbon intensity and to calculate the carbon footprint of our portfolios	This is used to implement a maximum portfolio carbon footprint as mandated by our commitment to achieve net-zero emissions in equity portfolios by 2050. MSCI climate value-at-risk data is also integrated into our risk management framework and disclosed as part of our climate risk reporting.
	Transition Pathway Initiative	Data to analyse companies' decarbonisation plans against the necessary net-zero pathway for their sector	This is used to inform our assessment of electrical utility and energy companies' position against the Paris Agreement. Non-aligned companies are restricted from investment on a 'comply/approve' basis. This means that companies that do not meet the necessary standard are only admitted to a CCLA-managed portfolio following the approval of the Investment Committee.
Physical Risk	Jupiter Intelligence	Climate risk data on a property-by-property basis using geolocational data	The integration of physical and extreme weather risk into portfolio management and workflow allows CCLA to manage risk
CRREM Analysis	EVORA SIERA	Data to analyse asset decarbonisation trajectory	CRREM's science-based decarbonisation pathways reflect the emissions and energy intensity levels buildings must meet to stay aligned with a 1.5 °C warming scenario.

Source: CCLA, as at 31 December 2025.

Strategy

Climate-related risks and opportunities over the short, medium and long term

Climate change has been a primary focus in our stewardship work since 2010. In 2025, we continued to focus on policy engagement, working directly with governments and with other investors to bring about more progressive climate legislation.

We also continued to focus on decarbonising the operations and supply chains of our highest-emitting investee companies, and built out our engagements on nature, biodiversity and plastics.

Climate change is a critical challenge for global markets, communities and the environment. Our climate engagement strategy is designed to support the transition to a decarbonised economy through real-world emissions reductions.

As stewards of our clients' investments, we use our ownership rights to push companies forward on reducing the emissions associated with their operations and value chains. We have long supported work to limit the global temperature increase to below 1.5 °C and are committed to accelerating the transition to a net-zero economy.

Over the long term, we believe that it is important that net zero is achieved through real-world emissions reductions. This is the only way to stop the negative impacts of climate change and requires an increase in the pace of the world's decarbonisation. While in the medium term, we recognise that companies in high-carbon industries will face increased regulation and legislation that will disrupt their business models.

Our strategy has three components, the first two address long-term concerns while the third addresses our short- to medium-term concerns:

1. **Pushing for better regulation and legislation:** It is our belief that governments must create the conditions that render it economically viable for businesses to phase out damaging activities – particularly those that contribute to climate change. For this reason, we are working with policymakers, both in the UK and overseas, towards more meaningful regulatory action.
2. **Corporate engagement:** Investors can be influential in encouraging companies to take steps to reduce their own environmental impacts. Our listed equity climate engagement goes back a long way and, from 2012, sought to bring the investment industry together on this topic through Aiming for A, a forerunner to Climate Action 100+[7]. This work was taken to an additional level during the latter part of 2025 by the introduction of a new engagement workstream focused on the approach to fossil-fuel financing taken by the counterparties used in our cash funds. Climate considerations are also woven throughout our bespoke voting template.
3. **Avoidance:** We avoid investing in companies that are highly exposed to changing legislation and regulation aimed at tackling climate change. Accordingly, we do not invest directly in any companies that focus on extracting, producing or refining coal, oil sands, oil or gas.[8] We assess the remaining exposed industries against the goals of the Paris Agreement on climate change.[9]

7 See www.climateaction100.org
8 These are revenue-based restrictions. For full disclosure see page 30.
9 United Nations Framework Convention on Climate Change (2025), 'The Paris Agreement', online at https://unfccc.int/process-and-meetings/the-parisagreement

Policy and corporate engagement
Over the long term, it is important that net zero is achieved through real-world emissions reductions. This is the only way to stop the negative impacts of climate change and requires an increase in the pace of the world's decarbonisation.

At CCLA, we seek to assist this process through engagement with policymakers by pushing for more meaningful regulatory action. We take the opportunity to lead engagement with companies to encourage them to accelerate action on emissions reductions. We call this approach 'actions, not transactions'.

While we, as investors, have control over our investment decisions and can be a significant force for good in accelerating the pace of climate action, we nonetheless invest in the 'real economy'. This means that if the world does not decarbonise at a sufficient rate, no matter how well intentioned or actively pursued, it will not be possible for the majority of net-zero targets to be realised.

In the medium term, we recognise that companies in high-carbon industries will face increased regulation and legislation that will disrupt their business models.

For this reason, we will continue to avoid investing in companies with uncompensated, unwanted, unwarranted and unmitigated environmental risks – those that are the most damaging to the environment. For other companies, we will assess their alignment with the goals of the Paris Agreement on climate change before adding them to our portfolios.

The risks associated with this approach are that we cannot use our influence to engage with the companies in which we don't invest. When these industries experience above-average returns our clients will not be able to profit from capital growth in these sectors. Our strategy is delivered through CCLA's Sustainability team and supported by various data providers including: MSCI, TPI and CDP.

We believe that collaborative action strengthens our engagement approach, as exemplified by our engagement collaborations and membership of key thematic initiatives, such as the following.

Initiative	Lead organisation	CCLA role	Details
Ceres and ICCR Banks Working Group	Ceres and ICCR	Member	A group that provides resources against which bank performance can be measured, with engagement then tailored to each financial institution.
Climate Action 100+	IIGCC, Ceres and UN PRI	Collaborative/co-lead investor; founding member	An investor-led initiative to ensure the world's largest corporate greenhouse gas emitters act on climate change.
Climate Change Programme	CDP	Signatory	A group focusing on the principle that measurement and disclosure are essential to the effective management of climate change risk.
Forests Programme	CDP	Signatory	A group focusing on the principle that addressing deforestation is critical to meeting the global ambition to prevent dangerous climate change.
Institutional Investors Group on Climate Change	IIGCC	Member	A group bringing the investment community together to work towards a climate-resilient future.
Nature Action 100	IIGCC	Member	A group conducting investor engagement to drive greater corporate ambition and action to reverse nature and biodiversity loss.
Net Zero Asset Managers Initiative	IIGCC	Signatory	An initiative aiming to support asset managers in advancing long-term net-zero alignment across portfolios.
Net Zero Engagement Initiative	IIGCC	Member; collaborative investor; signatory	An initiative aiming to help investors align more of their portfolio with the goals of the Paris Agreement.
Non-Disclosure Campaign	CDP	Signatory	A group focusing on companies that have never responded to CDP or have not responded in recent years.
Powering Past Coal Alliance	Powering Past Coal Alliance	Steering committee member	A coalition of national and subnational governments, businesses and organisations working to advance the transition from unabated coal power generation to clean energy.
Spring	UN PRI	Signatory; advisory committee member	A stewardship initiative for nature, addressing the systemic risks of biodiversity loss.
UK Policy Working Group	IIGCC	Member	A member-only forum that advises on and supports IIGCC's engagement with UK policymakers, covering both real-economy and sustainable-finance issues.
Water Programme	CDP	Signatory	A group focusing on the principle that water security is essential to tackling climate change. Companies are requested to disclose and reduce their impacts.

Impact of climate-related risks and opportunities on the organisation's businesses, strategy, financial planning and investment strategies

Risks

Financial markets can only be as healthy as the communities and the environment that support them. As asset managers whose revenues and long-term success depend on healthy markets, we have a vested interest in ensuring their long-term sustainability.

So, our assessment prior to purchase and our subsequent active ownership work is based on three themes:

1. better work
2. better environment
3. better health.

We discuss how climate-related risks are factored into the asset classes we invest in in more detail in the Risk management section of this report titled 'Identifying and assessing climate-related risks'. The 'Climate scenario analysis' shows the impact of climate-related risks and opportunities on CCLA.

Transition planning

As part of our strategic disclosures under the TCFD framework, we recognise the importance of aligning our transition planning with national and international commitments to a net-zero economy. The UK government has made a legally binding commitment to achieving net-zero greenhouse gas emissions by 2050, as set out in the Climate Change Act 2008 (2050 Target Amendment) Order 2019.

We acknowledge the growing expectation for companies to integrate these commitments into their transition plans. Following our acquisition, we are now integrating into the proposed Jupiter Asset Management approach to ensure consistency across the two organisations.

Strategic resilience and climate scenario analysis

Identifying and assessing climate-related risk

Driver	Example	Risk	Timeframe
Transition risk			
Policy and legal	Exposure to litigation/volatility and divergence in sustainability-related policy and disclosure	Higher compliance costs; complexity in product design and labelling; reputational risk from inconsistent/insufficient disclosures; misalignment with client expectations	Short/medium/long term
Technology	IT infrastructure incorporation of ESG data/data accuracy within portfolio companies	Breaches of investment restrictions linked to data failures; mispriced risks in portfolios due to data selection, reputational risk if data proves inaccurate; weakened operational resilience	Short/medium/long term
Reputational	Changing media/stakeholder perceptions	Regulatory enforcement (direct impact); loss of mandates/ outflow from funds; exclusion from preferred investment lists; higher cost of capital from negative perceptions	Short/medium/long term
Physical risk			
Acute	Sudden one-off environmental events (e.g. floods, storms, wildfires)	Asset devaluation; stranded assets; operational disruption (both as a business as well as underlying investments); higher insurance costs – all of which lead to reduced AUM and revenue	Short/medium/long term
Chronic	Sustained environmental changes (e.g. rising temperatures, changing rainfall, sea level rise, land degradation, biodiversity loss)	Systemic erosion of asset values; lower workforce productivity (due to hot environments); stranded sectors/assets; higher long-term adaptation costs; all of which lead to reduced AUM and revenue	Short/medium term

Strategic resilience
The nature of our business means we have identified four broad mitigations to our transition risk exposure:

1. Our exposure is largely through financial assets, many of which are listed, so we have significant flexibility to adapt by trading, especially if active engagement should fail.
2. Our equity assets are managed to meet low-carbon footprints, measured relative to the MSCI World Index. They are absent of businesses which focus on extracting or refining coal, oil or gas.[10]
3. We will continue to carefully manage our exposure to high-emitting businesses and sectors. We continuously analyse our carbon exposure and, where appropriate, seek out opportunities to improve our holdings through engagement.
4. Our portfolio of assets invested in our funds is well diversified across different sectors of the economy.

Climate scenario analysis
Scenario analysis is a commonly used tool for understanding the implications of climate change on investments and therefore on CCLA as a business. It may prompt longer-term strategic thinking about risks and opportunities.

We explore three scenarios of an increasing mean temperature above pre-industrial level. CCLA uses the following climate scenarios prepared by the Network for Greening the Financial System (NGFS):

1. **Orderly scenario:** this is associated with a 1.5 °C scenario where the world transitions in an orderly way to a low-carbon economy. This scenario assumes climate policies are introduced early and become gradually more stringent over time.
2. **Disorderly scenario:** this is associated with a 2 °C scenario with a disorderly transition. In this scenario the introduction of policies is delayed or inconsistent across different countries and sectors.
3. **A hot house world scenario:** this is associated with a 3 °C scenario where we assume a late transition to a low-carbon economy.

The output of our scenario analysis is twofold.

First, there is the 'climate VaR' (value at risk). This measure estimates the size of loss on a portfolio of assets over a given time horizon, at a given probability. The climate VaR is an aggregate figure comprising:

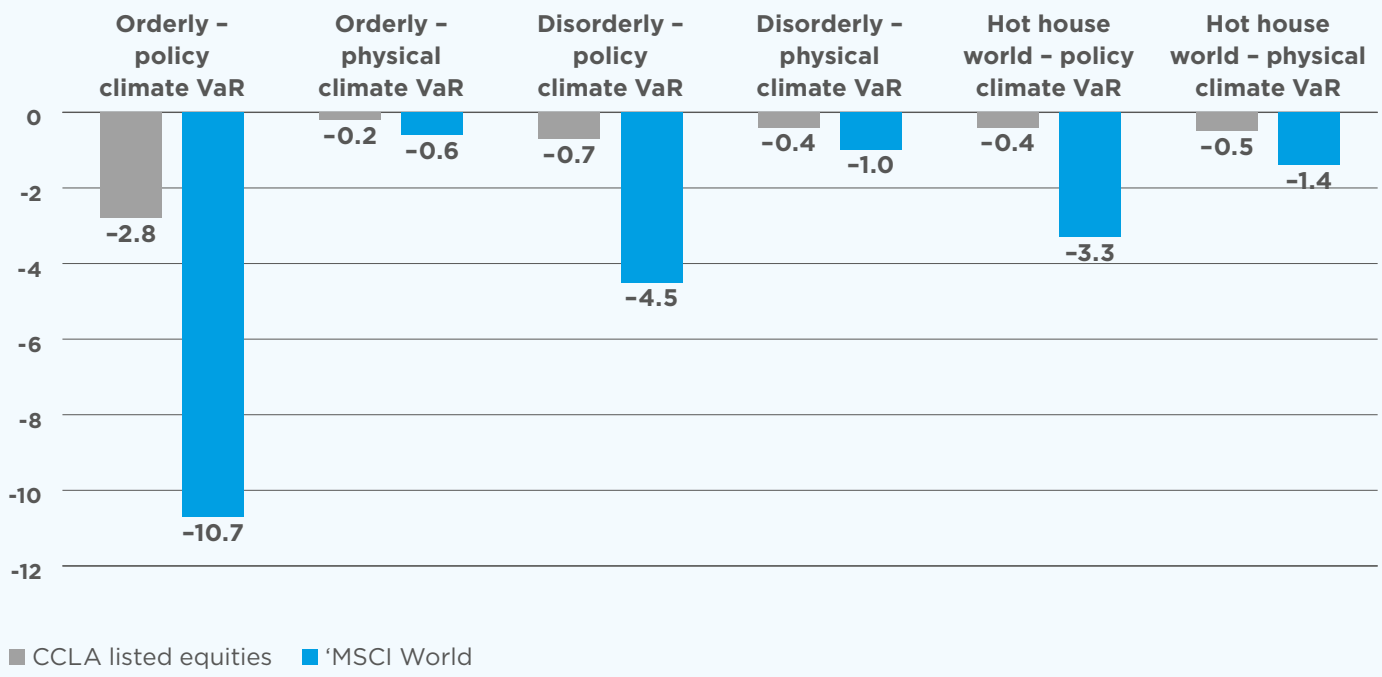
- Policy climate VaR: captures each company's share of the costs of regulatory and policy changes in order to meet each country's emission reduction target.
- Technological opportunities VaR: illustrates which companies will be the likely beneficiaries if/when climate policies are implemented on a country and global level.
- Physical climate VaR: indicates costs to business interruption associated with extreme weather.

Thus, the estimates of climate VaR from climate change can be seen as a measure of the potential for changes in the value of asset prices due to climate change.[11]

Second, there is the 'implied temperature rise' (ITR). This captures a company's contribution to rising temperatures. The metric aims to quantify the alignment of companies, portfolios and funds with global temperature goals.

10 Based on revenue restrictions (see page 30).
11 The information is intended to provide an indication of the potential financial impact of climate-related risks and opportunities on the portfolios managed by CCLA, under a variety of different scenarios. When interpreting the results, it is important to recognise that each scenario is not a forecast or prediction, but rather a way of examining factors which may drive possible future outcomes. The implied financial outcomes of scenario analysis are inherently uncertain and are based on a snapshot of the portfolios managed by CCLA on a given date, as such they should not be considered predictors of future performance. All CVaR data is provided by MSCI.

CLIMATE VAR FIGURES FOR LISTED EQUITY



Source: CCLA and MSCI, as at 31 December 2025.

IMPLIED TEMPERATURE RISE (ITR) FOR LISTED EQUITY

ITR provides a portfolio level number in degrees Celsius demonstrating how aligned the companies in the portfolio are to global temperature goals.

Portfolio
2.1 ˚C

Benchmark
2.7 ˚C

Source: MSCI and CCLA, as at 31 December 2025.

Due to our exclusions related to certain areas of fossil fuel, our climate VaR is low across all of our listed equities compared with the benchmark, however it does not mean that these assets will be exempt from the impacts of climate change. The ITR of 2.1 °C implies that some of our listed equity investments do not align fully with a 1.5 °C or 2 °C scenario at present. In an orderly transition, policy risks are somewhat mitigated as there is more time to implement policy early and take businesses on a journey. In a disorderly transition, the delayed and divergent implementation of policy will create more significant costs and risks for businesses, making the transition more expensive as a whole (hence the higher

climate VaR). Finally, in a hot house world scenario, while policy risks are mitigated, the physical risks are significant for businesses.

The most significant drivers of impact in our listed equities are extreme heat and coastal flooding. In contrast the two highest levels of concern for the property funds are drought and cold. This difference is due to UK focus of the property funds. The UK has been experiencing prolonged periods of drought after wet winters since 2022. This is causing the porous rock beneath vast parts of south-east England, including London, to move more than usual, cracking or tilting many of the city's buildings (both commercial and residential). The damage has triggered the highest insurance payout in almost two decades, with experts warning that it could get worse.

LISTED EQUITY PHYSICAL CLIMATE VALUES RISK

Chronic risks (0.5 °C global grid)

Extreme heat
-0.4%

Extreme cold
-0.1%

Wind gusts
-0.0%

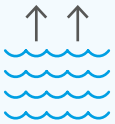
Heavy snowfall
-0.0%

Heavy precipitation
-0.1%

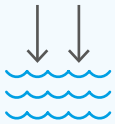
Acute risks (high res)

Tropical cyclones
-0.1%

Coastal flooding
-0.2%



Fluvial flooding
-0.0%



River low flow
-0.0%

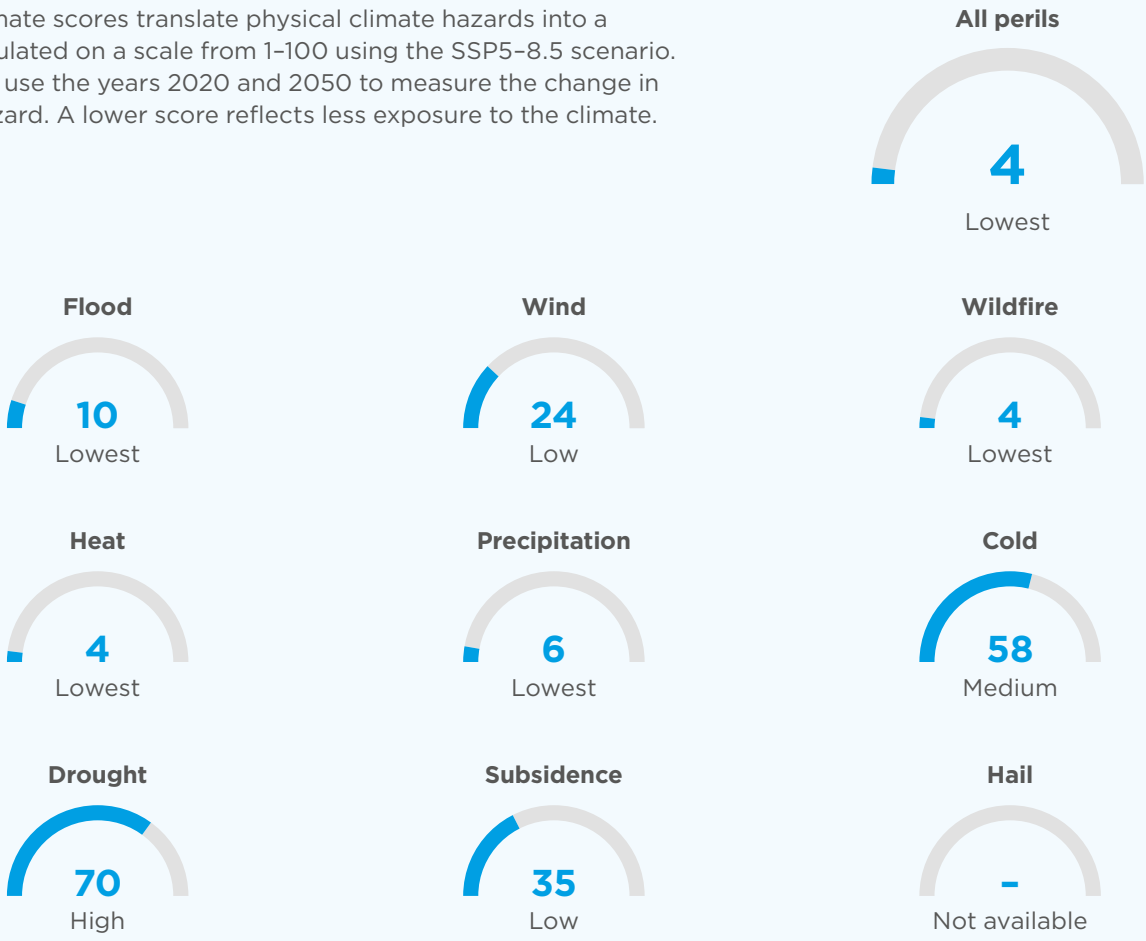
Wildfires
-0.0%

Aggregate physical climate VaR	Benchmark aggregate physical climate VaR
-0.6%	-1.7%

Source: MSCI and CCLA, 31 December 2025.

CLIMATE RISK INDICATORS FOR PROPERTY

Jupiter climate scores translate physical climate hazards into a score, calculated on a scale from 1–100 using the SSP5–8.5 scenario. The scores use the years 2020 and 2050 to measure the change in climate hazard. A lower score reflects less exposure to the climate.



Source: CCLA and Jupiter Intelligence, as at December 2025.

Scenario analysis limitations

When engaging with our scenario outputs, it is important to consider the following limitations.

- While the 3 °C hot house world scenario has the lowest climate VaR, our modelling does not currently enable us to proportionately increase the physical risks associated with a 3 °C scenario. We should therefore expect a more significant physical climate VaR for this scenario.
- The scenarios we model are not forecasts or predictions of the future. We do not assign probabilities to these outcomes and do not compare their likelihood of being realised. We are committed to the Paris Agreement's objective of limiting global temperature increases to 1.5 °C, meaning this is our desired outcome.

- The Network for Greening the Financial System (NGFS) models do not enable us to look at various socio-economic pathways (SSP). All scenarios are currently based on SSP2, which assumes that society evolves broadly in line with past trends. However, without a just transition we could well end up with SSP4, where highly unequal investments in human capital, combined with increasing disparities in economic opportunity and political power, lead to increasing inequalities and stratification both across and within countries, culminating in social unrest and conflict.
- Nearly all 'Paris-aligned' modelled scenarios use some form of negative emissions or carbon capture to get to net zero, because there are some unavoidable emissions. Offsetting schemes and relying on negative emissions can be a distraction from the key priority to reduce absolute emissions. In the short to medium term, we prefer to focus our efforts on real-world emissions reduction to our carbon footprint. However, negative emissions have a critical role to play in the long term. New solutions are under development but much more investment and research will be required to scale both technological and nature-based solutions to meet future net-zero demands. Access to negative emissions through the offsetting schemes' market also needs stronger international standards, certification and governance to ensure negative emissions are robust, transparent and well regulated.

Data gaps

The lack of detailed carbon data coverage in unlisted equities, alternative assets, property, bonds and cash makes it difficult to provide the same level of disclosure as for listed equities. For this reason, we do not currently have targets for our other asset classes due to data availability (alternative assets); emerging methodologies (money market instruments); and are currently resolving data collection issues (property and bonds).

For example, in our property funds the end of 2025 marked the first year in which we were able to collect reliable energy data. However, despite this we still cannot report on the full extent of carbon emissions as it largely depends on the tenants' voluntary disclosure of water consumption and waste information. This is an ongoing issue that we are tackling with our property managers. We are seeking to engage further with our property managers with the goal of collecting more information from tenants. Energy-consumption-related emissions have been included in this report for the first time.

In our cash funds we buy sterling-denominated money market deposits and instruments various counterparties. As the cash funds do not hold shares in the counterparties, we should not report scopes 1 or 2 emissions as these are not owned emissions. Calculating the scope 3 carbon footprint of the money market instruments is not as straightforward as listed equity and we do not believe that the current methods to do this provide accurate carbon footprint data for this type of security. We will continue to investigate how to measure this exposure. As set out elsewhere in this report (see page 9) we have started an engagement programme with the listed counterparties. This engagement approach is in line with the position set out in the appendix to the NZIF.2.0.[12] NZIF 2.0 is the updated Net Zero Investment Framework, providing investors with comprehensive guidance to align portfolios with net-zero goals and support real-world decarbonisation.

12 IIGCC (2024), 'Net Zero Investment Framework updated: NZIF 2.0', online at www.iigcc.org/net-zero-investment-framework

Risk management

Identifying and assessing climate-related risks

The delivery of long-term sustainable returns is a central requirement for our clients. Therefore, we seek to take a long-term approach to investment management. When identifying new opportunities for our equity and multi-asset funds we aim to invest for a minimum of five years and are aware that the time horizon for many of our clients is much longer.

For this reason, responsible investment and stewardship is at the core of our investment approach. Our approach seeks to identify, and mitigate, the highest ESG risks to investment performance within our standard holding period and, to protect our clients into the future, contribute to building a long-term sustainable future.

Our approach across asset classes

The table below sets out a high-level summary of CCLA's overall strategy and response to climate-related risks and opportunities across the various asset classes.

Asset class	% AUM	Approach to climate change
Listed equity	45.12%	Engage with companies, where we are aiming to accelerate the transition to a net-zero emissions economy and address concerns regarding biodiversity loss. Exclude companies which: • produce more than 10 million metric tons of coal or have plans to expand their coal production • are expanding coal-fired power generation or primarily generating electricity without aligning with the Paris Agreement (as defined by CCLA) • have >10% revenue from oil and gas extraction, refining or production • have >5% revenue from oil/tar sands extraction • have >5% revenue from thermal coal extraction
Money market funds/cash	29.05%	Approved counterparties are subjected to engagement focused primarily on financial institutions' approach to financing the expansion of fossil fuels.
Property	11.07%	Energy and emissions data have been uploaded to the EVORA SERIA system to allow a CRREM pathway to be developed for each asset. Physical environmental risk assessment undertaken via Jupiter Intelligence Climate Score tool. Tenant reviews against the fund's criteria and seek to avoid entering into leases with businesses that conduct activities that are proscribed by the fund's values-based screens. This includes the climate-related exclusions of companies which: • produce more than 10 million metric tons of coal or have plans to expand their coal production • are expanding coal-fired power generation or primarily generating electricity without aligning with the Paris Agreement (as defined by CCLA) • have >10% revenue from oil and gas extraction, refining or production • have >5% revenue from oil/tar sands extraction • have >5% revenue from thermal coal extraction

Asset class	% AUM	Approach to climate change
Alternatives	8.04%	We have a policy to cap net asset value from midstream gas at 25%. In addition, we do not invest in alternative third-party funds if they are assessed as having more than 10% of net asset value exposed to precluded activity. This includes the following climate-related exclusions of companies which • produce more than 10 million metric tons of coal or have plans to expand their coal production • are expanding coal-fired power generation or primarily generating electricity without aligning with the Paris Agreement (as defined by CCLA) • have >10% revenue from oil and gas extraction, refining or production • have >5% revenue from oil/tar sands extraction • have >5% revenue from thermal coal extraction As a final safeguard, we seek to ensure that the combined exposure to all restricted activities within such other investment fund holdings remains below 1% of the capital value of the holding CCLA fund.
Sovereign debt	3.65%	We do not have climate-specific screens for treasuries at present; however, we aim to develop this approach in future.
Corporate debt (bonds)	3.08%	Exclude companies which: • produce more than 10 million metric tons of coal or have plans to expand their coal production • are expanding coal-fired power generation or primarily generating electricity without aligning with the Paris Agreement (as defined by CCLA) • have >10% revenue from oil and gas extraction, refining or production • have >5% revenue from oil/tar sands extraction • have >5% revenue from thermal coal extraction Within the two short duration bond funds engagement has been sub assigned to the manager Federated Hermes. Its engagement remains focused on companies having a strategy and greenhouse gas emissions reduction targets aligned, so far as possible, to the goals of the Paris Agreement, to limit climate change to below 2 °C and pursue efforts towards 1.5 °C and take advantage of the opportunities where commercially feasible.

Source: CCLA, as at 31 December 2025.

Portfolio level risk control
We seek to control the aggregate levels of climate risk within our clients' portfolios. We implement strict rules to ensure that the aggregate carbon footprint of all CCLA equity portfolios is not higher than that of the MSCI World Index.

Managing climate-related risks

In the long term, net-zero portfolios need to be achieved through real-world emissions reductions – this is the only way to stop the negative impact of climate change.

We manage climate-related risks through engagement. We call this approach 'actions, not transactions'.

By this we mean that, where possible, emissions should be reduced with tools, such as engagement, to encourage investee companies to lower their emissions in line with a science-based decarbonisation target (action); rather than lowering our investment footprint by selling our higher carbon companies and purchasing lower carbon ones (transactions).

We believe that although selling high-carbon and purchasing low-carbon businesses would cut the emissions in our investments in line with a potential net-zero target, it would have little or no climate impact. Instead, these businesses would be bought by other investors and would continue to emit at the same level. Therefore, while our 'portfolio emissions' would be lower, 'real-world' emissions would continue to be the same.

However, through engagement, and other tools at the disposal of investors, the investor – as a part owner – can encourage the company to cut emissions. When successful, this not only reduces the company's carbon footprint but also reduces real-world emissions, resulting in a positive impact in the fight against climate change

Stewardship and the low-carbon transition
Investors can be highly influential in encouraging companies to take steps to reduce their own environmental impacts. We have a very long track record of engaging companies about climate change and, in 2012, we were instrumental in bringing the investment industry together on this topic through Climate Action 100+'s forerunner 'Aiming for A'.

All engagement activity is consistent across the listed equity holdings in our equity and multi-asset funds (eight funds in total). This activity is monitored by CCLA's Investment Committee and poor corporate responses can, in the case of the CCLA Better World Global Equity Fund, lead to us reconsidering continued investment.

To ensure its effectiveness, we work in partnership with other investors, through direct dialogue with businesses, and through our approach to voting at companies' annual general meetings (AGMs).

Our overall aim for real-world impact is to reduce corporate emissions globally. CCLA considers it essential that companies should make credible decarbonisation commitments based in science. This means ensuring emissions overall stay within the global carbon budget for remaining within a 1.5 °C temperature rise. We aim for effective engagement with companies to ensure they have credible decarbonisation plans, and to assess their performance against such plans and push for continued progress. This is both in collaboration with other investors and directly.

Primary engagement focus
Systemic priorities: The company's systemic importance to the required net-zero transition is identified. Participating in collaborative engagement with companies with investor engagement initiatives leverages access and outcomes. We undertake engagement through the following initiatives:

- **Climate Action 100+:** CA100+ aims to ensure the world's largest corporate greenhouse gas (GHG) emitters take necessary action on climate change. The initiative has 166 focus companies which in total account for up to 80% of global corporate industrial GHG emissions. The collaborative engagement group counts 700 asset managers, responsible for over $68 trillion in assets under management.[13]
- **IIGCC Net Zero Engagement Initiative (NZEI):** CCLA's strategic engagement with other high-impact companies has been extended through this initiative which prioritises engagement with selected companies based on target-setting and transition plans. The initiative primarily focuses on demand side and smaller supply chain companies that are critical to the overall transition to net zero.

Company engagement
Climate change is a critical challenge for global markets, communities and the environment. Our climate engagement strategy is designed to support the transition to a decarbonised economy through real-world emissions reductions. Engagement with companies beyond the primary targets is undertaken through a variety of approaches. This includes where there are existing investor collaborations covering these companies, such as on transition plan voting (Say on Climate) and the CDP (formerly Carbon Disclosure Project) non-disclosure initiative.

In addition, our voting positions are aligned with engagement and are used to complement our Better Environment work. Our voting guidelines setting these out are updated annually. On climate, this includes expected commitments from company directors for aligning company strategy with the Paris Agreement, and expected disclosures in company reports and accounts. Correspondence is undertaken with company directors where management proposals or positions are not supported and indicates why. Our voting guidelines and records can be found on our website: www.ccla.co.uk/sustainability/corporate-governance-and-voting

CLIMATE RELATED VOTING

Prudential*

We do not believe that Prudential has adequate policies in place regarding the financing of fossil-fuel expansion. We therefore voted against the re-election of the CEO.

Procter & Gamble

The company operates within a carbon-intensive industry. We noted with concern the absence of climate-related financial guidance in both the auditors' report and the company's financial statements. As a result, we chose not to support the auditors' reappointment.

We supported three specific climate-related shareholder proposals during the year:

1. **McDonald's, 20 May:** disclose an assessment of current climate transition plans
2. **Amazon, 21 May:** disclose all material scope 3 emissions
3. **Amazon, 21 May:** report on impact of data centres on climate commitments.

Rio Tinto

Rio Tinto has incorporated material climate-related matters into its financial statements in a way that aligns with its broader reporting. However, we believe the company could strengthen its disclosure of its quantitative climate-related assumptions and estimates. That said, in recognition of the progress the company has made in recent years, we adjusted our vote on the audit committee chair from opposition to abstention.

*Sold prior to 31 December 2025.

13 See www.climateaction100.org/about

On climate grounds, we can vote against the reappointment of a company's auditors, against the chair of the audit committee, against the re-election of the CEO, against the board chair, against the remuneration report, and – in extreme circumstances – against all board members. For full details see www.ccla.co.uk/documents/ccla-voting-guidelines/download?inline

Strengthening accountability on climate transition plans

Investors increasingly expect listed companies to explain how they are addressing climate risks and regulatory change. CCLA has long worked with peers to promote transparency and accountability in UK climate transition planning.

In the past year, alongside the Local Authority Pension Fund Forum (LAPFF), we coordinated correspondence – backed by over 50 investors representing £3.1 trillion in assets – to FTSE 100 chairs. We asked companies to give shareholders a vote on climate transition plans at least every three years. After our outreach in 2025, most companies responded, with eight indicating or implying that they intend to provide a shareholder vote at a future annual general meeting.

Environment public policy engagement

Participation in the Institutional Investors Group on Climate Change (IIGCC) UK Policy Working Group allowed us to contribute to a wide range of climate-related policy submissions throughout 2025. These included:

- responses on a UK green taxonomy
- a consultation by the Department for Energy Security and Net Zero on transition plan requirements
- a consultation by the Department for Business and Trade on the forthcoming UK Sustainability Reporting Standards
- IIGCC publications on sector decarbonisation roadmaps
- written evidence to the Treasury Select Committee's inquiry on the National Wealth Fund
- an analysis of recent European Commission papers on the energy transition in the steel and metals sectors
- responses to the International Sustainability Standards Board's consultation.

More examples of our climate-related policy engagement can be found on pages 87–88 of our 2026 Better World report.

ASSET MANAGER SELECTION

The day-to-day management of the COIF and CBF Short Duration Bond funds has been sub-assigned to Federated Hermes. When considering and selecting external managers CCLA follows a formal assessment process covering standards, expectations and requirements, key to this is the managers' ability to exercise exclusions on eligible investments to ensure that relevant companies are excluded in accordance with our sustainability approach for short duration bond funds and set clear engagement priorities on climate change.

Metrics and targets

Climate risk assessment metrics

Carbon footprint
We routinely monitor our listed equity holdings' performance against the MSCI World Index carbon footprint. We use the weighted average carbon intensity as our metric which includes GHG (greenhouse gas) Scope 1 and Scope 2 emissions.

Restrictions
We use the following metrics to restrict investments in carbon-intensive industries.

Industry	Restriction policy
Utilities	Extractives where CCLA does not believe engagement is possible, and electricity generation companies that have not demonstrated the ability to align their business with the Paris Agreement on climate change (as determined by CCLA)
Oil and gas	Companies which generate more than 10% of revenues from extraction, production or refining
Thermal coal	5% and/or more than 5% of revenue
Tar sands	5% and/or more than 5% of revenue

In carbon-intensive sectors, we assess decarbonisation plans prior to purchase. This applies to companies in the oil and gas, electrical utilities, airlines, aluminium, autos, cement, shipping and steel sectors. The formal check is only conducted on companies that are covered by the Transition Pathway Initiative (TPI). This means that companies are assessed against sector-specific decarbonisation requirements and a variety of different energy transition scenarios.

To provide further assurance, and set a minimum standard, companies in the electrical utility and oil and gas sectors that are not assessed as being aligned with the NDCs (that form part of the Paris Agreement) require the approval of CCLA's Investment Committee prior to purchase. This is only granted where we believe that there are errors in the data or if we are pleased to lead on companies outside the coverage of TPI which are evaluated on a best endeavours basis.

Due to the particular nature of the challenges facing the oil and gas industry, when looking at their future revenue expectations we amend company valuations to reflect anticipated long-term changes in energy demand during the low-carbon transition. This makes the sector less attractive in our investment model and is a contributing factor in our current decision to not invest directly in the sector. In addition, most companies in this sector tend not to be aligned with the Paris Agreement.

Greenhouse gas emissions: Scope 1, 2 and 3

In our investments
Our investment portfolio consists of listed equities, private equity, contractual income, property and alternative investments as well as fixed interest. At present, due to data availability and coverage we are only able to provide GHG emissions data for our listed equity holdings.

CCLA listed equity carbon footprint

		December 2025		March 2025	
	Unit	CCLA Investment Book	MSCI World	CCLA Investment Book	MSCI World
Equity allocation	%	45.1	100.0	48.5	100.0
Data coverage	%	100.0	99.8	100	99.8
Equity coverage ratio	%	45.1	99.8	48.5	99.8
Financed carbon emissions (scope 1+2) EVIC	tCO2e/$m invested	6.9	30.3	4.8	33.3
Total carbon emissions (Scope 1+2)	tCO2e	62,640.3	275,779.3	39,806.9	277,640.4
Total carbon emissions (Scope 3)	tCO2e	730,612.4	2,404,558.4	609,805.9	2,243,902.4
Weighted average carbon intensity (WACI) (Scope 1+2)	tCO2e/$m sales	30.9	90.9	31.4	97.2

Source: CCLA and MSCI, as at 31 December 2025.

Our investments are lower in relative emissions and emissions intensity than the broader investable market which are consistent with our fossil-fuel exclusion policies.

In our own operations
During the year CCLA engaged a new environmental consultant to prepare a report against the Streamline Energy and Carbon Reporting Guidance.[14] Given the change in reporting standard and the timeframe, direct comparison with previous years data is difficult, even allowing for a timeframe adjustment to prior year figures, especially as energy consumption is not uniform over time. At a high level our energy consumption for the period decreased to 143,558 kWh compared with the previous period (year to 31 March 2025: 211,458 kWH; proportioned to 31 December 2024: 158,594 kWh). Meaning that energy consumption decreased by 9.5% when compared to the apportioned figure. We have detailed our emissions in Appendix 7.

14 TEAM Energy (n.d.), 'Streamlined Energy and Carbon Reporting (SECR) guidance', online at www.teamenergy.com/consultancy/compliance/streamlined-energy-and-carbon-reporting

Progress against net-zero commitments
At CCLA, we believe that climate change is a systemic risk to the global economy. Unmitigated, it poses a significant financial risk not only to the value of our clients' investments over the long term but also to our collective way of life.

While our approach may differ from that of other parts of the industry, we remain committed to achieving net-zero emissions on the listed equities within our portfolios by no later than 2050. We believe that this requires us to take care in asset selection and to use our tools as an investor to incentivise an accelerated energy transition.

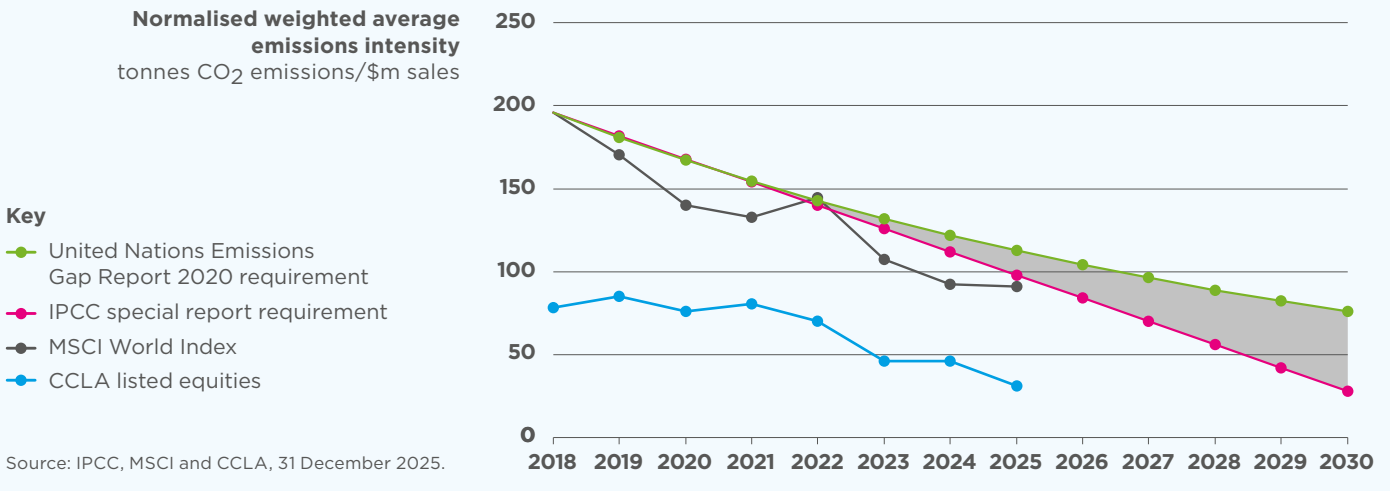
We are committed to playing our part in developing an approach to managing the risks and opportunities associated with climate change, reflecting the need for urgent action and the role we see for ourselves as a catalyst for change in our industry.

Commitment to net zero
The Net Zero Asset Managers initiative is an international group of asset managers committed to supporting the goal of net-zero greenhouse gas emissions. As a founding member, we commit to managing our listed equity investments to a carbon footprint that is below a decreasing maximum ceiling.

Our approach to setting targets is based on the scientific findings of the Intergovernmental Panel on Climate Change (IPCC) special report 'Global warming of 1.5 °C' and the United Nations Environment Programme (UNEP) 'Emissions gap report 2020',[15] combined with the information contained in various investor networks. In developing these targets, we seek to acknowledge the systemic nature of climate change and the developing nature of the science and methodologies used to determine how to achieve global alignment on a maximum temperature change of 1.5 °C. The chart below illustrates our approach.

The shaded area between these two decarbonisation rates reflects that the definition and development of 1.5 °C -aligned scenarios is still evolving and that we aim to use the best available methodology to inform the appropriate level of a portfolio emissions ceiling.

SETTING NET-ZERO TARGETS



Source: IPCC, MSCI and CCLA, 31 December 2025.

15 United Nations Environment Programme (UNEP) (2020), 'Emissions gap report 2020', online at www.unep.org/emissions-gap-report-2020

Closing remarks

This report reflects our commitment to provide clear, comprehensive and high-quality information on the impacts of climate change.

Through the integration of robust governance structures, strategic decision-making processes, rigorous risk management practices, and transparent metrics and targets, we have endeavoured to provide stakeholders with a clear understanding of our approach to managing climate-related risks and opportunities.

We recognise that climate change presents both challenges and opportunities, and we remain committed to addressing them proactively. Our focus on disclosure and engagement with stakeholders reflects our commitment to dialogue, collaboration and collective action in addressing the urgent climate crisis.

We acknowledge that the journey towards comprehensive climate-related financial disclosures is an ongoing process, and we are dedicated to continuously improving our practices.

Together, we can build a sustainable future that prioritises working towards a resilient, low-carbon economy that benefits both our organisation and society as a whole.

Appendix 1:
Carbon data for our listed equity asset class

2025 – as at 31 December 2025

				Equity funds			Multi-asset funds				
Climate data point	**Unit**	**CCLA Investment book**	**MSCI World**	**COIF Global Equity Fund**	**CBF Global Equity Fund***	**Better World Global Equity Fund**	**COIF Investment Fund**	**COIF Ethical Investment Fund**	**Catholic Investment Fund**	**CBF Investment Fund**	**Cautious Multi-Asset Fund**
Equity allocation	%	45.1	100.0	98.3	99.1	99.1	70.6	70.6	71.0	65.0	35.3
Data coverage	%	100.0	99.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Equity coverage ratio	%	45.1	99.8	98.3	99.1	99.1	70.6	70.6	71.0	65.0	35.3
Financed carbon emissions (Scope 1+2) EVIC	tCO2e/ $m invested	6.9	30.3	6.5	6.5	6.5	6.7	6.7	6.9	6.8	6.6
Total carbon emissions (Scope 1+2)	tCO2e	62,640.3	275,779.3	1,620.4	2,514.9	2,514.9	21,802.3	13,610.8	1,364.8	11,805.9	385.5
Total carbon emissions (Scope 3)	tCO2e	730,612.4	2,404,558.4	21,923.3	26,700.4	26,700.4	290,018.8	135,456.7	13,664.2	122,323.9	4,033.9
Weighted average carbon intensity (WACI) (Scope 1+2)	tCO2e/ $m sales	30.9	90.9	30.2	30.0	30.0	30.7	30.6	31.0	31.1	30.4

2024/25 – as at 31 March 2025

				Equity funds				Multi-asset funds				
Climate data point	**Unit**	**CCLA Investment book**	**MSCI World**	**COIF Global Equity Fund**	**CBF Global Equity Fund***	**Better World Global Equity Fund**	**CBF UK Equity Fund**	**COIF Investment Fund**	**COIF Ethical Investment Fund**	**Catholic Investment Fund**	**CBF Investment Fund**	**Cautious Multi-Asset Fund**
Equity allocation	%	48.5	100.0	97.6	97.9	97.9	96.4	63.7	63.7	66.9	65.0	30.0
Data coverage	%	100	99.8	100	100	100	100	100	100	100	100	100
Equity coverage ratio	%	48.5	99.8	97.6	97.9	97.9	96.4	63.7	63.7	66.9	65.0	30.0
Financed carbon emissions (Scope 1+2) EVIC	tCO2e/ $m invested	4.8	33.3	4.4	4.5	4.5	7.3	4.7	4.7	4.9	4.4	4.5
Total carbon emissions (Scope 1+2)	tCO2e	39,806.9	277,640.4	1,209.1	1,715.9	1,715.9	627.7	14,358.8	8,910.4	826.1	6,678.3	232.4
Total carbon emissions (Scope 3)	tCO2e	609,805.9	2,243,902.4	18,952.0	26,910.8	26,910.8	6,396.2	223,936.0	128,438.3	12,339.7	111,767.6	3,733.3
Weighted average carbon intensity (WACI) (Scope 1+2)	tCO2e/ $m sales	31.4	97.2	30.0	30.2	30.2	45.7	31.2	32.6	32.4	28.3	30.0

*The CBF Global Equity Fund's only long-term investments are units in the CCLA Better World Global Equity Fund which has been reflected in the reporting here.

Source: CCLA and MSCI as at 31 December 2025

Appendix 2:
Carbon data for our alternatives asset class

2025 – as at 31 December 2025

				Equity funds			Multi-asset funds				
Climate data point	**Unit**	**CCLA Investment book**	**MSCI World**	**COIF Global Equity Fund**	**CBF Global Equity Fund***	**Better World Global Equity Fund**	**COIF Invest-ment Fund**	**COIF Ethical Invest-ment Fund**	**Catholic Invest-ment Fund**	**CBF Invest-ment Fund**	**Cautious Multi-Asset Fund**
Alternatives allocation		8.0	–	–	–	–	14.0	12.8	12.5	13.2	14.5
Data coverage		45.5	–	–	–	–	43.0	49.8	65.4	43.6	54.5
Coverage ratio		3.7	–	–	–	–	6.0	6.4	8.2	5.7	7.9
Financed carbon emissions (Scope 1+2) EVIC	tCO2e/ $m invested	7.7	–	–	–	–	7.6	8.5	8.5	7.5	8
Total carbon emissions (Scope 1+2)	tCO2e	5,688.9	–	–	–	–	2,163.2	1,583.6	198.7	1,194.8	108.1
Total carbon emissions (Scope 3)	tCO2e	61,045.6	–	–	–	–	23,207	1,6599.2	2,161.3	12,959.2	1,177.1
Weighted average carbon intensity (WACI) (Scope 1 + 2)	tCO2e/ $m sales	38.4	–	–	–	–	37.9	41.9	41.3	37	38.2

2024/25 – as at 31 March 2025

				Equity funds				Multi-asset funds				
Climate data point	**Unit**	**CCLA Investment book**	**MSCI World**	**COIF Global Equity Fund**	**CBF Global Equity Fund***	**Better World Global Equity Fund**	**CBF UK Equity Fund**	**COIF Invest-ment Fund**	**COIF Ethical Invest-ment Fund**	**Catholic Invest-ment Fund**	**CBF Invest-ment Fund**	**Cautious Multi-Asset Fund**
Alternatives allocation	%	9.5	–	0.8	1.0	1.0	1.8	16.7	16.7	16.2	14.5	18.3
Data coverage	%	53.9	–	100.0	100.0	100.0	100.0	48.9	53.4	70.5	58.6	60.9
Coverage ratio	%	5.1	–	0.8	1.0	1.0	1.8	8.2	8.9	11.4	8.5	11.2
Financed carbon emissions (Scope 1+2) EVIC	tCO2e/ $m invested	8.3	–	9.0	9.0	9.0	2.6	8.7	8.3	8.0	8.5	7.0
Total carbon emissions (Scope 1+2)	tCO2e	8,984.1	–	21.7	35.4	35.4	4.4	3,596.9	2,279.5	244.3	2,007.9	141.0
Total carbon emissions (Scope 3)	tCO2e	31,277.1	–	47.3	77.0	77.0	26.8	12,323.7	7,915.2	880.6	7,063.6	549.1
Weighted average carbon intensity (WACI) (Scope 1 + 2)	tCO2e/ $m sales	71.2	–	94.0	94.0	94.0	30.4	73.2	71.4	73.3	70.4	60.0

*The CBF Global Equity Fund's only long-term investments are units in the CCLA Better World Global Equity Fund which has been reflected in the reporting here.

Source: CCLA and MSCI as at 31 December 2025

Appendix 3:
Climate value at risk for our listed equity asset class

2025 – as at 31 December 2025

Climate data point	Unit	CCLA investment book	MSCI World	COIF Global Equity Fund	CBF Global Equity Fund	Better World Global Equity Fund	COIF Investment Fund	COIF Ethical Investment Fund	Catholic Investment Fund	CBF Investment Fund	Cautious Multi-Asset Fund
Orderly – policy climate VaR	%	-2.8	-10.7	-2.7	-2.6	-2.6	-2.8	-2.6	-2.7	-2.7	-2.6
Orderly – technology opportunities climate VaR	%	0.1	0.9	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Orderly – physical climate VaR	%	-0.2	-0.6	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Orderly – aggregated climate VaR	**%**	**-2.9**	**-10.3**	**-2.8**	**-2.7**	**-2.7**	**-2.9**	**-2.7**	**-2.8**	**-2.8**	**-2.7**
Disorderly – policy climate VaR	%	-0.7	-4.5	-0.6	-0.6	-0.6	-0.7	-0.6	-0.7	-0.7	-0.6
Disorderly – technology opportunities climate VaR	%	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disorderly – physical climate VaR	%	-0.4	-1.0	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Disorderly – aggregated climate VaR	**%**	**-1.0**	**-5.3**	**-1.0**	**-1.0**	**-1.0**	**-1.0**	**-1.0**	**-1.0**	**-1.0**	**-1.0**
Hot house world – policy climate VaR	%	-0.4	-3.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Hot house world – technology opportunities climate VaR	%	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hot house world – physical climate VaR	%	-0.5	-1.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.6	-0.5	-0.5
Hot house world – aggregated climate VaR	**%**	**-1.0**	**-4.4**	**-0.9**	**-0.9**	**-0.9**	**-1.0**	**-0.9**	**-1.0**	**-0.9**	**-0.9**
Implied temperature rise	°C	2.1 °C	2.7 °C	2.2 °C	2.0 °C	2.0 °C	2.2 °C	2.0 °C	2.0 °C	2.0 °C	2.0 °C

2024/25 – as at 31 March 2025

Climate data point	Unit	CCLA investment book	MSCI World	COIF Global Equity Fund	CBF Global Equity Fund	CBF UK Equity Fund	Better World Global Equity Fund	COIF Investment Fund	COIF Ethical Investment Fund	Catholic Investment Fund	CBF Investment Fund	Cautious Multi-Asset Fund
Orderly – policy climate VaR	%	–2.0%	–9.7%	–1.9%	–1.9%	–2.3%	–1.9%	–2.1%	–1.9%	–2.1%	–2.0%	–2.0%
Orderly – technology opportunities climate VaR	%	0.1%	1.6%	0.1%	0.1%	0.4%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Orderly – physical climate VaR	%	0.1%	–1.6%	-0.6%	-0.6%	–2.0%	-0.6%	-0.6%	-0.6%	-0.7%	-0.7%	-0.6%
Orderly – aggregated climate VaR	**%**	**0.1%**	**–9.7%**	**–2.4%**	**–2.4%**	**–3.8%**	**–2.4%**	**–2.5%**	**–2.4%**	**–2.6%**	**–2.5%**	**–2.5%**
Disorderly – policy climate VaR	%	-0.7%	–4.5%	-0.6%	-0.6%	-0.8%	-0.6%	-0.7%	-0.6%	-0.7%	-0.6%	-0.6%
Disorderly – technology opportunities climate VaR	%	0.0%	0.5%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Disorderly – physical climate VaR	%	-0.9%	–2.3%	-0.9%	-0.9%	–2.5%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%
Disorderly – aggregated climate VaR	**%**	**–1.6%**	**–6.3%**	**–1.4%**	**–1.5%**	**–3.1%**	**–1.5%**	**–1.5%**	**–1.5%**	**–1.6%**	**–1.5%**	**–1.5%**
Hot house world – policy climate VaR	%	-0.3%	–2.3%	-0.3%	-0.3%	-0.4%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%
Hot house world – technology opportunities climate VaR	%	0.0%	0.3%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hot house world – physical climate VaR	%	–1.2%	–3.0%	–1.1%	–1.1%	–2.9%	–1.1%	–1.1%	–1.1%	–1.2%	–1.1%	–1.1%
Hot house world – aggregated climate VaR	**%**	**–1.4%**	**–5.0%**	**–1.4%**	**–1.4%**	**–3.2%**	**–1.4%**	**–1.4%**	**–1.4%**	**–1.5%**	**–1.4%**	**–1.4%**
Implied temperature rise	°C	1.9	2.6	1.9	1.9	1.9	1.9	1.9	1.8	1.9	1.9	1.9

Source: CCLA and MSCI as at 31 December 2025

Appendix 4:
Climate value at risk for our alternatives asset class

2025 – as at 31 December 2025

Climate data point	Unit	CCLA investment book	MSCI World	COIF Global Equity Fund	CBF Global Equity Fund	Better World Global Equity Fund	COIF Investment Fund	COIF Ethical Investment Fund	Catholic Investment Fund	CBF Investment Fund	Cautious Multi-Asset Fund
Orderly – policy climate VaR	%	-21.4	-	-	-	-	-20.8	-23.6	-23.5	-20.7	-23.5
Orderly – technology opportunities climate VaR	%	4.2	-	-	-	-	3.8	4.1	4.6	4.0	4.3
Orderly – physical climate VaR	%	-2.7	-	-	-	-	-2.5	-2.8	-3.1	-2.6	-2.8
Orderly – aggregated climate VaR	**%**	**-20.0**	**-**	**-**	**-**	**-**	**-19.5**	**-22.3**	**-22.0**	**-19.3**	**-22.1**
Disorderly – policy climate VaR	%	-19.0	-	-	-	-	-18.6	-21.4	-20.5	-18.4	-21.3
Disorderly – technology opportunities climate VaR	%	-0.7	-	-	-	-	0.6	0.7	0.7	0.6	0.7
Disorderly – physical climate VaR	%	-5.5	-	-	-	-	-5.0	-5.7	-6.2	-5.1	-5.7
Disorderly – aggregated climate VaR	**%**	**-23.8**	**-**	**-**	**-**	**-**	**-23.0**	**-26.4**	**-26.0**	**-22.9**	**-26.3**
Hot house world – policy climate VaR	%	-13.6	-	-	-	-	-13.3	-15.3	-14.7	-13.2	-15.3
Hot house world – technology opportunities climate VaR	%	0.6	-	-	-	-	0.6	0.6	0.7	0.6	0.6
Hot house world – physical climate VaR	%	-7.0	-	-	-	-	-6.5	-7.4	-7.9	-6.6	-7.5
Hot house world – aggregated climate VaR	**%**	**-20.1**	**-**	**-**	**-**	**-**	**-19.3**	**-22.0**	**-22.0**	**-19.2**	**-22.2**
Implied temperature rise	°C	1.9	-	-	-	-	1.9	1.9	1.9	1.9	1.9

2024/25 – as at 31 March 2025

Climate data point	Unit	CCLA investment book	MSCI World	COIF Global Equity Fund	CBF Global Equity Fund	CBF UK Equity Fund	Better World Global Equity Fund	COIF Investment Fund	COIF Ethical Investment Fund	Catholic Investment Fund	CBF Investment Fund	Cautious Multi-Asset Fund
Alternatives												
Orderly – policy climate VaR	%	−6.9%	–	−3.6%	−3.6%	−1.1%	−3.6%	−7.0%	−7.0%	−7.0%	−6.9%	−6.6%
Orderly – technology opportunities climate VaR	%	4.8%	–	0.2%	0.2%	0.1%	0.2%	4.2%	5.1%	6.4%	4.4%	7.2%
Orderly – physical climate VaR	%	−4.6%	–	−9.2%	−9.2%	−1.4%	−9.2%	−4.1%	−4.7%	−5.6%	−4.1%	−5.3%
Orderly – aggregated climate VaR	**%**	−6.6%	–	−12.6%	−12.6%	−2.4%	−12.6%	−7.0%	−6.5%	−6.1%	−6.7%	−4.7%
Disorderly – policy climate VaR	%	−3.0%	–	−1.5%	−1.5%	-0.5%	−1.5%	−3.0%	−3.0%	−3.0%	−3.0%	−2.8%
Disorderly – technology opportunities climate VaR	%	1.4%	–	0.1%	0.1%	0.0%	0.1%	1.2%	−3.0%	1.8%	1.2%	2.0%
Disorderly – physical climate VaR	%	−7.8%	–	−11.1%	−11.1%	−1.7%	−11.1%	−7.1%	−3.0%	−9.8%	−7.1%	−9.2%
Disorderly – aggregated climate VaR	**%**	**−9.4%**	**–**	**−12.5%**	**−12.5%**	**−2.2%**	**−12.5%**	**−9.0%**	**−3.0%**	**−11.0%**	**−8.9%**	**−9.9%**
Hot house world – policy climate VaR	%	−1.6%	–	−1.2%	−1.2%	-0.2%	−1.2%	−1.7%	−1.6%	−1.5%	−1.7%	−1.5%
Hot house world – technology opportunities climate VaR	%	0.5%	–	0.1%	0.1%	0.0%	0.1%	0.4%	0.5%	0.6%	0.5%	0.7%
Hot house world – physical climate VaR	%	−9.4%	–	−12.8%	−12.8%	−2.0%	−12.8%	−8.7%	−9.6%	−11.5%	−8.7%	−10.8%
Hot house world – aggregated climate VaR	**%**	**−10.6%**	**–**	**−14.0%**	**−14.0%**	**−2.3%**	**−14.0%**	**−9.9%**	**−10.7%**	**−12.4%**	**−9.9%**	**−11.6%**
Implied temperature rise	°C	1.8	–	3.3	3.3	2.5	3.3	1.8	1.8	1.7	1.8	1.8

Source: CCLA and MSCI as at 31 December 2025

Appendix 5

Climate VaR and carbon data for the COIF and CBF Short Duration Bond Funds

		2025 – as at 31 December 2025		2024 – as at 31 December 2024	
Carbon emissions		**CBF Short Duration Bond Fund**	**COIF Short Duration Bond Fund**	**CBF Short Duration Bond Fund**	**COIF Short Duration Bond Fund**
Total Carbon emissions	tCO2e	11,631.88	32,811.22	8,402.08	34,580.49
Scope 1	tCO2e	4,350.98	12,216.10	3,281.72	14,932.48
Scope 2	tCO2e	1,454.04	4,119.95	1,051.30	4,385.03
Scope 3	tCO2e	5,826.87	16,475.17	4,069.06	15,262.97
Carbon Intensity	tCO2e/$m sales	292.19	290.28	311.95	310.07
Weighted average carbon intensity (WACI)	tCO2e/$m sales	223	225	225	228
Financed Carbon Emissions Scope 1 and 2	tCO2e/$m invested	107.67	106.93	114.97	132.94
Financed Carbon Emissions Scope 3 Upstream	tCO2e/$m invested	108.07	107.83	107.97	237.98
Net zero 2050		**NPV at risk**		**NPV at risk**	
Aggregate NPV at risk		0.13%	0.01%	-0.78%	-0.83%
Physical impacts		-0.19%	-0.19%	-0.05%	-0.05%
Changes in revenues		0.05%	0.03%	-0.05%	-0.05%
Changes in costs		-8.63%	-8.74%	-2.72%	-2.78%
Market impacts		8.86%	8.87%	1.54%	1.53%
Delayed transition		**NPV at risk**		**NPV at risk**	
Aggregate NPV at risk		-0.25%	-0.32%	-0.26%	-0.28%
Physical impacts		-0.29%	-0.30%	-0.09%	-0.08%
Changes in revenues		-0.05%	-0.06%	-0.04%	-0.04%
Changes in costs		-6.22%	-6.26%	-2.57%	-2.63%
Market impacts		6.26%	6.24%	1.52%	1.52%
Hot house		**NPV at risk**		**NPV at risk**	
Aggregate NPV at risk		-0.47%	-0.48%	-0.04%	-0.04%
Physical impacts		-0.92%	-0.94%	-0.18%	-0.18%
Changes in revenues		0.00%	0.00%	0.00%	0.00%
Changes in costs		0.00%	0.00%	0.00%	0.00%
Market impacts		0.32%	0.33%	0.10%	0.10%
Temperature alignment (budget methodology)		3.05 °C	3.08 °C	3.23 °C	3.18 °C

Note:

Budget method – this methodology looks at cumulative emissions (2022 to 2050) contribution towards warming across scope 1, 2 and 3. Carbon budget used to determine overshoot/undershoot is based on the NGFS Below 2 degrees scenario. This uses both upstream and downstream scope 3 emissions; worth noting the limitation of using this given this is not widely or consistently reported therefore, makes comparisons across companies difficult.

Pathways method – this is driven by emissions intensity in 2050 for scope 1 and 2 and looks at the products/services sold by the company to assess demand destruction/creation across sector-region warming function based on multiple NGFS scenarios. This also captures downstream scope emissions but not upstream. It rewards companies for emissions reduction technologies and penalises companies whose products generate emissions when used. Due to the point in time approach, it does not reflect cumulative emissions contributing towards warming.

We use a 3rd party to help us model the two different temperature alignment methodologies and can look at temperature alignment outcomes with and without targets at company level.

Data does not include Sovereign Debt (3.65% of CCLA's AUM) or the three externally managed fixed income funds: the Federated Hermes Sustainable Global Investment Grade Credit Fund (1.81%), the PIMCO Climate Bond Fund (0.04), and Candriam Sustainable Bond Emerging Markets Fund (0.08%). Data for these assets are not consistent with the above format and therefore has been excluded to aid comparison.

Source: Federated Hermes and Trucost

Appendix 6
Climate data for our property asset class

Local Authorities' Property Fund

	Performance metric		Actual		Estimated		Total			Like-for-like		
			2025	2024	2025	2024	2025	2024	Change (%)	2025	2024	Change (%)
Energy	Electricity (KWh)	Landlord controlled	1,137,221	1,162,286	194,766	1	1,331,987	1,162,287	14.60%	1,121,313	1,112,467	0.80%
		Tenant controlled	36,180,051	39,558,769	5,145,511	5,051,840	41,325,562	44,610,610	-7.40%	28,486,903	30,234,787	-5.80%
		Electricity from off-site renewable source (%)	12.90%	9.00%	3.70%	14.00%	11.70%	9.60%	2.10%	10.00%	9.20%	0.80%
		Electricity from on-site renewable source (%)	0.40%	0.40%	0.00%	0.00%	0.40%	0.30%	0.00%	0.50%	0.50%	0.10%
	Fuels (KWh)	Landlord controlled	110,943	275,731	-	-	110,943	275,731	-59.80%	110,943	275,731	-59.80%
		Tenant controlled	31,578,765	37,567,118	1,065,046	798,391	32,643,811	38,365,509	-14.90%	27,653,997	33,103,163	-16.50%
		Fuels from off-site renewable source (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Total (KWh)	Landlord controlled	1,248,164	1,438,017	194,766	1	1,442,930	1,438,018	0.30%	1,232,256	1,388,198	-11.20%
		Tenant controlled	67,758,816	77,125,887	6,210,556	5,850,232	73,969,372	82,976,119	-10.90%	56,140,900	63,337,950	-11.40%
	Estimated data (%)	Landlord controlled	0.00%	0.00%	100.00%	100.00%	13.50%	0.00%	13.50%	0.00%	0.00%	0.00%
		Tenant controlled	0.00%	0.00%	100.00%	100.00%	8.40%	7.10%	1.30%	0.00%	0.00%	0.00%
	Data coverage (% of total area)	Total electricity	86.60%	92.60%			100.00%	100.00%	0.00%	51.80%	49.90%	1.90%
		Total fuels	94.80%	97.80%			100.00%	100.00%	0.00%	80.10%	77.70%	2.50%
GHG	tCO2e (location-based)	Scope 1	20	50	-	-	20	50	-59.80%	20	50	-59.80%
		Scope 2	201	241	34	-	236	241	-2.00%	198	230	-13.80%
		Scope 3 (tenant controlled energy only)	12,154	15,032	1,106	1,192	13,260	16,224	-18.30%	10,075	12,285	-18.00%
	Data coverage (% of total area)	Scope 1	100.00%	100.00%			100.00%	100.00%	0.00%	100.00%	100.00%	0.00%
		Scope 2	82.20%	82.20%			100.00%	100.00%	0.00%	62.20%	62.20%	0.00%
		Scope 3 (tenant controlled energy only)	90.00%	94.50%			100.00%	100.00%	0.00%	64.70%	62.50%	2.20%

Source: CCLA, EVORA Global Limited as at 31 December 2025 and 31 December 2024.

Like-for-Like shows the position where the asset was held in both periods.

COIF Property Fund

	Performance metric		Actual		Estimated		Total			Like-for-like		
			2025	2024	2025	2024	2025	2024	Change (%)	2025	2024	Change (%)
Energy	Electricity (KWh)	Landlord controlled	2,407,723	2,600,210	1	1	2,407,724	2,600,211	-7.40%	2,207,951	2,308,152	-4.30%
		Tenant controlled	7,515,533	12,056,312	3,904,290	1,107,990	11,419,823	13,164,302	-13.30%	4,277,928	5,692,107	-24.80%
		Electricity from off-site renewable source (%)	25.40%	22.00%	66.90%	4.00%	37.10%	20.70%	16.40%	35.40%	29.40%	6.00%
		Electricity from on-site renewable source (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Fuels (KWh)	Landlord controlled	1,082,273	1,179,204	-	-	1,082,273	1,179,204	-8.20%	1,082,272	1,086,578	-0.40%
		Tenant controlled	7,518,370	9,044,068	1	168,859	7,518,371	9,212,927	-18.40%	6,780,271	6,830,116	-0.70%
		Fuels from off-site renewable source (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	District heating/ cooling (KWh)	Landlord controlled	-	-	-	-	-	-	0.00%	-	-	0.00%
		Tenant controlled	-	-	-	-	-	-	0.00%	-	-	0.00%
		District heating/ cooling from off-site renewable source (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Total (KWh)	Landlord controlled	3,489,995	3,779,414	1	1	3,489,997	3,779,415	-7.70%	3,290,223	3,394,730	-3.10%
		Tenant controlled	15,033,903	21,100,379	3,904,291	1,276,849	18,938,194	22,377,228	-15.40%	11,058,198	12,522,223	-11.70%
	Estimated data (%)	Landlord controlled	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Tenant controlled	0.00%	0.00%	100.00%	100.00%	20.60%	5.70%	14.90%	0.00%	0.00%	0.00%
	Data coverage (% of total area)	Total electricity	70.40%	91.20%			100.00%	100.00%	0.00%	46.80%	40.70%	6.10%
		Total fuels	100.00%	95.20%			100.00%	100.00%	0.00%	93.10%	75.10%	18.00%
		Total district heating/cooling	0.00%	0.00%			100.00%	100.00%	0.00%	0.00%	0.00%	0.00%
GHG	tCO2e (location-based)	Scope 1	198	216	-	-	198	216	-8.20%	198	199	-0.40%
		Scope 2	426	538	-	-	426	538	-20.80%	391	478	-18.20%
		Scope 3 (tenant controlled energy only)	2,706	4,150	691	260	3,397	4,411	-23.00%	1,998	2,428	-17.70%
	Data coverage (% of total area)	Scope 1	100.00%	83.90%			100.00%	100.00%	0.00%	87.20%	73.20%	14.00%
		Scope 2	84.80%	79.20%			100.00%	100.00%	0.00%	71.80%	60.00%	11.70%
		Scope 3 (tenant controlled energy only)	76.70%	93.30%			100.00%	100.00%	0.00%	59.30%	51.80%	7.40%

Source: CCLA, EVORA Global Limited as at 31 December 2025 and 31 December 2024.

Like-for-Like shows the position where the asset was held in both periods.

The CBF Property Fund is a feeder fund to the COIF Property Fund and holds no assets in its own name. The table above shows the totals for the COIF Property Fund. Using the year-end fund value figures the figures above can be attributed on to each fund on the following basis 3:7 (CBF:COIF).

Appendix 7:
Climate data for our own operations

		2025 – as at 31 December 2025			2024/25 – as at 31 March 2025		
Scope	**GHG emission type**	**tCO2e**	**tCO2e/FTE**	**tCO2e/£m revenue**	**tCO2e**	**tCO2e/FTE**	**tCO2e/£m revenue**
Scope 1	**Scope 1 Total**	9.8	0.06	0.2	14.7	0.08	0.22
	Natural gas	9.8	0.06	0.2	14.7	0.08	0.22
Scope 2	Scope 2 (location-based)	12.8	0.07	0.26	19.6	0.11	0.3
	Scope 2 (market-based)	0	0	0	0	0	0
Total scope 1 & 2	**Total Scope 1 and 2 (location-based)**	22.6	0.13	0.46	34.3	0.19	0.52
	Total Scope 1 and 2 (market-based)	9.8	0.06	0.2	14.7	0.08	0.22
Scope 3	**Total Scope 3 (location-based)**	25.8	0.15	0.53	19.3	0.1	0.29
	Total Scope 3 (market-based)	22.9	0.13	0.47	16.3	0.09	0.25
	Cat 3: FERA (location-based)	3	0.02	0.06	8.88	0.05	0.14
	Cat 3: FERA (market-based)	0	0	0	5.85	0.03	0.09
	Cat 6: Business travel – flights	15.2	0.09	0.31	–	–	–
	Cat 6: Business travel – rail	3.5	0.02	0.07	–	–	–
	Cat 6: Employee-owned cars	4.2	0.02	0.08	–	–	–
Total	**Total GHG emissions (using location-based Scope 2)**	48.5	0.28	0.99	53.6	0.29	0.82
	Total GHG emissions (using market-based Scope 2)	32.7	0.19	0.67	31	0.17	0.47

Source: BIP.Verco 1st April 2025 to 31 December 2025. Prior period data Green Element.

Appendix 8:
Methodologies

Carbon emissions

$$\frac{\sum_n^i \left(\frac{\text{current value of investments}_i}{\text{issuer's market capitalisation}_i} \right) \times \text{issuer's Scope 1 + 2 GHG emmisions}_i}{\text{current portfolio value (\$million)}}$$

This measure sums up the scope 1 and scope 2 greenhouse gas emissions in the portfolio based on the investor's ownership share and it is expressed as tonnes of carbon dioxide equivalents (tCO2e) per $1 million invested. The larger the number, the greater the contribution to the effects of climate change.

Total carbon emissions

$$\sum_n^i \left(\frac{\text{current value of investments}_i}{\text{issuer's market capitalisation}_i} \right) \times \text{issuer's Scope 1 + 2 + 3 GHG emmisions}_i$$

Measures the total carbon emissions for which an investor is responsible by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalization). This measure sums up all the emissions (scope 1 + 2 + 3) in the portfolio based on an investor's portfolio size of $1billion.

Weighted average carbon intensity (WACI) – sovereign

$$\sum_n^i \left(\frac{\text{current value of investments}_i}{\text{current portfolio value}} \times \frac{\text{sovereign issuer's GHG emmisions}_i}{\text{sovereign issuer's \$million GDP}_i} \right)$$

Measures a portfolio's exposure to carbon-intensive economies, defined as the portfolio weighted average of sovereigns' GHG Intensity (emissions/GDP).

Weighted average carbon intensity (WACI) – corporate

$$\sum_n^i \left(\frac{\text{current value of investments}_i}{\text{current portfolio value}} \times \frac{\text{issuer's Scope 1 + 2 GHG emmisions}_i}{\text{issuer's \$million GDP}_i} \right)$$

Measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' carbon intensity (emissions/sales), expressed in tCO2e/$1m sales. The larger the number, the more carbon intensive the investments currently are.

Financed emissions (FE)

$$\frac{\sum_n^i \left(\frac{\text{current value of investments}_i}{\text{issuer's EVIC}_i} \right) \times \text{issuer's Scope 1 + 2 GHG emmisions}_i}{\text{current portfolio value (\$million)}}$$

This metric represents the total financed greenhouse gas (GHG) emissions associated with the fund. The larger the number, the more it is contributing to the effects of climate change. The FE is directly related to the size of the fund and therefore it is difficult to use to compare across funds. Enterprise Value Including Cash (EVIC) is an alternate measure to Enterprise Value (EV) to estimate the value of a company by adding back cash and cash equivalents to EV. EVIC = Market capitalisation at fiscal year-end date + Preferred Stock + Minority Interest + Total Debt.

Important information

All data as at 31 December 2025, unless specified otherwise.

This document is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. We strongly recommend you seek independent professional advice prior to investing.

The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money.

Any forward-looking statements are based on CCLA's current opinions, expectations and projections. CCLA undertakes no obligations to update or revise these. Actual results could differ materially from those anticipated.

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WANT TO KNOW MORE?

Please contact:

James Corah
Head of Sustainability
clientservices@ccla.co.uk
020 7489 6047

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