

ConocoPhillips Pension Plan

Trustee's Climate Change report for the year ended 31 March 2024

For the period 1 April 2023 to 31 March 2024

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Glossary

Absolute Emissions	The total emissions attributable to the Plan's assets
Carbon Footprint	The total carbon emissions per £ million invested (tCO ₂ e/m invested)
CO₂e	Carbon dioxide emissions or equivalent.
ESG	Environment, Social and Governance
EVIC Methodology	Enterprise Value including Cash methodology. Emissions are weighted across equity, debt and loans.
Net Zero Emissions	Generally implies an atmospheric state whereby anthropogenic GHG emissions to the atmosphere are counterbalanced by anthropogenic or natural removals or sinks.
Physical Risk	The direct effects of climate change on the sponsor covenant, the Plan and its members.
Portfolio Alignment	The percentage of the portfolio aligned with a particular net-zero initiative
Responsible Investment (RI)	Making investment decisions and engaging with companies in order to encourage a positive impact on the world
SBTi	The Science-Based Target Initiative. An organisation that defines and promotes science-based emissions reduction targets. Further information can be found at https://sciencebasedtargets.org/how-it-works .
Scope 1 Emissions	Direct emissions from a company's owned or controlled sources. This may include emissions from a firm's manufacturing processes or emissions from company vehicles
Scope 2 Emissions	Indirect emission from the generation of purchased energy, such as heating for company facilities.
Scope 3 Emissions	All other indirect emissions, including those of suppliers and customers. These may include emissions related to the transportation and distribution of goods and disposal of waste generated in operations.
Transition Risk	Risks and opportunities arising from efforts made to transition towards a net-zero economy (both domestically and globally) to limit climate change
WACI	Weighted Average Carbon Intensity. The total carbon emissions per \$ million of revenue of each holding in the portfolio (tCO ₂ e/\$m revenue):

Section 1: Introduction and Chair Foreword

A message from the Chair of the ConocoPhillips Pension Plan

On behalf of the Trustee of the ConocoPhillips Pension Plan, I am excited to present the Plan's second climate change report, displaying how we have continued to work hard to understand, monitor and mitigate the impact of climate change on the Plan and the portfolio of assets it invests in. Climate change and the world's response to it represents a material risk and opportunity. The Trustee therefore believes it is best practice to keep these risks and opportunities under ongoing review and has developed the investment / funding / covenant strategy that it believes will allow it to monitor and mitigate these risks. This report offers a point of comparison from our first report and shows the progress made over the year.

Given the number of members that rely on the Plan to provide for their future, the Trustee's overriding responsibility is to deliver security to its members and their beneficiaries over the decades to come. That security has been enhanced over the past year by the continued improvement in the financial position of the Plan. Our work to evaluate the potential effects of climate change is designed to maintain the financial wellbeing of the Plan in the many different scenarios that the future could bring. As the Trustee's (and the wider financial industry's) understanding of climate risk has evolved in recent years, the Trustee has assessed the covenant, assets, and liabilities against an updated and wider range of financial and societal scenarios. Beyond this, the Plan continues to engage with key advisors and investment managers to better understand their climate change credentials, with a particular focus on stewardship, voting and engagement activities, and drive forward our understanding of the risks and opportunities faced by the Plan.

In setting the Plan's ultimate objective, the Trustee has continued to work closely with our sponsor ConocoPhillips to ensure alignment and provide a shared goal. The Trustee remains committed to addressing the Plan's climate change risks and opportunities, with a target Net Zero Carbon Emissions Intensity by 2050. The Trustee believes that the resulting actions will best provide for the financial health of our members.

The key takeaways for members from this report are:

- Overall, it is the Trustee's view that the Plan continues to be resilient to climate risk, taking a holistic view across asset, liability and covenant risk.
- From a funding and investment perspective, the Plan is least well-positioned to manage climate risk under a "Below 2°C" or a "Delayed Transition Below 2°C" scenario. However, the Plan remains resilient in these scenarios, with an expectation that the funded position will improve at a slower rate if the impact materializes, as it may cause an annual drag on performance. The Trustee continues to consider future opportunities to improve the management of climate risk, including the design of individual investment mandates.
- The Plan has set a target of Net Zero Carbon Emissions Intensity by 2050 and has made progress over the previous 12 months against this objective. The Trustee has considered a number of different approaches to reducing the carbon footprint in the future, including how this aligns with their long-term funding objective.

This report is designed to assist you in understanding the risk and opportunities presented by climate change to the Plan and the actions that the Trustee is taking to consider and assess these.

Malcolm Rice-Jones
Chair of the ConocoPhillips Pension Plan

Introduction

The Trustee of the ConocoPhillips Pension Plan (which we will refer to as the “Trustee” and the “Plan”, respectively) presents its annual report under the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (the “Regulations”) for the period ended 31 March 2024. The principal employer of the Plan is ConocoPhillips (U.K.) Holdings Limited. The Plan provides DB benefits and is closed to new entrants, delivering benefits based on a member’s salary and length of service.

At the end of March 2024, the Plan had £1.5bn in assets. The Plan also allows members to pay Additional Voluntary Contributions (“AVCs”), however, the Trustee has not gathered climate data for these funds as the size of the assets (0.8% of the Plan as at 31 March 2024) are likely to have a minimal impact on the overall data and metrics.

The Plan is subject to the requirement to produce climate change disclosures in line with the above regulation. The aim is to improve and increase reporting of climate-related financial risks and opportunities across UK pension schemes.

The TCFD framework requires disclosures in four broad categories:

- **Governance** around climate-related risks and opportunities
- **Strategy:** the actual and potential impact of climate-related risks and opportunities on the strategy and financial plans of the scheme
- **Risk management:** how the scheme identifies, assesses, and manages climate-related risks
- **Metrics and targets:** the metrics and targets used to assess and manage climate-related risks and opportunities



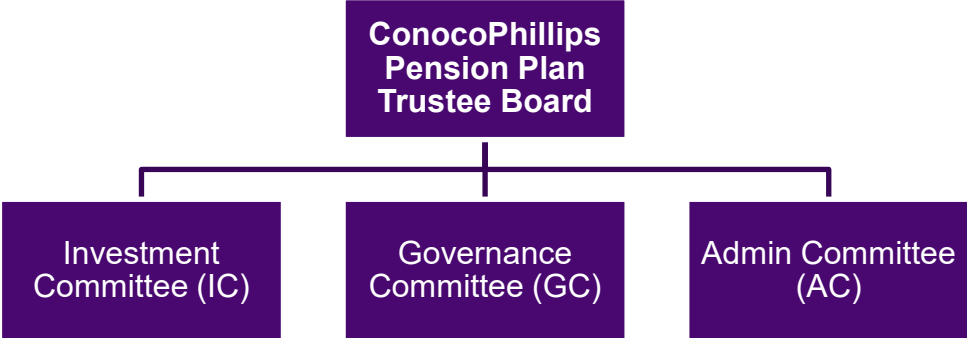
This report sets out the Trustee’s approach to compliance in each of these four areas.

Section 2: Governance

The oversight of climate risks and opportunities

The Trustee is ultimately responsible for overseeing all matters related to the Plan, including climate-related risks and opportunities. The Trustee has therefore taken responsibility for reviewing the potential impact of climate change on the Plan asset, liability and employer covenant and integrating this into broader strategy, risk management and monitoring. However, in order to efficiently manage the wide range of issues to consider, a number of sub-committees have been set up to consider other specific areas of importance in greater levels of detail. The Trustee met four times over the 12 months to 31 March 2024 and discussed climate change in two of those meetings.

Ownership of the oversight of Responsible Investment (RI), including the risk and opportunities relating to climate change, has been delegated by the Trustee to the Investment Committee. The Investment Committee meets on a quarterly basis, reporting on matters discussed and making recommendations to the Trustee Board following each meeting.

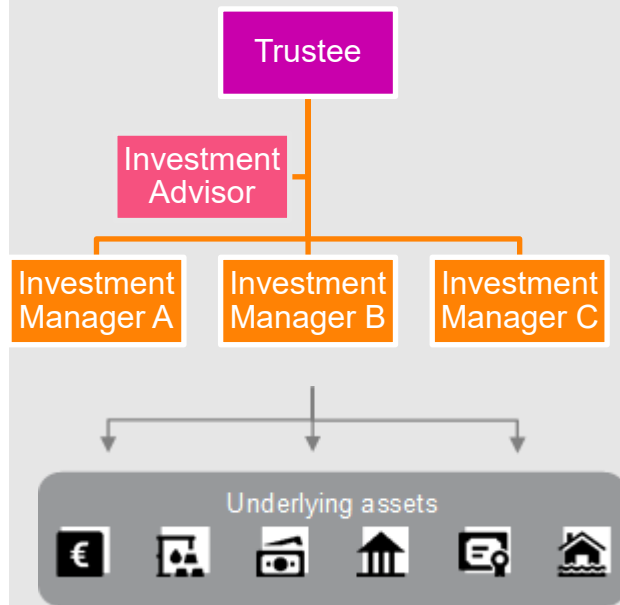


The Trustee recognises the importance of taking RI factors into account in its decision-making processes. The Trustee’s policies, beliefs and activities are documented through a range of climate related documentation:



In particular, the Trustee’s investment beliefs (which were last reviewed in 2022) highlighted key areas of focus for the Trustee, in particular the Trustee’s preference for engagement over exclusions in relation to the Plan’s investment portfolio and the Trustee’s desire to ensure alignment of its approach with that of ConocoPhillips.

How are the Plan's investments managed?



Trustee - The Trustee's key objective is to ensure sufficient assets to pay members' benefits as they fall due. The Trustee retains overall responsibility for the Plan's investment strategy but delegates some responsibilities to the Investment Committee to ensure they are undertaken by somebody with the appropriate skills, knowledge, and resources.

Investment Advisor (WTW) -The Trustee appoints an Investment Advisor to provide advice on, and support in managing, the Trustee's investment strategy. This includes allocating the Plan's assets between asset class and investment managers.

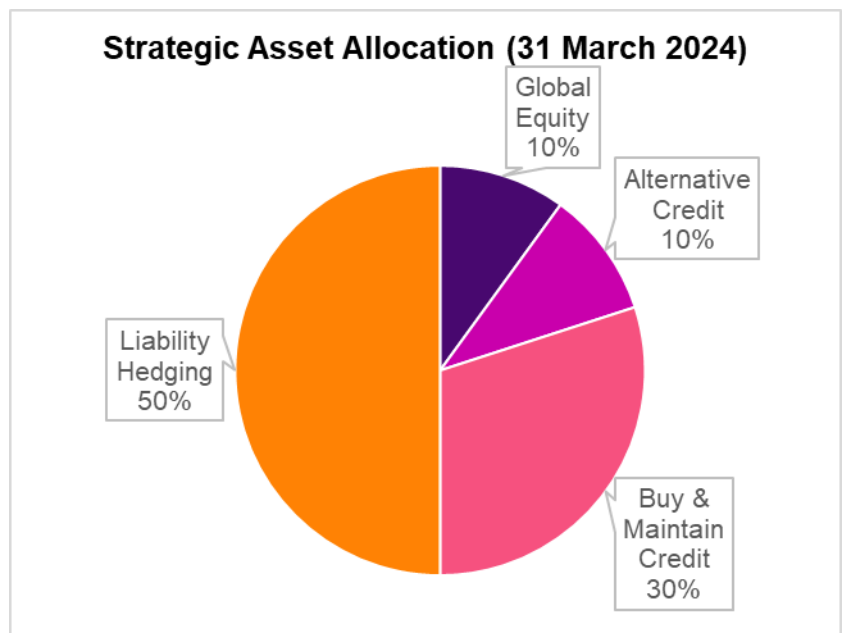
Investment managers - The Trustee appoints underlying investment managers using pooled vehicles. The Trustee will consider a range of financial and operational factors when selecting managers for each asset class.

Underlying assets - The investment managers pick the underlying investments for their specialist mandate, e.g. shares in a company or government bonds

Context of the Plan's circumstances

As can be seen in the chart below, the Plan is currently invested in a low-risk portfolio, with a large proportion of assets invested in Liability Driven Investment (largely UK Government Bonds) and high-quality sterling credit. Alongside this the Plan has allocations to Global Equities (managed passively) and Alternative Credit (managed actively). The Plan is in a strong financial position and was approximately 106% funded on its Technical Provisions basis as at 31 March 2024.

With this context in mind and recognizing the relatively low risk position of the Plan's investment portfolio, it means that the Trustee has fewer tools at its disposal to address climate risk and access climate opportunities compared to many other pension schemes. The Trustee is not complacent about the climate risks and opportunities presented by climate change but is cognizant of ensuring its time and resources spent in this area are proportionate and efficient.



Activities of the Investment Committee

The IC is made up of three members of the Trustee Board, who receive advice from the Plan's investment, actuarial, covenant and legal advisors as required. The key responsibilities of the IC are to implement and oversee the investment strategy for the Plan, as agreed by the Trustee Board. The Investment Committee met four times over the year and climate change was discussed in all four of those meetings.

Over the year to 31 March 2024, the IC undertook a number of activities designed to help it better understand the risks and opportunities associated with climate change and their possible impact on the Plan, comprising:

- **Manager Assessments** – Review of an assessment of the Plan's investment managers, specifically relating to their incorporation of ESG considerations into their investment process and their engagement activities. *(December 2023 IC meeting)*
- **Manager Presentations** – The Trustee met two of its investment managers over the period covered in this report:
 - Discussion of a presentation from the Plan's principal investment manager, where an overview was provided of its ESG engagements. The Trustee challenged the manager in respect to stewardship, particularly in relation to the proxy votes made throughout the year and the engagements made by the manager. *(September 2023 IC meeting)*
 - Presentation from one of the Plan's alternative credit managers, detailing how the integration of ESG is made in their investment process and how their engagement processes are conducted. *(December 2023 IC meeting)*
- **Climate scenario analysis** – Consideration of updating the climate change scenario analysis in line with regulation requirements and its potential impact on the assets and liabilities of the Plan over time. This analysis was updated and is considered in more detail later in this report. *(March 2024 & May 2024 IC meetings)*
 - The Trustee Board also received training provided by the Plan's covenant advisor with respect to climate change and the possible impact on the Plan's Sponsor as part of the covenant review. Given the nature of the Sponsor, the Trustee regularly receives training from the covenant advisor in this area and updates on future possible pathways. *(December 2023 Trustee meeting)*
- **Risk Register review** – Recognition of sustainability considerations, including the impacts of climate change, as a key risk for the Plan through its inclusion in the Risk Register. This documents the nature of the risk, the mitigants adopted and planned and the potential impact. *(September 2023 IC meeting)*
- **Advisor review** – The Trustee reviewed the Plan's investment consultant against its strategic objectives over the year, which included an assessment of their work in relation to ESG matters, including climate change. The Trustee reflected positively on the investment consultant's advice and support in this area. *(December 2023 IC meeting)*
- **Stewardship priorities** – The Trustee considers that stewardship is an important tool for managing risk and improving financial outcomes for the Plan. Over the year, the Trustee considered the rationale for agreeing one or more specific areas of stewardship priorities to support both engagement with investment managers (who undertake stewardship activities on behalf of the Plan) and reporting. The Trustee agreed to set "climate change" as its stewardship priority. *(June 2023 IC meeting)*
- **Climate change training** - The Trustee received further training on climate risk, including the additional actions required and recommended for their second annual climate change report. *(March 2024 IC meeting)*

Service providers

The Trustee has prepared a “Trustee statement regarding the oversight of climate related risks and opportunities”, which formally documents the roles and responsibilities both of the Trustee and the Trustee’s advisors in relation to climate change and is provided as an appendix to this document. This statement identifies a range of service providers and sets out the expectations of the Trustee in relation to the services they provide to the Plan.

Advisors

The Trustee engages with a number of advisors in relation to the overall management of the Plan and specifically in relation to climate change. The key advisors are:

<p>Actuarial Advisor: WTW</p>	<p>DB Investment Advisor: WTW</p>	<p>Covenant Advisor: Cardano</p>	<p>Legal Advisor: Eversheds Sutherland</p>
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As part of its ongoing governance processes, the Trustee periodically undertakes assessments of each advisor’s capabilities, including where relevant in relation to the incorporation of climate change risks and opportunities into the advice provided. At the Q4 2023 Investment Committee meeting, the IC received training on the Plan’s DB investment consultant’s capabilities in this area, including how WTW had evolved its sustainable investment reporting framework and redefining minimum standards for the Plan’s managers. In addition to this, the Trustee has set formal objectives for the Plan’s DB investment consultant, which incorporate the requirement to consider the risks and opportunities associated with all Responsible Investment matters, including climate change. The investment consultant is assessed against these objectives on an annual basis by the Trustee, which was last undertaken in Q4 2023.

The Plan’s covenant adviser, Cardano, advises the Trustee in relation to the Plan sponsor’s ability to support the Plan now, over the medium-term and into the future. Climate-related exposures could have a positive or negative impact on the strength of the Plan sponsor’s covenant. Therefore, Cardano includes climate-related modelling and analysis in the covenant advice provided to the Trustee. More specifically, during 2023, Cardano carried out assessments (in March and December 2023) of the potential exposure of the Plan’s employer covenant to climate-related risks and will continue to assist the Trustee in producing the Plan’s TCFD report on an annual basis.

Investment Managers

The Trustee expects the Plan’s investment managers to have integrated Responsible Investment considerations (including those relating to climate change) into their investment processes and decision making. The Trustee has delegated responsibility for stewardship to its investment managers, subject to oversight by the IC. Over the period covered by this report, the IC met with two of its investment managers, BlackRock and M&G, with ESG and Climate Change key components of both presentations and the discussions held with the managers.

To ensure that its policies are being followed, the IC reviews each managers’ approach to Responsible Investment annually, which includes the investment advisor’s assessment of each manager’s Responsible Investment capabilities alongside a bespoke questionnaire to understand recent developments in more detail. This provides the Trustee with a framework to monitor the managers and highlight any areas that may need further investigation. The Trustee last undertook this review at the December IC meeting.

Section 3: Strategy

The Plan has a long-term obligation to meet member benefits and, therefore, adopts a long-term approach in its consideration of funding, employer covenant and Plan investments. The Trustee recognises that it is important to factor sustainability considerations, including the impact of climate change, into its long-term planning and investment decision making. The Trustee recognises in its investment beliefs that it is important to align its approach in this area with that of ConocoPhillips and has held a number of discussions with the company over the year in order to fully understand the work being undertaken and the commitments made.

To support this, the Trustee undertakes climate change scenario analysis to test the resilience of the Plan's funding strategy under a range of plausible climate scenarios. Importantly, the Trustee recognises that climate change could have a material impact on the investments of the Plan, the life expectancy of the Plan's members and the support provided by the Sponsor's covenant. All three aspects are therefore considered as part of this analysis. This scenario analysis was undertaken for the first time in 2021 and was updated to reflect the most up to date market conditions and assumptions in 2024.

Time horizons

When considering the potential risks and opportunities associated with climate change, the Trustee considers potential outcomes over a range of time horizons:

1. **Short-term:** The Trustee selected **2027** to represent its short-term time horizon, reflecting the period of expected near term changes in climate regulations and the current timeframe to which it is managing the Journey Plan.
2. **Medium-term:** The period to **2035** was selected to represent a medium-term time horizon, reflecting the period over which transition risks (see below) are expected to dominate outcomes.
3. **Long-term:** The period to **2050** was selected to represent a long-term time horizon, being the period over which the Trustee expects to achieve its carbon reduction target as set out later in this report.

The Trustee considers these timeframes to be appropriate considering the Plan's liabilities and its obligations to pay benefits.

When assessing risk, the Trustee considers this holistically in the context of liabilities, assets, covenant and members. The Trustee considers two major categories for climate-related risks and opportunities which it believes to be financially material for the Plan. Namely, risks and opportunities related to the transition to a lower-carbon economy and risks and opportunities related to the physical impact of climate change.

- **Transition risks.** This relates to the risks and opportunities arising from efforts made to transition towards a net-zero economy (both domestically and globally) to limit climate change. The financial impact of these risks and opportunities is generally expected to occur in the medium-term, with some perhaps occurring in the short term.
 - o Risks arising could include regulatory or societal changes rendering parts of the business of invested companies worthless. Transition risk with respect of the covenant arises from the nature of the Sponsor's business and the potential impact on the long-term financial strength of the Sponsor.
 - o Opportunities include early investment in assets, which are likely to benefit from climate change adaptations, such as green energy providers.

- **Physical risks.** This relates to the direct effects of climate change on the Plan and its members. Whilst these comprise both acute or short-term risks (e.g., extreme weather or wildfire events), and chronic or long-term risks (e.g., rising sea levels), the main financial effects are expected to be longer term in nature. An increased number and magnitude of extreme events may cause changes to the physical landscape, which could lead to assets being devalued or destroyed.
 - o Risks arising include those directly impacting asset classes such as property or infrastructure, as well as the value of a company's equity and bonds if they own assets that are affected or if physical events impact their business model.
 - o Changing temperatures is also expected to have a long-term impact on the life expectancy of members.

The Trustee also recognises the existence of both regulatory risk (the risk associated with not complying with the increasing regulatory requirements around considering and reporting on climate change considerations) and reputational risk (the increasing spotlight on pension schemes and their approach to climate risk management, and the increased risk of being "named and shamed". These risks are expected to be more relevant in the short to medium terms.

Climate Scenario Analysis

The Trustee has updated its climate change scenario analysis in partnership with its investment consultant, actuarial and covenant advisors. The aim of this analysis was to help the Trustee to understand and quantify the potential effects of climate change on the Plan's assets, liabilities and covenant and, where required, identify possible actions to address the risks and opportunities presented.

The Trustee has not collected data or calculated metrics for that portion of the Plan relating Additional Voluntary Contributions (AVC). These assets comprise approximately 0.8% of the portfolio as at 31 March 2024 and, accordingly, the Trustee considers this a reasonable and proportionate approach, given the minimal impact that these would have to the overall data and metrics collected and calculated for the remainder of the Plan's assets. The Trustee has assessed 100% of the Plan's Defined Benefit ("DB") assets under the scenarios presented.

As part of this analysis, the Trustee considered five separate scenarios which are in part defined through their success, or otherwise, in meeting the Paris Agreement target of a below 2.0°C temperature rise. As compared to the first climate change report, three new scenarios were introduced reflecting:

- 1) a scenario where action on climate change is initially delayed before being accelerated to remain within a 2°C temperature rise,
- 2) a scenario where action on climate change is accelerated immediately to remain within a 1.5°C temperature rise, and
- 3) a scenario with a Net Zero 2050 pathway where global temperatures exceed 2°C due to a lower-than-expected carbon budget, despite significant and costly efforts to decarbonize.

The scenarios differ in the size of the physical risks, based on the resulting temperature impacts, but also in the size of the transition risks. We have assessed the transition risks and physical risks independently of one another when producing our expected impact on asset returns. The combination of the two has produced an expected percent per annum impact on an individual asset class over a period of twenty years. The effect on the Plan has then been calculated based on these impacts and the asset class weighting within the Plan's portfolio. The scenario analysis does not look to assess the relative likelihood of each scenario occurring.

These scenarios have been considered as the Trustee believes that they cover a plausible and comprehensive range of climate outcomes over the long-term:

1. A clear transition narrative that describes the socioeconomic pathway, both globally and regionally, from climate policies implemented and resulting in technological and societal shifts that occur.
2. Modelled emissions pathways resulting from the implementation of public policies and technologies resulting in the level of temperature rise.
3. A set of economic costs and benefits resulting from physical and transition risks and opportunities.
4. The impact on financial returns at the asset class level.

Whilst there were no issues with the data or its analysis that would have limited the comprehensiveness of the assessment of the scenarios, the Trustee recognises that there is a great deal of uncertainty around the assumptions used, and the expected outcome, under each of the scenarios.

The Trustee understands that the investment advisor made a series of simplifying assumptions to shield the analysis from being obscured by other factors. The key assumptions were as follows:

- The investment strategy in place over the projection period is the strategic asset allocation in place at the date of the analysis. This is assumed to be the base case scenario.
- The discount rate used to value the Plan's liabilities is expressed as a fixed margin above the yield on UK government bonds.
- The impact of the climate scenarios is assumed to emerge gradually over time (the Trustee notes that, in practice, the timing of these impacts, if they were to emerge, is highly uncertain).
- The impact of climate change is time dependant, with transition risk being front-loaded over the first 10 years, and physical risk following over the remainder of the projection period (up to 2050).
- Gilt yields will not be materially impacted by climate risk over the short term (the Trustee recognises that, in practice, yields might rise or fall but the direction and magnitude of change is not clear).

While each of the scenarios selected reflect pathways for global temperature increases, it is broadly acknowledged that there is material uncertainty in all aspects of climate scenario modelling. It is not yet known which energy transition pathway will transpire and it could look quite different to those modelled. The projections served to illustrate the possible future range of long-term returns from different asset classes and their inter-relationship, but it is recognised that no economic model can be expected to capture perfectly future uncertainty, particularly the risk of extreme events. The projections also served to illustrate the potential variability, but it is recognised that these are subjective and arguments could be made for different outcomes. The scenario analysis takes no account of developments after the date of its presentation to the Trustee.

Impact on Funding Level

The projected impacts on assets and liabilities and the funding level were assessed under five different scenarios to the time horizons set out above.

The Trustee also assessed the impact of the market suddenly priced in the scenarios. In addition to the key assumptions set out above, this analysis assumes that liquid markets overreact, and therefore overprice the outcomes by a factor of 2.

	Nationally Determined Contributions	Delayed Transition Below 2°C	Below 2°C	Net Zero 2050	Hot House World
Description	A “business as usual” outcome where current policies continue with no further attempt to incentivise further emissions reductions. Socioeconomic and technological trends do not shift markedly from historical patterns.	Delays in taking meaningful policy action result in a rapid policy shift around 2030. Policies are implemented in a somewhat but not completely co-ordinated manner resulting in a more disorderly transition to a low carbon economy. Emissions exceed the carbon budget temporarily, but then decline.	Globally co-ordinated climate policies are introduced immediately, becoming gradually more stringent over time. Companies and consumers take the majority of actions available to capture opportunities to reduce emissions.	A more ambitious version of the ‘Below 2°C’ scenario where more aggressive policy is pursued immediately. More extensive technology shifts are achieved with Carbon Dioxide Removal (‘CDR’) used to accelerate the transition, broadly in line with sustainable levels of bioenergy production.	The world follows a Net Zero 2050 pathway, however the resultant temperature outcome exceeds 2°C due to a lower than expected remaining carbon budget and/or the impact of climate tipping points. Use of Carbon Dioxide Reduction (CDR) technologies is relatively low.
Temperature Rise	~2.5°C	~2.0°C	~2.0°C	~1.5°C	~3.0°C
Renewable energy by 2050	c85%	c90%	c90%	c90%	c90%
Physical risk level (longer term)	High	Medium	Medium	Low-Medium	High
Transition risk level (shorter term)	Low	High	Medium	High	High
Asset and liability return impacts (over 20 years)	The analysis shows that the impact of this scenario on the asset return was -0.12% p.a. along with a -0.18% p.a. change to the liability return	The analysis shows that the impact of this scenario on the asset return was -0.25% p.a. along with a -0.08% p.a. change to the liability return	The analysis shows that the impact of this scenario on the asset return was -0.1% p.a. along with a +0.12% p.a. change to the liability return	The analysis shows that the impact of this scenario on the asset return was -0.16% p.a. along with a -0.02% p.a. change to the	The analysis shows that the impact of this scenario on the asset return was -0.26% p.a. along with a -0.31% p.a. change to the

	(relative to the base case)	(relative to the base case)	(relative to the base case)	liability return (relative to the base case)	liability return (relative to the base case)
Projected 2027 funding level relative to central expectation (108%)	+1%	+1%	-1%	-1%	+1%
Projected 2035 funding level relative to central expectation (123%)	+3%	-5%	-5%	-4%	+3%
Projected 2050 funding level relative to central expectation (188%)	+10%	-12%	-20%	-11%	+11%
Immediate change in funding level from an instantaneous shock	-2%	-7%	-6%	-6%	-5%

The analysis identified that, due to the impact of lower longevity improvements, the Hot House World scenario leads to a greater expected funding level by 2030. Below 2°C, with higher longevity improvements, causes the largest reduction in expected funding level improvement by 2030. As the Plan has achieved its Journey Plan objective, the different scenarios have no material impact on its achievability. This indicates that the potential for a climate shock would be a more material concern for the Plan. Below, we have assessed the impact on the asset classes the Plan employs relative to their strategic asset allocation.

Asset Class	SAA	Nationally Determined Contributions	Delayed Transition Below 2°C	Below 2°C	Net Zero 2050	Hot House World
Equities	10.0 %	-3.5%	-3.2%	-1.9%	-2.3%	-5.2%
Alternative Credit	10.0 %	-0.5%	-1.3%	-0.6%	-1.1%	-1.6%
Buy & Maintain Credit	30.0 %	-1.5%	-3.6%	-1.2%	-2.4%	-3.9%
LDI	50.0 %	-	-	-	-	-

In considering the results of the scenario analysis, the Trustee noted that, due to running a relatively low risk asset portfolio, the magnitude of climate risk is muted, particularly if experienced as an ongoing drag on investment returns. The Plan is more exposed to a one-off climate related shock, particularly in the short term and if this happens through the asset portfolio. The Trustee is confident that the Plan’s investment and funding strategy is resilient to climate risk, particularly in the view of their long-term objective

Impact on Covenant

The Trustee’s assessment, carried out by Cardano, has been focused on ConocoPhillips (or the “Group”), given the integrated nature of the Group climate profile and covenant. This year, the Trustee undertook scenario analysis on the employer covenant across the following three climate scenarios, which are broadly aligned with three of the scenarios considered in respect of the Plan’s assets and liabilities. In March 2023, this focused on the Orderly and Current Policies scenarios while analysis carried out in December 2023 also considered an additional Disorderly Transition scenario, to assess risk considerations across different temperature warming pathways.

Table 1: climate scenarios

Selected scenarios	Orderly (Net Zero 2050) ~1.5° C scenario	Disorderly Transition ~2.0° C scenario	Current Policies ~3.5° C scenario
Scenario outline	Global decarbonisation starts now , so policies intensify gradually but immediately. Large transition changes will happen quickly	The key difference between this scenario and Orderly transition is that financial markets react belatedly to the transition	The world fails to meet the Paris Agreement goals , which leads to continued increase in GHG emissions and rise in global temperatures
Physical risks	Long-term physical risks are reduced but deviations from the present climate are still expected	Long-term physical risks are reduced but deviations from the present climate are still expected	More pronounced physical risks – particularly over the longer-term
Transition risks	Highest in the near-term as policies are implemented immediately	Highest in the mid-term , but macro-risks delayed until medium-term	Limited transition risks over above existing commitments and policies
Macro-economic impact	Overall longer-term impact on GDP growth muted , with assumed long-term benefit from green tech investment offset by physical impacts	Compressed nature of financial market adaptation causes more abrupt market impacts	UK and global GDP growth permanently lower with that impact emerging over time. Macroeconomic uncertainty rises
Approximate mapping to WTW’s climate scenarios	Net Zero 2050	Delayed Transition Below 2°C	Nationally Determined Contributions

The climate scenario analysis suggests that the Group could see increasing financial pressures up to 2030 under the low warming scenarios, with exposures increasing materially after 2030 due to a modeled reduction in oil and gas demand and rising carbon emission costs. However, the Group believes the model oversimplifies hydrocarbon market fundamentals leading to additional financial pressures.

The Trustee notes that this analysis has been undertaken on behalf of the Trustee for the purposes of assessing climate-related covenant risk as part of an integrated risk management framework. The Trustee notes that the Group believes that the analysis does not accurately interpret the intricacies of the hydrocarbon market fundamentals and the Group has separately undertaken its own climate scenario analysis, which can be found within the following link: <https://static.conocophillips.com/files/resources/conocophillips-2023-managing-climate-related-risks.pdf>. The Trustee recognises that its modelling is necessarily a simplification and continues to engage with the Group to ensure that future modelling can more accurately incorporate the impact on hydrocarbon market fundamentals of supply and demand dynamics in the context of carbon pricing.

In the Current Policies, high warming scenario, risks also increase for the Group, principally through significant increases in extreme weather events and associated major disruption to operations,

distribution and markets; globally, these risks are expected to increase gradually over the long-term but there will also be increased local disruption from extreme weather throughout the period.

Overall assessment

As a result of the combined analysis, the Trustee's assessment is that the Plan's investment and funding strategy is resilient to climate risk, particularly in the view of their long-term objective, and that the Plan is expected to be relatively well protected against the impact of climate change both as a gradual impact and a sudden shock. The Trustee has come to this conclusion based on the following factors:

- **The Plan's very strong funding position** – This was over 100% on both a prudent, low risk liability basis (Gilts+0.3% pa) and a buyout basis as at the date of the analysis conducted.
- **The Plan's low-risk asset portfolio** – The Plan holds a relatively small allocation to "return-seeking" assets and is largely invested in government bonds and high-quality (investment grade) corporate debt securities, targeting a modest investment return of c. Gilts + 1.1% per annum.
- **The protection provided by the covenant** – While the Group could see increasing financial pressure in the period up to 2030 under certain climate scenarios in the short term the covenant protection in place is sufficient to protect against downside events.

While the analysis reassures the Trustee about the robustness of the Plan's funding strategy, it also highlights that extreme climate change could impact the Plan's outcome and the strength of the sponsor covenant, even though it is broadly acknowledged that there is material uncertainty in aspects of climate scenario modelling. This reiterated to the Trustee that it warrants continued focus as part of the Trustee's broader sustainable investing activities and should remain a priority area for portfolio monitoring, stewardship activities and manager engagement.

The Trustee intends to update this analysis at least every three years and will be testing annually whether this needs to be done more frequently, including if there have been material changes to the scenarios used or the Plan's funding or investment strategy.

Section 4: Risk Management

The management of climate risk

Climate change poses a risk that could impact the financial security of members. Given this, the Trustee looks to measure and mitigate it, as it does with all of the key risks the Plan faces. As noted earlier, the Trustee has recognised sustainability risk (including the impacts of climate change) within the Plan's risk register during the year together with the current and planned mitigants.

The risk register is reviewed annually by the Investment Committee and Governance Committee. As part of this process, the Trustee evaluates the risk level through two different channels, the likelihood of the risk occurring and the possible impact on the Plan, on a scale of 1 to 5. Sustainability Risk, which includes climate change and ESG factors, is considered explicitly as an Investment Risk. Additionally, the Covenant Advisor, Cardano, evaluates the potential financial impact of climate change on the Sponsor. Within the established risk framework, the Trustee considers Sustainability Risk to be one of the largest risks to the Plan. The risk register was last reviewed in September 2023.

Mitigation of the risks included in the register is a key responsibility of the parties involved in the production of the document. The Trustee has identified the following mitigating actions to address climate change:

- The Trustee receives training on sustainability topics as appropriate and as further legislation on the topic emerges.
- The Investment Consultant provides the Investment Committee with Sustainable Investment assessments of the investment managers they employ on an annual basis.
- The Investment Committee invites investment managers to attend meetings to encourage discussion regarding both investment topics and sustainability.
- The Trustee reviews an assessment of employer covenant strength which includes consideration of climate risk exposure informed by discussion with Group management at least annually.
- The Trustee produces and publishes an annual climate change report, which assesses the Plan's climate related risks and opportunities.

Alongside this, the Trustee has used the scenario analysis summarised in the previous section of this report to assess the potential top-down effects of climate-related risks upon the Plan. As a result, the Trustee has chosen to adopt a shorter journey plan which aims to achieve a level of funding that implies very limited reliance on the employer covenant before climate risk is expected to be most material. As at the date of this report, the Plan has broadly achieved this journey plan objective, which is an important mitigating factor against climate risk.

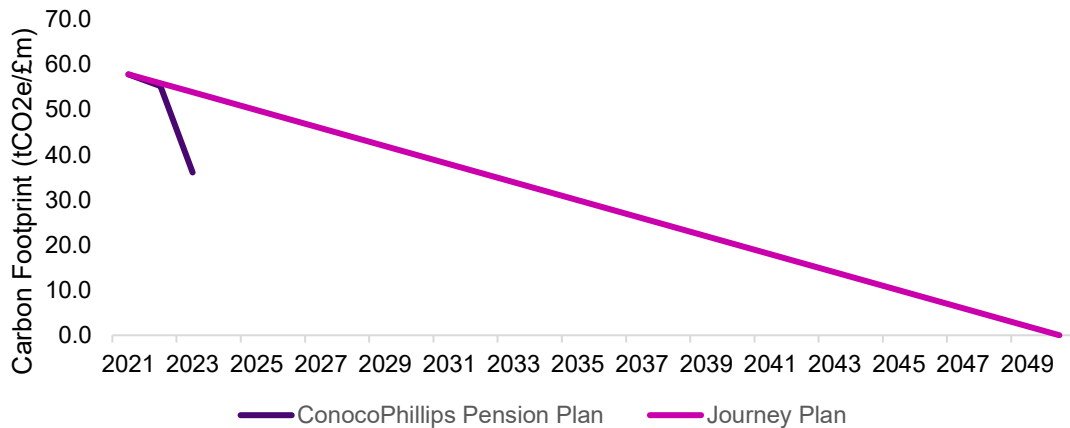
The analysis also suggests that the combination of physical and transition risks could have a notable impact on the strong financial position achieved, particularly if experienced through a one-off immediate shock, principally through the possible impact on member longevity. Recognising these possible effects, the Trustee continues to consider (and engage with the sponsor on) ways to further mitigate these risks in an efficient manner. The Trustee also recognises the potential benefits of further exploring the possibility of managing longevity risk within the Plan.

Carbon Journey Planning

To manage the risks associated with climate change, the Trustee is in the process of developing a 'Carbon Journey Plan', which is intended to provide a framework to support the achievement of the carbon emissions reduction target set out in the next section of this report. The Trustee would consider

success under the framework of its carbon journey plan to net zero emissions, which would allow for a small amount of emissions that are offset.

Carbon Journey Plan



Notes to the Carbon Journey Plan:

1. The Carbon Journey Plan initially covers Scope 1 and 2 emissions, with the expectation that Scope 3 emissions will be reported in future years when data availability and accuracy improve (see below). While the Trustee has collected (and is reporting on) Scope 3 emissions from the 2023/24 Plan Year onwards, it is the view of the Trustee that the quality and reliability of Scope 3 emissions is not sufficient for it to be appropriate to include within the Trustee's Carbon Journey Plan.
2. The emissions associated with UK Government bonds will not be included in the Plan's Carbon Journey Plan monitoring as the Plan is required to hold UK gilts to hedge its pension liabilities and as such disinvesting on sustainability grounds would be inappropriate from a fiduciary duty standpoint. The Plan also has limited capability to effectively engage the with the UK Government. The emissions from the UK gilts will still be calculated and monitored separately and calculated as the tons of carbon emissions per £m of nominal GDP, similar to WACI.
3. The base-year for the calculations is 2021. The Trustee agreed this date as it reflects when carbon data was first reported.

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

1. **Engagement:** The Trustee will aim to reduce emissions associated with the Plan's portfolio through changing the behaviour of the companies it invests in. Over the year, the Trustee formally adopted Climate Change as its key stewardship priority.

Over recent years, the Trustee has begun considering the embedding of mitigation of climate change risk within its strategy. Following on from the actuarial valuation at 31 March 2021, the Trustee has looked to maintain its strong funding position through investment in longer-dated assets to better match the Plan's liabilities. The nature of the mandates, specifically, the buy & maintain credit, provides an opportunity for better engagement with the companies invested in. As such, the Trustee has integrated the consideration of ESG factors within the selection of

investment managers for the Plan, with input from the investment consultant. As part of its ongoing assessment of the Plan's investment managers the Trustee expects to observe integration of ESG factors within the strategy. The Trustee considers this to be one of the most effective methods of mitigating the investment risk associated with climate change.

Over the last year, the Trustee collected and reported on voting data from its passive equity manager within its annual implementation statement. The IC met with BlackRock (regarding both the passive equity and B&M Credit portfolio managed for the Plan) and M&G (regarding the alternative credit portfolio managed for the Plan), with one of the topics for discussion being the voting and engagement practices of each organisation within the context of the mandate managed on behalf of the Plan.

2. **Mandate changes including divestment:** Over time the Trustee expects to review mandate guidelines and restrictions, particularly in relation to disproportionately emitting strategies. Where investment managers are unable or unwilling to evolve their approach, this may ultimately result in the Plan selling assets if deemed necessary to do so. The Trustee may also consider the transfer of assets and liabilities to an insurer, which may also achieve their objective of net zero by 2050.
3. **Impact:** Whilst the Plan's investment strategy is relatively mature and low-risk, the Trustee will periodically review market opportunities to understand whether impact investments might be appropriate. These assessments will take into account the time horizons associated with the achievement of the Plan's investment strategy.
4. **Free rider:** Recognising common goals across the investment industry, the Trustee expects the Plan to benefit from the actions and efforts of other participants through a decline in the emissions associated with all asset classes.

Section 5: Metrics and Targets

Plan metrics and target

The pursuit of the Plan's ambitions to manage climate change risk has led the Trustee to set both a target and a number of metrics to assist it with tracking performance against the objective. The ultimate target of Net Zero emissions intensity by 2050 aligns the Plan's management with that of ConocoPhillips and is considered to be in the best financial interest of the Plan's members. The metrics have been set in line with the recommendations of the Pensions Regulator and the Department of Work and Pensions and are designed to provide the most useful information possible to the Plan's members. A more detailed description of each metric is provided below.

Requirement	Metric	Target	Measurement as at 31 December 2023
Absolute Emissions	Total GHG Emissions	n/a	54,513 tCO ₂ e
Emissions Intensity	Carbon Footprint	Net Zero by 2050	36.1 tCO₂e/£m invested
Forward-looking alignment	Percentage of the portfolio aligned with approved Science-Based Targets (ex-LDI)	n/a	37.0%
Other Climate Change Metric	Data quality	n/a	

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

- **Scope 1 Emissions:** direct emissions from a company's owned or controlled sources. This may include emissions from a firm's manufacturing processes or emissions from company vehicles.
- **Scope 2 Emissions:** indirect emission from the generation of purchased energy, such as heating for company facilities.
- **Scope 3 Emissions:** all other indirect emission, including those of suppliers and customers. These may include emissions related to the transportation and distribution of goods and disposal of waste generated in operations.

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

This analysis was initially conducted using data as at 31 December 2022 and since then the industry knowledge and requirements around the analysis have evolved. As part of this second report, the Trustee has reported Scope 1 & 2, as well as Scope 3 emissions where available. The Trustee expects Scope 3 emissions to become an increasingly important part of TCFD reporting given their material size, and therefore overall impact on metric changes. However there remain significant concerns over the availability and accuracy of data in relation to scope 3 emissions. Therefore Scope 1 and 2 emissions

are reported separately to Scope 3 emissions due to the differences in data quality and application, and the Trustee’s net zero target continues to relate to Scope 1 and 2 emissions only. Investments in LDI (including UK Government bonds and swaps) and cash have also been reported separately due to the different calculation methodology compared to other assets.

The Trustee has attempted to collect data for each metric to the best of its ability as at 31 December 2023 and will track progress going forwards. Much of the initial exercise in gathering data has been delegated to the Plan’s investment consultant in the first instance. The Investment Committee then has the responsibility to assess and raise any concerns regarding the data presented.

Calculating the Plan’s metrics

The Plan’s metrics are calculated as follows:

1. **Absolute Emissions:** Total Carbon Emissions (Scope 1, 2 & 3)

As at	31 December 2023	31 December 2022
Total GHG Emissions (Scope 1 & 2)	54,513 tCO ₂ e	81,594 tCO ₂ e
Total GHG Emissions (Scope 3)*	387,424 tCO ₂ e	N/A

*excludes emissions from the LDI portfolio

This metric measures the total absolute greenhouse gas emissions attributable to the Plan’s assets. This can be used to give a sense of high/medium/low emissions and the associated exposure to a transition to a net-zero economy in the future.

The data for the metrics for the Plan’s assets excluding LDI has been collated using a combination of manager-provided data, proxied data based on sector/geographical breakdowns, and relevant benchmark data. This data is then uploaded into the investment advisor’s ESG tool (which uses MSCI underlying data) to determine the carbon related metrics reported. However for the alternative credit part of the portfolio, where the funds hold significantly less listed assets, the Trustee has compiled the data for the metric this year using investment manager provided data (which has been sourced from a range of external providers including MSCI). This differs from last year’s approach which was the sole use of MSCI data for direct and indirect emissions at a stock level within the Plan’s portfolio, as the alternative credit manager did not provide carbon emissions reporting.

Where a company does not report emissions, the allocations have been scaled up to cover the entire portfolio.

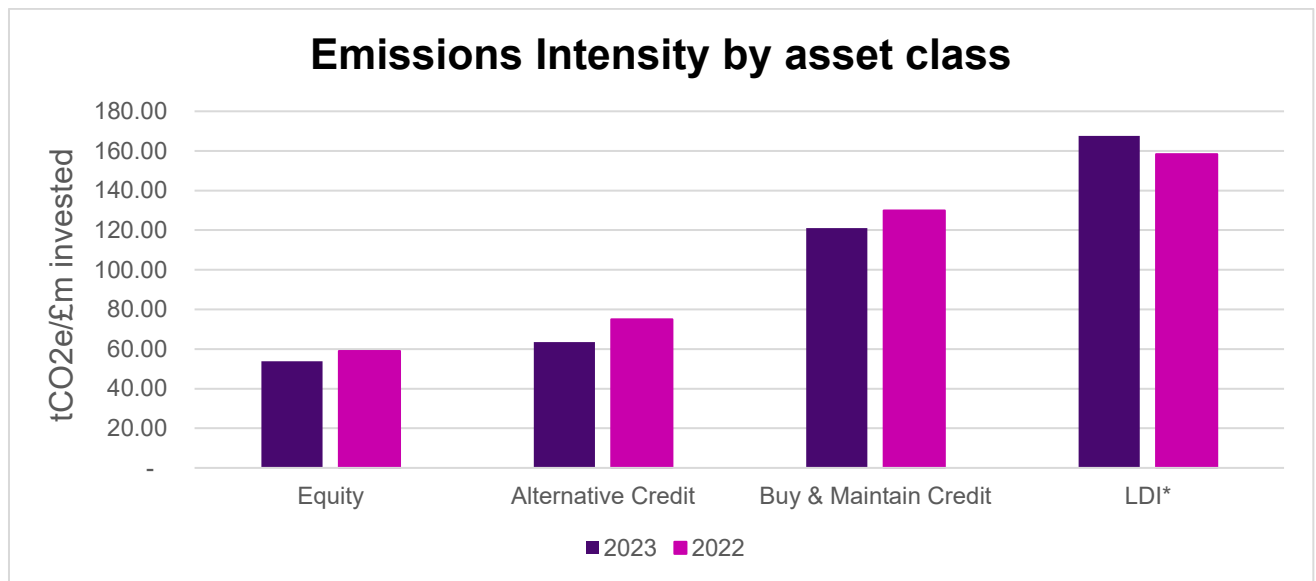
The separate reporting of emissions from the LDI portfolio is based on guidance from the DWP and we expect this to remain a topic of discussion and evolve through time. This guidance is based on the inability of the Plan to influence the government’s agenda in the coming year and the different calculation methodology, and is explored later in the report. If we were to include the emissions of the LDI portfolio, the Plan’s total GHG emissions would be approximately 208,340tCO₂e higher, totalling 262,854 tCO₂e. The Trustee has evolved the calculation approach; this year the Trustee is basing the total emissions on the total UK Government Bond securities amount in the LDI portfolio, including those that are invested in through utilising leverage (such as repo contracts).

2. **Emissions Intensity:** Carbon Footprint (Scope 1,2 and 3)

As at	31 December 2023	31 December 2022
Carbon Footprint (Scope 1 & 2)*	36.1 tCO ₂ e/£m	55.2 tCO ₂ e/£m
Carbon Footprint (Scope 3)*	256.5 tCO ₂ e/£m	N/A

*excludes emissions from the LDI portfolio

Intensity metrics define emissions data in relation to an appropriate “per unit” of measure. Carbon Footprint calculated as the total carbon emissions per £m invested (tCO₂e/£m invested). This calculation provides a figure that can be compared with other investors and which will be monitored by the Trustee over time as part of our ‘Carbon Journey Plan’, which is set out earlier in this report.



*estimated LDI emissions intensity excluded from the total Carbon Footprint as recommended by DWP guidance.

3. **Forward-looking Alignment:** Percentage of the Plan aligned with approved Science-Based Targets

As at	31 December 2023	31 December 2022	31 December 2021
% aligned with SBTs (Total Portfolio)	18.0%	19.2%	19.4%
% aligned with SBTs (Ex-LDI)	36.7%	n/a	n/a

The previous metrics referenced are backward-looking metrics and do not reflect any of the respective companies’ ambitions to reduce their carbon emissions in the future. This metric is designed to assess the companies within the Plan’s portfolio with stated net zero targets that are validated by the Science-Based Targets initiative (“SBTi”). The Science-Based Targets Initiative is a partnership between the Carbon Disclosure Project, the UN Global Compact, World Resources Initiative and the World Wildlife Fund for Nature. The Initiative provides an external mechanism for companies to have their carbon reduction plans validated as being in line with an objective to limit global warming to 1.5 degrees. During the year, the Plan experienced an increase in the proportion of alignment with approved Science-Based Targets

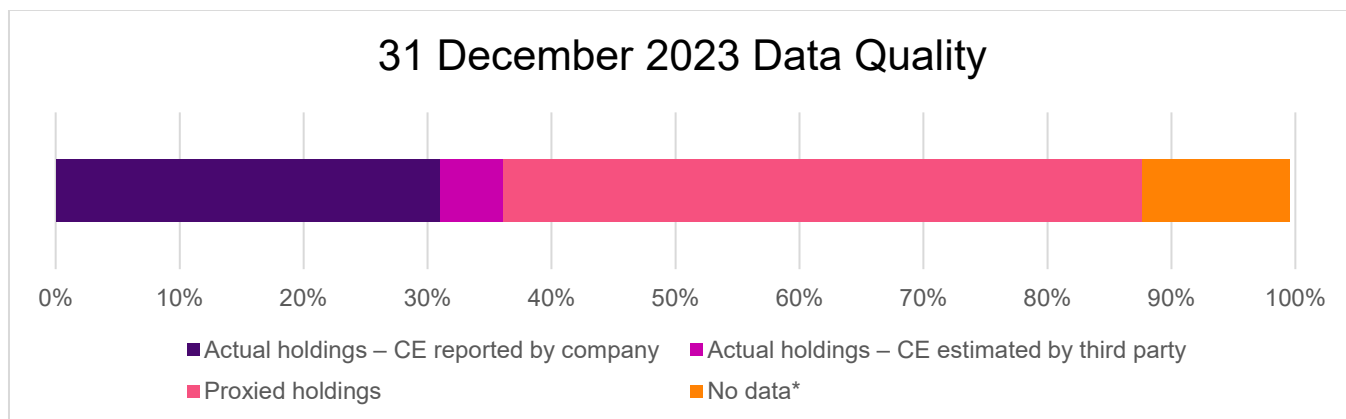
and over time, the Trustee expects an increasing proportion of the Plan’s investments to be aligned with this objective.

Within this report, the Trustee has begun reporting the percentage of the Plan which is SBTi aligned excluding the LDI portfolio. The Trustee believes that this is a better representation of progress for this metric as it removes the impact of changes to the allocation between LDI and non-LDI assets on a year-by-year basis.

4. Other Climate Change Metric: Data Quality

The Trustee has endeavoured to provide data on 100% of the Plan’s DB assets. Given that both the absolute emission and emissions intensity metrics are limited by the availability of data, the Trustee has elected to provide more detail on the sources of the data used to compile this report.

The Trustee has used MSCI to provide much of the emissions data for individual companies held by the equity and corporate bond investment managers. To inform the allocation to individual companies, the Trustee was required to contact investment managers to source a complete list of companies held. Under this scenario, the Trustee then looked to reconcile identifiers within the portfolio with data provided by MSCI. In cases where identifiers could not be recognised, the Trustee scaled up the recognised holdings in a ‘pro-rata’ approach. Where the manager was unable to provide data, the Trustee proxied this data based on sector and geographical breakdowns and relevant benchmark data, which provided a guideline of the portfolio’s holdings used to estimate emissions from the MSCI dataset. The Trustee has relied on the Plan’s alternative credit managers to provide the emissions data on their holdings. For allocations where the investment manager could not provide emissions data, the Trustee scaled up the recognised holdings in a ‘pro-rata’ approach.



Reporting on Government Bonds

As referenced early in the report, the Trustee has agreed to exclude Government Bonds from the Plan’s target and to report the climate metrics for these asset classes separately. The reason for the separate disclosure is because the underlying methodology is materially different, as are the potential actions available to the Trustee.

For UK Government Bonds, for example, the carbon emissions are calculated as the territorial emissions in the whole of the UK i.e. those that take place within a country’s territorial boundaries and include exports but omits imports. The denomination used to attribute emissions is the total amount of UK Government Debt outstanding.

The rationale then for the current exclusion of Government Bonds from the Plan’s target is as follows:

- The Trustee primarily holds Government Bonds as assets to hedge the Plan's liabilities and as such, even if reducing exposure to these assets would lead to an overall improvement in climate metrics, it would open the Plan up to excessive funding and investment risk
- The Trustee recognises that it has limited capacity and capability to engage with the Governments on climate related metrics
- The level of financial risk arising from these assets is perceived to be much smaller i.e. the influence of climate change on the price of Government Bonds in comparison to the other assets held is likely to be lower

Whilst the above provide the rationale as to why the Plan excludes liability hedging assets from the Plan's target, the Trustee still believes it is useful to monitor these figures over time. Therefore, the Trustee has reported emissions from the LDI portfolio separately in the section above.

The Trustee's view on approaching Scope 3 emissions

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

Data providers, like MSCI, have tried to solve for this problem by providing scope 3 datasets using proprietary models and internally vetted methodologies. However, current solutions rely significantly on top-down sector emissions data with limited use of bottom-up data (which is company-specific). Models that rely on sector information limit users' ability to distinguish companies from peers. While there is sizable support from the investment industry and others for better disclosures, we need to be realistic around the current issues of reliability of scope 3 data available. Importantly, assessing risks and opportunities are not purely about emissions.

Future actions

As a result of the analysis above, the Trustee has taken and/or committed to taking the below actions:

1. Assessing the Plan's stated metrics annually, as required by the regulation, and engaging with the reporting;
2. Considering the Plan's stated investment and funding strategy and objectives with a view to managing climate change risk through time; and
3. Engaging with the Plan's investment managers and advisors as appropriate to drive conversation around climate change and best practice.

The Trustee believes that the activities undertaken over 2023/2024 were designed to further develop the Plan's objectives and consider how best to achieve the Plan's target. The Trustee will further investigate whether there any actions the Plan can take to better align the assets with net zero by 2050.

As reflected by the data quality metric there is considerable room for improvement in the reporting and calculation of these metrics. The Trustee, therefore, expects these metrics to evolve through time and will periodically review them to ensure ongoing appropriateness.

Appendix: Statement of Climate Governance

ConocoPhillips Pension Plan (the “Plan”) Trustee statement regarding the oversight of climate-related risks and opportunities

Under the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (the “Regulations”), ConocoPhillips Pension Plan Trustees Limited (the “Trustee”) as trustee of the Plan is required to establish and maintain oversight of the climate-related risks and opportunities that are relevant to the Plan. This statement has been prepared to set out the processes the Trustee has put in place to meet this requirement.

Overview

The Trustee recognises that climate change may have a material impact on the assets and liabilities of the Plan and the sponsor covenant. Alongside this statement, the Trustee formally documents its approach to the management of climate risk in the Plan’s Statement of Investment Principles and in the Trustee’s Risk Register, both of which are subject to regular reviews and updates. The Trustee will also publish its annual climate change report following each scheme year end.

On an ongoing basis, in order to ensure that the risks and opportunities associated with climate change are appropriately understood and taken into account in decision-making, the Trustee has delegated detailed consideration of the subject to the Plan’s Investment Committee (“IC”) with support from external advisors and seeking input from the principal employer of the Plan, ConocoPhillips (U.K.) Holdings Limited, as well as from its US parent guarantors, ConocoPhillips and ConocoPhillips Company, where appropriate.

Roles and responsibilities

Trustee Chair

It is the Trustee Chair’s responsibility to ensure that sufficient time at Trustee Board and Sub-Committee meetings is allocated to the consideration and discussion of climate matters and that appropriate advice is provided at these meetings to permit decisions to be taken.

The Trustee Board

The Trustee Board is responsible for:

- Putting in place and documenting effective governance arrangements to ensure appropriate management of climate related risks and opportunities and compliance with the Regulations. This includes:
 - Ensuring sub-committees have appropriate responsibilities to oversee this and that this is documented in their Terms of Reference.
 - Ensuring the Trustee Board has appropriate knowledge, expertise and resource to oversee and monitor activities undertaken on behalf of the Plan and that this is kept up to date.
 - Appointing and monitoring the advisors to the Board and the sub-committees and ensuring that they have the requisite knowledge and expertise.
 - Ensuring the Plan’s Statement of Investment Principles and Risk Register appropriately document the Trustee’s approach to managing climate-related risks within the Plan.

- Incorporating climate-related considerations into strategic decisions relating to the funding arrangements for the Plan.
- Allowing for climate-related considerations when assessing and monitoring the strength of the sponsoring employer and related entities.
- Communicating with fund members and other stakeholders on climate change where appropriate, including as part of the statutory reporting prepared by the Trustee.

Investment Committee

The Investment Committee is responsible for:

- Undertaking the necessary steps and commissioning work from the Committee's advisors as required to ensure that the Trustee is able to meet its requirements under the Regulations. This includes:
 - Regularly reporting to the Trustee Board on the steps taken to comply with the Regulations and seeking input from the Trustee where required.
 - Identifying and assessing the main climate-related risks and opportunities for the Plan over the short-, medium- and long-term.
 - Undertaking climate change scenario analysis for the Plan and determining the frequency with which this analysis should be refreshed.
 - Making recommendations to the Trustee Board on the appropriate climate-related metrics to monitor within the Plan and compiling the necessary data to produce the agreed metrics.
 - Making a recommendation to the Trustee Board on an appropriate climate-related target to set for the Plan and monitoring progress relative to this target over time.
 - Producing the annual climate change report for the Plan for consideration and sign-off by the Trustee Board.
- Incorporating climate-related considerations into strategic decisions relating to the investment arrangements for the Plan, including journey planning, portfolio construction, portfolio implementation and manager selection.
- Undertaking an annual review of the approaches taken by the Plan's investment managers to incorporate responsible investment considerations, including climate change, into the management of the Plan's assets.
- Meeting with the Plan's investment managers on a periodic basis to assess their approach to incorporating responsible investment considerations, including climate change, within their investment strategy, including holding the investment managers to account where it is considered that investment managers are not operating in line with best practice.

Actuarial advisor

The actuarial advisor is responsible for:

- Advising how climate related risks and opportunities might affect the Plan's funding position over the short-, medium- and long-term, principally through the input provided to the scenarios used for the climate change scenario analysis.
- Working with the Trustee's other advisors to incorporate climate change considerations into the overall strategic and funding advice provided to the Trustee.

Investment advisor

The investment advisor is responsible for:

- Incorporating climate change considerations into the investment advice provided to the Investment Committee and Trustee.

- Supporting the Trustee in ensuring an appropriate governance structure for the management of climate-related risks and opportunities, including undertaking regular reviews of the Plan's Statement of Investment Principles and Risk Register and the proposal of updates to these, where considered appropriate.
- Supporting the Investment Committee in incorporating climate-related considerations into strategic decisions relating to the investment arrangements for the Plan.
- Supporting the Investment Committee in its compliance with the Regulations, including providing advice on:
 - Climate change scenario analysis for the Plan, including appropriate short-, medium- and long-term time horizons over which to assess risk.
 - Appropriate metrics to adopt for monitoring climate-related risks and opportunities within the Plan.
 - An appropriate target to set for the Plan.
- Drafting a compliant climate change report for consideration by the Investment Committee.
- Providing training to the Investment Committee and Trustee Board on climate-related regulatory changes and other relevant climate-related matters.
- Supporting the Trustee Board in formulating its climate-related investment beliefs, documenting these and ensuring they are factored into the investment advice provided.
- Assessing the capabilities of the Plan's investment managers with regard to climate-related matters and advising the Investment Committee appropriately.
- Where required, engaging with the Plan's investment managers on the Investment Committee's behalf to communicate Trustee priorities and to improve the approach of the investment managers to the integration of climate change related considerations.

Covenant advisor

The covenant advisor is responsible for:

- Considering how climate-related risks and opportunities might affect the Plan's covenant over the short-, medium- and long-term.
- Leading on the inclusion of climate change in the Plan's covenant monitoring, working with the Trustee and its other advisers as appropriate.
- Providing covenant input to the climate change scenario analysis undertaken by the Trustee.
- Providing training and other updates to the Trustee on relevant climate-related covenant matters.
- Working with the Trustee's other advisers to assist the Trustee in incorporating climate change in its risk register, contingency planning and communication with stakeholders (including, but not limited to, its TCFD reporting) as appropriate.

Legal advisor

The legal advisor will provide assistance, when required, with:

- Providing training and other updates to the Trustee on relevant climate-related legal and regulatory matters.
- Ensuring the Trustee and its sub-committees are aware of their statutory and legal duties in relation to climate change.
- Where required, assisting the Trustee with documenting its approach to the management of climate related risks and opportunities in Plan documentation.

Investment managers

The Plan's investment managers are responsible for:

- Identifying, assessing and managing climate-related risks and opportunities in relation to the Plan's investments, in line with the Trustee's legal agreements with the managers.
- Exercising rights attaching to the Plan's investments and undertaking engagement activities with investee companies in a manner expected to improve long-term financial outcomes for the Plan's members.
- Reporting on stewardship activities and outcomes in relation to the Plan's investments.

Review of this statement

This statement will be reviewed on an annual basis. This statement was last reviewed and updated in July 2024.