



Workplace

Fund

Climate-Related Financial Disclosures Report L&G PMC Managed G25

Fund Launch Date

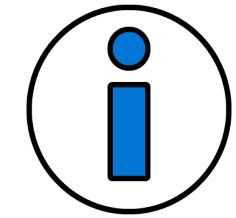
07 August 2018

Fund Size

£128m

Fund ID

B6FY



This report has been produced in line with recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD). The first section of the report helps us to measure and manage the impact of our investments on the environment. The second section helps us to understand the risks and opportunities that climate change may have on your pension.

Section 1 – Emissions and climate data for L&G PMC Managed G25

This section of the report contains data for carbon dioxide (CO₂) emissions, and other greenhouse gases (GHGs), that when emitted into the atmosphere are responsible for the greenhouse effect (global warming) on the planet. Carbon dioxide equivalent (**CO₂e**) is a standard way to compare the emissions of different greenhouse gases. The choice of this metric and the below measurement and scenarios follows best practice recommendations from the TCFD.

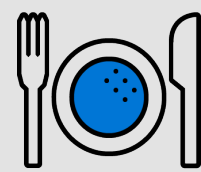
Please refer to the ‘[How we measure and calculate](#)’ section for more details on the metrics below. We aim to use language that’s easy to understand. Where we’ve had to use terms that you may not be familiar with we’ve provided definitions. The terms will be highlighted in **brown** and an explanation of their meaning can be found in the ‘[Terms explained](#)’ section.

To provide context for the below metrics, 1 tonne of **CO₂e** approximately represents:



Return flight from London to
New York

Source: Planetair travel calculator



138 meat-based meals

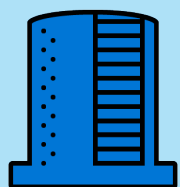
Source: Carbon equity



To capture 1 tonne of CO₂
approximately 50 trees must grow for
one year

Source: Climate Neutral Group

Scope 1 emissions



5,572

Metric tonnes **CO₂e** | **Asset coverage: 78%**

These are greenhouse gas emissions owned and controlled directly by the companies that the Fund invests in. For example, emissions through company vehicles, company office space and equipment, and the energy used in production of goods or services.

2024 metric figure = 11,732

2024 asset coverage = 77%

24/25 difference = -6,160

24/25 difference = 1%

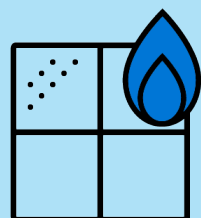
2023 metric figure = 13,113

2023 asset coverage = 78%

23/24 difference = -1,381

23/24 difference = -1%

Scope 2 emissions



1,173

Metric tonnes **CO₂e** | **Asset coverage: 78%**

These are greenhouse gas emissions that the companies, which the Fund invests in, make indirectly via consumption of purchased heat, steam or electricity, all of which are produced on its behalf and owned by another.

2024 metric figure = 2,431

2024 asset coverage = 77%

24/25 difference = -1,258

24/25 difference = 1%

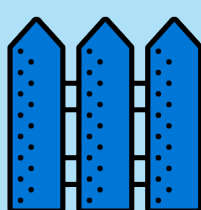
2023 metric figure = 2,633

2023 asset coverage = 78%

23/24 difference = -202

23/24 difference = -1%

Total scope 1 & 2 carbon emissions



6,745

Metric tonnes **CO₂e** | **Asset coverage: 78%**

The total greenhouse gas/carbon emissions of the Fund, in tonnes of **CO₂e**. It includes Scope 1 and Scope 2 emissions.

2024 metric figure = 14,163

2024 asset coverage = 77%

24/25 difference = -7,418

24/25 difference = 1%

2023 metric figure = 15,746

2023 asset coverage = 78%

23/24 difference = -1,583

23/24 difference = -1%

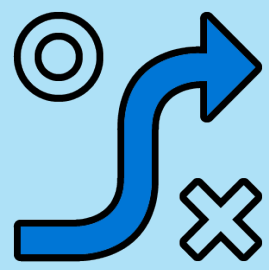
Climate-Related Financial Disclosures Report

L&G PMC Managed G25

Fund Code: B6FY

Section 1 – Emissions and climate data for L&G PMC Managed G25

Scope 3 emissions



101,038
Metric tonnes **CO₂e**
Asset coverage: 78%

Includes all other indirect **CO₂e** emissions, not included in Scope 2, that occur in a company's value chain. This means the emissions that are generated before or after a company's operations. Scope 3 emissions are not directly owned or controlled by the company. For example, the business travel undertaken by employees, or when a company uses and disposes of products from other suppliers.

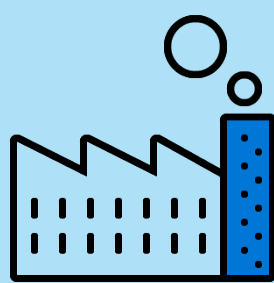
2024 metric figure = 199,477
2024 asset coverage = 77%

24/25 difference = -98,439
24/25 difference = 1%

2023 metric figure = 144,048
2023 asset coverage = 78%

23/24 difference = 55,429
23/24 difference = -1%

Weighted average carbon intensity (WACI)



158
Metric tonnes **CO₂e** per £1m of company
revenue
Asset coverage: 89%

Weighted average carbon intensity is a standard measurement to understand emissions after adjusting for the size of a company. This metric portrays the amount of carbon produced relative to the varying sizes of companies held within the Fund.

Source: ISS 2025

2024 metric figure = 158
2024 asset coverage = 87%

24/25 difference = 0
24/25 difference = 2%

2023 metric figure = 206
2023 asset coverage = 89%

23/24 difference = -48
23/24 difference = -2%

Total carbon footprint



70
Metric tonnes **CO₂e** per £1m of our
investment
Asset coverage: 85%

A carbon footprint demonstrates activities that result in greenhouse gas emissions. This metric highlights the Fund's carbon footprint relative to activities and market value.

2024 metric figure = 76
2024 asset coverage = 84%

24/25 difference = -6
24/25 difference = 1%

2023 metric figure = 93
2023 asset coverage = 86%

23/24 difference = -17
23/24 difference = -2%

Implied temperature alignment



2.7°C
Asset coverage: 81%

This is the suggested global climate temperature outcome the Fund is compatible with, by the year 2100. The approach reflects the link between companies' carbon emissions and global warming outcomes. The **Paris Climate Agreement** aims to limit global warming to well-below 2°C, ideally 1.5°C.

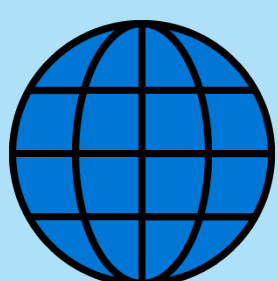
2024 metric figure = 2.6°C
2024 asset coverage = 78%

24/25 difference = 0.1
24/25 difference = 3%

2023 metric figure = 2.7°C
2023 asset coverage = 80%

23/24 difference = -0.1
23/24 difference = -2%

Climate value at risk



-11.04%
Asset coverage: 64%

This metric aims to analyse the impact of climate change on the present market value of financial assets, under the assumption that it is unlikely climate risks are properly priced into markets today. The metric assesses the potential financial losses that a fund could incur because of climate change and policy, through things like **carbon pricing** and changes in economic productivity. The metric shows the potential risk under a 1.5°C scenario where net zero CO₂ emissions are achieved around 2050.

2024 metric figure = -13.40%
2024 asset coverage = 65%

24/25 difference = 2.36%
24/25 difference = -1%

2023 metric figure = -12.00%
2023 asset coverage = 69%

23/24 difference = -1.40%
23/24 difference = -4%

Climate-Related Financial Disclosures Report

L&G PMC Managed G25

Fund Code: B6FY

Section 1 – Emissions and climate data for L&G PMC Managed G25

Assets that are measured for climate reporting

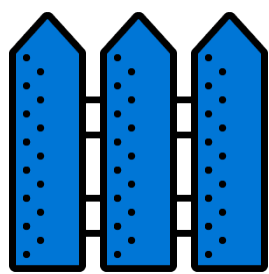
Pension money can be invested in one or more funds containing one or more asset classes. Asset classes include things like equities (company shares), bonds (loans to governments and companies), property and cash. Assets can only be measured for climate reporting where relevant and where sufficient climate data is available to do so.

Therefore according to data availability the asset classes measured are:

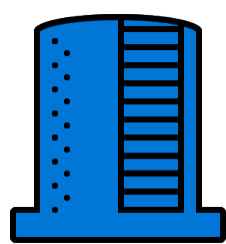
- Equities and corporate bonds for the ‘Total carbon emissions’, ‘Scope 1 emissions’, ‘Scope 2 emissions’ and ‘Scope 3 emissions’.
- Equities, corporate bonds and government (sovereign) bonds for ‘Weighted average carbon intensity’, ‘Total carbon footprint’ and ‘Implied temperature alignment’.

However, some equities or bonds may not be included where meaningful data can’t be provided or where they are not included in the asset mix of the fund. Whilst some metrics measure the same assets, the data availability may vary per metric. The **asset coverage** figures provided in the metrics, on the previous page, show the percentage of assets that provided meaningful data and are eligible for this type of climate reporting. The data is sourced and provided by L&G.

How we calculate: Total carbon emissions

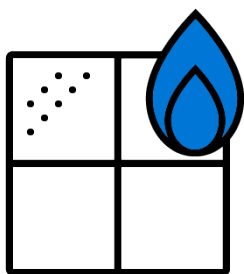


Total including Scope 1 and 2 emissions. We measure this for companies that we hold within a fund’s asset mix, through bonds and/or equities. It is based on the share of emissions we will hold in a particular company through the amount of investment held. This is done by calculating the company’s overall emission total against the percentage share we have in that company as part of a fund’s holdings. The amount of carbon dioxide equivalent (**CO₂e**) calculated per company is then combined into an overall total for the percentage of eligible assets. This includes scope 1 and scope 2 emissions only. Scope 3 emissions are distinct and separate, and as such we do not combine Scope 3 with Scope 1 & 2 emissions.



How we calculate: Scope 1 emissions

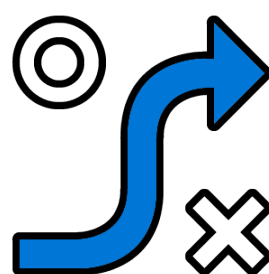
By using the same calculation method for total carbon emissions, we measure this for the proportion of companies that we hold within a fund’s asset mix, through bonds and/or equities, for their scope 1 emissions.



How we calculate: Scope 2 emissions

By using the same calculation method for total carbon emissions, we measure this for the proportion of companies that we hold within a fund’s asset mix, through bonds and/or equities, for their scope 2 emissions.

How we calculate: Scope 3 emissions



Measured for companies that we hold within a fund’s asset mix, through bonds and/or equities. It is based on the share of emissions we will hold in a particular company through the amount of investment held.

This is done by calculating the company’s overall emission total against the percentage share we have in that company as part of a fund’s holdings. The amount of carbon dioxide equivalent (**CO₂e**) calculated per company is then combined into an overall total for the percentage of eligible assets.

Data quality for Scope 3 emissions can be hampered by poor disclosure and a lack of consistency in the measurement across companies.

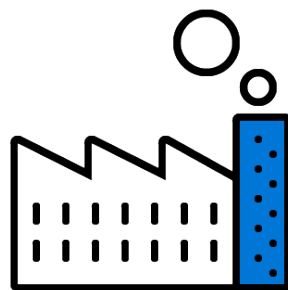
Climate-Related Financial Disclosures Report

L&G PMC Managed G25

Fund Code: B6FY

Section 1 – Emissions and climate data for L&G PMC Managed G25

How we calculate: **Weighted average carbon intensity (WACI)**



We measure a tonne of carbon dioxide equivalent (**CO₂e**) emissions per £1million revenue (income generated from company as sourced in year-end financial statements). The overall total is a **weighted average** of all companies and sovereigns (various types of bonds, which are long and short term loans to local and national governments) included within a fund. WACI gives an emissions intensity metric based on the amount of carbon produced for each £1m of revenue generated by the companies invested in.

How we calculate: **Total carbon footprint**



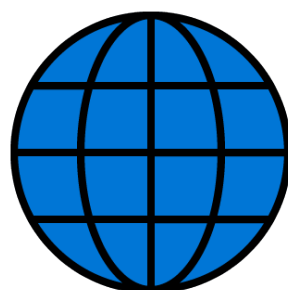
To calculate the total carbon footprint associated with this Fund, we take the ‘total carbon emissions’ figure (which includes data on carbon emissions from a company's operations and purchased energy) and calculate a **weighted average** against the overall market value of all companies and sovereigns (various types of bonds, which are long and short term loans to local and national governments) within a fund. This is a way to measure emissions relative to market size. Carbon footprint also acts as an emissions intensity metric, which is the volume of emissions (metric tonne of carbon dioxide, **CO₂e**) per £1million of enterprise value. By looking at an intensity value you can adjust for the size of a fund to compare the funded emissions for different fund sizes.

How we calculate: **Implied temperature alignment**



Based on a combination of historical and forward-looking data, activities and targets, a score is calculated for each of the underlying equities, corporate bonds and sovereign/government bonds held within a fund, then combined to give the implied temperature alignment of the overall fund.

How we calculate: **Climate value at risk (CVaR)**



Climate scenario modelling is used to help quantify the expected potential loss to each fund or lifestyle profile under different climate pathways. The CVaR metric assesses the change in value if markets fully priced today the future climate risk for relevant companies, in present value terms of a scenario where global temperature increases are kept to 1.5°C by 2100. This scenario would require immediate, highly ambitious action to address climate change.

Under this condition, the climate modelling translates a company's income and balance sheet information and calculations into security valuation impacts and overall fund level impacts. A security can include equities (shares in companies) or bonds (loans to business and governments).

The CVaR metric is from a forward-looking methodology based on various assumptions, approximations and data sources which are subject to change. This brings unknown risks, uncertainties and limitations in the methodology and data used. It is therefore provided for illustrative purposes only.

Climate-Related Financial Disclosures Report

L&G PMC Managed G25

Fund Code: B6FY

Section 1 – Emissions and climate data for L&G PMC Managed G25

Terms explained

CO₂e

CO₂ stands for carbon dioxide. The ‘e’ stands for equivalent. CO₂e is a metric that allows comparison of emissions from various greenhouse gases to the equivalent measure of carbon dioxide.

Asset coverage

The percentage of the fund’s asset classes that were measured. The asset classes that can be measured are equities (company shares) and government and corporate bonds. Some funds may include one or more of these asset types.

Paris Climate Agreement

To address global warming, the international climate change treaty, the Paris Climate Agreement, aims to limit and hold the world’s average temperature rise to well-below 2°C (ideally 1.5°C) by the year 2100. Currently, the Earth is already about 1.42°C warmer than it was in the late 1800s (pre-industrial).

For context, global stock markets imply an average temperature rise of 2.95°C. This is according to the Science-Based Targets initiative (SBTi) ‘Taking the Temperature’ report: [SBTi-TakingtheTemperatureReport2021.pdf \(sciencebasedtargets.org\)](https://sciencebasedtargets.org/sites/default/files/2021-06/2021-06-01-Taking-the-Temperature-Report-2021.pdf).

Weighted average

A weighted average accounts for the relative importance and size of the different assets that are included. We will hold varying levels of assets within a fund, for example we may hold more shares in one company over another. We use a weighted average to allow for the different importance of the carbon data for assets according to size held, based on the market value at the reporting date. This weighted average paints a clearer picture than an equally split average would.

Carbon pricing

A carbon price is the price that a company would have to pay for each tonne of CO₂e emitted.

Please note that this fund is not applicable for climate scenario and risk analysis. Scenario analysis is provided for the representative asset class based on the dominant proportion of assets - Corporate Bonds, Equity, Sovereign Bonds and Multi Asset. Cash, Derivatives and Private Equity do not have scenario analysis detail at this time.

More information on our approach to climate risk management, governance and strategy, within pension funds is available in the supporting Legal & General entity report section of our website legalandgeneral.com/tcfd

Legal & General (Portfolio Management Services) Limited: Registered in England and Wales No. 02457525 We are authorised and regulated by the Financial Conduct Authority.

Legal & General Assurance Society Limited: Registered in England and Wales No. 00166055 We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Registered office for both companies: One Coleman Street, London EC2R 5AA

D100600 | DC004841 | 06/26