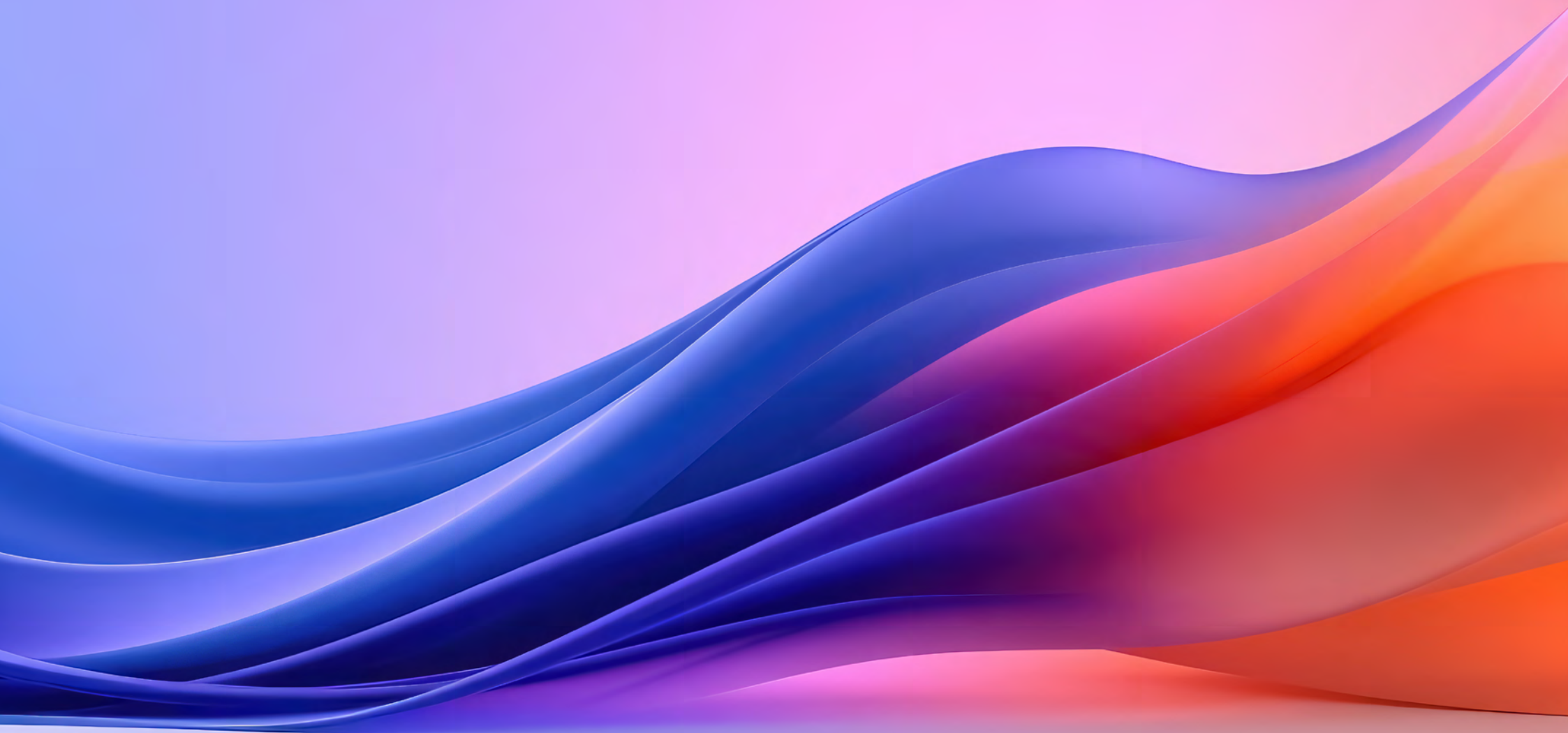


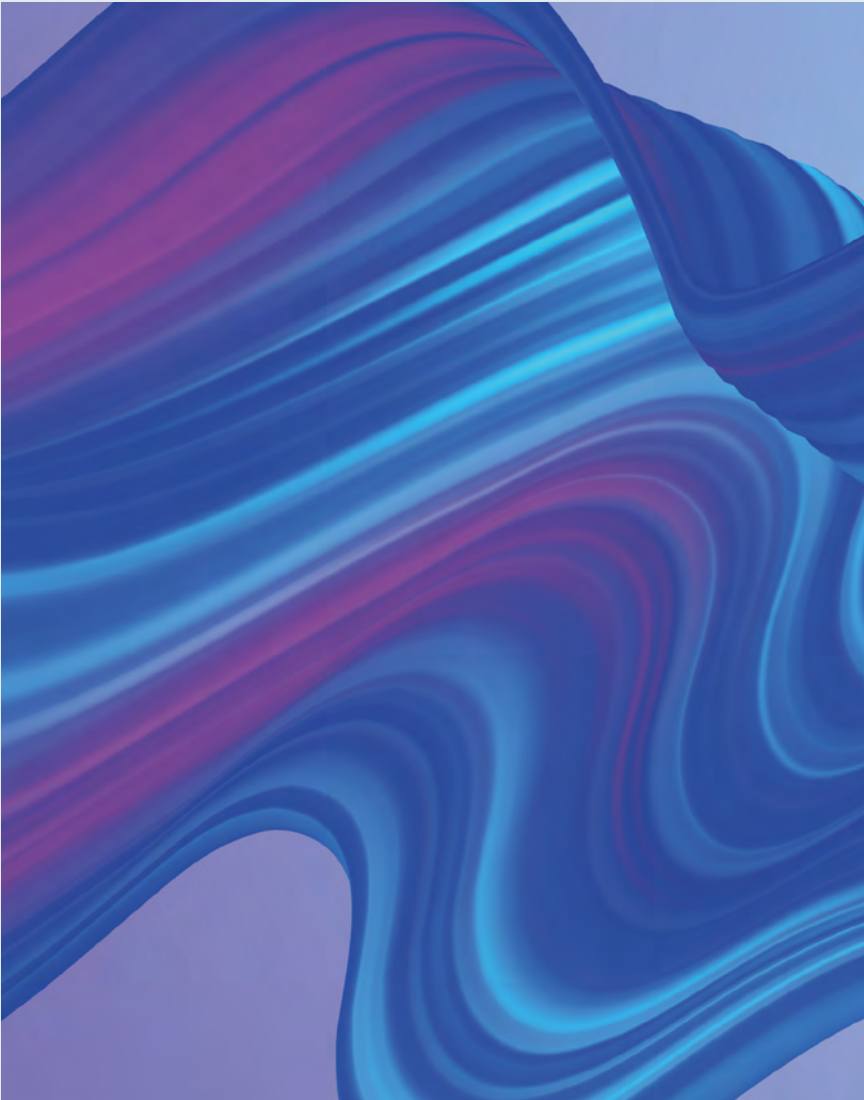
BNY Mellon Fund Managers Limited
TCFD REPORT 2024

1 January 2024 to 31 December 2024



CONTENTS

A Message from the Chair and Chief Executive Officer	3
Introduction and Purpose	4
About the Firm	4
Firm’s Governance	6
Firm’s Strategy	9
Firm’s Risk Management	13
Metrics and Targets	15
Data Gaps, Estimates and Assumptions	24
Definitions	25
Metrics Methodology	28
Financed Emissions - Calculations	29
Disclaimers	30



A message from Carole Judd, Independent Non-Executive Director, Chair and Sarah Cox, Chief Executive Officer, BNY Mellon Fund Managers Limited.

As part of the Firm's fiduciary duty to assess risks that impact the Funds it operates, BNY Mellon Fund Managers Limited ('BNYMFM' or 'the Firm'), is reporting the effects of climate change on its operations and underlying investments for the second year. BNYMFM's approach to climate-related risks and opportunities remains aligned with the broader The Bank of New York Mellon Corporation ("BNY") approach to operational emissions and with each of the Investment Managers' approach to financed emissions. Operational emissions are direct and indirect, primarily associated with energy used for the Firm's operations, including premises, technology, and infrastructure. Financed emissions refer to greenhouse gas emissions related to the assets delegated to Investment Managers within the group.

Where relevant this report relies on and cross-refers to the BNY enterprise-level TCFD disclosures featured in the BNY Sustainability Report. This report is available [here](#). The Firm's operating model involves the delegation of portfolio management activities in respect of the Funds to affiliate investment management firms (the

'Investment Managers'). Therefore, in respect of financed emissions, this report relies on and cross-refers to the corresponding disclosures of the Investment Managers, where available, namely, Insight Investment Management (Global) Limited; Insight North America LLC; Newton Investment Management Limited; Newton Investment Management North America LLC; and Walter Scott & Partners Limited. A link to the respective disclosures has been provided on page 11 of this Report. While the reports from the Investment Managers may cover their entire global assets under management and not specifically those products managed for BNYMFM, the governance, strategy and risk management frameworks are leveraged by BNYMFM to identify climate-related risks and opportunities. As each delegated Investment Manager has their own investment team and distinct investment approach, there are differences in their approach to evaluating climate risks. BNYMFM has created its own metrics to independently measure progress of its products and monitors those Investment Managers who are not mandated to publish climate disclosures under the UK regulation. Whilst BNYMFM

annually reviews the operational emissions targets set at a BNY enterprise-level; the Firm is developing its approach to monitoring any commitments made by the Investment Managers.

The disclosures in the report, including any third-party or enterprise-level group disclosures cross-referenced in it, comply with the requirements under Chapter 2 of the FCA's ESG Sourcebook. Any information provided by third parties is believed to be reliable but has not been verified by BNYMFM or any Entity within BNY.

Signatures

Carole Judd
Chair

Sarah Cox
Chief Executive Officer

INTRODUCTION AND PURPOSE

This TCFD report (the ‘Report’) is published by BNY Mellon Fund Managers Limited (‘BNYMFM’ or ‘the Firm’), which is the Authorised Corporate Director (‘ACD’) of BNY Mellon Investment Funds, an open-ended investment company qualifying as a UK Undertaking for the Collective Investment in Transferable Securities (‘UCITS’). The Firm is also appointed as the Alternative Investment Fund Manager (‘AIFM’) to an authorised contractual scheme and to unit trust schemes which qualify as Non-UCITS Retail Schemes (‘NURS’), (collectively ‘the Funds’). The Report is produced in compliance with the requirements of Chapter 2 of the FCA’s ESG Sourcebook which contains rules and guidance regarding the disclosure of climate-related financial information consistent with the TCFD Recommendations.

The Report covers £24.4bn¹ of assets in the Funds managed by BNY Mellon Fund Managers Limited. BNYMFM is a subsidiary of The Bank of New York Mellon Corporation (‘BNY’). As such, some of this report will reference the BNY approach to identifying and managing climate-related risks and opportunities.

The Firm aims to improve its understanding of its role in addressing climate-related data and metrics, it is envisaged that the Firm’s approach to governance as an ACD/AIFM will continue to evolve.

ABOUT THE FIRM

BNY Mellon Fund Managers Limited is authorised and regulated by the Financial Conduct Authority (FCA) in the UK as a UK UCITS Firm and Alternative Investment Fund Manager (‘AIFM’). BNYMFM is a fully owned subsidiary of BNY Mellon Investment Management EMEA Limited and forms part of the BNYI EMEA sub-group through which centralised distribution capabilities of BNY Investments are operated. The Firm is also an indirect subsidiary of The Bank of New York Mellon Corporation, which is a listed US company, whose shares are traded on the New York Stock Exchange (‘BK’). BNYMFM is a UK regulated entity required to publish independent TCFD-related reports pursuant to the FCA’s ESG Sourcebook rules.

This TCFD report covers the period commencing 1st January 2024 to 31st December 2024 and is organised around the four recommended TCFD pillars. The data for metrics and targets has been collected by a third-party vendor directly from companies and, where not available, uses their estimates, where possible. The percentage of data which has been reported and estimated is provided under the metrics and targets section. The Firm ran the reporting on 25th March 2025 to ensure that as much reported data to 31st December 2024 is available as reasonably possible.

With regards to metrics and targets, the Firm reports on two aspects of climate-related disclosures:

- **The Firm’s Own Operations “Entity Level Emissions”:** the BNYMFM business operates out of the head office in London. BNYI EMEA operates from the same head office and through affiliate entities in various other locations. Premises are managed centrally by BNY. The Firm therefore aligns its operational climate-related strategy with that of BNY.
- **The Products Managed or “Financed Emissions”:** BNYMFM operates an Open-Ended Investment Company (‘OEIC’) qualifying as a UK Undertaking for the Collective Investment in Transferable Securities (‘UK UCITS’). The Firm is also the Alternative Investment Fund Manager (‘AIFM’) to an Authorised Contractual Scheme and Authorised Unit Trust Schemes (‘AUTS’) which qualify as Non-UCITS Retail Schemes (‘NURS’).

The Funds in scope for these TCFD disclosures are as follows²:

- **BNY Mellon Fund Managers as Authorised Corporate Director (ACD):** BNY Mellon Investment Funds: 43 Sub-Funds with assets under management (AUM) of £22.7bn.
- **BNY Mellon Fund Managers as Alternative Investment Fund Manager (AIFM):** 4 Sub-Funds, including the BNY Mellon Authorised Contractual Scheme: one Sub-Fund with AUM of £841m and Newton Funds for Charities³: three Unit Trusts with AUM of £849m.

¹ The figure includes 47 Sub-Funds that the ACD operated between 1st January 2024 and 31st December 2024.

² This includes 47 Sub-Funds that operated between 1st January 2024 and 31st December 2024.

³ Newton Funds for Charities include: Newton Ethically Screened Fund for Charities, BNY Mellon Growth and Income Fund for Charities and BNY Mellon Sustainable Growth and Income Fund for Charities.

BNYMFM's approach to managing climate risks and opportunities is aligned with the broader BNY approach to managing operational emissions and to the delegated Investment Managers' approach to managing financed emissions. Where relevant this report relies on and cross-refers to the BNY enterprise-level TCFD disclosures in the BNY Sustainability Report. The report is available [here](#). A subset of operational emissions data has been created to enable the BNYMFM Board ('the Board') to monitor the Firm's operational emissions.⁴

As explained above, BNYMFM offers clients access to the investment capabilities and strategies of our specialist Investment Managers. Therefore, for financed emissions, this report relies on and cross-refers to those Investment Managers' disclosures, namely, Insight Investment Management (Global) Limited, Newton Investment Management Limited, Newton Investment Management North America LLC, and Walter Scott & Partners Limited, where they are subject to the TCFD disclosure requirement. A link to the respective disclosures has been provided on page 11 of this report. The cross-referenced reports from the Investment Managers covers not just assets attributed to the Funds managed by BNYMFM, but all the assets they manage for global clients. In some cases, the Investment Managers have adopted a different approach to evaluating climate risk, for example, Newton Investment Management Limited has revised its scenarios process focusing not on Climate Value at Risk but a narrative approach as well.

However, their respective governance, strategy, and risk management sections form part of BNYMFM's approach to managing climate-related risks and opportunities. BNYMFM has created metrics to measure progress specifically for the funds managed, which is what the Firm is reporting in these disclosures. The Firm continues to develop its approach to monitoring any commitments made by the Investment Managers.

The data referred to in this document has been mainly sourced from internal sources and third-party providers. Third-party vendors undergo a selection process in line with BNY enterprise-level procurement procedures. Third-party vendors undergo a due diligence process in line with BNY enterprise-level procurement procedures, which includes sustainability considerations where relevant.

BNYMFM uses MSCI as its primary provider of financed emissions data for the purposes of aggregated portfolio information referenced in this entity-level report. The choice for BNYMFM to use a single provider, as far as possible, has been made to ensure consistency and simplicity across its emissions metric calculations for aggregate portfolio data. The Firm is therefore reliant on the MSCI methodology when estimating GHG Emissions data based on the coverage of MSCI's database of the holdings in the Funds. The Investment Managers to whom it delegates assets also use MSCI in the main, although Newton Investment Management uses ISS ESG⁵ for its Scope 3 emissions data. BNYMFM is also required to publish product-level reports and the data to produce the product-level reports is sourced from MSCI.

⁴ BNYMFM's operational emissions are included in those of BNY Mellon Investment Management EMEA Ltd (BNYI EMEA) as both UK entities use the same resources.

⁵ ISS ESG or Institutional Shareholder Services ESG is a data vendor that provides data, analytics and insight including carbon emissions data and analytics.

THE FIRM'S GOVERNANCE

“BNYMFM is committed to effective and resilient governance for climate-related matters to fulfil our responsibilities to our clients, investors, and other key stakeholders. BNYMFM has established a governance structure that considers climate-related and other environmental factors/issues.”

In this section, BNYMFM sets out its approach to the overall governance of climate-related risks and opportunities through an integrated approach which comprises:

BOARD OVERSIGHT

The Board of BNYMFM is responsible for the oversight of climate-related risks and opportunities. Throughout 2024, the Firm continued to leverage the governance and reporting arrangements put in place during the previous reporting year to embed the TCFD requirements into its operations as set out in the FCA's ESG Handbook. As part of this process, the Firm now performs at least one annual Board review of BNY's sustainability strategy. The Firm also conducts ongoing evaluation of the affiliated Investment Managers' investment strategies, and the monitoring of trends in client preferences for sustainable strategies. Annually, the Board assesses and monitors alignment between its Entity level emissions and those at BNY, as well as reviewing the financed emissions in the Funds.

Since April 2024, the monitoring of climate-related risks and opportunities has been delegated to a newly created committee, the Responsible Investment Oversight Committee ("RIOCI") which operates as a sub-committee of the Board's Risk & Compliance Committee ("RCC"). RIOCI is the governance committee for monitoring climate-related matters, including oversight of portfolios managed by the affiliated Investment Managers. The membership of RIOCI is comprised of Executive Board members, responsible investment, strategy, risk, and compliance functional leads. Since April 2024, matters for escalation have been directed to the RCC and the Board receives a quarterly update on climate-related risks and opportunities including any matters for escalation as part of its papers. BNYMFM periodically reviews its governance structure and may adjust it from time

to time. The Firm aims to continue to enhance our internal governance approach for effective oversight of climate-related risks and opportunities related to our business.

The RIOCI takes place quarterly and has met four times since its inception: April 2024 (Q1), followed by July (Q2), October (Q3) and January 25 (Q4 24). For BNYMFM, the monitoring of climate-related metrics across portfolios is completed at least quarterly. Climate monitoring reviewed at the RIOCI includes the oversight of operational emissions created for BNYMFM in its business operations, which are monitored against BNY's enterprise-level targets, annually. Alongside this, the RIOCI reviews financed emissions (GHG Emissions, Carbon Intensity, Weighted Average Carbon Intensity), and the Implied Temperature Rise (ITR) and Climate Value at Risk (CVaR) of the Funds. Any matters for escalation are directed to the Risk & Compliance Committee (RCC).

MANAGEMENT'S ROLE

Management of operational emissions remains with BNY's Operational Sustainability team and is reported annually to the Board. At a portfolio level, the Investment Managers to whom management of client assets are delegated are responsible for the day-to-day identification and consideration of climate-related risks and opportunities in the selection of investments. Please refer to the TCFD reports published by BNY's affiliated Investment Managers, where available, to find out more details on their approach to identification of climate-related risks and associated governance frameworks.

BNYMFM has a governance framework designed to ensure our business operates effectively. This framework provides a mechanism for escalation and resolution of business matters, including those related to climate-

related risks and opportunities. The BNY Investments Sustainability Council provides a link between central sustainability teams and local entities by means of a global sustainability council as well as sustainability working groups. These working groups and committees play a crucial role in steering, shaping and reinforcing sustainability efforts across this central sustainability hub. Here are the forums that are relevant to climate and other sustainability related risks and opportunities.

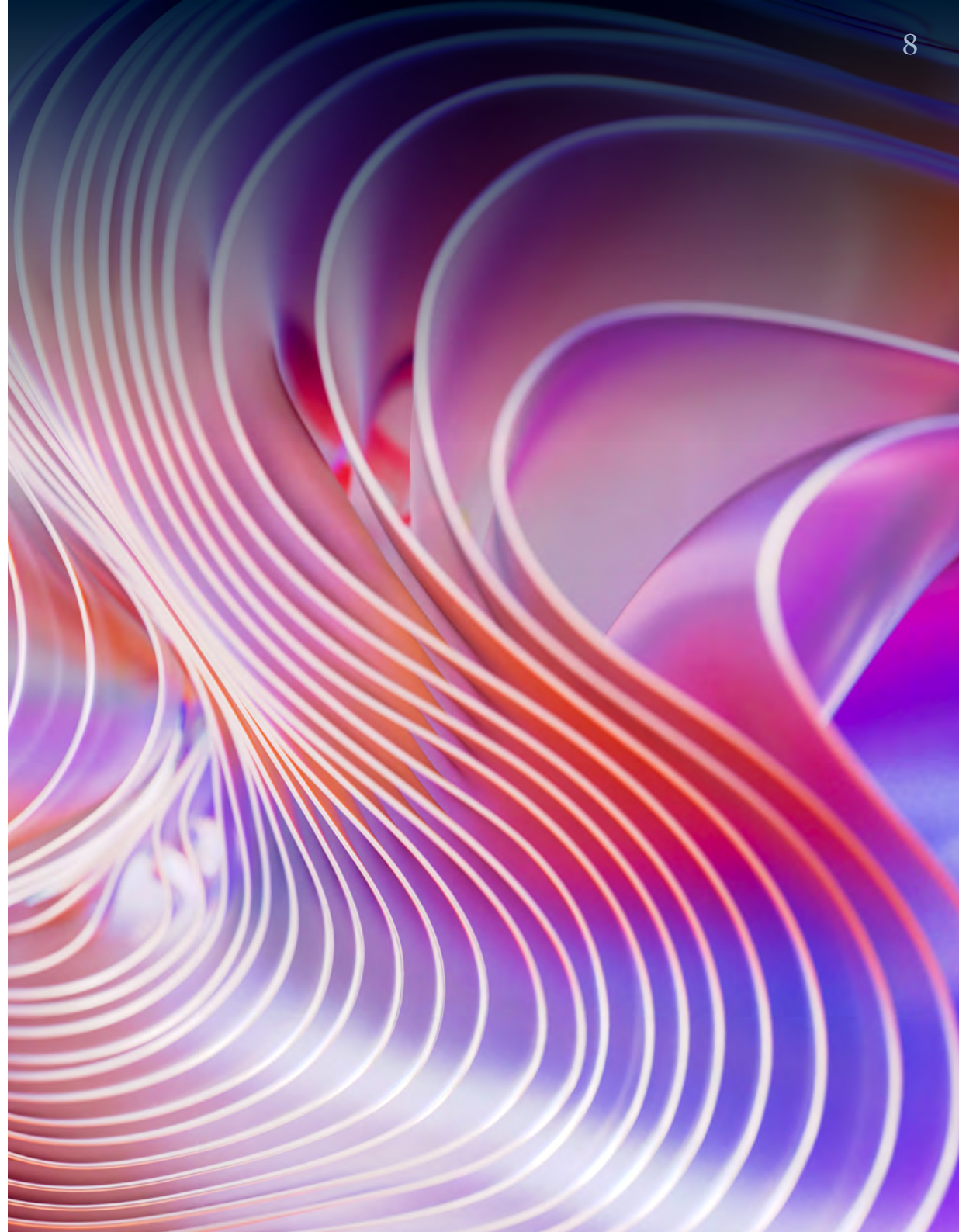


Sustainability governance and oversight is carried out by the following:

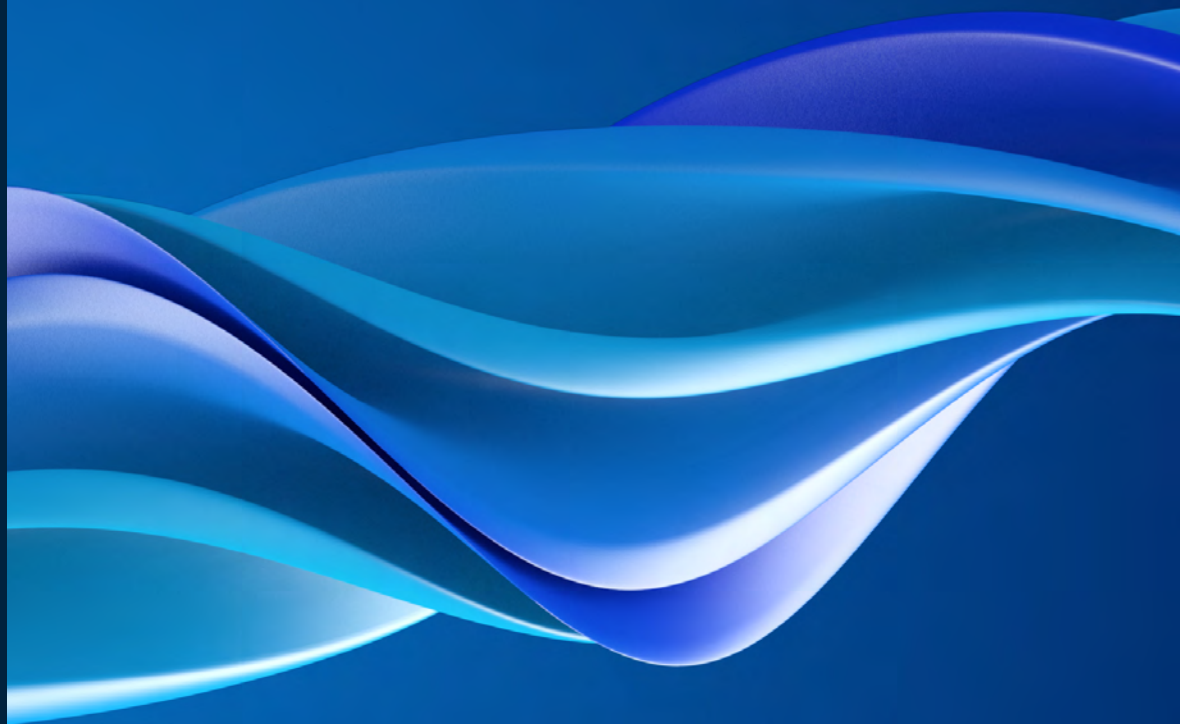
- **BNY Investments Sustainability Council (Global):** focuses on technical advisory, collaboration, and escalation of issues on sustainability across the BNY Investment Firms and BNY's Sustainability Office. The council collaborates on sustainability terminology, vendor management, ESG data, regulatory horizon scanning, external commitments & standards, commercial developments, internal/external communications and reporting, and any other material topics. The council reports matters of concern and/or issues for escalation to the BNY Investments Sustainability Committee.
- **Responsible Investment Oversight Committee (EMEA):** RIOC is the governance committee nominated by the Risk & Compliance Committee (RCC) at a local legal entity level for monitoring climate-related matters, including oversight of portfolios managed by delegated investment managers across BNYI EMEA entities: BNY Mellon Investment Management EMEA Limited, BNY Mellon Fund Managers Limited and BNY Mellon Fund Management Luxembourg S.A. One of its duties is to provide oversight and challenge of climate-related risks and opportunities including metrics associated with operating mandates and portfolios with binding sustainable commitments. Climate monitoring includes financed emissions (GHG Emissions, Carbon Intensity, Weighted Average Carbon Intensity), as well as the Implied Temperature Rise (ITR) and Climate Value at Risk (CVaR) of portfolios. Operational emissions from the Firm's business activities are monitored against the BNY enterprise-level targets climate targets, annually.

EXECUTIVE REMUNERATION

There are no specific climate-related metrics specified within the Firm's Remuneration Policy. However, the Firm adopts the broader BNY Compensation Philosophy and Principles which are designed to support sound and effective risk management across all categories of risk.



THE FIRM'S STRATEGY



BNY ENTERPRISE-LEVEL STRATEGY AND OPERATIONAL EMISSIONS

BNY has implemented a global climate strategy which integrates climate change as a strategic consideration in our business and operations, by incorporating climate-related risk into our enterprise risk management approach and promoting transparency through regular stakeholder engagement, reporting and disclosure. BNYMFM reviews and sets its sustainability strategy with regard to the commitments made by BNY. For further information, please refer to BNY's Sustainability Report.

From a risk management perspective, climate-related risks are considered by BNY across multiple time horizons defined as short term (0 – 3 years) risks that are observed to be present now and within the immediate planning horizon; medium term (4 – 10 Years) and long term (11+ years). These are longer than typical industry standards for risk modelling because of BNY's business model and commercial strategy which covers the following emissions scopes and categories:

Scope 1 – direct on-site emissions from BNY facilities.

Scope 2 – indirect off-site emissions from the energy that BNY purchases.

Scope 3 – Category 6 – emissions from the business travel our distribution colleagues undertake to see our customers and attend work related activities.

Turning to the emissions reduction strategy, BNY has set an interim reduction target for global consolidated Scope 1 and Scope 2 (location-based) operational emissions. This target aligns BNY's GHG emissions with a 1.5°C reduction pathway.

Target Year	Base Year	Baseline (mtCO ₂ e)	Target Reduction	Temperature Alignment
2030	2018	150,157	50%	1.5°C

Source: BNY Sustainability Report.

THE FIRM'S STRATEGY

BNYMFM's strategy is to ensure the effective operation of the Funds to meet the needs of investors. In doing so, the Firm aims to ensure that its operating model is resilient to climate and transition related risks. Through its global responsible investment governance framework, the Firm works with its parent company and delegated Investment Managers to understand how climate-related risks and business opportunities are integrated and the specific impacts to BNYMFM's client assets. Day to day, the Firm expects the Investment Managers to have the processes in place to understand and integrate all significant climate-related risks and opportunities into their strategy and decision making, where appropriate. Accordingly, BNYMFM conducts oversight and monitoring of client portfolios to assess and manage any climate-related risks.

BNYMFM has undertaken a materiality assessment of its business based on SASB's materiality matrix.⁶ The SASB matrix as it applies to asset management and custodian companies sets out sustainability issues to consider. BNYMFM have evaluated the SASB's materiality matrix and considers reputational, market, transition, and physical risks as relevant to its business and climate over different time horizons. For example, the short term (0 – 3 years), medium term (5 – 10 years) and long term (11+ years).

To date, BNYMFM does not offer products solely focused on climate-related risks and opportunities, but these matters are key considerations in the development of a suite of broader sustainable offerings. Working with the Investment Managers, the Firm continues to evaluate the potential to expand the range of climate solutions it offers to help investors achieve their climate goals, but this will be largely directed by client demand. Neither BNYMFM nor its delegated managers have a transition plan in place.

⁶ <https://sasb.ifrs.org/standards/>

INVESTMENTS

Scope 3, Category 15 - the emissions relating to the investments we manage on behalf of our customers.

For financed emissions, where management of client portfolios is delegated to BNY affiliated Investment Managers, assigning time horizons is more complex and asset class dependent. The Investment Managers are responsible for a range of investments which lend themselves to different materiality considerations and therefore different time horizons depending upon the holding period of the respective asset class and the related investment process. BNYMFM does not adopt any binding net zero commitments as part of its strategy. The management of portfolios is directed by an agreed investment strategy set out in the establishment documents, namely, the prospectus. This is agreed with the delegated Investment Management Firms. The Firm has put in place the framework to monitor the delegated Investment Managers' commitments where they have been made.

Please refer to cross-referenced TCFD and climate disclosures from BNY and the Investment Managers that are required to report or report voluntarily for further details about their climate-related strategies:

[Latest BNY Sustainability Report](#)

[Newton Investment Management Limited and Newton Investment Management North America LLC TCFD Report](#)

[Insight Investment Management \(Global\) Limited TCFD Report](#)

[Walter Scott and Partner Limited TCFD Report](#)

SCENARIO ANALYSIS

As described above, BNYMFM uses climate metrics to monitor climate related risks which may affect the performance of its portfolios where the management of assets has been delegated to the Investment Managers. As part of this process, the RIOC receives quarterly updates on the financed emissions of the portfolios (see Governance section above). Nevertheless, climate emissions data provides only a backward-looking view of the emissions profile of the investments in each of the Firm's portfolios. The Firm therefore also seeks to understand the effects of climate-related risks on the future state of each of its portfolios by utilising the scenario analysis tool provided by MSCI to measure the Climate Value at Risk (CVaR)⁷ of each of its portfolios under three scenarios developed by the Network for Greening the Financial System (NGFS)⁸:

- 1. Net Zero by 2050:** An orderly scenario based on a temperature rise of less than 1.5°C. This assumes that ambitious climate policies are introduced early and become gradually more stringent.
- 2. Delayed Transition:** A disorderly scenario based on a temperature rise of 2.0°C. This results in higher transition risk due to policies being delayed or divergent across countries and sectors. This leads to higher physical and transition risks.
- 3. Current Policies:** A hot house world scenario which predicts average temperature change of more than 3.0°C. Hot house world scenarios assume that some climate policies are implemented in some jurisdictions, but globally efforts are insufficient to halt significant global warming. This results in severe physical risk, including irreversible impacts like sea-level rise.

BNYMFM periodically uses the MSCI tool to calculate the GHG Emissions, WACI and ITR in relation to all its individual portfolios which is reported to RIOC as part of its ongoing monitoring obligations. Nevertheless, to provide a firm-level update in this report, the Firm has created a representative portfolio (the "Representative Portfolio") which reflects the underlying financial instruments in the portfolio of each fund, weighted by the size of the holding across an aggregated portfolio for all funds. For the purposes of this report, the Firm has used MSCI's model to assess the CVaR of the three climate scenarios on the Representative Portfolio, relative to the MSCI All Countries World Index (MSCI ACWI).

MSCI's model allows the Firm to assess the physical risks, and the transition risks associated with the investments in the Representative Portfolio under the three chosen NGFS scenarios. Physical risks caused by climate change represent the risks associated with increased severity of extreme weather events (acute risk) or risks associated with longer-term shifts in climate patterns, such as sustained higher temperatures (chronic risk). Transition risks caused by climate change represent the risks associated with actions taken to mitigate or adapt to the changing climate. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes which, depending on the nature, speed and focus of these changes, may pose transition risks to organisations. As regards transition, the firm has chosen to specifically assess policy risk, as well as technology opportunities, associated with the assets in the Representative Portfolio. Each result (physical risk, policy risk and technology opportunity) is expressed as a percentage which is then aggregated to produce the overall CVaR, shown in the table on the next page.

⁷ The MSCI CVaR is a forward-looking and return-based valuation assessment to measure climate related risks and opportunities in an investment portfolio. It calculates the financial risks from both changing legislation due to climate action (transition risk) and the extreme weather impacts caused by climate change (physical risk) per asset and per scenario.

⁸ NGFS (Network for Greening the Financial System) was established in 2017 and is a group of Central Banks and Supervisors that aim to develop and share best practices for the inclusion of climate risk management in the financial sector. It has developed a set of consistent climate scenarios that are used for scenario analysis and risk management.

SCENARIO ANALYSIS FOR THE BNYMFM REPRESENTATIVE PORTFOLIO

Transition Scenario		1.5°C NGFS Orderly		2°C NGFS Disorderly		3°C NGFS Hot House	
Physical Scenario		Average	Average	Average	Average	Aggressive	Aggressive
		BNYMFM Representative Portfolio	MSCI ACWI	BNYMFM Representative Portfolio	MSCI ACWI	BNYMFM Representative Portfolio	MSCI ACWI
Transition Risk	Policy Risk	-11.7%	-9.3%	-5.4%	-4.3%	-2.7%	-2.2%
	Technology Opportunities	1.9%	1.5%	0.6%	0.4%	0.4%	0.2%
Physical Risk	Physical Risk	-1.3%	-1.1%	-1.9%	-1.6%	-3.6%	-3.2%
Aggregate Climate VaR		-11.1%	-9.0%	-6.7%	-5.5%	-6.0%	-5.1%

Source: MSCI Climate Tool as of 31 December 2024, run on the 25 March 2025.

The results indicate that there is a greater risk of financial loss to the combined aggregated holdings in the Representative Portfolio under the orderly scenario (-11.1%) mainly due to transition risk linked to policy changes, this risk decreases in the disorderly scenario (-6.7%) and again in the “hot house world” scenario (-6.0%) where physical risk plays a bigger role (-3.6%). As compared to the analysis conducted for the purposes of the Firm’s 2023 TCFD report, the risks to the Representative Portfolio have decreased under all scenarios. The most significant change has been in a disorderly scenario, where the risk of loss has decreased from -11.1% to -6.7%. The key driver of this change in the MSCI output is the contribution to emissions from sectoral changes in our portfolios. Overall, although the risk of loss in the Representative Portfolio is greater than the risk of loss in the MSCI ACWI in all scenarios, noting that the Representative Portfolio is a mix of asset classes, whereas a broad equity representative index, the MSCI ACWI, has been used to provide context to the analysis.

LIMITATIONS TO THE USE OF CLIMATE SCENARIO ANALYSIS

BNYMFM considers that the CVaR analysis which it has performed on the Representative Portfolio is a useful guide, rather than a definitive view. Climate scenarios aim to predict various outcomes, but they rely on assumptions that might not capture the full complexity of the situation. The output of these models are therefore not a complete picture of the risks and opportunities presented by climate change. For example, they do not consider any actions which companies may take in future to adapt to climate change and therefore these risks may be overstated.

As the Firm has delegated management to its affiliated Investment Managers, the Firm uses the CVaR analysis described above to monitor and oversee portfolios to understand the degree of loss arising from the different scenarios. Furthermore, whilst our delegated Investment Managers use climate scenario analysis in the investment

decision-making process, each has a different view and approach, and not all use the same MSCI tool which is used by the Firm to analyse the future performance of the Representative Portfolio. The Firm is therefore of the view that climate scenario analysis performed on the Representative Portfolio does not give a complete picture of the climate risks and opportunities faced by its individual portfolios. An explanation of how scenario analysis is used in the investment-decision making process is available in the TCFD reports of each of the Firm’s affiliated Investment Managers, namely, Insight Investment Management (Global) Limited, Newton Investment Management Limited, Newton Investment Management North America LLC and Walter Scott & Partners Limited. The Firm also publishes relevant scenario analysis figures in its product level TCFD reports.

THE FIRM'S RISK MANAGEMENT

“BNYMFM recognises the importance of effective risk management processes and structures. BNYMFM has a risk management framework in place to ensure that we are managing current and future risks in our operations and investment portfolios.”

In this section, BNYMFM sets out its approach to identifying, assessing, and managing climate-related risks. Climate-related risks have the potential to impact the organisation, its clients, and the countries/markets that BNYMFM operates.

BNYMFM manages climate-related risks considerations in alignment with its parent BNY. At an enterprise-level, BNY continues to consider climate, environmental and other social and governance risks as potential risk drivers impacting financial risks (such as Credit, Market and Liquidity Risks), non-financial risks (such as Operational and Strategic Risks) and interconnected risks such as reputational risk. BNY recognises the importance of understanding risk drivers and vulnerabilities and is committed to addressing potential internal and external sources of risks, including climate-related risks.

The management of climate-related risks is implemented in line with the 'three lines of defence' model of our risk management framework. The first line of defence is the business. Each business line owns the risks associated with its activities and manages the related control processes and procedures responsible for identifying and mitigating all risks, including climate risks. As the second line of defence, Risk and Compliance is responsible for supporting, reviewing, and challenging the first line and has responsibility for the design and implementation of a global risk framework. The third line of defence, Internal Audit, and the Local Entity Boards, provide independent review of implementation. Various governance committees and structures across the three lines of defence are in place to manage climate-related risks, and quarterly risk reporting is provided to senior management. For more information on enterprise-wide climate-related risks, please refer to the section in the BNY Sustainability Report entitled "Climate Risk Management."

Whilst the Investment Managers to whom the Firm delegates asset management have risk frameworks in place to consider climate-related risks, which the Firm leverages from monitoring client portfolios, BNYMFM also independently looks at climate-related risks and opportunities by leveraging the BNY Enterprise Risk Management framework described above.

As set out in the Governance section, the Firm has established the RIOC which operates as a sub-committee of the RCC, a committee of the Board. The RIOC is the governance committee responsible for identifying and assessing climate-related risks and opportunities, including emerging regulatory requirements related to climate change and sustainability and oversight of the Investment Managers and their portfolios. The RIOC receives relevant information from the enterprise climate risk management programmes, the Investment Managers, and a third-party vendor service to enable it to identify and evaluate emerging, strategic, and external risks over relevant time horizons. The output of the evaluations reviewed by RIOC will be reported to the RCC where all emerging, external, and strategic risks are monitored, and to the Board as part of its routine review of responsible investment monitoring.

BNYMFM continues to enhance its risk management oversight frameworks to better identify and monitor climate-related risks which relate specifically to its business and the products and services offered. This includes transitional risks that are strategic or reputational in nature, for example, changes in market, client, or societal attitudes, and financed emissions relating to assets held within client portfolios.



METRICS AND TARGETS

This section explores several climate-related metrics used in accordance with the recommended TCFD disclosures.

Like many financial institutions, BNYMFM's Scope 3 GHG emissions from our value chain activities are primarily driven by the Category 15 emissions associated with our investment activities. For the financed emissions, which are the emissions from securities held in the underlying portfolios, the Firm has created a Representative Portfolio which combines all the holdings across individual portfolios, which have been included based on their weighting.

In reporting the BNYMFM Representative Portfolio, BNYMFM uses MSCI's emissions data for consistency with most of the delegated Investment Managers and industry participants. Please note that Newton Investment Management Limited and Newton Investment Management North America LLC in their on-demand reporting use a different data provider for Scope 3 emissions, namely, ISS ESG. Performance metrics linked to climate-related matters are not incorporated into the remuneration policies of BNYMFM and are therefore not provided. BNYMFM does not have an internal carbon price. Details of the methodologies used to create the metrics used in this report, together with definitions and an explanation about how they are used are provided in explanatory notes and a glossary at the back of this report.

The Investment Managers directly subject to the TCFD requirements perform an assessment of climate-related metrics which relates to their business and, where practical, BNYMFM has aligned its analysis to these firms for the purposes of monitoring those portfolios. There may be some differences due to specific asset class characteristics and selection of data providers as each Investment Manager is an autonomous business unit.



ENTITY LEVEL OPERATIONAL EMISSIONS:

This represents the emissions of BNY Mellon Investment Management EMEA Limited and its subsidiary BNYMFM, where they have operations which are UK/Dubai based.

	2018	2019	2020	2021	2022	*2023	2024	Notes
Scope 1 Operational (MT CO ₂ e)	0.0	0.2	0.0	1.8	6.8	6.8	4.8	Scope 1 emissions include emissions from the tracked use of fuel oil, refrigerants and natural gas. BNY Operational Sustainability team calculates the entire Scope 1 emissions for these and allocates in proportion the quantity matching the floorspace rented by IM EMEA in a location.
Scope 2 Operational (MT CO ₂ e) - Location based	243.9	222.8	115.5	131.1	105.0	98.5	82.7	Location-based Scope 2 electricity emissions are tracked or estimated for BNY's real estate footprint. IM EMEA's location-based Scope 2 emissions are calculated based on electricity and steam used in facilities occupied by IM EMEA and proportioned based on the floor space rented by IM EMEA in a given facility.
Scope 2 Operational (MT CO ₂ e) - Market based	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Market-based Scope 2 emissions are included within location-based emissions but are net of renewable energy products purchased.
Scope 1 + Scope 2 Location-based (MT CO ₂ e)	243.9	223.0	115.5	133.0	111.8	105.3	87.5	Sum of Scope 1 & Scope 2 location-based.
Scope 3 Business Travel (MT CO ₂ e)		316.9	57.5	4.8	87.8	109.6	247.4	This includes emissions from hotel stays, car, rail, and air travel associated with business booked through a third-party travel platform. Business travel not booked through the third-party platform providing BNY travel data is excluded from the final calculation.
Subtotal scope 1 + 2 + 3 business travel (MT CO ₂ e)	243.9	539.9	173.0	137.7	199.6	214.9	334.9	Sum of all operational and business travel emissions.
Applicable Carbon Offsets (MT CO ₂ e)	0.0	317.1	57.5	6.6	94.6	116.4	252.2	Carbon offsets are purchased to cover 100% of Scope 1, Scope 2, and Scope 3, Category 6 (business travel) emissions not covered by renewable energy. In BNY's 2024 carbon offset portfolio, 60% of carbon offsets were attributable to a renewable energy project in India, 20% were attributable for an afforestation project in Uruguay, 10% were attributable to a reclaimed HFC super pollutant project in the United States, and 10% were attributable to a solar water heating project in India.
Applicable Renewable Energy Certificates (RECs, MT CO ₂ e)	243.9	222.8	115.5	131.1	105.0	98.5	82.7	BNY procures renewable electricity through Renewable Energy Certificates (RECs) in markets as close to the point of use as feasible, including I-RECs internationally, Guarantees of Origin in Europe, and REGO's in the UK. RECs are widely accepted, market-based legal instruments that convey the environmental attributes of renewable energy generation and use.
Total (after RECs & Offsets)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	BNY has been carbon neutral for its global direct Scope 1, 2 and Scope 3, Category 6 (business travel) emissions since 2015. BNY Enterprise's three-part approach for achieving carbon neutrality includes (1) reducing energy use and related GHG emissions through energy-efficiency investments (2) procuring RECs in markets as close to the point of use as feasible and (3) purchasing carbon offsets to compensate for any remaining emissions in the footprint. Renewable energy provides 100% of electricity for all global locations, including data centres. To compensate for operational emissions that cannot be eliminated through energy efficiency and renewable electricity, BNY purchases carbon offsets.

Source: BNY's Operational Sustainability team. The basis of allocation of Scope 1 and Scope 2 emissions data includes employees of BNYI EMEA/BNYMFM that perform or support activities in respect of BNYI EMEA's direct subsidiaries. Scope 3 Category 6 Emissions are those associated with business travel for employees of BNYI EMEA. Emissions have been jointly reported as both Entities use the same resources. Emissions which relate to other locations in EMEA are excluded.

NOTES:

*2023 operational emission figures have been restated as follows due to an updated methodology.

Reclassification of certain emissions previously disclosed as Scope 3 "Other indirect Emissions" to Scope 1 & 2.

Due to greater availability of data, there have been a number of iterative improvements to the allocation of emissions as part of BNY's global sustainability reporting:

1. All allocated Scope 1 & 2 emissions reported are a component of BNY's Scope 1 & 2 emissions.
2. Emissions are calculated using only space charged to IM EMEA and BNY entities as a reflection of its utilisation.

3. Scope 3 business travel is calculated using all travel data linked to IM EMEA. Previously only travel initiated and concluded in the UK was included in the emissions data, from 2024 onwards all travel destinations are included.
4. In determining the Company's organisational boundary, the financial control approach has been adopted. The figures capture all in-scope subsidiary emissions. For 2024, the subsidiary emissions are nil (2023: nil).

Energy consumption in KWh	2024	2023
UK (and Dubai) locations	380,258	475,583

- In 2024, renewable energy instruments covered all electricity use occupied by the legal entity.
- Carbon offset certificates have been purchased at a BNY enterprise-level to fully offset business travel and a portion of other indirect emissions to enable zero carbon emission reporting under the market-based method of reporting emissions. The relevant allocation of these offset to IM EMEA has been included in the disclosure.

OPERATIONAL EMISSIONS: BNY ENTERPRISE-LEVEL METRICS AND METHODOLOGY

The direct, indirect, and business travel emissions are supplied by the BNY Operational Sustainability team, which provides them to the BNY Sustainability Office. BNY's subsidiaries and Legal Entities (LE) increasingly disclose a share of carbon emissions as a component of the broader BNY corporation for the purpose of regulatory compliance and/or voluntary reporting.

General Methodology: To date, no consolidated legal entity within the BNY Enterprise has been identified to have physical operations residing outside the general operations of BNY. Thus, individual Legal Entities represent a share of

and are fully encompassed within the BNY total Scope 1 & 2 emissions. The phasing of reported emissions in individual Legal Entity-related reporting is classified as the "Legal Entity's Scope 1 & 2 emissions", and as "representing a share of BNY's Scope 1 & 2 emissions". The corresponding data, facility locations, emissions factors and underlying sources of emissions including energy streams for individual Legal Entities is the same as those used for the emissions calculation performed centrally for BNY. Similarly, a Legal Entity's emissions simply reflect a proportionate share (as determined below) of the emissions from the operations of BNY.

Determining Proportionate Share: All relevant Legal Entities are included/summed when calculating for a particular legal entity or business within BNY. The share of space occupied for all legal entities is calculated. This analysis is updated on a quarterly basis, and emissions are also calculated on a quarterly basis and summed for the year. The square footage used to calculate proportionate share is the "rentable area" which includes a proportion of shared spaces which may be utilised by several entities within a building. Consideration is also given to data centre usage, however, central BNY data centre usage is not allocated here.

FINANCED EMISSIONS: BNYMFM REPRESENTATIVE PORTFOLIO

The following analysis shows the total financed greenhouse gas (GHG) emissions associated with the BNYMFM Representative Portfolio. It represents estimates of Scope 1 and Scope 2 emissions, and Scope 3 emissions. GHG Emissions, market values, revenues and sales have been allocated based on the weighting of each security in the Representative Portfolio. The holdings have been compared against the MSCI ACWI as a broad representation of companies. To note, where MSCI coverage of emissions of securities in the Representative Portfolio is less than 70%, BNYMFM deems them not to be representative and will not use them. The coverage is provided in the second table.

SCOPE 1, 2 & 3 CARBON EMISSIONS

Metrics	2024		2023	
	BNYMFM Representative Portfolio Holdings	MSCI AC World	BNYMFM Representative Portfolio Holdings	MSCI AC World
TOTAL FINANCED CARBON EMISSIONS				
Total Scope 1 and 2 emissions (tons of CO ₂ equivalent)	1,200,920	n/a	1,408,477	n/a
Total Scope 3 emissions (tons of CO ₂ equivalent)	9,558,367	n/a	10,964,466	n/a
Total Scope 1, 2 and 3 emissions (tons of CO ₂ equivalent)	10,759,286	n/a	12,372,942	n/a
CARBON FOOTPRINT OR EMISSIONS PER MONETARY UNIT INVESTED (FINANCED EMISSIONS)				
Scope 1 and 2 emissions (tons of CO ₂ equivalent) per £M invested	49.5	47.0	58.6	68.9
Scope 1, 2 and 3 emissions (tons of CO ₂ equivalent) per £M invested	443.5	382.6	514.4	509.8
CARBON FOOTPRINT OR EMISSIONS PER UNIT OF SALES (INTENSITY)				
Scope 1 and 2 emissions (tons of CO ₂ equivalent) per £M sales	131.5	151.9	142.7	184.2
Scope 1, 2 and 3 emissions (tons of CO ₂ equivalent) per £M sales	1,175.1	1,237.1	1,254.5	1,361.6
WEIGHTED AVERAGE CARBON INTENSITY				
Scope 1 and 2 emissions (tons of CO ₂ equivalent) per £M sales	101.8	135.5	124.7	164.2
Scope 1, 2 and 3 emissions (tons of CO ₂ equivalent) per £M sales	980.3	961.7	1,005.6	1,097.1

Source: MSCI covers emissions from 1 January to 31 December of each year, the report was run on 25 March 2025.

COVERAGE

Metrics	2024		2023	
	BNYMFM Representative Portfolio Holdings	MSCI AC World	BNYMFM Representative Portfolio Holdings	MSCI AC World
TOTAL FINANCED CARBON EMISSIONS				
Total Scope 1 and 2 emissions (tons of CO ₂ equivalent)	84.0%	99.8%	79.6%	99.8%
Total Scope 1, 2 and 3 emissions (tons of CO ₂ equivalent)	83.9%	99.8%	79.5%	99.8%
CARBON FOOTPRINT OR EMISSIONS PER MONETARY UNIT INVESTED (FINANCED EMISSIONS)				
Scope 1 and 2 emissions (tons of CO ₂ equivalent) per £M invested	84.0%	99.8%	79.6%	99.8%
Scope 1, 2 and 3 emissions (tons of CO ₂ equivalent) per £M invested	83.9%	99.8%	79.5%	99.7%
CARBON FOOTPRINT OR EMISSIONS PER UNIT OF SALES (INTENSITY)				
Scope 1 and 2 emissions (tons of CO ₂ equivalent) per £M sales	82.5%	99.8%	79.6%	99.8%
Scope 1, 2 and 3 emissions (tons of CO ₂ equivalent) per £M sales	82.5%	99.8%	79.5%	99.7%
WEIGHTED AVERAGE CARBON INTENSITY				
Scope 1 and 2 emissions (tons of CO ₂ equivalent) per £M sales	84.8%	99.9%	82.3%	99.8%
Scope 1, 2 and 3 emissions (tons of CO ₂ equivalent) per £M sales	84.8%	99.9%	82.1%	99.7%

Source: MSCI covers emissions from 1 January to 31 December of each year, the report was run on 25 March 2025. Note: where coverage is less than 70%, the carbon metrics are not deemed to be representative of the portfolio.

The tables above show how much carbon the holdings across the BNYMFM Representative Portfolio are emitting noting this covers securities across a range of asset classes. We show this relative to a broad equity index as represented by the MSCI All Countries World Index to provide context for the numbers. The coverage reflects the availability of data for the in-scope assets. The threshold set is greater than 70% coverage, which the Representative Portfolio meets. Comparing 2023 to 2024, the BNYMFM Representative Portfolio is showing a decline in total financed carbon emissions by 13% as well as an improvement in intensity related metrics. This is in line with the decline of the MSCI ACWI representative index.

NOTES:

- The 15 categories of Scope 3 emissions within the Greenhouse Gas Protocol were assessed by BNYMFM. It was concluded that Category 6, business travel and Category 15, investments are the most significant and should therefore be disclosed.
- BNYMFM calculates its Scope 3 Category 15 investment emissions using the following methodology:
 - Taking a weighted aggregate of each holding across all the portfolios that BNYMFM operates as of 31 December 2024.
 - For a corporate equity or bond (value of security held/enterprise value of the corporate entity) multiplied by Scope 1 and 2 emissions of the corporate entity.
 - The latest emissions data for the holdings is used, however, the latest reported data for emissions may be lagged between the emissions being released, reported at the corporate level, checked, and picked up by its third-party data provider, MSCI. Scope 3 financed emissions disclosure should therefore be considered an estimate.

HIGHEST EMITTING SECTORS

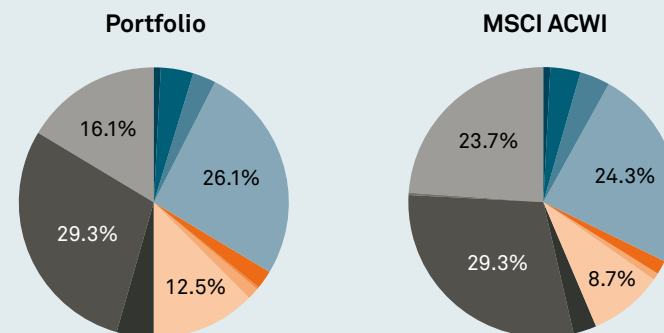
The highest emitting sectors are defined as those that have the greatest contribution to financed Scope 1 & 2 emissions in the BNYMFM Representative Portfolio. The combined portfolio has greatest exposure to carbon emissions arising from holdings in the (1) Materials (2) Energy (3) Utilities and (4) Industrials sectors.

SECTORAL CONTRIBUTION TO FINANCED CARBON EMISSIONS (S1+S2)

	Portfolio	MSCI ACWI
Communication Services	0.9%	1.1%
Consumer Discretionary	4.0%	3.4%
Consumer Staples	2.6%	3.6%
Energy	26.1%	24.3%
Financials	2.3%	1.6%
Funds	0.4%	0.0%
Health Care	1.2%	1.0%
Industrials	12.5%	8.7%
Information Technology	4.4%	2.9%
Materials	29.3%	29.3%
Real Estate	0.1%	0.4%
Utilities	16.1%	23.7%

The pie chart shows the composition by each sector's contribution to financed carbon emissions. This highlights that dominant sectors, in terms of emissions, tend to be Energy, Utilities and Materials.

Source: MSCI Climate Tool as of 31 December 2024, data run on the 25 March 2025.

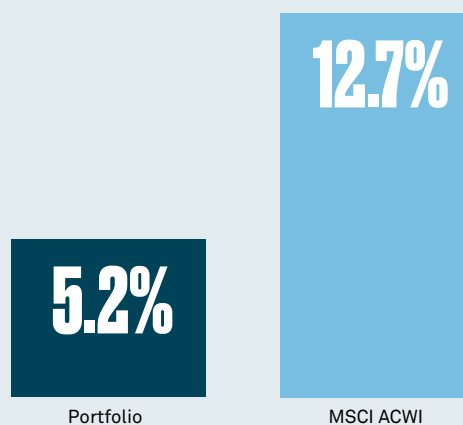


Contribution to Financed Carbon Emissions

BNYMFM REPRESENTATIVE PORTFOLIO: TRANSITION RISKS

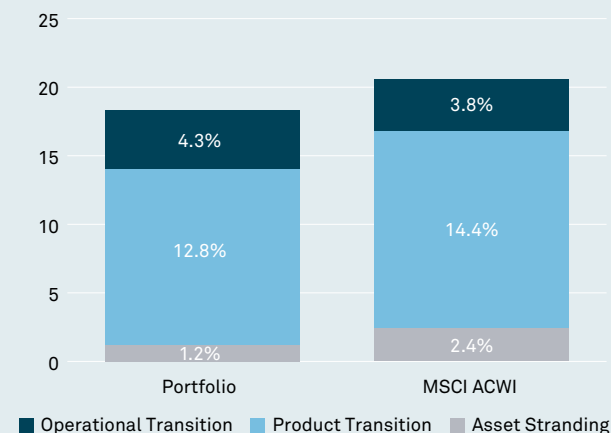
Transition risk are the risks associated with transitioning to a low carbon or Net Zero economy. The most common risks are policy, legal, technological and market changes forcing companies to either adapt to the change in climate or mitigate the risk associated with the change. Transition risks may create varying levels of financial and reputational risk to an individual security if it does not comply or adapt to change. Implementation of strategies to manage transition risks and opportunities is undertaken by the Investment Managers to whom the Firm delegates portfolio management activities in respect of the Funds. The charts to the right show the exposure of the Representative Portfolio to low carbon solutions and to low carbon transition risks. While the Representative Portfolio is behind the index in low carbon solutions, it has lower exposure to low carbon transition risk. Compared to 2023, there is an increased risk in the portfolio to asset stranding.

EXPOSURE TO LOW CARBON SOLUTIONS



Source: MSCI Climate Tool as of 31 December 2024, data run on the 25 March 2025.

EXPOSURE TO LOW CARBON TRANSITION RISK



Legend: Operational Transition (Dark Blue), Product Transition (Light Blue), Asset Stranding (Grey)

MSCI Low Carbon Transition Categories classify companies in five categories that highlight the predominant risks and opportunities they are most likely to face in the transition to a low carbon economy. These categories are:

LOW CARBON TRANSITION CATEGORIES

Solutions: Companies that have potential to benefit through the growth of low-carbon products and services. Examples include renewable electricity, electric vehicles, solar cell manufacturers.

Operation Transition: Companies with increased operation and or capital cost due to carbon taxes and/or investment in carbon emission mitigation measures leading to lower profitability for the companies. Examples include fossil fuel-based power generation, cement, steel etc.

Product Transition: Companies that face reduced demand for carbon-intensive products and services. Leaders and laggards are defined by the ability to shift product portfolio to low-carbon products. Examples include Oil & Gas exploration & production; Petrol/diesel-based automobile manufacturers, thermal power plant turbine manufacturers etc.

Asset Stranding: Potential to experience “stranding” of physical/natural assets due to regulatory, market or technological forces arising from low-carbon transition. Examples include coal mining & coal-based power generation; oil sands exploration/production.

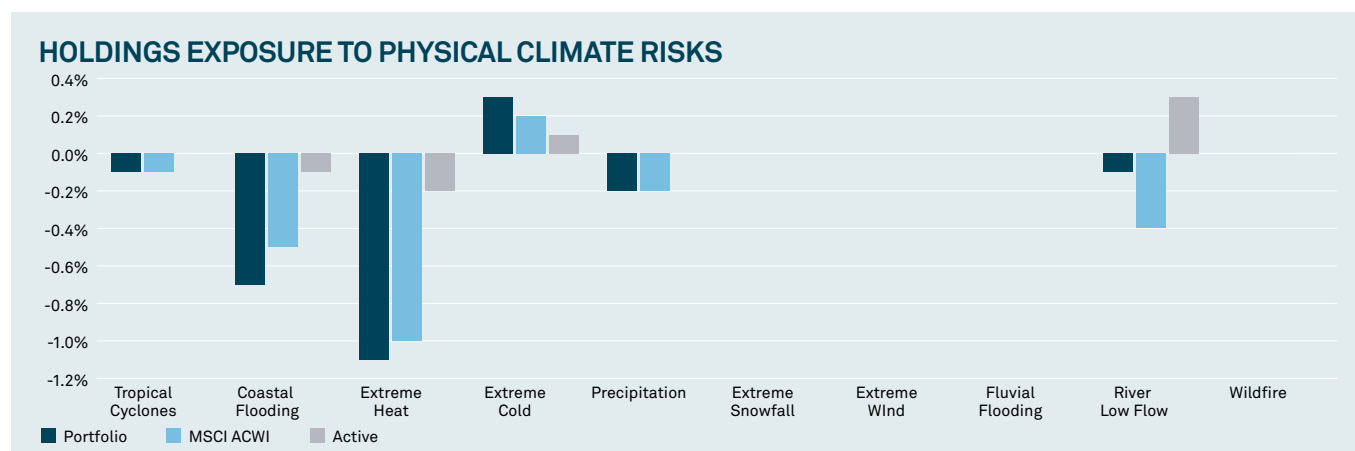
BNYMFM REPRESENTATIVE PORTFOLIO: CLIMATE-RELATED TARGETS

As detailed in the strategy section above, BNYMFM has not set any climate-related targets at an entity level but is subject to the operational climate targets set at the BNY enterprise-level. BNYMFM has not set targets as it is continuing to evolve its approach to align with the needs of its clients. From this year, BNYMFM have been monitoring the climate emissions of both the Representative Portfolio and individual portfolios.

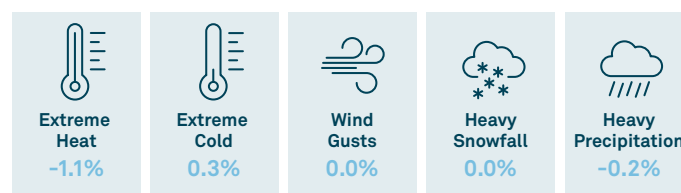
BNYMFM REPRESENTATIVE PORTFOLIO: PHYSICAL RISKS

Climate events such as cyclones, hurricanes, floods, or wildfires but also incremental trends such as rising water levels or drought caused by rising temperatures pose a threat to a company's physical assets, operations and can lead to supply chain disruption. These factors may impact its financial performance. Physical risks can be acute (short sharp events) or chronic (incremental climate patterns). The following

analysis is the physical climate value at risk based on a 2°C NGFS Disorderly scenario (using average physical risks) for the BNYMFM Representative Portfolio. Physical risks are broadly aligned to the index with typically a marginally lower risk. To note, compared to 2023, the physical risk from coastal flooding decreased from -2.0% to -0.7% in 2024, while other chronic and acute risks remained largely unchanged.



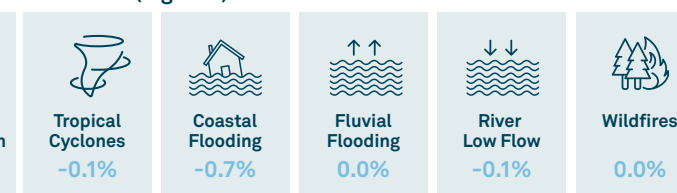
Chronic Risks (0.5° global grid)



Aggregate Physical Climate VaR

-1.9%

Acute Risk (high res)



MSCI ACWI Aggregate Physical Climate VaR

-1.6%

Source: MSCI Climate Tool as of 31 December 2024, data run on the 25 March 2025.

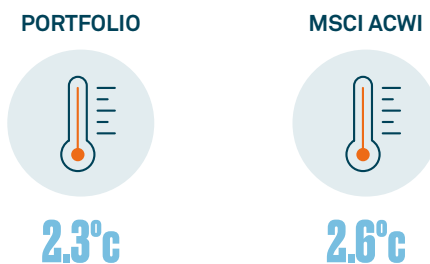
BNYMFM REPRESENTATIVE PORTFOLIO: IMPLIED TEMPERATURE RISE

The ITR provides a portfolio level number in degrees of Celsius demonstrating how aligned the companies in the portfolio are to global temperature goals. The ITR metric provides an indication of how well public companies align with global temperature goals. Expressed in degrees Celsius, it is an intuitive, forward-looking metric that shows how a company aligns with the ambitions of the Paris Agreement – which is to keep a global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C.

The portfolio-level ITR uses an aggregated budget approach; it compares the sum of “owned” projected GHG emissions against the sum of “owned” carbon budgets for the underlying fund holdings. The portfolio’s total estimated carbon budget over-/undershoot is then converted to a degree of temperature rise (°C) using science based TCRE (Transient Climate Response to Cumulative Emissions). The allocation base used to define ownership is Enterprise Value including Cash (EVIC) to enable the analysis of equity and corporate bond portfolios.

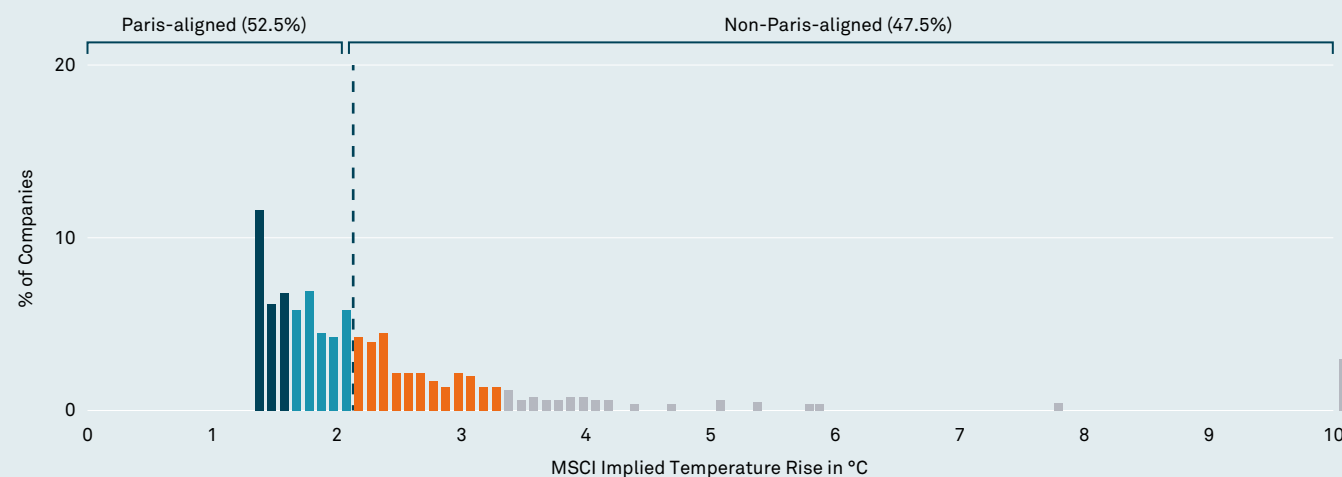
Looking at the ITR of the Representative Portfolio in 2024, it shows that it is slightly above the 2°C Paris aligned goal at 2.3°C but is below the index of 2.6°C. Compared to the ITR of the Representative Portfolio in the 2023 report, the ITR has increased from 2.1°C to 2.3°C, driven by an increase in temperatures overall and exposure to companies with higher ITRs. Over the course of 2024, each delegated Investment Managers’ portfolio was monitored, and any issues were flagged.

MSCI IMPLIED TEMPERATURE RISE



PORTFOLIO MSCI IMPLIED TEMPERATURE RISE DISTRIBUTION

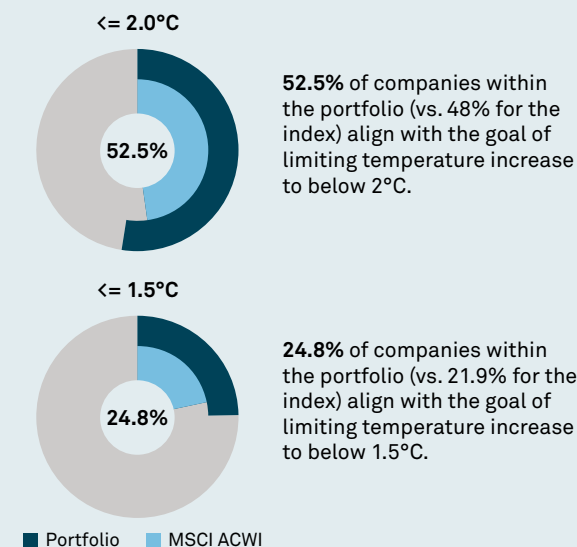
The issuers in the portfolio are distributed according to their Implied Temperature Rise showing the number who are aligned with the Paris Agreement and the more ambitious 1.5°C temperature goal.



Implied Temperature Rise Categories		% of companies in category
1.5°C aligned	<=1.5°C	24.8%
2°C aligned	>1.5°C – 2°C	27.7%
Misaligned	>2.0°C – 3.2°C	30.2%
Strongly Misaligned	>3.2°C	17.3%

Source: MSCI Climate Tool as of 31 December 2024, data run on the 25 March 2025.

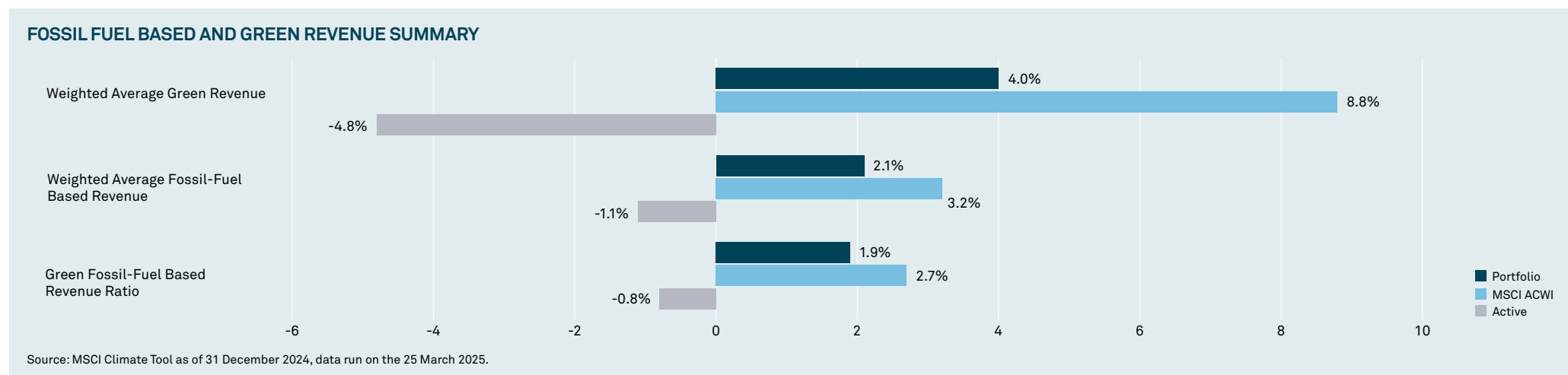
SHARE OF COMPANIES ALIGNING WITH GLOBAL TEMPERATURE GOALS



The graph above shows that 52.5% of companies within the Representative Portfolio are aligned with the goal of limiting temperature rise to below 2°C. This is better than that of the index, where only 48% align. Under the 1.5°C category, 24.8% of the portfolio is aligned versus the index of 21.9%. Compared to the 2023 Representative Portfolio, the weight of 10°C companies was 0.1% of the portfolio, whereas in 2024, this has increased to 2.6%. This is due to portfolio allocations changing over the course of 2024. The Firm will continue to monitor portfolios that are misaligned under the Portfolio MSCI Implied Temperature Rise distribution.

BNYMFM REPRESENTATIVE PORTFOLIO: OPPORTUNITIES

A summary of the Representative Portfolio's allocation to Green Revenue, or companies whose revenue comes from sectors which support the energy transition, Fossil Fuel Based revenue, or companies whose revenue comes from high carbon sectors, is provided below. It shows that the Representative Portfolio is less exposed than the index to companies involved in fossil fuels but is less exposed than the index to companies that are developing more sustainable 'green' revenues.



DATA GAPS, ESTIMATES AND ASSUMPTIONS

BNYMFM and most of the delegated Investment Managers use MSCI as the primary provider of emissions data and/or climate metrics. The only exception to this is Newton Investment Management Ltd that uses ISS ESG for Scope 3 emissions data. BNYMFM is dependent on the quality of emissions data that MSCI provides across public investments. All scope 3 downstream emissions derived from the MSCI Climate Tool are estimated by MSCI's Scope 3 estimation model due to inconsistency and volatility of the reported scope 3 data. BNYMFM does not use its own estimates nor the estimates of the delegated Investment Managers, in the Firm's TCFD reporting. The Firm recognises that emissions data is frequently based on estimates or proxy data and, as a result, provides an imperfect view of portfolio exposures or risks. The data it relies on can also change materially from one year to the next, as data quality and coverage improves, or estimation methods change. The Firm continues to work to make sure that the data the Firm uses is as accurate as possible but highlight that any outputs should be interpreted as approximate and not precise. Carbon metrics in this report include long-only listed equities and corporate bonds, which account for most of its assets. There are data gaps that result from climate or financial data not being reported for certain asset types. Cash and derivatives are currently excluded from all calculations due to the availability of data and lack of associated measurement methodologies. Compared to 2023, sovereign debt coverage has evolved but still very low compared to the 70% coverage threshold that has been set. MSCI does not currently collect data on these asset classes, and the Firm has not been able to source proxy data or assumptions for them, but MSCI is constantly evolving its coverage, and the Firm will monitor how this expands for the next reporting cycle.

Definitions

Metric	What does it measure?	How is it used?	Source, Data Quality and Availability
Scope 1 Emissions Entity level	Direct on-site emissions from the company's facilities, such fuel for central boilers used for heating.	To evaluate emissions at a Firm or Legal Entity level.	Collated by the BNY's Operational Sustainability team.
Scope 2 Emissions Entity level	Indirect off-site emissions from the energy that BNY purchases.	To evaluate emissions at a Firm or Legal Entity level.	Collated by the BNY's Operational Sustainability team.
Scope 3 Emissions Entity level Category 6 Business Travel	Emissions from the business travel our distribution colleagues undertake to see our customers and attend work related activities.	To evaluate emissions at a Firm or Legal Entity level.	Collated by the BNY Operational Sustainability team using a record of travel booked throughout the year. For air and rail travel, carbon emissions are calculated based on miles. For car rentals and hotel stays, carbon emissions are calculated based on days.
Scope 1, 2 & 3 Emissions Portfolio Level Category 15	Measures direct and indirect emissions attributable to the products manufactured by BNYMFM.	To assess Scope 1, 2 and 3 emissions at a portfolio level.	MSCI is used to aggregate the scope 1, 2 and 3 emissions data of a combined weighted average portfolio of securities to provide analysis of all the products BNYMFM operates.
Aggregated Portfolio Weightings/ Representative Portfolio Holdings	Allow for a combined portfolio of all the holdings that BNYMFM operates.	The Representative Portfolio covers all the funds and underlying securities operating under BNYMFM reweighted on an aggregated basis but excluding cash, cash equivalents, futures, options, and other derivatives. These have been removed to allow us to better screen securities that are covered by MSCI. This resulting coverage is disclosed in the 'coverage ratio' statistics for each of the relevant climate.	BNYMFM has aggregated the holdings.
Implied Temperature Rise (ITR)	This metric compares the sum of the projected greenhouse gas emissions by the portfolio's investee companies against the sum of carbon budgets attributed to the investee companies. Carbon budgets are calculated by the metric's vendor and assigned to each company – effectively, the carbon budget shows how much greenhouse gas emissions are permitted for the world to meet the target of keeping the temperature rise to well below 2 degrees Celsius. Where the projected greenhouse-gas emissions overshoot the carbon budget, this is converted into a temperature rise metric which is then aggregated to a portfolio level.	The Representative Portfolio shows the ITR of its combined holdings against the index.	MSCI ITR Tool.
Climate Value at Risk (CVaR)	CVaR is based on a given climate scenario, such as orderly transition, disorderly transition, and hothouse world. CVaR evaluates the financial risk due to both transition and physical risk. It is important to note the characteristics of the climate scenario modelled as it will directly affect the output of the CVaR analysis	Shows the financial impacts of different climate scenarios on BNYMFM's Representative Portfolio.	MSCI VaR Climate Tool.

Metric	What does it measure?	How is it used?	Source, Data Quality and Availability
Network for Greening the financial System (NGFS)	Network for Greening the Financial System was established in 2017 as a group of central banks and supervisors that aim to develop and share best practices for the inclusion of climate risk and management in the financial sector.	<p>The NGFS has developed a set of consistent climate scenarios that can be used by the financial sector for scenario analysis and risk management purposes.</p> <p>These include:</p> <p>Orderly Scenarios</p> <ul style="list-style-type: none"> ● Net Zero 2050 – Achieves global net-zero CO2 emissions by 2050 through ambitious climate policies and technological innovation. ● Low demand – focuses on behavioural changes and reduced energy demand alongside carbon pricing and technological advancements. ● Below 2 degrees C – Gradually increases climate policy stringency, aiming for a 67% chance of limiting global warming below 2 degrees C. <p>Disorderly Scenarios</p> <ul style="list-style-type: none"> ● Delayed Transition – Emissions remain high until 2030, requiring strong policies afterward to limit warming below 2 degrees C. <p>Hot house world scenarios</p> <ul style="list-style-type: none"> ● Nationally Determined Contributions (NDCs) – Includes all pledged climate policies, even if they are not yet fully implemented. ● Current Policies – Assumes only existing climate policies continue, leading to high physical risks and significant warming. <p>Too little, too late</p> <ul style="list-style-type: none"> ● Fragmented World – Climate policies are delayed and inconsistent globally result in high physical and transition risks. 	MSCI uses NGFS for its climate scenario outputs.
Technology Opportunities	The transition to a low carbon economy may provide opportunities for companies that are well positioned to benefit from a change in consumer behaviour and preferences, favourable policies, and shift towards efficient, low carbon technologies.	An output of the Climate VaR above.	MSCI VaR Climate Tool.
Transition Risk	Transition risk estimates the impact to the Representative Portfolio's investee companies through the adoption (and timing) of new policies and regulations necessary to meet the individual climate scenario temperature goals, as well as technological opportunities a company may see – as is evidenced through the numbers, the orderly transition scenario generates the largest transition risk as the scenario itself envisages a more aggressive approach to policy than is currently in place – at the opposite end of the spectrum, transition risk is lowest in the hot house world as the assumption there is that there are no additional policies to those in existence today.	An output of the Climate VaR above.	MSCI VaR Climate Tool.

Metric	What does it measure?	How is it used?	Source, Data Quality and Availability
Physical risk	Physical risk estimates the impact from extreme weather conditions resulting from the increase in average global temperatures. The MSCI tool permits one physical risk scenario, which can then be tilted to an average or aggressive implementation– on this basis, the orderly and disorderly transition scenarios produce the lowest physical risk, with hot house world producing the greatest. Over time, the Firm expect to be able to align the physical risk modelling with the three climate scenario attributes.	An output of the Climate VaR above.	MSCI VaR Climate Tool.
Paris Agreement	The UN Framework Convention on Climate Change Paris Agreement is a legally binding international treaty on climate change which was adopted at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015. It entered into force on 4 November 2016. Its overarching goal is to hold “the increase in the global average temperature to well below 2°C above pre-industrial levels” and pursue efforts “to limit the temperature increase to 1.5°C above pre-industrial levels.	Used as a reference point for the ITR metric.	

Methodologies for its Metrics

	Total Carbon Emissions tons of CO ₂ equivalent	Carbon Emissions tons of CO ₂ equivalent/\$M Invested	Carbon Intensity tons of CO ₂ equivalent/\$M sales	Weighted Average Carbon Intensity (WACI) tons of CO ₂ equivalent/\$M sales
Question	What is my portfolio's total carbon footprint?	What is my portfolio's normalised carbon footprint per million dollars invested?	How efficient is my portfolio in terms of carbon emissions per unit of output?	What is my portfolio's exposure to carbon intensive companies?
Description	Total Carbon Emissions measures the absolute tons of CO ₂ e (Scope 1 + 2) for which an investor is responsible. It is apportioned to the investor based on an equity ownership perspective,	Total Carbon Emissions are directly linked to the market value of the portfolio. This presents limitations when comparing the carbon footprint between portfolios or against a benchmark index. Presenting the footprint as a normalized figure enables cross-portfolio comparison.	Carbon Intensity expresses the carbon efficiency of the portfolio and allows institutional investors to measure the volume of carbon emissions per dollar of sales generated by portfolio companies over a specified time frame. This metric adjusts for company size and is a more accurate measurement of the efficiency of output, rather than a portfolio's absolute footprint.	The Weighted Average Carbon Intensity measures a portfolio's exposure to carbon intensive companies. Since companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks, this metric can serve as a proxy for a portfolio's exposure to potential climate change-related risks relative to other portfolios or relative to an index.
Key Strengths	<ul style="list-style-type: none"> Most literal carbon footprint from GHG accounting perspective. 	<ul style="list-style-type: none"> Allows for comparison regardless of portfolio size. Enables portfolio decomposition and attribution analysis. 	<ul style="list-style-type: none"> Provides overall intensity of portfolio by adjusting for company size. Allows for comparison regardless of portfolio size. 	<ul style="list-style-type: none"> Applicable across asset classes, including fixed income. Simple and intuitive calculation. Does not require corresponding market cap or sales data. Enables simple attribution analysis and portfolio decomposition.
Key Weaknesses	<ul style="list-style-type: none"> Limited usefulness for benchmarking and comparison to other portfolios due to link to portfolio size. Requires underlying issuer market cap data. Ownership perspective means it is only applicable to equity portfolios. 	<ul style="list-style-type: none"> Requires underlying issuer market cap data. Ownership perspective means it is only applicable to equity portfolios. Sensitive to changes in market value of portfolio. 	<ul style="list-style-type: none"> Complex calculation, challenging to communicate and understand. Requires underlying issuer market cap data. Ownership perspective means it is only applicable to equity portfolios. 	<ul style="list-style-type: none"> Does not capture any measure of investor responsibility. Sensitive to outliers.

Source: MSCI Methodology document.

Financed Emissions – Calculations

EVIC: Enterprise Value Including Cash	<p>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.</p> $EVIC = \text{Market capitalization at fiscal year-end date} + \text{Preferred Stock} + \text{Minority Interest} + \text{Total Debt}$ <p>The underlying data used for EVIC calculation is sourced from a company's accounting year-end annual filings. EVIC is updated and reflected once a year as the data is sourced annually.</p>
<p>● Financed Carbon Emissions tons CO₂e / GBP M invested</p>	<p>Allocated emissions to all financiers (EVIC) normalized by \$m invested. Measures the carbon emissions, for which an investor is responsible, per GBP million invested, by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalization).</p> $\frac{\sum_i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)}{\text{current portfolio value } (\$M)}$
<p>● Total Financed Carbon Emissions tons CO₂e</p>	<p>Allocated emissions to all financiers (EVIC). Measures the total carbon emissions for which an investor is responsible by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalization).</p> $\sum_i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)$
<p>● Financed Carbon Intensity tons CO₂e / GBP M sales</p>	<p>Allocated emissions per allocated sales. Measures the carbon efficiency of a portfolio, defined as the ratio of carbon emissions for which an investor is responsible to the sales for which an investor has a claim by their equity ownership. Emissions and sales are apportioned based on equity ownership (% market capitalization).</p> $\frac{\sum_i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)}{\sum_i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \times \text{issuer's \$M revenue}_i \right)}$

Weighted Average Carbon Intensity Definitions

<p>● Corporate Constituents tons CO₂e / GBP M sales</p>	<p>Measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' Carbon Intensity (emissions/sales).</p> $\sum_i \left(\frac{\text{current value of investment}_i}{\text{current portfolio revenue}} \times \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions}_i}{\text{issuer's \$M revenue}_i} \right)$
<p>● Sovereign Constituents tons CO₂e / GBP M GDP nominal</p>	<p>Measures a portfolio's exposure to carbon-intensive economies, defined as the portfolio weighted average of sovereigns' GHG Intensity (emissions/GDP).</p> $\sum_i \left(\frac{\text{current value of investment}_i}{\text{current portfolio value}} \times \frac{\text{sovereign issuer's GHG emissions}_i}{\text{sovereign issuer's \$M GDP}_i} \right)$

IMPORTANT INFORMATION

Investment involves risk. The value of investments and the income from them can fall as well as rise and investors may not get back the original amount invested.

For a full list of applicable risks, investor rights and investment terms and before investing, investors should refer to the relevant offering documents. Do not base any investment decision on this document alone.

Forward Looking Statements

This report may contain forward-looking statements with respect to the financial condition, performance and position, strategy, results of operations and businesses. Such statements and forecasts involve risk and uncertainty and may not be a reliable indicator of future performance. Forward-looking statements are based on numerous assumptions, risks, and uncertainties, which may change over time and speak only as of the date they are made. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance. Nothing in this report should be construed as a forecast, estimate or projection of future financial performance and the Firm assumes no duty to and do not undertake to update forward-looking statements.

The information provided in this report is based in part on information from third-party sources that we believe to be reliable, but which has not been independently verified by us, and we give no warranties or guarantees as to the information's originality, accuracy, or completeness and expressly disclaim all express or implied warranties, including those as to merchantability and fitness for a particular purpose. To the fullest extent permitted by law, we exclude any and all representations, warranties, assurances and/or guarantees of any kind, whether express or implied (including, as implied by statute or common law), in respect of any of the information contained within this report, including (without limitation) as to the information's originality, suitability, accuracy, completeness, merchantability and/or that it is fit for any particular purpose and we are not soliciting any action or trading decisions based on such information. Without limiting the generality of the foregoing, to the fullest extent permitted by law, we accept no liability to you or any other recipient of this report for any loss, damage or cost arising from, or in connection with, any use or reliance on the information in this report. Data and methodologies used in preparing this report are subject to certain limitations. The inclusion of information contained in this report should not be construed as a characterization regarding the materiality or financial impact of that information. This document includes non-financial metrics that are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. We reserve the right to update its measurement techniques and methodologies in the future without reference or notification to you.

Use Of Climate-Related Metrics and Data

There are many significant uncertainties, assumptions and judgements underlying climate metrics that limit the extent to which climate metrics are reliable. Climate metrics and data (including data required to report climate-related risks and opportunities and their potential impacts), the models, scenarios used to create them and the measurement technologies, analytical methodologies and services that support them are at a relatively early stage and developing. Accordingly, there are limitations with respect to data and analysis techniques, which should be considered. Scenarios are not forecasts and are not predictions of future outcomes. Like any modelling, the further out the projection, the greater the uncertainties.

The climate-related metrics provided in this report may not fully reflect future economic reality. This report contains certain non-financial metrics such as Climate Value-at-Risk metrics that are subject to measurement uncertainties resulting from limitations inherent in the nature of the metric and should not be construed to represent any belief regarding materiality or financial impact. Climate Value-at-Risk is being provided in this report for the purposes of complying with applicable reporting requirements.

MSCI Notice and Disclaimer for Reporting Licenses

Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

MSCI climate change metrics that are informed by the Taskforce on Climate Related Financial Disclosures (TCFD). While the metrics align with the general intent of the recommendations from the TCFD, they may not be an exact one to one match with every element as specified in the updated Guidance on Metrics, Targets, and Transition Plans from October 2021, and are subject to change as MSCI continues to provide both current and forward-looking climate change metrics to support reporting under the TCFD framework.

Issued by BNY Mellon Fund Managers Limited, BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1998251. Authorised and regulated by the Financial Conduct Authority.