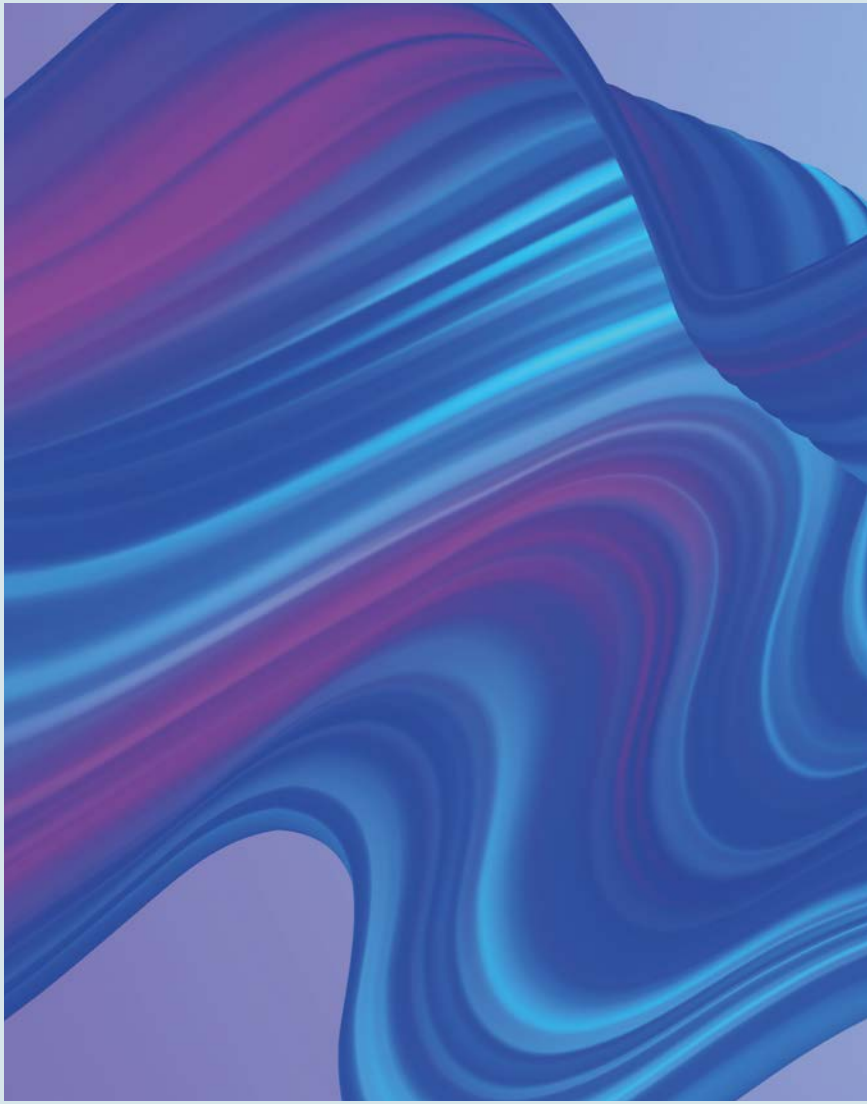
BNY | INVESTMENTS

BNY Mellon Investment Management EMEA Ltd

TCFD REPORT 2024

1 January 2024 to 31 December 2024

CONTENTS



A message from Marc Saluzzi, Independent Non-Executive Director, Chair and Gerald Rehn, Head of EMEA Distribution, BNY Mellon Investment Management EMEA Limited.

As part of the Firm's fiduciary duty to assess risks that impact the portfolios/mandates it operates, BNY Mellon Investment Management EMEA Limited ("BNYI EMEA" or "the Firm"), is reporting the effects of climate change on its operations and underlying investments for the second year. BNYI EMEA's approach towards climate risks and opportunities is aligned with the broader The Bank of New York Mellon Corporation ("BNY") approach to operational emissions and to the Investment Managers' client-driven approach to financed emissions. Operational emissions are those associated with energy used for the Firm's operations, including premises, technology and infrastructure. Financed emissions refer to greenhouse gas emissions associated with the activities undertaken and through products manufactured by the Firm.

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. For financed emissions, this report relies on and cross-refers to affiliated Investment Managers' disclosures as relevant, namely, Insight Investment Management (Global) Limited; Mellon Investment Corporation; Newton Investment Management Limited; Newton Investment Management North America LLC; Newton Asset Management Japan; BNY Mellon Advisors, Inc; and ARX Investimentos. 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 mandates for BNYI EMEA clients, the governance, strategy and risk management frameworks are leveraged by BNYI EMEA 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. BNYI EMEA has created its own metrics to independently measure progress for our client assets and monitors those managers who are not obliged to publish climate disclosures under the UK regulation. Whilst BNYI EMEA annually reviews the operational climate targets set at a BNY enterprise-level; the Firm is developing its approach to monitoring commitments across client assets.

The disclosures in the report, including any third-party or 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 BNYI EMEA or any Entity within BNY.

Signatures

[Marc Saluzzi]
Chair

[Gerald Rehn]
Executive Director

INTRODUCTION AND PURPOSE

This TCFD report (the 'Report') is published by BNY Mellon Investment Management EMEA Limited ("BNYI EMEA" or "the Firm") which is authorised and regulated by the Financial Conduct Authority (FCA) as a MiFID Investment Firm. 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 $76bn[1] of assets in the investment portfolios managed by BNY Mellon Investment Management EMEA Limited. BNYI EMEA 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.

As the Firm continues to enhance its understanding of its role in influencing change through developing a deeper understanding of climate-related data and metrics, it is envisaged that the Firm's approach to governance will also evolve.

ABOUT THE FIRM

BNY Mellon Investment Management EMEA Limited is authorised and regulated by the Financial Conduct Authority (FCA) as a MiFID Investment Firm. The principal activity of BNYI EMEA is the marketing and distribution, within the UK, Europe, the Middle East and Africa ('EMEA') and Latin America regions, of the investment products and services manufactured by affiliate investment management firms within the BNY Mellon Investment Management organisation, and certain non-affiliate investment management firms (the 'Investment Managers'). BNYI EMEA also contracts with institutional clients to provide discretionary investment management services, for which portfolio management activities are primarily delegated to the Investment Managers.
This report covers the investment portfolios that BNYI EMEA has entered into directly with institutional clients. The Firm is a 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").
BNYI EMEA 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 the 24th 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:

- **Its Own Operations "Entity Level Emissions":** BNYI EMEA operates out of its head office in London and through affiliate entities in selected other locations. Premises are managed centrally by BNY. The Firm therefore aligns its operational climate-related strategy with that of BNY.
- **The Investment Portfolios and Services the Firm Oversees for its Clients ("Financed Emissions"):** As explained above, BNYI EMEA contracts with institutional clients to provide discretionary investment management services. Portfolio management activities are primarily delegated to Investment Managers within BNY.

[1] This figure includes 19 mandates for which BNYI EMEA acts as portfolio manager as of 31 December 2024.

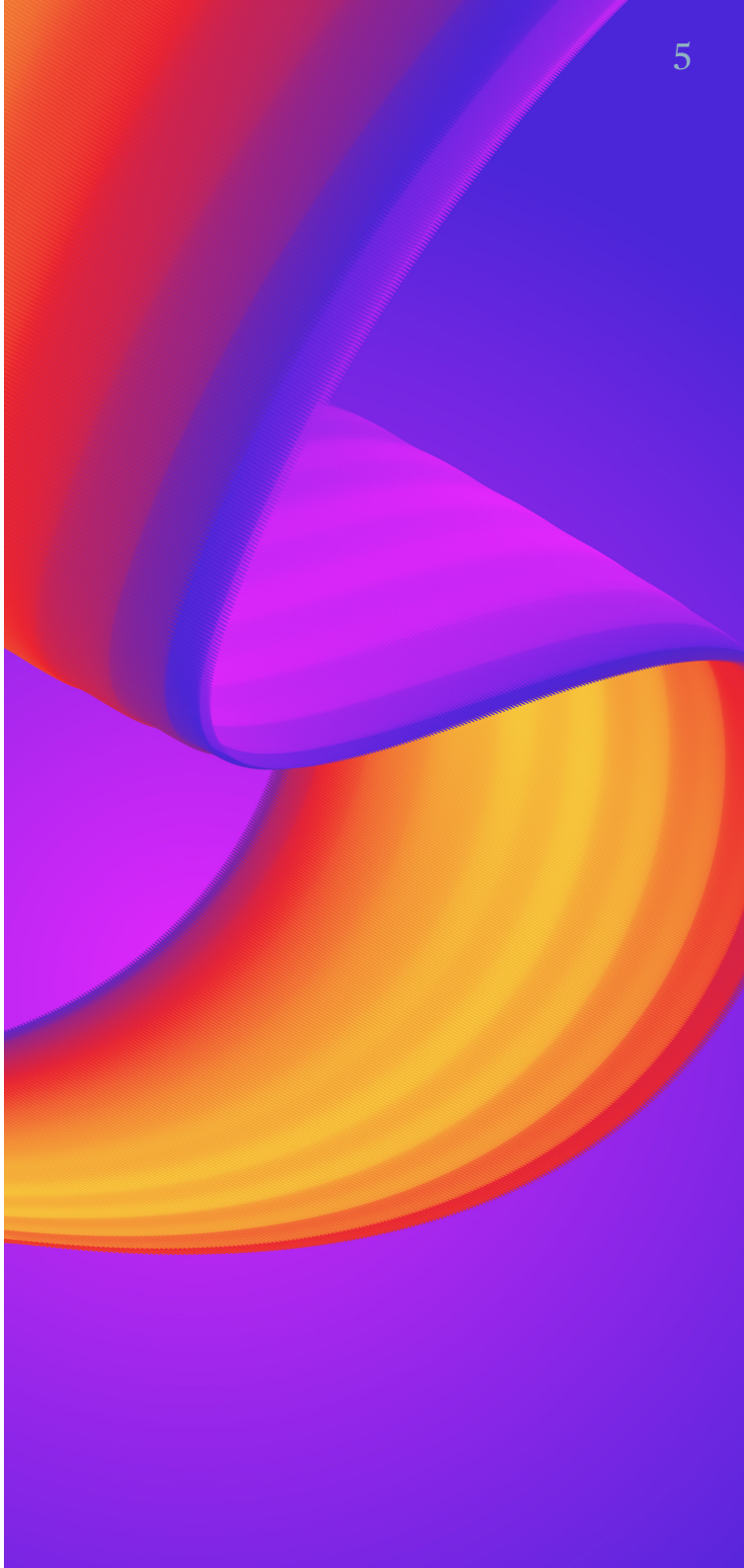
The client assets in scope for these TCFD disclosures are therefore the investment portfolios that BNYI EMEA has delegated to the Investment Managers which amount to $76bn.[2]

BNYI EMEA'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 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 BNYI EMEA Board ('the Board') to monitor its operational emissions.

As explained above, BNYI EMEA 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, Mellon Investment Corporation, Newton Investment Management Limited, Newton Investment Management North America LLC, Newton Asset Management Japan, BNY Mellon Advisors, Inc and ARX Investimentos, 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 portfolios managed by BNYI EMEA, 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 BNYI EMEA's approach to managing climate-related risks and opportunities. BNYI EMEA has created metrics to assess climate-related risks and opportunities across the client assets it operates, which is what the Firm is reporting on, in this disclosure.

The data referred to in this document has mainly been 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.

BNYI EMEA 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 BNYI EMEA 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 BNYI EMEA Representative Portfolio. The Investment Managers to whom it delegates assets also use MSCI in the main, although Newton Investment Management uses ISS ESG[3] for its Scope 3 emissions data.



[2] This figure includes 19 mandates for which BNYI EMEA acts as portfolio manager as of 31 December 2024.
[3] 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

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

In this section, BNYI EMEA 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 BNYI EMEA is responsible for the oversight of issues related to 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 pf this process, the Firm now performs at least one annual BNYI EMEA 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 client portfolios.

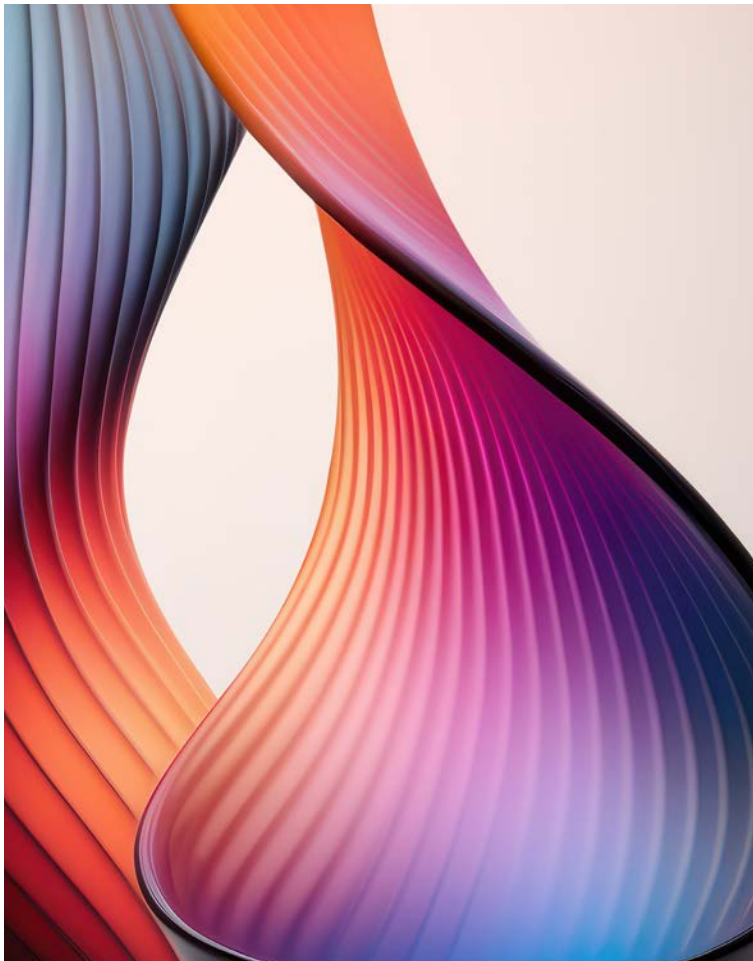
Since April 2024, the monitoring of climate-related risks and opportunities has been delegated to a newly created committee, the Responsible Investment Oversight Committee ("RIOC") which operates as a sub-committee of the Board's Risk & Compliance Committee ("RCC"). RIOC is the governance committee for monitoring climate-related issues, including oversight of portfolios managed by the affiliated Investment Managers. The membership of RIOC 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. BNYI EMEA 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 RIOC 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 BNYI EMEA, the monitoring of climate-related metrics across the mandates is completed at least half yearly. This includes a review of the financed emissions (GHG Emissions, Carbon Intensity, Weighted Average Carbon Intensity), and the Implied Temperature Rise (ITR) and Climate Value at Risk (CVaR) at an aggregate and individual mandate level. Also, climate monitoring reviewed at the RIOC includes the oversight of operational emissions created for BNYI EMEA in its business operations, which are monitored against enterprise-level targets, annually. Any matters for escalation are directed to the Risk & Compliance Committee (RCC). Lastly, to note these mandates are client driven, meaning clients have the ultimate discretion of the guidelines and restrictions the mandate imposes.

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 as directed by clients in the investment management agreement. 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.

BNYI EMEA 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.

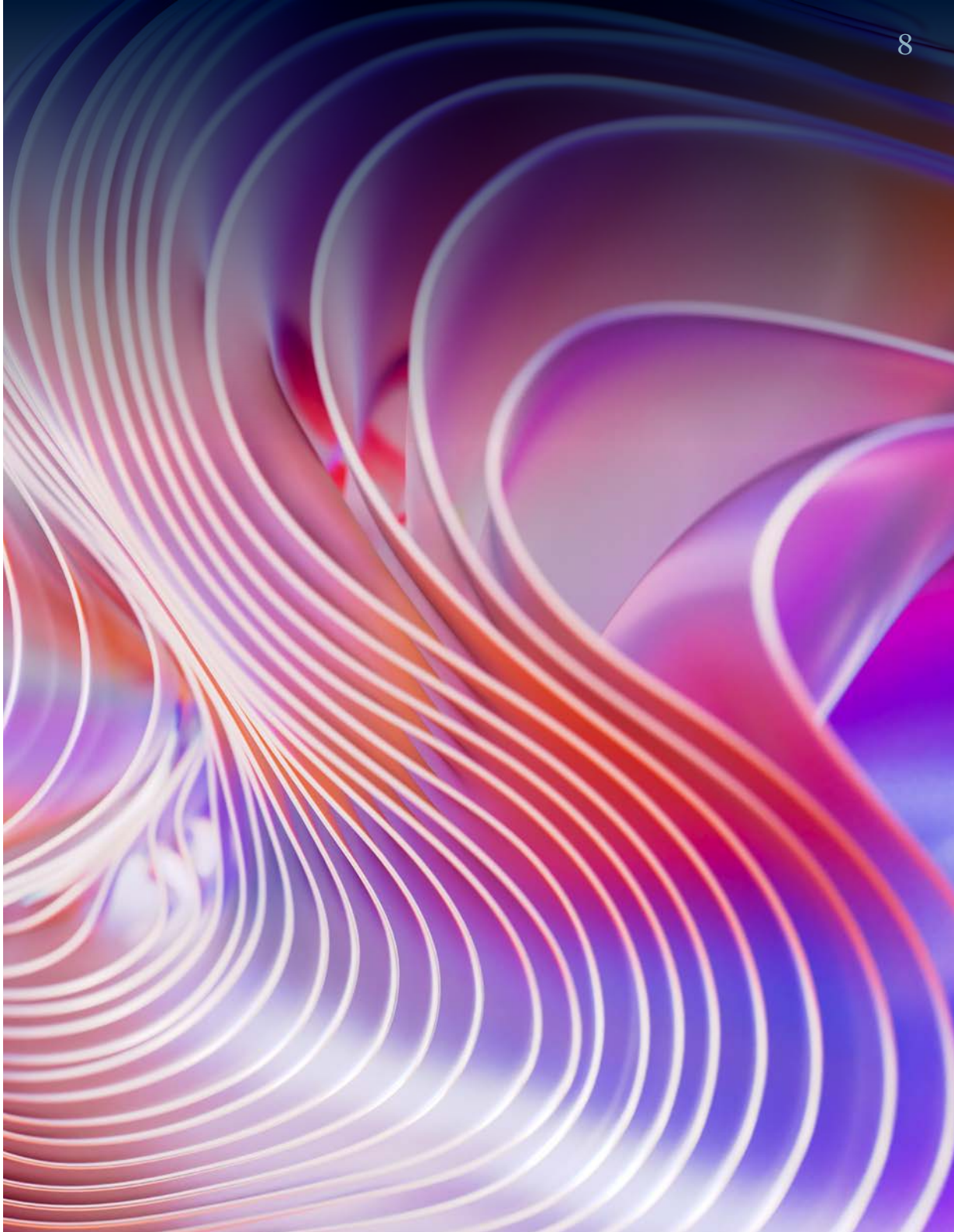


Sustainability governance and oversight is carried out by the following:

- **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, 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. BNYI EMEA 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 and covers the following 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 ($mtCO_2e$)	Target Reduction	Temperature Alignment
2030	2018	150,157	50%	1.5°C

Source: BNY Sustainability Report.

THE FIRM'S STRATEGY

BNYI EMEA's strategy is to ensure the effective operation of the portfolios 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 BNYI EMEA'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. Additionally, as part of the Firm's oversight each Investment Manager is monitored to determine alignment with the guidelines for each portfolio and associated investment management agreements. This monitoring is an input into BNYI EMEA's ongoing strategy and financial planning.

BNYI EMEA has undertaken a materiality assessment of its business based on SASB's materiality matrix.[4] The SASB matrix as it applies to asset management and custodian companies sets out sustainability issues to consider. BNYI EMEA has 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, consideration of climate-related risks and opportunities have not been central to the approach to offering portfolio management services based on the direction the Firm takes from its underlying investors, however, the Firm continues to consider this through dialogue around climate with clients. Working with the Investment Managers, the Firm continues to evaluate the potential to expand the range of climate solutions on offer to help investors achieve their climate goals, but this is largely directed by client demand. Neither BNYI EMEA nor its delegated managers have a transition plan in place.

[4] 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. BNYI EMEA does not adopt any binding net zero commitments as part of its strategy. The management of portfolios is directed by its clients and delegated to affiliated 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, BNYI EMEA 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. 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)[5] of each of its portfolios under three scenarios developed by the Network for Greening the Financial System (NGFS)[6]:

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.

BNYI EMEA periodically uses the MSCI tool to calculate the GHG Emissions, WACI and ITR in relation to its mandates, 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 each portfolio, weighted by the size of the holdings across an aggregation of all portfolios. 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.

[5] 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.

[6] 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 BNYI EMEA 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
		BNYM IM EMEA Representative Portfolio	MSCI ACWI	BNYM IM EMEA Representative Portfolio	MSCI ACWI	BNYM IM EMEA Representative Portfolio	MSCI ACWI
Transition Risk	Policy Risk	-7.2%	-9.3%	-3.2%	-4.3%	-1.8%	-2.2%
	Technology Opportunities	0.7%	1.5%	0.2%	0.4%	0.1%	0.2%
Physical Risk	Physical Risk	-0.7%	-1.1%	-1.0%	-1.6%	-2.0%	-3.2%
Aggregate Climate VaR		**-7.2%**	**-9.0%**	**-4.0%**	**-5.5%**	**-3.7%**	**-5.1%**

Source: MSCI Climate Tool as of 31 December 2024, run on the 24 March 2025.

The results indicate that there is a greater risk of financial loss to the combined aggregated holdings of the Representative Portfolio under the orderly scenario (-7.2%), mainly due to transition risk linked to policy changes. This risk decreases in the disorderly scenario (-4.0%) and again in the hot house scenario (-3.7%), where physical risk plays a bigger role (-2.0%). As compared to the analysis in the 2023 TCFD report, the risk of loss 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 -7.6% to -4.0%. The key driver of this change in the MSCI output is the contribution to emissions from sectoral changes in our portfolios. Overall, the risk of loss to the Representative Portfolio is lower than the risk of loss in the MSCI ACWI index 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

BNYI EMEA 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 where they are subject to the TCFD disclosure requirement.

THE FIRM'S RISK MANAGEMENT

"BNYI EMEA recognises the importance of effective risk management processes and structures. BNYI EMEA 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, BNYI EMEA 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 BNYI EMEA operates.

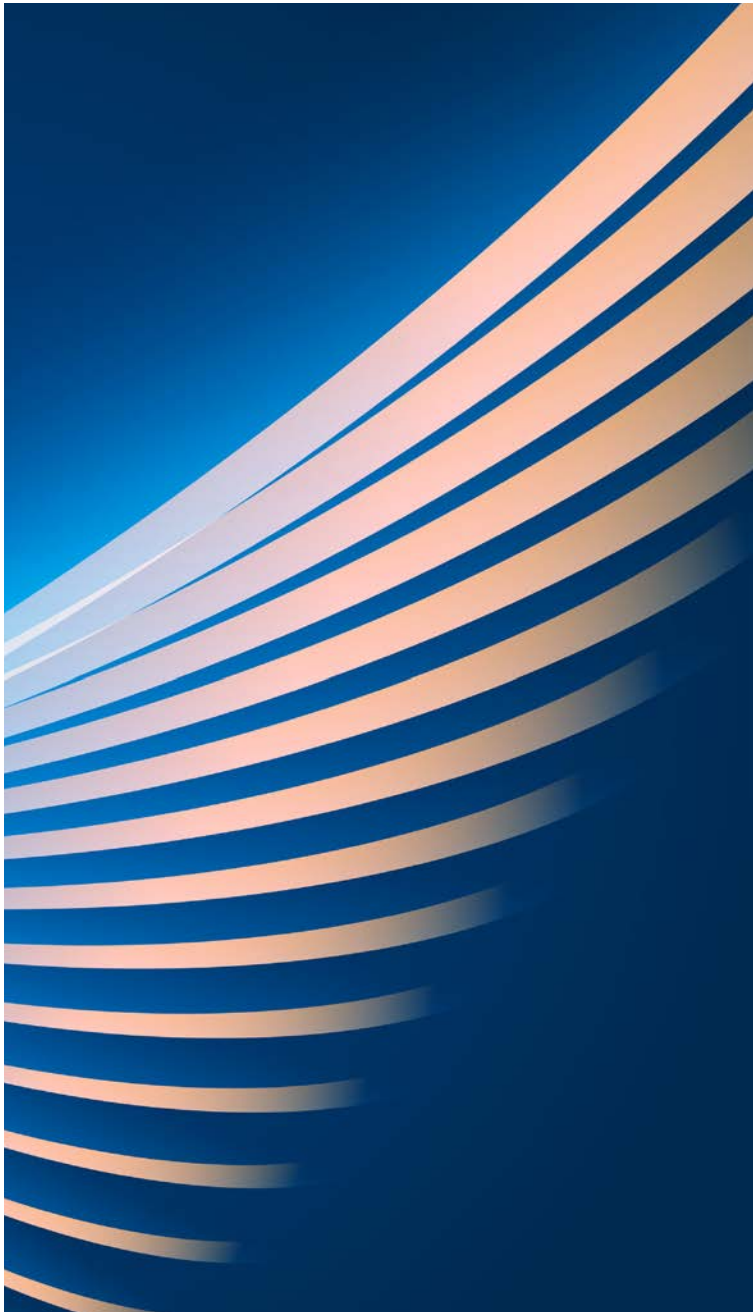
BNYI EMEA manages climate-related risk considerations in alignment with its parent BNY. At an enterprise-level, BNY continues to consider climate, environmental and other social and governance risks as potential risk drivers impacting financial risks (such as Credit, Market and Liquidity Risks), non-financial 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 assets have risk frameworks in place to consider climate-related risks, which the Firm leverages from monitoring client portfolios, BNYI EMEA 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 issues, 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.

BNYI EMEA 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 companies and issuers of securities 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, BNYI EMEA'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 BNYI EMEA Representative Portfolio, BNYI EMEA 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 related to climate-related issues are not incorporated into the remuneration policies of BNYI EMEA and are therefore not provided. BNYI EMEA 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, BNYI EMEA 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_2e)	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_2e) - 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_2e) - 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_2e)	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_2e)		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_2e)	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_2e)	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_2e)	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'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 that perform or support activities in respect of BNYI EMEA's direct subsidiaries. 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 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 BNY 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: BNYI EMEA REPRESENTATIVE PORTFOLIO

The following analysis shows the total financed greenhouse gas (GHG) emissions associated with the BNYI EMEA Representative Portfolio. It represents estimates of Scope 1, Scope 2 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%, BNYI EMEA 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*	
	BNYM IM EMEA Representative Portfolio Holdings	MSCI AC World	BNYM IM EMEA Representative Portfolio Holdings	MSCI AC World
TOTAL FINANCED CARBON EMISSIONS				
Total Scope 1 and 2 emissions (tons of CO_2 equivalent)	1,932,829	n/a	2,045,357	n/a
Total Scope 3 emissions (tons of CO_2 equivalent)	15,083,402	n/a	16,675,011	n/a
Total Scope 1, 2 and 3 emissions (tons of CO_2 equivalent)	17,016,231	n/a	18,720,368	n/a
CARBON FOOTPRINT OR EMISSIONS PER MONETARY UNIT INVESTED (FINANCED EMISSIONS) – CARBON EMISSIONS PER £M INVESTED				
Scope 1 and 2 emissions (tons of CO_2 equivalent) per £M invested	25.6	37.4	33.8	54.1
Scope 1, 2 and 3 emissions (tons of CO_2 equivalent) per £M invested	225.3	305.5	309.4	399.9
CARBON FOOTPRINT OR EMISSIONS PER UNIT OF SALES (INTENSITY) – CARBON EMISSIONS PER £M OF SALES				
Scope 1 and 2 emissions (tons of CO_2 equivalent) per £M sales	96.3	121.2	103.5	144.5
Scope 1, 2 and 3 emissions (tons of CO_2 equivalent) per £M sales	847.9	989.1	946.0	1,068.1
WEIGHTED AVERAGE CARBON INTENSITY (WACI)				
Scope 1 and 2 emissions (tons of CO_2 equivalent) per £M sales	85.4	108.2	93.0	128.8
Scope 1, 2 and 3 emissions (tons of CO_2 equivalent) per £M sales	691.0	768.0	815.6	860.7

Source: MSCI covers emissions from 1 January to 31 December of each year, the report was run on 24 March 2025. *Please note, data for 2023 has been updated following adjustments to Scope 3 data for Weighted Average Carbon Intensity outlined in last year's TCFD report sourced from MSCI.

COVERAGE

Metrics	2024		2023	
	BNYM IM EMEA Representative Portfolio Holdings	MSCI AC World	BNYM IM EMEA Representative Portfolio Holdings	MSCI AC World
TOTAL FINANCED CARBON EMISSIONS				
Total Scope 1 and 2 emissions (tons of CO_2 equivalent)	71.3%	99.8%	71.7%	99.8%
Total Scope 1, 2 and 3 emissions (tons of CO_2 equivalent)	71.3%	99.8%	71.6%	99.7%
CARBON FOOTPRINT OR EMISSIONS PER MONETARY UNIT INVESTED (FINANCED EMISSIONS) – CARBON EMISSIONS PER £M INVESTED				
Scope 1 and 2 emissions (tons of CO_2 equivalent) per £M invested	71.3%	99.8%	71.7%	99.8%
Scope 1, 2 and 3 emissions (tons of CO_2 equivalent) per £M invested	71.3%	99.8%	71.6%	99.7%
CARBON FOOTPRINT OR EMISSIONS PER UNIT OF SALES (INTENSITY) – CARBON EMISSIONS PER £M OF SALES				
Scope 1 and 2 emissions (tons of CO_2 equivalent) per £M sales	71.3%	99.8%	71.7%	99.8%
Scope 1, 2 and 3 emissions (tons of CO_2 equivalent) per £M sales	71.3%	99.8%	71.6%	99.7%
WEIGHTED AVERAGE CARBON INTENSITY (WACI)				
Scope 1 and 2 emissions (tons of CO_2 equivalent) per £M sales	71.5%	99.9%	73.9%	99.9%
Scope 1, 2 and 3 emissions (tons of CO_2 equivalent) per £M sales	71.5%	99.9%	73.7%	99.8%

Source: MSCI covers emissions from 1 January to 31 December of each year, the report was run on 24 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 BNYI EMEA Representative Portfolio are emitting and is, in some cases, relative to a broad equity index as represented by the MSCI ACWI. 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 BNYI EMEA Representative Portfolio is showing a decline in the total financed carbon emissions by 10.8%, as well as an improvement across all other relative metrics compared to the index.

NOTES:

- The 15 categories of Scope 3 emissions within the Greenhouse Gas Protocol were assessed by BNYI EMEA. It was concluded that Category 6, business travel and Category 15, investments are the most significant and should therefore be disclosed.
- BNYI EMEA calculates its Scope 3 Category 15 investment emissions using the following methodology:
  - Taking a weighted aggregate of each holding across all the portfolios that BNYI EMEA 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.

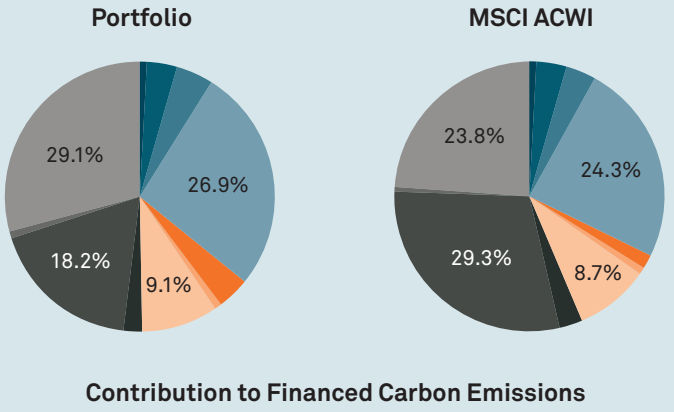
BNYI EMEA REPRESENTATIVE PORTFOLIO: HIGHEST EMITTING SECTORS

The highest emitting sectors are defined as those that have the greatest contribution to financed scope 1 & 2 emissions in the BNYI EMEA Representative Portfolio. The combined portfolio has greatest exposure to the carbon emissions arising from holdings in the (1) Utilities (2) Energy (3) Materials and (4) Industrials sectors. It is notable that portfolio exposure to materials and utilities are weighted differently to the profile of the index.

SECTORAL CONTRIBUTION TO FINANCED CARBON EMISSIONS (S1+S2)

	Portfolio	MSCI ACWI
Communication Services	1.0%	1.1%
Consumer Discretionary	3.7%	3.4%
Consumer Staples	4.4%	3.6%
Energy	26.9%	24.3%
Financials	3.7%	1.6%
Funds	0.0%	0.0%
Health Care	1.0%	1.0%
Industrials	9.1%	8.7%
Information Technology	2.1%	2.9%
Materials	18.2%	29.3%
Real Estate	0.6%	0.4%
Utilities	29.1%	23.8%

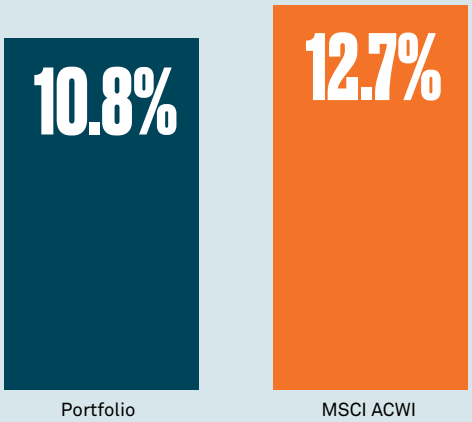
Source: MSCI Climate Tool as of 31 December 2024, data run on 24 March 2025.



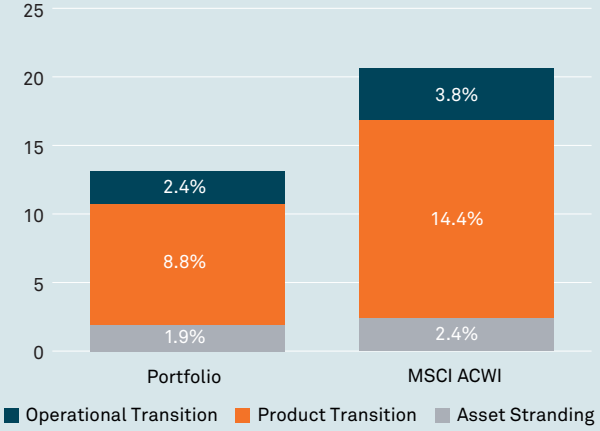
BNYI EMEA REPRESENTATIVE PORTFOLIO: TRANSITION RISKS

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 mandates. 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 slightly 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



EXPOSURE TO LOW CARBON TRANSITION RISK



Source: MSCI Climate Tool as of 31 December 2024, data run on 24 March 2025.

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.

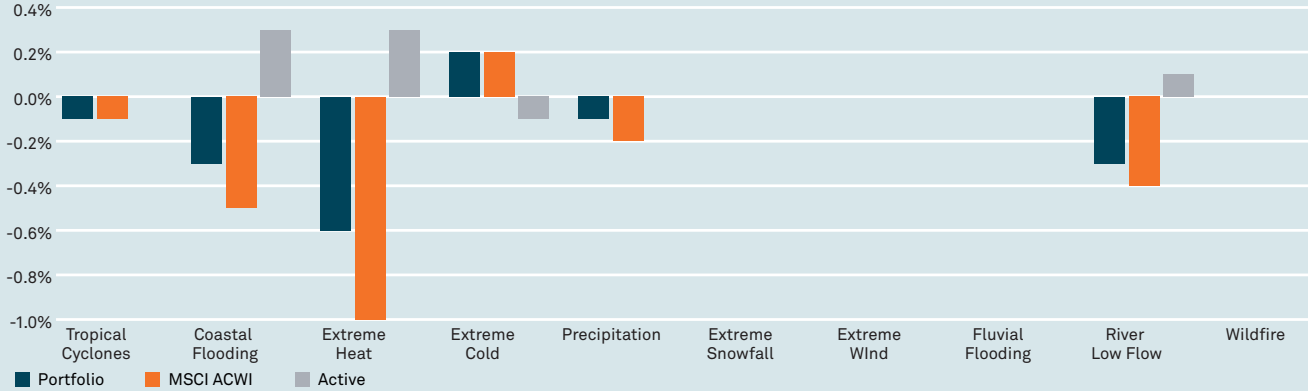
BNYI EMEA REPRESENTATIVE PORTFOLIO: CLIMATE RELATED TARGETS

As detailed in the strategy section above, BNYI EMEA 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. BNYI EMEA has not set targets as it is continuing to evolve its approach to align with the needs of its clients. From this year, BNYI EMEA will monitor the climate emissions of both the Representative Portfolio and client portfolios, to evaluate if any commitments have been made, and whether these are being met.

BNYI EMEA 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 BNYI EMEA 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 -0.9% to -0.3% in 2024, while other chronic and acute risks remained largely unchanged.

HOLDINGS EXPOSURE TO PHYSICAL CLIMATE RISKS



Chronic Risks (0.5° global grid)

Acute Risk (high res)

Extreme Heat	Extreme Cold	Wind Gusts	Heavy Snowfall	Heavy Precipitation	Tropical Cyclones	Coastal Flooding	Fluvial Flooding	River Low Flow	Wildfires
-0.6%	0.2%	0.0%	0.0%	-0.1%	-0.1%	-0.3%	0.0%	-0.3%	0.0%

Aggregate Physical Climate VaR	MSCI ACWI Aggregate Physical Climate VaR
-1.0%	-1.6%

Source: MSCI Climate Tool as of 31 December 2024, data run on 24 March 2025.

BNYI EMEA 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 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 portfolio holdings. The portfolio's total estimated carbon budget over-/undershoot is then converted to a degree of temperature rise (°C) using science based Transient Climate Response to Cumulative Emissions (TCRE). The allocation base used to define ownership is Enterprise Value including Cash (EVIC) in order to enable the analysis of equity and corporate bond portfolios.

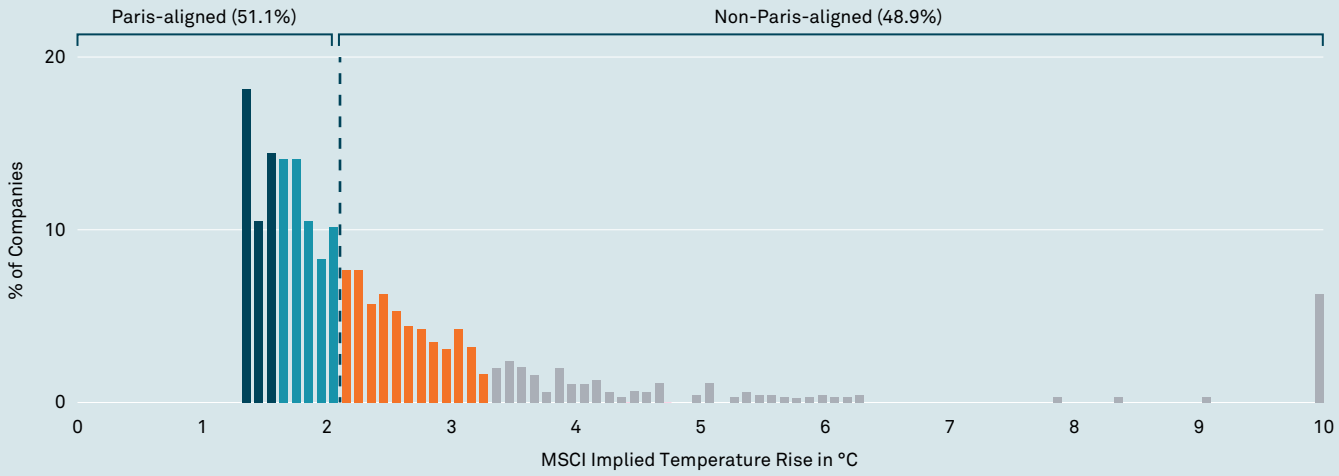
Looking at the ITR of the Representative Portfolio in 2024, it shows that it is slightly higher (2.7°C) than the representative index, the MSCI ACWI temperature rise, at 2.6°C. As the majority of portfolios are managed using a passive approach to replicate an agreed index, this is in line with expectations. Compared to the ITR of the Representative Portfolio in the 2023 report, the ITR has increased from 2.4°C to 2.7°C driven by an increase in temperatures overall and exposure to companies with higher ITRs.

MSCI IMPLIED TEMPERATURE RISE

PORTFOLIO	MSCI ACWI
2.7°c	2.6°c

PORTFOLIO MSCI IMPLIED TEMPERATURE RISE DISTRIBUTION

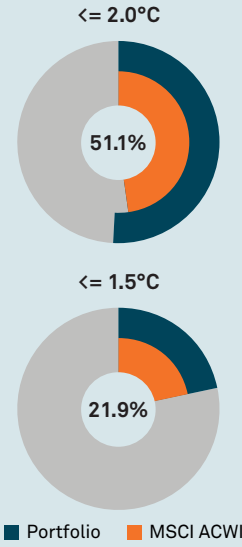
The issuers in the portfolio are distributed according to their Implied Temperature Rise showing the number who are aligned with the Paris Agreement and the more ambitious 1.5°C temperature goal.



Implied Temperature Rise Categories		% of companies in category
1.5°C aligned	<=1.5°C	21.9%
2°C aligned	>1.5°C – 2°C	29.2%
Misaligned	>2.0°C – 3.2°C	29.6%
Strongly Misaligned	>3.2°C	19.3%

Source: MSCI Climate Tool as of 31 December 2024, data run on 24 March 2025.

SHARE OF COMPANIES ALIGNING WITH GLOBAL TEMPERATURE GOALS



51.1% of companies within the portfolio (vs. 48% for the index) align with the goal of limiting temperature increase to below 2°C.

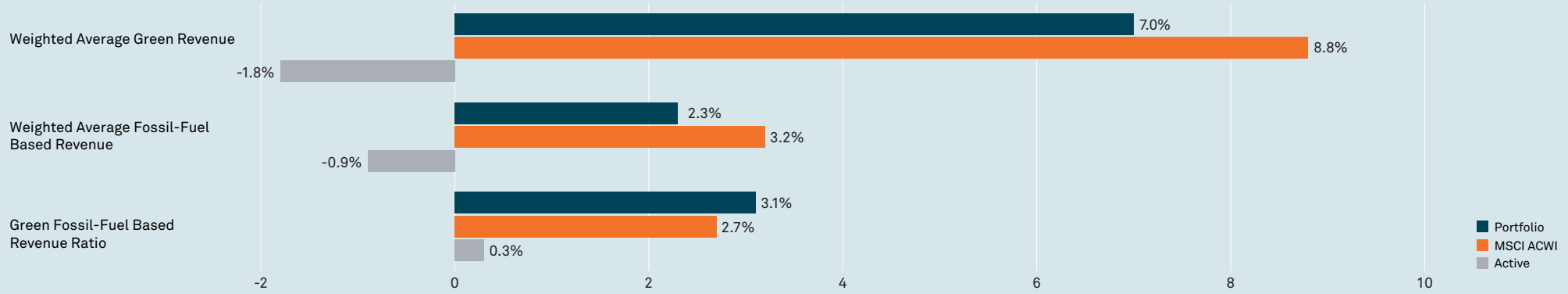
21.9% of companies within the portfolio (vs. 21.9% for the index) align with the goal of limiting temperature increase to below 1.5°C.

The graph above shows that 51.1% of companies within the Representative Portfolio are aligned with the Paris Aligned goal of limiting temperature rises to below 2°C. This is slightly better than that of the index, where only 48% align. Using a 1.5°C alignment, 21.9% of companies in the portfolio are aligned versus the index of 21.9%. Compared to the 2023 Representative Portfolio, the weight of 10°C companies was 0.4% of the portfolio, whereas in 2024, this has increased to 1.4%, noting that these mandates are client driven, meaning clients have the ultimate discretion of the guidelines and restrictions the mandate imposes. The Firm will continue to monitor portfolios that are misaligned under the Portfolio MSCI Implied Temperature Rise distribution.

BNYI EMEA REPRESENTATIVE PORTFOLIO: OPPORTUNITIES

A summary of the Representative Portfolio's allocation to Green Revenue, companies whose revenue comes from sectors which support the energy transition, Fossil Fuel Based revenue, or companies whose revenue companies 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.

FOSSIL FUEL BASED AND GREEN REVENUE SUMMARY



Source: MSCI Climate Tool as of 31 December 2024, data run on 24 March 2025.

DATA GAPS, ESTIMATES AND ASSUMPTIONS

BNYI EMEA 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. BNYI EMEA 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. BNYI EMEA 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 use 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 accounts for the majority 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 deriving from portfolios managed by the Investment Managers.	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 the BNYI EMEA Representative Portfolio.
Aggregated Portfolio Weightings/ Representative Portfolio Holdings	Allow for a combined portfolio of all the holdings that BNYI EMEA operates.	The Representative Portfolio covers all of the portfolios and underlying securities operating under BNYI EMEA 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.	BNYI EMEA has taken the individual client holdings supplied and aggregated them into one portfolio.
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 in order 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 relative to an index of global companies.	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.	A risk metric designed to provide forward-looking and return-based valuation assessment to measure climate-related risks and opportunities in an investment 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.	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. These include: Orderly Scenarios • 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 warning below 2 degrees C. Disorderly Scenarios • Delayed Transition – Emissions remain high until 2030, requiring strong policies afterward to limit warning below 2 degrees C. Hot house world scenarios • 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. Too little, too late • Fragmented World – Climate policies are delayed and inconsistent globally result in high physical and transition risks.	MSCI uses NGFS for climate scenario outputs.
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.	
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.

Metric	What does it measure?	How is it used?	Source, Data Quality and Availability
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.
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.	An output of the Climate VaR above.	MSCI VaR Climate Tool.

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 CO2 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	• Most literal carbon footprint from GHG accounting perspective.	• Allows for comparison regardless of portfolio size. • Enables portfolio decomposition and attribution analysis.	• Provides overall intensity of portfolio by adjusting for company size. • Allows for comparison regardless of portfolio size.	• 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	• 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.	• Requires underlying issuer market cap data. • Ownership perspective means it is only applicable to equity portfolios. • Sensitive to changes in market value of portfolio.	• Complex calculation, challenging to communicate and understand. • Requires underlying issuer market cap data. • Ownership perspective means it is only applicable to equity portfolios.	• Does not capture any measure of investor responsibility. • Sensitive to outliers.

Source: MSCI Methodology document.

Financed Emissions – Calculations

EVIC: Enterprise Value Including Cash	Enterprise Value Including Cash (EVIC) is an alternate measure to Enterprise Value (EV) to estimate the value of a company by adding back cash and cash equivalents to EV. *EVIC = Market capitalization at fiscal year-end date + Preferred Stock + Minority Interest + Total Debt* 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.
● **Financed Carbon Emissions** tons CO_2e / GBP M invested	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). $$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \text{ x } \text{issuer's Scope 1 and Scope 2 GHG emissions}_i\right)}{\text{current portfolio value (\$M)}}$$
● **Total Financed Carbon Emissions** tons CO_2e	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). $$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \text{ x } \text{issuer's Scope 1 and Scope 2 GHG emissions}_i\right)$$
● **Financed Carbon Intensity** tons CO_2e / GBP M sales	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). $$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \text{ x } \text{issuer's Scope 1 and Scope 2 GHG emissions}_i\right)}{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \text{ x } \text{issuer's \$M revenue}_i\right)}$$

Weighted Average Carbon Intensity Definitions

● **Corporate Constituents** tons CO_2e / GBP M sales	Measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' Carbon Intensity (emissions/sales). $$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current portfolio revenue}} \text{ x } \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions}_i}{\text{issuer's \$M revenue}_i}\right)$$
● **Sovereign Constituents** tons CO_2e / GBP M GDP nominal	Measures a portfolio's exposure to carbon-intensive economies, defined as the portfolio weighted average of sovereigns' GHG Intensity (emissions/GDP). $$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current portfolio value}} \text{ x } \frac{\text{sovereign issuer's GHG emissions}_i}{\text{sovereign issuer's \$M GDP}_i}\right)$$

Source: MSCI Methodology document.

BNY | INVESTMENTS

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 express 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 Investment Management EMEA Limited, BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA.
Registered in England No. 1118580. Authorised and regulated by the Financial Conduct Authority.

T13339 05/25