

TASK FORCE FOR CLIMATE-
RELATED FINANCIAL DISCLOSURE
(TCFD) STATEMENT
COUTTS ASSET MANAGEMENT



Coutts

CLIMATE-RELATED FINANCIAL DISCLOSURES

Coutts wants to ensure its portfolios and funds are protected as much as possible from the long-term impact of climate change, while supporting society's efforts to tackle the issue.

Climate change is a top priority for us because we believe it poses significant risks to the global financial system, as well as to the environment. We are a signatory to the UN Principles for Responsible Investment, and as an asset manager with over €20 billion in client assets, we recognise we have an important role to play in dealing with it.

This paper, approved by the Coutts Board of Directors, is restricted to Coutts Asset Management.

PURPOSE

We understand that tackling climate change is a long and uncertain process. We believe one of the most important things we can do to support the fight against it is to communicate our progress as transparently as possible.

To do this, we use the voluntary disclosures set out by the TCFD, which are one of the most widely-used and recognised sets of guidance for companies and asset managers when reporting climate change-related risks.

While the information available to help us achieve this right now is far from perfect, we expect the quality, availability and comparability of environmental, social and governance (ESG) data to continue improving. This will help our aim to present a clearer picture of the climate risks in our investment portfolios to our clients and investors.

We want our clients to understand that we recognise the urgency of climate change, and to let them know that we are taking steps to ensure the resilience of their investments for the long term. We will also cover our future priorities and how we plan to track progress.

Theme	Ongoing Progress	Focus areas for 2020-2021
Governance	Focus on increasing climate-related knowledge, skills and abilities at senior levels	Continue to enhance Board-level and executive knowledge, and visibility of climate change-related issues
Strategy	Internal assessment of climate-related risks and opportunities, engagement with the wider Asset Management team to inform the development of climate change strategy	Further develop and implement Coutts asset management strategy to address climate change through our investment process, ensuring alignment to the bank's sustainability goals
Risk Management	Begin scenario analysis process, study methodology and best practice as it emerges in the market	Develop our climate risk scenario modelling and stress testing capabilities. Carry out climate scenario analysis to develop further understanding of how climate risk interacts with key exposures.
Metrics and Targets	<p>Carbon emissions reduction target*:</p> <ul style="list-style-type: none"> 25% reduction on equity holdings by end 2021 50% reduction on all holdings by end 2030 <p>Excluding unsustainable investments from our discretionary funds and portfolios.</p> <p><i>* We use Carbon Intensity to track the carbon emissions of our funds and portfolios, as defined under "Metrics and Targets"</i></p>	Keep moving towards achieving our carbon emissions reduction target, while improving the availability of our climate-related data and metrics.

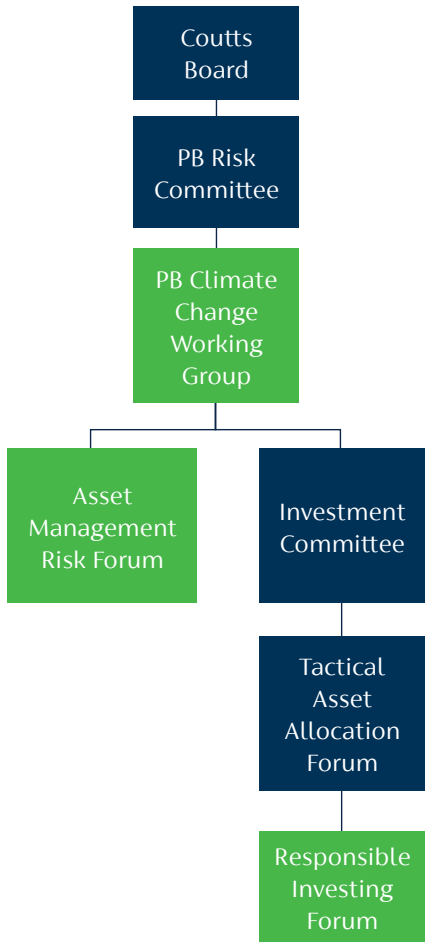
GOVERNANCE

Disclosure A: Describe the Board's oversight of climate-related risks and opportunities in Asset Management

Climate-related risks and opportunities within Coutts Asset Management business are managed by the Investment Committee and the Asset Management Risk Forum. Both meet monthly to review, manage and monitor all aspects of investment risk, including climate-related risks.

Relevant output from these meetings is presented to the Private Banking Climate Change Working Group before progressing to the Private Banking Risk Committee.

Final accountability sits with the Coutts Board on behalf of Asset Management. The Board's role includes oversight of climate-related matters.



■ Decision-making body

■ Forum

Disclosure B: Describe Management's Role in assessing and managing climate-related risks and opportunities in investment portfolios

The **Private Banking Risk Committee** is responsible for ensuring a risk framework is in place by:

- Considering recommendations from the Private Banking Climate Change Working Group
- Approving any climate-related policies and strategies

The **Investment Committee** receives regular updates from the Responsible Investing Forum, and has the following responsibilities:

- Monitoring and assessing the risks posed to our portfolios and funds and the potential opportunities created, including those relating to climate change
- Monitoring and assessing how resilient our portfolios and funds are to risks, including physical and transitional climate-related risks
- Approving the methodology we use to analyse various climate risk scenarios

The **Tactical Asset Allocation Forum** meets weekly and is responsible for portfolio performance and risk budgets. It incorporates ESG factors into the fund and direct holdings selection process.

The **Responsible Investing Forum** collates bank-wide ideas and supports the integration of ESG risks and opportunities into our investment process. It is also responsible for the implementation of climate-related initiatives across Asset Management.

STRATEGY

Disclosure A: Describe the climate-related risks and opportunities identified over the short, medium and long term

As an asset manager, our primary objective is to manage financial risks and returns. We also believe it is important to support the transition to a low-carbon economy, which will provide opportunities to reduce systemic risk, identify opportunities, and help ensure the investment portfolios we manage have a positive impact on society.

We recognise that climate change is likely to have an impact on the long-term value of the investments which we manage on behalf of our clients. We are therefore working to identify potential opportunities and risks, including

physical and transitional risks, affecting Coutts as an asset manager and the assets which we manage.

We are also working to improve the integration of climate-related concerns into our business and investment decision-making.

While climate change is a material financial risk, we recognise that more traditional macro-economic risks may still dominate in financial terms.

Short-Term Risks (0-2 years)

Risk Type	Climate-Related Risk	Potential Impact
Transition Risk	Regulatory changes and mandatory legislation affecting us as an asset manager, as well as the companies we invest in	<ul style="list-style-type: none"> Increased compliance costs Investment restrictions Loss of investment value, as investors start to price in these risks
Transition Risk	Lack of quality and comparability of climate-related data	<ul style="list-style-type: none"> Delayed adaptation of climate-positive initiatives, as their effectiveness cannot be accurately assessed Decisions made based on incomplete or inconsistent data

Medium-Term Risks (2-5 years)

Risk Type	Climate-Related Risk	Potential Impact
Transition Risk	Global forced implementation of climate-related policies to meet the commitments of the Paris Agreement, before financial markets adequately price-in the changes. Possible changes might include: <ul style="list-style-type: none"> Increased costs of greenhouse gas emissions Enhanced reporting obligations Exposure to litigation 	<ul style="list-style-type: none"> Increased compliance costs Limitations on the use of carbon-intensive assets Increasingly stringent investment restrictions Investment losses
Transition Risk	'Stranded assets'* – products and services of the companies we invest in becoming obsolete. This could impact investments where we have exposure to carbon-intensive assets and sectors	<ul style="list-style-type: none"> Investment losses Early retirement of existing technologies Increased investment and operational costs
Transition Risk	Changing client behaviours and demands	<ul style="list-style-type: none"> Reduced demand for traditional investment products Increased costs of redesigning existing portfolios
Transition Risk	Negative shift in client and stakeholder sentiment towards Coutts if we fail to tackle sufficiently and accurately our climate-related risks	<ul style="list-style-type: none"> Reduction in assets under management Reduction in income Reputational risk

Long-Term Risks (5+ years)

Risk Type	Climate-Related Risk	Potential Impact
Physical Risk	Extreme weather events and longer-term changes in weather patterns affecting supply chains, infrastructure, agriculture and food supply, precipitation and water supply	<ul style="list-style-type: none"> Increased insurance premiums Increased business discontinuity costs

Climate-related Opportunities

Opportunity	Potential Impact
Opportunities arising from increased client awareness and interest in investments that reduce their negative impact on the climate	<ul style="list-style-type: none"> Increase in assets under management Increase in income Improved Coutts image
Clear communication around our efforts and processes to tackle climate-related issues	<ul style="list-style-type: none"> Increased brand affinity Increased client trust
New investment products that promote positive action on climate-related issues	<ul style="list-style-type: none"> Attracting new types of clients Increased assets under management

* *Stranded assets are defined as “fossil fuel supply and generation resources which, at some time prior to the end of their economic life (as assumed at the investment decision point), are no longer able to earn an economic return*

(i.e. meet the company’s internal rate of return), as a result of changes associated with the transition to a low-carbon economy” (Carbon Tracker Initiative, 2017)

Disclosure B: Describe the impact of climate-related risks and opportunities on the organisation's business strategy and financial planning

We have been building our capabilities around climate and carbon risk management within our investment process. Our support of the transition to a low-carbon economy provides opportunities to reduce systemic risks, identify material value drivers, and help ensure our investment portfolios have a positive impact on society. Our climate and carbon risk management procedures cover public equities and credit held directly in our portfolios, as well as the investment managers we work with.

Our primary focus is to measure the risks associated with the transition to a low-carbon economy (carbon risks) within portfolios and to identify strategies to mitigate them over time. Our investment team is also responsible for identifying opportunities to buy ‘green’ investments or sell securities where carbon risks could have a material impact on value.

Engaging with the companies we invest in and the funds we hold

Where we hold assets with significant exposure to climate or carbon risk, we will engage with the relevant companies to mitigate this risk. Where we hold assets indirectly through external investment managers, we expect the managers to have an active engagement programme around climate risk and to provide us with information on the outcome of their engagement activity on a quarterly basis.

Our voting and engagement activity has identified climate as a specific engagement focus. Our partner for these purposes, EOS at Federated Hermes, plays an active role and focuses their stewardship activity on the issues with the greatest potential for long-term positive outcomes for investors and their beneficiaries. It does this by engaging with public policymakers and sector organisations globally to encourage policy that facilitates the transition to a low-carbon economy.

We currently focus environmental engagement on aligning companies’ strategies and actions with the goals of the Paris Agreement – to limit global warming to 2°C above pre-industrial levels, and ideally to 1.5°C.

We intend to continue improving how we incorporate climate-related risks and opportunities into our investment process and risk management strategy. Key milestones include:

- Developing a process that integrates climate-related risk management into every stage of the investment process, considering both transition and physical risks
- Expanding our climate reporting to cover government bonds, cash and derivatives
- Developing and integrating scenario analysis into our existing processes
- Increasing the quality of our disclosures to investors in line with TCFD recommendations

Disclosure C: Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a '2 degree Celsius or lower' scenario

We are responsible for asset allocation within our investments, and through our holistic asset allocation processes we incorporate a wide range of factors including risk appetite, return expectations, and market and economic conditions. As part of this, we recognise the urgency and severity of climate change and the impact that this can have on our investment propositions.

We believe that climate-related risks should be considered as a key element of the existing risk framework we use for asset selection and allocation decisions, rather than a standalone factor. We anticipate that regulations and standards will fall short of what would be required to achieve the commitments set out in the Paris Agreement.

We envisage that the damage this causes to the planet, and subsequently to financial markets, will provoke a delayed but increased reaction from governments, supranational organisations and companies.

Thinking long term

As an asset manager operating on behalf of our clients, we have a duty to make asset allocation decisions that serve their long-term investment goals. We believe that this will gradually but increasingly underline how important it is to be resilient to the risks involved in the transition to a low-carbon economy. Our assessment of investment resilience is based on our degree of conviction that we will be able to dispose of the holdings within our funds and portfolios when they no longer fit our investment values and criteria, though the issue to consider is the price at which we will be able to make specific trading decisions.

We are working with industry experts and leveraging open-architecture financial models to build three climate-related scenarios to inform our investment decisions. This should help our investment committee take action within portfolios and funds that minimises the physical risks and the risks associated with the transition to a lower-carbon economy. This work should also help the committee identify opportunities that will speed-up the transition to a net-zero carbon economy.

As global multi-asset investors, we are incorporating the work undertaken in the Inevitable Policy Response Forecast Policy Scenario to develop a risk mitigation strategy and determine a timeline for putting it in place.

We are currently focused on analysing how investment assets will be affected by different environmental scenarios. We have started by analysing equities and will expect to conduct a similar analysis for other key asset classes (corporate and sovereign bonds) later in 2020. We will consider the consequences of more stringent regulations and standards and assess their impact on us as a business and our investment products for clients.

RISK MANAGEMENT

Disclosure A: Describe the organisation's processes for identifying and assessing climate-related risks

We are currently assessing how we can improve the way we identify and incorporate climate-related risks and opportunities in our top-down asset allocation model. Our strategic asset allocation is predominantly focused on equities and bonds. However, a lack of consistent, good quality data makes this difficult in some asset classes, as outlined in the table on the following page.

When we're choosing securities to invest in, we draw on data from Sustainalytics, an external data provider, to obtain information on climate-related risks. And we use Morningstar's data for the external investment funds in our multi-asset portfolios and funds. This helps us assess climate risk exposure within these assets. Morningstar uses Sustainalytics data to aggregate climate risks for funds.

Risk Type	Sub-asset Class	Data availability	Data quality
Listed Equities	UK	Good	Good
	US	Good	Good
	European	Good	Good
	Emerging Markets	Poor	Good
	Japan	Good	Good
	Pacific Basin – ex Japan	Poor	Good
Fixed Income	Government bonds (UK)	Poor	Poor
	Corporate bonds (Global)	Poor	Good
	High yield bond (Global)	Poor	Poor
	EM debt	Poor	Poor
Cash	Sterling	Poor	Poor
Derivatives	Various	Poor	Poor

Disclosure B: Describe the organisation's process for managing climate-related risks

Our robust research and selection process considers ESG factors, including climate-related risks, at every stage. For example, we require all third-party funds to complete a Responsible Investing Questionnaire as part of the due diligence process. While we do not automatically dismiss funds with below-average scores, the insight provided allows us to engage with the manager to improve their practices.

We monitor a range of carbon-related metrics at the portfolio level, as well as exposure to unsustainable (fossil fuels, thermal coal, oil sands extraction) and sustainable (green transportation, renewable energy production and supportive products) positions. We aim to identify ways to adjust these exposures in line with our assessment of the investment risks.

Through our voting and engagement activity, led by EOS at Federated Hermes, we have identified climate as a specific focus for engagement. We encourage responsible behaviour in the companies in which we hold direct public equity through voting and engagement, with support from

EOS at Federated Hermes. This acts as a positive feedback loop as it allows us to raise risks and controversies with the relevant boards and encourage them to take appropriate action.

Coutts, along with EOS at Federated Hermes, has joined Climate Action 100+, an initiative led by over 300 asset managers and owners to engage with the world's largest corporate greenhouse gas emitters to improve their climate performance and ensure transparent disclosure of emissions. Since joining, we have been engaging with companies and encouraging other asset managers to support the initiative. Meanwhile, EOS at Federated Hermes has taken a particularly active role, leading engagement with 29 companies.

We also actively encourage the asset managers that we invest in to have robust stewardship activity. We request engagement data and also review case studies to understand how effectively their engagement activity is driving positive change.

Disclosure C: Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

See Governance – Disclosure A and B.

METRICS AND TARGETS

Disclosure A: Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its investment strategy and risk management process

Metric Name	Assets covered	Purpose	Metric unit (where data is available)	Metric methodology
Portfolio Carbon Intensity	Direct Listed Equity Corporate Bonds Indirect Equity Funds	To compare the portfolio's carbon footprint with its benchmark and measure progress against internal targets.	tCO ₂ (metric tonnes/\$M sales)	A portfolio's Weighted Average Carbon Intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions/\$M Sales) for each portfolio company and calculating the weighted average by portfolio weight.
Portfolio Carbon Savings	Direct Listed Equity Corporate Bonds Indirect Equity Funds	To identify carbon emission reductions relative to benchmark.	Portfolio Benchmark tCO ₂ (metric tonnes/\$M sales) – Portfolio tCO ₂ (metric tonnes/\$M sales)	The difference between the benchmark and the portfolio's Weighted Average Carbon Intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions/\$M Sales) for each portfolio company and calculating the weighted average by portfolio weight.
Portfolio Carbon Emissions	Direct Listed Equity Indirect Equity Funds	To identify the portfolio's normalised carbon footprint per million pounds invested	tCO ₂ (metric tonnes/£M investment)	Carbon Emissions measures the normalised tons of CO ₂ for which an investor is responsible. Carbon Emissions is achieved by calculating the total Carbon Emissions (Scope 1 + 2 Emissions) multiplied by the ownership position (Portfolio Position/ Total Market Cap) divided by the Portfolio Market Value.
Portfolio Exposure to Fossil Fuels	Direct Listed Equity Corporate Bonds Indirect Equity Funds	To identify exposure of portfolios to activities and assets that are at risk of becoming stranded. (E.g. oil and gas reserves that remain unused in a lower-carbon economy)	Percentage weight in portfolio for assets. This data point will always include the percentage of the AUM covered.	Fossil Fuel Involvement is the portfolio's percentage exposure to fossil fuels, for the most recent time period and averaged over the trailing 12 months. Companies with fossil fuel involvement are defined as those deriving at least 5% of their revenue from the following activities: thermal coal extraction, thermal coal power generation, oil and gas production, and oil and gas power generation. Companies deriving at least 50% of their revenue from oil and gas products & services are also included.
Green Solutions	Direct Listed Equity Corporate Bonds Indirect Equity Funds	To identify exposure of portfolios to sustainable production or consumption of energy.	Percentage weight in portfolio for assets. This data point will always include the percentage of the AUM covered.	These data points measure the portfolio's asset-weighted percentage revenue exposure to Green Solutions (a higher percentage exposure is optimal). Green Solutions includes Renewable Energy Production (energy derived from continuously-replaced sources like solar power, wind, or hydropower) and Green Transportation (vehicles or green transportation services).

Greenhouse gas emissions are defined by the Greenhouse Gas Protocol as follows:

- **Scope 1 emissions** are direct emissions from owned or controlled sources;
- **Scope 2 emissions** are indirect emissions from the generation of purchased energy;
- **Scope 3 emissions** are all indirect emissions (not included in scope 2) that occur in the value chain of

the reporting company, including both upstream and downstream emissions.

We obtain information on Scope 1 and Scope 2 emissions of our equity holdings from Sustainalytics, and use this data to evaluate portfolio exposure. To date, Sustainalytics does not provide data on Scope 3 emissions, which means that these are excluded from any carbon-related calculations.

Disclosure B: Disclose scope 1, scope 2 and if appropriate scope 3 greenhouse gas (GHG) emissions and the related risks for investment portfolios

As mentioned in Strategy (Disclosure C), we are in the process of building three climate-related scenarios to help our investment committee minimise the risks associated with the transition to a lower-carbon economy, and to identify opportunities that will speed-up the transition to a net-zero carbon economy.

Greenhouse Gas Emissions Disclosure: The data below is refreshed on a quarterly basis with data sourced from Coutts, Sustainalytics and Morningstar. The data tracks Portfolio Carbon Intensity for public equities and corporate bonds. The table below provides an overview of our funds and discretionary portfolios (in excess of £10 million under management), covering:

- Assets under Management as at 31/12/2019
- Percentage of assets under management for which Portfolio Carbon Intensity is available
- Baseline Portfolio Carbon Intensity as at 31/12/2019, which is used for our Carbon Intensity targets detailed in Disclosure C below
- Current Portfolio Carbon Intensity, as at 31/01/2020, tracking the progress we have made against our targets
- Target Portfolio Carbon Intensity, showing our target reduction by the end of 2021

Fund Name	Assets Under Management (£m) 31/12/19	Data Coverage	Baseline 31/12/19	Current as of 31/01/20	Target 31/12/21
CMAF UK Defensive	168	18.4%	198	198	149
CMAF UK Balanced	1,868	38.5%	169	169	127
CMAF UK Growth	880	47.3%	179	179	134
CMAF UK Equity Growth	337	57.8%	199	199	149
CMAF Global Defensive	102	16.8%	177	177	132
CMAF Global Balanced	485	40.9%	174	174	130
CMAF Global Growth	499	47.5%	186	186	139
PPF 1	30	27.7%	179	144	134
PPF 2	60	44.3%	187	128	140
PPF 3	179	57.9%	191	149	143
PPF 4	136	74.5%	190	148	142
PPF 5	107	94.0%	190	148	142

Fund Name	Assets Under Management (£m) 31/12/19	Data Coverage	Baseline 31/12/19	Current as of 31/01/20	Target 31/12/21
TPS GBP Defensive	153	25.00%	176	176	132
TPS GBP Balanced	3,708	45.80%	180	180	135
TPS GBP Growth	1,543	65.10%	167	167	125
TPS EUR Balanced	59	49.90%	211	211	158
TPS EUR Growth	111	71.50%	196	196	147
TPS USD Balanced	87	51.70%	194	194	146
TPS USD Growth	39	71.50%	181	181	136
Equator US Equity Fund	1,292	94.40%	168	168	126
Equator UK Equity Fund	1,345	82.80%	165	165	124
CIFL Stakeholder Fund	1,037	50.40%	148	148	111
CIFL Defensive Fund	369	26.30%	158	158	119
CIFL UK Equity Fund	296	17.90%	172	172	129
CIFL Income Fund	13	29.90%	198	198	148
CIFL Growth Fund	1,237	48.20%	150	150	112
CIFL Equity Growth Fund	209	61.60%	154	154	116
DIMA GBP 1	88	23.30%	178	178	133
DIMA GBP 2	537	45.60%	171	171	128
DIMA GBP 3	847	63.90%	175	175	131
DIMA GBP 4	314	81.40%	170	170	128
DIMA USD 2	16	48.80%	182	182	137
MAPS 1	92	33.30%	172	172	129
MAPS 2	305	56.30%	168	168	126
MAPS 3	56	81.20%	162	162	121
MAPS Income	104	22.40%	181	181	135
IMS 1	612	24.20%	183	183	137
IMS 2	424	47.30%	206	206	154
IMS 3	416	55.10%	202	202	152
IMS 4	666	67.50%	191	191	143
IMS 5	88	81.40%	186	186	139
IMS 6	58	86.80%	197	197	148

Disclosure C: Describe the targets used by the investment committee to manage climate-related risks and opportunities and performance against targets

The Investment Committee reviews the carbon emissions of our investments on a quarterly basis and seeks to identify ways to reduce this exposure over time. Current targets applicable to our discretionary mandates where we manage assets on behalf of our clients are:

- Achieve a 25% reduction in the level of Carbon Intensity for the equity component relative to the baseline (measure as at 20 December 2019) of every Coutts fund and discretionary portfolio by the end of 2021
- Achieve a 50% reduction in the level of Carbon Intensity for all asset classes relative to the baseline (measure as at 20 December 2019) of every Coutts fund and discretionary portfolio by 2030, in line with the Special Report (2018) by the UN Intergovernmental Panel on Climate Change (IPCC).

Assets held by our clients within their advisory portfolios might not satisfy the commitments we have made for our discretionary mandates and therefore be more exposed to climate-related risks. But our list of recommended investments will be subject to our rigorous research process which forms the basis of the assets held within our discretionary mandates. This will feed through to the recommendations we make within our advisory mandates.

These commitments will not apply to investments that clients hold with us on an execution-only basis.

Exclusions

To help achieve a smooth transition to a low-carbon economy, Coutts engages actively with the companies in which we invest that make a significant contribution to global greenhouse gas emissions. The outcomes we seek include achieving a reduction of global emissions in line with the goals of the Paris Agreement.

Our engagement objectives with such companies include:

- Appropriate board-level oversight of climate change risks and opportunities
- Good governance of any lobbying on climate change, in line with the company's published policy on climate change
- Action plans on climate change aligned to the goals of the Paris Agreement, including setting greenhouse gas reduction targets that are 'science-based', in line with limiting global warming to below 2°C
- Disclosures by companies in their annual financial reporting that are in line with the recommendations of the Taskforce on Climate-related Financial Disclosures

We prefer to engage with companies rather than simply exclude them. Exclusions and divestment can be effective risk management strategies, but the real-world impact of divestment is limited, as selling an asset merely changes its ownership. Moreover, divestment means giving up influence for positive change. If we believe further engagement activity will not be productive, we will strongly consider selling our stake in that particular company.

Four specific exclusions

There are, however, certain activities in which we will not invest. For direct investments and within segregated mandates we will not invest in any company that:

- Derives more than 5% of its revenue from **thermal coal extraction** for coal mining and exploration
- Derives more than 25% of its revenue from **thermal coal generation**, including utilities that own and/or operate coal-fired power plants
- Derives more than 5% of its revenue from **involvement in tar sands** – these are a mixture of clay, sand, water and bitumen that are mined and refined into oil
- Derives more than 5% of its revenue from **Arctic oil and gas exploration**. This is evaluated on the basis of whether or not a company holds at least one license or permit for drilling or exploring the Arctic offshore region. Sustainalytics provides binary (yes or no) information for this category

This decision is made on the basis that companies with the above exposures are unlikely to be able to help the transition to a low-carbon economy.

It is important to recognise that, while we apply these exclusions for our direct holdings and within our segregated mandates, we have no control over the composition of portfolios within the funds we hold. While we actively engage with fund managers by making clear our position on climate change and the types of activities we will not invest in, it is possible that these exclusions will not apply for some of our indirect holdings.

We continuously seek to understand the investment managers' views on climate risk and how they manage these risks within the funds, and encourage them to support the transition to a low-carbon economy.

We expect to update this paper as market conditions change, better data becomes available and company strategies develop further regarding climate change.