The Plan's TCFD reporting requirements

Update

Year ending 31 December 2025

Prepared for: The Trustee of the Heinz Pension Plan

Prepared by: Aon

15 June 2026

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Agenda

01

Strategy

Review the latest climate-related risks and opportunities identified by the Scheme's managers over the short-, medium- and long-term time horizons.

02

Metrics and Targets

Review this year's climate-related metrics.
Assess progress against target.
Review the suitability of the existing target.

03

Governance and Risk Management

Review this year's governance and risk management pillars.

04

Next Steps

Aon to incorporate Trustee's comments into the TCFD report and circulate final version for Trustee ratification in July 2026.

This year's reporting timeline

Q1 – Q2
Aon to draft TCFD pillars and report

Q2 Meeting
Aon to present draft TCFD report.
15 June 2026

Trustee Ratification & Publication
June/July 2026

Reporting deadline 31 July 2026

31 Jul '26

Governance pillar

Risk Management pillar

Metrics and Targets pillar

Strategy pillar

Further information

This year we have updated the Plan's TCFD report to show the material information up front and including further information in the appendix. The report still meets all required regulation.

Decisions required and next steps

Considerations and decisions

- ✓ Review and approve the draft TCFD report, which is included in the meeting pack as a separate paper. In particular:
  - ✓ Provide comments or any suggested changes to the draft TCFD report.
  - ✓ Note the timeline for the next steps on the TCFD report.
  - ✓ Confirm suitability of target for TCFD report.

Next steps

- Aon to incorporate Trustee's comments, if any, into the TCFD report and circulate final version for Trustee ratification in July 2026.

The TCFD report should be published online by **31 July 2026** and a link to the report must be included in the Trustee's Report and Accounts.
Members should be informed that the TCFD report has been published and where it can be found.

The TCFD's recommended disclosures

Where this session fits in the TCFD framework

1 Governance

1.A Describe the board's oversight of climate-related risks and opportunities.

1.B Describe management's role in assessing and managing climate-related risks and opportunities.

2 Strategy

2.A Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

2.B Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.

2.C Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

3 Risk Management

3.A Describe the organization's processes for identifying and assessing climate-related risks.

3.B Describe the organization's processes for managing climate-related risks.

3.C Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

4 Metrics and Targets

4.A Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.

4.B Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.

4.C Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

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Source: TCFD, Recommendations | Task Force on Climate-Related Financial Disclosures

1

Strategy

Strategy pillar

Core changes made

We reviewed the Strategy section of last year's report. This review consisted of ensuring all the information is still relevant and updating the wording according to the general feedback received from TPR.

- **Climate Scenario Analysis:** The Plan has previously carried out a quantitative analysis to describe the impact of climate scenarios on the Plan over the short-, medium- and long-term time horizons. Given the require work and cost to re-run the analysis and following recent derisking actions taken by the Trustee, this year we have included a qualitative analysis which is more appropriate.
- **Risks and Opportunities Questionnaire:** We asked your investment managers to provide an updated assessment of the climate-related risks and opportunities they believe their funds are exposed to over the short-, medium- and long-term, or confirm there have been no significant changes since last year's analysis.
- **Narrative:** We reviewed and considered the original wording and enhanced/updated this where relevant and appropriate (considering investment manager responses and feedback from TPR on its observations of best practice in this area).
- **Covenant analysis:** We added wording to explain the climate-related risks affecting the sponsor covenant in line with TPR's latest guidance.

Manager responses

This year all of your managers responded to our request to review the responses they provided to the questionnaire previously.

- BlackRock were unable to provide a risk assessment analysis for reputation risks as this is not a risk which is currently modelled by the manager.

Action needed: The Trustee should review and approve Strategy pillar statement.

2

Metrics and Targets

Your carbon metrics

Total GHG Emissions

The total greenhouse gas (GHG) emissions associated with the portfolio. It is an absolute measure of carbon output from the Plan's investments and is measured in tonnes of carbon dioxide equivalent (tCO2e). .

Carbon footprint

Carbon footprint is an intensity measure of emissions that takes the total GHG emissions and weights it to take account of the size of the investment made. It is measured in tonnes of carbon dioxide equivalent per million pounds invested (tCO2e/£m).

Portion of the portfolio with SBTi-validated targets

A metric which gives the alignment of the Plan's assets with the climate change goal of limiting the increase in the global average temperature to 1.5˚C above pre-industrial levels. It is measured as the percentage of underlying portfolio investments with declared net-zero or Paris-aligned targets that have been verified by the Science based Target Initiative ("SBTi").

Data quality

A measure of the proportion of the portfolio that we have high quality data for (i.e., data which is based on verified, reported, or reasonably estimated emissions, versus that which is unavailable).
This has been selected on the basis that it provides a consistent and comparable measure of the level of confidence in the data.

Source: Department for Work and Pensions, 2022 Governance and reporting of climate change risk: guidance for trustees of occupational schemes

Carbon metrics

For the portfolio *excluding* LDI
Scopes 1 and 2

Emissions	Carbon footprint	Data quality	Proportion of holdings with SBTI-validated targets
17,203 tCO_2e	65.8 tCO_2e/£M	86.7%	47.7%
vs 2024 ↓ 53%	↓ 16%	↑ 24%	↑ 21%

Scope 3

Emissions	Carbon footprint	Data quality
112,065 tCO_2e	434.0 tCO_2e/£M	85.6%
vs 2024 ↓ 41%	No change in %terms.	↑ 35%

Source: Investment managers / Aon. Figures may not sum due to rounding. Data as at 31 December 2025 and 31 December 2024 respectively unless specified otherwise.

Carbon metrics

Commentary

Equity

The data coverage for the carbon metrics provided by UBS remains high and in line with expectations for this asset class. UBS has now also been able to report on Scope 3 carbon metrics.

The total emissions covering scopes 1 & 2 decreased over the year. This can be attributed to a decrease in the amount invested in equities.

The portion of the portfolio with net zero or Paris aligned targets has increased over the year.

Credit

The data coverage for the carbon metrics for the credit funds has remained fairly consistent over the year.

The BlackRock Buy & Maintain, the Multi-Asset Credit Fund and the Diversified Liquid Credit Fund saw its scopes 1 & 2 emissions reduce over the year.

It is expected for short-term volatility to arise within credit mandates especially in the early years of reporting as managers refine their reporting and estimation methods.

LDI

As the carbon footprint of the LDI mandate is estimated using public data, the data coverage is assumed to be 100% and hence has remained the same over the year.
Since last year, scope 1&2 emissions and the carbon footprint for the LDI mandate has decreased. Across the industry, scope 3 carbon data and the portion of the portfolio SBTi-aligned are not yet widely available for sovereigns and hence are deemed not applicable.

Progress made towards your target

Targets Set

- **50% reduction** in the GHG emissions (**Scope 1&2**) of the Plan's non-Gilt assets by 2030 using **31 December 2021 as a baseline**.
- **50% reduction** in the GHG emissions (**Scope 3**) of the Plan's non-Gilt assets by 2030 using **31 December 2022 as a baseline**.

Update versus target

The table below summarises the progress against the climate-related target for the Plan over the last two years.

	31/12/2025	31/12/2024	31/12/2023	31/12/2022	31/12/2021
Scope 1&2 GHG Emissions (Excluding Gilts)	17,203	36,296	41,151	39,897	57,316
Scope 3 GHG Emissions (Excluding Gilts)	112,065	190,763	148,559	174,553	Not collected

Source: Investment Managers / Aon.

Action needed: The Trustee should review and approve current target for the Plan.

Target Suitability

The Statutory Guidance states that the suitability of targets set should be reviewed annually based on the data collected.

We have reviewed both targets and are comfortable that these remain suitable for the Plan for this year's TCFD report. Although the Plan has made good progress towards its targets, we are not expecting the Plan will need to publish a TCFD report beyond 2026 (due to the buy-in) so we do not think they will need revising or restating.

As detailed by the Statutory Guidance, targets are not legally binding and TPR welcomes more ambitious targets. We believe these targets would satisfy TPR should they review the Plan's report.

3

Governance and Risk Management

Governance pillar

Core changes made

We reviewed the Governance wording from last year's report. This review consisted of ensuring all the information is still relevant and updating the wording according to the general feedback received from TPR. We have:

- Reviewed and considered the original wording, and enhanced/updated this where relevant and appropriate (considering feedback from TPR on its observations of best practice in this area); and,
- Included in the "Trustee Update" highlights the activity that has been/will be undertaken by the Trustee over the reporting year.
  - Over the year, the Trustee reviewed the Plan's RI policy and beliefs and assessed each managers' RI policies and practises to check for alignment.

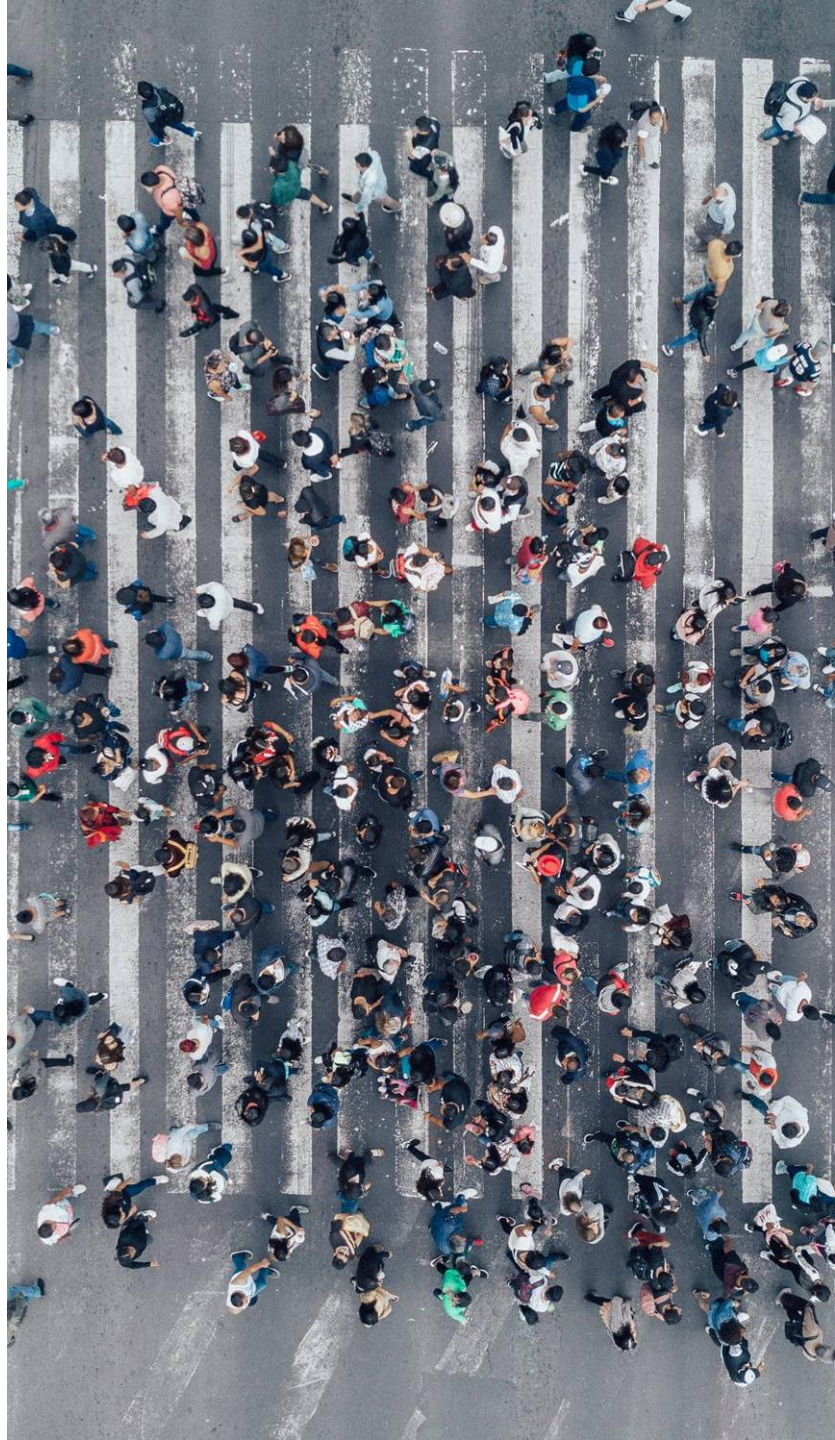
Action needed: The Trustee should review and approve Governance pillar.

Risk Management pillar

Core changes made

We have also reviewed the Risk Management section of last year's report. The review consisted of ensuring all information is still relevant and updating the wording according to the general feedback received from TPR. We have:

- Reviewed and considered the original wording, and enhanced/updated this where relevant and appropriate (considering investment manager responses and feedback from TPR on its observations of best practice in this area); and



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Action needed: The Trustee should review and approve Risk Management pillar.

4

Decisions required and next steps

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Next steps

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5

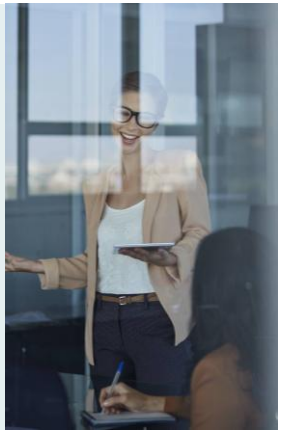
Appendix

What are other schemes doing

1

Portfolio alignment targets

*"To improve the portion of the portfolio which have net zero or Paris-aligned targets to **more than 40% by 2026**"*



2

Aligning with insurer's targets

*"Align with the **net zero by 2050** target set by the Scheme's bulk annuity provider."*

3

Net zero targets

"To reach carbon neutrality by 2050"

*To achieve carbon **intensity reduction of 50% by 2030**."*

4

Carbon reduction targets

*"To reduce carbon emissions in the equity and corporate bond portfolio by **50% by 2035**."*

5

Strengthen existing targets

"The target has now been met so we revised the target to achieve data coverage of 70% by 2027"

Climate Disclosure and Compliance

Publish Online
Publish climate disclosures report on own or Scheme Sponsor's website.

Scheme Return
TPR Scheme return to include link to report.

Annual Reporting
Reference climate disclosures report in annual Report and Accounts.

Non-Compliance Fines
Mandatory penalty for complete failure to publish a climate disclosures report (min £2,500).

Member Communications
Notify members of climate disclosures report via Annual Benefit Statement or Annual Funding Statement.

Other Penalties
Other penalties subject to TPR discretion.

Footnotes to the carbon metrics

2025 data as at 31/12/2025.

2024 data as at 31/12/2024.

Please note figures may not sum due to rounding.

LDI metrics

Scope 3 emissions are not applicable to gilts.

Emissions associated with the LDI have been calculated from the following sources:

- Physical-synthetic split as at 31 December 2025/31 December 2024 from the manager.
- UK national emissions from the Emissions Database for Global Atmospheric Research as at 2024/2023.
- PPP-adjusted GDP from the Organization for Economic Cooperation and Development as at 2024/2023.

For the gilt assets, carbon metrics are shown in relation to the Plan's physical and repo gilt holdings.

Availability of data (2025)

- All managers provided scopes 1, 2 and 3 GHG emissions.
- All managers provided portfolio alignment data.

Availability of data (2024)

- All managers provided scopes 1, 2 and 3 GHG emissions.
- All managers provided portfolio alignment data.

Aon has not made any estimates for data that was not provided by the managers.

Summary of metrics methodology

- There is no industry-wide standard for calculating some of the carbon metrics yet and different managers may use different methods and assumptions. These issues are common across the industry and highlight the importance of climate reporting to improve transparency. We expect that in the future better information will be available from managers as the industry aligns to expectations and best practice standards.
- Aon collected carbon metrics from managers before aggregating by asset class. The methodology used for this aggregation does not make any assumptions about the carbon emissions for assets for which data was unavailable. The aggregation methodology is as set out below:

  G = A x C x F

  G = Total GHG expressed as (tCO2e).

  A = Assets expressed in £ Millions.

  C = Data Coverage expressed as a percentage.

  F = Carbon Footprint expressed as (tCO2e/£M invested).
- Aon did not make any estimates for missing data.
- The methodology used follows the industry-standard best-practice established within the Carbon Emissions Template. https://www.plsa.co.uk/Policy-and-Research/Document-library/Carbon-Emissions-Template
- The investment managers provided the portion of the portfolio with net zero or Paris-aligned targets for their funds. Aon aggregated the results based on the portion of Scheme assets invested in each fund. The Scheme's binary target measurement only represents the portion of the portfolio for which we received data.

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