Supplemental TCFD/GHG status report

City of London Investment Group

77 Gracechurch Street, London, EC3V 0AS

Produced in collaboration with Eco3 Partnership Limited

Pending Compliance Period 1st July 2022 to 30th June 2023

July 2023

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1. Executive Summary

The intention of this supplemental report is to provide further insight into how CLIG is responding to the risks and opportunities from climate change. The report has been produced in collaboration with ECO3 Partnership Limited.

We provide further insight into how we are continuing to embed TCFD recommendations into our business, how we consider climate risks and opportunities, and provide an update on the targets & metrics associated with our developing GHG reduction strategy.

Adaptation to climate change is now widely recognised as an equally important and complementary response to the mitigation of our own greenhouse gas (GHG) emissions.

Our supplemental report covers:

- **Progression of our TCFD disclosure.**
- **Our approach to climate-related risks and how they could impact our operations and investments.**
- **Operational GHG reduction:**
    - Steps taken and planned to reduce our carbon footprint through the procurement of energy contracts underpinned by renewable energy/Renewable Energy Guarantees of Origin (REGOs). *This will be reported in our market-based emissions in our forthcoming 2023 Annual Report & Accounts ('ARA').*
    - Consolidating our operational footprint- *we closed our Dubai and Seattle offices in our last financial year, reducing our carbon footprint.*
- **Our ongoing approach towards net zero:**
    - Extending our Scope 3 GHG assessment this year, to assess our upstream and downstream emissions.
    - An interim review of targets under consideration.
    - Carbon offsetting considerations.

City of London Investment Group PLC (CLIG) is an established asset management group which has built its reputation specialising in global closed-end fund (CEF) investments, via City of London Investment Management Company Limited (CLIM), with an institutional client focus.

The Group has expanded its range by merging with Karpus Investment Management (KIM) to provide CEF strategies to wealth management clients.

Both CLIM and KIM primarily invest in CEFs on behalf of their clients and look to exploit discount efficiencies to achieve capital growth and generate outperformance against relevant benchmark indices. CLIM and KIM have separate investment teams with different investment processes to achieve this goal. CLIM is a UK based investment management company that primarily has a US institutional client-base, while KIM is a US based Registered Investment Advisor that primarily has a US retail client-base.

As a listed company, we disclose environmental initiatives at the Group level in our Annual Report & Accounts. Our current initiative is to move, where possible, the energy sources of the offices of our two operating subsidiaries (CLIM and KIM) to renewable sources. As of the time of this document, KIM's Rochester office and CLIM's UK office have procured green energy electricity contracts. The Group's other offices intend to transition to renewable energy tariffs in the Fiscal Year ending June 30, 2024, where feasible pending landlord restrictions. Our business model is to implement an investment strategy that exploits discount volatility in closed-end funds on behalf of our clients. Improving CEF governance has been a key objective for our group since our business was founded, but neither CLIM nor KIM select CEFs solely based on their ESG characteristics.

That being said, we appreciate that climate risk may materialise over the short and medium term and continue to develop our investment process into the future considering climate risks and opportunities.

2. Governance

2.1. Board Oversight

The Board of CLIG recognise the importance of good corporate practice and is committed to maintaining high standards of corporate governance throughout the group.

The structure of our Governance Committees is shown below:

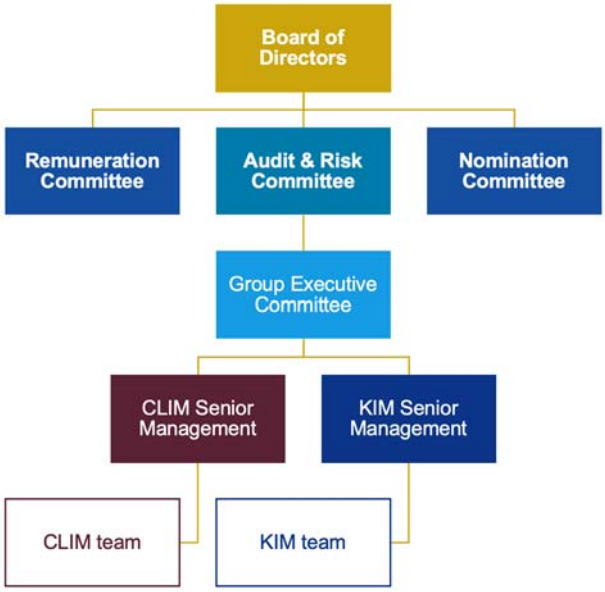

Figure 2-1 Corporate Governance- Climate risk management

With respect to overseeing our approach to climate change, board oversight is structured as follows:

- The CLIG Board of Directors has the ultimate responsibility for identification and management of climate risk.
- The Audit & Risk Committee (A&R) has oversight of the reporting of climate risk. A&R is also responsible for monitoring the quality of internal control, ensuring that the financial performance of the company is properly measured and reported on, meeting with the auditors and reviewing reports from the auditors relating to accounting and internal controls.
- The Group Executive Committee (GEC) has responsibility to bring climate matters to the A&R and Board of Directors. The GEC is comprised of the following staff:
    - CEO
    - CFO
    - CIO-CLIM
    - CIO & President- KIM
    - Business Development

A&R manage the group's treatment and approach to ESG. The committee met three times in the financial year of 2022, and have met four times in the financial year of 2023. Part of the agenda of the meeting is an evaluation of climate related risks and the adoption of strategies designed to mitigate climate related risk.

Our approach to climate related risks and reporting is summarised within our Audit & Risk Committee Terms of Reference. The Committee shall:

- Consider and report to the Board the actual and potential impacts of material climate-related risks and opportunities to the Group's business, strategy and financial planning and their impact on the financial statements.
- Consider the processes, including the metrics and targets, used by the Group to identify, assess and manage climate-related risks.
- Review the Group's annual disclosures on environmental matters, including carbon reporting and climate-related financial disclosures contained in the annual report prior to publication.
- Monitor compliance with any social, ethical or sustainability codes or principles that are introduced which apply to the Group.

2.2. Management Oversight

Senior management in KIM & CLIM support the assessment of climate-related risks and opportunities. Senior management includes CLIM's portfolio managers who are responsible for implementing stewardship for their respective strategies with the assistance of a UK based governance and ESG specialist. This ensures a coordinated response where an asset is held across multiple strategies within CLIM.

CLIM's research teams further support management by conducting annual due diligence on the investment manager of each closed-end fund (CEF) investment. ESG issues are considered as part of this process, with the assistance of Sustainalytics ESG Risk Ratings. This work is undertaken in order to understand better the sustainability performance of the underlying CEF portfolios.

Our profit share scheme is based on overall operating profits and includes all employees. It does not target specific KPIs such as stewardship integration, but improved ESG, particularly CEF governance, is a factor in this value chain where it results in better outcomes for client portfolios.

3. Strategy

3.1. Identification of Climate Risks & Opportunities

At investment management level

CLIM and KIM invest primarily in CEFs on behalf of their clients. Their business models are to implement investment strategies that exploits discount volatility in CEFs to achieve capital growth and outperform relevant benchmark indices.

Improving CEF governance has been a key objective since the business was founded, but neither CLIM nor KIM select CEFs solely based on their ESG characteristics.

With respect to investment strategy, transparency is a key mantra because of the belief that this results in narrower discounts, as market participants will inherently gravitate towards investments where they have access to more underlying data.

- CLIM conducts annual due diligence on CEF managers in order to understand their investment process, including the extent to which ESG analysis is incorporated into process.
- CLIM requests regular NAV disclosures daily and full schedules of underlying portfolios monthly. This principle of promoting greater transparency is extended to the ESG characteristics of the underlying portfolios. Certain CEFs, have responded by providing their shareholders with a detailed overview of portfolio ESG characteristics, including ESG materiality scores vs index, carbon footprint disclosures and an engagement summary.
- CLIM evaluates portfolio ESG scores each year using Sustainalytics data to analyse the ESG characteristics of the underlying CEF investments, and as a basis to promote ESG awareness to CEF boards and their investment managers. This information informs our discussion with investment managers regarding their ESG credentials at annual due diligence meetings.
- A summary of ESG scores is included within CLIM's annual Stewardship Report.

CLIMs investment process is driven predominately by capitalising on CEF discount inefficiencies. The ESG characteristics of the underlying CEF portfolios are not the primary reason for selection. However, we appreciate that ESG ratings require consideration, and we therefore encourage CEFs to be more explicit regarding the integration of ESG factors into their investment process.

At CLIG corporate level

Recognising that climate risk manifests through the physical effects of changing weather patterns and by efforts to reduce and eliminate the GHG emissions that drive those physical risks, we have identified a series of risks, and their associated drivers, across three-time horizons- 1) Short Term, which is 0-5 years, 2) Medium Term, which is 5-10 years, and 3) Long Term, which is 10+ years.

- **Physical risks** resulting from climate events and hazards can be subdivided into acute and chronic risks.
    - **Acute physical** risks include weather related or exacerbated events, that are increasing with climate change, such as floods, hurricanes, and wildfires.
    - **Chronic risks** consider gradual, long-term trends such as rising average temperatures and sea levels. The Intergovernmental Panel on Climate Change (IPCC) climate modelling forecasts increases to both of these categories, which could create physical hazards to business property and other assets in the built and natural environment, as well as indirect impacts from supply chain disruption. Financial performance could also be affected by changes in water availability, extreme temperature changes affecting our premises and operations, as well as the transport needs and safety of our employees.
- **Transition risks** manifest from the transition to a lower-carbon economy. They entail extensive policy, legal and technology risks as well as changes in consumer pressures/preferences to address the mitigation and adaptation requirements to combat climate change.

Transition risks and opportunities are particularly important in the near term, whilst **physical risks** are increasingly important over longer time horizons, although these will vary by asset class and risk type.

We have commenced a review of potential climate risk exposure, including risk drivers and how they could translate to CLIG across three initial time horizons. A summary of key risks, their drivers and potential transmission routes are illustrated below:

High impact Medium Impact Low Impact

Risk Category	Sub-category	Risk drivers	Risk driver description	Potential method of transmission to CLIG	Short Term (0-5yrs)	Medium Term (5-10 yrs)	Long Term (10+ yrs)
Financial risks	Market	Physical & Transitional risks	• Particular market/asset sectoral declines • Market adjustments to pricing of climate risks • Climate event impacts on clients	• Investment product supply and demand shift • Climate risks & opportunities that could impact the value of assets • Reduced revenue from decreased demand for goods/services			
	Interest Rates	Physical & Transitional risks	• Inflationary pressure could be created by increasing carbon prices & increasing investment demand from climate change	• Potential to increase differentials between geographical zones, and or general interest rate environment • Policy uncertainty could lead to higher investment premiums			
	Credit	Physical & Transitional risks	• More stringent criteria resultant from climate driver	• Climate risk could impact client creditworthiness or collateral/assets held by CLIG, or held by an operating subsidiary on behalf of a client			
	Liquidity	Physical & Transitional risks	• Market condition changes impacting access to stable sources of funding • Drop in deposits from climate impact to BAU models	• Climate disruption could impact client access to capital, creating potential constraints to access capital and/or resulting in declines in their wider asset bases and lower investment • Early exit potential could increase			
Business risks	Strategic	Physical & Transitional risks	• Future sustainability drivers or concerns of our clients • Pace of development of green products	• Potential for client sentiment to change over time • Focus on discount volatility may not leverage new investor profiles (consumer generational preference/product shift)			
	Operational	Physical & Transitional risks	• Climate resilience of operations	• Increasing frequency or magnitude of climate events may disrupt our operations, increasing potential for operational loss or error • Abrupt and unexpected shifts in energy costs			
	Technology & resilience	Physical & Transitional risks	• Acute and chronic physical risks	• Costs to adopt/deploy new practices and processes • The increasing severity of climate events could disrupt operations, our assets and supporting infrastructure. • R&D expenditure in new technologies			
	Regulatory compliance	Physical & Transitional risks	• Concerns around own or products GHG footprint, or compliance disclosures	• Increasing legal and regulatory compliance risk associated with climate-sensitive investments and businesses • Potential legal liabilities or litigation increase related to product based disclosures			
	Reputational	Physical & Transitional risks	• Defining and meeting climate commitments • Green product disclosures & labelling • Climate strategy variance across geographical regions	• Changing customer or employee perceptions of our contribution to or detraction from the transition to a lower-carbon economy			

Table 3-1 Climate risks and drivers- initial review

We continue to consider climate related transitional opportunities, which are summarised in Table 3.2 below.

Opportunity category	Climate related opportunities
Market & offering	▪ Potential medium to long term access to new markets ▪ Ability to diversify business activities ▪ Shift in consumer preferences
Resilience	▪ Participation in renewable energy programs (market-based) and adoption of energy efficiency measures ▪ On site renewable energy generation
Reputational	▪ Reputational benefits resulting in increased demand for goods/services, and own approach towards GHG mitigation
Operational efficiency	▪ Move to more efficient buildings or refurbishment of existing ▪ Reduced operational usage and consumption - water, materials & waste ▪ Transportation policy changes and humanitarian offsetting of necessary flights for business travel

Table 3-2 Climate opportunities- initial review

3.2. Impact of Climate Risks & Opportunities

We acknowledge the gradual change potential in physical risks are happening now and will only increase over the coming decades.

Transition risk is more time pressing and will likely have a higher impact on CLIG's operations in the short and medium term.

We will consider potential financial impacts and opportunities, which are presented in Table 3-3 below.

Risk Category	Financial Impacts	Financial Opportunities
Market	▪ Reduced demand for services due to shift in consumer preferences ▪ Further abrupt and unexpected shifts in energy costs ▪ Change in revenue mix and sources, resulting in decreased revenues ▪ Re-pricing of underlying assets (e.g., land and fund valuations)	▪ Increased revenues through access to new markets
Operational	▪ Increased operating costs (e.g., from higher compliance costs or increased insurance premiums & costs to reduce emissions trajectory) ▪ Write-offs, asset impairment, or early retirement of assets due to policy changes	▪ Reduced operating costs (e.g., payback through energy efficiency measures and reduced operational demand/consumption) ▪ Benefits from optimised workforce management and planning (e.g., improved health and safety, employee satisfaction) resulting in lower costs
Reputational	▪ Reduced revenue from decreased demand for services ▪ Reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention) ▪ Reduction in capital availability	▪ Reputational benefits resulting in increased demand for our services

Table 3-3 Financial impacts and opportunities from climate risk

3.3. Scenario Analysis

We plan to undertake scenario analysis and provide further update within our 2023 Annual Report & Accounts, which will be published in September 2023.

We are considering the most appropriate scenarios. Those under consideration at present include:

- **Network for Greening the Financial System (NGFS)** climate scenarios (Orderly, Disorderly, Hot house world, Too little, too late scenarios).
- **International Energy Agency (IEA)** WO-2021 scenarios (Stated policies, Announced pledges, Sustainable development, Net Zero scenarios).
- **Intergovernmental Panel on Climate Change (IPCC)** AR6 scenarios (Most optimistic, Next Best. Middle of the road, Dangerous, Avoid at all costs).

All scenarios generally consider pathways ranging from a positive scenario where climate policies, investment and action are introduced early, and become gradually more stringent through to failure, through to more pessimistic scenarios, i.e., a late transition fails to limit physical risks.

Business-as-usual scenarios, i.e., currently implemented policies, are estimated to lead to a world that is at least 3ºC hotter. The key focus in the industry however is to reach net-zero emissions by around 2050, limiting global warming to 1.5°C above pre-industrial levels.

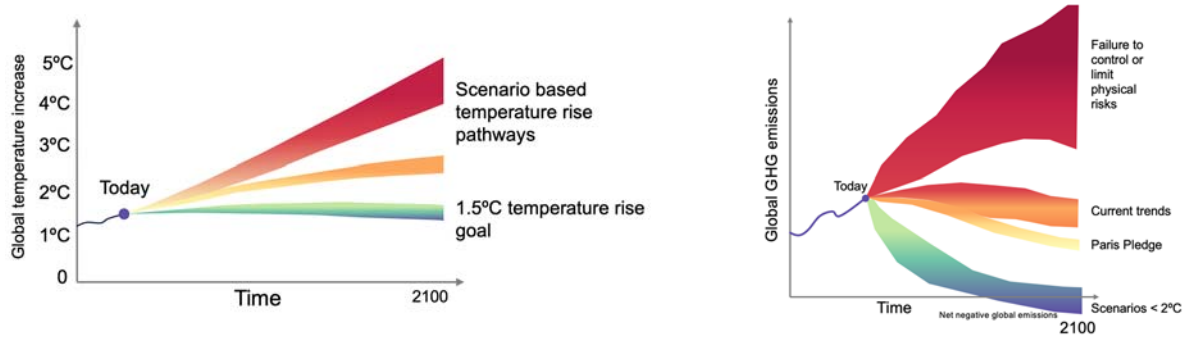

Figure 3-1 Illustrative scenario pathways- temperature rise & net emissions

Our scenario analysis will be qualitative and focused on:

- Assessing the materiality of climate related risk and where we believe our strategies may be affected by potential climate related risks and opportunities.
- Identifying and defining the range of scenarios considered and associated time horizons.
- Evaluating business impacts.
- Identifying our potential responses to support our clients, employees, and shareholders, to address potential risks and opportunities.

We will consider a transition to a lower-carbon economy consistent with a 2°C or lower scenario and where applicable to CLIG, scenarios consistent with increased physical climate-related risks.

4. Risk Management

4.1. Identifying & assessing climate risks

To support our supplemental climate disclosure, we have reviewed key risks outlined within the Carbon Disclosure Project (CDP) and within the Task Force on Climate-related Financial Disclosure (TCFD) documentation. A list of applicable risks to CLIG have been defined and codified to support further assessment on an ongoing basis. Where appropriate, selected climate risks will be embedded into our risk framework.

Climate Risk Category	Sub-Type	Risk Code	Risk Map ID	Identified risks
Transition Risks	Policy and Legal	TPL.01	R.01	Increased pricing of GHG emissions
		TPL.02	R.02	Enhanced emissions-reporting obligations
		TPL.03	R.03	Mandates on and regulation of existing products and services
		TPL.04	R.04	Exposure to litigation
		TPL.05	R.05	Regulation and supervision of climate-related risk in the financial sector
		TPL.06	R.06	Investing that could create or contribute to systemic risk for the economy
		TPL.07	R.07	Carbon pricing mechanisms
	Technology	TT.01	R.08	Substitution of existing products and services with lower emissions options
		TT.02	R.09	Costs to transition to lower emissions technology
		TT.03	R.10	Unsuccessful investment in new technologies
		TT.04	R.11	Transitioning to lower emissions technology
	Market	TM.01	R.12	Changing customer behaviour
		TM.02	R.13	Uncertainty in market signals to climate risk
		TM.05	R.16	Rise in risk-based pricing of insurance policies (beyond demand elasticity)
		TM.06	R.17	Loss of clients due to a fund's poor environmental performance outcomes (e.g., if a fund has suffered climate-related write-downs)
		TM.07	R.18	Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit
	Reputation	TR.01	R.19	Shifts in consumer preferences
		TR.02	R.20	Negative press coverage related to support of projects or activities with negative impacts on the climate (e.g., GHG emissions, deforestation, water stress)
		TR.03	R.21	Stigmatization of sector
		TR.04	R.22	Increased stakeholder concern or negative stakeholder feedback
Physical Risks	Acute	PA.01	R.23	Increased likelihood and severity of wildfires
		PA.02	R.24	Increased severity of extreme weather events such as cyclones and floods
		PA.03	R.25	Heatwaves
		PA.04	R.26	Coldwaves / frost
		PA.05	R.27	Droughts
		PA.06	R.28	Heavy precipitation (rain, hail, snow/ice) floods
	Chronic	PC.01	R.30	Changes in precipitation patterns and extreme variability in weather patterns
		PC.02	R.31	Deforestation
		PC.03	R.32	Water stress
		PC.04	R.33	Rising mean temperatures
		PC.05	R.34	Rising sea levels

Table 4-1 Climate risks- Transitional & Physical considerations

4.2. Managing climate related risks

We are developing our approach to help integrate climate-related risk into our decision process.

From an operational perspective, we have reduced our global footprint by closing our Seattle and Dubai offices in 2022. The operational reductions resultant from these office closures will be reviewed in due course. Further detail on how we plan to manage our operational climate risk is detailed in section 5.

4.3. Integration into risk management processes

We will consider reviewing the manner in which we have introduced the management of climate risk into our Group level risk management framework.

Consideration will be given as to whether we could enhance our risk management processes with the integration of specific climate risk training, strategic planning or processes and controls. Any material climate risks and opportunities identified will be actioned as necessary on an ongoing basis.

ESG is considered at the level of both the CEF corporate and the underlying CEF portfolio. CLIM is a large investor in CEFs and at the corporate level prioritises governance factors over underlying portfolio ESG issues when assessing a potential holding prior to purchase.

In respect of the underlying CEF portfolio, CLIM's research teams undertake due diligence annually on CEF investment managers which includes their processes for incorporating ESG and for mitigating climate change risks.

Overall ESG risk for all CLIM portfolios as at end December 2022, using Sustainalytics, was 1.4% lower than their respective benchmarks. By strategy, overall ESG risk for the EM strategy was 1.3% below benchmark and for the international equity and opportunistic value strategies it was 1.6% lower. CLIM does not set targets for these measures.

In 2022, 64 CEF portfolios were analysed (71 in 2021) using Sustainalytics data, representing 72% of CLIM's AUM at the calendar year end (vs 70%). In those CEF portfolios that were analysed, Sustainalytics covers 92% of the underlying securities on a size weighted basis.

Sustainalytics does not cover unlisted companies and has limited small cap coverage. CLIM's CEF portfolios are typically overweight smaller and mid cap securities.

Figure 4-2 below shows the distribution of securities held in client portfolios as at end 2022, according to their overall ESG risk compared to their specific benchmark.

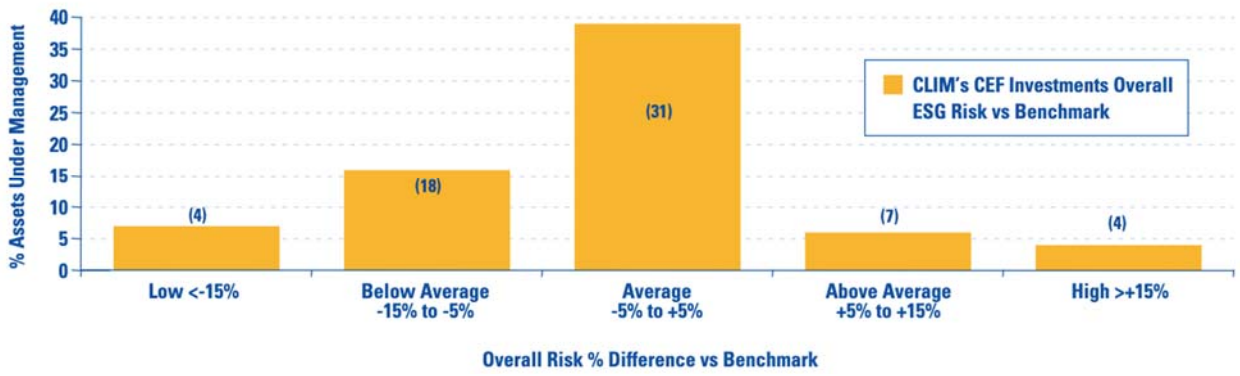

Figure 4-1 CLIM's CEF investments overall ESG risk vs benchmark

5. Metrics & Targets

5.1. Alignment with strategy & risk management

The following section relates to our own operational footprint.

In addition to our commitment to develop our understanding of climate-related risks and our GHG reduction pathway, we have been focusing on acquiring green (renewable energy) electricity contracts for all of our offices.

A summary of progress made to date is shown below:

- **London-** we have procured electricity contracts backed by renewable energy sources.
- **Rochester**- we have signed up for the local 'Catch the Wind' energy procurement program, which leverages wind power generated by turbines in New York State, to provide a proportion of the demand for the office.
- **For our remaining offices**, we are researching renewable electricity procurement options. Where possible, we will also consider offset programmes.
- The benefits from these programmes, where implemented, will be reported through our Scope 2 market-based emissions in the 2023 Annual Report & Accounts.
- We will continue to review and optimise our utilities procurement strategy.

Additional actions in period include:

- A reduction in our operational footprint and emissions through the closure of our Dubai and Seattle offices.
- Continued emphasis remains on the utilisation of video conferencing for both internal and client meetings to minimise our carbon footprint.
- In July 2022, we adopted a group-wide hybrid working from home (WFH) policy following employee feedback. We anticipate that this will reduce our direct operational emissions. We will also assess the transfer of scope 1 & 2 direct emissions to Scope 3 category 7, resultant from the hybrid WFH policy.

5.2. Footprint

Our GHG emissions history is shown in Figure 5-1 from FY 2013/14 through to FY 2021/22. The general trend is a reduction in our emissions over time, with the exception of the anticipated rebound post COVID-19, which saw an expected increase in emissions from business travel. We anticipate an increase in travel emissions in our 2023 ARA.

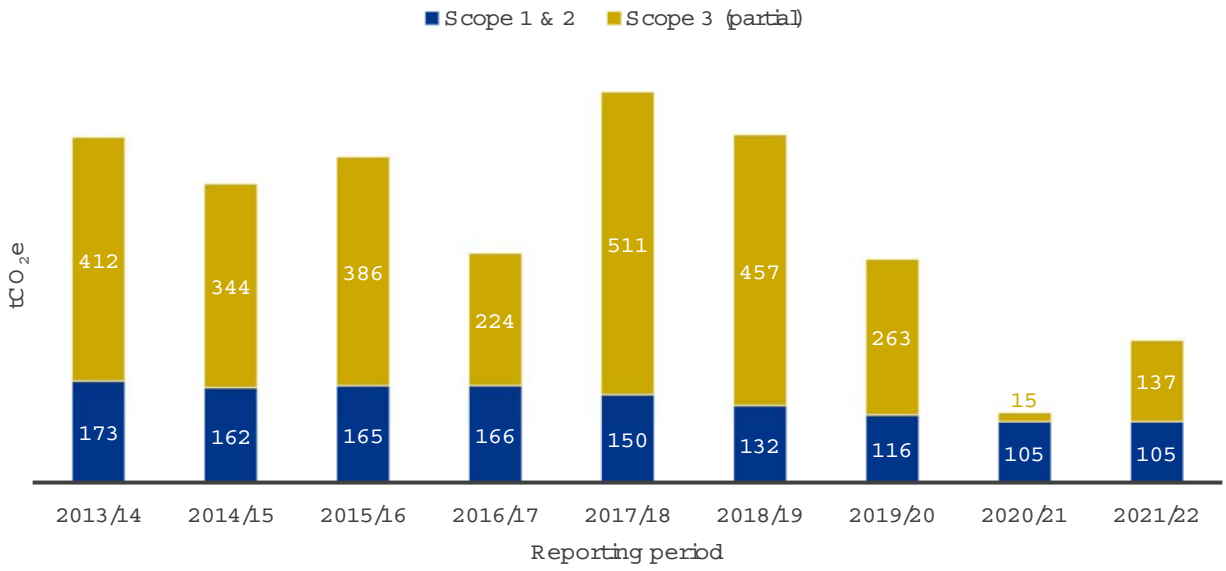

Figure 5-1 CLIG GHG emissions history

To date, for scope 3, we have partially assessed category 3 (Transmission & distribution losses from the electricity supplied to our facilities) and scope 7 (business travel), with respect to business flights only.

We will be extending our GHG assessments to cover additional scope 3 categories, as shown below. In our 2023 ARA the disclosure of our scope 3 GHG emissions will be subject to materiality assessments and internal data review. The other cross-industry, climate-related metric categories also remain subject to materiality assessments. Our assessment plan for year-end 22/23, is shown below in Table 5-1.

Emissions scope	2021/22 Assessed	2022/23 Planned
Scope 1		
Scope 2 location-based		
Scope 2 market-based		
Scope 3		
Category 1 - Purchased goods and services		Under review
Category 2 - Capital goods		Under review
Category 3 - Fuel- and energy-related activities		
Category 4 - Upstream transportation and distribution		Not deemed to be applicable
Category 5 - Waste generated in operations		
Category 6 - Business travel	Business Flights only	
Category 7 - Employee commuting, including WFH		
Category 8 - Upstream leased assets		Not deemed to be applicable
Category 9 - Downstream transportation and distribution		Not deemed to be applicable
Category 10 - Processing of sold products		Not deemed to be applicable
Category 11 - Use of sold products		Not deemed to be applicable
Category 12 - End-of-life treatment of sold products		Not deemed to be applicable
Category 13 - Downstream leased assets		Not deemed to be applicable
Category 14 - Franchises		Not deemed to be applicable
Category 15 - Investments		Not currently reported*

**refer commentary on the nature of CEF investment*

Table 5-1 Future reporting intentions vs. previous

Our 2022/23 operational and value chain emissions will be reviewed once assessed and targets planned based upon the assessed outcome.

We plan on extending our reporting to implement KPIs which will consider and target annual reductions in the volume and quantity of our operational waste, material usage and water consumption.

5.3. Targets and future actions

Our targets will be defined following our GHG assessment for FY 2022/2023.

At present, we are targeting operational net zero by 2050. This date remains under review.

CLIG is a public limited company which listed on the London Stock Exchange on 29th October 2010 and is domiciled and incorporated in the United Kingdom under the Companies Act 2006. Our net zero target considers alignment with the UK's legally binding requirement to have reduced its greenhouse gas emissions by 100% from its 1990 levels. The net zero target for the UK was defined in the Climate Change Act 2008 (2050 Target Amendment) Order 2019.

Some arguments persist over the most appropriate means and timeline for reducing and/or eliminating emissions to mitigate climate change. However, increasing numbers of governments are converging on a goal of net-zero emissions by 2050. This is in line with recommendations of the Intergovernmental Panel on Climate Change (IPCC), and the goals of the Paris Agreement in 2015 to keep the average global temperature rise 'well below 2°C above pre-industrial levels' and to 'pursue efforts' to limit the rise to 1.5°C.

In the short/medium term, as noted above, we plan to reduce what we can, and offset what we can't. Once approved, our interim ambition to become carbon neutral will be verified and certified to the requirements of PAS 2060:2014 and supported by the development of a Qualifying Explanatory Statement.

For business flights, due to our geographical spread and client base, we are reviewing our policies. Our approach will consider reducing what we can first and then offsetting necessary business travel through approved schemes, which may include:

- **Verified, humanitarian offset projects**, which may include supporting:
  - Solar lighting
  - High impact reforestation projects
  - Clean energy projects
  - Cleaner safer/water production in areas where further support is required.
  - Cooking stove provision for the world's poorest who lack access to clean cooking facilities.
- **Sustainable Aviation Fuel (SAF) offsets**.

In addition to company temperature alignment for scope 1 and 2 targets, we are keen to extend this to include scope 3 targets when practical. However, we need to define our extended scope 3 baseline, and consider the level of engagement required with our supply/value chain.

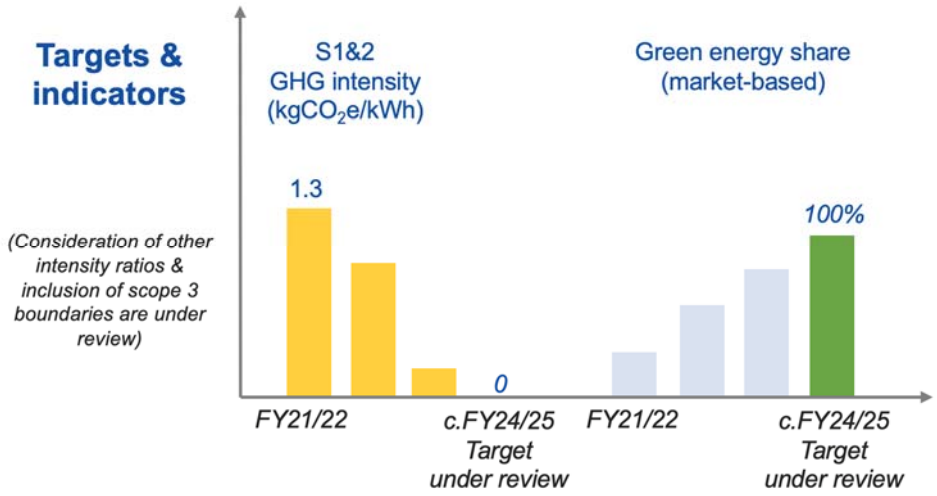

Figure 5-2 Potential targets under review & consideration

A brief summary of key activities under review, or that will be under review in the upcoming financial year, is provided below:

Utilities procurement strategy- we will review and expand our strategy to consider and secure contracts underpinned with Renewable Energy Guarantees of Origin (REGO) at all sites.

On site renewable energy technologies- We are actively considering the role of appropriate and practicable LZCs at our sites to support the reduction of our Scope 1 & 2 emissions.

Scope 3- Moving forwards, we will extend our Scope 3 emissions. This will allow us to understand the impacts of our value chain. Understanding the Scope 3 emissions attached to our business will help us to assess and manage our exposure to climate-related risk, and to consider and action opportunities arising from the transition to a low carbon economy.

Working with others in our value chain to reduce these emissions will support our stewardship role in promoting sustainability throughout our business operations, and where appropriate, within the investment life cycle of the assets under our management.

Energy efficiency actions are being reviewed for implementation moving forwards, alongside a review of our Corporate Social Responsibility (CSR) policy and development of tangible targets & milestones towards net zero.