

2025 TCFD Report

March 2026



Our Purpose –

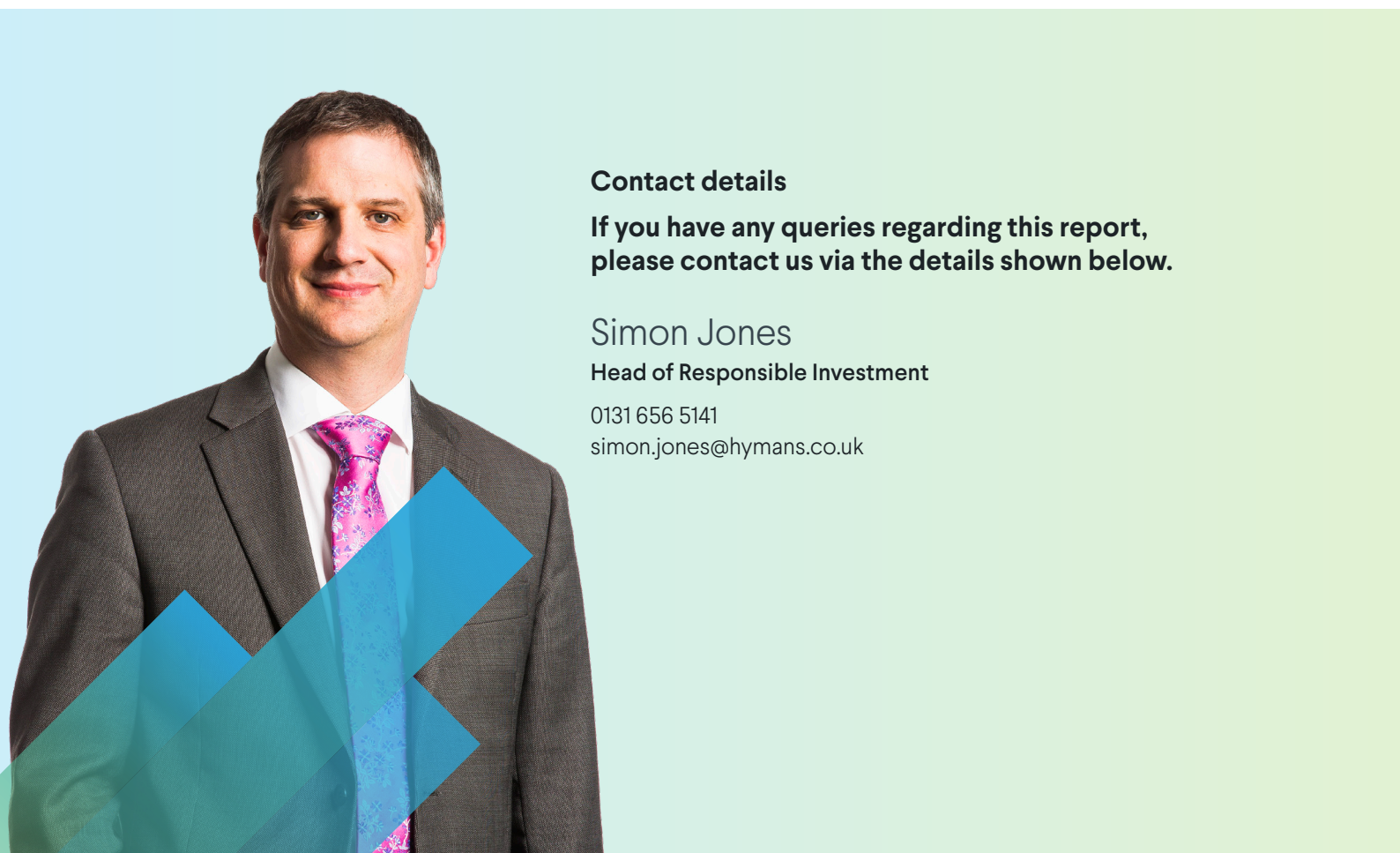
‘Together, building better futures’ –

lies at the heart of our firm and everything we do. It’s behind our services across pensions, investments and insurance that build better financial futures for millions of people in the UK. It’s about making our firm a great place to work for our 1,300+ people, the value we create for society and the role we play in building a more sustainable future – now and for generations to come.



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Contact details

**If you have any queries regarding this report,
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Introduction

Embedding climate considerations into what we do is a core goal. Failure to effectively transition to a low-carbon economy will create social, environmental and economic disruption. It's essential that climate-related risks are a fundamental consideration in our long-term financial planning advice to clients and how we run our firm.

In 2025, we continued to work towards carbon reduction goals and ambitions, embedding climate-related considerations in the way we work – from our operational activities to the way we advise our clients. We also continue to follow our [Responsible Investment \(RI\) Mission Statement](#) (hereafter Mission Statement), which outlines how we want to make the right choices, positively change our industry, and hold ourselves and others accountable to enact positive change.

This report provides detail on how we're meeting our climate commitments in line with the Taskforce for Climate-related Financial Disclosures (TCFD). We also publish an annual [Impact Report](#) and a [Stewardship Code Report](#).

Our climate-related highlights across the year to 31 March 2025

Due to the uncertainty it creates, we believe climate change is a fundamental consideration in all long-term financial planning and in our advice to clients. This enables us to remain on the front foot in the running of our business, as well as ensuring that we and our clients stay abreast of developments and improve long-term sustainability. As such, it's crucial to consider climate-related risks when we provide our services, as well as the opportunity it presents as a growth advisory area.

During the year, we were also pleased to become a member of the Better Business Act coalition, a group that drives positive change across the UK business landscape. The group comprises almost 3,000 companies that recognise the law has fallen behind business culture and are committed to a more responsible approach. The coalition's work is valuable, ultimately encouraging businesses to operate in a way that benefits not only shareholders but also employees, communities and the environment.

We also continue to follow our [Mission Statement](#). Within this, we detail our 'ABC' for a better future, distilling our thinking into three pillars of activity that guide our research and advice to clients. These are:



Achieving net zero

The world must go through a period of systemic change to protect our environment, societies, and the economy from climate change and biodiversity loss. This can be characterised by the goal of a low-carbon economy and the pursuit of 'net zero'. We help our clients understand what net zero means for them and how they can take meaningful action to align with this ambition. Our focus on climate issues is supported by the Climate Change Steering Group (CCSG), which oversees firm-wide activity, and the Net Zero Working Group (NZWG), which advances our climate strategy.

Being better stewards

Asset owners have a role to play in overseeing the assets managed on their behalf. They should thoughtfully – and, where necessary, forcefully – exercise stewardship within their sphere of influence. We help our clients create approaches to stewardship that reflect the resources they're able to commit. Where necessary, we also help them fill in the gaps. Our Stewardship Working Group was especially active in 2024/25, leading our management engagement programme and supporting clients in advancing their own engagement efforts.

Creating positive impact

Assets are invested to generate economic return, but many also directly or indirectly affect society and the environment. Being clear on desired outcomes is essential to creating impact. We help our clients better understand how they can have impact, allocate capital and exercise stewardship to create positive real-world outcomes while continuing to meet their fiduciary responsibilities.

Integrating climate change into our research, services and advice remains one of the central commitments of our own climate pledge. We and our clients rely on third parties to provide information to help inform decision-making. This reliance remains an area of concern, as sourcing and verifying data continues to be challenging. The industry acknowledges this problem, and we're doing our part to encourage improvement. Recognising the need for better climate data, we once again conducted our survey of private market asset managers and were encouraged by the improvements we saw in climate reporting within the mandates.

Our RI team is a well-resourced extended team of 22 members with diversified RI experience, supported by a broader research team of 28 specialists. The RI team has supported clients in meeting their TCFD requirements, developed methods for consulting on climate strategy, improved its scrutiny of asset managers and, most importantly, focused on helping our clients 'be better stewards'.

We've actively sought to help our clients engage more constructively with their asset managers and hold them accountable for their actions. For example, over 2024, we developed our RI Health Check; this tool allows asset owners to identify their areas of strength and discover where their processes can be improved, so they can decide how to proceed. Additionally, over the past year, we built Hymans Engage – an engagement programme that pushes managers to be more ambitious and holds them accountable.

Our focus on climate and the interrelated topic of nature is captured by our 'achieving net zero' pillar. We've continued to support our clients in framing their ambitions – and the actions to achieve them – through the development of climate transition action plans (CTAPs). We've also helped our colleagues and clients better understand climate uncertainty by evolving our approach to scenario analysis. Meanwhile, we've worked with clients and asset managers to develop forward-looking asset strategies that are supportive of change.

It's clear that our private sector pension scheme clients continue to work towards endgame strategies. Over 2023/24, we recognised the importance of ensuring that insurers properly consider climate and ESG risks by appointing Paul Hewitson as Head of ESG for Risk Transfer. This year, we've been considering further development for our clients in this area, giving due thought to how those that want to achieve endgame may also be able to consider net-zero ambitions – no matter their circumstances.

Additionally, we're proud to have maintained our Stewardship Code focus, illustrated by our 2023 and 2024 signatory status. Our full [2024 Stewardship Code Report](#) is available on our website.

We're also proud to continue to be recognised as a B Corp, as part of the B Corp Movement. Widely acknowledged as a 'gold standard' for social and environmental performance, B Corp certification is verified by B Lab, a global non-profit network with a mission to inspire and enable people to use business as a force for good. Prospective B Corps are assessed across five key areas: governance, workers, community, environment and customers. To gain the highly sought-after accolade, we had to demonstrate high standards across all areas during a rigorous verification process.

Otherwise, over the year, we've continued our work with clients on multiple projects, including overhauling sustainability strategies, beliefs and objective setting, reviewing mandates and embedding climate-risk considerations as part of wider RI within dynamic asset allocations.

Governance

Governance disclosures

Disclosure 1:

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

Climate risk is embedded within our core management and business structures as a strategic priority for the firm. Our Managing Partner, Shireen Anisuddin (also an Equity Member and member of our Management Board (MB)), is accountable for this area. Our Mission Statement is also available on our website and has been linked above.

Our MB has ultimate responsibility for all our RI and stewardship activities to provide accountability and consistency across business units. Individual business units are then empowered to embed RI considerations into the development and implementation of client-specific advice, with one accountable person within each relevant business unit. This structure is illustrated below.



Engaging our broader partner group

While the MB has formal oversight of our work, our broader partner group meets regularly to consider issues relevant to the ongoing development of our business, and provides a rich ground for gaining support and challenge of activity. The partner group receives formal updates on business activities related to climate and stewardship, and discussed broader sustainability-related issues during the year.

RI remains a priority at the most senior level of the firm. Our MB continues to support our commitment to the Net Zero Investment Consultants Initiative (NZICI) and other work we're undertaking to ensure we continue to progress. It receives periodic updates on progress and the actions taken to fulfil our commitments, demonstrating that we meet our broader obligations.

As a strategic imperative, progress against our climate activities and goals is tracked as a KPI on our strategic balanced scorecard. This is reviewed and discussed at both our monthly MB and quarterly Oversight Board (OB) meetings; our Managing Partner is accountable for the firm's work in this area. In addition, the work and progress of the Hymans Robertson Corporate Social Responsibility (CSR) team (on the firm's carbon footprint and reduction work) and the Climate Change Working Group (integrating climate risk into our client propositions and services) is regularly reviewed as an agenda item at MB meetings.

Our approach to climate change

We believe climate risk is a fundamental consideration in all long-term financial planning and in our advice to clients, due to its pervasive nature. Treating it as such will enable us to remain on the front foot regarding the running of our business and will ensure that both we and our clients stay abreast of developments and improve long-term sustainability. Therefore, it's crucial to consider climate risk when we provide our financial services, as well as the opportunity it presents as a growth advisory area. Both our carbon reduction commitments and Mission Statement were developed in recognition of this.

We're committed to a net-zero future and to climate-related targets. At the time of this report's publishing, our new Science Based Targets reduction plan is at its final approval stage, and will be shared on our website as once finalised. This commitment has been made by our owning equity members and recognises climate change as a 'strategic imperative' for the firm. This ensures that climate issues are fully integrated into the firm's strategic decision-making, our internal work and the services we deliver to clients.

We regularly review our progress with the goal of having an even more positive impact on the world. This involves noting how we're performing against our targets, and identifying room for improvement and new ways to stretch ourselves. We report on this in our annual [Impact Report](#).

A core theme for our business is engaging with staff and linking CSR to stewardship, particularly through our emphasis on DEI and wellbeing. Our carbon reduction commitments reflect our dedication to the planet's sustainability. By embedding these issues into how we operate, we enable staff – especially those who work directly with our clients – to recognise our actions as examples of leading practice. While we report this activity separately in our annual Impact Report, we've highlighted key activities below:

- ◆ **Being a B Corp**
- ◆ **Diversity, equity and inclusion (DEI)**
- ◆ **Joining the Asset Owner Diversity Charter (AODC)**
- ◆ **Developing our RI Health Check**
- ◆ **Publishing our RI Mission Statement**
- ◆ **Becoming signatories to the A4S Sustainability Principles Charter for the bulk annuity process**
- ◆ **Ongoing work with the Better Business Act coalition**
- ◆ **Carbon offsetting**
- ◆ **The Hymans Robertson Foundation**

Disclosure 2:

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



Client perspective

Our OB is responsible for overseeing the long-term strategic direction of the firm and progress against strategic priorities, including climate change.

Our MB leads the implementation and delivery of the firm's strategic goals via our market areas and business units. As a strategic imperative, climate risk is integrated into all of this activity, as described above.

Our CCSG comprises leaders and experts from across our business and is responsible for the development and integration of climate risk into our propositions and services. The CCSG reports directly to the MB. Additionally, proposition leaders across the firm are also responsible for ensuring appropriate advice and services are developed with respect to climate considerations.



Business perspective

Our carbon footprint and emissions reduction work is led by the CSR team, with our Head of CSR reporting directly to the firm's staff partner. Our MB has ultimate responsibility for all our RI and stewardship activities to provide accountability and consistency across business units.

Our management's roles and responsibilities

Oversight Board (OB)

The OB is accountable for the implementation of the firm's strategy on behalf of the members. As the name suggests, the OB focuses on the big, strategic picture – typically with a 5-to-10-year timeframe – setting strategic implementation principles and scope, and overseeing strategic risk.

The OB is chaired by Martin Potter (Member and former chair of the Audit and Assurance Group) and comprises Jon Hatchett (Senior Partner), Paul Waters (Partner) and Steven Birch (Partner and Head of Hymans Robertson Investment Services (HRIS)). The OB also includes our two external non-executive directors: Annamaria Koerling and Liz Buckley. They bring a valuable external perspective to the board thanks to their extensive industry and leadership experience in our core market areas.

The OB is completed by Shireen Anisuddin (Managing Partner) and Karen Fraser (Finance and Operations Director), who also sit on the MB.

Management Board (MB)

The MB is accountable for implementing strategy, setting and delivering business plans, and managing operational risk. Its focus extends from the current business year to a three-to-five-year timeframe.

The MB is chaired by Shireen and comprises Catherine McFadyen (Market Lead – pensions), Gemma Sefton (Head of Service Delivery), Gill Tait (Staff Partner), Karen Fraser, Karen Gilchrist (Chief Risk Officer), John Wright (Market Lead – diversifying areas), (Market Lead – pensions), Sally Haran (HR Director) and Simon Mortimer (Chief Digital Officer).

The MB is ultimately accountable for risk management for the firm, including climate risk. The board therefore defines our risk appetite and ensures the key risks we identify are appropriately managed, with controls put in place.

Other internal groups and their roles, including reporting to management

Climate Change Steering Group (CCSG)

Our CCSG is chaired by Lisa Deas. The group met five times during the year, considering issues such as the evolution of climate scenario analysis and knowledge development within the firm. The group is also responsible for the firm's annual climate competence survey.

Net Zero Working Group (NZWG)

The NZWG is tasked with working with our client consulting, research and RI teams to ensure our net-zero commitments are fully embedded into our advice to clients.

Investment Committee

Our Investment Committee continues to be chaired by Emma Cameron and met five times during 2024/25. Sustainability issues discussed by the committee included the potential advantages and disadvantages of our participation in an external climate framework project, the impact of regulatory developments on sustainable investments, and the development of our Mission Statement and manager engagement programme.

Research Oversight Group (ROG)

Our ROG is chaired by our Chief Investment Officer, David Walker, and met fortnightly over 2024/25. A standing item on the agenda was the responsibilities of the research and RI teams, provided by the Head of Research. This included updates on key priorities and activities. Issues discussed with the ROG included RI initiatives, proposed updates to our RI ratings and our sustainability framework, and theme prioritisation.

Responsible Investment (RI) team

Beyond the actions being taken to address matters of CSR, our RI team engages with the MB on a regular basis. Discussions include an annual review of stewardship activity, our approach to managing climate risk and support for the NZICI. They also include broader updates on sustainability issues, the current market outlook and the actions being taken within our business.

Initiatives we're involved in

We recognise that climate change is the biggest systemic risk faced by our environment, our society, and our economic and financial systems. Our clients need to not only be ahead of the rapid shifts in the investment landscape, but they must also accelerate the change by investing in solutions. As a result, and with climate change a strategic imperative for our firm, we were a founding member of the NZICI in 2021. We're involved in and engage with several cross-industry initiatives to better leverage our influence in this space. These include:

Net Zero Investment
Consultants Initiative

Investment Consultants
Sustainability Working Group

Abelica Global

Institutional Investor Group
on Climate Change

A4S Sustainability Principles
Charter for the bulk
annuity process

Strategy

Strategy disclosures

Disclosure 1:

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

Our strategic goal is to grow our partnership sustainably within the markets where we operate. In doing so, we aim to embody our purpose and values, delivering long-term benefits for our current and future staff and partners, and our wider stakeholder community. Within this, addressing RI and climate change is a strategic imperative.

Our firm serves three markets:

- ◆ **The pensions market**, where our services include actuarial, pensions consulting, investment consulting and third-party administration.
- ◆ **The financial-services market**, where we provide advice and support to insurers and other financial institutions to address issues such as longevity, risk, capital management and investment (Insurance and Financial Services), and discretionary fund management services to independent financial advisers (HRIS).
- ◆ **Personal wealth**, where we provide financial wellbeing advice and guidance to individuals.

Our climate commitments focus on the actions we're taking as an organisation and include a commitment 'to integrate climate risks into our research, advice and services' – with the potential to have far greater influence on future outcomes. This focus, and our commitments through the NZICI, also guide our strategic activity and areas we identify for strategic focus. While we continue to work with our clients to embed RI considerations into decision-making, our RI team lead the focus on these climate-related areas.

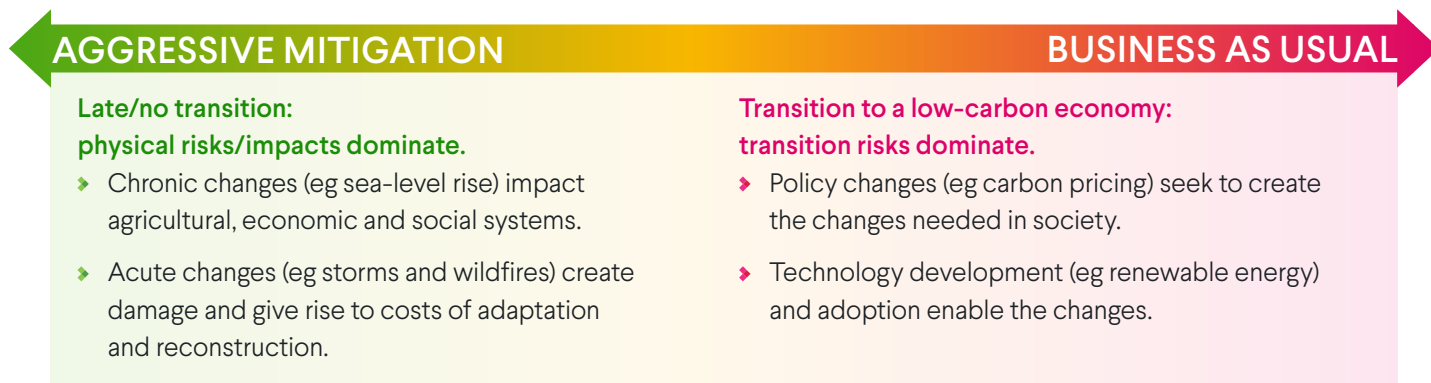
Our climate approach and carbon reduction targets, as well as how we integrate climate-related issues into our strategy, are driven by our climate beliefs. They shape not only how we run our business but also the advice we give to our clients, and are set out at a high level below:

- ◆ Climate risks are real, and we must act now.
- ◆ The impact of climate risks will affect asset values and returns.
- ◆ Our greatest potential impact is through the way we influence the stewardship of over £320bn of assets.
- ◆ We will run our firm in a way that is positive for the environment.
- ◆ We will achieve greater change sooner by collaborating with others who are tackling climate risks.
- ◆ Our clients' long-term financial interests align with society's long-term environmental interests.

More details on these beliefs are shown on our website [here](#) as part of our Mission Statement.

Climate risks

Climate risk is typically split into two parts: transition risk and physical risk. These risks may vary in likelihood and intensity over different time horizons, depending on how quickly and successfully the world transitions to a low-carbon economy. This is detailed in the below diagram:



While we've not set explicit time horizons for what we consider to be the short, medium and long term, we consider the key risks under each of these periods to be:

◆ **Short term:** market change; adapting to new regulation; retaining and supporting clients; achieving our lifetime net-zero commitment; and harnessing positive travel and facilities changes because of Covid-19.

◆◆ **Medium term:** widespread policy adaption; portfolio/risk management evolution; and maintaining our lifetime net-zero commitment.

◆◆◆ **Long term:** maintaining effectiveness of actions and keeping ahead of a potential step-up to more radical/rapid policy change if climate change is not brought under control globally.

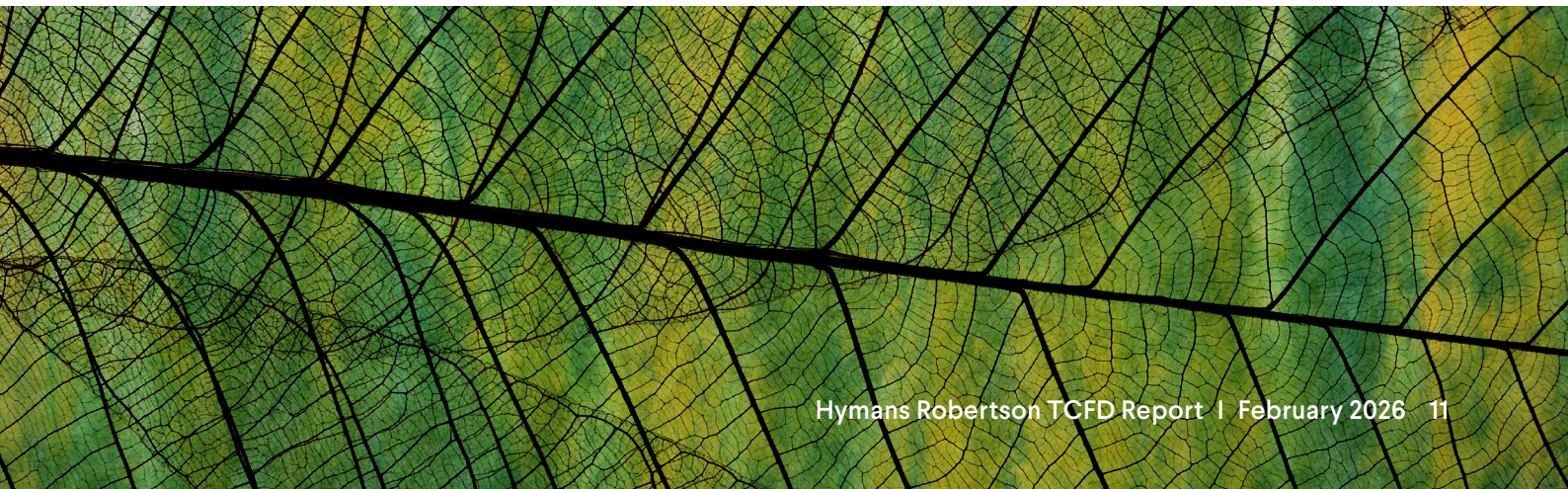
The firm has identified climate risks and opportunities, as well as relevant actions in respect to these, under the following key themes



Risks and opportunities are identified, managed and monitored as part of the ongoing activity in these areas. Further detail on the actions under each of these headings is outlined in other sections of this report.

The process for determining which opportunities could have a material financial impact on the organisation include consideration as part of our biennial member strategy review and annual strategic implementation business plans. At a client level, it's considered by the cross-practice CCSG and proposition leaders, with clear business planning and deliverables.

Our clients are also interested in understanding how we've taken the steps that we have. Consequently, our Head of CSR has continued to meet with clients and other firms within the Abelica network to explain both the development of our climate policy and our approach to addressing our carbon emissions.



We report on many of our activities via our annual [Impact Report](#). Some climate-related highlights include:

- ◆ 100% renewable energy contracts allow us to offset our office electricity emissions. In this context, our core carbon emissions (after renewable energy) are 38% lower than our 2019/20 baseline year, and more than 60% lower on a 'per head' basis.
- ◆ We published our new [Science Based Targets carbon reduction plan](#) in the autumn. It includes medium-term targets and a firm net-zero target date. Full details are available on our website.
- ◆ We continue to develop thinking on sustainability issues, focusing particularly on the need for a transition to a lower-carbon economy as we seek to stimulate discussion with clients. We continued our Focus on Change series of articles, with Mhairi Gooch and Asad Rashid reviewing the current state of the energy transition, and assessing both the opportunities and the risks we see for investors. They also explored the evolving renewable energy landscape and the changing nature of opportunities available to investors
- ◆ We also remained involved with the NZICI, being represented on both the Steering Committee and the Manager Assessment Workstream. Over the year, activity within the group focused primarily on reporting; we were pleased to update our own report and to see the collective NZICI report being published.

Embedding our climate pledge across our work

Our climate commitments focus on the actions we're taking as an organisation, and our commitment 'to integrate climate risks into our research, advice and services' has the potential for far greater influence on future outcomes. While our carbon reduction goals and commitments through the NZICI guide our strategic activity, we've also set out five key areas of strategic focus, on which further detail can be found in our [2024 Stewardship Code Report](#).

Working with others

Collaboration is a tenet of our climate pledge and our broader ambitions. We aim to participate in initiatives where we can effectively share our knowledge and influence outcomes. While we continued to work with organisations such as Abelica Global and the NZICI over the year, we highlight our work on two collaborative initiatives during 2024.

Investment Consultants Sustainability Working Group

Our involvement with the ICSWG spanned various of the Group's workstreams and acting as Co-Chair. As well as helping develop the Group's strategy for the year, initiatives that we directly supported included:

- ◆ Engagement with the Transition Markets Finance Review, providing input to the review exercise.
- ◆ Responding to the Vote Reporting Group consulting on the development of a new voting template.
- ◆ Developing policy positioning for the Group to support engagement with key UK regulators.

We also supported increased communication from the Group, including the publication of its first newsletter in December 2024.

Institutional Investor Group on Climate Change

We were delighted to work with the IIGCC and Ceres on the development of net-zero guidance for private debt investment, which was published in May 2024. Drawing on the expertise of our consulting and research teams, and our climate specialists, we ran a series of meetings with industry representatives from across the General Partner (GP) and Limited Partner (LP) community. We also held one-to-one meetings with stakeholders to gain further feedback.

Across five meetings, we facilitated discussion on issues including portfolio company alignment criteria, portfolio coverage targets and engagement reporting. Drawing on this, we then drafted the guidance and consulted with stakeholders to gain approval of all key elements prior to publication.

Disclosure 2:

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

The firm has established a climate vision, commitments and beliefs, which articulate our vision of a net-zero carbon future and our commitment to climate-related targets.

Carbon reduction and offsetting costs are built into our financial planning and priorities. We have a business plan with actions that address our key themes, each with accountable owners to oversee progress.

A number of key actions were undertaken and progressed over the year. The highlights of these include:

- ◆ Developing our RI Health Check, a simple tool that allows asset owners to identify not only their areas of strength but also the gaps in their processes, so they can decide what to do next.
- ◆ Refining our model portfolio construction by adopting a more granular, asset-class-specific approach to identifying best-in-class, net-zero-aligned investments across equities, fixed income and alternatives.
- ◆ In 2024, over 160 employees participated in a matched carbon offsetting scheme, splitting the cost with the firm, to offset their families' emissions. This helped to build climate awareness while offsetting almost 3,000 tonnes of carbon.
- ◆ Continuing to embed climate risk considerations within our propositions and services, including management of financial expectations and reporting on progress.
- ◆ Continuing our partnership with MSCI and using their analytics to assess client portfolios, to get a baseline of clients' climate risk exposure, as well as ongoing monitoring.
- ◆ Evolving our approach to climate scenario analysis to better understand risks and ensure our analysis is as comprehensive as possible. More information on this can be found on page 17.
- ◆ Both publicising and ensuring transparency around how we approach climate risk ourselves and for our clients. This includes publishing our annual CSR reporting and our Stewardship Code Report.
- ◆ Responding to regulatory changes and consultations, as well as driving conversations by participating in industry groups and roundtable events across the industry.
- ◆ Producing thought leadership and other marketing material that reflects the research and work undertaken in the area of climate change for our clients.
- ◆ Continuing to monitor and, where possible, reduce our travel emissions, without causing detriment to the way we operate and service our clients.
- ◆ Subscription to carbon offsetting programmes to negate residual carbon emissions.
- ◆ Employee engagement and supplier management activities. This involves high engagement with employees through actions such as staff webinars and briefings, as well as employee carbon offsetting programmes.
- ◆ Further considering our introduction of supply chains into planning, to identify further carbon reduction opportunities.

The firm has identified the costs of actions such as carbon offsetting and has integrated this into financial planning. The key activities outlined above have also been considered and are prioritised appropriately when setting out firm plans and activities for the year, with respect to climate-related risks and opportunities.

Financial planning for the firm has been impacted by the actions taken under the key themes outlined above. However, there is an expectation that these costs will be negated over time through savings from reduced travel, and the opportunities generated through our new services available to clients.

Disclosure 3:

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

Our strategy has already changed a lot due to the work undertaken to embed climate-related risks and opportunities into ongoing and future plans, to ensure that our business remains resilient and sustainable over the short, medium and long term. When considering our resilience, we can view this from two perspectives, as outlined below:

**Client perspective**

Future resilience depends on regulatory and market developments affecting client needs and our services. Our strategy is to make climate risk integral to advice. Risks and opportunities are the relative pace and success with which we do this.

**Business perspective**

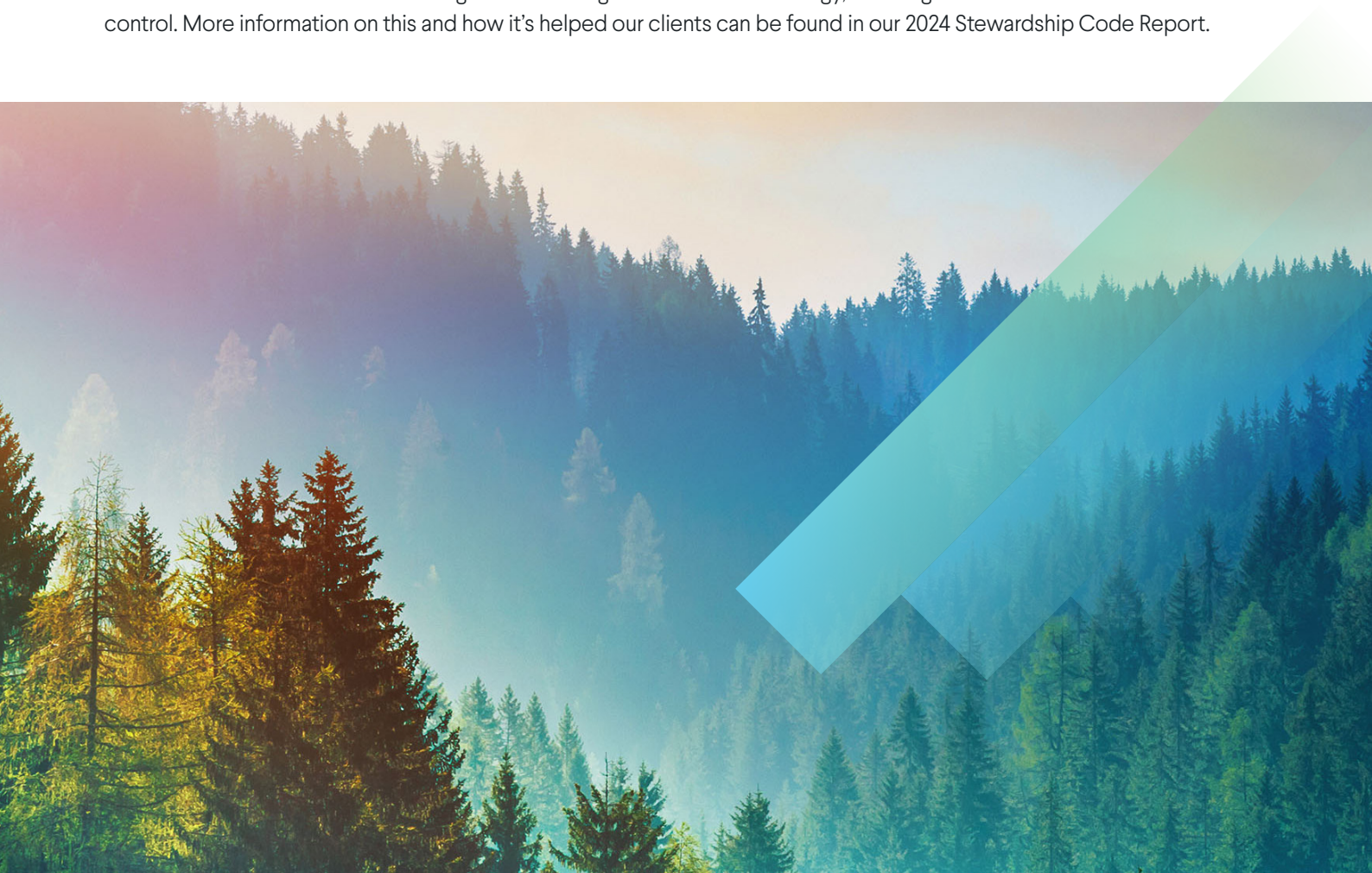
While specific climate-related scenarios have not yet been considered, these will be identified as part of the ongoing CSR and carbon footprint work, and will be disclosed when identified and analysed.

Scenario analysis

We recognise that scenario analysis is a useful mechanism for supporting clients in understanding the uncertainty associated with climate change – particularly in how they frame funding and investment strategies. Through the development of different methodologies, we've helped clients understand the potential financial impacts of climate change, as well as the drivers of change and how they affect each other.

We believe risk management should involve both qualitative and quantitative measures. Over the year, we continued to refine our narrative-based analysis, alongside quantitative analysis. Internally, we've worked with our investment and actuarial teams to provide training on climate scenarios, while also developing materials to support engagement with clients on this topic – particularly for our public sector clients as they approach their 2025 valuations.

Externally, our focus has been on educating clients on climate risk drivers and running workshops that allow clients to have broader dialogue on climate uncertainty and the risk management decisions they can take. This in turn allows our clients to make sensible decisions around high-level funding and investment strategy, focusing on the issues within their direct control. More information on this and how it's helped our clients can be found in our 2024 Stewardship Code Report.



Risk management

Risk management disclosures

Disclosures 1 & 2:

Describe the organisation's processes for identifying and assessing climate-related risks. Describe the organisation's processes for managing climate-related risks.

We recognise that market-wide risks can and do occur, as events have demonstrated, but believe that the way in which we help our clients develop and implement strategies offers significant resilience. That said, we continue to explore mechanisms of monitoring the emergence of such risks. We're working on projects to develop a dashboard of potential financial stress and, as noted below, to continue to evolve how we consider systemic risks through scenario analysis.

We believe that climate change is the biggest systemic risk faced by our environment, our society, and our economic and financial systems. Our clients need to not only be ahead of this transition, with the rapid shifts in the investment landscape, but they must also accelerate the change by investing in solutions.

As a result, and with climate change a strategic imperative for our firm, we were a founding member of the NZICI in 2021. We've continued to expand the resource focused on addressing climate change issues across our business, as covered elsewhere within this report. We've embedded climate change risk and opportunity as a priority across our business.

Identification of risks

We keep a close eye on regulatory developments regarding climate change from two angles: the client perspective and the business perspective. Examples of our actions regarding these angles are outlined at the end of this disclosure. We believe we shouldn't shy away from talking about climate risks, as discussion leads to understanding and action. Our goal has been to start conversations with clients to help them understand the potential consequences of climate change and begin to consider the different risks and potential opportunities to which they're exposed.

Consideration of climate risk within financial systems is becoming a compliance requirement. This creates risk for us as a firm if we don't ensure this is embedded within our work, but it also creates the opportunity for us to provide additional valuable services in this space. Our own emissions and related costs are not considered a fundamental business risk to us. We consider the fundamental business risk in this space to be around helping our clients and ensuring that we are leaders in the emerging area of climate risk in finance. This will affect our ability to attract and retain clients, as well as impact the income we earn from working with them.

New risks to the company, including climate risks, go through the firm's emerging risk process. These risks are initially identified by individuals within the business and are presented to the MB for discussion.

Assessment of risks

The risk will be reviewed and given an initial rating of low, medium or high, as well as discussion on whether it's imminent or further in the future. Once agreed, it's added to our emerging risk radar, where the MB and OB monitor it until they agree the risk is materialising and will be managed locally by the relevant executive. The impact and proximity rating of climate-related risks outlined under our six key themes are taken into account. The risks are then prioritised by the owners of that theme, with consideration given to achievability, timescales and the value of each of the potential actions.

Climate risks are currently captured within the firm-wide high impact material risk dashboard and are RAG rated against appetite following relevant updates from the business. These are the highest risks we manage as a firm and are closely related to the company's strategy. The potential size and scope of identified climate-related risks are assessed in line with the company's strategic targets and management information measures. These risks are actively managed by the MB and progress is overseen by the OB.

Management of risks

When it comes to managing climate-related risks, decisions to mitigate, transfer, accept or control risks are agreed through the Hymans risk framework. For higher level risks, the decision is made via the MB. Where risks should be managed locally, this is done via the Hymans Operational Risk framework and risk and control self-assessment.

The ownership of the risks, and the actions agreed to manage and mitigate them across the six key themes outlined in Strategy Disclosure 1, is allocated appropriately across the firm.

Our continued processes over the year for managing identified climate risks and taking further action, regarding climate-related opportunities, have been effective, with a large amount of work undertaken in this respect. We expect this level of work will continue and increase over the coming years. We'll need to dedicate further resource to ensuring we continue to manage risks effectively and capitalise on potential opportunities.



Client perspective

- ◆ We have a duty to be well informed of new regulatory developments that affect our clients across the pensions, insurance and retail markets.
- ◆ Over the past few years, we've seen significant regulatory developments from the Pensions Regulator (TPR), the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). In recent years, we've also seen a consultation from the Ministry of Housing, Communities and Local Government (MHCLG) on 'Local Government Pension Scheme (England and Wales): Governance and reporting of climate change risks'. Climate risk is specifically drawn out within regular updates from TPR and other professional bodies, including the Institute and Faculty of Actuaries (IFOA). These regularly set out expectations on both asset owners and those that advise asset owners, with a focus on promoting effective governance and producing reporting in respect of climate risk. This encompasses us as advisers, as well as several of our clients.
- ◆ TPR continues to review climate-related reporting by pension schemes, noting areas for improvement, as well as highlighting how schemes have been handling Environmental, Social and Governance (ESG) issues more widely.
- ◆ In addition, the Government has set out expectations that pension schemes should be putting climate transition plans in place for their assets – something we've already been working on with a number of our clients. As a result, we'll be well placed to support our wider client base on this, as and when these plans progress.



Business perspective

Our main concern is that we maintain compliance with the latest regulatory requirements regarding how we operate as a business. We've set out our approach to doing this throughout this report, as well as in our other reporting – including our Impact Report and 2024 Stewardship Code Report.

Disclosure 3:

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

As outlined in the rest of this section, we embed our consideration of risks across our business, including climate-related risks. Below is a summary of how we do this from both a client and a business perspective. We also include a case study demonstrating how we try to ensure a holistic approach to the identification, assessment and management of climate-related risks to our firm and our clients.



Client perspective

Our research and involvement in industry initiatives enables us to identify potential risks, and ways to assess and manage them for our clients. These risks, as well as relevant actions, are then considered as part of our work to embed climate risks more widely within our services and propositions.



Business perspective

This is done via the emerging risk and high impact material risk processes, as outlined above under our response to risk management disclosure 1.

The processes pertaining to climate-related risks are fully integrated into our ongoing risk management processes.

Case study: improving our scenario analysis tools

As previously mentioned, we've been evolving our scenario analysis tools. As part of this, we've developed risk drivers and narratives.

We ran workshops with several clients to help them build their understanding of interconnectedness, feedback loops and other behaviours within broader systems, so they can better understand how climate risk might manifest in the financial system. Rather than focusing on numbers and data, our approach has been grounded in the consideration of what the primary drivers of climate risk look like.

We give our clients examples of the narrative scenarios we've built, to demonstrate different states of the world, what could happen and why it might happen. But we've also encouraged them to think about questions they might not otherwise ask, about the assumptions they're making and about the level of confidence they have in certain outcomes.

We encourage clients to think in different ways, to differentiate between risk and uncertainty and to consider what the drivers of that uncertainty look like. Then we suggest they ask themselves challenging questions to retain confidence in what they've already done to safeguard their pension arrangements – and to ensure they don't need to build in other buffers or protections.



Metrics and targets

Metrics and targets disclosures

Disclosures 1 & 2:

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

The Hymans Robertson CSR team works closely with a third-party consultancy, Carbon Footprint Ltd., with a key focus on how to reduce emissions, improve the energy efficiency of our business operations and ensure compliance with the latest regulatory requirements.

Understanding greenhouse gas (GHG) emissions

Many climate-related metrics are based on the level of GHG emissions that are related to a particular asset or investment. This isn't limited to carbon dioxide; it includes all main GHGs such as methane and nitrous oxide (measured as 'tCO₂e' – tonnes of carbon dioxide equivalent). GHG emissions are then categorised into 3 scopes:



Scope 1

All direct GHG emissions from sources owned or controlled by a company, eg emissions from factory operations.



Scope 2

Indirect GHG emissions that occur from the generation of purchased energy consumed by a company.



Scope 3

Indirect emissions that arise because of a company's activities, eg supply chains and the use and disposal of their products. These are sometimes the greatest share of a carbon footprint, covering emissions associated with business travel, procurement, production of inputs, use of outputs, waste and water.

Our carbon metrics

Our key metric is the firm's carbon footprint. This year's emissions are set out below, alongside last year's figures and our baseline year of 2019/20.

Emissions source	2019/20 (original baseline year)	2023/24	2024/25 (new SBT baseline year)
Scope 1			
Air-con refrigerants	0	0	0
Scope 2			
Site electricity	289	171*	183*
<i>*Reduced to zero after 100% renewable energy taken into account</i>			
Scope 3			
Paper consumption	13	2	2
Water supply	8	1	1
Electricity WTT & T&D	68	52	61
Waste disposal	14	6	1
Business travel – air	934	487	579
Business travel – land	111	106	162
Hotel stays	36	35	37
Commuting	515	311	376
Core Scope 3 subtotal	1699	1000	1219
Home-working	n/m	205	224
Office deliveries	n/m	n/m	3
Capital goods**	n/m	n/m	211
Purchased goods & services**	n/m	n/m	3657
<i>** Spend-based estimates</i>			
Core carbon footprint (after renewable energy)	1988	1000	1224
Measured carbon footprint (after renewable energy, excluding capital & purchased goods)	1988	1205	1451
Average headcount (FTE)	849	1240	1329
Core carbon footprint per head (tCO₂e)	2.34	0.81	0.92

SBT = Science Based Targets

n/m = Not measured

23/24 commuting and home-working emissions recalculated to match 24/25 methodology

The nature of our business means that the only direct Scope 1 emissions generated by our operations come from the occasional topping-up of refrigerant gases in our office air-conditioning systems (required as part of a regular maintenance programme).

Our Scope 2 emissions are noted – all our electricity is sourced via 100% renewable tariffs, meaning that these emissions can be reduced to zero when using a market-based methodology.

Our primary area of focus is therefore our Scope 3 emissions, as set out in the table. We're pleased to have been able to extend our Scope 3 measurement over the last few years, including home-working estimates from 2020/21 and capital goods and purchased goods and services from this year. This provides a comprehensive Scope 3 picture.

Our 2024/25 figures have been prepared in conjunction with the group's new carbon and sustainability consultants, in line with ISO 14063 (part 3) specification. Unfortunately, the new figures highlighted some significant differences in carbon emission totals compared to our 2024 figures, notably in relation to home-working and business commuting. On investigation, these are the result of some inadvertent errors and the use of a different calculation method last year. Therefore, we've restated our 2024 results for these two emissions categories, applying this year's approach to last year's data to ensure consistent use of a best-practice approach and an accurate like-for-like comparison. We've also recalculated our 2024 intensity ratios to incorporate this change.

For further context, there has been a circa 7% increase in our average number of people between 2024 and 2025.

Methodology used in the calculation of disclosures

Our emissions are measured in line with GHG protocol methodology and using UK Government GHG reporting conversion factors. All of our emissions reporting is verified by our independent carbon consultants.

Disclosure 3:

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

Our commitment to enacting change has been reflected in the firm's Climate Pledge targets to reduce our Scope 1, Scope 2 and core Scope 3 emissions by 50% by 2025 (compared to our baseline 2019/20 year), and ensure these emissions are offset in full each year to achieve a net-zero position.

Our Climate Pledge:

By 2025:

- ◆ We'll reduce our core 2019/20 carbon footprint of 1,988 tCO₂e by 50%.
- ◆ We'll have offset our core lifetime carbon emissions of 33,800 tCO₂e to achieve a net-zero position.

From 2020:

- ◆ We'll offset our Scope 1, 2 and core Scope 3 carbon emissions each year to achieve a net-zero position.
- ◆ Climate risks will be an integral part of our research, advice and services – and how we run our firm.

**Our core 2019/20 carbon footprint includes all Scope 1 and 2 emissions, and the following in Scope 3, which have been measured consistently since our baseline year: business travel, commuting, hotel stays, material use, water supply, waste treatment, waste disposal, electricity transmission and distribution. We include 'well to tank' (WTT) factors in all relevant measurements. Our Scope 3 home-working emissions have been measured since 2020/21 and are included in our offsetting from this date.*

As our carbon emissions table illustrates, our overall emissions increased this year. Our 2024/25 core carbon emissions were 38% lower than our 2019/20 baseline year, and just over 60% lower on a 'per head' basis.

Our 'Travel Less, Travel Smarter' programme raises awareness across the firm about the environmental impact of travel and promotes lower-carbon alternatives. It includes emissions reporting tools, targeted sessions for leadership teams, and tailored communications for frequent travellers and travel bookers. However, despite these efforts, overall business travel emissions rose this year compared to last year. This was partly driven by increased travel in some business units; however, we're still significantly below the 2019/2020 level, even as average headcount grew from 806 to 1,329. We remain committed to reducing travel emissions and will intensify our efforts through additional resources and a new Science Based Targets-aligned reduction plan.

A key milestone this year was transitioning to new carbon and sustainability consultants, and adopting their online platform to measure our carbon footprint. This enabled us, for the first time, to assess supply-chain emissions using a spend-based methodology.

As this report goes to press, we're finalising a Science Based Targets-aligned carbon reduction plan, to be published on our CSR website pages following its approval. It will include a firm net-zero target date, medium-term goals and annual progress reviews guiding our emissions reduction efforts.

All our measured emissions – excluding supply chains – continue to be fully offset through Gold Standard and Verified Carbon Standard schemes.

We also maintained our matched carbon offsetting benefit, which offers £-for-£ support for employees to offset their personal and family emissions. Over 160 participants used the scheme this year, offsetting a total of 2,937 tCO₂e.

We set the following priorities for ourselves over 2024/25:

- ◆ Completing our move to a new carbon consultancy partner to help us further develop our carbon measurement and reduction programme.
- ◆ Completing our Scope 3 emissions measurement and implementing our Science Based Targets-aligned reduction plan and net-zero emissions target date.
- ◆ Supporting our new sustainability champion network to raise awareness and further reduce the environmental impact of our offices.

We're pleased to have met these priorities, other than a slightly delayed timeframe on our Science Based Targets plan (which has subsequently been published).



Appendix I: historical emissions data

As noted in this report, our move to new carbon consultants unearthed some methodology issues with two of our previously reported 2023/24 emission figures, which has led us to restate these.

- Our 2023/24 home-working emissions were previously stated as 447 tCO₂e but have been revised to 205 tCO₂e.
- Commuting emissions were reported as 151 tCO₂e in 2023/24 but have been restated to 311 tCO₂e.





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