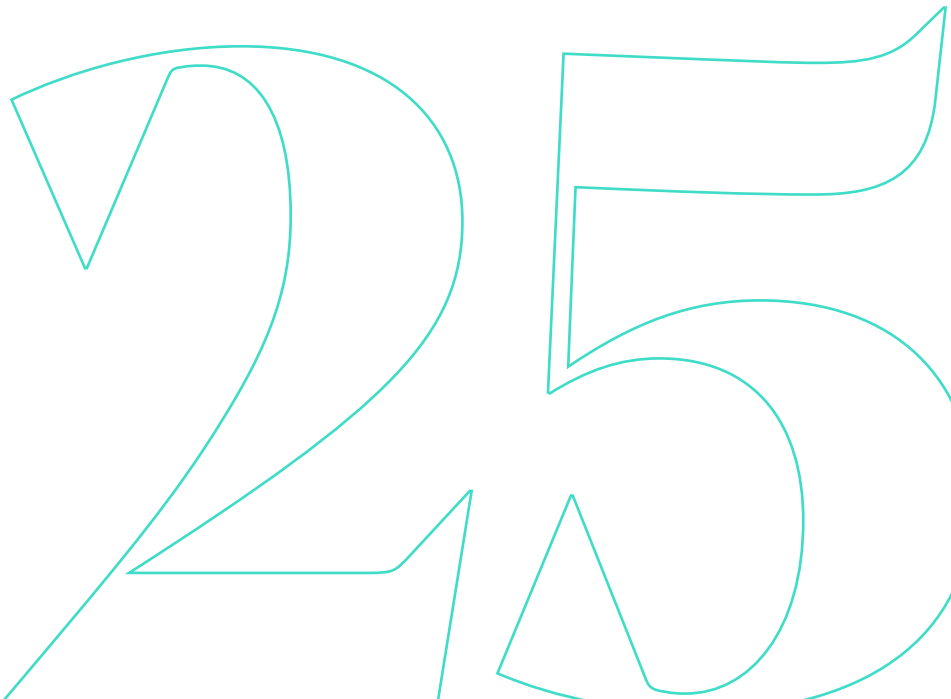
St James's Place

# Climate Report

Climate-related financial disclosures for St. James's Place 2025



# Welcome to our Climate Report 2025

Welcome to the St. James's Place (SJP) Group's climate-related financial disclosures report, which outlines our climate change strategy, risks and opportunities. This is our home page, where you can navigate to all sections of our report by selecting the desired heading.

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# 01

## Our introduction



**100%**

of our investment managers are signatories of the Principles for Responsible Investment (since 2020)

***"Every action we take has an impact on others; it's our collective responsibility to try and leave things better than we found them. We continue to progress our own approach to climate data and advocate for a just transition for all."***

**Sandra Mould**
Head of Responsible Business

# Chief Executive Officer's introductory statement

At SJP, we understand that managing climate-related risks helps unlock long-term value for our business and good outcomes for our clients.

I'm proud that we have achieved a range of key milestones on our climate journey in 2025. We launched new interim climate targets for our investments and our Scope 1 and 2 emissions, aiming to deliver on both by 2030. We believe these are ambitious yet achievable, reflecting a more robust, data-driven approach to climate action. These targets are part of achieving the Group's existing long-term ambition of net zero by 2050.

This year, our Sustainable & Responsible Equity Unit Trust became one of the first in the UK to formally adopt the FCA's Sustainability Disclosure Requirements (SDR) 'Sustainability Focus' label. The label helps clients to better understand how their money is being invested in companies aiming to provide a positive contribution for people and the planet.

Alongside these achievements, we remained focused on strengthening the quality of our emissions data. Better data leads to better decision-making and greater transparency. This has helped us unlock and track further emissions reductions across our footprint. We are particularly encouraged to report a 45% decrease in our Scope 1 emissions, mainly driven by our targeted efforts to improve energy efficiency across our offices.

While we acknowledge that challenges remain, our direction is clear. We are committed to evolving our approach as expectations grow and methodologies mature. In 2026, we will test the feasibility of setting new climate targets for our remaining Scope 3 emissions.

I want to take this opportunity to thank all the stakeholders supporting us on this journey. Together, we are building a more resilient and responsible business.

*"I'm proud that we have achieved a range of key milestones on our climate journey in 2025. We launched new interim targets for our investments and our Scope 1 and 2 emissions, aiming to deliver both by 2030."*

**Mark FitzPatrick**
Chief Executive Officer

# Our approach to TCFD reporting

St. James's Place is a business made up of multiple individual entities.

St. James's Place plc (SJP) is the Group's Parent Company (company number: 03183415). The disclosures in this report cover SJP and two of its subsidiaries, St. James's Place UK plc (SJPUK) and St. James's Place Unit Trust Group Limited (SJPUTG).[1]

### St. James's Place UK plc

A life insurance company regulated by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA). FCA reference number: 150026.

### St. James's Place Unit Trust Group Limited

An Authorised Fund Manager (AFM) regulated by the FCA. FCA reference number: 122472.

Responsibility for corporate governance rests with the boards of each individual company. However, the overall approach to climate governance and environmental strategy is determined at a Group level. As a result, we have chosen to report for all Group companies in a single Climate Report.

To ensure we meet the individual regulatory requirements for each company relating to the Task Force on Climate-related Financial Disclosures (TCFD), where differences exist for SJPUK and SJPUTG, we have highlighted these throughout this Group report.

### TCFD Product Report[2]

We produce an annual TCFD Product Report that separately highlights carbon metrics and climate-related risks for each of our products. For further information on these, please use the link below:

**TCFD Product Report**

1 All emissions figures in this report cover SJP and all of its majority-owned subsidiaries, including SJPUK and SJPUTG.

2 The most recent TCFD Product Report is for the year ended 31 December 2024, and was published in June 2025.

# Summary of disclosures

We are fully compliant with the TCFD recommended disclosures (summary below). We have also reviewed the TCFD's All Sector Guidance and consider SJP to be aligned with this where applicable.

This Climate Report, which constitutes SJP's climate-related financial disclosures for 2025, was approved on 24 February 2026 by the board of SJPUTG, the board of SJPUK and the Board of SJP plc.

| Theme | Description | Pages | TCFD recommended disclosure | Our disclosure | 2025 highlights |
|---|---|---|---|---|---|
| **Governance** | Disclose the organisation's governance around climate-related risks and opportunities. | 07 to 09 | a) Describe the Board's oversight of climate-related risks and opportunities.<br>b) Describe management's role in assessing and managing against our climate-related risks and opportunities. | We have outlined our governance processes in relation to climate-related risks and opportunities, including the frequency and nature of oversight. This includes details of the role of the Group and entity boards, management and accountable individuals where authority is delegated. | Our new climate targets were subjected to a robust governance process, with our Scope 1 and 2 target being approved by the Board and our investment target being approved by our Investment Committee. |
| **Strategy** | Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material. | 11 to 20 | a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.<br>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.<br>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a +2°C or lower scenario. | We have disclosed our climate strategy and our material climate-related risks and opportunities, including whether these have been identified as being applicable over short-, medium- or long-term timeframes. By conducting scenario analyses, we have also assessed their potential impact on the business. | We launched new, data-driven 2030 emissions targets. This includes our combined Scope 1 and Scope 2 target, which is supported by actionable roadmaps. |
| **Risk management** | Disclose how the organisation identifies, assesses, and manages climate-related risks. | 22 to 23 | a) Describe the organisation's processes for identifying and assessing climate-related risks.<br>b) Describe the organisation's processes for managing climate-related risks.<br>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | We have described the key processes we use to identify, assess, monitor and manage climate-related risks and opportunities. This includes confirmation of how we integrate this work into our broader Group risk management process. | We continue to identify and assess climate-related risks in accordance with our Group risk management and control framework, ensuring climate risk is fully integrated. |
| **Metrics and targets** | Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. | 25 to 31 | a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.<br>b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.<br>c) Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets. | We have measured and disclosed our Scope 1, Scope 2 and Scope 3 greenhouse gas emissions and the climate metrics and targets we use to track and mitigate climate-related risks. | We achieved a 45% reduction in our Scope 1 emissions and a 14% reduction in our Scope 2 emissions. We also began reporting our financed emissions and commuting emissions for the first time. |

# 02

## Our governance



**2030**

interim target approved for our investments and our Scope 1 and 2 emissions

**Find out more on page 12**

***"Good governance helps us deliver better outcomes for our clients by making sure we remain accountable for the commitments we make – including those on climate change."***

**Antonia Siddle**
Group Compliance Director

# Governing climate-related risks and opportunities

Robust governance is the bedrock of successful and sustainable organisations. It gives all our stakeholders confidence that we are running our business well and taking their interests into account.

## Our governance

Good governance is crucial for ensuring accountability, transparency and ethical decision-making, all of which help build trust. It strengthens financial performance, minimises risks, and fosters long-term sustainability by aligning operations with legal, regulatory and societal expectations. Ultimately, good governance creates a stable foundation for growth and innovation. We believe the same principles apply to climate-related decision-making.

Our climate governance structure is shown on the right. Accountability ultimately sits with the Board, with the CEO being the responsible executive. To support these high-level mandates, we believe that effective delegation enables efficient decision-making. Relevant subject matter experts (SMEs) and sub-committees of the Board are therefore empowered to drive the implementation of our climate approach. These groups and individuals receive climate-related updates when there are material developments relating to our climate-related strategy, targets or risks. Climate updates are raised by SMEs and escalated for inclusion in the agendas of the relevant groups. Each group plays a key role in identifying, assessing and managing climate-related risks and opportunities to ensure that SJP can thrive and provide good client outcomes in a range of climate scenarios.

## Internal audit

Independent challenge is a key part of robust governance. Internal audit plays an important role in our climate-related reporting. Our processes and controls are periodically reviewed through the internal audit programme. This has included audits of our climate transition planning in 2024 and our Weighted Average Carbon Intensity (WACI) figures in 2025. All internal audit recommendations have been successfully actioned. These audits provide valuable checks and help strengthen the accuracy and reliability of our climate reporting. We aim to continue enhancing our carbon data controls and will consider seeking external assurance in the coming years.

### SJP plc Board (the Board)

The Board sets the strategic direction in relation to our responsible business (RB) approach, which captures climate change. The Board therefore has accountability for managing climate-related risks and opportunities, with the CEO being the accountable Board Director. The Board considers climate-related risks when reviewing our Group risk appetite statement. This statement considers the Group's strategic objectives and the risks which might materially impact our ability to meet them. Key climate-related updates are also presented to the Board as required. For example, it approved our new Scope 1 and 2 interim target in December 2025.

### Group Executive Committee

#### Chief Executive Officer

Our CEO sets the tone of our approach to being a responsible business.

The CEO is supported by the Group Executive Committee (GEC), who convene at least monthly, and facilitate the execution of RB-related activity. The GEC reviewed the proposed 2030 interim targets for our Scope 1 and 2 emissions twice in 2025, ultimately recommending their approval to the SJP plc Board.

#### Chief Financial Officer

The CFO is responsible for climate change at Group level. This includes setting climate strategy and managing our approach to climate governance from a corporate perspective.

#### Chief Risk Officer

The CRO is supported by the Risk Oversight Group and has appointed individuals at entity level to oversee the efficacy of Group risk management.

### Group Audit Committee

**The Group Audit Committee reviews key reports including the Climate Report.**

**The Committee meets regularly during the year with at least one of these meetings covering climate change. It reviewed the Climate Report twice in 2025, providing feedback in January and approval in February.**

The responsible individual is the Chair of the Group Audit Committee, an Independent Non-executive Director (INED).

### Group Risk Committee

**The Group Risk Committee provides guidance and advice to the Board in relation to the Group's appetite for, and attitude to, climate-related risks. The Committee has a minimum of five meetings scheduled per year, at least one of which involves reviewing the appetite statement – which includes climate risk.**

The responsible individual is the Chair of the Group Risk Committee, an INED.

### RB Advisory Group

**The Responsible Business Advisory Group comprises business area managers with responsibility for providing guidance on our ambitions around responsible business, including on climate change. The group reviewed our new interim climate targets twice, once in June 2025 and again in October 2025, ensuring robust challenge. They also feed into our Group Climate Report at least annually.**

The responsible individual is the Head of Responsible Business.

### Environment and Climate Change Working Group

**The Group uses the practical levers at its disposal to help meet our environmental goals, including our climate commitments. An overview of our emissions was presented to the group in February 2025, deepening their understanding about how their business areas impact our progress.**

The responsible individual is the Head of Responsible Business.

# Our accountable leaders

We have a strong system of governance, with accountability at all levels. This allows our executive leaders, supported by their teams, to integrate climate-related risks and opportunities into our business strategy, decision-making and processes.

The primary individuals responsible for helping the Board meet its climate-related requirements are shown below, together with details of the role that management play in supporting them.

## Chief Executive Officer

The CEO, **Mark FitzPatrick**, acts as overall sponsor for our approach to climate change, and has ultimate accountability for managing climate-related risks and opportunities.

## Executive leaders and management

The CFO, **Caroline Waddington**, oversees sustainability, which includes climate change. Caroline sits on both the SJP plc Board and GEC and is responsible for climate change. The CFO also holds the Senior Management Function (SMF) for climate change for our dual-authorised firm, SJPUK, which is formally captured in their Statement of Responsibilities for this entity.

A director in the CFO's senior leadership team has delegated authority from the CFO for identifying and managing financial risks from climate change, including ensuring appropriate governance, risk management and scenario planning is carried out. This director is in turn supported by the Head of Responsible Business, who oversees the day-to-day management of responsible business objectives – including those relating to climate strategy and reporting.

The Group Investment Director, **Tom Beal**, ensures climate change is considered in our investment strategy. He is supported by his investment team. The Head of Responsible Investing supports him by ensuring our investment proposition fully embeds responsible investment principles. They oversee the integration of climate risks and opportunities within our client proposition and investment decision-making processes.

The CRO, **Hestie Reinecke**, ensures an appropriate Group-wide risk and control management framework is in place, which captures climate-related risks. The CRO is supported by her senior leadership team. This includes the Life, Pensions, Platform CRO & Enterprise Risk Director, who has responsibility for the design and implementation of the risk and control management framework.

### Embedding climate governance

We believe that climate strategies are only effective when they are properly embedded and supported by buy-in at all levels of an organisation. For this reason, our new interim climate targets – which drive our overall approach – were reviewed by SMEs from across the business. Our Scope 1 and 2 target was then approved by our Board, and our investment emissions target was approved by our Investment Committee. More details about the process we followed to determine and approve our interim targets can be found on the previous page.

# Our subsidiaries' approach to climate-related risks and opportunities

SJPUK and SJPUTG both have their own boards of directors. Client funds are a key focus of these boards, which means that responsible investing is a primary focus. Both companies are fully aligned with the Group's climate and environmental strategy, which is set by the Board of SJP plc.

Both subsidiary entities have Executive Committees which report to their CEOs, who in turn report to their respective boards. Their work includes reviewing and recommending whether to approve key climate-related reports with content relating to the entities, such as this Climate Report. This ensures appropriate awareness of key climate-related risks and opportunities at different levels within the Group. It also helps provide additional layers of feedback to ensure our approach is streamlined but comprehensive. The Executive Committees also receive ad-hoc updates on climate change during the year as outlined on this page.

### SJPUK board

The SJPUK board reviews annual updates to our TCFD Product Report. This includes emissions data and other climate metrics about SJPUK products. The board also reviews and approves our Group Climate Report each year. In addition, in September 2025, the SJPUK board received a comprehensive update from SMEs within the business on the Prudential Regulation Authority's (PRA) updated guidance on climate-related risks, and an overview of our proposed 2030 targets. This also covered how the transition planning process applies to SJPUK and its products as part of the wider Group net zero goal.

### SJPUTG board

The SJPUTG board oversaw the production of our SDR Entity Report in 2025. This new report sets out our approach to sustainability with respect to our unit trust business and outlines the priorities we have identified to further develop our responsible investment approach.

The SJPUTG board also oversees the production of our TCFD Product Report annually. This focuses on the climate-related characteristics of our funds and is a sister document to our Group Climate Report, which the board also reviews every year. In September 2025, the SJPUTG board reviewed and approved SJPUTG's first Sustainability Report covering our unit trust funds, as required by the FCA's Sustainability Disclosure Requirements (SDR).

### Accountable individuals

#### SJP plc

The responsible individual is the SJP plc Chief Executive Officer, **Mark FitzPatrick**

#### SJPUK

The responsible individual is the SJPUK Chief Executive Officer, **Ian MacKenzie**

#### SJPUTG

The responsible individual is the SJPUTG Chief Executive Officer, **Tom Beal**

# 03

## Our strategy



**99%**

of our Group emissions are covered by our two new 2030 targets, which underpin our climate strategy

**Find out more on page 12**

◆

***"Our climate strategy is a key element of our approach to responsible investment. Integrating climate-related risks and opportunities into our investment strategies through product design, investment manager selection, oversight and engagement drives better outcomes for our clients."***

**Andy Ford**
Head of Responsible Investing

# Our climate strategy – highlights

Our climate approach has evolved across a wide range of areas this year. We have summarised some of the key steps we have taken to strengthen our sustainability data and reduce our emissions in 2025 on the right. These support our climate implementation and engagement strategies, which are detailed on pages 13 to 14.

We are proud of the progress we have made to reduce our environmental impact. However, we recognise there is still much to do to meet our targets and build our transition plan. Pages 12 to 14 provide more detail about this work, including how we set our new targets, our plans to reach those targets, and some of the key challenges we expect to face along the way.

## Key progress in 2025

1. Launching a new interim climate target for our Scope 1 and 2 emissions following rigorous governance and data-driven modelling (see page 12). We aim to reduce these emissions by 65% by 2030, compared to 2023.
2. Setting a new interim target for the carbon intensity of our investment portfolio, the most material part of our business and carbon footprint (see page 12). We aim to reduce these emissions by 50% by 2030, compared to 2019.
3. Adopting the FCA's SDR 'Sustainability Focus' label on our Sustainable & Responsible Equity Unit Trust.
4. Reducing our Scope 1 emissions by 45%, mainly driven by our targeted efforts to improve energy efficiency across our offices.
5. Switching ten of our UK offices to a 100% renewable energy Power Purchase Agreement (PPA), reducing our reliance on fossil fuels.
6. Reporting our financed emissions (Scope 3, Category 15) and employee commuting emissions (Scope 3, Category 7) for the first time.
7. Measuring and disclosing emissions from our investment managers, and from travel associated with our Financial Adviser Academy, for the first time.
8. Engaging with some of our largest suppliers to better understand their emissions and improve our supply chain data quality.
9. Participating in multiple public consultations on climate-related requirements (see page 14), using our voice to help advocate for change.
10. Publishing our first SJPUTG sustainability report aligned with the FCA's SDRs.
11. Conducting an internal audit on the calculation methodology for the weighted average carbon intensity (WACI) of our investments. All actions raised were successfully closed, ensuring accuracy.
12. Implementing new energy tracking software across UK offices where we are the sole occupier, to help monitor hotspots and minimise energy consumption.
13. Creating a digital climate change boxset as part of our commitment to upskill stakeholders. The training aims to help employees understand how their actions can have an impact on the climate.

# Our Climate Transition Plan – foundations

## Our climate targets

**Net zero**

as a Group by 2050

**65%**

reduction in our combined Scope 1 and 2 emissions by 2030 (baseline: 2023)

**50%**

reduction in our investment emissions intensity (WACI) by 2030 (baseline: 2019)

## Our strategic ambition

We are committed to achieving net zero greenhouse gas emissions across the Group by 2050, in line with global efforts to limit warming. Our ambition is to play our part in a credible and just transition that is science-based and supports long-term value creation for our stakeholders. We believe this is both the right thing to do and minimises climate-related risks while helping capture potential climate-related opportunities.

As important milestones on this journey, this year we have launched new interim targets for our investments and key parts of our operations. For our operations, we aim to reduce our combined Scope 1 and Scope 2 (market-based) emissions by 65% by 2030, compared to a 2023 baseline. This reflects our priority to reduce our reliance on carbon offsets, focusing instead on direct emissions reductions in our own operations where possible.

For our investments, we aim to reduce the weighted average carbon intensity (WACI) of our portfolio by 50% by 2030, compared to a 2019 baseline. This target reflects the strong progress already made in reducing emissions across our portfolio (down 37% since 2019). As a result, we recognise that further reductions will become increasingly challenging over time and require more fundamental changes in the wider economy.

In 2026, we plan to continue improving our data. We will focus on areas that will allow us to test the feasibility of setting interim targets for our remaining Scope 3 emissions, such as our supply chain.

## Key dependencies

Our 2050 net zero strategy is grounded in the principle of shared accountability. The reason for this is that we believe that long-term global net zero goals, including ours, can only be achieved through collective action across the economy. Collective action includes our suppliers and the companies we invest in, and must be underpinned by appropriate government policy. We aim to play a role in encouraging this shared accountability by engaging with our key stakeholders and contributing to public consultations, as outlined on page 14.

However, we recognise that the global transition to net zero – just like our transition – will take time. Therefore, while our 2050 target relies on wider progress across the economy, our 2030 Scope 1 and 2 target focuses on the reductions we can achieve through our own direct actions as a business.

Our second key dependency is having access to high-quality data. Reliable and complete data is vital for measuring our emissions, finding opportunities to reduce them, and tracking progress against our targets. This is especially important for Scope 3 emissions, where we still rely mostly on generic emissions factors. We are committed to improving our emissions data over time, using more accurate activity data where possible.

## Modelling our climate targets

We took a data-driven approach to setting our interim targets. For our Scope 1 and 2 target, this involved using specialist software to model what level of emissions reductions are achievable. Our modelling considered three types of key assumptions:

1. **Initiatives:** planned and proposed actions to reduce our emissions, such as energy efficiency measures in our buildings.
2. **Influencing factors:** changes in the business that could have an indirect impact on emissions even if that was not their primary purpose, such as headcount changes.
3. **External factors:** the potential impact on our emissions from government policy, technological developments and market conditions.

We keep a detailed record of these assumptions and review them regularly to make sure they remain appropriate. When necessary, we then update our model and adjust our initiatives or targets to reflect the latest data.

Initiatives and influencing factors were identified and assessed through extensive engagement with SMEs from across the business. External factors were based on recognised industry sources, such as the Network for Greening the Financial System (NGFS) Phase V.

To set our investment target, we analysed our historic emissions alongside forward-looking market trends. This gave us a realistic view of the carbon-intensity reductions that are achievable, recognising that progress also depends heavily on the actions of the companies we invest in (see the Key Dependencies section above). We are proud of the progress we have already made in this area and are confident that further reductions are possible.

# Our Climate Transition Plan – implementation strategy

## Implementation strategy

The specific initiatives we implement to make progress against our targets may vary depending on available technology, business priorities, market conditions and other factors.

Acknowledging this, we have identified three broad areas of focus that we are confident will help us drive emissions reductions by 2030 and beyond – outlined below. To complement these three areas, we will also continue to contribute to action beyond our value chain using carbon offsets.

### Reducing our reliance on fossil fuels

We are focused on phasing out natural gas use in our offices. In addition, our company vehicle fleet continues to transition away from fossil fuels such as diesel towards hybrid and fully electric vehicles (EVs). In 2024, we launched an EV salary sacrifice scheme for employees to further encourage adoption.

**95%**

of our vehicle fleet are hybrid or EVs

### Increasing resource efficiency

We have already planned and budgeted for energy efficiency initiatives across many of our offices. These are aimed at reducing electricity and gas consumption – for example, by upgrading building management systems (BMS) to optimise temperature control and lighting. We have also identified further potential actions and will prioritise those that deliver the biggest impact while saving costs.

**4**

UK offices' BMS upgraded in 2025

### Transitioning to renewable energy

We are committed to increasing the percentage of our UK offices that use renewable energy. This will be through a combination of onsite renewable generation, setting up green Power Purchase Agreements (PPAs), and/or purchasing Renewable Energy Guarantees of Origin (REGOs). As part of this commitment, in October 2025, we switched ten of our UK offices to a renewable energy PPA. Over the longer term, we also aim to explore similar options for our overseas offices.

**10**

offices now on a renewable PPA

### Carbon offsetting

Our goal of minimising our reliance on carbon offsets in the long-term remains (see page 12). However, we recognise that supporting climate action beyond our own value chain plays an important role in the near term. As a result, each year, we neutralise our operational emissions using a global portfolio of high-quality projects certified to recognised industry standards (such as the Verified Carbon Standard). This enhances, but does not replace, our approach to emissions reductions outlined on the left. In 2025, in line with this approach, we offset 5,740 $tCO_2e$ through our provider Carbon Neutral Britain.

**5,740**

carbon offsets funded in 2025

# Our Climate Transition Plan – engagement strategy

Achieving our net zero goals depends on working closely with others (see the Key Dependencies section on page 12).

Given this, stakeholder engagement is a core part of our climate approach. We hope to use our voice and influence to advocate for shared accountability on our collective journey to tackle climate change.

### Governments and regulators

We participated in multiple public consultations related to climate change this year, with the aim of advocating for progress in a balanced and thoughtful way. We provided both written and oral feedback to the Department for Business and Trade's consultations on the UK Sustainability Reporting Standards (UK SRS), sustainability assurance and transition plans in September 2025. We also submitted a written response to the Prudential Regulation Authority's (PRA) consultation on firms' approaches to climate risk (CP10/25).

### The SJP Partnership of financial advisers

In 2024, we worked with 15 Partner practices to measure their carbon footprints. As part of this project, in May 2025 we held a training workshop to further build their understanding of carbon data, emissions reduction initiatives and greenwashing risks.

### Suppliers

Our supply chain is a key source of our Scope 3 emissions. In 2025, we began engaging with some of our major suppliers to better understand their emissions, climate targets and strategies. We met with three of our largest suppliers (by spend) and aim to engage with more of our top ten in 2026.

### Investment managers

ESG continues to be embedded in the annual assessments and monitoring we conduct for all our investment managers, ensuring they consider climate-related risks in their investment decisions.

# Our climate-related risks and opportunities

## Climate change as a cross-cutting risk

We view climate change as a cross-cutting risk rather than a standalone one, as it can amplify a variety of principal risks to the business. This is because climate change has a wide range of potential impacts that vary across our operations, entities, investments and strategy.

As detailed on page 16, the principal risks to the business we have identified as potentially being amplified by climate change are:

- strategy and change
- regulatory and legislative
- financial
- client proposition.

Material climate-related risks are integrated and reported alongside our other principal business risks in our Group Annual Report and Accounts (see Risk and Control Management section of that document).

## Identifying and assessing risks

We identify climate-related risks and opportunities across the Group's operating model at least annually. We then assess the materiality of all such risks by scoring their magnitude (the size of their potential impact) and their likelihood (the probability of that risk occurring). This methodology is fully aligned with our Group risk management and control framework, which is outlined on page 22.

Risks were scored, challenged and agreed by key SMEs from across the business during a climate risk workshop held in November 2025. This workshop also evaluated the timeframes for each risk (see table below) and the mitigations we have in place to ensure the business remains resilient against them. Our wider risk identification process is outlined in the Risk Management section of this report (pages 22 to 23).

As part of this process, we considered all risk and opportunity categories from the recommendations of the Task Force on Climate-related Financial Disclosures (2017) section B. This includes climate-related transition risks (policy & legal, technology, market, reputation), physical risks (chronic, acute) and opportunities (resource efficiency, energy source, products, markets, resilience).

Transition risks are associated with the potential costs of shifting to a lower carbon economy, such as increased regulation or a carbon tax. Physical risks are the result of sea level rise and the increased severity and frequency of extreme weather events such as flooding.

Pages 16 to 17 summarise the most material climate-related risks and opportunities identified at Group level. This section also provides additional details of the potential impacts and mitigating factors specific to SJPUK and SJPUTG.

Climate-related physical risks to our operations were deemed immaterial to us given the nature of our business and the mitigations we have in place, such as flood prevention measures and appropriate buildings insurance for all our UK offices. As a result, they have not been listed as a material climate risk for us on page 16. However, physical climate risks, like transition risks, could impact our financial performance through their effect on investment values. As a result, both physical and transition risks are reflected within Financial risk (Market risk – investment values) overleaf.

We recognise that our understanding of these risks may change as our business model evolves and new data becomes available. Therefore, we reassess the materiality of all climate-related risks and opportunities every year.

| Time horizon | Key | Timeframe | Description |
|---|---|---|---|
| **Short-term** | S | 0-5 years | Risks that have the potential to impact us within the next five years and which therefore, where appropriate, are considered as part of our strategic and financial planning. These risks are typically more certain in nature and may already require active mitigation (such as ongoing compliance work). |
| **Medium-term** | M | 6-9 years | Risks which are less likely to materialise in the next five years but may develop over the next decade. These are monitored regularly to ensure our business remains resilient as conditions evolve. |
| **Long-term** | L | 10+ years | Risks that are not expected to have a significant impact within the next ten years but may have a growing impact beyond this. These risks are typically more uncertain in nature. |

# Our climate-related risks and opportunities continued

The table below discloses the most material climate-related risks identified for the Group. It describes the potential financial impacts and relevant timeframes for each risk. It also provides examples of some of the key mitigations in place to ensure the business remains resilient against each risk. Any specific differences that are unique to SJPUK and SJPUTG are called out separately.

| Principal risk amplified | Underlying climate-related risk identified | Description of risk and its potential financial impacts | Timeframe | Key mitigating actions | SJPUK/SJPUTG-specific risks and mitigations |
|---|---|---|---|---|---|
| **Transition risks** | | | | | |
| **Strategy and change** | Reputation risk – greenwashing and action failure | Loss of existing or prospective clients due to negative publicity caused by greenwashing, accusations of greenwashing, or perceived failure to contribute to tackling climate change.<br>This could impact our financial performance by reducing our market share and revenue. | S M | ◆ We review our corporate fund marketing materials to ensure they align with anti-greenwashing rules.<br>◆ We launched clear, data-driven climate targets for our portfolio and Scope 1 and 2 emissions in 2025 – evidencing our commitment to climate action. | ◆ SJPUK invests in SJPUTG funds, which collectively represent a material portion of the Group's overall carbon emissions.<br>◆ Product-level emissions for these funds are tracked and published every year in our TCFD Product Report for transparency. The carbon intensity of our portfolio has fallen by over 37% since 2019. |
| **Client proposition** | Client offering | Loss of existing or prospective clients if they have climate-related preferences that our products do not or cannot suitably meet. This would reduce our ability to deliver good client outcomes and meet client expectations.<br>How well our products align with clients' climate preferences could influence both new business inflows and the retention of existing clients and advisers. This could impact our financial performance by reducing our market share and revenue. | M | ◆ We have adopted the FCA 'Sustainability Focus' label for our Sustainable & Responsible Equity Unit Trust.<br>◆ We monitor and adjust to the needs of clients through ongoing engagement, such as focus groups. | ◆ SJPUTG develops products and strategies which help meet our clients' climate-related expectations. To help identify these expectations, we collect data about clients' investment preferences through surveys.<br>◆ SJPUK invests in a range of SJPUTG funds, which take the steps noted above. |
| **Regulatory and legislative** | Policy & legal risk – cost of regulatory compliance | Enhanced climate-related disclosure, governance and risk management obligations may demand additional resources. There is also a risk of regulatory fines across our jurisdictions if we fail to comply with these requirements.<br>This could impact our financial performance by increasing compliance costs. | S M | ◆ We continually review resourcing requirements, skills and capabilities to ensure appropriateness.<br>◆ We have begun preparatory work towards alignment with aspects of emerging regulations, such as the UK Sustainability Reporting Standards (UK SRS). | ◆ As the Group's dual-regulated UK insurance entity, SJPUK is exposed to increasing regulatory expectations on climate change from the PRA and FCA – such as CP10/25.<br>◆ SJPUTG is responsible for ensuring SJP's funds comply with climate-related fund requirements, such as those set out in a fund's prospectus. |
| **Financial** | Market risk – Investment values | Climate-related physical and transition risks could negatively affect the companies we invest in (as an asset owner) or recommend/hold on behalf of our clients (as an asset manager).<br>This could impact both our financial position and client outcomes by reducing the value of their investments. | M L | ◆ The solvency risk is significantly minimised through matching our assets to client liabilities (asset-liability matching).<br>◆ All our investment managers consider climate transition risk as part of their investment decision-making. | ◆ SJPUK and SJPUTG are similarly exposed to this risk – a large portion of their income rises and falls in line with fund performance, because product charges are calculated as a percentage of funds under management. However, solvency risk is largely mitigated. |

# Our climate-related risks and opportunities continued

The following table shows the potential climate-related opportunities identified for the Group. It describes the potential financial impacts and relevant timeframes for each opportunity. It also provides examples of some of the actions we have taken to help capture those opportunities. Any specific differences that are unique to SJPUK and SJPUTG have been called out separately.

| Climate-related opportunity identified | Description of opportunity and potential financial impacts | Timeframe | Key actions to help realise opportunity | SJPUK/SJPUTG-specific factors |
|---|---|---|---|---|
| **Opportunity** | | | | |
| **Client offering** | The potential opportunity to attract and retain clients and advisers arising from offering sustainable investment solutions to climate-conscious individuals. This could have the impact of increasing our revenue and market share across the Group if demand for ESG-related funds grows. | S M L | ◆ Setting minimum standards for all our investment managers, including around ESG risks such as climate change.<br>◆ Continuing to offer our Sustainable & Responsible Equity Unit Trust, which adopted the FCA's 'Sustainability Focus' label in 2025.<br>◆ Regularly monitoring demand for further sustainable products (for example, through client surveys and focus groups). | ◆ SJPUK and SJPUTG help with maximising this opportunity via the investment solutions offered to current and potential clients through their product offerings. |
| **Reputation** | The opportunity to increase trust and client satisfaction by aligning more closely with clients' expectations in relation to climate action. This could have the impact of improving client retention rates across the Group, growing revenue and market share. | S M | ◆ Having clear minimum expectations for investment managers on ESG (100% of our managers remain PRI signatories).<br>◆ Setting transparent, data-driven interim emissions targets for our investments and operations, reducing our reliance on carbon offsetting. | ◆ We will be better able to protect and grow our market share by being recognised as an authentic responsible business, which helps clients to achieve their goals, including to protect and grow their wealth. |

# Our scenario analysis – methodology and assumptions

Climate scenario analysis helps us consider the potential impacts of climate-related risks and opportunities on our investment universe and business.

Climate scenarios are not intended to be accurate forecasts. Instead, they represent pathways to plausible future states based on key underlying assumptions. We recognise that such modelling is not an exact science but believe it is useful for strategic planning and risk mitigation. We use scenario analysis in two key ways:

### 1. Internal stress testing

We conduct internal analysis to understand the potential financial impact of different risks on our business, and to support our financial planning and resilience. This analysis includes stress and scenario testing across a range of severities and including the material risks to SJP. This also covers the principal risks amplified by climate change, such as market risk and reputation risk. Stress testing is conducted at least annually across the Group as part of our Group and SJPUK ORSA process, and for SJPUTG to analyse its financial resilience as an asset manager.

### 2. Investment scenario analysis

We also use scenario analysis to assess the exposure of our investment holdings to both physical and transition climate-related risks. We do this annually, and details of the analysis are shown on the right and on pages 19 to 20. The results show that, once mitigating measures are taken into account, the business remains resilient to the climate-related risks modelled.

## Our scenarios

Our investment scenario analysis is based on climate scenarios constructed by the Network for Greening the Financial System (NGFS), an institution recognised for its research in this field. We have chosen three specific NGFS Phase V scenarios for our analysis, which are widely accepted as industry-standard pathways ranging from limiting warming to 1.5°C, up to 3°C+. We recognise that limiting climate change to 1.5°C looks increasingly challenging, and believe that a 3°C+ world can be avoided. However, these scenarios are intentionally designed to provide a broad range of possible outcomes, highlighting the potential impact of physical and transition risks and opportunities under different climate pathways.

## Modelling caveats and assumptions

Climate scenario modelling is extremely challenging due to the large number of underlying assumptions, the complexity of interconnected systems and the plethora of knock-on effects where even small changes in models can have an impact on the outputs. Long-duration scenarios have a higher level of uncertainty.

An additional limitation is that this modelling is based on a snapshot of our current investment holdings, which change over time. It does not account for how we (or individual companies we invest in) will adapt to changing conditions.

Similarly, the model does not fully capture the outcomes of corporate engagement on climate risks and opportunities. This explains, in part, why headline risk metrics related to climate can appear disproportionately negative. In addition, the modelling does not fully assess the opportunities associated with a transition to a lower carbon economy.

We hope to be able to introduce more nuanced approaches as modelling methods develop. We will continue to explore ways of improving our approach.

+1.5°C

### Orderly – Net Zero 2050

**Approximate global warming by 2100: +1.5°C**

An optimistic scenario that limits global warming to 1.5°C, reaching net zero $CO_2e$ emissions around 2050. The scenario assumes ambitious climate policies are introduced immediately with a 'smooth' implementation globally. Significant advancements in climate technological innovation are also assumed.

+1.5°C to 2°C

### Disorderly – Delayed Transition

**Approximate global warming by 2100: +1.5°C to 2°C**

The delayed transition scenario assumes global emissions do not decrease until 2030 and an ambitious policy response is subsequently needed to limit global warming to below 2°C. This scenario assumes disorderly policy action across regions, with a rapid rate of change driving greater risk in specific sectors.

+3°C

### Hot House World

**Approximate global warming by 2100: +3°C**

A Hot House World scenario assumes only current policies are preserved, resulting in continued emissions increases and at least 3°C warming.

# Our scenario analysis – results

Our investment scenario analysis uses a metric called Climate Value at Risk (VaR), which is an estimate of how much value a company's assets could lose due to climate change. The chart on the bottom right shows the estimated impact on the value of our investments from both transition and physical risks combined.

The results are broken down by sector to reflect the industries we invest in. They highlight how the impact differs across the three scenarios we modelled.

In this analysis, the Orderly scenario has the greatest combined impact on our holdings. This is because companies we invest in would be impacted by significant and rapid regulatory changes in this scenario. The Hot House World scenario results in a smaller impact on our portfolio. However, it is reasonable to assume this is partly because many of the most severe physical climate risks are expected to materialise over longer time horizons, beyond the point captured in the analysis. It is also driven by the fact that the model does not factor in critical tipping points in the global climate. We therefore continue to believe that supporting an orderly transition remains in the long-term interest of the business.

The individual impacts of physical risks and transition risks have also been called out separately to the right. Physical risks were greatest in the Hot House World scenario, whereas transition risk was highest in the Orderly scenario.

## Transition risk

Transition risk varies significantly across all scenarios and sectors.

The highest transition risk is seen in the Orderly scenario, under which higher-emitting companies are more negatively impacted. This is primarily due to the significant disruption from a higher potential carbon price (a cost placed on emitting carbon, to encourage businesses to reduce their emissions).

Under the Disorderly scenario, emitting companies pay a lower initial penalty for polluting activity due to the delay in this policy change.

The Hot House World scenario assumes only current policies are preserved, meaning no additional transition risk is added to the physical risk.

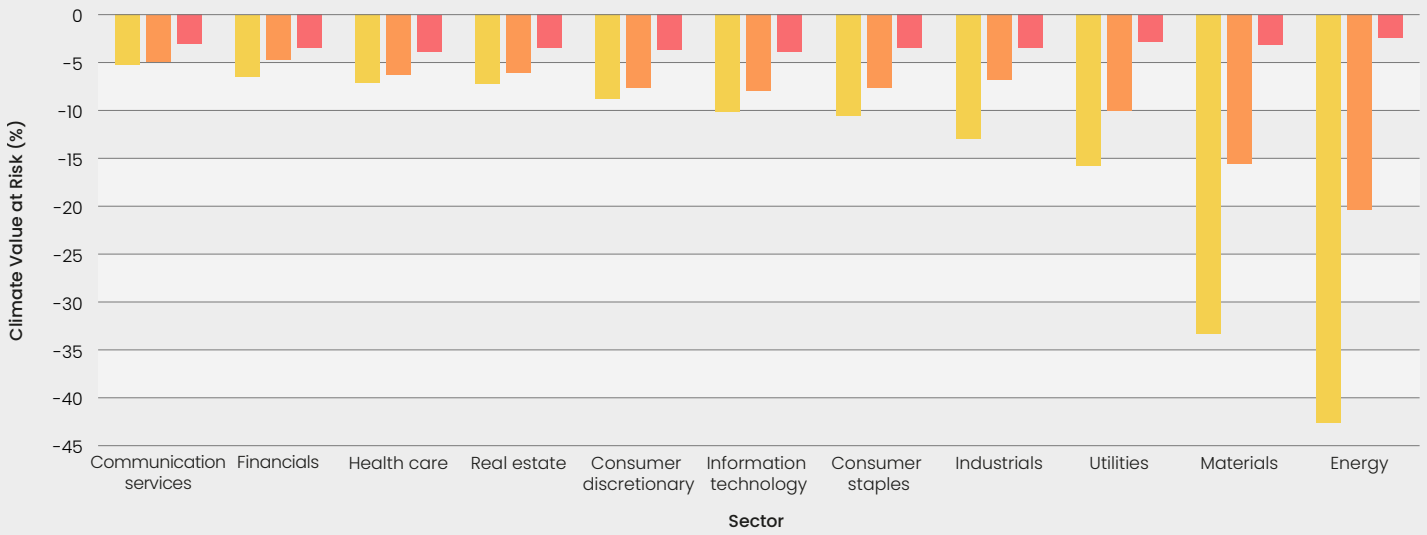
There is significant divergence in the level of transition risk between sectors, with utilities, materials and energy sectors the most severely impacted. Divergence in sector risks is driven by the level of emissions as well as factors such as shifting consumer demand.

## Physical risk

The Orderly scenario represents the pathway in which global temperature increases are lowest. Hence, the most damaging physical climate risks associated with this warming are limited.

The Hot House World scenario has the potential for both acute and chronic physical climate risks to be the most significant. This scenario models the potential scale of risk if today's world were operating under the assumptions of an unmitigated warming trajectory. Unlike transition risk, physical risk manifests more evenly across the different sectors. For example, higher temperatures are expected to hit the productivity of workforces around the world and reduce output for a range of companies across different sectors of the economy.

**Combined transition and physical risk modelled impact on our investment universe[1]**




1 The scope of the data captured in this graph is limited to our equity and debt for listed companies. It does not include real estate or DFM data.

# Our resilience

This page details some of the key actions, mitigations and controls in place to help ensure our business remains resilient in any climate scenario.

## Building resilience

Our investment management approach (IMA) is the first line of defence for our strategic resilience to transition risk. This resilience comes via:

1. Our investment managers' ability to manage their portfolios to mitigate climate risk and capitalise on opportunities; and
2. Our ability to allocate capital to investment managers and strategies where climate risk mitigation is integrated into decision-making.

Our IMA focuses on bottom-up research, strategic asset allocation, diversification and responsible investment. All of these can help mitigate the concentration of climate risk, and allow us to capitalise on the potential opportunities under various climate scenarios.

In addition to our wider IMA, we also have a range of mitigations that help us minimise the potential impacts of climate-related risks, shown in the diagram on the right.

### Diversification

As demonstrated by our scenario analysis, transition risk is concentrated within specific sectors where carbon emissions are high, while physical climate risk manifests more strongly in specific geographies. Our highly diversified global holdings significantly increase our strategic resilience to a potential loss of value triggered by these risks.

### Client advice

We have the largest network of financial advisers in the UK. Our advisers are well placed to review clients' portfolios and assess whether adjustments may be appropriate in light of emerging climate-related risks. Where relevant, they can recommend portfolio rebalancing to clients, supporting resilient investment outcomes across a range of climate scenarios.

### Asset-liability matching

Our liabilities to clients are fully matched by our invested assets, which means that they rise and fall in tandem. This protects us from solvency risk, enabling us to continue delivering client services in the face of market volatility.

### Responsible investment approach

Our dedicated Responsible Investment function drives delivery of our 2050 net zero commitment. We set clear stewardship expectations for our investment managers, using ongoing engagement to promote best practices. We also conduct annual assessments of managers' processes, including how they are integrating ESG factors such as climate risk into their investment decision-making.

# 04

## Our risk management



**6**

climate-related risks and opportunities identified and appropriately managed

**Find out more on pages 16 to 17**

◆

***"A responsible approach to managing climate-related risks helps us deliver long-term value for our stakeholders and resilience for our business."***

**Jack Moncaster**
Financial and Prudential Risk Director

# Risk management framework

Our risk management framework and system of internal controls are designed to support the achievement of strategic objectives while safeguarding clients, shareholders and other key stakeholders.

The framework promotes a strong risk-aware culture, clear accountability, and sound governance across all areas of the business. It ensures that risks are identified, assessed and managed within defined appetites, and that appropriate oversight, assurance and reporting mechanisms are in place.

The internal control environment is founded on a clear organisational structure and a culture that encourages ownership and accountability. The first line of defence (business functions) is responsible for identifying and managing risk in day-to-day operations. The second line (Risk and Compliance) provides independent oversight and challenge. The third line (Internal Audit) delivers independent assurance on the effectiveness of governance, risk management and internal control.

The Board, through the Group Risk Committee and Group Audit Committee, has overall responsibility for ensuring that effective systems of risk management and internal control are maintained.

The Group maintains continuous processes to identify, assess and monitor current and emerging risks across all operations. Risks are evaluated in terms of their likelihood and potential impact on the Group's financial position, reputation, regulatory compliance and ability to deliver good client outcomes. Stress testing, scenario analysis and horizon scanning are used to evaluate resilience under a range of conditions. These measures ensure the Group remains prepared for adverse developments in financial or operational environments.

Sustainability and climate-related risks are identified and assessed through the Group's suite of risk policies, frameworks and processes, summarised on this page and detailed further in the Group Annual Report and Accounts. These risks are integrated into the broader risk management framework using consistent methodologies for identification, assessment and scoring. Climate-related risks are then managed appropriately based on their relative materiality compared to other business risks. The approach we use to manage these risks is described overleaf.

## Risk management and control framework


1. Loss event reporting
2. Emerging risk assessment
3. Stress and scenario testing
4. Risks and controls self-assessment
5. Operational risk assessments
6. Reverse stress testing
7. Own risk and solvency assessment
8. Recovery and resolution planning
9. Risk registers
10. Regular risk reporting
11. Key risk indicators
12. Risk relationship meetings

## Risk governance

# Managing and monitoring climate-related risks

Our industry is exposed to a wide variety of risks and opportunities, including those that are climate-related. Once risks to our business are identified, our priority is to effectively manage and continuously monitor them to ensure their impact on our strategic objectives is mitigated. This is critical to achieving our goals, maintaining our resilience as a business, and delivering good client outcomes.

### Monitoring climate-related risks

We monitor the risks posed by climate change to our business using a range of metrics and targets. Page 25 shows the primary metrics we use and explains which climate-related risk each metric helps us monitor. These help track our potential exposure to each climate-related risk identified. For example, we monitor our progress against our public emissions targets to ensure we meet our commitments or, where this is not possible, we explain the reasons why. This helps us manage climate-related reputation risk, because failure to meet our climate commitments could impact client perceptions of the business.

Our risk appetite statement confirms that we have a low appetite for climate change preventing us from achieving our strategic priorities. This statement is reviewed at least annually by the Group Risk Committee, senior risk owners and the Board, to ensure appropriateness.

We use key risk indicators (KRIs) to provide an early indication of where a risk is increasing. This includes the four principal risks to our business that climate change amplifies: strategy and change, client proposition, regulatory and legislative, and financial. We also have a KRI aimed at tracking how effectively we integrate ESG risks into our investment approach. Monitoring these metrics allows appropriate actions, prioritisation and escalation to take place before our risk appetite is compromised.

### Managing climate-related risks

While we recognise the unique ways in which climate change can affect individual investments or funds, our approach to managing climate-related risk is very similar to how we manage other drivers of market risk. We primarily do this through our IMA and, within that, our approach to responsible investing. We aim to take account of climate-related risks while seeking to deliver returns for clients in line with their own risk appetite.

Physical climate risks, both acute and chronic, are managed as part of the Group's approach to operational resilience. Given the nature of our business, these risks are not currently considered to be material, but are regularly reviewed as part of our business continuity planning.

Pages 16 to 17 provide examples of mitigations in place to proactively minimise the impact of the material climate-related risks and opportunities identified in this report. For example, our wide range of products means we have highly diversified investment holdings. This helps mitigate the potential negative impact of climate change on the value of any one individual sector or geography in our portfolio.

**There are two key ways in which climate-related risks and opportunities could impact our business:**

**1**

**As a corporate group**

Our offices, people and operations are directly affected by climate-related risks and opportunities.

**2**

**As an asset manager[1] and owner[2]**

The actions and decisions of our investment managers could impact our ability to meet client expectations and manage climate-related risks to our clients' portfolios.

1 Through SJPUTG.
2 Through SJPUK.

In addition, climate-related risks may impact us indirectly via our third-party suppliers and Partners. For example, their actions may affect our ability to achieve our net zero target or to mitigate climate-related risks such as greenwashing.

# 05

## Our metrics and targets



**45%**

reduction in Scope 1 emissions

Find out more on pages 27 and 30

*"Robust metrics are the foundation of credible climate action and effective decision-making, ensuring each step we take is both data-driven and measurable."*

**Ryan Robba**
Carbon Analyst

# Overview of metrics and targets

The table below shows the key metrics we use to monitor our exposure to climate-related risks and opportunities. It outlines the specific risk or opportunity that each metric helps us track, any targets we have set for those metrics and our progress against these.

| Area | Metric | Description | Risk/Opportunity | Target | Progress |
|---|---|---|---|---|---|
| **Investment universe** | Weighted average carbon intensity (WACI) | The emissions our investments produce for every US dollar ($) of revenue they generate.<br><br>This is a good indicator of how carbon-intensive or efficient our products are relative to others. For more details, please see our TCFD Product Report. We track our WACI at least annually. | Transition risk: reputation<br><br>Opportunity: reputation | Reduce the carbon intensity of our portfolio by 50% by 2030 (baseline year: 2019). | We have already achieved a 37% reduction in the carbon intensity of our portfolio.<br><br>Our previous 2025 target was successfully met ahead of time. |
| | Absolute financed emissions | The total emissions from our investment portfolio.<br><br>This allows us to monitor the overall impact of our portfolio, including funds we invest on behalf of our clients, on climate change. We track our absolute financed emissions at least annually. | Transition risk: reputation<br><br>Opportunity: reputation | Our Group net zero by 2050 target includes emissions from our investments.<br><br>In the short-term, our focus is on reducing the carbon intensity of our portfolio (see above). | See pages 28 and 30 for details of our investment emissions over time.<br><br>**See TCFD Product Report for more information about the financed emissions of our individual funds** |
| | Sustainable funds under management (FUM) | The total amount of funds in pounds Sterling (£) that are invested in our Sustainable & Responsible Equity Unit Trust.<br><br>This enables us to track demand for our ESG-related products, helping us adapt our client offering to better capture that demand. | Transition risk: client offering<br><br>Opportunity: client offering | We do not have a specific FUM target for this fund but continue to track this metric because it is a useful signal of market demand for sustainable products. This allows us to evolve our client offering as appropriate. | **See factsheet for more information** |
| **Operations** | Operational emissions | Our Scope 1, Scope 2, and limited Scope 3 emissions.<br><br>This helps us track the direct impact of our own activities as a business and the effectiveness of our climate strategy over time. We track our operational emissions at least annually. | Transition risk: reputation<br><br>Opportunity: reputation | Reduce our absolute combined Scope 1 and Scope 2 emissions by 65% by 2030 (baseline year: 2023). This complements our Group net zero by 2050 target, which includes emissions from our operations.<br><br>In 2026, we will also explore the feasibility of setting a target for our operational Scope 3 emissions.<br><br>Our previous operational emissions targets, which expired in 2025, can be found in the Appendix section on page 37. | See pages 27 and 30 for more details of our operational emissions and our progress against these targets.<br><br>We have already achieved a 16% reduction in our combined Scope 1 and Scope 2 emissions since 2023. |

# Understanding our emissions

We measure and report our emissions using the categories defined by the Greenhouse Gas Protocol (see page 30 for our full emissions disclosure). However, we also think about our carbon footprint in terms of three main areas (shown on the right). This approach helps us strategically focus our actions where they matter most and gives us a clearer picture of the different ways we contribute to climate change.

The specific Greenhouse Gas Protocol emissions categories included in each of these three areas are listed in our full emissions disclosure on page 30.

## Our operations

The emissions from the day-to-day running of our business, such as electricity and waste from our offices, fuel from our company cars, and business travel.

**<0.1%**

of Group emissions
(5,638 $tCO_2e$)

See page 27

## Our investments

The emissions linked to the companies and assets we invest in, including the funds we manage on behalf of our clients. We previously reported these figures only in our TCFD Product Report, but have now also disclosed them here for completeness.

**98.8%**

of Group emissions
(11,860,924 $tCO_2e$)

See page 28

## Our wider value chain

The indirect emissions connected to everything else we rely on to do business, such as our suppliers, investment managers and Partnership of financial advisers.

**1.1%**

of Group emissions
(128,304 $tCO_2e$)

See page 29

# Our operational emissions

## Operations

Our operations include emissions from sources we directly own or control. These mainly relate to our global offices, vehicles, and business-related travel activities.

Emissions from our offices include a range of areas, such as the electricity used and waste generated at these locations.

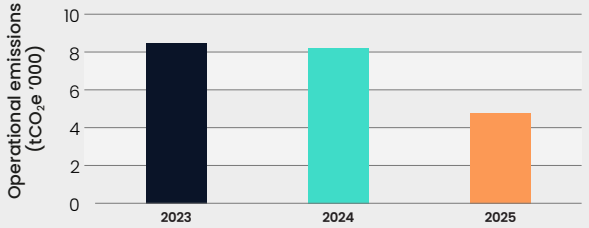
Vehicle emissions come from our fleet of company cars. These are vehicle leases facilitated on behalf of employees. As of December 2025, over 90% of these are hybrid or electric vehicles (EVs).

Our operational emissions also include employee commutes between their homes and the workplace, as well as business travel (hotel stays, rail, car mileage and flights).

Our operations account for the smallest portion of our overall Group footprint, but represent the areas where we have the greatest influence. We therefore believe it is right to focus on delivering significant reductions in this area through targeted initiatives, which are outlined on pages 12 to 13.

Against this backdrop we are pleased to report a reduction in operational emissions of over 40% in 2025. This represents a drop from 9,861 to 5,638 $tCO_2e$ – see graph on the right. Importantly, this included improvements across Scope 1, 2 and 3:

- Our Scope 1 emissions fell 45%, mainly due to our efforts to reduce our reliance on natural gas across our UK offices.
- Our Scope 2 (market-based) emissions improved by 14%, driven mainly by lower electricity consumption. This was supported by the continued rollout of energy efficiency initiatives during 2025, alongside an increased proportion of offices being supplied with renewable electricity.
- Our operational Scope 3 emissions dropped 46%. This was largely due to significant reductions in business travel delivered through our cost and efficiency programme. It also reflects the first full year of impact from our updated travel policies, introduced in 2024. In addition, updated emissions factors for flights published by the Department for Energy Security and Net Zero (used widely in the industry) resulted in a lower emissions intensity per kilometre travelled by air.




**Methodology notes:**

1. Operational emissions include all our Scope 1 (natural gas, fossil fuels used in company cars, and refrigerants) and market-based Scope 2 emissions (electricity used in our offices and electric vehicles).

2. Our operations also include the following Scope 3 emissions: fuel and energy-related transmission/distribution (Category 3), waste (Category 5), business travel (Category 6) and employee commuting (Category 7).

3. As of 2025, we no longer classify emissions from our property fund as operations due to our limited control over these properties. However, we continue to report these emissions, now as part of our investments (Scope 3 Category 15).

4. We are phasing out our company cars by August 2027, replacing these with an EV salary sacrifice scheme. Due to the nature of the new scheme, car emissions will then be reported under Scope 3 instead of Scope 1 and 2.

5. The change in how we account for car emissions will result in c. 190 $tCO_2e$ of our combined Scope 1 and 2 emissions moving to Scope 3. This is expected to account for c. 15% of our planned 65% reduction in Scope 1 and 2 emissions by 2030.

# Our investment emissions

## Investments

We use the metric weighted average carbon intensity (WACI) to analyse the carbon emissions of our fund range. This is the key metric recommended by the TCFD framework to measure exposure to carbon-intensive companies.

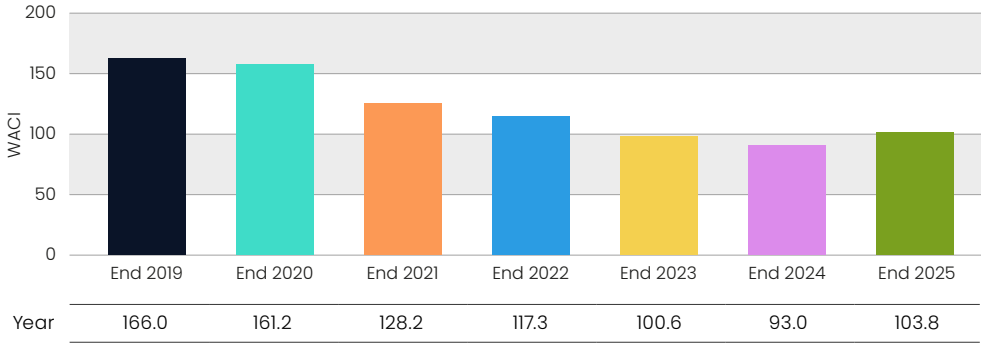
The WACI metric shows how carbon-intensive our holdings are. Carbon intensity is measured by dividing carbon emissions by the corresponding revenue produced by our holdings, expressed in tonnes of carbon dioxide equivalent ($CO_2e$) per million US dollars of revenue. We use US dollars to aid international comparability.

The graph on the upper right shows our annual change in WACI going back to 2019. It shows that our WACI has reduced by 37% since 2019 (as at the end of 2025) – progress we are proud of. However, 2025 saw an increase on 2024. The reasons for this are primarily sector exposure changes with increased allocations to carbon-intensive sectors such as industrials and materials. Over half the increase in WACI came from increased exposure to three cement producers, whose carbon intensity also increased for the year. The impact of these changes outweighed our investment managers' efforts to reduce the underlying emissions intensity of investee companies across the rest of our portfolio. This emphasises the disproportionate influence that highly carbon-intensive companies can have.

As shown in the lower chart, the carbon intensity of our multi-asset funds remains materially below that of their benchmarks. The comparators shown are based on market benchmarks.[3]

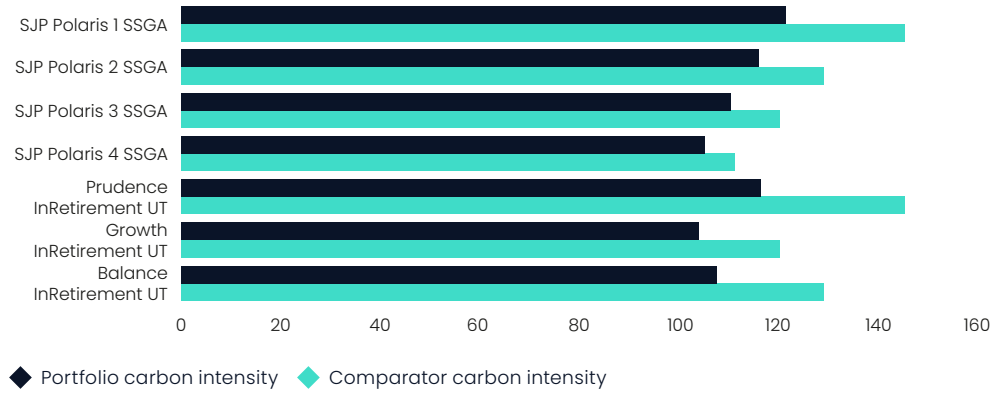
**TCFD Product Report**

**SJP weighted average carbon intensity[1]** (overall WACI)
tonnes of $CO_2e$/$million of revenue




| Year | End 2019 | End 2020 | End 2021 | End 2022 | End 2023 | End 2024 | End 2025 |
|---|---|---|---|---|---|---|---|
| | 166.0 | 161.2 | 128.2 | 117.3 | 100.6 | 93.0 | 103.8 |

**Portfolios vs comparator weighted average carbon intensity[2]**
tonnes of $CO_2e$/$million of revenue




For full details of data coverage and assets in scope, please refer to our TCFD Product Report.

1 The scope of the data represented in this graph is limited to our equity and debt for listed companies. It does not include real estate or DFM data.

2 The scope of the data represented in this graph is limited to our equity and debt for listed companies. It does not include real estate, third-party funds or DFM data.

3 We are not able to compare carbon intensity with peer group benchmarks due to not being able to access the underlying asset data that would be required to do so.

# Our value chain emissions

## Value chain

Our value chain captures emissions from the companies we rely on to do business. These fall into three main categories: our suppliers, our Partnership of financial advisers, and our investment managers.

Our value chain emissions help us understand the impact our business has on the environment beyond our own operations. It gives us a sense of where we can use our voice and influence to have an impact. Working with our suppliers, advisers and investment managers is critical to delivering our long-term climate goals. We aim to increase our engagement with these companies over the coming years to strengthen our emissions data and reduce our collective footprint.

We are pleased that our overall value chain emissions have decreased by 13% in 2025. This adds to the momentum we built with our operational emissions reductions.

The most significant part of our value chain emissions comes from suppliers. This includes emissions from goods we purchase, such as office equipment, and services we purchase, such as software. Emissions from suppliers decreased by 16% this year. This was driven by emissions reductions achieved by some of our suppliers, as well as a drop in our total spend as part of our cost and efficiency program.

Investment managers are our next largest source of value chain emissions. These are associated with the services our investment managers provide to us. They do not include emissions from the underlying investments themselves, which are shown separately on pages 28 and 30. Investment manager emissions fell by 14% in 2025.

Our Partnership of financial advisers plays a critical role for our business model but remains the least material part of our value chain emissions. Their emissions grew 4%, from 14,057 $tCO_2e$ to 14,612 $tCO_2e$ in 2025. This was mainly the result of growth in the proportion of practices in our network considered large, and a reduction in the proportion of single-Partner practices.

**Breakdown of value chain emissions (2025)**


**Methodology notes:**

1. Our value chain footprint is calculated by combining our emissions from purchased goods and services (Scope 3, Category 1) and capital goods (Scope 3, Category 2).

2. We apply the hybrid method for third-party supplier emissions. In 2025, approximately 80% of these (by spend) relied on spend-based calculations with the remaining 20% benefiting from supplier-specific emissions factors.

3. Emissions from our advisers are extrapolated based on actual activity data from a sample of 15 practices in Q4 2024. We aim to update and increase the size of this sample over time.

4. Emissions from our investment managers have been reported for the first time this year. Value chain emissions for 2022/23 and 2023/24 have been restated to include these for consistency.

5. Emissions factors used for all spend-based calculations were sourced from the Department for Environment, Food And Rural Affairs (DEFRA).

# Our full emissions disclosure

The table on the right shows our full greenhouse gas emissions disclosure. It is aligned to the categories defined by the Greenhouse Gas Protocol. The icons on the right-hand side of the table represent the three emissions areas outlined on page 26 (operations, investments and value chain). They indicate which categories of emissions are included in each of those areas.

Our total gross emissions increased this year, driven almost exclusively by growth in the size of our investment portfolio. However, these emissions remain significantly lower than our baseline year, down 22%. As is common for financial services companies, investments remain our largest source of emissions.

Encouragingly, we achieved reductions across our Scope 1, Scope 2, and most other Scope 3 sources in 2025. Combined Scope 1 and 2 emissions are down 16% against our base year, driven by reduced consumption (see page 27). Scope 3 emissions excluding investments have decreased by 13% since the base year. This improvement was primarily due to reductions in our supply chain emissions (down 11%).


Operations


Investments


Value chain

## Absolute emissions targets

| ID | Scope | Description | % of emissions in scope | % decrease from base year | Base year | Base year emissions | Target year |
|---|---|---|---|---|---|---|---|
| **Abs4** | Scope 1 and Scope 2 | 65% combined reduction in absolute emissions | 100% | 65% | 2023 | 1,262 | 2030 |

## Breakdown of gross emissions

| Category | Scope | 2024/25 | 2023/24 | 2022/23 (baseline) | Area |
|---|---|---|---|---|---|
| **Scope 1** | Natural Gas | 302 | 507 | 500 |  |
| | Company Vehicles | 28 | 84 | 71 | |
| | Other Fuels | 0 | 6 | 2 | |
| | Total Scope 1 emissions ($tCO_2e$) | 330 | 597 | 573 | |
| **Scope 2** | Scope 2 (location-based) emissions ($tCO_2e$) | 1,175 | 1,761 | 1,497 |  |
| | Scope 2 (market-based) emissions ($tCO_2e$) | 731 | 852 | 689 | |
| **Scope 3** | Scope 3, Category 1: Purchased Goods & Services[1] | 124,288 | 143,796 | 135,622 |  |
| | Scope 3, Category 2: Capital Goods | 4,017 | 4,222 | 8,240 | |
| | Scope 3, Category 3: Fuel and Energy-Related Activities | 493 | 677 | 577 |  |
| | Scope 3, Category 5: Waste Generated in Operations | 53 | 40 | 46 | |
| | Scope 3, Category 6: Business Travel | 2,548 | 5,942 | 6,808 | |
| | Scope 3, Category 7: Employee commuting[2] | 1,483 | 1,754 | 1,470 | |
| | Scope 3, Category 15: Investments[3] | 11,860,924 | 10,394,073 | 15,295,929 |  |
| | Total Scope 3 emissions ($tCO_2e$) above | 11,993,806 | 10,550,504 | 15,448,692 | |
| **Total[3]** | **Total emissions above (location-based) ($tCO_2e$)** | 11,995,311 | 10,552,862 | 15,450,762 | |
| | **Total emissions above (market-based) ($tCO_2e$)** | 11,994,867 | 10,551,953 | 15,449,954 | |

1 We are reporting employee commuting emissions for the first time. For consistency, we have also assessed commuting emissions for 2022/23 and 2023/24.

2 Category 15 emissions have been restated for 2022/23 (from 43,723 to 15,295,929) and 2023/24 (from 42,237 to 10,394,073) to follow the revised methodology used this year. This now accounts for our financed emissions in addition to emissions from our investment properties, which provides a more complete picture of the impact of our portfolio. Our financed emissions are calculated excluding DFM assets and cover 82.4% of AUM.

3 Total emissions for 2023/23 and 2023/24 have been updated to reflect the restated Category 15 figures (see footnote 2 above).

# Emissions calculation methodology and assumptions

Carbon accounting remains an evolving field. Key details about our methodology, assumptions and limitations are outlined here for transparency.

### Reporting standards

Our emissions disclosure has been prepared in accordance with the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard and its supplemental guidance notes. As the most widely adopted carbon accounting standard internationally, this maximises consistency and comparability. Our absolute financed emissions calculations are also fully aligned with guidance from the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard Part A: Financed Emissions (Second Edition).

### Reporting boundaries and scope

We apply the operational control consolidation approach to our emissions reporting. Our organisational boundary captures all global activities over which we have operational control. This includes our international offices and individually owned subsidiaries.

The reporting period covered by our emissions disclosure is 1 October 2024 – 30 September 2025. We include all Scope 1 and Scope 2 emissions identified. In 2024, we conducted a scoping exercise to determine which Scope 3 categories were applicable to our business. As of 2025, we now also disclose our emissions against each of those Scope 3 categories which include categories 1, 2, 3, 5, 6,7 and 15. These relate to emissions from our supply chain, fuel-related transmission and distribution, waste, business travel, employee commuting and investments. We will review the materiality of other Scope 3 categories on a periodic basis to ensure this approach remains appropriate.

### Governance and review process

Activity data is collected and reviewed by relevant SMEs from across the business. All data is then additionally sense checked by the Responsible Business team.

Our operational emissions, including all mandatory Scope 1 and Scope 2 calculations, are calculated by independent industry experts SE Advisory Services using the activity data we provide. All calculations then go through their own independent quality assurance process. These figures are not currently subject to internal audit or external assurance. However, we aim to explore the possibility of such reviews in the future.

Our supply chain and investment emissions are calculated in-house in line with the principles outlined on this page. Our value chain emissions are calculated by our qualified Carbon Analyst and reviewed by the Head of Responsible Business. Our investment emissions are calculated using specialist industry software and reviewed by our Head of Responsible Investing and Head of Investment Insights and Reporting. In 2025, the process used to generate our investment figures was subject to an internal audit to ensure robustness. All recommendations raised were successfully actioned.

All emissions figures are reviewed at a high-level as part of the governance process for this Climate Report, which receives feedback and challenge from our Audit Committee and Board. All raw emissions data is also sense-checked by key SMEs prior to reporting.

### Assumptions and data sources

Where activity data was unavailable, industry average emissions factors from reputable sources have been used to estimate emissions. Specifically, we used the UK Government's Department for Environment, Food and Rural Affairs (DEFRA) conversion factors and the Intergovernmental Panel on Climate Change (IPCC) Emissions Factor Database.

Where activity data was incomplete (for example, covering only a portion of the reporting period), emissions were estimated by extrapolating from the data that was partially available.

As a result, emissions figures carry a greater degree of uncertainty than, for example, financial accounts. As the availability and quality of emissions data continues to improve, our view of historical and forward-looking emissions may change.

Additional data assumptions and methodological limitations for specific emissions sources are noted on pages 27 to 29.

# 06

## Our conclusion



*"Our journey to net zero is ongoing but remains grounded in data, strengthened by collaboration, and focused on building resilience."*

**Caroline Waddington**
Chief Financial Officer

# Our conclusion

As we continue to navigate a changing external environment, our focus remains on delivering long-term value for our clients. Managing climate-related risks and opportunities proportionately is integral to this.

We are proud to have taken important strides to evolve our climate approach this year: setting our 2030 targets and closing key data gaps by reporting new categories of emissions for the first time.

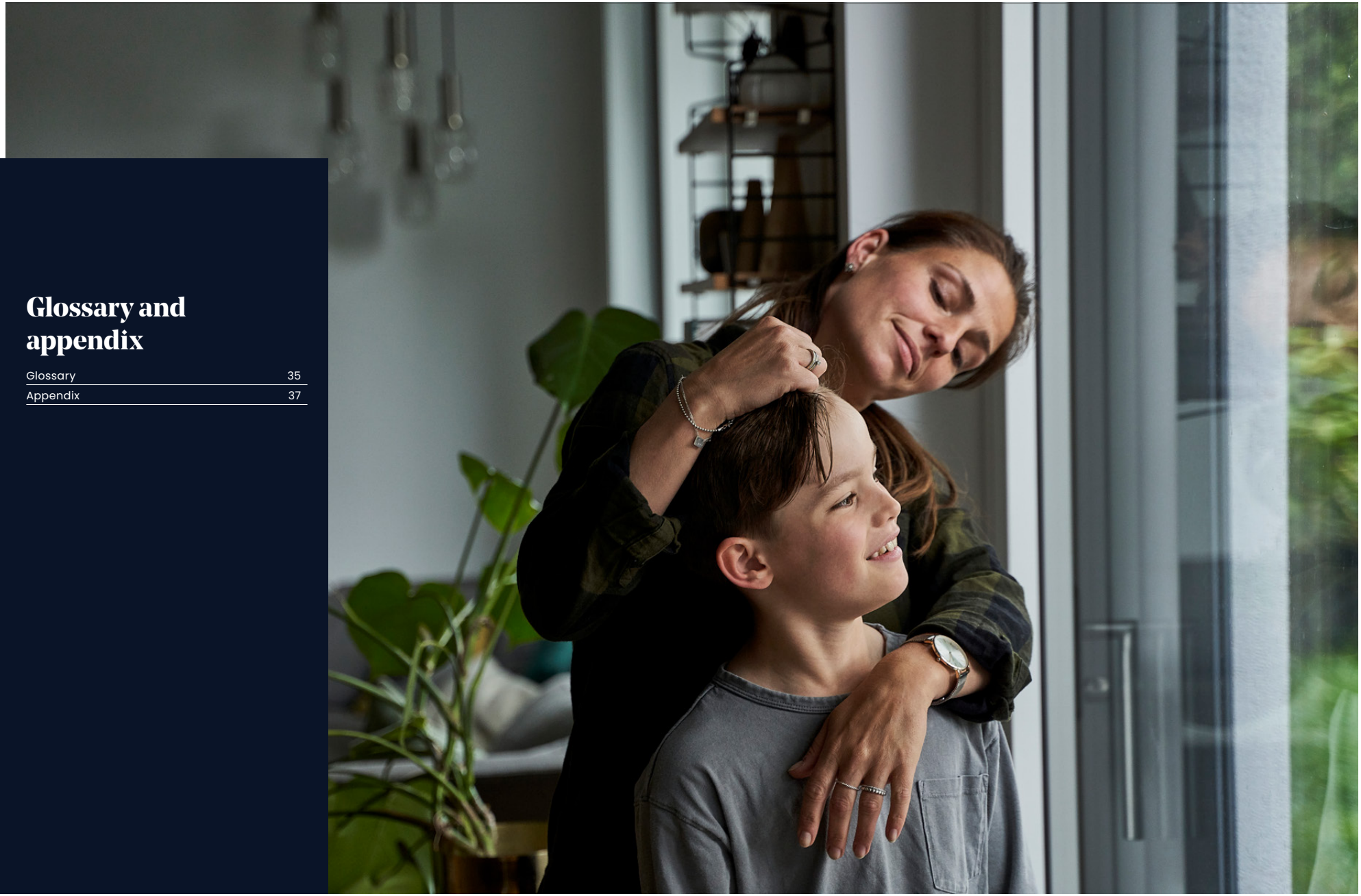
In 2026, we aim to build on this momentum with purpose, advancing the following areas:

- delivering energy efficiency and emissions reduction projects across a range of our offices to make progress against our new targets
- strengthening the quality of our Scope 3 data by further reducing our reliance on generic emissions factors
- exploring the feasibility of short-term targets for our remaining emissions categories to increase accountability for our wider footprint.

We have much to do to deliver on these commitments and continue our journey, but we embrace that challenge. We will continue to prepare for upcoming consultations on new sustainability requirements, such as the UK SRS. We welcome these critical developments to provide greater regulatory clarity and hope they will drive measurable progress towards a more sustainable future for all.

I confirm that the disclosures in this report comply with the TCFD requirements under the regulations for these entities.

**Mark FitzPatrick**
Chief Executive Officer



# Glossary and appendix

# Glossary

| Term | Description |
|---|---|
| **Acute risks** | The risks arising from increased severity of extreme weather events, such as cyclones, hurricanes or floods. |
| **Carbon-intensive** | Processes that have a high carbon footprint in relation to their economic importance. According to the TCFD, carbon-related assets refer to assets tied to energy and utilities sectors under the Global Industry Classification Standard, excluding water utilities and independent power and renewable electricity producer industries. |
| **Chronic risks** | The risks arising from longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise or chronic heatwaves. |
| **Climate-adjusted value** | A metric showing the potential percentage change in value as a result of a specific climate scenario. |
| **Climate risks** | The risks created by a range of hazards caused by climate change. Some are slow in their onset (such as changes in temperature and precipitation leading to droughts, or agricultural losses), while others happen more suddenly (such as tropical storms and floods). |
| **Climate Transition Plan** | A comprehensive strategic framework designed to demonstrate the extent to which an organisation has aligned its goals, operations, business model and governance with science-based targets and national net zero commitments. The plan is time-bound and intended to be disclosed every three years. |
| **$CO_2e$** | Carbon dioxide equivalent; standard term for describing different greenhouse gases in a common unit of measurement. |
| **Double materiality assessment (DMA)** | The process of evaluating both a business's impact on sustainability matters through its operations and value chain and how sustainability matters impact the financial performance and operations of the business. |
| **Environmental, social and governance (ESG)** | A framework for measuring the sustainability and societal impact of an activity, investment or business. These elements are defined as follows:<br>1. Environmental: the impact of business activity on the wider environment, including climate change;<br>2. Social: factors that arise in the relations between a company and its internal and external stakeholders; and<br>3. Governance: the approach to ensuring responsibility, transparency and accountability within firms. |
| **First line** | The part of the business that has the responsibility to manage risks as part of their day-to-day roles. The first line of defence owns and manages the operational risks and controls in business operations. |

| Term | Description |
|---|---|
| **Greenhouse gases (GHGs)** | Greenhouse gases trap heat in the atmosphere. The main ones in the Earth's atmosphere are: carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$) and fluorinated gases. |
| **Greenwashing** | Making sustainability-related claims about products and services that are exaggerated, misleading and do not stand up to scrutiny. |
| **Market-based for Scope 2 accounting** | A method of calculating greenhouse gas emissions based on a specific purchase contract or agreement for energy. |
| **MSCI ESG ratings** | Measures that help investors to identify ESG risks and opportunities within their portfolio. MSCI researches and rates companies on an 'AAA' to 'CCC' scale according to their exposure to industry-specific ESG risks and their ability to manage those risks relative to peers. |
| **Net zero** | When the amount of greenhouse gases produced by a company are fully negated by a combination of emissions reduction and emissions removal. |
| **Principles for Responsible Investment (PRI)** | The world's leading proponent of responsible investment. It has two key objectives:<br>1. To understand the investment implications of environmental, social and governance (ESG) factors; and<br>2. To support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.<br>We became signatories to the PRI in 2018. |
| **Risk management framework** | A document that outlines the structures, processes, methodologies and tools to effectively manage the risks faced by an organisation. |
| **Scenario analysis** | A method for developing strategic plans that are more flexible or robust to a range of plausible future states. Given the importance of forward-looking assessment of climate risk, the TCFD believes that scenario analysis is an important and useful tool for organisations to use both for assessing potential business implications of climate-related risks and opportunities, and for informing stakeholders about how the organisation is positioning itself in light of these risks and opportunities. |
| **Scope 1 emissions** | Direct emissions from owned or controlled sources. We calculate these emissions as the direct emissions associated with our offices and the vehicles that we own, and we report them in line with the Greenhouse Gas Protocol and Streamlined Energy and Carbon Reporting (SECR) standards as part of our Group Annual Report and Accounts. |

# Glossary continued

| Term | Description |
|---|---|
| **Scope 2 emissions** | Indirect emissions from the generation of purchased electricity, steam, heating and cooling. We calculate these emissions as the emissions we produce via the electricity that we purchase, and we report them in line with the Greenhouse Gas Protocol and SECR standards as part of our Group Annual Report and Accounts. |
| **Scope 3 emissions** | Indirect emissions that occur in a company's value chain. We calculate these emissions in two parts. Firstly, we calculate the emissions created via upstream activity, such as business travel and waste generated. The second element of Scope 3 looks at the downstream impact of our business, such as emissions linked to SJP's investments. We report these emissions in line with the Greenhouse Gas Protocol and SECR standards as part of our Group Annual Report and Accounts. |
| **Second line** | The part of the business responsible for setting policy and oversight of risk. These employees are empowered to challenge first line risk management, using specialist risk knowledge and subject matter expertise, to ensure stronger risk management outcomes for the Group. |
| **St. James's Place Partner** | A member of the St. James's Place Partnership. Specifically, the individual or business that is registered, on the relevant regulatory register, as an appointed representative of St. James's Place Wealth Management plc, St. James's Place (Hong Kong) Limited, St. James's Place (Middle East) Limited or St. James's Place (Singapore) Private Limited. |
| **St. James's Place Partnership** | The collective name for all of our advisers, who are appointed representatives of St. James's Place. |
| **Third line** | The part of the business responsible for providing independent assurance that the organisation's risk management framework is effective. This is usually led by the Internal Audit team. |

# Appendix

## Transition Plan Taskforce (TPT) guidance

We support the TPT and have commenced efforts to begin aligning our climate approach with its guidance. Below we have summarised how the content of this Climate Report maps to the main guiding principles of the TPT framework at a high-level.

| Principle | Element | Mapping to our Climate Report |
|---|---|---|
| **Ambition** | 1. Foundations | The strategic foundations of our climate approach are outlined on page 12 and throughout our Strategy section. |
| **Action** | 2. Implementation strategy | Our implementation strategy is being developed and is discussed on page 13. |
| | 3. Engagement strategy | Our engagement strategy is being developed and is discussed on page 14. |
| **Accountability** | 4. Metrics and targets | Our Metrics and Targets section (see pages 25 to 31) sets out our key climate-related targets, and the metrics we use to monitor these. |
| | 5. Governance | Our approach to climate-related governance, and how we embed this in our broader business decision-making, is detailed in our Governance section (see pages 7 to 9). This covers both Group-level and entity-level governance. |

## Expired absolute emissions targets

The table below shows our previous interim targets, which expired in 2025. These have been superseded by our new interim Scope 1 and 2 target, which we aim to meet by 2030 (see page 12 for more details).

| ID | Scope | Description | % of emissions in scope | % decrease from base year | Base year | Base year emissions | Target year |
|---|---|---|---|---|---|---|---|
| **Abs1** | Scope 1 | Gas and owned vehicles | 100% | 50% | 2018 | 835 | 2025 |
| **Abs2** | Scope 2 (market-based) | Electricity | 100% | 100% | 2018 | 167 | 2025 |
| **Abs3** | Scope 3 | Business travel, waste, well-to-tank | 100% | 50% | 2018 | 10,380 | 2025 |

## Progress against expired absolute emissions targets

The table below shows our progress against our previous interim targets, which expired in 2025. We successfully met our Scope 1 and Scope 3 targets. Whilst we were disappointed that we fell short of our Scope 2 target, we have clear plans to strengthen reductions in this area by 2030.

| ID | Scope | Actual emissions in year (tonnes $CO_2e$) | % of target achieved | Comment |
|---|---|---|---|---|
| **Abs1** | Scope 1 | 330 | 121% | Target successfully met. Scope 1 emissions decreased by a significant 45% in 2025, mainly due to our reduced reliance on natural gas. |
| **Abs2** | Scope 2 (market-based) | 731 | -338% | We made significant progress with our Scope 2 emissions in 2025, primarily driven by reductions in electricity consumption in our offices. However, these reductions fell short of our 2025 target. We aim to increase the proportion of our offices using renewable energy by 2030 to accelerate progress in this area. |
| **Abs3** | Scope 3 | 3,094 | 122% | Target successfully met. This was driven by significant business travel reductions in 2025, allowing us to exceed this goal. |

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