The Thomson Corporation PLC Pension Scheme Task Force on Climate-Related Financial Disclosures (“TCFD”) Report – Member Summary

For Scheme year-end 30 June 2025

Member Summary

The Trustee of the Thomson Corporation PLC Pension Scheme ("the Scheme") has prepared the following statement in response to requirements for pension schemes under the Climate Change Governance and Reporting Regulations and accompanying statutory guidance issued by the Department for Work and Pensions (June 2021). As the regulations do not apply to the Scheme given its size, the Trustee has chosen to report against them voluntarily. This is to reflect the Trustee's desire to incorporate best practice with respect to measuring and managing the impacts of climate change on the Scheme's long-term objectives. The regulation sets out four elements which are based on the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") and a summary of the Scheme's positions against each element is given below:

Governance

The Trustee retains ultimate responsibility for the management of climate-related risks and opportunities. Day-to-day management and oversight are delegated to the Investment Sub-Committee of the Trustee Board. The Scheme's Climate Policy outlines the Trustee's agreed climate-related beliefs and overarching approach to managing climate change risk. The Trustee continues to monitor ESG and climate metrics annually and receive training on new and emerging climate-related risks and opportunities as required. The Trustee considers its governance approach to climate-related risks to be proportionate to other financial risks and opportunities faced by the Scheme.

Strategy

The Trustee continues to consider both climate-related physical and transition risks and opportunities across short-, medium-, and long-term horizons, when assessing the Scheme's strategy. For the period under review, the Trustee is comfortable the Scheme's strategy remains resilient.

In June 2023, the Trustee conducted scenario analysis on the assets, liabilities, and sponsor covenant to assess the potential impact of climate change. The Trustee reviewed the output of the scenario analysis and believes it remains appropriate. As there were no significant changes to the Scheme's strategic asset allocation or scenario analysis methodology during the period, the analysis was not updated for this reporting period. The Trustee will update the analysis for the Scheme's next TCFD report, in line with regulatory requirements.

Risk Management

The Trustee recognises the Scheme's exposure to climate change-related risks and integrates these into its broader risk management and decision-making frameworks. Risks are identified through conducting and considering the results of climate scenario analysis, receiving climate-related reporting from the Scheme's investment consultant (including carbon emissions of the Scheme's assets), and engaging with the Scheme's investment managers.

Given the Scheme's relatively short time horizon to its investment objective, the Trustee has so far prioritised the management of climate transition risks over physical risks, as these are judged to pose the greatest potential for financial loss to the Scheme in the short/medium term.

However, as global temperatures rise and the likelihood of physical climate risks increases in the short term, the Trustee expects the management of these risks to become more of a priority. The Trustee seeks to manage and mitigate risks through strategic asset allocation decisions, asset manager selection and effective stewardship.

Over the period, the Trustee appointed one new mandate, the M&G Sustainable Total Return Credit Investment Fund, which employs a sustainable overlay. The Trustee also continues to meet with the Scheme's existing managers, requesting them to cover their approaches to managing climate-related risks and opportunities as part of their presentations.

Metrics and Targets

The Trustee measures and monitors climate metrics to quantitatively assess the Scheme's exposure to climate-related risks and opportunities.

The Trustee continues to target alignment of the Scheme's investment strategy with the goals of the Paris Agreement, aiming to reduce the greenhouse gas emission intensity of the Scheme's assets to net zero by 2050. Given this is a long-term target, the Trustee has set an interim target in place of a 50% reduction of carbon footprint by 2034 (compared to a baseline as of 30 June 2021).

While the Scheme has made considerable progress towards its interim net zero targets relative to the 2021 baseline, over the year to 30 June 2025 the Scheme's carbon footprint increased, driven by an increase in the carbon intensity of the majority of the Scheme's mandates.

The Trustee is aware emissions will vary over time and is focused on monitoring the long-term trend of the Scheme's carbon footprint. The Trustee is aware that the recent increase in emissions intensity is primarily a reflection of the lack of decarbonisation progress globally. Whilst the Trustee continues to support the net zero transition and believes it to be in the best interest of members, it acknowledges that supportive global policies are needed to facilitate it.

As such, whilst the target has been retained for the purpose of this report, the Trustee will be considering its ongoing suitability in light of the growing likelihood the goals of the Paris Agreement aren't achieved and the Trustee's fiduciary duty to members.

The Task Force on Climate-related Financial Disclosures was set up in 2015 by the Financial Stability Board to encourage companies and investors to report the financial risks of climate change. If members wish to understand more, further information can be found on their website here.