Rothesay
Protecting Pensions

Climate Report 2025

Rothesay Limited
Climate Report 2025

Our purpose

We are dedicated to securing the future for every one of our policyholders.

Other relevant documents
There are a number of other related documents which can be found on our website: www.rothesay.com

Annual Report and Accounts
Responsible Investment and Stewardship Policy
Stewardship Report
Transition Plan

About Rothesay

Purpose-built to protect pension schemes and their members' pensions.

Over
£73bn
managed assets

Who we are

Rothesay is a leading UK specialist pensions insurer, purpose-built to protect pension schemes and their members' pensions. Our singular focus is to secure pension annuities for the future, providing certainty for our policyholders.

Our careful approach to investment, prudent underwriting and service excellence mean we are trusted to provide pension solutions by the pension schemes of some of the UK's best known companies including British Airways, Cadbury's, the Civil Aviation Authority, the Co-Operative Group, National Grid, NatWest, Morrisons and Telent.

Our participation in an active pension risk transfer industry means our business is on a strong growth path. This growth has increased the portfolio of assets securing the pensions we protect and has been supported by an increased headcount in London and our two international offices.

Today, we manage over £73bn in assets, secure the pensions of almost one million people, and pay out, on average, over £360m in pension payments each month. We are safeguarding the future for every one of our policyholders, and providing long-term value to our shareholders.

Climate and our purpose

At Rothesay, thinking long-term is central to our purpose and we understand the clear link between our core investment objectives and the need to consider climate impacts.

Our long-term approach and in-house asset management supports our ability to consistently identify and manage our principal risks including global climate risk exposure within our investment portfolio. Our climate strategy is shaped by the requirements of our regulators and the needs of our pension trustees, alongside a desire to effectively manage climate risk alongside the wider risks that affect all areas of our business.

Our approach to the management of climate risk is therefore to ensure the appropriate knowledge, experience and responsibilities are in place across our business to effectively assess climate-related risks and opportunities.

We are a growing business and must therefore acknowledge that the absolute carbon footprint of our investments is likely to increase. Our target setting must consequently be linked to intensity measures and other metrics independent of portfolio size. As our portfolio grows, we continue to seek out opportunities to match our long-term investment horizon with assets that support our climate strategy. Using sophisticated risk management, our expert in-house investment team is continually developing new ways to drive predictable, sustainable returns that reduce risk and create real security.

Message from the CEO

> At Rothesay, we see embedding sustainability principles across our business as a fundamental part of our commitment to providing our policyholders with security for the future.

Tom Pearce
Chief Executive Officer

Message from the CEO continued

At Rothesay, we see embedding sustainability principles across our business as a fundamental part of our commitment to providing our policyholders with security for the future.

Rothesay's sustainability reporting is covered by a number of publications including this Climate Report, which is prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), as required by our regulators and key stakeholders.

Our Climate Report also responds to the Prudential Regulation Authority's (PRA) latest climate supervisory statement (SS5/25), which reiterates its expectation that UK banks and insurers continue to develop their identification, assessment and management of all forms of climate risk.

In 2025, we published our first public Transition Plan, a key step on our journey to Net Zero. This document, supported by our underlying transition plan model, considers how our portfolio emissions may evolve to 2050. The plan will be the cornerstone for our climate strategy over the coming years, with progress towards our goals reported as part of our annual reporting suite going forward.

We have witnessed an increase in the frequency and severity of extreme weather events, including record summer heatwaves and widespread storms in Europe and significant wildfires and storms in the US. This has increased government and industry focus on the rising impacts of physical climate risk. Our work to consider the potential impacts of physical risk on our portfolio and wider business operations continues, with further development of our physical risk modelling capabilities during 2025 and continuing into 2026.

We have continued to grow our level of deployment into UK productive assets including a £200m investment in the refurbishment of the Haweswater Aqueduct, future proofing the water supply in the North West of England. We were also pleased to join the Government's Sterling 20 initiative, a group actively working with the Government and City of London to enable our industry to deploy capital more effectively into the critical infrastructure and national priorities which are so vital to our economic growth.

We are also pleased that we have been re-accepted as a signatory of the UK Stewardship Code 2020. In addition we continue to build our understanding of nature-related risks and opportunities, which has been reinforced through our work with the Taskforce on Nature-related Financial Disclosures (TNFD), where we helped develop its nature handbook.

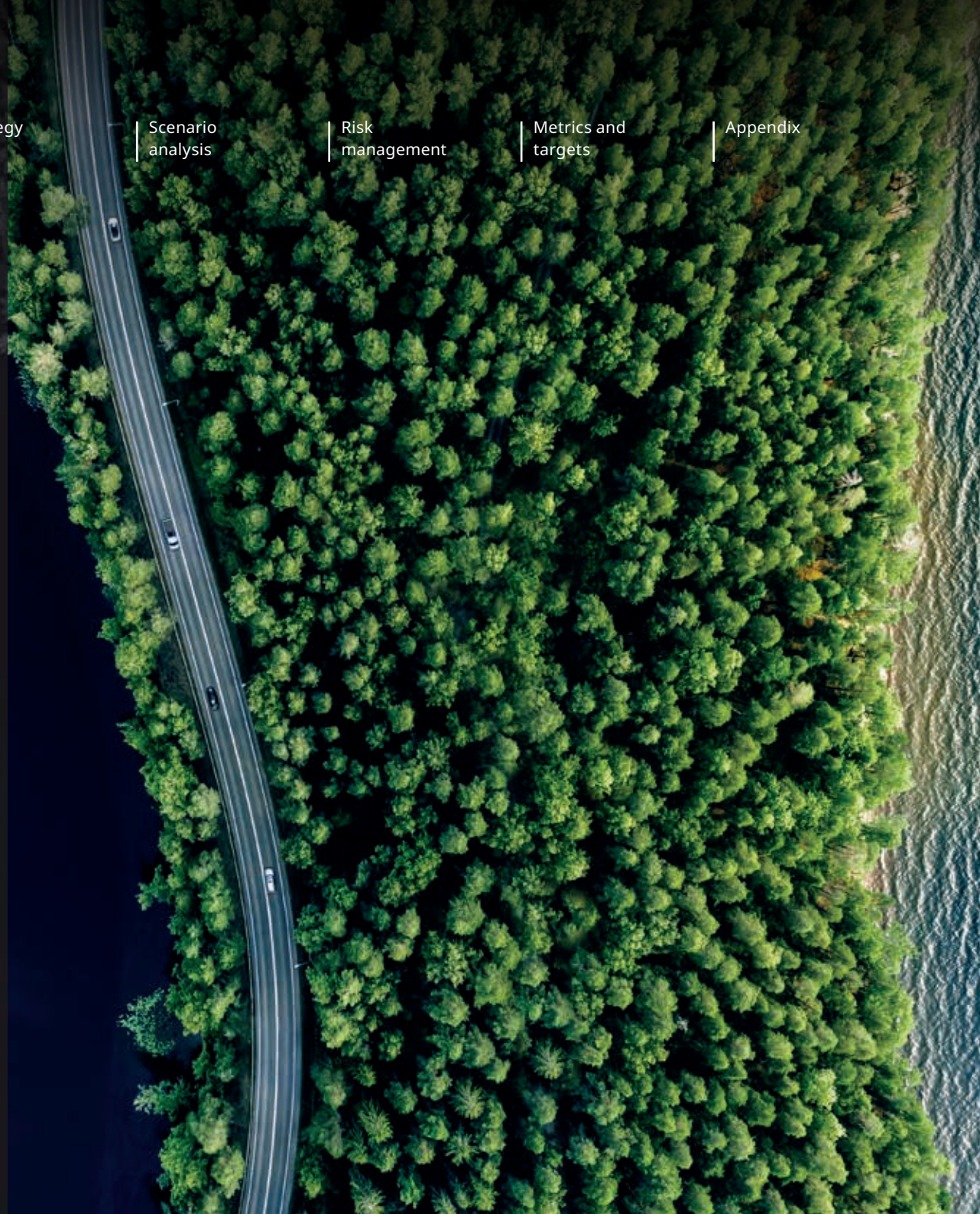
I hope you find our Climate Report interesting and informative.

Tom Pearce
Chief Executive Officer
15th April 2026

Our Pathway to Net Zero

By 2050, Rothesay intends to transition its investment portfolio to Net Zero[1].

To understand our pathway to delivering this commitment, we have developed and published our transition plan to determine the actions that will enable us to manage the risks and opportunities associated with decarbonising our portfolio. While our transition planning considers portfolio emissions over the long-term, our actions are inevitably concentrated on the near-term priorities which will enhance our modelling capabilities and our ability to respond to the challenges we have identified, and where our work can be planned in detail with measurable outcomes.



1. Our Net Zero commitment is science-aligned, focusing on taking actions that are consistent where possible with the Paris Agreement's long-term goal of limiting global warming to 1.5°C above pre-industrial levels.

Our Pathway to Net Zero continued

We also maintain a public Responsible Investment and Stewardship Policy which outlines our investment strategy including any climate-related positions. That document is regularly updated to reflect evolving best practice to help manage our long-term sustainability and climate commitments and to ensure we are in the best position to protect our policyholders.

We have sought to understand the transition risk of our portfolio by measuring current emissions, projecting future emissions trajectories, and considering how to incorporate their consequences within our risk-return assessments, and hence in our portfolio positioning and engagement-led strategy. As climate metrics have matured, we have introduced new measures and now report a range of metrics including Carbon Intensity, Financed Emissions, temperature alignment and Science Based Targets Initiative (SBTi) alignment of our publicly traded corporate debt portfolio. We believe it is important to disclose a number of climate metrics; whilst each metric has its merits, to gain a full understanding of the risks and opportunities that climate change may have on our activities, a range of datapoints is required.

We continue to supplement our qualitative findings with quantitative assessments where possible, especially for climate scenario analysis and physical risk.

Our Sustainability Committee draws representatives from across the firm's business units, including Trading, Investing, Risk, Compliance and Finance. We believe all our employees can contribute to our sustainability strategy, so we have established sustainability-related training for all employees and capture individual contributions within our annual performance review.

To support our progress, we have partnered with several organisations aligned with our climate goals. We are also a supporter of the Taskforce for Climate-related Financial Disclosures (TCFD) and a member of the Bank of England's Climate Financial Risk Forum (CFRF).

Our targets

Net Zero by 2050

Rothesay is committed to transitioning our investment portfolio to Net Zero greenhouse gas emissions by 2050[1].

Paris Aligned portfolio by 2050

We aim to transition portfolio by 2050 in line with the Paris Agreement's long-term goal of limiting global warming to a maximum temperature rise of 1.5°C above pre-industrial levels by 2050. We acknowledge comments from scientific groups, such as the UNEP, that the world is on track to exceed this temperature target by 2035 and continue to manage our portfolio to support the limitation of global warming[2].

50% CI reduction by 2030

We aim to reduce the Scope 1 & 2 Carbon Intensity (CI) of both our total portfolio and our Publicly Traded Corporate Debt sub-portfolio by 50% by 2030, with a baseline set in 2020.

These targets are supported by our commitment to engage with at least 20 of our most carbon intensive issuers each year.

1. Our Net Zero commitment is science-aligned, focusing on taking actions that are consistent where possible with the Paris Agreement's long-term goal of limiting global warming to 1.5°C above pre-industrial levels.
2. United Nations Environment Programme (UNEP): Emissions Gap Report 2025.

Our Pathway to Net Zero continued

Invest

- The most material source of emissions associated with our business is related to our investment portfolio. We therefore pay great attention to understanding the carbon emissions of issuers within our portfolio and assessing their progress towards Net Zero.
- We have published our first Net Zero Transition Plan in which we have outlined the progress we have made so far, alongside the future actions we may take to achieve our ambition, and the challenges we face.
- No single metric is perfect for measuring the progressive decarbonisation that is supported by our portfolio and all have their merits and drawbacks. Carbon Intensity is the current basis for our targets but can be flattered as revenues grow with inflation.
- While we do not publicly report on the Scope 3 emissions of investments, given current data limitations, internally we do consider it for issuers where they could be material.
- Carbon Footprint allows us to measure our emissions per £m investment, providing a way to track progress as our portfolio expands.
- We have committed to regular and transparent reporting and a detailed examination of these results is provided in the Metrics and Targets section of this report.

Engage

- At Rothesay, engagement is an essential tool. It covers a broad range of stakeholders including a particular focus on issuers within our investment portfolio, pension fund trustees, industry groups and regulators.
- Engagement with issuers within our portfolio is multi-year and focused on direct communication to encourage issuers to improve disclosures and their management of relevant risks. In line with our engagement commitment outlined above, in 2025 we had active dialogue with 29 issuers on climate topics, predominately in the utilities sector.
- Our climate engagement strategy also includes collaborative engagement through participation in industry groups that allow us to remain aware of new policies and standards.
- We are a signatory of the Accounting for Sustainability (A4S) Sustainability Principles Charter for the Bulk Annuity Process to support greater transparency and consistency of the sustainability reporting shared with pension schemes.
- When appropriate, Rothesay engages with the government, our regulators and other relevant external stakeholders to discuss a wide range of issues, including climate-related topics.
- Where relevant we have also engaged with political advisers, such as in the US, to support our ability to consider different jurisdictional landscapes in our climate approach.
- In January 2026, we were pleased to be re-accepted as a signatory to the Financial Reporting Council's UK Stewardship Code 2020 (the Code). Further information on our engagement and broader stewardship approach can be found in our Stewardship Report.

Operate

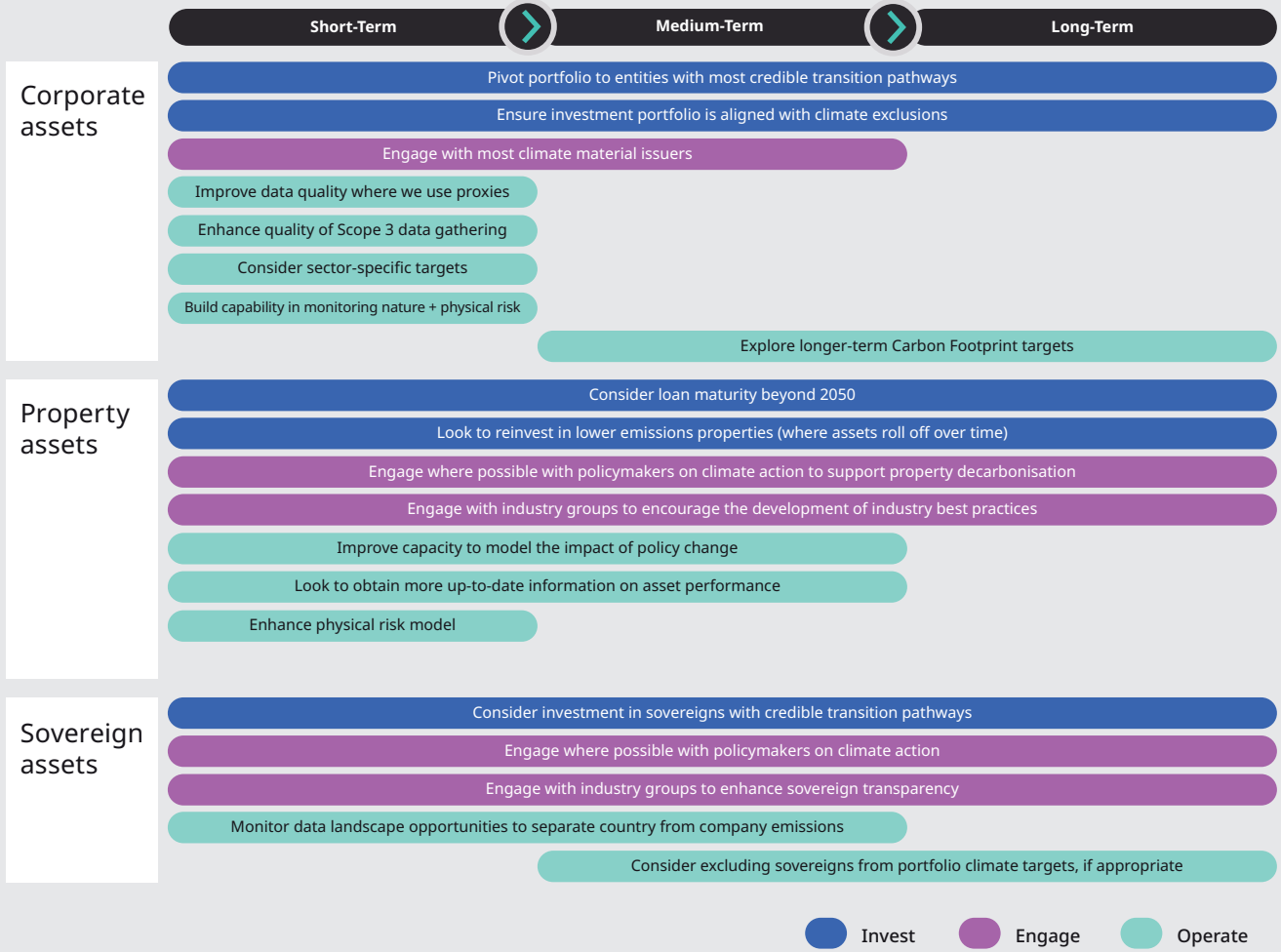
- Rothesay has embedded climate risk management into our business and processes. Our approach will continue to evolve in line with best practice.
- All electricity provided to our UK office comes from a supplier of 100% renewable electricity as certified by the Carbon Trust and we have employee benefits in place to support the reduction of their emissions (e.g. cycle to work scheme).
- Although we are a growing business, including building teams in the US and Australia in recent years, we look to manage our operational emissions through our travel policy.
- We aim to maintain CarbonNeutral® company certification (first achieved for 2020 emissions) with respect to our own emissions from our premises, business travel and homeworking, in accordance with the CarbonNeutral® Protocol. This activity prioritises managing emissions appropriately as we grow, with residual emissions offset.
- We have contracted Climeworks to utilise carbon removal offsets with a focus on permanence for future emissions.

Our Pathway to Net Zero continued

Action summary within our Net Zero Transition Plan

Our long-term, cross-team approach and in-house asset management supports our ability to consistently identify and manage global climate-risk exposure alongside wider credit risks within our investment portfolio.

In 2025, we published our first Net Zero Transition Plan, which detailed how our portfolio emissions may evolve in the context of our public commitments to transition to Net Zero by 2050. The development of this plan has helped crystallise a number of key actions we shall look to take over the short-, medium- and long-term and provides insight into our sensitivity to evolving policy and expectations.



TCFD guide

We are disclosing our approach to managing climate risk in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines.

The following table summarises the TCFD classification and directs readers to the pages in this report where Rothesay has made the corresponding disclosures.

We continue to monitor evolving reporting standards such as the UK Sustainability Reporting Standards and have started work to align our disclosures with broader expectations including the International Financial Reporting Standards (IFRS) issued by the International Sustainability Standards Board (ISSB).

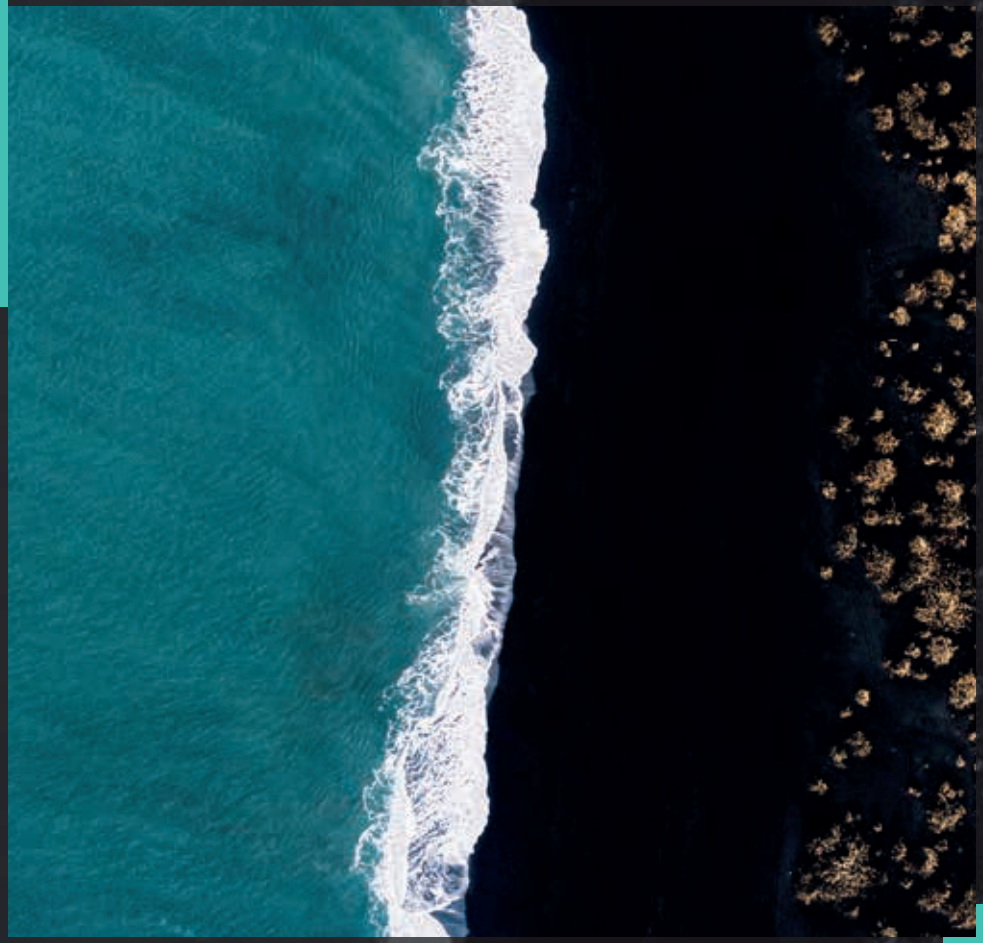
TCFD guide continued

The following table summarises the TCFD classification and directs readers to the pages in this report where Rothesay has made the corresponding disclosures.

TCFD pillar	Recommended disclosures	Disclosure sections/pages
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	Board oversight: Pages 11-12
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Management oversight: Page 13
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.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Risks and opportunities: Pages 15-18
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Risks and opportunities: Pages 15-18
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Scenario analysis: Pages 21-23
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Our risk management approach: Pages 25-27
	b) Describe the organisation's processes for managing climate-related risks.	Our risk management approach: Pages 25-27
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Our risk management approach: Pages 25-27
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Our portfolio metrics: Pages 29-32 Our operational metrics: Pages 33-35
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Climate data summary: Page 46
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Our portfolio metrics: Page 29

Section one

Governance



In this section

Board oversight

Effective management of climate-related risks and opportunities is reinforced by a strong governance framework to ensure that these considerations are factored into our business decisions.

The Board committee structure is shown below including how responsibility is delegated and information is shared across these structures, with defined roles and responsibilities relating to oversight, consideration and reporting of climate-related risks and opportunities.

Rothesay Board
Oversight of the incorporation of climate considerations into overall strategy, decision-making, risk management and reporting.
Coordination of climate priorities throughout the Group including the setting and oversight of targets and metrics.
Approval of climate-related disclosures and position statements in line with strategy.

Delegate — **Report**

Audit Committee
Ensuring, where necessary, the impacts of material climate factors have been reflected in financial statements.

Oversight and approval of Rothesay's climate disclosures and related controls to ensure consistency and appropriateness in line with regulatory expectations.

Oversight of climate-related external assurance activities, where appropriate.

Board Risk Committee
Ongoing leadership, management and oversight of climate-related risks.

Reviewing the Group's climate risk management framework and approval of relevant policies, standards and limits.

Reviewing the Group's material climate risk exposures against the Group's risk methodologies to monitor and control such exposures.

Customer Conduct Committee
Ensuring Rothesay's climate objectives operate within clearly defined accountabilities to meet, amongst other things, the Financial Conduct Authority (FCA) requirements for the Consumer Duty and anti-greenwashing rule.

Advising on relevant climate-related disclosures as they relate to customers, where appropriate.

Nomination Committee
Reviewing the appropriateness of climate-related skills, knowledge and experience on the Board, Board Committees and senior management appointments.

Remuneration Committee
Ensuring the appropriate consideration of climate within the remuneration framework including within compensation and incentives.

Delegate — **Report**

Executive Committee
Together with the Board, incorporate climate considerations into our overall strategy, priorities and values.

Delegate — **Report**

Sustainability Committee
Responsible for the development and implementation of the climate change strategy and risk management framework.

Board oversight continued

ESG items taken to the Board in 2025

The table below summarises examples of the sustainability-related items, including climate topics, that were taken to the Board for discussion or approval in 2025:

Key discussion themes	Areas covered/Approvals
Our Disclosures	• Discussion on approach to climate reporting. • **Approval:** sustainability reporting including TCFD-aligned Climate Report. • **Approval:** public Transition Plan. • **Approval:** sign-off of the external assurance of selected climate metrics. • **Approval:** Stewardship Code application.
Our Policies	• Updates to a number of policies including: – **Corporate & Social Responsibility Policy** – **Modern Slavery Statement**
Our Strategy	• Ongoing oversight of progress against climate commitments and broader sustainability investment strategy, including our Net Zero Strategy. • Noting of employee engagement survey outcomes.

The Board is responsible for overseeing the delivery of the overall strategy of the Group and as part of this is also ultimately responsible for the business's approach to climate-related risks and opportunities. As climate issues are embedded throughout our processes, material elements are considered in our business planning, budget and strategy activities.

The topic of climate change is a regular item at Board and Sub-Committee meetings. Material presented largely falls into three categories: general information designed to educate and ensure a broad understanding; specific sustainability and climate information that supports and solicits investment and business decisions; and Rothesay's climate-related metrics, alongside progress against our targets (for business operations and the investment portfolio). Performance versus our sustainability targets is shared regularly at each Board Risk Committee meeting, with the more strategic discussions occurring as appropriate, and at least annually.

Management oversight

Day-to-day responsibility for the implementation of Rothesay's climate change risk framework has been delegated to the Sustainability Committee (SC), a sub-committee of the Executive Committee that meets monthly, and which escalates any material climate-related topics to the relevant Board committee for discussion.

The PRA requires that Senior Management Functions are nominated to take overall responsibility for identifying and managing the risks from climate change. At Rothesay this role is held by the Chief Risk Officer.

Our Sustainability team is managed by our Head of Sustainability Risk and Credit Projects, who reports to the Chief Risk Officer. This team acts as the central hub, supporting the coordination of company-wide activity related to climate, with our analysts advising on climate strategy, framework and trade decisions, managing climate disclosures and monitoring relevant channels for evolving requirements and best practice.

In line with Rothesay's philosophy of ensuring that climate considerations are not confined to one team, the Sustainability Committee draws senior membership from across the business and is chaired by the Chief Risk Officer.

Sustainability Committee

The Sustainability Committee is delegated responsibility for the development and implementation of the climate change and sustainability strategy and risk management framework at Rothesay.

The Sustainability Committee meets monthly and has duties including the development of a Net Zero Transition Plan, monitoring of financial risks from climate change and development and oversight of our investment and engagement strategy. It is also responsible for identifying and monitoring emerging climate-linked standards through horizon scanning. Outcomes from the Sustainability Committee are reported to the Senior Executive Committee and relevant Board-level Committee.

Membership of the Sustainability Committee includes:

- Chief Risk Officer (co-chair)
- Chief Auditor
- Chief Financial Officer
- Chief of Staff
- Head of Communications & Public Affairs
- Head of Sustainability & Liquid Credit Risk

The Sustainability Committee has developed sub-groups, comprising members of the Sustainability team, and other business experts. The purpose of these sub-groups is to help coordinate and drive the key strategic climate-related projects for Rothesay, involving the relevant business areas. This includes projects relating to physical risk assessment, data processing and automation, and the PRA's SS5/25 expectations, involving experts from teams including asset origination, risk, finance, legal and Information Technology (IT).

Beyond this, we strive to ensure all employees understand and support our climate-related goals. Contribution to Rothesay's sustainability objectives forms part of every employee's annual performance review and to that end, we also have training for all employees, on sustainability in general and Rothesay's strategy in particular. This training also covers attestation of each employee's understanding of expectations of them in relation to the Financial Conduct Authority's anti-greenwashing rule.

Section two

Strategy

In this section

Risks and opportunities

As acknowledged in this report, we need to consider the broad and varied risks and opportunities that climate change presents across our business operations, including our asset portfolio and insurance liabilities.

Climate-related considerations, alongside broader sustainability factors, are integrated throughout Rothesay's strategy and decision-making.

This includes monitoring, and where possible managing, the Carbon Intensity of our portfolio as a key risk performance indicator.

There is an ongoing review to identify and monitor the climate-related risks and opportunities that are most material to Rothesay. Further details on the processes for identifying and quantifying these risks and opportunities are detailed within the Risk Management and Scenario Analysis sections of this report.

As part of this, we need to consider the potential risks and opportunities that climate change presents across our business operations, including our asset portfolio and insurance liabilities.

We note that climate-related risks and opportunities will materialise over time. For the purpose of this climate report our definitions align with our climate targets using short-term (up to five years), medium-term (c. 5-15 years) and long-term (beyond 15 years) definitions for time horizons.

The uncertainty that remains about when these risks and opportunities will crystallise increases the importance of effective planning and proactive management. We also acknowledge that both physical and transition climate-related impacts are already having an effect on our own operations and investments, and adaptation considerations are also required. More information on how we assess risks across geographies can be found in the Risk Management section.

Based on TCFD definitions[1], we focus on:

Area	Description
Transition Risks	Related to the transition to a lower-carbon economy which may require extensive policy, legal, technology and market changes to address mitigation and adaptation requirements.
Physical Risks	Related to material event driven (acute) or longer-term shifts (chronic) in climate conditions.
Litigation Risks	Related to liability risk to Rothesay arising from the potential increase in litigation relating to our commitments, disclosures, and climate-related position statements, as well as litigation risk arising in our investment portfolio.
Opportunities	Related to efforts to mitigate and adapt to climate change that lead to investment opportunities.

1. Definitions based on TCFD publication: Recommendations of the Task Force on Climate-related Financial Disclosures (June 2017).

Risks and opportunities continued

The following table outlines our assessment of some of the most material climate-related risks and opportunities from Rothesay's perspective. It also outlines some potential impacts, the timeframes over which these may occur, and how our strategy and frameworks are positioned to manage these.

Based on a materiality assessment of our operations, Rothesay's most material exposure to climate-related risk comes from our investment portfolio. This is evidenced by the Financed Emissions from our investment portfolio representing the greatest proportion of the emissions for which we are responsible.

As we manage all of our investments in-house, we retain the ability to deploy a number of tools to manage these risks. Impacts are based on a materiality assessment, incorporating potential financial and reputational consequences. We continue to review and assess our view of these risks and opportunities to ensure we remain appropriately positioned.

Risk	Definition	Potential Impacts	Timeframe of Risk	Key Risks	Climate Pillar Management Tools
Transition Risks	Related to the transition to a lower-carbon economy which may require extensive policy, legal, technology and market changes to address mitigation and adaptation requirements.	Heightened credit risk, including downgrade risk, for investments misaligned with the climate transition due to impacts caused by regulatory changes, litigation risk, technological advancements or shifts in consumer preferences, which could lead to stranded asset risk, reputational risk and weakened financial performance	Short Medium Long	Credit	**Invest** • Frequent screening for transition risk management • Scenario analysis to model potential magnitude of possible climate losses • Creation of position statements on higher risk activities • Tailoring maturities to match risks **Engage** • Engagement to understand improvement plans of poorer performing issuers • Engagement with regulators on policy evolution including on solvency considerations **Operate** • Maintain robust and effective governance processes for managing climate-related risks • Building capabilities to consider climate risks in longevity risk capital calculations
		Market spread risk as investors reduce exposure to those issuers lacking credible transition plans and those with emerging physical risks	Short Medium Long	Market; Strategy	
		Additional capital requirements for portfolios with unmanaged, correlated climate risk	Medium Long	Strategy	
		Increased market volatility as climate-related events lead to macroeconomic impacts such as higher inflation and policy risk	Medium Long	Market; Strategy	
		Reduced access to capital or demand for our products and services due to the reputational impact of poor climate performance	Short Medium Long	Strategy	
		Changes in longevity expectations for policyholders dependent on emerging climate scenarios	Long	Insurance; Liquidity	

Risks and opportunities continued

Risk	Definition	Potential Impacts	Timeframe of Risk	Key Risks	Climate Pillar Management Tools
Physical Risks	Related to material event-driven (acute) or longer-term shifts (chronic) in climate conditions.	Loss of returns on investment loans for assets, such as property, located in areas vulnerable to extreme weather events, leading to reductions in asset valuations	Medium Long	Credit; Liquidity	**Invest** • Screening to avoid material physical risks where identified **Engage** • Engagement with issuers, suppliers and regulators on mitigation and adaptation activities **Operate** • Robust operational and business resilience frameworks including own operations emission climate commitments • Robust counterparty risk management and diversification of reinsurers
		Reduced financial performance of investee companies due to increased operational or litigation costs associated with implementing climate adaptation measures, such as strengthening infrastructure against repeated climate events	Medium Long	Credit	
		Operational disruption of investee company activities, including to their supply chain, due to extreme weather events impacting production and operations	Short Medium Long	Credit	
		Disruption of Rothesay's supply chain due to extreme weather events impacting our own operations	Short Medium Long	Operational	
		Increased frequency of extreme weather events leading to Rothesay-specific property damage and business disruption	Medium Long	Operational	
Litigation Risks	Related to liability risk arising from the potential increase in litigation relating to commitments, disclosures, and climate-related position statements.	Increased risk of potential fines and reputational damage in the event of our non-compliance with evolving climate-related regulations	Short Medium Long	Strategy; Operational	**Engage** • Engagement with regulators and industry stakeholders on emerging trends and expectations • Clear policies and processes for collaborative engagement to avoid perception of anti-competitive behaviour **Operate** • Monitoring developments through our specific ESG Horizon Scanning framework • Maintain clear governance processes and controls for our climate-related activities including annual reporting
		Increased requirements and regulatory oversight on our climate management credentials	Short Medium	Strategy; Operational	
		Increased risk of potential fines and reputation damage for companies within our portfolio impacting performance	Short Medium Long	Credit; Strategy	

Risks and opportunities continued

Risk	Definition	Potential Impacts	Timeframe of Risk	Key Risks	Climate Pillar Management Tools
Opportunities	Related to efforts to mitigate and adapt to climate change that produce opportunities internally and externally for Rothesay and stakeholders.	Investments in companies, technologies and infrastructure that enable the transition to a low-carbon economy such as renewable energy and energy-efficient infrastructure	Short Medium Long	Strategy	**Invest** • Active identification and classification of investments that meet our climate opportunity definition • Monitoring of country performance against nationally determined contributions **Operate** • Transparent climate targets, risk management and disclosures
		Strengthened performance of sovereign positions in countries well-positioned to benefit from low-carbon economy	Short Medium Long	Credit; Liquidity	
		Improved operating efficiency and high levels of resiliency at Rothesay, minimising costs	Short Medium Long	Operational	
		Reputational benefits of strong climate risk management including new business opportunities and attracting talent	Short Medium Long	Strategy; Operational	
		Strengthened credit performance of investments in companies well-positioned to benefit from low-carbon economy	Short Medium Long	Credit	

Our climate strategy is risk adjusted, recognising that many issuers have relatively low exposure to climate risk. At the riskier end of the spectrum, we seek to avoid those issuers whose business model we deem to be most threatened by climate change. At the other end of the spectrum, where opportunities are greatest, we seek to lend to those issuers contributing to a low-carbon world and those whose plans to decarbonise seem most plausible.

In this way, the potential impacts of these risks are embedded into our strategy, risk management and governance through a number of management actions. Our ability to identify and invest early in enterprises that successfully navigate to a low-carbon future is vital to our ability to carry out our core purpose: securing the future for our policyholders by protecting their pensions.

The importance of nature and biodiversity

Rothesay recognises the critical role that nature plays in the maintenance of stable economies, communities and the planet.

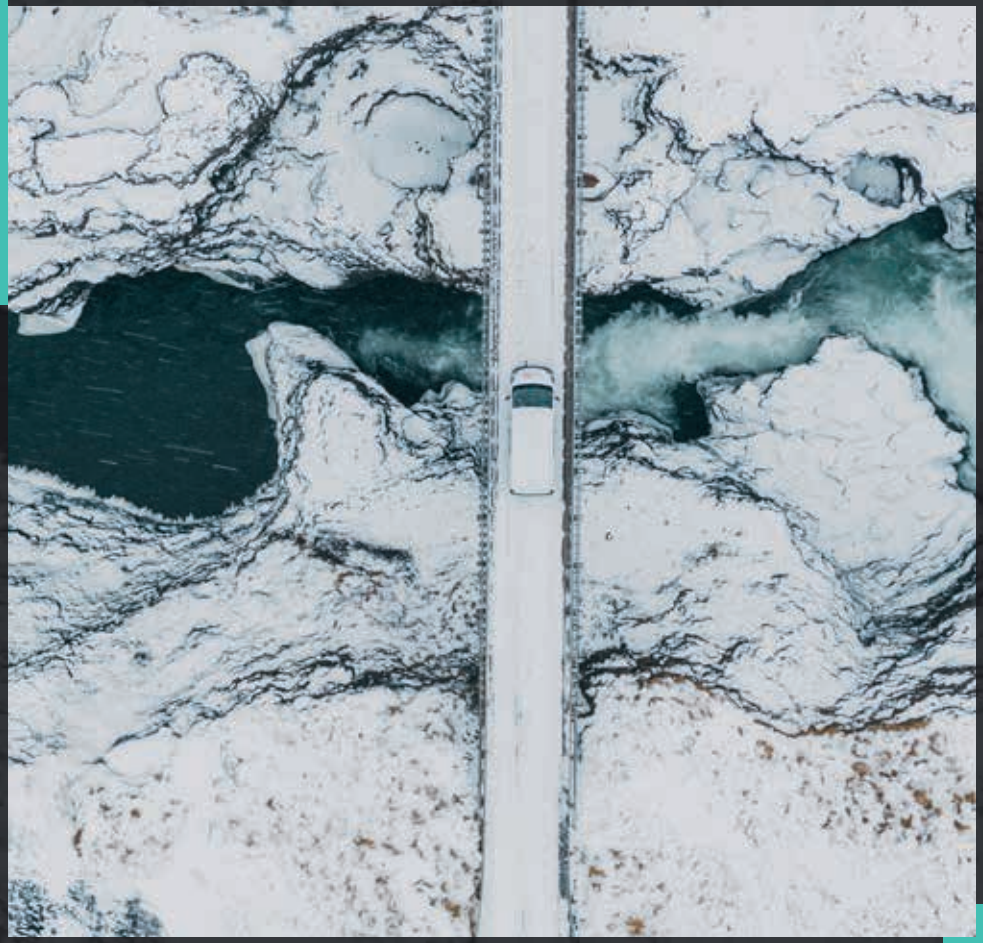
As outlined in our 2024 Climate Report, we continue to consider more formally the impacts of and dependencies on nature across our investment portfolio, supply chain and own operations.

Given the nature of our business, our focus remains predominately on our investment portfolio as, in a similar way to climate, our financing activities represent the greatest nature-related risks and opportunities, starting with our water and deforestation exposure. In 2025, we conducted a portfolio review to identify those issuers undertaking activities that are most exposed to either water scarcity or deforestation risks. This included an assessment of public disclosures plus formal engagement to ensure a comprehensive view of their management of these nature risks. Questions focused on issuer nature risk awareness, vulnerability assessment approaches and mitigation measures.

In addition, as an ongoing member of the Nature workstream of the Climate Financial Risk Forum (CFRF), we supported the drafting of its Second Handbook on Nature: Developing an Approach to Nature Risk in Financial Services. This handbook seeks to provide guidance to banks, insurers and asset managers to understand, assess, and manage nature-related risks alongside climate risks. We also continue to be a participant in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum which enables us to closely follow developments in the assessment of these risks.

Section three

Scenario analysis



In this section

Scenario analysis

We undertake climate scenario analysis to consider how different, highly uncertain climate-related risks may affect our business.

In line with the regulator expectations set out in SS5/25 we tailor our assessment to specific use cases, recognising their ongoing relevance for climate risk management. The following sections focus on our climate stress test approach to identify higher transition risk sectors in our corporate bond portfolio and property portfolio and understand our sensitivity to different climate outcomes. Details of our assessment of climate and longevity risk at Rothesay can be found in the 2024 Climate Report.

Time horizons we consider

Given the long-dated nature of our liability book and the investment portfolio that matches it, we recognise our exposure to climate risk exists over a longer time horizon than many other insurers, asset managers and banks. Equally, we recognise scenario planning beyond 15–20 years becomes increasingly uncertain.

Taking a balanced approach considered appropriate for our business model, we review climate scenarios over the following time horizons, which are then used to bucket outputs and interpretations:

Time horizon	Period	Rationale
Short	< 5 years	Aligned with our business strategy
Medium	5–15 years	Climate scenarios start to materially diverge with increasing physical risk
Long	15+ years	Suited to the long-dated nature of our business and aligned with our climate targets

Identifying higher risk sectors in our corporate bond portfolio

Scenario selection

We consider the following NGFS Phase V scenarios, updated from the Phase IV scenarios used last year:

- Net Zero 2050
- Delayed Transition
- Fragmented World
- Hot House World

We see the Fragmented World scenario as our central case due to recent developments in policies around the world highlighting how divergent climate policy can be. In addition, we review the PRI Forecast Policy Scenario which, in contrast to NGFS scenarios, relies less heavily on economy-wide carbon pricing. Instead, it places greater emphasis on sector-specific policy interventions, particularly in the energy and transport sectors, that support decarbonisation. We believe these scenarios are a reasonable bookend of potential outcomes to reflect the inherent uncertainty around how the decarbonisation of the global economy will ultimately play out. See our 2024 Climate Report for further information on the climate scenarios above.

Implementing scenario analysis

We continue to use Planetrics as our chosen scenario analysis vendor to assess climate transition risk for our corporate portfolio and details of their methodology can be found in our 2022 Climate Report[1]. Where data gaps exist, we use proxies aligned with our transition planning approach, improving data coverage.

Outputs and interpretation

At a total portfolio level, the overall results were very similar to those we presented in our 2024 Climate Report. Net Zero 2050 becomes an increasingly disruptive climate scenario as time passes and current decarbonisation progress falls behind trajectories set out in the Paris agreement. Our assessment identified similar higher transition risk climate sectors to those noted in our 2024 Climate Report i.e. Oil and Gas, Transportation, and Utilities. In addition, Real Estate is identified for higher physical climate risk.

These sectors continue to be monitored in our existing qualitative climate scoring framework that forms part of our investment judgement. The framework identifies carbon intensive sectors including Oil and Gas, Transportation (incl. Automotive), and Utilities, and assesses the ability of individual issuers operating in these sectors to transition credibly.

The largest exposure to climate transition risk comes from the Utilities sector, which also sees significant variation in stressed outcomes, reflecting the size of exposure to the sector and its importance in reducing emissions through investment in renewables and electricity networks. Alongside Utilities, both Automotive and Oil and Gas sectors also presented significant variation in stressed outcomes. Our exposure to oil and gas majors remains small (below 1%) and is focused on those companies which are better positioned for transition.

Sector	Risk RAG Status[2] 2030	2040	2050
Asset Backed	G	G	G
Automotive	A	R	R
Banking	G	G	G
Basic Industry	A	A	A
Capital Goods	A	A	A
Consumer Goods	G	G	G
Energy	R	R	R
Financial Services	A	A	A
Government Guaranteed	G	G	G
Healthcare	G	G	G
Insurance	G	G	G
Leisure	G	G	G
Local Authority	G	G	G
Media	G	G	G
Real Estate	R	R	R
Retail	A	A	A
Services	G	G	G
Technology & Electronics	G	G	G
Telecommunications	G	G	G
Transportation	R	R	R
Utilities	R	R	R

R = Red A = Amber G = Green[2]

1. This report has been created by Rothesay drawing on selected data provided by Planetrics, a SLR solution (which does not include investment advice). This report represents Rothesay's own selection of applicable scenarios selection and/or its own portfolio data. Rothesay is solely responsible for, and this report represents, such scenario selection, all assumptions underlying such selection, and all resulting findings, and conclusions and decisions. SLR is not an investment adviser and has not provided any investment advice.
2. RAG status based on the maximum proportion of the portfolio downgraded across all scenarios considered by 2030, 2040 and 2050 respectively.

Stress testing our property portfolio

Based on our initial assessment and the geographic concentration of our property portfolio, we have identified flood risk as the most material physical risk and, therefore, have taken specific measures to integrate flood risk into our risk management processes.

As we explore other geographies to invest in, we are enhancing our risk screening to consider wider hazards, such as the growing risk of wildfires related to climate change, and have recently added a new tool to enhance our scenario analysis capabilities for these new hazards and geographies.

The details of our flood assessment approach on our UK property portfolio were outlined in our 2021 ESG Report[1]. This was refreshed in 2024 and continued to show that our risk to flooding in the UK does not pose a significant financial risk.

For our residential mortgage loans in the Netherlands, our origination partner provides us with a monthly report regarding flood risk impact in terms of expected loss on our portfolio. Flood risk remains a small proportion of the current property value after considering defences present in the Netherlands.

Transition risk for our mortgage portfolio is reasonably low and details of our assessment can be found in our 2024 Climate Report.

1. P32–37, Environmental, Social and Governance Report 2021, https://www.rothesay.com/media/lp0n5guy/rothesay-esg-report-2021-pdf

Limitations of Corporate and Property Analysis

1. **Gaps in corporate bond issuer data:** Though data availability has improved for issuers in the public space, for some private issuers it remains difficult to obtain all the data required for a successful model run.
2. **Supply chain impacts on corporate bonds:** Climate costs that may be passed through supply chains are not considered. Whilst data is now available, further review is required before integrating into our risk management processes.
3. **Corporate modelling simplifications:** Necessary simplifications have had to be implemented for pragmatic reasons. These also include the credibility of company targets and sector-specific features such as competitive (or monopoly) positions, cost recovery or technological progress.
4. **Physical risk modelling:** We are in the process of onboarding a physical risk data vendor to expand the geographies and hazards that we review.
5. **EPC and emissions data for property modelling:** EPC data and accurate costs to upgrade ratings are limited.
6. **Static portfolio approach:** Scenarios have been employed ignoring potential management responses to climate change, which can help mitigate impacts and best position the portfolio to benefit from the low-carbon transition.
7. **Stress severity:** Some of the most severe impacts from climate change, such as tipping points and feedback loops, have not been modelled.

Portfolio resilience

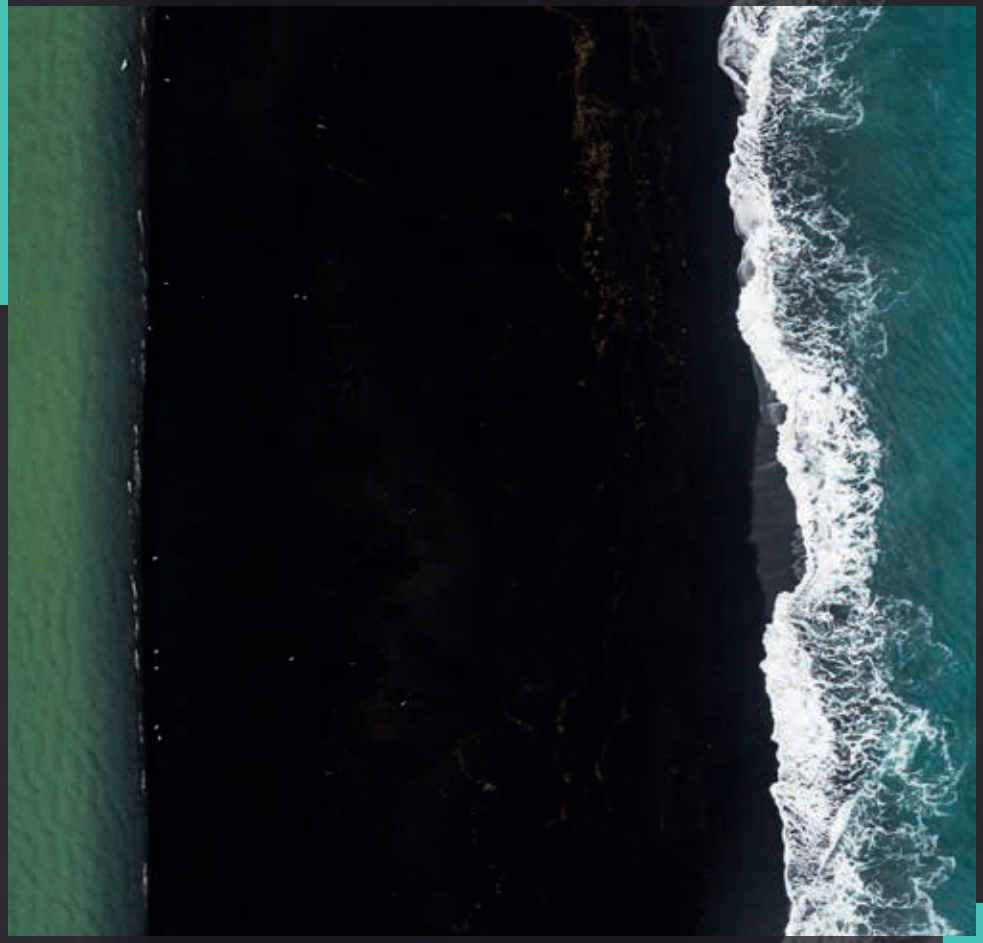
1. **Diversification of investment portfolio:** Our portfolio is highly diversified, with high levels of caution and scrutiny around investments that carry elevated climate risk.
2. **Limited exposure to price risk:** Our investment philosophy of matching asset and liability durations reduces our exposure to bond spread risk.
3. **In-house investment capabilities:** Managing our investment book in-house gives us the flexibility to consider duration and liquidity for higher risk issuers, allowing us to trade out of positions where we determine the investment is no longer aligned with our sustainability strategy.

Management response

1. **Development of our climate scenario analysis capabilities:** We intend to continue to identify ways to improve both the coverage and quality of data used in our scenario analysis, including onboarding a physical risk data vendor and reviewing the impact of supply chains on our corporate bond portfolio. We also recognise the relevance of climate tipping points and monitor for developments in data when such outputs may become more important and decision useful.
2. **Monitor higher-risk sectors:** Identified using climate scenario analysis in our qualitative climate scoring framework that forms part of our investment judgement. For those issuers and sectors that carry more material downside risk under some scenarios, we will consider the appropriate response, including within our Own Risk and Solvency Assessment (ORSA), within our wider risk management and investment strategy.
3. **Asset Selection Approach:** Our origination and asset selection are focused on well-positioned issuers with a robust transition plan. We also monitor our investments over time for actions that may affect their decarbonisation pathways, such as the rollback of targets or new regulations in regions that they operate in.
4. **Improve EPC data:** Via several of the lenders that we partner with, we offer free EPCs to improve the data used in our analysis.

Section four

Risk management



In this section

Our risk management approach

Our sustainability risk management approach is fully embedded within our Risk Management Framework as part of a holistic approach for the identification, measurement and monitoring of risks.

Rothesay's approach to sustainability including climate risk is set out in our Risk Management Framework and our public Responsible Investment and Stewardship Policy. The framework requires the application of clear risk management processes at the point of asset purchase, during receipt of assets through pension risk transfers and then throughout the holding period of all our investments. This work is led by a team of dedicated Sustainability analysts who support the analysis of sustainability issues and facilitate the embedding of sustainability-related considerations across the business.

Our process for the identification, assessment and management of risks relies on a broad range of sustainability factors. We use both qualitative and quantitative metrics to monitor our exposure to climate and broader sustainability risks. From a climate perspective, our framework considers physical, transition and liability climate risks. Climate risk can materialise through many of our key risk channels and so climate is seen as a cross-cutting risk, though the channel through which its effect is greatest is credit risk. As well as in this report, we outline the management of climate risks within our ORSA.

We focus on financing borrowers with clear transition plans, and which are instrumental in effecting emission reductions in the real economy's transition to Net Zero.

Materiality-Based Framework

We take a materiality-based approach to the management and prioritisation of climate-related risks. Heightened scrutiny, based on clear materiality thresholds, is triggered as the associated climate risk or opportunity increases to ensure focus is on those entities with the greatest likelihood of having a significant impact on our exposure to risk.

We have developed climate screening to identify entities with material climate transition risk. Our climate score methodology creates a consistent way to assess the nature, likelihood and magnitude of an issuer's climate transition risk. It also allows comparability between issuers and enables the triggering of additional governance at the point of trade. On a scale of 0–5, those issuers screening at 3 or above are deemed to have material climate sensitivity.

Those allocated a 0 score are classified as Climate Opportunities. Issuers with high climate scores are natural candidates to be included in our programme of engagement.

For climate physical risk, while much of our exposure is within jurisdictions with lower comparative physical risk, there are still some regions where specific physical hazards could have material impacts. This is most severe for investments tied to specific locations, including for example property-backed investments or corporates with operations concentrated in fixed and susceptible regions such as our utility and non-profit healthcare issuers based in California.

As part of our Risk Committee approval process, an entity's exposure to physical climate risk is assessed. This includes geographical vulnerability to applicable hazards, adaptation actions in place to reduce risk and broader considerations such as insurability. Where appropriate, we may adjust our investment guidelines, underwriting criteria and internal ratings to manage this risk. Screening for the array of perils across geographies and all investments is a challenge, but in 2025 we continued to take steps to enhance our capabilities in this area seeking to onboard a new vendor to support our understanding and modelling of this risk.

Our risk management approach continued

Our risk management strategy for climate includes consideration of the duration and liquidity of positions. If an issuer is running material climate risk and we have some questions about their strategy, we may opt for shorter-dated investments or choose more liquid securities. This helps us to ensure we can adapt our approach and appropriately respond as longer-term climate-related impacts crystallise, or issuers do not align with our expectations.

We record our money market funds alignment with the Sustainable Finance Disclosure Regulation (SFDR). In 2025, most of our funds remained Article 8 Aligned. During the onboarding of a new fund, consideration of their SFDR alignment was included in information shared with the decision committee.

Geographic variations
Rothesay's investment portfolio is predominantly focused on highly rated assets in the UK, US, EU, and Australia. This reflects the management of our portfolio to protect policyholder interests and align with our sustainable and stewardship goals, due to the robust regulatory frameworks and transparency of these jurisdictions.

To reflect geographic differences appropriately, we have undertaken peer comparisons of companies within specific sectors and geographies to compare and understand issuer performance not just within sectors globally, but also within operating regions.

Climate scorecard

We continue to refine our climate scoring approach to identify, prioritise and assess assets with elevated exposure to climate transition risk, for which more detailed analysis is undertaken. A score is allocated to issuers within the portfolio based on the materiality of climate impacts and updated as the performance of an issuer evolves.

The score is based on a combination of a sector score and an issuer transition score:

Sector Score: this reflects the varying challenges to sectors posed by the necessary response to climate change such as long-term demand and available abatement technology.

- We identify sectors most exposed to climate risk through assessment of concentration of emissions, industry guidance and analyst views. Based on our framework, the key sectors at risk include:
  - Transport, Materials, Oil and Gas and Utilities.
- We also identify Climate Opportunities, which we defined as investments that finance activities such as renewable energy, low-carbon energy, energy-efficiency projects and pollution control.
- Where an entity has most of their activity taking place in, or is highly dependent on, one of these sectors, they are subject to additional analysis and allocated a "climate material" score on our Scorecard.

Issuer Transition Score: this reflects an assessment of the effectiveness and credibility of the issuer's response and management of transition and litigation risk.

- A wider range of parameters are used within the scoring process (including sector-criteria) to assess the potential size and scope of potential climate-related risks:
  - Nature of activity being undertaken (i.e. carbon intensive operations or climate opportunity).
  - Issuer progress in managing transition (inputs to this assessment include the quality and ambition of targets, alignment with industry best practice and issuer track record in managing emission reductions).
  - Qualitative assessment of any evidence of increasing litigation risk.

Carbon Intensive Sectors and Climate Opportunities

11.2% of Rothesay's portfolio at YE25 was invested in sectors that we deem the most vulnerable to climate transition risk. In 2025, 2.0% of our portfolio was classified as Climate Opportunity, with the majority of the exposure coming from low-carbon energy issuers.

Our exposure to Climate Intensive sectors has remained the same YoY. However, we do expect to continue to see short-term fluctuations given our portfolio growth, and our long-term strategy to include investments in companies in carbon intensive Industries that have credible plans for transition. Our investments to support the transition continue to be predominantly deployed in the traditional Utilities sector but we also have an allocation in Pure Renewables (0.5%).

	% Portfolio in Carbon Intensive Sector	
Sector	**YE25**	**YE24**
Materials	0.4%	0.3%
Oil and Gas	0.6%	0.7%
Transport (excl. Rail)	2.9%	2.6%
Utilities	7.3%	7.6%
Total	**11.2%**	**11.2%**

Engagement

Engagement is a critical part of our climate risk management framework. It helps us prepare for evolving regulations, understand stakeholder priorities and maintain an appropriate understanding of risks to which our borrowers are exposed. Our engagement covers a broad range of stakeholders including a particular focus on issuers within our investment portfolio alongside pension fund trustees and policyholders, industry groups and regulators. Climate-specific engagement of issuers within our portfolio is coordinated by analysts in the Sustainability Team and conducted in collaboration with members of our Credit Risk and Asset Management teams. We select entities for climate engagement based upon a combination of factors including high current emissions and lower granularity on relevant climate risks than the issuer's peers. For more detail on our engagement and broader stewardship strategy please refer to our Stewardship Report.

Position statements

Rothesay's responsible investment strategy takes a case-by-case, risk-based analysis approach. This involves considering the individual characteristics of our investments, including climate factors, to support appropriate decision-making.

There are some areas where we have chosen to make public explicit exclusions in relation to our investment appetite, recognising the importance of transparency on these topics for our stakeholders. This includes no financing of new direct thermal coal activity and no investment in companies that derive more than 10% of their revenue from the production of unconventional oil and gas. Full details can be found in our Responsible Investment and Stewardship Policy.

Risk Reporting

Weekly updates on the Carbon Intensity and Financed Emissions of our portfolio are shared with key stakeholders. This information is included within our Management Information which is regularly shared with the Sustainability Committee, Executive Risk Committee and the Board. Information on broader sustainability metrics including concentration to Climate Material sectors and Climate Opportunities are also shared monthly. These will be discussed in further detail in the Metrics and Targets section of this report.

Our horizon scanning process, managed by a Sustainability Committee sub-group, remains responsible for proactively identifying, evaluating, and determining the necessary next steps, where required, to align with evolving sustainability-related mandatory requirements and best practice. In 2025, this focused on the implications of the PRA's new supervisory statement on climate (SS5/25).

Section five

Metrics and targets

In this section

Our portfolio metrics

Rothesay is committed to transitioning our investment portfolio to Net Zero greenhouse gas emissions by 2050.

Our targets

To track progress on the transition of the investment portfolio to Net Zero, we have a number of additional targets in place:

Target	Base Year Value (2020 unless stated otherwise)	YE25 Value	Change vs Base Year (%)
50% reduction in the Carbon Intensity of our portfolio by 2030	211[1]	**118**	-44%
50% reduction in the Carbon Intensity of our PTCD sub-portfolio by 2030	222[2]	**129**	-42%
1.5°C portfolio temperature alignment	2.7°C (2021)	**1.9°C**	N/A

In the following assessments, in addition to publishing the numbers as completely and transparently as possible, we try to explain drawbacks and unintuitive features of the metrics we use. We also look to attribute the drivers behind year-on-year changes in our metrics, whether they are caused by genuine emission reductions, issuer revenue fluctuations or changes in our estimation methodology.

Information on the scope and methodology of our climate data can be found in the Appendix on pages 47-51 of this report.

Aggregated Carbon Intensity for the Rothesay Investment Portfolio

Rothesay reports the Carbon Intensity (CI) of our investment portfolio on a revenue basis, covering Scope 1 and Scope 2 emissions for the constituent issuing entities. For Rothesay these make up the bulk of our Scope 3 emissions and we analyse them independently from the rest of the emissions with which the firm is associated.

For our portfolio, as constituted at year end 2025, the average Carbon Intensity was 118 tCO_2e/$m revenue, a reduction of 4.7% from our portfolio CI at year end 2024. Note that due to misalignment between the publishing of emissions data and our reporting dates, this disclosure is based on data reported by companies in 2025, which reflected their 2024 financial year data.

Scope 3 emissions

Our portfolio climate metrics are reported based on the Scope 1 & 2 emissions of issuers within our portfolio.

While issuer Scope 3 emissions can be fundamental to gaining a full understanding of potential climate risk and of the likelihood of issuers meeting their Net Zero targets, disclosure remains limited and many issuers only disclose a small portion of their actual Scope 3 emissions. Given these challenges we do not currently disclose the Carbon Intensity of our investments on a total (Scope 1–3) basis.

Where we find it useful for analysis of issuers in our internal climate risk framework, such as our climate scorecard for material climate transition risk sectors, we do consider relevant Scope 3 data. These emissions are particularly relevant and necessary to assess the full environmental impact of some sectors' activities. We assess the comprehensiveness of Scope 3 reporting as well as the extent to which transition plans and targets consider the full value chain and anticipate a reduction in demand. Where an entity is misaligned with these expectations, this is reflected in a downgrade in their climate score and identified as an engagement area. This ensures we take actions to increase the completeness of the climate data of our investments and therefore we are well positioned to make informed investment decisions.

1. These numbers were rebased in our 2021 ESG Report due to data adjustments. Details can be found in our 2021 ESG Report.
2. These numbers were rebased in our 2021 ESG Report.

Our portfolio metrics continued

Portfolio breakdown

This table shows a detailed breakdown of movements in Carbon Intensity (CI) by asset class. Details on the methodology used for each asset class can be found in the Appendix.

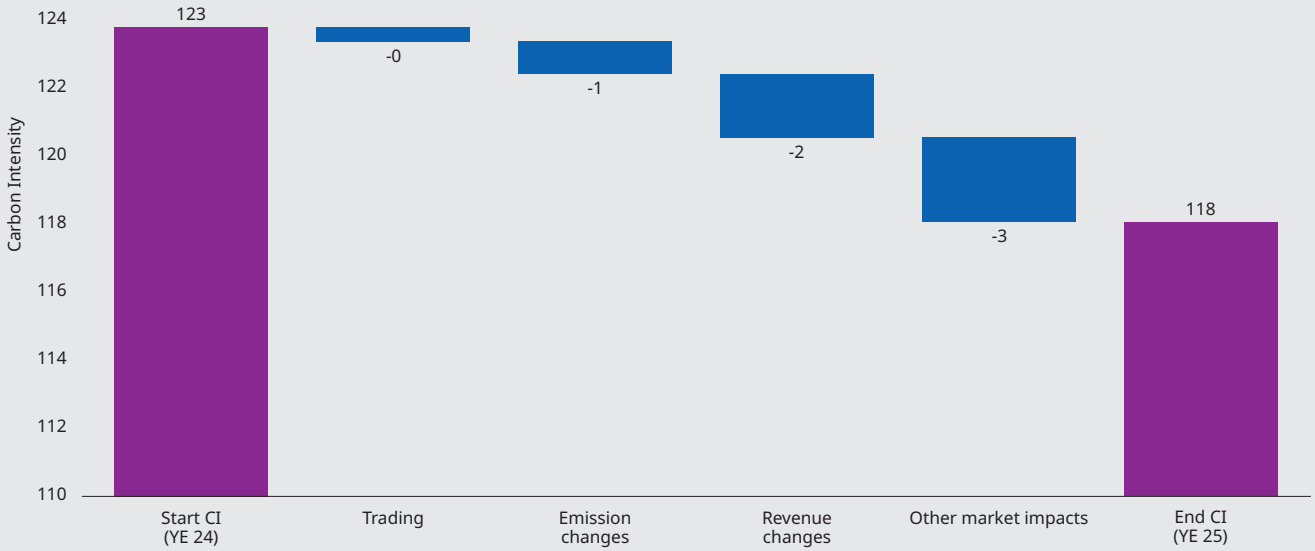
PCAF Score is a metric developed by the Partnership for Carbon Accounting Financials which expresses the emissions data quality on a scale from 1 to 5. Further details on this metric can be found on the following page.

This year, we saw further emission reductions across our Sovereign assets, and revenue increases for our Property assets. In 2025, given progress on targets, we took the opportunity to invest in a small number of higher intensity issuers with plans for material decarbonisation. Investment in such entities can lead to a short-term increase in Carbon Intensity, as seen by the contribution of trading decisions in the waterfall chart, with significant emissions reductions expected over time. We monitor high CI issuers closely to ensure their activities continue to meet our expectations.

Once again we note the material short-term impacts that significant global events can have on the revenues and emissions of our investment as well as their value and weighting in our portfolio. The attribution chart below shows that market impacts such as changes in FX and interest rates can have a large impact on CI changes year-on-year. For Rothesay, this reinforces the need to set and monitor targets over medium-to long-term time periods, with some fluctuations expected year-on-year.

Category	Weighted Average CI ($tCO_2e/\$m$)	PCAF Score	Data Coverage (% MV)	Covered MV	2024 YE Adj. WACI ($tCO_2e/\$m$)	YoY Change % vs 2024
Supra/Sov/Public	**116**	**2.2**	**93%**	**27,920**	**129**	**-10%**
Corporate	**148**	**1.6**	**87%**	**22,033**	**145**	**2%**
Property	**89**	**3.2**	**92%**	**21,932**	**93**	**-4%**
Overall Portfolio (ex. UCTIS MM Fund/Cash)	**118**	**2.3**	**91%**	**71,867**	**123**	**-4%**

Attribution of the drivers for Carbon Intensity change in our total portfolio



Our portfolio metrics continued

Data coverage and quality

As described in the Risk Management section, one of the key objectives of our engagement approach is the drive for increased and improved climate disclosure and data availability across our investments.

One of the key challenges of climate data remains the availability and transparency of entity-reported emissions data. To help assess these issues, we use the PCAF scores, based upon data quality scorecards, developed by PCAF, which assess the standard of climate data on a scale of 1 to 5. A score of 1 indicates that an entity has reported emissions data that has been verified by a third party, while a score of 5 indicates that estimates have been made using limited available data. Our portfolio score at year-end 2025 was 2.3 (YE 24 – 2.3).

Category	Supra/Sov/ Public	Corporate	Property	Total
PCAF Score	2.2	1.6	3.2	**2.3**

Data coverage and quality remain key focus areas for our engagement strategy and we will continue to encourage improved climate-related disclosures for our investment portfolio and work to source additional climate data to help fill any remaining gaps.

Publicly Traded Corporate Debt (PTCD) sub-portfolio

We track the CI of both the whole portfolio and our PTCD sub-portfolio, defined as listed issuers with an ISIN and reported data in the Corporate category (excluding Secured Financing) together with the REITs component of the Property category. The PTCD sub-portfolio has a size of £22bn and represents 28% of the full portfolio.

PTCD Sub-Portfolio	2025	2024	2023	2022	2021	2020
Weighted Average CI (tCO_2/$m)	**129**	126	135	165	184	222
YoY Change	**2%**	-7%	-18%	-10%	-17%	

We have a commitment to reduce the CI of our PTCD sub-portfolio by 50% by 2030. This year we saw a small increase of 2% to 129 tCO_2e/$m revenue. As mentioned with reference to the Total portfolio, this increase is influenced by investments in a small number of higher CI names where we expect to see significant emission reductions over time.

Financed Emissions

The allocation to Rothesay of an issuer's emissions is the proportion of Rothesay's nominal investment holding of the total balance sheet size of the issuer (the denominator in the calculation).

Our approach to the calculation of EVIC and Financed Emissions is to closely align with the Partnership of Carbon Accounting Financials (PCAF) methodology[1].

As our portfolio has grown in size to match our liabilities, we have seen an increase in our Financed Emissions to 5.7m tCO_2e (YE24: 5.4m tCO_2e). We use Carbon Footprint metrics (Financed Emissions per £m of investment) to normalise Financed Emissions and allow us to track how our portfolio decarbonises, given its size and composition may change year-on-year. Our Carbon Footprint, as measured on a notional value basis remained stable at 72 tCO_2e per £m (YE24: 72). We expect fluctuations to this metric as we grow and execute our investment strategy over time. Our coverage of 87% remains consistent with last year's reporting.

Category	Financed Emissions (tCO_2e) (000s)	Data Coverage (% MV)	Covered MV
Supra/Sov/Public	**4,251**	**90%**	**26,803**
Corporate	**1,301**	**82%**	**20,704**
Property	**190**	**89%**	**21,223**
Overall Portfolio (ex. UCTIS MM Fund/Cash)	**5,743**	**87%**	**68,730**

1. Further information on this methodology can be found in the Appendix and PCAF guidance which can be accessed here: https://carbonaccountingfinancials. com/files/downloads/PCAF-Global-GHG-Standard.pdf

Our portfolio metrics continued

Portfolio temperature alignment

Where data is available, we use temperature alignment scores to provide an additional dimension to our understanding of the climate characteristics of our holdings. This score is a forward-looking metric that gives consideration to the projected trajectory of a company's emissions from now to 2050 and compares it with a carbon budget compatible with 1.5°C that has been allocated to the company based upon both the difficulty of decarbonising its sector and the current market share of their sector. The greater the margin by which the company is expected to exceed its budget the more its temperature score exceeds 1.5°C.

Implied Temperature Rise (ITR) remains a nascent metric in its use and construction within the industry, noting data availability as a key limitation, therefore we continue to treat our score with a degree of caution.

We have assessed the temperature alignment score of our liquid corporate credit sub-portfolio (where data is most widely available) and continued to use the data provider MSCI. For 2025, our temperature alignment score was 1.9°C (YE24: 1.8°C). External factors continue to evolve, which may lead to changes in scores in future too, irrespective of investor action.

Portfolio temperature score	
Scopes 1, 2 & 3	1.9°C

Broader Metrics

	YE25 (% MV Allocated)	YE24 (% MV Allocated)
Exposure to Material Climate Sectors	11%	11%
Climate Opportunity Financing	2.0%	2.2%
SBTi Alignment (commitment and/or approved targets)	47%	50% (PTCD portfolio)
SBTi Alignment (approved only)	45%	44% (PTCD portfolio)

As discussed in the Risk Management section, we monitor and report our exposure both to material climate sectors and climate opportunities and have seen an increase in exposure to Material Climate Sectors with a slight decrease in our Climate Opportunity financing. Material Climate Sector exposure is largely within utilities exposure. This sector remains an important deployment opportunity reflecting our desire to deploy where we get appropriate risk adjusted returns, with this assessment capturing climate considerations as appropriate.

We have seen an increase in the percentage of the portfolio with SBTi committed or approved targets. This is reported on our PTCD sub-portfolio (89% coverage) given the SBTi methodology is only available for corporate companies (not applicable for sovereign and standalone property). This information is also monitored within our climate scorecard as part of our transition assessment for each entity that meets the criteria for this assessment.

Our operational metrics

Our Streamlined Energy and Carbon Reporting aligned emissions.

Rothesay is committed to lowering our own operational emissions and our UK office has been supplied by 100% renewable energy since the beginning of 2021, as certified by the Carbon Trust. The following table displays Rothesay's energy consumption, CO_2 and other greenhouse gas emissions, and emissions intensity metrics for 2025, 2024 and 2023, as per SECR requirements.

We consider the market-based metric to be the most accurate reflection of our emissions, as it reflects the actual emissions associated with the electricity that Rothesay has consumed. We have also included location-based metrics for comparison. They use the average emissions associated with the electricity grid of the UK.

		2025	2024	2023
Energy consumption (kWh)		**2.203m**	2.225m	1.444m
Total CO_2e emissions (in tonnes)	Market-based	**69**	80	55
	Location-based	**393**	451	293
Scope 1 CO_2e emissions (tonnes)[1]		**67**	78	52
Scope 2 CO_2e emissions (tonnes)[2]	Market-based	**–**	–	–
	Location-based	**323**	370	238
Scope 3 CO_2e emissions (tonnes)[3]		**1.8**	2.1	2.9
Carbon dioxide emissions intensity				
Total CO_2e tonnes per UK FTE	Market-based	**0.1**	0.2	0.1
	Location-based	**0.7**	0.9	0.7

1. Scope 1 covers CO_2 emissions occurring from sources owned or controlled by Rothesay (e.g. gas). These are primarily calculated using meter readings, with the Area Method used to estimate Rothesay's contribution for communal office areas as detailed by The Climate Registry's General Reporting Protocol v3.0.
2. Scope 2 covers CO_2 emissions from the generation of electricity purchased by Rothesay. These are primarily calculated using meter readings, with the Area Method used to estimate Rothesay's contribution for communal office areas. Location-based values are estimated using conversion factors from the UK Government's GHG conversion factors for company reporting in 2025.
3. Scope 3 covers CO_2 emissions occurring from business travel in rental or employee-owned vehicles where Rothesay is responsible for purchasing the fuel. These are estimated from total mileage by using the "Average car" and "Petrol" conversion factor from the UK Government's GHG conversion factors for company reporting in 2025.

Our operational metrics continued

We have also estimated the operational emissions arising from our US and Australian offices, which were occupied by a combined 24 full-time employees at year end 2025. With detailed meter readings not available, emissions have been estimated through our percentage occupation of total office floor space.

In 2022, our US team relocated into a recently renovated class A property, targeting a similar heat efficiency to that of our UK Headquarters. In 2023, our Australian team moved into offices in a property that has been recognised for its sustainability approach through a 6-Star Green Star Office Design v3 certified rating.

US/Australian Offices	2025	2024
Energy consumption (kWh)	**0.086m**	0.083m
Total CO_2e emissions (in tonnes)	**20**	19
Scope 1 CO_2e emissions (tonnes)	**<1**	<1
Scope 2 CO_2e emissions (tonnes)	**20**	19
CO_2e emissions intensity		
Total CO_2e tonnes per FTE	**0.8**	1.0

Determining our operational Scope 3 emissions

We have engaged Climate Impact Partners to gain further understanding of the Scope 3 emissions for which we are responsible. This analysis, on our operational emissions in 2025, focused on gathering data for areas that are most applicable for our business operations.

No.	GHG protocol categories	Footprint (tCO_2e)	Includes
1	Purchased goods & services	14,962	Cloud, food, software, digital marketing, consultants, insurance, shipping, furniture, office supplies, training, cleaning, maintenance, textiles and merchandise
2	Capital goods	54	Hardware
3	Fuel- and energy-related activities	145	Upstream emissions of purchased fuels and electricity (including that associated with business travel, commuting and electricity transmission and distribution losses)
4	Upstream transportation & distribution	Not applicable	Not applicable
5	Waste generated in operations	3.5	Wastewater and waste from the offices
6	Business travel	1,391	Business travel and hotel stays
7	Employee commuting	221	Commuting and homeworking
8	Upstream leased assets	Not applicable	Not applicable
9	Downstream transportation & distribution	Not applicable	Not applicable
10	Processing of sold products	Not applicable	Not applicable
11	Use of sold products	Not applicable	Not applicable
12	End of life treatment of sold products	Not applicable	Not applicable
13	Downstream leased assets	Not applicable	Not applicable
14	Franchises	Not applicable	Not applicable
15	Investments – Financed Emissions	See Financed Emissions	Includes Scope 1 & 2 emissions of our investments – further information is provided in Our Portfolio metrics section above

Our operational metrics continued

Offsetting our emissions

Our strategy

Our offset strategy is designed to prioritise emission reduction measures with offset mechanisms utilised to compensate for residual emissions that cannot be eliminated immediately or entirely.

We focus on the highest-quality carbon offsets using criteria that includes factors such as Permanence, Additionality, Verifiability and Exclusivity, whilst ensuring the avoidance of social and environmental harms. Traditional carbon removal credits via afforestation have historically been our favoured option for offsetting our emissions but we recognise the limitations of these with regards to Permanence and Verifiability and have hence looked to improve upon this for our future emissions.

Our partnership with Climeworks

Climeworks' removal carbon credits represent high-quality offsets given their high permanence and the fact CO_2 removed is easily quantified. Their Direct Air Capture technology, which works solely off renewable energy, extracts CO_2 from the ambient air which is then permanently stored through rock mineralisation deep underground. We feel it is important to support nascent industries like this, which need to rapidly scale to meet the IPCC projections for required carbon removal quantities in Net Zero scenarios.

We have expanded our partnership with Climeworks, purchasing removal credits in a portfolio compromising of Direct Air Capture, Enhanced Rock Weathering, Bioenergy with Carbon Capture and Storage (BECCS), Biochar and some afforestation/reforestation. Due to business growth and a desire to account for Scope 3 business travel, further purchases were necessary to keep Rothesay in line with the target to remain Net Zero from operations for the remainder of the decade. This agreement helps us secure longer-term access to high quality carbon removal capacity, whilst also supporting a range of nascent solutions to help them scale. These offsets will be used to compensate for our operational emissions from 2025 onwards.

Offsetting operational emissions

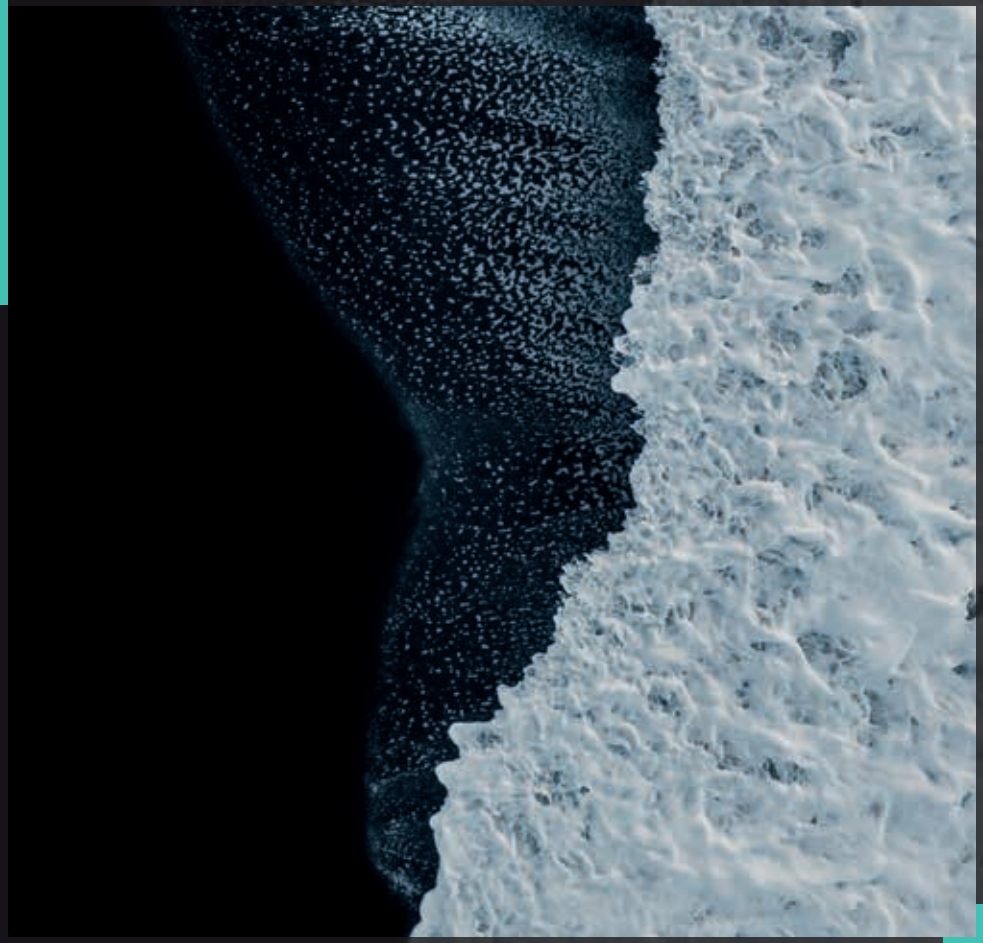
Rothesay has again worked with Climate Impact Partners (formally Natural Capital Partners) to assess our operational emissions[1]. Against this we have purchased high-quality carbon credits to compensate for 660 tonnes of CO_2 emissions through support for the following Verified Carbon Standard emission reduction project:

- **Reforestation and Community Development, Ghana**

1. Operational emissions relate to the YE 2024. This aligns the reporting period with our investment portfolio which sources emissions reported during 2025, which relate to the YE 2024 across our investments. Covers emissions from our premises, business travel and homeworking.

Section six

Appendix



In this section

Glossary

The multitude of terms and acronyms used in climate and sustainability discussions can often be challenging to understand. Rothesay is committed to ensuring our disclosures are clear and not misleading. This glossary clearly sets out Rothesay's definition for each term and how these should be interpreted.

Term	Definition
Absolute Emissions	The total emissions of greenhouse gases (GHG) a company emits in a year. The various GHGs have different warming potentials, so they are converted into CO_2 equivalents so total emissions can be compared appropriately across companies.
BAU	Business as usual.
Carbon Footprint	The total greenhouse gas emissions produced by an individual, entity or activity, expressed in CO_2 equivalent (CO_2e). This can be expressed in terms of Notional Value or Market Value.
Carbon Intensity (CI) – general	Absolute emissions will vary reflecting the size of the company, as well as their specific operations. Carbon intensity measures are used to adjust for company size, to better compare this "dirtiness". There are different measures of Carbon Intensity.
Carbon Intensity (CI) – revenue basis	Carbon dioxide equivalent emissions per million dollars of revenue (CO_2e/$m): This metric measures the carbon efficiency of a company's economic output.
CI reductions	Refers to value for CI going down during the stated time period. This may be driven by a number of factors and does not necessarily refer to a genuine reduction in greenhouse gases being emitted.
Carbon Neutral	Carbon dioxide emissions are balanced by carbon removed through activities such as carbon sinks or permanent carbon removal technologies such as direct air capture.
Carbon Offsets	An action intended to compensate for the emission of carbon dioxide into the atmosphere as a result of industrial or other human activity, especially when quantified and traded as part of a commercial scheme.
climate material	Lower case usage: Indicates an entity/sector/activity that has a greater likelihood of having a significant impact on our exposure to climate risk. Climate material (lower case) is used to indicate the broader approach to materiality assessment.
Climate Material	Upper case usage: Indicates an entity/sector/activity that after review under Rothesay's sustainability framework has been deemed to have significant exposure to climate risk. Entities deemed to be Climate Material (upper case) have specific characteristics that increase exposure to climate change impacts and require additional monitoring.
Climate Scenario	A hypothetical but realistic representation of the future environment constructed to support investigation of the potential impacts of climate change.
climate opportunities/ climate solutions	Lower case usage: General term to discuss activities that relate to efforts to mitigate and adapt to climate change such as adoption of low emission energy sources, development of new products/services to support climate transition and building resilience.
Climate Opportunities	Upper case usage: Indicates an entity/sector/activity that after review under Rothesay's sustainability framework has been deemed to meet criteria of specifically financing green opportunities, such as renewable energy investments, low-carbon energy and verified green bonds.

Glossary continued

Term	Definition
CO_2e	Carbon dioxide equivalent – greenhouse gases (GHGs) all have varying warming potentials and therefore in order to report one metric, other GHGs are converted to CO_2 equivalent.
Corporate Social Responsibility	Management approach concept that seeks to encourage high standards of ethics and professionalism and positively impacts society through its culture and business processes.
Engagement	Interactions and dialogue conducted between an investor and a current or potential investee (e.g. company), or a non-issuer stakeholder (e.g. an external investment manager or policymaker), to gain information or influence investee practice or disclosure.
EPC	Energy Performance Certificate. Document that provides information on the energy efficiency of a property including a rating ranging from A (best) to G (worst).
Escalation	Escalation in the context of stewardship is the approach an investor takes if initial stewardship approaches are unsuccessful at achieving its objectives over a given time period. Escalation differs by asset class and investor type, but generally involves the use of increasingly assertive stewardship tools and activities, including reducing or exiting an investment.
ESG	Environmental, Social and Governance – a set of standards measuring a business's impact on society, the environment, and how transparent and accountable it is. Environmental factors focus on how an entity considers the environment, social factors focus on how an entity considers societal impacts, including employees, communities and stakeholders, and governance factors focus on an entity's operational approach and leadership.
EVIC	Enterprise value including cash. EVIC is defined as the company enterprise value without deduction of cash (EVIC) of the respective issuer. When data is sourced from Bloomberg this is calculated as Market Capitalisation + Enterprise Value Components + Cash and Marketable Securities. For other companies this corresponds to the total company equity and debt.
Financed Emissions	The emissions associated with our investments, in line with the GHG Protocol Scope 3 Category 15 definition.
Financed Emissions – reductions	Refers to the value of emissions that Rothesay are directly financing going down during the stated time period. This may be driven by a number of factors and does not necessarily refer to a genuine reduction in greenhouse gases being emitted by an entity.
Green	The concept that some activities are beneficial for the physical environment, based on an assessment against an appropriate set of criteria or benchmarks.
Green Bond	Bond instrument whose proceeds will be applied exclusively to finance or refinance, in part or in full, new and/or existing projects which contribute to stated and verified environmental objectives.
Green Taxonomy	A system that aims to classify whether an economic activity meets specific criteria, such as alignment with Net Zero or specific sustainable goals.

Glossary continued

Term	Definition
Greenhouse Gas Protocol	A global framework outlining best practice for measurement and management of greenhouse gas emissions.
Greenhouse Gas (GHG) Emissions	Gases that contribute to the greenhouse effect by trapping heat in the Earth's atmosphere.
Implied Temperature Rise (ITR)	A forward-looking temperature alignment metric that indicates how companies and investment portfolios align to global climate targets. It compares entity/ portfolio projected greenhouse gas emissions against a specific carbon budget and calculates an estimated overshoot or undershoot. This overshoot or undershoot is expressed in °C.
Inevitable Policy Response (IPR)	A type of climate transition scenario analysis that considers risks and opportunities associated with a forecast or 1.5ºC required acceleration of policy responses to climate change.
Market Value (MV)	In respect of a financial instrument or investments, the price at which it is reasonably expected that it can be bought or sold in the open market in normal conditions.
Material Sustainability/ Climate Factors	Sustainability factors with a substantial impact on the current and future financial, economic, reputational and legal prospects of an issuer, security, investment or asset class. This term may also refer to factors related to significant impacts on people or planet. At a corporate or issuer level, the disclosure of a material sustainability factor would be reasonably expected by investors, as its omission, misstatement or obscuring could reasonably be expected to influence decisions that investors make on the basis of that reporting.
Net Zero	A state in which the human derived GHGs going into the atmosphere (anthropogenic emissions) are balanced by their removal out of the atmosphere (carbon sinks/removal).
Notional Value (NV)	In respect of a financial instrument or investments, its total face value or amount, for example the principal amount outstanding of a loan or bond.
Own risk and solvency assessment (ORSA)	An assessment of the risk to which the business is exposed as well as solvency forecasting in a range of scenarios, including consideration of the stresses that could jeopardise Rothesay's business plans.
Paris Aligned	Actions and financial flows that are consistent with the Paris Agreement's long-term goal of limiting global warming to well below 2°C and pursuing 1.5°C above pre-industrial levels.

Glossary continued

Term	Definition
Physical Climate Risk	Risks resulting from climatic events including acute and chronic impacts. Acute risks include droughts, floods and wildfires. Chronic risks include rising temperatures, sea level rise and an accelerating loss of biodiversity.
Publicly Traded Corporate Debt sub-portfolio (PTCD)	A sub-portfolio of our total portfolio comprised of listed issuers with an ISIN and reported data in the Corporate category (excluding Secured Financing) together with the REITs component of the Property category.
Radiative Forcing	The increased climate impact caused by flight-based emissions occurring higher up in the atmosphere than land-based emissions.
Real Economy Impact/ Decarbonisation	Refers to decarbonisation in the real economy which relates to the production, purchase and flow of goods and services within an economy, rather than financial economy (value of financial markets). Real economy decarbonisation relates to actual reduction in total GHG emissions being emitted and actions that directly result in this outcome.
Responsible Investment	The integration of environmental, social and corporate governance (ESG) considerations into investment management processes and ownership practices in the belief that these factors can have an impact on financial performance.
Science-Based Target	A target, usually relating to emission reductions, which has been developed in line with scientific pathways to keep global warming below 2°C from pre-industrial levels.
Scope 1 Emissions	Measured in tCO_2e annually. Direct emissions that occur from sources controlled by the entity in question. For example, emissions from a gas-fired boiler on company premises.
Scope 2 Emissions	Measured in tCO_2e annually. Indirect emissions largely associated with the purchase of electricity by the entity in questions to operate their business and buildings including purchased electricity, municipal heating and cooling. Scope 2 emissions can be calculated as Location-based – operational emissions using an average emissions intensity for the energy system on which energy consumption occurs (e.g. the emissions intensity of the local electricity grid) – or Market-based – operational emissions using actual energy consumption of an entity (e.g. giving credit for renewable energy or green electricity tariffs sourced by the company).
Scope 3 Emissions	Measured in tCO_2e annually. Emissions that are the result of activities elsewhere in the value chain of the entity in question. These include emissions produced indirectly through purchased goods and services, business travel, employee commuting, and investments. The Scope 3 emissions of one entity are the Scope 1 & 2 emissions of other entities.
Shared Socioeconomic Pathways (SSP)	A set of climate change scenarios projecting socioeconomic global changes up to 2100.
Streamlined Energy and Carbon Reporting (SECR)	Reporting on the energy use, carbon emissions and emissions intensity associated with our UK operations. It is calculated and reported in line with the Greenhouse Gas Protocol disclosure principles.
Stewardship	The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Glossary continued

Term	Definition
Sustainability	A dynamic process that guarantees the persistence of natural and human systems in an equitable manner.
Sustainable	An activity that causes, or is made in a way that causes, little or no damage to the environment and therefore able to continue for a long time.
Sustainability Risks	An environmental, social or governance (ESG) event or impact that could cause a negative impact including financial and reputational.
Systematic Sustainability Issues	Issues that pose systematic risks to the common economic, environmental and social assets on which returns and beneficiary interests depend. Systematic risk refers to risks transmitted through financial markets and economies that affect aggregate outcomes, such as broad market returns or stability.
Temperature Alignment	A forward-looking metric that attempts to convey the future trajectory of greenhouse gas emissions of a given entity or portfolio in terms of its estimated global temperature rise.
Tipping Points	A climate tipping point is a critical threshold in Earth's systems such as ice sheets or ocean currents beyond which climate change becomes self-perpetuating. They result in irreversible and more abrupt impacts such as material sea level or temperature changes and increase the potential for the breakdown of other systems.
Transition Climate Risk	Risks associated with the requirements for an entity to manage and adapt to changes related to reduction in greenhouse gas emissions and transition to a low-carbon economy.
Transition Finance	Relates to the provision of financing to entities/activities that have high current emissions but have credible, verified plans that will result in steeply declining emissions in line with sector decarbonisation pathways.
Transition Plan	A transition plan sets out an organisation's approach for how it will align all its activities to Net Zero.
Unconventional oil and gas	This encompasses the production of arctic oil & gas or tar sand extraction.
Weighted Average Carbon Intensity (WACI)	WACI can be considered at a company, sector or portfolio level. It is a measure of a portfolio's exposure to carbon intensive companies, where each position is weighted reflecting size of position in our portfolio.

Glossary continued

Organisations

Term	Definition
A4S	Accounting for Sustainability – organisation that seeks to inspire action by finance leaders to drive a fundamental shift towards resilient business models and a sustainable economy.
CFRF	Climate Financial Risk Forum – industry group, co-chaired by the FCA and Bank of England, to share best practice and solutions on climate issues, and accelerate financial sector firms' capabilities to manage the risks and seize the opportunities presented by climate change.
FCA	Financial Conduct Authority – the UK regulatory body that regulates the financial services industry in the UK. Its role includes protecting consumers, keeping the industry stable, and promoting healthy competition between financial service providers.
IPCC	The Intergovernmental Panel on Climate Change (IPCC) – an intergovernmental body of the United Nations. Its job is to advance scientific knowledge about climate change caused by human activities.
ISSB	The International Sustainability Standards Board – established by the International Financial Reporting Standard (IFRS) Foundation at COP 26. It has developed global sustainability standards to form a global baseline of sustainability information to support needs of investors. It includes IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.
NGFS	Network for Greening the Financial System – a network of central banks and financial supervisors that aim to accelerate the scaling up of green finance and develop recommendations for industry's role in climate change. NGFS climate scenarios bring together a global set of transition pathways, physical climate change impacts and economic indicators.
NZAOA	UN-Convened Net Zero Asset Owner Alliance – a member-led initiative of institutional investors committed to transitioning their investment portfolios to net zero GHG emissions by 2050 – consistent with a maximum temperature rise of 1.5°C.
PCAF	Partnership for Carbon Accounting Financials – a partnership that has developed standards for financial institutions measuring their investment-linked greenhouse gas emissions.
PRA	Prudential Regulation Authority – the PRA is the UK regulatory body responsible for prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms.
SBTi	Science-based Targets Initiative – SBTi is an organisation established to support companies to set emission reduction targets in line with the reductions required to limit global temperature rise to 1.5°C. SBTi provides assurance that entities' targets are aligned with prevailing scientific goals for the relevant sector.
TCFD	Taskforce on Climate-related Financial Disclosures – an international initiative established by the Financial Stability Board (FSB) in 2015 to develop recommendations for disclosing climate-related financial risks and opportunities in various sectors of the economy.
TNFD	Taskforce on Nature-related Financial Disclosures – an international initiative that provides a framework for how organisations can address nature-based environmental risks and opportunities with the ultimate goal of channelling capital flows into positive action.
UN PRI	The UN Principles for Responsible Investment – an international organisation that works to promote the incorporation of environmental, social, and corporate governance factors (ESG) into investment decision-making.

Independent Limited Assurance Report to Rothesay Limited

Grant Thornton

Grant Thornton UK LLP ("Grant Thornton" or "we") were engaged by Rothesay Limited ("Rothesay") to provide limited assurance over the Subject Matter Information described below.

Limited assurance conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over selected aspects of Rothesay's Climate Report ("the Report") for the year ended 31 December 2025, highlighted with a "^" symbol in the "Climate data summary" section within the Appendix of the Report ("the Subject Matter Information").

Our assurance does not extend to any other information that may be included in the Report for the current year or for previous periods unless otherwise indicated.

Reporting Criteria

The Reporting Criteria used for the measurement or evaluation of the Subject Matter Information and to form our judgements are Rothesay's methodology as set out in the "Emissions & climate metric methodology" section within the Appendix of the Report ("the Reporting Criteria").

Inherent limitations

The absence of a significant body of established practice on which to draw to measure or evaluate the Subject Matter Information allows for different, but acceptable, measurement or evaluation techniques and can affect comparability between entities and over time. In particular we draw attention to the methodological and assumption-based limitations Rothesay have disclosed in the Reporting Criteria.

Greenhouse gas ("GHG") emissions quantification processes are subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs; and estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge. Due to the timing of availability of published emissions conversion factors, it is also not possible to always use the very latest conversion factors in calculating emissions. For Scope 3 GHG emissions, there are also significant limitations in the availability and quality of GHG emissions data from third parties, resulting in reliance on proxy data in determining estimated Scope 3 GHG emissions. Over time better information may become available from third parties, and the principles and methodologies used to measure and report Scope 3 GHG emissions may change based on market practice and regulation.

In instances where the Subject Matter Information was supported by third-party data sources, such as carbon emissions or financial information that had been self-reported by the issuers or obtained by management from third party data providers such as Bloomberg, we did not perform any testing over the source data.

Other financial information, such as market and notional values, used to generate the Subject Matter Information has not been tested in detail with our procedures being limited to agreeing a selection of financial information used by management to the Financial Reporting Database within Rothesay's finance system which form the basis of the values that feed into the Quantitative Reporting Template shared by with Rothesay with its regulator.

Directors' responsibilities

The Directors of Rothesay are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Report and the Reporting Criteria and their contents.

Independent Limited Assurance Report to Rothesay Limited continued

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to Rothesay.

Our independence, professional standards and quality management

We complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Management (ISQM) (UK) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly we maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits and Reviews of Historical Financial Information" ("ISAE 3000 (Revised)"), and in respect of the greenhouse gas emissions information included within the Subject Matter Information, in accordance with International Standard on Assurance Engagements 3410 – "Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board (IAASB).

These standards require that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant Rothesay management and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- agreeing, where management utilise emissions and financial information sourced from a third-party data provider such as Bloomberg, a selection of those amounts used by management to the third-party data sources;

Independent Limited Assurance Report to Rothesay Limited continued

- agreeing, where management utilise an internal analyst to obtain or calculate emissions and financial information, a selection of those amounts used by management to supporting information obtained from management, which included sources such as issuer-published publicly available information or information provided directly to Rothesay by the issuer or other third parties;
- agreeing a selection of market values and notional values used by management to the Financial Reporting Database within Rothesay's finance system. These are the values that feed into the Quantitative Reporting Template shared by Rothesay with it's regulator.
- comparing year on year and/or month on month movements for a selection of the Subject Matter Information and obtaining explanations from management for significant unexpected movements;
- considering the appropriateness of a selection of selected carbon conversion factor calculations, other unit conversion factor calculations and other calculations used by Rothesay to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- reperforming a selection of calculations used by Rothesay to prepare the Subject Matter Information;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Report and narrative accompanying the Subject Matter Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

Intended use of this report

This limited assurance report, including our conclusion, is made solely to Rothesay in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to Rothesay those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than Rothesay for our work or this report, including our conclusion.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
London

15th April 2026

The maintenance and integrity of Rothesay's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information, the Report or the Reporting Criteria presented on Rothesay's website since the date of our limited assurance report.

Climate data summary

The table below summarises the data presented as part of this Climate Report.

Metric	Reported Unit	Reported Value	Location in report
Portfolio Carbon Intensity			
Total Portfolio WACI^	tCO_2e/$m revenue	118	Page 30
Total Portfolio PCAF Score	Score	2.3	Page 30
Total Portfolio Data Coverage	%	91	Page 30
PTCD Sub-Portfolio WACI^	tCO_2e/$m	129	Page 31
Portfolio Financed Emissions			
Financed Emissions^	tCO_2e (000s)	5,743	Page 31
£NV Carbon Footprint^	tCO_2e/£m invested	72	Page 31
Portfolio Temperature Alignment			
Scope 1, 2 & 3	°C	1.9	Page 32
Broader Portfolio Metrics			
Exposure to Material Climate Sectors	%	11%	Page 32
Climate Opportunity Financing	%	2.0%	Page 32
SBTi Alignment of PTCD Portfolio (commitment and/or approved targets)	%	47%	Page 32
SBTi Alignment of PTCD Portfolio (approved only)	%	45%	Page 32

Metric	Reported Unit	Reported Value	Location in report
UK Office Emissions			
SECR aligned Energy Consumption^	kWh millions	2.203	Page 33
SECR aligned Market-based Emissions^	Tonnes CO_2e	69	Page 33
SECR aligned Location-based Emissions^	Tonnes CO_2e	393	Page 33
SECR aligned Market-based Emissions Intensity^	Tonnes CO_2e/ FTE	0.1	Page 33
SECR aligned Location-based Emissions Intensity^	Tonnes CO_2e/ FTE	0.7	Page 33
US & Australian Office Emissions			
Scope 1 & 2 Energy Consumption	kWh millions	0.086	Page 34
Scope 1 & 2 Location-based Emissions	Tonnes CO_2e	20	Page 34
Scope 1 & 2 Location-based Emissions Intensity	Tonnes CO_2e/ FTE	0.8	Page 34

^ Indicates that the presented item has received external assurance from Grant Thornton.

Emissions & climate metric methodology

Basis of methodology

The basis for our reporting methodology is the Partnership for Carbon Accounting Financials (PCAF)'s Global GHG Accounting & Reporting Standard for our investment portfolio and the Greenhouse Gas Protocol for our operational emissions.

Calculating own operations emissions

Scope

- Data within Rothesay Climate Report relates to financial YE 2025.
- We follow the operational control approach to determine the emissions included in this report. We report in tCO_2e unless stated otherwise.

SECR Aligned Emissions

- The scope of this reporting covers all Rothesay's UK entities, reflecting Scope 1 and 2 emissions, as well as Scope 3 (energy use and related emissions from business travel in rental or employee-owned vehicles where they are responsible for purchasing the fuel). This reporting has been compiled in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (Revised 2014), utilising the emission factors from the UK Government's Greenhouse GAS (GHG) conversion factors for Company Reporting in 2025.
- Scope 1: CO_2 emissions occurring from sources owned or controlled by Rothesay (e.g. gas).
  - Primarily calculated using meter readings, with the Area Method used to estimate Rothesay's contribution for communal office areas as detailed by The Climate Registry's General Reporting Protocol v3.0.
- Scope 2: CO_2 emissions from the generation of electricity purchased.
  - UK office emissions were primarily calculated using meter readings.
  - We report on both a location and market basis. Location-based values are estimated using conversion factors from the UK Government's GHG conversion factors for company reporting. Market-based values are calculated based on certified energy usage.
  - Regional specific conversion factors have been used to convert kWh values to tCO_2e.
- Scope 3: CO_2 emissions occurring from business travel in rental or employee-owned vehicles where Rothesay is responsible for purchasing the fuel AND portfolio emissions (tCO_2e) are part of our emission data on which we conducted external limited assurance.
  - For business travel, distance travelled is estimated using paid expense data in 2025, using cost to mileage factors from our expense policy. These are then converted from mileage by using the "Average car" and "Petrol" conversion factor from the UK Government's GHG conversion factors for company reporting in 2025.
  - Intensity Metric: SECR intensity metric has been calculated using UK permanent employees as at YE 25.
- For Category 15: Investments please see below.

Calculating portfolio metrics

Scope

- For our portfolio, emissions data within this report is, where possible, based on 2024 data, reported in 2025. For a subset of issuers where no new data has been published, 2023 data has been utilised.
- Due to the way in which companies publish their ESG disclosures, the emissions data collected is assumed to relate to issuers' full year ending 2024.
- We choose to take reported market-based emissions data, where available, as this reflects that companies have chosen (or not chosen) to source cleaner electricity providers. Location-based is used where this is not available.
- Due to data availability, our primary focus remains on reporting Scope 1 and Scope 2 data. As availability and completeness for our issuers' Scope 3 emissions improves we will look to report on this too if appropriate.

Data sources

- We utilise a number of third-party data providers to calculate our climate metrics including:
  - Bloomberg
  - CDP (previously Carbon Disclosure Project)
  - MSCI Inc.
  - Planetrics

Emissions & climate metric methodology continued

Data collation and reporting

- Sector and overall averages are calculated by weighting individual borrower carbon intensities by the market value of the corresponding assets as a proportion of the total market value of assets for which we have obtained data.
- For the majority of issuers (Corporates and Sub-Sovereigns) our first source for information is Bloomberg. Data is provided via CSV file and incorporated into our climate data files.
- We have taken the decision to include Forward Funded Bonds in our Climate Universe, where we have committed to purchase at a future date, as we will ultimately be responsible for these emissions.
- Where data is not available via our primary data providers, we seek to gap fill based on a materiality basis.
- The first stage of our gap filling exercise is to seek reported data through manually extracting the required data from issuer climate reporting/data published by industry bodies.
- It is not always possible to utilise sourced data for some issuers, for example our property-based lending and sovereign sub-portfolios due to data availability, or specific asset-based holdings so we calculate estimates where exclusions would be material to our WACI calculation. In limited cases, we may also choose to use a peer proxy for an issuer based on similar operations.
- Such estimates are currently calculated based on the below materiality threshold which is higher than manual data sourcing given the necessity to use a number of assumptions in these calculations. It is therefore important that such estimates are reserved for where their exclusion would materially impact our metrics.
  - Entity operates in a climate material sector; and
  - Position size is above £100MV (either individual or sector basis) and initial assessment indicates that emissions associated are likely to meet our Carbon Intensity threshold (4x portfolio average).
- Investments that would require an estimate but entered our portfolio after 30 September 2025 do not receive a value for YE2025 reporting due to insufficient time to appropriately create and review asset specific estimates.
- For our mortgage portfolios, we run analysis based on our holdings at 30 September, to allow sufficient time for data collection and review. Financed Emissions are then scaled using our YE 25 holdings.
- Where no reliable information is identified (i.e. lack of EVIC data), Financed Emissions have not been calculated.

Emissions & climate metric methodology continued

Internal estimate methodologies

The below table outlines where we have established an internal methodology review group who reviews and approves each estimate approach and assumptions in the calculation. Given the need for various assumptions these datapoints are not as exact as reported data – our approach seeks to "err on the side of the planet" in line with PCAF requirements where necessary.

As at YE25, we also hold US mortgages within our portfolio however no estimate has been included. This is due to timing of the origination of assets preventing a full estimate methodology being discussed, approved and calculated in line with need for a robust approach to setting such estimates. This asset class will be included in future disclosures.

Asset Class	Unit	Source	Description
Corporates	tCO_2e/$m revenue	Bloomberg/CDP	Reported Scope 1 & 2 emissions data from entity divided by reported revenue.
Sovereign	tCO_2e/$m of GDP	PRIMAP	The starting point for our Sovereign data is global and country GHG emissions based on International Energy Agency (IEA) datasets broken down by GHG. Some extrapolation is required to estimate the non-CO_2 GHGs. Country-level emissions are divided by $m of GDP (which represents the most similar metric to revenue at country level).
Public Finance: Healthcare	tCO_2e/$m total operating revenue	Company Reporting/ Proxy data	Issuers with reported data used as proxies for wider sub-portfolio by using emission and revenue averages. These Carbon Intensity values are then divided by revenue to calculate emissions. Revenue is derived from reported total operating revenue.
Property: FFT	tCO_2e/mmUSD achievable rent	Landmark/ Rightmove	Emissions estimate taken per EPC, where available through Landmark. Where no EPC is available, Landmark model the EPC information from neighbouring properties. Rental AVM for each property supplied by Rightmove. We use current valuation data rather than original property value (suggested by PCAF) as this data is more accurate.
Property: ERM	tCO_2e/$m achievable rent	Landmark/ Rightmove	Emissions estimate taken per EPC, where available through Landmark. Where no EPC is available, Landmark model the EPC information from neighbouring properties or based on property characteristics. We use current valuation data rather than original property value (suggested by PCAF) as this data is more accurate. Rental yield calculated using Rightmove data using average house price and rental price based on specific regional bandings.
Property: DRM	tCO_2e/$m achievable rent	Lenders/Pararius/ CBS	Every property has been individually assessed for both its emissions (estimate based on energy label and/or floor area) and its achievable rent (€/m^2 vs average sale price for owner occupied homes). We use current valuation data rather than original property value (suggested by PCAF) as this data is more accurate.

Emissions & climate metric methodology continued

Asset Class	Unit	Source	Description
Property: French Mortgages	tCO_2e/$m achievable rent	SDES/Seloger	Properties have been assessed for their emissions and achievable rent (both based on property location). We use current valuation data rather than original property value (suggested by PCAF) as this data is more accurate.
Property: Ground Rents	tCO_2e/$m achievable rent	Landmark/ Rightmove/ Proxy Data	Emissions estimate taken per EPC per postcode, where available through Landmark. Where no EPC is available, Landmark model the EPC information from neighbouring properties or based on property characteristics. We use current valuation data rather than original property value (suggested by PCAF) as this data is more accurate. Rental AVM used for each property supplied by Rightmove, normalised by rental change over period.
Property: Social Housing	tCO_2e/$m SHL turnover	Issuer Reporting/ Proxy Data	Issuers with reported data used as proxies for wider sub-portfolio by working out average sector Carbon Intensity per Scope. Emissions from SH offices and fleet remain included in Scope 1 & 2. Emissions from tenants excluded from Scope 1 & 2. These Carbon Intensity values are then divided by revenue to calculate emissions. Revenue is derived from total operational revenue.
Property: Other RMBS	tCO_2e/$m achievable rent	SEAI Report	Residential mortgage-backed securities (RMBS) follow the same methodology as our ERM portfolio, with the exception of the source of the CO_2 emissions per property which given Ireland jurisdiction are sourced through Sustainable Energy Authority of Ireland datasets.
Project Finance: High Emission Intensity	tCO_2e/$m	Various	We hold a number of assets that are high energy intensity projects, that do not have reported carbon or revenue data. For these assets we calculate a deal-specific, asset-level estimate of emissions and associated revenue. In these scenarios we seek to calculate emissions based on PCAF guidance to use estimates based on specific factors relevant to each asset (i.e. physical or economic activity-based emissions), matching revenue assumptions as closely as possible. We assign revenue and financed attribution factors based on their share of the business or debt our financing represents. We acknowledge these estimates require a number of assumptions and key judgements to form reasonable data points. We continue to review these methodologies to ensure they remain fit for purpose and continue to seek reported data from issuers. In 2025, this engagement led to one emission estimate being replaced with reported data.

Emissions & climate metric methodology continued

Foreign exchange (FX) rate considerations

- Since climate metrics are impacted by currency conversion, we set the below approaches to ensure consistency when looking at revenue and EVIC data:
  - Where data is provided by a third party, we take information as reported.
  - For estimate methodologies within property based fully on averages, we take the FX value of when the data was extracted.
  - For all other areas, average annual FX rates has been used.

Verification process

- We undertake a detailed internal verification process of our climate data. The numbers used have been checked for consistency with data from earlier years, with any outliers, defined by high YoY changes, being further investigated. High CI names and large holdings as outlined above are also checked.
- In addition, when reviewing estimate methodologies YoY, the governance process involves a discussion for any change to allow clear identification of rationale for YoY changes and any potential need to restate baseline figures.
- We engaged Grant Thornton UK LLP to provide independent limited assurance over selected KPIs within the ESG data using the assurance standards ISAE 3000 (Revised) and ISAE 3410. Grant Thornton has issued an unqualified opinion over the selected data and the full assurance report can be found on pages 43-45.

Restatements and changes to portfolio

- Our approach captures all positions held on our balance sheet on 31 December 2025.
- Restatements may be made to previous data points where an error has been identified and/or methodology best practice has evolved. On these occasions, restated data will be clearly identified.

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