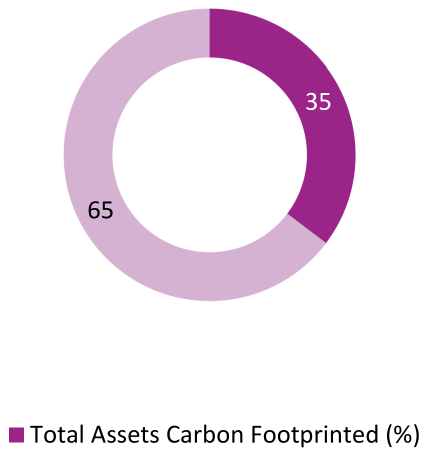
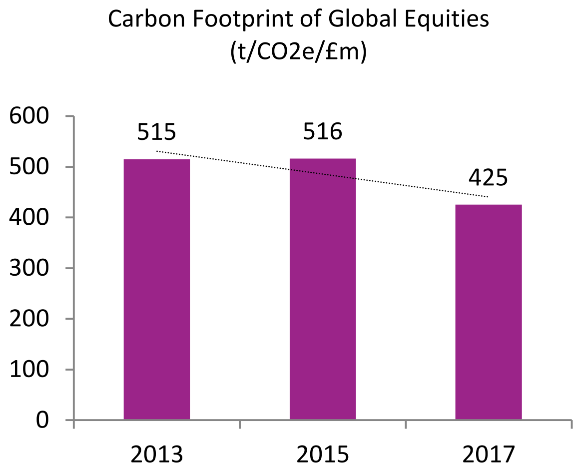
TPT Retirement Solutions
TPT's Carbon Footprint

In 2017, TPT undertook carbon footprint analysis on its equity portfolio for the third time, following previous evaluations in 2013 and 2015. In order to cover a broader range of asset classes, this was the first time corporate bonds were also included in the exercise.

The analysis covered £2.9bn of equity and £390m in corporate bonds, which at the date of analysis[1] accounted for 42% of TPT's DB assets or 35% of total assets (including DC and fiduciary mandates). In total, these equity and bond mandates finance 669,921 tCO2e per annum, which we estimate to be roughly equivalent to 2.7 tonnes of emissions per member per year.

The results from the evaluation indicated that the carbon intensity of the aggregated global equity portfolio has reduced overtime, from 515 tCO2e/£m in 2013 to 425 tCO2e/£m.





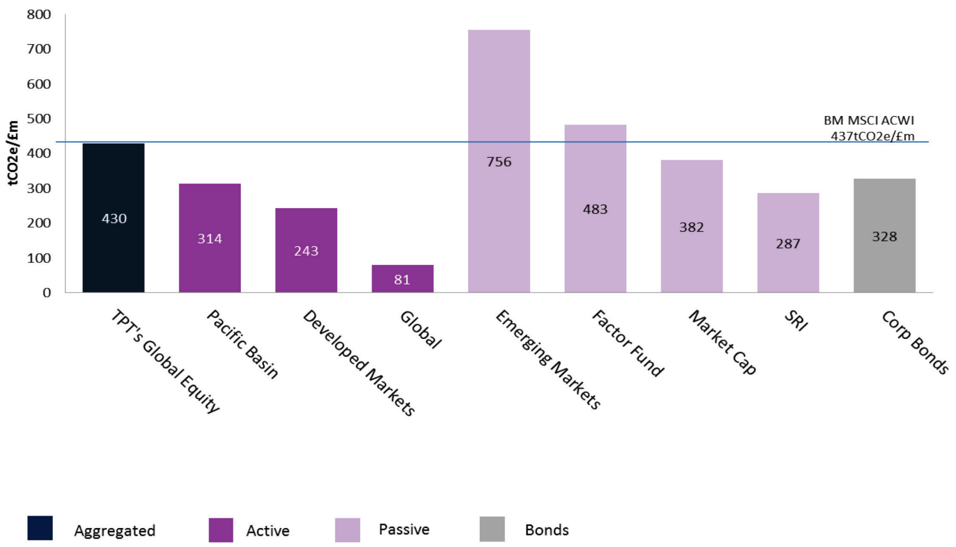
In our strategic review of portfolio climate risk undertaken in 2016, we identified that the most significant impact on returns under a two degrees scenario was on developed market equities. As we continue to de-risk the investment strategy and allocate to alternative assets classes, we are reducing the overall exposure to equities, thereby reducing the carbon risk.

Regardless of the de-risking strategy, equities will remain a significant proportion of our assets and carbon footprinting is one of the tools that can helps us to understand more about the underlying carbon intensity of our funds. In particular, it allows us to identify those investment managers with

[1] Data as at 30.06.17

exposure to the highest emitting sectors and companies and where there could be corporate engagement opportunities.

Carbon Intensity of TPT's Equity and Credit Funds



As signatories of the Montreal Pledge, TPT is committed to measuring the carbon footprint of its portfolio although we recognise that carbon footprinting has a number of limitations. The datasets used are backward looking and do not inform investors about the impact of stranded assets or the physical risks to their portfolios, such as extreme weather events. It is also difficult to apply carbon footprinting methodologies outside of equities and corporate bonds.

We recognise that a wider complement of metrics is therefore required to effectively manage and monitor climate change risk in our investments. Further information on the other metrics that we have used to measure carbon risk can be found in our **2016 Climate Disclosure Report.**