2024

Task Force on Climate-related Financial Disclosures Aligned Entity Report

TrinityBridge

Contents

1. CEO statement

In September 2024, Close Brothers Group plc (CBG) agreed to sell its wealth management businesses, Close Asset Management and Close Asset Management (UK), to Oaktree Capital Management, L.P. The transaction completed at the end of February 2025. In March 2025 a new name - TrinityBridge - was introduced and our funds were renamed on 28 April 2025.

This report is based on the position of the business at the end of 2024 and uses data from 31 July 2024 for both our investments and operations. The report therefore represents our position prior to the change in ownership and refers to our work within CBG but we will refer to TrinityBridge throughout reflecting the change of name. Our next report, published in 2026, will encompass our position as an independent business.

While this report is based on the position at December 2024, we are proud to say that our Sustainable Balanced Portfolio fund has adopted the Sustainability Mixed Goals label under the FCA's SDR regulations with effect from 2 April 2025 based on its carbon intensity objectives. This will form the basis of further changes and innovation in our sustainable fund range over the coming year.

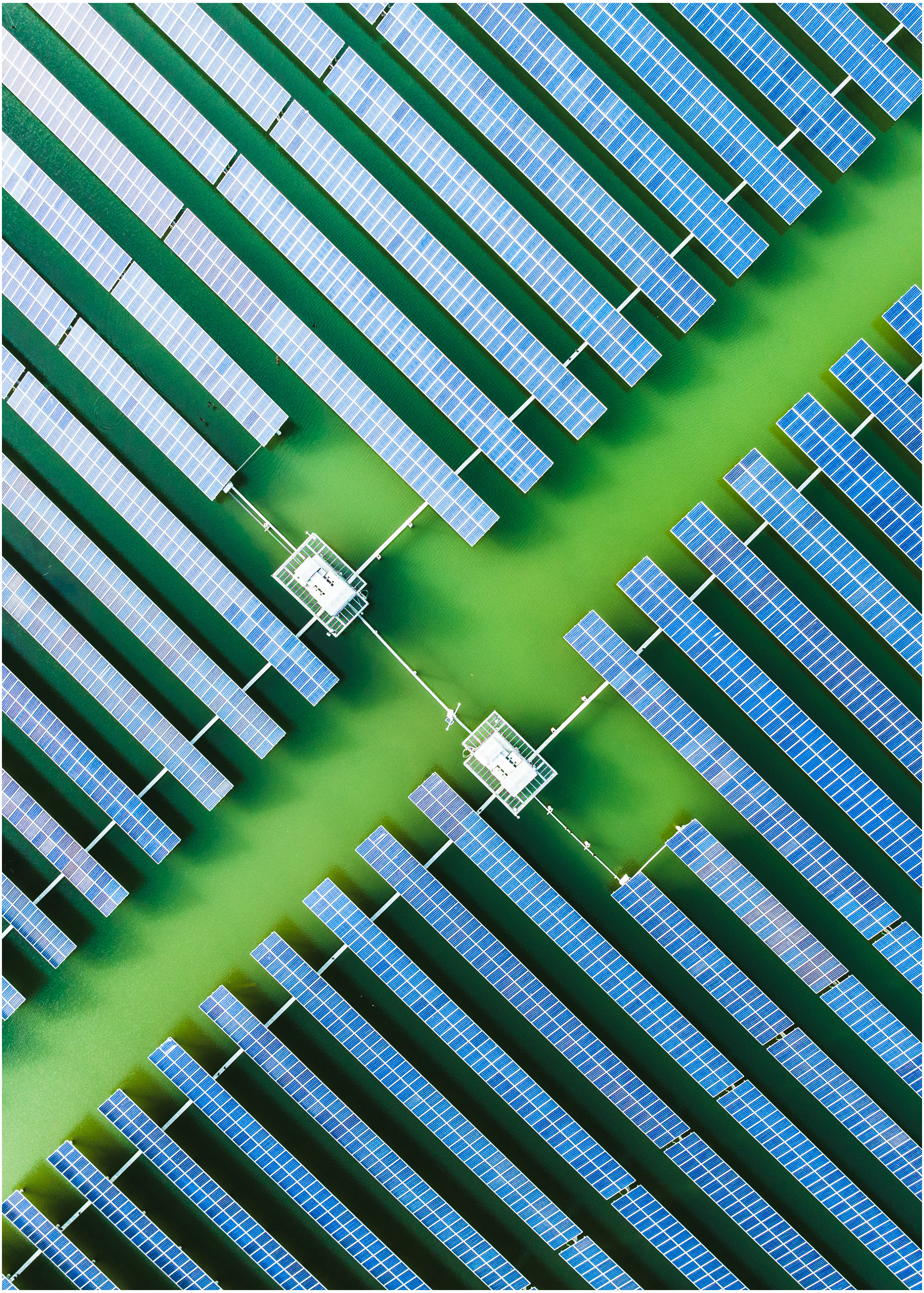
We continue to incorporate a responsible investment approach, which we define as an approach to managing assets, which explicitly considers and integrates the impact of material ESG factors on the long-term financial risk and return of our investments.

We recognise that there is a potential impact on an investment's value from an issuer's interaction with its stakeholders, including employees, customers, suppliers and the environment in which it operates. We will also use these considerations to inform our active ownership and stewardship approach, including engaging and voting on our investments to protect our clients' capital against risks and enhance returns. As represented in our recently published Stewardship and Responsible Investment Report, this continues to be an area of focus.

Over the last 12 months we have observed a shift in the way that other markets are considering and addressing environmental, social and governance (ESG) risks and opportunities. We expect the trend in diverging market views on these issues to continue throughout the next financial year. However, our view is that the asset management industry does not operate in a vacuum; capital will affect and be affected by the environment and society in which it is deployed. As responsible stewards of capital it is important that we consider the impact of any financially material risks or opportunities.

This report presents our position as a wealth manager that seeks to consider financially material climate-related risks in the management of our client assets, whilst aiming to integrate climate considerations within our operations.

Eddy Reynolds
CEO
TrinityBridge



2. Introduction

2.1 Business overview

01

We serve 22,000 households across the UK.

02

We are responsible for £19.3bn assets under management, as at 31 July 2024.

03

We operate out of 16 locations across the UK with over 150 investment professionals and c.900 employees.

2.2 Our approach to responsible business

In addition to pursuing our own sustainable strategy as TrinityBridge, as at 31 December 2024 we were aligned with the environmental targets set by CBG. These include working towards meeting its commitments to the Net Zero Banking Alliance, spanning both its operational and financed activities, and including achieving net zero scope 1 and 2 emissions from our operations by 2030. Further information about CBG's sustainability strategy and objectives can be found in the CBG sustainability report published with the annual results in September 2024. In addition to supporting CBG's targets, we continue to pursue our own sustainability strategy as TrinityBridge centred on three foundational principles: Raising Awareness, Holistic Decision Making, and Continual Sustainability Assessment.

2.2.1 Raising Awareness

Raising Awareness is the first step in our journey towards sustainable operations. By educating our colleagues and clients about the importance of sustainability, we lay the groundwork for informed decisions and actions that are aligned to a more sustainable future. This focus on knowledge and understanding is crucial in cultivating a culture that values and pursues sustainable practices.

2.2.2 Holistic Decision Making

The second pillar, Holistic Decision Making, reflects our adapting approach to considering sustainability across our business. We aim to deliver long-term client value through our investments. To support this, we adhere to our principles of responsible investment and align our sustainable solution with relevant regulations, whilst also considering the broader environmental and social effects we have as organisation.

2.2.3 Continual Sustainability Assessment

This ongoing process involves setting clear, measurable sustainability goals, particularly in our aligned investments and regularly reviewing our progress towards them. It encompasses educating our stakeholders, making informed and conscientious decisions, and constantly assessing our progress towards our environmental goals. We maintain a flexible approach which adapts to new challenges and opportunities in sustainability.

3. Governance

Responsible investment timeline

2015

- Ethical screening for Bespoke portfolios

2016

- Launched Ethical Discretionary Management Service (DMS)
- First ESG section in equity research

2017

- First ESG section in fixed income research
- Updated Ethical DMS to Socially Responsible Investment (SRI) Service

2018

- Appointed Head of SRI Research
- Published Stewardship Policy
- Included third-party ESG data in ESG analysis
- ESG tab on funds core list

2019

- Began firm-wide active proxy voting
- Created ESG Investment Committee

2020

- Engaged external consultants on sustainable finance strategy
- Published Responsible Investment Policy
- Launched sustainable funds
- Became signatory to the Principles of Responsible Investment
- First Shareholder Engagement & Voting Report

2021

- Created Sustainability Committee
- Firm-wide sustainable finance strategy
- Climate training for all employees

2022

- Hired Responsible Investment Associate and Analyst
- Became signatories to UK Stewardship Code
- Signed public UK Human Rights Due Diligence letter
- Endorsed Advance initiative
- Introduced sustainable thematic research function
- Established Voting Principles
- Signed the Global Investor Statement on Workplace Mental Health

2023

- Launched Select Fixed Income Fund, incorporating a carbon intensity objective
- Introduced Voting Principles and Custom ISS Research
- Created Engagement Escalation Process
- Introduced new ESG research and anti-greenwashing trainings
- Converted Strategic Alpha into Select Global Equity Fund, employing a carbon intensity objective
- Updated Voting Panel Process & Procedures
- Launched our sustainability and responsible investment page
- Submitted our first PRI Transparency Report
- Initial Target Disclosure to NZAM

2024

- Updated our Stewardship and Responsible Investment Policy to include our commitment to using engagement and research to reduce our exposure to material human rights issues
- Published our first entity- and product-level reports in line with TCFD requirements
- Refined our voting policy to focus on core holdings and internally managed funds
- Updated our custom voting policy to support shareholder proposals that require an independent Board chair
- Continued to report in line with our status as signatories to the PRI and UK Stewardship Code

Source: TrinityBridge.

Our progress in sustainability has been supported with consistent and reliable governance frameworks which have been essential in directing our strategic and environmental objectives. These include a commitment towards achieving our environmental goals, such as the progression to a net zero target and addressing wider climate related challenges.

3.1 Role of committees at TrinityBridge in sustainability

Central to this governance structure is the role of our Executive Committee (ExCo). The ExCo is tasked with establishing and overseeing our strategic direction and climate commitments. Their mandate includes setting realistic yet progressive goals for sustainability, a task they approach with a keen understanding of the complexities and challenges inherent in integrating these objectives into our broader business strategy. Responsibilities for environmental considerations extend throughout TrinityBridge, reaching various committees. These committees, encompassing areas from risk management to investment, incorporate sustainability into their decision-making processes. Whilst the degree of integration varies across different departments, the aim is consistent: to Raise Awareness, promote Holistic Decision Making and contribute to Continual Sustainable Assessment.

The Sustainability Committee, which had membership from all members of the ExCo, was dissolved in 2024 with all responsibilities moved directly to the ExCo aligning with the direct responsibilities of our ExCo members for sustainability initiatives. This ensures the initiatives are in line with our commitments and adjusts our approach based on evolving best practices and insights. Governance of sustainability is carried out across multiple committees. The various committee responsibilities are outlined below:

TrinityBridge Executive Committee (ExCo)
Provides day-to-day management of and responsibility for all TrinityBridge business such as monitoring key financial metrics and the development, embedding and monitoring of culture and Business Principles. The ExCo are also responsible for agreeing and reviewing TrinityBridge's sustainability strategy and commitments on a regular basis. Promoting continuous improvement of sustainability management and performance, defining the overall sustainability strategic direction, and ensuring compliance with legal and regulatory obligations.

Risk and Compliance Committee (RCC)
Provides oversight, management and monitoring of risks that could affect our clients' capital and the business. The RCC ensures TrinityBridge adheres to its risk management policies and framework, and risk-related regulatory requirements.

Investment Review Committee (IRC)
Provides oversight and control of investment process, performance and risk in accordance with the company's agreed investment strategy. The IRC is the governing body of stewardship from an investment perspective, and responsible investment, as it addresses how our investment approach can best serve our clients' and wider stakeholder interests. The committee also monitors the progress of our responsible investment and stewardship reporting obligations, such as the UK Stewardship Code and Principles for Responsible Investment. The Head of Wealth Planning, who is the member of the senior management team responsible for stewardship and responsible investment, chairs the IRC.

Responsible Investment Committee
The Responsible Investment Committee oversees the firm's Stewardship and Responsible Investment Policy and guides our responsible investment approach. It consists of the Responsible Investment team, Head of Wealth Planning and representatives from Research, Investment Specialists, Bespoke and fund investment managers. It is chaired by the Head of Responsible Investment. The Responsible Investment Committee is used for gathering input from the wider business on our approach to stewardship and responsible investment.

Sustainable Investment Oversight Committee (SIOC)
The SIOC oversees our sustainable investing methodologies for specific funds and our Socially Responsible Investment (SRI) Service. It reviews our sustainable investment methodologies in line with regulations, reviews holdings where the data is challenged and reviews our products and services in context of the firmwide strategy. It is chaired by the Head of Responsible Investment. Members include representatives from ExCo, the SRI Service, Sustainable Fund Team, Responsible Investment Team, Proposition, Compliance and Risk.

Our governance model is further defined by stringent reporting and accountability measures. These mechanisms provide necessary transparency to our stakeholders and are essential in evaluating our advancement towards our environmental goals. We recognise the importance of transparency in building trust and credibility, particularly in the critical area of sustainability.

3.2 Remuneration

Effective remuneration structures play a role in driving sustainable business practices. Our approach to executive remuneration is designed to align with our long-term strategy, which includes commitments to sustainability.

The variable remuneration for our ExCo members is determined annually on a discretionary basis. This determination is closely tied to the achievement of personal objectives and the successful execution of the overall business strategy. Each year, ExCo members set their objectives in collaboration with the CEO. These objectives encompass individual, functional and business-wide strategies, including sustainability goals.

By integrating sustainability objectives into our performance assessment of ExCo members, and thus their variable compensation, we reinforce the importance of sustainable practices within our leadership.

As we continue to evolve our governance practices, we are committed to a journey of continuous improvement and aligning long-term environmental goals with the immediate realities of business operations.

How senior management support our stewardship and sustainability functions

CBG Board

Ensuring that responsibility for managing sustainability is formally allocated

Monitoring progress of the execution of the Group's sustainability strategy, approval of risk appetite

CBG Executive Committee

Ensuring alignment across Group sustainability objectives

Sign-off of Group sustainability disclosures

TrinityBridge Chief Executive Officer
Strategy & Culture - Responsible for ensuring the overall Sustainability Strategy and accountability is in place firm-wide

Ensuring a holistic sustainability strategy is in place across the firm

Setting the culture on the importance of sustainability and firm-wide accountability

Ensuring TrinityBridge sustainability strategy is communicated to external stakeholders

Actively engaging with executive committees with a sustainability oversight mandate

Head of Wealth Planning: Client Servicing, Responsible Investment and Sustainable Funds	Head of Legal, Compliance & Risk: Risk Management	Chief Operating Officer: Internal Operations Responsibility	Chief Financial Officer: Sustainability Disclosures	Head of Human Resources: Training & CSR
Responsible for servicing clients with sustainable investment products and defining sustainability factors for investment strategy, including asset allocation, stewardship, research and products	Responsible for identifying and managing the financial risks from climate change	Responsible for operational integration of sustainability	Responsible for external sustainability disclosures & third party management	Responsible for sustainability learning & development, and CSR

Source: TrinityBridge as at 31st December 2024.

4. Strategy

4.1 Our Sustainability Strategy

We believe achieving our commercial objectives will require addressing sustainability risks and opportunities facing our business. Climate change presents one of the most significant challenges and opportunities for the financial services industry today. We recognise the importance of addressing this global issue and are committed to setting climate-based targets across our business strategy. Our alignment with CBG's initiatives on climate action, as at 31 December 2024, underscored our collective commitment to playing our part in the global solution, while also acknowledging the journey we must undertake to enhance our sustainability practices.

Through our Sustainability Strategy: Raising Awareness, Holistic Decision Making, and Continual Sustainability Assessment, we are progressing towards embedding ESG principles across all our operations, reflecting a commitment to long-term development in sustainability.

Raising Awareness focuses on enhancing understanding among our teams and clients about the role of sustainability in today's business landscape. Through Holistic Decision Making, we consider the broader impact of our sustainable investment products on the environment and society. Continual Sustainability Assessment helps evaluate our strategy with a commitment to ongoing adaptation, ensuring we remain aligned with evolving sustainability goals and practices.

Our approach is informed by a clear recognition of the role we play in a larger ecosystem, aspiring to make a positive impact over the long-term.

In July 2024 we consolidated our Sustainability Strategy into the overarching three-pronged approach we operate today. With this broad approach we are confident that we will continue to make progress against our commitments – as well as making strides towards considering ESG risks and opportunities across all of our operations – promoting the development of sustainability over the long-term.

Examples of our Sustainability Strategy in action in FY24

Raising Awareness	Holistic Decision Making	Continual Sustainability Assessment
Sustainability and Responsible Investment training for all new employees Anti-greenwashing advice for communicating our products and services Anti-greenwashing training for all teams was introduced in FY24 ESG research training for equity research Annual update by the Responsible Investment team to the Investment floor on Responsible Investment at TrinityBridge	Sustainability Committee and Executive Committee provided sign-off of TCFD reports and consulted on approach to the FCA's Sustainability Disclosure Requirements. Collaboration between the Responsible Investment, Investment Risk, and Proposition teams to ensure we meet all regulatory and industry obligations.	MSCI data used to measure the underlying emissions of our Funds with carbon intensity objectives. Ethical screening data used to ensure our Bespoke portfolios adhere to our client's ethical and values-based preferences. Risk management dashboards being built to help track our progress towards our climate commitments and fulfil climate reporting requirements.

4.2 Sustainability and our investments

We are aware of the challenges and opportunities presented by climate change in relation to the potential impacts on client portfolios. We understand that climate change can pose a significant risk, potentially affecting the value and performance of investments. This risk is multifaceted, impacting various sectors and geographies differently and necessitating a nuanced approach to investment strategy and decision-making.

To help navigate these risks, we utilise MSCI data to monitor the climate implications of our investments. This data provides us with insights into the carbon footprint of our portfolios, the exposure of our investments to climate-related risks, and the alignment with global efforts to transition to a low-carbon economy.

Complementing the use of climate data and consideration of financially material ESG issues in our investment research, we can use stewardship to influence corporate behaviour, mitigate against potential investment risks, promote sustainability, and aid our voting practices.

To carry out our voting operations, we use the third-party partner, ISS (Institutional Shareholder Services), for best practice corporate governance voting research and their proxy voting platform. Our Voting Panel of analysts and investment managers determine how we should vote in the best interests of clients. We worked with ISS to create a custom policy to reflect our Voting Principles which was introduced to our voting process for the FY23 voting season. We have published our Voting Principles for the first time this year in our **FY24 Stewardship and Responsible Investment report**.

We remain signatories to the Net Zero Asset Managers (NZAM) initiative, committed to the aim of reaching net zero emissions across all assets under management (AUM) by 2050. NZAM as an initiative is currently undergoing a review of its purpose and effectiveness across global markets. Meanwhile, we intend to deliver on our commitments.

4.2.1 Implied Temperature Rise

The Implied Temperature Rise (ITR) metric provides an indication of how well public companies align with the Paris Agreement - the goal of limiting global temperature rise this century to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C.

The key to understanding ITR is the concept of a carbon budget, that is, how much the world can emit so that global warming doesn't exceed 2.0°C by 2100 and, by extension, how much a company can emit to take its fair share of global decarbonisation. To arrive at an ITR for a company, its emissions are compared against its assigned carbon budget, and the entire economy is then assumed to have the same carbon budget overshoot or undershoot. The deviations from the budget are then converted to °C.

By calculating the ITR for our equity and corporate bond holdings, we can assess whether our investments are aligned or unaligned to the Paris Agreement. This insight helps us to strategically align our investment decisions with our commitment to sustainability and responsible investing. It also enables us to identify and engage with companies that need to improve their carbon emissions trajectory and align themselves with a transition to a low carbon economy.

93.7% of our equities and corporate bonds are covered by the ITR calculations.

56.2% of companies within the portfolio align with the goal of limiting temperature increase to below 2°C. 24.5% of companies within the portfolio align with the goal of limiting temperature increase to below 1.5°C. The strongly misaligned companies are predominately in the energy, materials and mining sectors, which are parts of the economy that tend to have more carbon intensive business models.

Scenario	Temperature	Portion of holdings (%)
1.5°C Aligned	<= 1.5°C	24.5%
2°C Aligned	> 1.5°C - 2 °C	31.8%
Misaligned	>2.0 - 3.2°C	27.3%
Strongly misaligned	>3.2°C	16.4%

Source: TrinityBridge as at 31 July 2024.

4.2.2 Total portfolio footprint

Scope 1 and 2 emissions refer to the direct and indirect greenhouse gas emissions associated with a company's operations. Specifically:

Scope 1 emissions are direct emissions from sources that are owned or controlled such as emissions from company-owned vehicles or on-site fuel combustion.

Scope 2 emissions are indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by our organisation.

Scope 3 emissions encompass the indirect emissions resulting from a company's value chain, with a significant focus on emissions associated with financing and investment. These financed emissions arising from investments can be broken down into the underlying investee's scope 1, 2 and 3 emissions.

The financed emissions represent the most substantial portion of our carbon footprint and are a critical area of focus for our Sustainability Strategy. We are seeking to address our scope 3 financed emissions through our commitment to the NZAM initiative.

Please see the metrics and targets section for more detail on our commitment. Coverage for reported emissions data is presented in the metrics and targets section of this report. This can be found on page 24.

Metric	Emissions (tCO2e)
Operational scope 1 and 2 emissions	301
Operational scope 3 emissions	938
Investee scope 1 and 2 emissions	374,063
Investee scope 3 emissions	3,560,311

Source: TrinityBridge as at 31 July 2024.

4.2.3 Emissions intensity

Emission intensity is a metric that measures the amount of greenhouse gas emissions produced per unit of economic activity, such as revenue or production output.

It provides insight into the efficiency of an organisation or portfolio in managing its carbon emissions relative to its size or economic output. Tracking emission intensity allows us to assess the carbon efficiency of our investments.
By analysing emission intensity, we can identify opportunities for improvement, set reduction targets, and benchmark our progress against industry standards. Lowering the emission intensity of our portfolio is a key objective, as it demonstrates our commitment to reducing the overall carbon footprint of our investments and supporting a sustainable future.

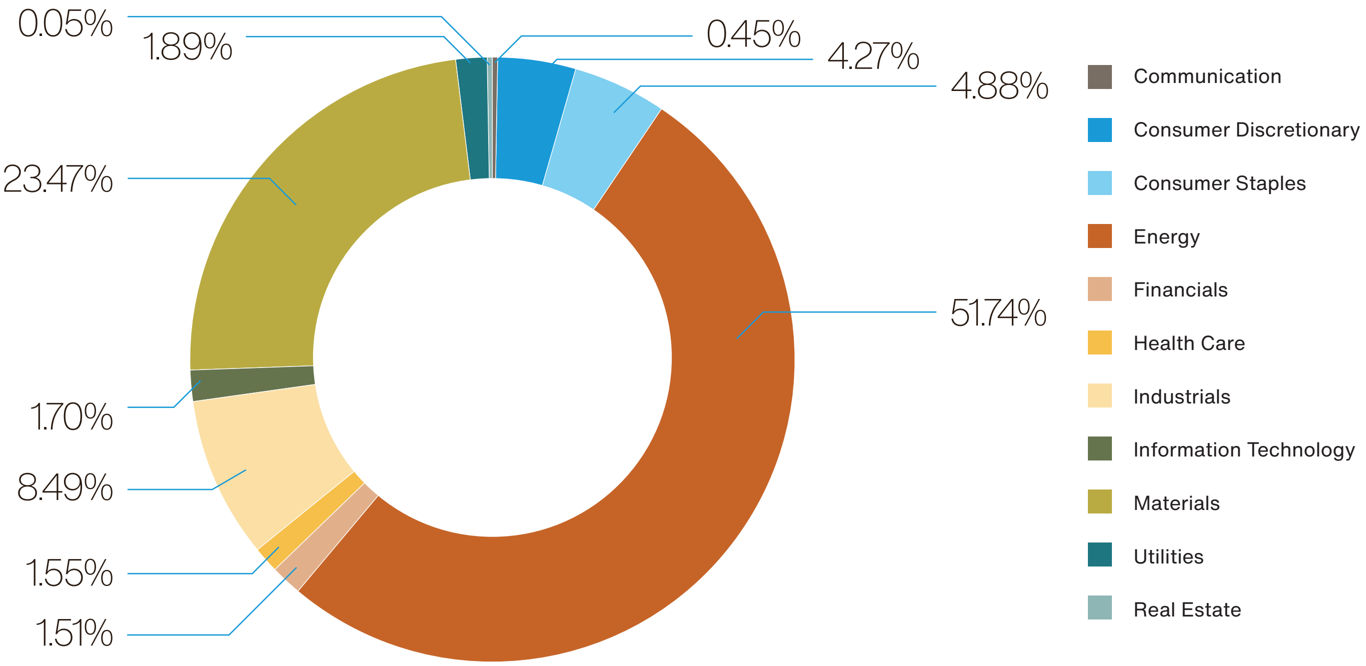
Across TrinityBridge's equity holdings, the majority of scope 1, 2 and 3 financed emissions are in the Energy sector, followed by the Materials sector. This is illustrative of the carbon intensive nature of these sectors and indicates where we have most exposure to the risk of transitioning to a low carbon economy. The business models of the companies within this exposure will be stressed under such a transition, unless they are adapted.

Across our corporate bond holdings, 86% of scope 1 and 2 financed emissions are from the Utilities and Energy sectors. However, whilst the Energy sector also contributes almost half (46%) of our scope 3 financed emissions, Industrials contribute the second largest proportion (27%).

Metric	Emissions (tCO2e/£mil)*
Investments scope 1 and 2 emissions intensity	45
Investment scope 3 emissions intensity	427

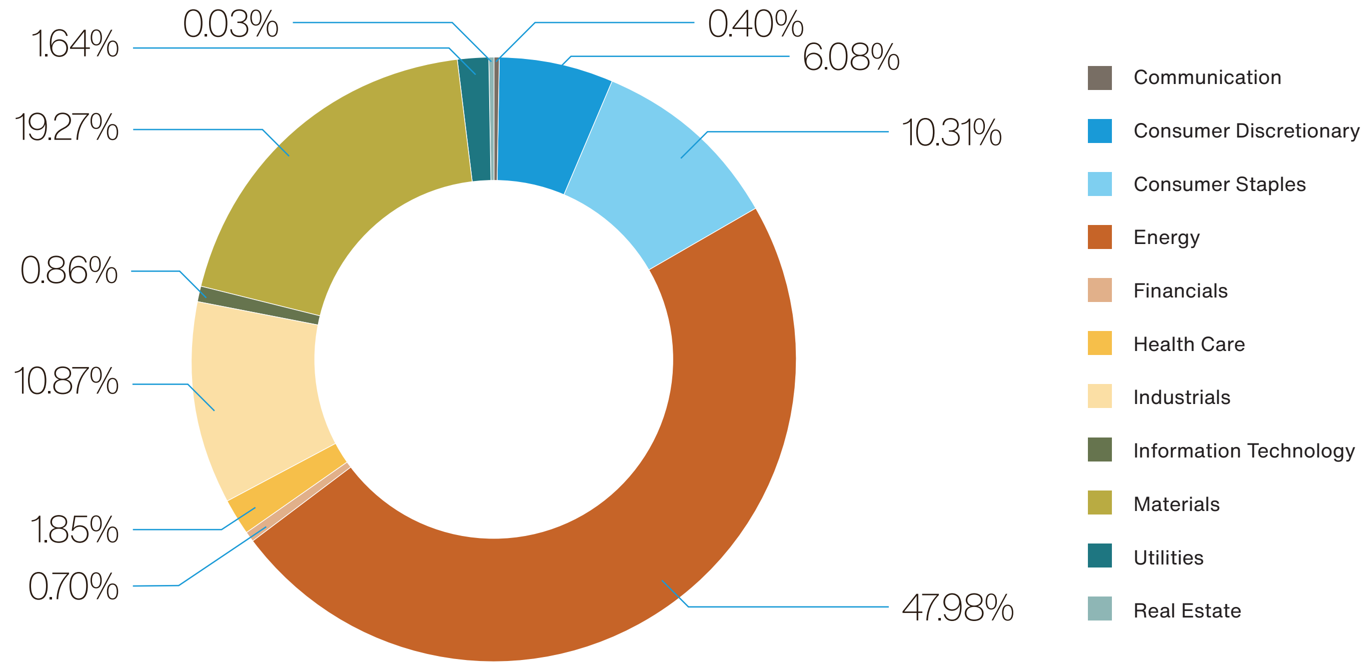
*Tonnes of carbon dioxide equivalent / m represents the value of all greenhouse gasses emitted calculated into the equivalent weight of carbon dioxide per every £m under management. Equity and corporate bond assets under management as at 31 July 2024, analysed using MSCI.

Equities – Scope 1 & 2 Financed Emissions Sector Breakdown



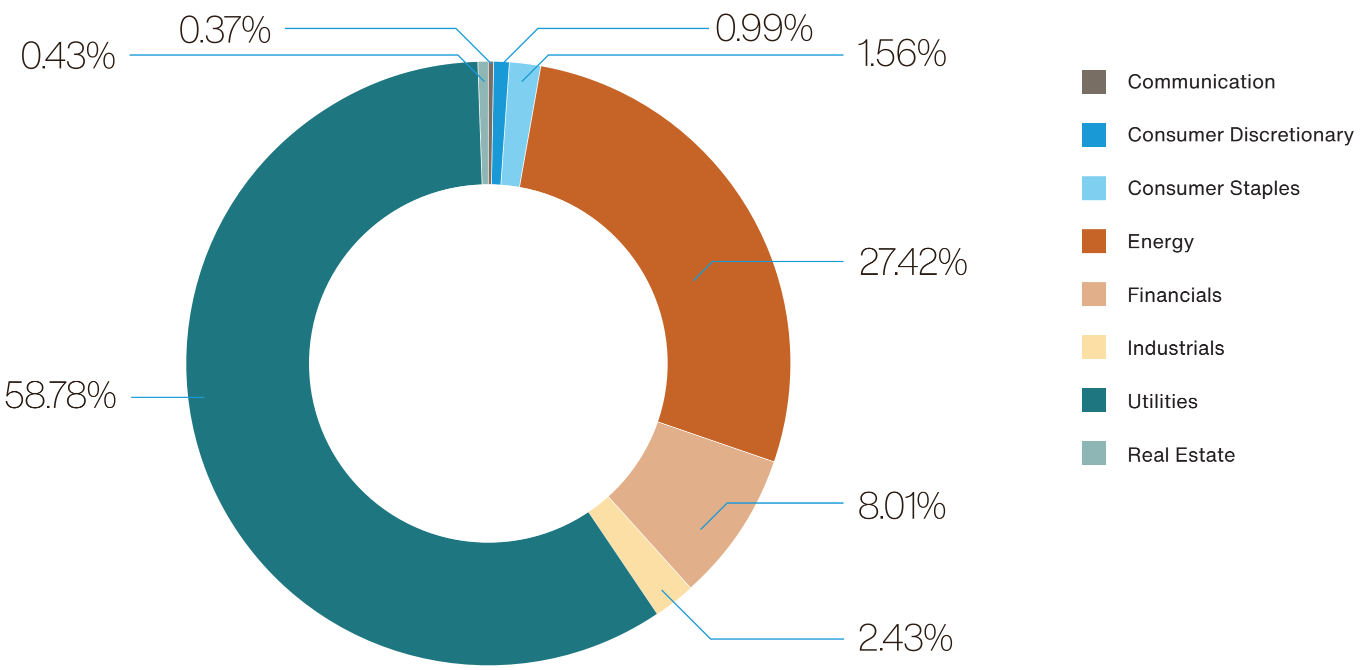
Source: TrinityBridge as at 31 July 2024. Note: Numbers may not add up due to rounding.

Equities – Scope 3 Financed Emissions Sector Breakdown



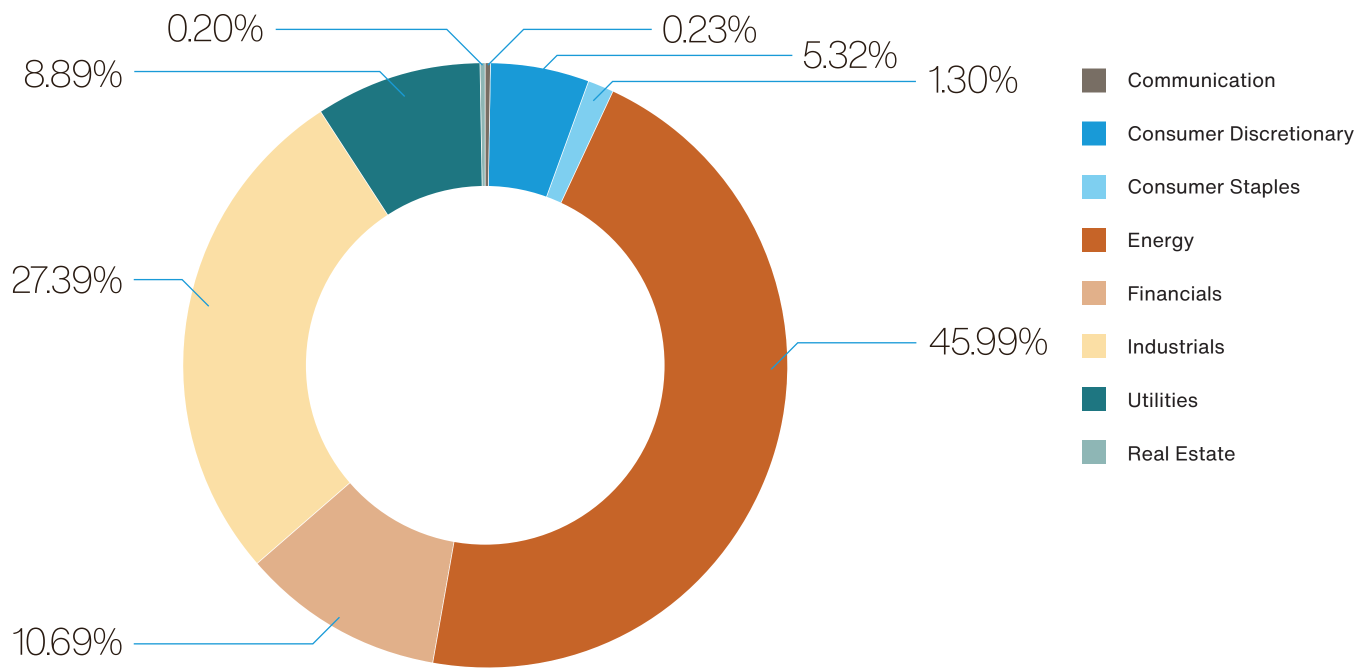
Source: TrinityBridge as at 31 July 2024. Note: Numbers may not add up due to rounding.

Corporate Bonds – Scope 1 & 2 Financed Emissions Sector Breakdown



Source: TrinityBridge as at 31 July 2024. Note: Numbers may not add up due to rounding.

Corporate Bonds – Scope 3 Financed Emissions Sector Breakdown



Source: TrinityBridge as at 31 July 2024. Note: Numbers may not add up due to rounding.

Coverage for reported data is presented in the metrics and targets section of this report. This can be found on page 23.

4.2.4 Scenario analysis

We use MSCI's Climate Value at Risk (CVaR) methodology to explore how TrinityBridge's equities and corporate bond holdings could be impacted under various climate-related scenarios. These scenarios have been developed by the Network for Greening the Financial System (NGFS) and are widely accepted as the standard for financial institutions to evaluate the potential financial impacts of climate change on their investments. These scenarios enable institutions to explore various future pathways and their implications on their products.

The analysis allows us to identify companies which are particularly exposed to transition or physical risks, and which are exposed to policy risks and likely to benefit from low-carbon technology opportunities. In turn, this can help inform our monitoring and engagement approach for those companies, especially those vulnerable to both or one of the types of climate risk.

1.5 Degrees Orderly Scenario:
Global warming is limited to 1.5°C above pre-industrial levels by 2050 through timely and planned policy interventions. The transition to a low-carbon economy is achieved in an orderly fashion, minimising economic disruptions and allowing for a smooth adjustment across sectors.

1.5 Degrees Disorderly Scenario:
Global warming is limited to 1.5°C above pre-industrial levels by 2050 but the transition is delayed and then rapidly accelerates, leading to a disorderly adjustment. This scenario reflects the risks associated with late and sudden implementation of climate policies, resulting in potential financial shocks and market volatility.

2.0 Degrees Orderly Scenario:
Global warming is limited to 2.0°C above pre-industrial levels by 2050 through proactive and planned measures. The transition is managed in a way that promotes economic stability and gradual adaptation by various industries and financial markets.

2.5 Degrees Disorderly Scenario:
Global warming reaches 2.5°C above pre-industrial levels by 2050, with policies introduced in a delayed and hasty manner, causing abrupt economic and financial adjustments. It highlights the challenges and risks of postponing decisive climate action.

3 Degrees Hot House World Scenario:
The lack of effective climate policies leads to global warming of 3°C above pre-industrial levels by 2050, significantly increasing the physical risks associated with climate change. It illustrates the severe economic and financial implications of failing to adequately address climate risks.

The CVaR for TrinityBridge's equities and corporate bonds can be calculated based on an average or aggressive physical risk scenario. The average scenario is the most likely physical impact of climate change, whereas, the aggressive scenario has a 1 in 20 chance of occurring. The results presented represent estimates of possible future scenarios, not precise forecasts. These climate models rely on multiple assumptions which are uncertain and therefore the projections could deviate significantly from reality.

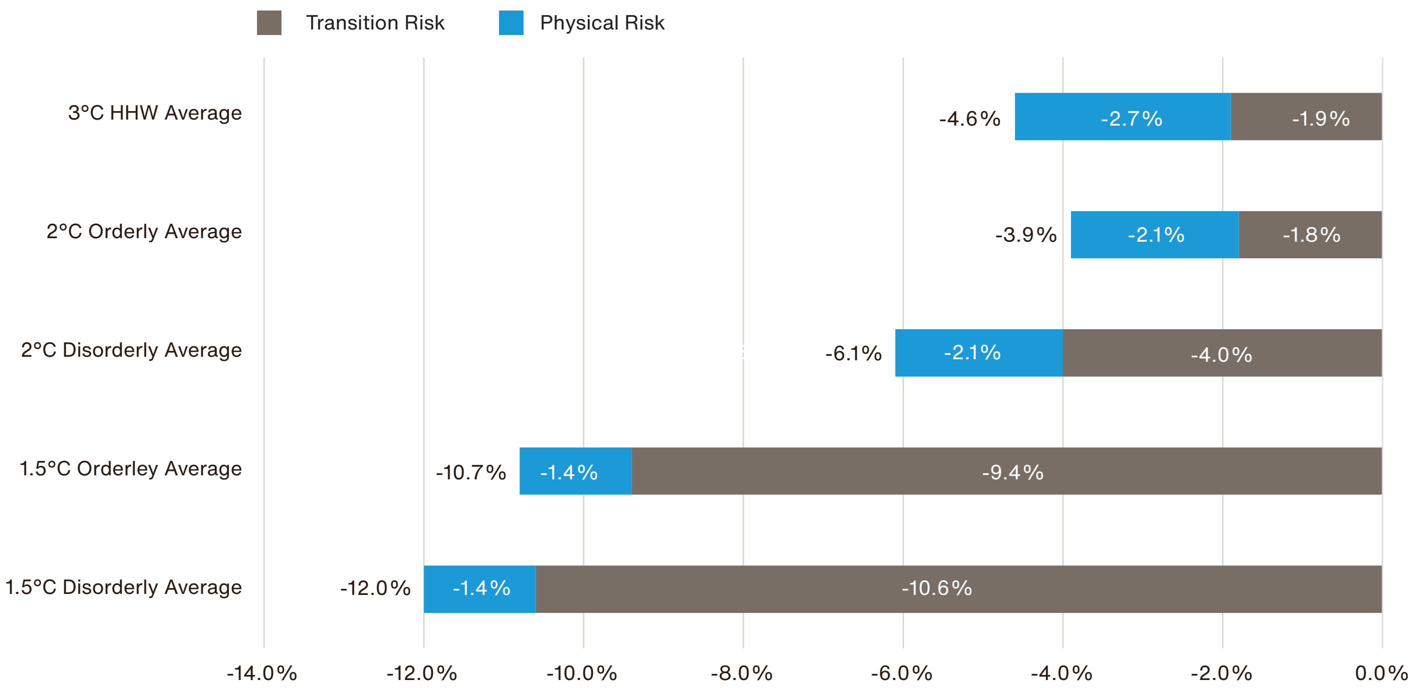
CVaR figures presented are aggregated and assume an average physical scenario. Under each scenario, the model indicates that our equities and corporate bonds may experience a loss in value. The graph indicates orderly scenarios are preferable to disorderly scenarios and transition risks is higher in scenarios where emissions are limited the most.

CVaR analysis shows how our equities and corporate bonds would be impacted under each of the NGFS scenarios projecting the value to 2100. The 1.5°C disorderly scenario is the most challenging for the portfolio and could result in a 12.0% loss of value. The 2.0°C orderly scenario is the least impactful scenario on the portfolio resulting in a potential 3.9% loss in value.

The CVaR associated with TrinityBridge's equities and corporate bonds under each scenario, except Hot House World (HHW) and 2oC orderly, is driven primarily by policy risk which is often a contributor to the broader term transition risk. Policy risk is the loss of value from the risk associated with any policy changes such as legal or regulatory action implemented to constrain actions that contribute negatively to climate change or policy which seeks to promote adaption to climate change. The CVaR under a 1.5°C disorderly scenario is driven primarily by exposure to companies within the Energy, Consumer Staples and Materials sectors. The carbon intensive nature of the Energy and Materials sectors in particular means they are at risk from aggressive, delayed policy intended to decarbonise in order to maintain global warming to within 1.5°C.

Overall, within TrinityBridge's equities and corporate bonds there is 13.6% exposure to companies with any tie to oil and gas and 2.8% exposure to companies with any tie to thermal coal. Under an aggressive policy scenario to reduce the use of fossil fuels across the economy, the business models of the companies within this exposure will be stressed, unless they are adapted, and a loss of revenue could cause a loss of value.

Aggregated Climate VAR (%)



Source: TrinityBridge as at 31 July 2024. Note: Numbers may not add up due to rounding.

CVaR calculation coverage for TrinityBridge's equities and corporate bonds	
Policy Climate VaR (Transition Risk)	94%
Technology Opportunities Climate VaR (Transition Risk)	87%
Physical Climate VaR (Physical Risk)	93%

4.3 Operational (non-investment) emissions

As of 31 December 2024, we were aligned to CBG's goal to reduce scope 1 and 2 emissions to net zero by 2030. Our approach to improving sustainability involves identifying climate-related risks, assessing potential policy, legal, market, technology, and reputational transition risks, and pursuing opportunities specific to our business.

Our total scope 1 and 2 GHG emissions increased between 2023 and 2024 driven by opening new office facilities in Cheltenham and Birmingham. Scope 3 emissions decreased in 2023-24 driven largely by decreased capital spend following the opening of new office facilities in Cheltenham and Birmingham and moving premises in Glasgow and Edinburgh in prior year.

Metric	Key metrics 2024	Key metrics 2023	Absolute Difference	% Difference
Total scope 1 and 2 location based (tCO2e)	301	245	56	22.86%
Scope 3 business travel (tCO2e)	180	122	58	47.54%
Scope 3 capital goods (tCO2e)	757	1106	349	31.56%

Source: TrinityBridge as at 31 July 2024.

5. Risk management

5.1 ESG risks

Climate change, as well as other environmental and social factors, can pose financial and non-financial risks to our business. We seek to manage any potential impacts through our emerging risk framework, with appropriate oversight and responsibility assumed by both senior management and ExCo. Since our departure from CBG, we are in the process of developing an appropriate firm-wide climate risk framework due to the potential for climate change to impact various principal risks (operational risk, market risk).

Current and emerging ESG risks are considered as part of the regular, six monthly update to the risk register and risk and controls self-assessment (RCSA) cycle.

Risk	Nature and potential impact of risk	Controls
Product governance over the bespoke business processes (Bespoke)	Risk category: Reputational and regulatory Breach of bespoke portfolio restriction (eg, an ethical restriction) or purchase of ineligible assets within portfolio or tax wrapper. Inability to respond in an optimal manner to changing market conditions, including environmental and social factors, such that market share or profitability is adversely affected. This could result in loss of clients, which could have a significant revenue impact.	Pre and post trade controls are embedded to avoid the asset becoming non-compliant or at risk of breaching client restrictions.
Investment risk challenge	Risk category: Investment, reputational and regulatory Overlooking financially material ESG factors which could create risks or opportunities for our investments. Not managing the carbon intensities of our Sustainable Balanced, Select Global Equity and Select Fixed Income funds in line with their objectives and targets. Not managing the business activity and sector exposures of our Sustainable Balanced, Select Global Equity and Select Fixed Income funds in line with their prospectuses. The risk of failure to fulfil regulatory or legal requirements and comply with the introduction of new or updated regulations and laws.	The consideration of climate related and ESG risks is embedded across the two lines of defence to help ensure that clear and effective accountability for these unique risks is established. - We are aiming to integrate ESG considerations across direct equity, direct fixed interest, diversifiers and active third-party fund managers. For each of these investment types we have developed either ESG frameworks or questionnaires to guide the understanding of ESG issues relevant to our investments. More details of our progress on ESG integration across investment types can be found in our annual Stewardship and Responsible Investment Report on our website - Controls are embedded between our 1st and 2nd line Risk teams to monitor negative screening for business involvement and company/sovereign conduct - We continue to ensure we have the right resource in place and work to have data available to help our assessment of the risk and opportunities - We review our investment risk policy at least annually. This alongside our engagement program, which includes a focus on climate and delivery of net zero plans, supports our response to the changing landscape and increased regulation

Risk	Nature and potential impact of risk	Controls
Loss of building utilities or environmental disruption	Risk category: Physical risk Loss of utilities impacting on the ability to carry on normal office business activities. Environmental factors influencing ability to gain site access.	Preventative maintenance and Business Continuity Plans (BCP). BCP in place for each site. Preventative maintenance schedule in place for significant assets. Some sites benefit from backup generators, and IT equipment use Uninterruptible Power Supply (UPS) to maintain power during outage - systems under regular maintenance regime. All staff have access to laptops and are able to work from home. Disaster Recovery Plan in place for TrinityBridge IT systems. This is reviewed regularly and tested at least annually.
Quality, health, safety and environment	Risk category: Physical risk Failure to comply with health, safety and environmental regulations including Health & Safety Assessment, display screen equipment, fire, first aid, accident reporting, electricity, water management, construction (design & management), equality/disability etc.	Auditing and training: Fire risk assessments, water risk assessments and general health and safety assessments are conducted at each office, appropriate actions taken where identified. Training for fire wardens and first aiders are conducted at each site. Reporting of incidents, accidents or near misses is in place at each site. Regular fire drills are conducted at each site, raising awareness of evacuation procedures and identifies any shortfalls to be remedied.
Computer/device software	Risk category: Hardware risk Insufficient equipment and inventory supply and management for staff and IT, software/hardware is unsupported/end of life, supply chain issues.	Monitored on-site stock levels for IT and end user equipment to expedite new starter requests and replace faulty devices.

5.2 Risk life cycle

As at 31 December 2024, risks were managed in line with the CBG risk life cycle. The first step is risk identification. Determining the risks to which the business is exposed is managed through both a top-down and bottom-up approach. The CBG Board determined the risk strategy and risk appetite. The risk strategy was determined by the CBG RCC and disseminated through the business and local RCCs. Using knowledge and experience of day-to-day operations, business units identify the risks they face on an ongoing basis.

Risk identification is the responsibility of all staff and may develop from a variety of different sources, including industry and business knowledge and experience, incident root cause analysis, risk reviews, transaction analysis, new business approval and emerging risk analysis. The group records all business risks and controls within a defined risk taxonomy.

Risk identification also includes identifying risk events. A risk event or incident is a specific occurrence which has a negative impact on the business and is due either to the materialisation of a risk or the failure of a control. The group records and reports all risk events, near miss and boundary events in line with the requirements set out in the Operational Risk Policy and Risk Event Management Standard.

The second step is the risk assessment. Operational risks and controls are subject to regular assessment in order to understand the current risk exposure of the group and ensure risks are sufficiently managed to prevent losses or other negative detriment.

The risk assessment process allows the group to integrate and coordinate its risk identification and management efforts. It also assists in improving the understanding and operational control of all risks the group is exposed to and identifying control gaps which could threaten the achievement of group and business objectives. Business units are responsible for ensuring all operational risks and controls are identified and assessed in line with the CBG Risk Assessment and Response Standards. Periodic reassessment of all operational risks is required through the semi-annual RCSA process. Risk owners must also ensure changes to the risk profile identified outside of an RCSA cycle are assessed, documented and escalated as required.

Risk mitigation is the third step. Mitigation represents a systematic reduction in the extent of exposure to a risk and/or the likelihood of its occurrence and is achieved through the implementation and operation of controls. Each control has an owner who must periodically affirm as to the continued design and operational effectiveness of the control. Controls may be considered preventative or detective. Risk reduction may be achieved through the following methods:

- Corporate culture
- Policies, standards and procedures
- The corporate governance framework
- Risk, compliance and legal frameworks
- Business and personal authority approval levels
- Management of risk events (eg, operational, external or market
- Business process controls and control owner affirmation
- Process design effectiveness

Where controls are not yet operational or are assessed as inadequate, or when risks materialise, action plans are required. Action plans must be agreed with all relevant parties, documented and tracked to completion. They may be considered proactive or reactive. The fourth step is risk review. There are two types of review: standard reviews and event reviews. Standard reviews are completed in the following scenarios:

- In accordance with an annual risk profiling process and plan
- at the request of the business
- as a follow-up review

Standard reviews include a review of the effectiveness of the design and operation of the risk registers and associated controls. They may consist of varying levels of scope and can be thematic or 'deep dive' in nature.

Event reviews are undertaken following a material event that requires assurance activity to be performed after an assessment by the Risk Officer and local management. The review will ensure that both corrective and preventative remedial action taken by the first line is adequate, effective and has been completed. Review results are reported to the relevant RCCs and escalated as required. The annual risk profiling process is completed by the Assurance Team and determines the risk plan for the following financial year. It is based on both quantitative and qualitative factors.

The final step of the risk life cycle is risk reporting. To manage risk effectively, risk reports based on risk data should:

- be accurate, provide analytics to present a clear and complete articulation of the risk
- be presented in timely manner to appropriate decision makers to allow for an appropriate response
- be reconciled and validated with documented and well-managed procedures in place for collation
- cover all material risk areas within the organisation and be proportionate to the size of business operation and risk profile
- be easy to understand but also comprehensive enough to facilitate informed decision making
- have an appropriate level of balance between risk data, analysis and interpretation with relevant qualitative explanations

Business unit heads are responsible for ensuring the upward reporting of key risks on a monthly basis through the RCC hierarchy, and where necessary, executive committees eg, RCC. Material risks must be discussed and evaluated, and where applicable, areas of concern escalated through the RCC structure. Upward reporting may be achieved through risk status, RAG (Red/Amber/Green) and Key Risk Indicator reporting.

6. Metrics and targets

6.1 Targets

As of 31 December 2024, we were aligned with the operational net zero targets of CBG, as CBG is a signatory to the Net Zero Banking Alliance and committed to becoming operationally net zero through scope 1 and 2 emissions by 2030. Since our departure from CBG, we are in the process of setting our own targets.

In 2023, we made our inaugural climate target disclosure to the NZAM initiative. The disclosure was based on the Net Zero Investment Framework. 18% of TrinityBridge's AUM has initially been committed to our climate targets, focusing on equities and corporate bonds. The targets disclosed were:

Portfolio Coverage Target
100% of AUM in material sectors will be considered net zero, aligned, or aligning by 2050.

Portfolio Decarbonisation Reference Target
Weighted average carbon intensity 50% below relevant benchmarks for each portfolio by 2030 from 2019 baseline.

Engagement Threshold Target
By 2025, 70% of financed emissions (scopes 1 and 2) are either aligned to a net zero pathway or subject to direct or collective engagement and stewardship actions.

NZAM as an initiative is currently undergoing a review of its purpose and effectiveness across global markets. Meanwhile, TrinityBridge intends to deliver on its commitments.

As of 31 March 2025, our progress against the targets was as follows:

Portfolio Coverage Target:
65% of committed equities and corporate bonds were aligned to 1.5oC or lower based on MSCI's Implied Temperature Rise metric. The coverage of the committed equities and corporate bonds for this metric was 86%.

Portfolio Decarbonisation Reference Target:
Within committed AUM there are four multi-asset funds, one equity fund and one fixed income fund.

Equity Fund
The WACI of the equities was more than 50% below the relevant 2019 benchmark.

Fixed Income Fund
The WACI of the corporate bonds was more than 50% below the relevant 2019 benchmark.

Multi-Asset Funds
The WACI of the equity portions of the multi-asset funds were either on track to be or more than 50% below the relevant 2019 benchmark.

The WACI of the fixed income portion of 1 of the multi-asset funds was more than 50% below the relevant 2019 benchmark. The remaining 3 were not on track.

Engagement Threshold Target:
46% - this was lower than 70% due to divesting from a carbon intensive energy company that we had been engaging with. We have since engaged with new materials and energy companies taking the percentage to over 90%.

6.2 Metrics

Metric	Fund*	Coverage (%)*
Scope 1 & 2 GHG financed emissions (tCO2e)	374,063	87
Scope 3 GHG financed emissions (tCO2e)	3,560,311	86
Total GHG footprint (tCO2e/£mil invested)	472	-
WACI scope 1 & 2 (tCO2e/£mil revenue)	122	97
WACI scope 3 (tCO2e/£mil revenue)	970	97

*Coverage and emission numbers are rounded.

Source: TrinityBridge as at 31 July 2024.

7. Conclusion

We are committed to addressing the challenges posed by climate change through a focused and strategic approach to sustainability. By aiming to integrate climate-related considerations across our operations and investments, we seek to effectively manage risks and capitalise on opportunities. We are striving to understand and mitigate the impacts of climate change on our business through risk management and scenario analysis. Our governance structures, including the ExCo, ensure robust oversight and support for setting and measuring progress against our climate targets.

Our commitment to transparency and continuous improvement ensures we stay aligned with evolving sustainability practices. We will continue to engage with stakeholders, adapt our strategies, and support the global transition to a low-carbon economy. We remain dedicated to delivering long-term value while aiming to contribute to a sustainable future for all.

8. Glossary

8.1 Glossary

Climate scenarios	A description of possible future climate change pathways. Climate scenarios are used to assess the potential impact of climate change on businesses and other organisations.
Disorderly	Refers to a chaotic and poorly managed transition to a lower-carbon economy, characterised by significant economic disruption and financial market instability.
Enterprise Value Including Cash (EVIC)	The total value of a company including its cash, all equity ownership and debt.
Financed emissions	The emissions attributed to financing activities; for TrinityBridge financed emissions is the proportion of investee emissions for which TrinityBridge are responsible based on the number of shares or bonds held in the company or issuer.
Greenhouse Gas (GHG) Emissions	Greenhouse gases are gases in the atmosphere that trap heat from the sun, causing the Earth's temperature to rise. The most common greenhouse gases are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). These will all usually be converted into their carbon dioxide equivalent (CO_2e) to allow comparison between the different gases.
Implied Temperature Rise (ITR)	The amount of global warming that is implied by an organisation's total carbon emissions. Implied temperature rise is calculated by plotting an organisation's total carbon emissions and trajectory against a carbon budget (typically a global carbon budget broken down into sector-region allocations). The global carbon budget is the amount of carbon emissions that can be emitted without exceeding a certain temperature target.
Net zero	Net zero refers to a state in which emissions of GHG going into the atmosphere are matched by removal of GHG emissions out of the atmosphere, over a specified period. The 'net' in net zero is important because it will be difficult to reduce all emissions to zero on the required timescale. As well as deep and widespread cuts in emissions, there will likely be a need to scale up GHG removals.
Weighted Average Carbon Intensity (WACI)	WACI measures a portfolio's exposure to carbon intensive companies. Calculating a portfolio's WACI is achieved by calculating the carbon intensity (scope 1 and 2 emissions / $M Sales) for each portfolio company and calculating the weighted average by portfolio weight.

Network for Greening the Financial System (NGFS)	An international network of central banks and financial supervisors that are working to promote sustainable finance. The NGFS have developed a set of climate scenarios tailored to financial sector companies.
Orderly	Refers to a smooth and well-managed transition to a lower-carbon economy, minimising economic disruption and ensuring stable financial markets.
Physical risk	The financial risks resulting from climate change-related physical events, such as extreme weather events and long-term shifts in climate patterns.
Scenario analysis	The process of analysing the potential impact of different climate scenarios. Scenario analysis is used to help organisations make decisions about how to manage climate-related risks and opportunities.
Science based	Refers to targets or strategies that are aligned with the latest climate science to meet the goals of the Paris Agreement, aiming to limit global warming to well below 2°C above pre-industrial levels.
Scope 1 emissions	Direct GHG emissions that occur from sources that are owned or controlled by an organisation. This may include emissions from fuel combustion for heating, power generation and transportation.
Scope 2 emissions	Indirect GHG emissions that occur from the generation of purchased electricity, steam, heat, and cooling.
Scope 3 emissions	All other indirect GHG emissions that occur in the value chain of an organisation. This can include emissions from transportation of goods and services, and use of sold products and services.
Task Force on Climate-related Financial Disclosures (TCFD)	The TCFD is an international body that was set up by the Financial Stability Board to develop recommendations for companies to disclose climate-related financial information.
Total GHG footprint	The GHG footprint of a financial portfolio is a measure of the total carbon dioxide equivalent emissions associated with the assets held in the portfolio. It is calculated by dividing the total emissions of the assets in the portfolio by the value of the portfolio.
Transient Climate Response to Cumulative Emissions (TCRC)	The transient climate response to cumulative emissions of carbon dioxide is the ratio of the globally averaged surface temperature change per unit carbon dioxide emitted.

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Data limitations
We are aware that emissions data often includes estimations or proxy data, thereby data coverage of our portfolio's exposures or risks is subject to a margin of error. We are committed to persistently enhancing the precision of our data utilisation. However, it is crucial to highlight that the outcomes derived should be regarded as indicative rather than definitive.

Our approach to ESG and climate related data and information:

Our investment processes are supplemented by qualitative and quantitative ESG related information, including data related to climate. We are reliant on the accuracy of the climate data provided to us by external providers. Therefore, we are mindful of this when using the output and calibrate accordingly. For applicable strategies, our investment team supplement climate related data and metrics with a range of qualitative information.

Scope 3 emissions
Our scope 3 emissions presently do not account for financed emissions associated with the assets under the stewardship of Close Brothers Asset Management. It is our strategic objective to methodically extend our disclosures to encompass all critical emissions categories. Yet, our immediate emphasis is on fortifying our data framework to afford our clients with reliable and indicative emissions insights.

Assets covered
Our reporting covers public listed equities and corporate bonds. This is credited to the superior quality and reliability of data associated with these asset.

Scope 1, 2 and 3
In our TCFD Aligned Entity Report, we disclose scope 1, 2, and 3 emissions, confident in the appropriateness and reliability of the data for these purposes. However, it is important to note that within our fund prospectuses, we report only scope 1 and 2 emissions.

The omission of scope 3 emissions from these prospectuses is deliberate, as we do not consider the available scope 3 data robust enough to inform our sustainable investment methodology. This distinction reflects our commitment to accuracy and transparency in our sustainability reporting.

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