Task Force on Climate-related Financial Disclosures (TCFD)

Product Level TCFD Report

Alliance Witan PLC

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Introduction

This report is published by Towers Watson Investment Management Limited[1] ('TWIM' or 'we') in compliance with the product level disclosure requirements set out in Chapter 2 of the Financial Conduct Authority's Environmental, Social and Governance ('ESG') Sourcebook and consistent with the recommendations of the Task Force on Climate-Related Disclosures ('TCFD') for the reporting period 1 January 2024 to 31 December 2024 (the 'Report').

In 2024, Alliance Trust PLC ('Alliance Trust') and Witan Investment Trust PLC ('Witan') combined and Alliance Trust changed its name to Alliance Witan PLC ('ALW' or the 'Company'). The combination was effected by way of a 'scheme of reconstruction' under section 110 of the Insolvency Act 1986, pursuant to which Witan transferred its participating assets to Alliance Trust in exchange for the issue of new Alliance Trust PLC shares to the continuing Witan shareholders. Both Alliance Trust and Witan shareholders approved the combination, and the transaction completed in early October 2024. At that time, Alliance Trust changed its name to Alliance Witan PLC and ticker to ALW.

There was no change to the investment strategy or corporate structure of Alliance Trust, and therefore the ongoing ALW, and as such, this Report should be read as a continuation of last year's TCFD report in respect of Alliance Trust.

As part of the combination, the Company's portfolio inherited six investment trusts and two private equity fund holdings, representing less than 3% of the combined portfolio as at 31 December 2024. Collective investments such as these are not normally part of TWIM's investment strategy, however they were originally retained as they are believed to offer significant value to shareholders.

[1] Company number: **05534464**. Registered office address: **Watson House, London Road, Reigate, Surrey, RH2 9PQ.**

TWIM intends to divest these assets over time when it believes it can realise significantly greater value. These assets have not been included as part of the overall analysis in this Report. More information on the combination of Alliance Trust and Witan can be found on the announcement webpage.

The Company is a publicly traded investment company, with investment trust status, listed on the London Stock Exchange that trades as ALW.[2] ALW is an Alternative Investment Fund ('AIF') under the Alternative Investment Fund Managers Directive ('UK AIFMD').

The Company has appointed TWIM as the Company's Alternative Investment Fund Manager ('AIFM'). TWIM is authorised and regulated by the Financial Conduct Authority ('FCA') and is a wholly owned subsidiary of Willis Towers Watson Public Limited Company ('WTW'), a United States ('U.S.') listed global leader in financial services solutions.

ALW's objective is to be a core investment for investors that delivers a real return over the long-term through a combination of capital growth and a rising dividend. ALW invests primarily in global equities across a wide range of different sectors and industries to achieve its objective. Through its investment manager, TWIM, ALW appoints several third-party investment managers ('Stock Pickers') with different styles and approaches, each of whom select and invest in stocks for the Company's investment portfolio.

This Report should be read in conjunction with the TWIM 2024 entity level TCFD report located on the WTW Investments webpage. The ALW 2024 Product Level TCFD report sets out the approach ALW and its AIFM take to address climate-related risks and opportunities within the ALW portfolio. The TWIM 2024 Entity Level TCFD Report details the governance, oversight and management of climate-related risks and opportunities on a firm-wide basis by TWIM.

[2] ISIN GB00B11V7W98, more information on ALW can be found on its website. Company number: **SC001731**. Registered office address: **River Court, 5 West Victoria Dock Road, Dundee, Scotland, DD1 3JT**.

Governance

ALW delegates the management of investment risk including climate risk and opportunities to its AIFM, TWIM.

The Company's Board of Directors retains oversight of TWIM. The Board of Directors of TWIM oversees, for portfolios under its management, all risks, including climate-related risks and delegates certain activities to the Risk, Product and Control ('RPC') Committee and Sustainability Regulations and Monitoring Committee ('SRMC'). The operations and business activities of TWIM are also overseen and governed by the WTW Investments Global Leadership Team ('GLT'), with some sustainability-related responsibilities delegated to the GLT Sustainability sub-committee.

The ALW Board of Directors maintains oversight of TWIM's management of climate risk through periodic reporting, including TWIM's quarterly 'Responsible Investment' and 'Risk Management' reporting. Climate risks are formally captured as part of Investment Performance Risks within ALW's risk register which is maintained and reviewed by the ALW Board.

➡ For more information, please refer to the "How We Manage Our Risks" section of the Company's Annual Report on its website.

The ALW Board of Directors receives periodic updates on the status of environmental issues from TWIM, including updates on the evolving regulatory landscape and on the progress made against goals and ongoing action items. In 2024, with the TCFD reporting requirements coming into effect, the ALW board received training on climate risks and opportunities, with specific focus on the TCFD regulations and requirements.

TWIM manages the climate-related risks and opportunities in the Company's portfolio.

➡ For further information, please see the TWIM 2024 Entity Level TCFD Report.

TWIM's Alliance Witan Investment Committee ('IC') is responsible for selecting, appointing and managing the Stock Pickers and the stewardship services provider[1], portfolio construction and risk management (including climate-related risks). The IC has full look-through into individual holdings within the Company's portfolio, allowing them to review climate risks and opportunities at a stock, sector, region, portfolio or Stock Picker level. Financially material climate-related risks and opportunities within the Company's portfolio are evaluated by the IC using several tools.

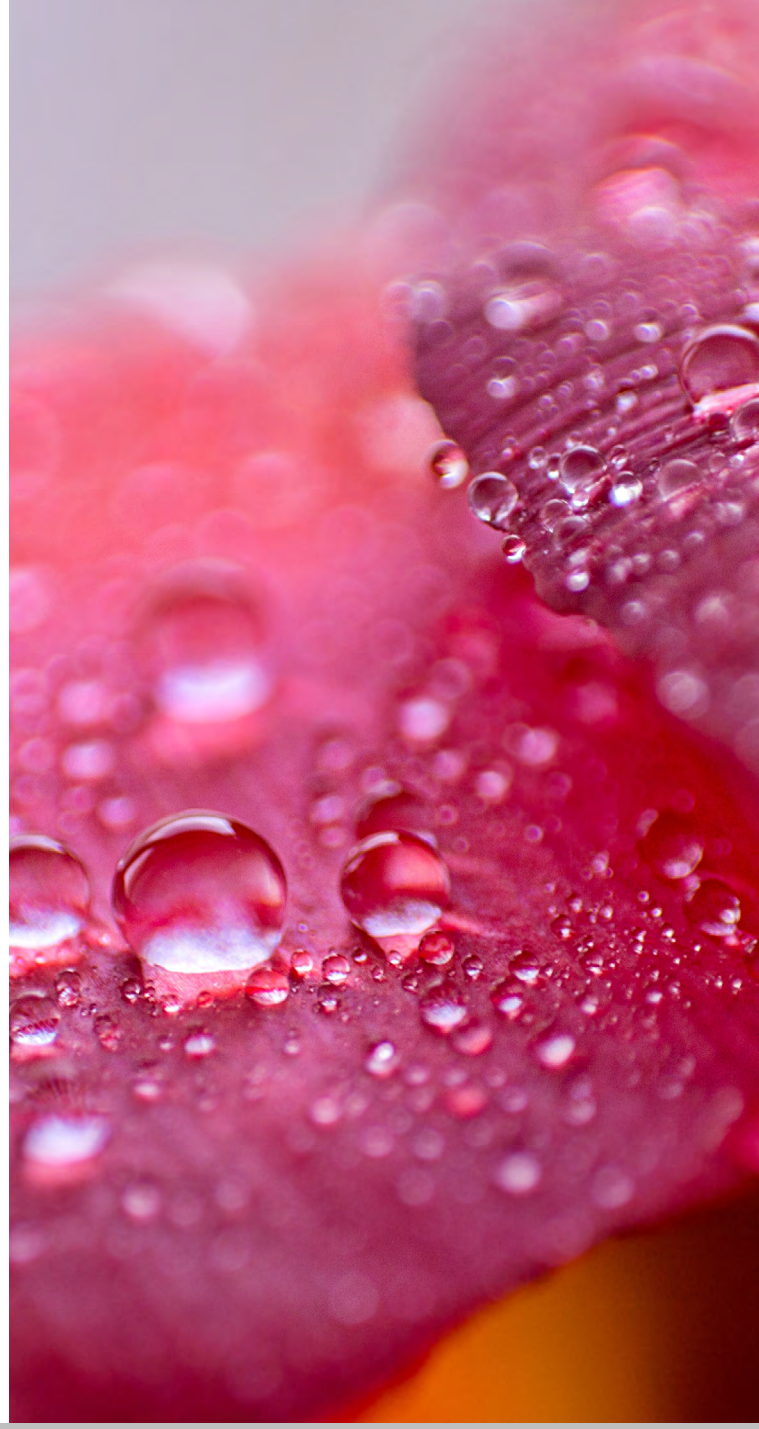
[1] To boost the stewardship efforts of the Stock Pickers, TWIM has appointed a Stewardship Services Provider.

These tools incorporate internal and external ESG data sources and stewardship level data from the appointed stewardship services provider and Stock Pickers. The IC assesses and monitors how existing or potential Stock Pickers integrate climate considerations into their investment decisions as well as how they address stewardship (both voting and engagement) on the topic, in the context of what TWIM considers to be best practice. In addition to the work undertaken by the IC, the TWIM Risk team reviews the Company's exposure to climate-related risks and other financially material ESG factors on a periodic basis and challenges the IC if concerns arise.

While each Stock Picker invests in accordance with its own investment philosophy, considering the factors that they believe may have meaningful impact on the performance of an investee company, each Stock Picker is expected to have a demonstrable process in place that identifies and assesses material ESG factors including climate risks and opportunities. This is one of the many elements considered as part of TWIM's extensive due diligence process on the Stock Pickers, including through quantitative data collection and qualitative assessment.

TWIM acts as a long-term steward of capital. The stewardship responsibilities are carried out on a day-to-day basis by the Stock Pickers and the stewardship services provider, with oversight from TWIM and engagement if appropriate. Stock Pickers are responsible for proxy-voting all shares they hold and engaging with companies. The stewardship services provider provides additional engagement activity with the investee companies on important ESG topics, including climate risks. Further, the stewardship services provider may provide proxy voting recommendations to the Stock Pickers.

➔ For further information, please refer to the TWIM 2024 Entity Level TCFD Report.



Strategy

As a long-term focused investor, TWIM recognises that climate change presents financially material risks and opportunities for the businesses we invest in.

Climate change presents a broad spectrum of risk and opportunity. These risks could materialise over differing time horizons. In this section, we outline transition risk, physical risk and measures for mitigating these, as well as climate-related opportunities. The key findings from the scenario analysis are also outlined below. As long-term investors TWIM's focus is often on impacts associated with a longer-term time horizon (generally greater than seven years). TWIM also recognises that the shocks outlined below could be larger (or smaller) and may well be priced in during a shorter time horizon. As such, TWIM analyses the Company's portfolio using several metrics and time horizon lenses.

The following describes the key climate-related risks and opportunities to the Company's portfolio which could have a material financial impact on the investments held within the portfolio over the:

0 – 3 years	**3 – 7 years**	**7 – 20 years**
Short-term	Medium-term	Long-term

Transition risk (including regulatory risks)

These relate to reputational, policy and legal, market and economic or operational risks associated with the transition to a lower-carbon economy and have a potential to materialise in a short to medium-term time horizon. Some companies and sectors may become obsolete as consumer preferences shift and regulations come into line with a low carbon transition, while others may undergo major and disruptive transformations and others still may emerge as key beneficiaries. Although many companies across a variety of sectors are likely to be impacted, some sectors such as energy, utilities, industrials or materials may be more impacted by transition risks. Examples of companies with higher transition risks within the Company's portfolio as of 31 December 2024 include PetroChina, Tourmaline Oil and Petrobras in the energy sector. These companies are often exposed to what is known as "stranded assets" risk, which is the potential for some physical/natural assets to become obsolete and worthless ('stranded') due to regulatory, market or technological forces arising from a low-carbon transition.

The potential direct effects of policy actions on operations of companies, but also the potential second and third order effects on their supply and distribution chains can also have meaningful financial impacts. The Company's holdings as at 31 December 2024 exposed to transition risk linked to their operations include materials sector companies Alcoa or JW Steel, utilities such as Southern, American Electric Power and NRG Energy, or industrials such as Alaska Air, Ryanair or Canadian Pacific Kansas City.

Policy and government intervention potentially increasing to drive action, including increasing disclosure requirements, lead to heightened regulatory, reputational, financial and legal risks for companies and investors. Against the backdrop of an evolving geopolitical landscape, delays in the implementation of appropriate regulations and policies and divergence of approach across regions and sectors can lead to higher transition risks under a Disorderly scenario. Alternatively, a lack of sufficient action to transition to a low carbon economy will likely lead to increased physical risk.

Physical risk

These risks are expected to be medium to longer-term in nature but could materialise in the shorter-term. They are also expected to transpire through the effects of climate change-related weather and other natural events on the businesses of invested companies held in the Company's portfolio.

Chronic warming and extreme weather could impact physical assets owned by these companies and, therefore, climate resilience will be key and may require investment. Physical risks are likely to have a more significant impact on the Company's portfolio in the Hot House World scenario given the potential for more severe weather and natural event outcomes impacting operations, infrastructure, company assets, supply chains etc.

Mitigation of climate transition and physical risks

Some measures can be taken to help manage the exposure to climate transition and physical risks within the Company's portfolio, including:

- Maintaining climate resiliency and management as focus for internal governance structures and relevant committees.
- Monitoring of the Company's portfolio for material transition and physical risks, as well as other portfolio climate-related metrics and evaluate need for portfolio construction adjustments.
- Improving climate dashboard, metrics and scenario analysis used to measure risks within the Company's portfolio.
- Engagement by TWIM with individual Stock Pickers on the topic of climate risk management and ongoing monitoring of their processes to ensure they evolve with best practice.
- Engagement by Stock Pickers and the stewardship services provider with underlying companies to steer those companies towards better practices and help manage climate-related risks.
- Engagement by the stewardship services provider and TWIM with regulators, policy makers and industry bodies on climate risk management both individually and through working with industry groups.

Climate-related opportunities

Efforts to mitigate and adapt to climate change also offer opportunities for some companies in areas such as resource efficiencies and cost savings, the adoption of low-emission energy sources, the development of new products and services, access to new markets and building resilience along the supply chain. Some holdings within the Company's portfolio as of 31 December 2024, that might benefit from the move to a decarbonised world, include 'SAP' (a provider of enterprise application software), who help customers become more sustainable by building long-term strategies around climate, resources and people; powering businesses and their value chains with sustainable practices[1], Kubota, a Japanese multinational corporation, focused on the manufacturing of a wide range of products and technologies to provide solutions in the areas of food, water and the environment, or Andritz, an Austrian industrials company which specialises in environmental solutions including renewable fuels, air pollution control technologies and wastewater treatment plants. Companies such as Microsoft and Nvidia could also benefit given their focus on products that assist in the reduction of energy consumption via IT optimisation services and infrastructure and cloud services.

Climate scenario analysis

Scenario analysis is a process for identifying and assessing the potential implications of a range of plausible future states under conditions of uncertainty. Scenarios are hypothetical constructs and not designed to deliver exact outcomes or predictions. Instead, scenarios provide a way to consider how the future might look if certain trends continue or diverge and if certain conditions are met. In the case of climate change, for example, scenarios allow an investment manager to explore and develop an understanding of how various combinations of climate-related risks, both transition and physical risks, may affect companies within their portfolio in terms of their businesses, strategies and financial performance over time.

[1] https://www.sap.com/products/sustainability/our-approach.html

The key climate scenarios that we have considered, which are aligned with those published by the Network for Greening the Financial System ('NGFS'), are:

Table 1. Scenarios

	Orderly scenario	Disorderly scenario	
	Below 2°C	**Delayed Transition below 2°C**	**Hot House World**
Description	Globally co-ordinated climate policies are introduced immediately, becoming gradually more stringent over time. Companies and consumers take most actions available to capture opportunities to reduce emissions and the use of Carbon Dioxide Removal ('CDR') technologies is relatively low.	Delays in taking meaningful policy action result in a rapid policy shift around 2030. Policies are implemented in a somewhat but not completely co-ordinated manner resulting in a more disorderly transition to a low carbon economy, with availability of CDR technologies limited. Emissions exceed the carbon budget temporarily but decline more rapidly than in Below 2°C.	The world follows a net zero 2050 pathway; however the resultant temperature outcome exceeds 2°C due to a lower than expected remaining carbon budget and/or the impact of climate tipping points. Use of CDR technologies is relatively low.
Temperature increase	1.8°C	1.8°C	2.5-3.0°C
Physical risk level	Medium	Medium	High – very high
Transition risk level	Low – medium	High	High

Source: NGFS, WTW

For further information on scenarios and their analysis, please refer to the TWIM 2024 Entity Level TCFD Report.

The three scenarios selected reflect an appropriate range of plausible decarbonisation pathways and are relevant in the context of the Company's portfolio and objectives. There is the potential for more extreme outcomes than reflected in the chosen scenarios. Although consideration has been given to the possibility that carbon budgets are lower than anticipated in existing scenarios, our scenarios do not currently include climate "tipping points" which, if crossed, would potentially result in future temperatures being higher than predicted for a given level of future emissions and/or the impact of physical risks at a given temperature level being significantly greater than is currently predicted by most economic models for climate change.

Climate Value at Risk
Climate Value at Risk ('CVaR') is a forward-looking measure of the exposure of a portfolio to climate risks and is based on analysis of the impact of climate physical and transition risks on individual companies, by considering a wide range of underlying climate-related issues that are expected to influence the drivers of company cashflows.

The resulting CVaR figures for the Company's portfolio under each of the scenarios considered are set out in the tables (**Table 2** and **Table 3**). This can be thought of as the potential impact on the Company's portfolio if markets were to immediately price in the expected impact of physical and transition risks under each of the scenarios. We recognise the uncertainty in the underlying assumptions and that, in reality, the shocks experienced could be larger.

➔ For further information, please refer to the TWIM 2024 Entity Level TCFD Report.

Table 2. CVaR under climate scenarios (%)

Scenario	CVaR (% of portfolio)		
	Physical risk	Transition risk	Total
Orderly	–3.4%	–1.9%	–5.3%
Disorderly	–3.4%	–3.9%	–7.3%
Hot House World	–11.2%	–3.9%	–15.1%

Source: MSCI, NGFS, WTW

Table 3. CVaR under climate scenarios ($m)

Scenario	CVaR ($m)		
	Physical risk	Transition risk	Total
Orderly	–222.55	–121.98	–344.53
Disorderly	–224.91	–255.44	–480.35
Hot House World	–733.72	–255.44	–989.17

Source: MSCI, NGFS, WTW

The figures above are based on a portfolio size **$6,539m** at 31 December 2024. Figures shown are subject to rounding.

What does the scenario analysis show?
The scenario analysis highlights how different climate pathways impact portfolio risk, with varying degrees of physical and transition risks.

The Orderly scenario represents the **least risk**, with a total portfolio risk of **–5.3%**

This scenario assumes a coordinated global response to climate change, with gradual and stringent policies over time. The balance between physical and transition risks is manageable, making it the most favorable scenario for the Company's portfolio.

In contrast, the Disorderly scenario presents a **higher risk** **–7.3%**

due to delayed policy action and a chaotic transition to a low-carbon economy.

While physical risks remain similar to the Orderly Scenario, the transition risk becomes much more pronounced as fragmented policies and limited use of carbon removal technologies increase uncertainty.

The **highest risk** comes from the Hot House World scenario, with a total portfolio risk of **–15.1%**

where physical risks dominate.

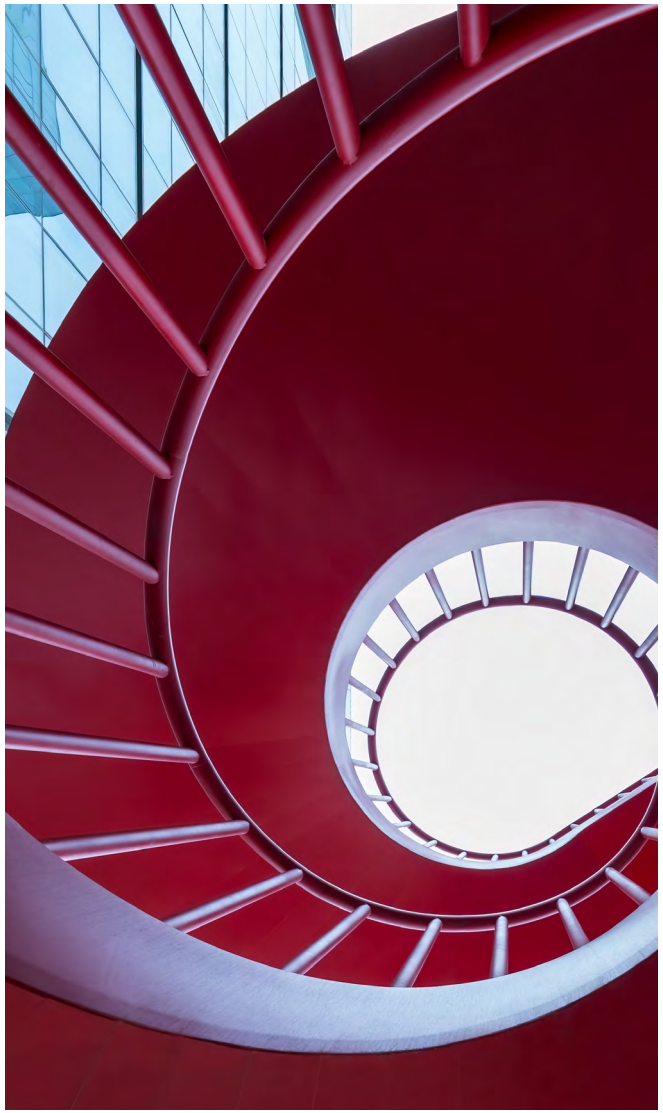
This scenario sees a temperature rise above 2°C, leading to severe climate impacts and substantial financial risks, despite the transition risk remaining significant.

Overall, the analysis emphasises the importance of early and coordinated climate action to mitigate risks to both the physical environment and the economy. As a result we are ensuring that the Stock Pickers are integrating the management of climate-related financial risks and opportunities into their investment processes and that they are maintaining strong stewardship capabilities which help contribute to an orderly transition.

Portfolio alignment

Portfolio alignment under relevant industry net zero frameworks and guidance[1]
The table below shows the distribution of individual issuers in the Company's portfolio according to their alignment with relevant industry net zero frameworks and guidance. The alignment methodology assesses how well companies align with the goal of achieving net zero emissions by 2050, consistent with the goals of the Paris Agreement to limit global temperature rise to well below 2°C, with an ambition to pursue efforts to limit it to 1.5°C. Companies are categorised into three groups: Aligned, Aligning and Not Aligned. Companies in the Aligned category are those whose emissions reduction strategies are consistent with net zero by 2050. Companies in the Aligning category are those that are on a transition path, making progress but not yet fully aligned with the net zero target. Companies in the Not Aligned category are those whose strategies and emissions trajectories do not meet the net zero target.

This categorisation helps assess the Company's portfolio progress toward supporting the transition to a low-carbon economy.



[1] Source: WTW. Note that the Alignment data and methodology used this year may not be directly comparable to the data used in the 2023 Product level TCFD report due to a change in the methodology and data source.

Table 4. Alignment category (under the relevant industry net zero frameworks and guidance)

ALW Alignment	2023	2024
% of Portfolio Aligned	20%	22%
% of Portfolio Aligning	57%	61%
% of Portfolio Not Aligned	23%	18%

Notably, the percentage of the portfolio classified as Not Aligned decreased from

23% in 2023 to **↓18%**

suggesting that fewer companies in the Company's portfolio are considered misaligned with the relevant industry net zero frameworks and guidance.

In 2024, the Company's portfolio showed positive progress towards alignment using relevant industry net zero frameworks and guidance.

The percentage of the Company's portfolio considered Aligned with the relevant industry net zero frameworks and guidance increased slightly from

20% in 2023 to **↑22%**

reflecting a greater proportion of companies adopting net zero strategies consistent with the Paris Agreement.

The Aligning category also saw an increase, rising from

57% to **↑61%**

indicating that more companies are making strides toward aligning their emissions reduction strategies with the relevant industry net zero frameworks and guidance.

This shift indicates positive movement in the Company portfolio's overall alignment with the transition to a low-carbon economy, with more companies either fully aligned or on track to align with net zero by 2050.

Stewardship activities with many of the companies that are not aligned are ongoing, via both our Stock Pickers and the stewardship services provider.

Risk management

In 2021, as part of management of climate-related financial risks, Alliance Trust[1] set a goal to manage the Company's portfolio in a way that supports achieving net zero GHG emissions by 2050.

Our approach is to align the Company's portfolio net zero goal consistently with other financial objectives. Given the nature of the transition to net zero and the evolving nature of market conditions in which we invest, we expect portfolio metrics will vary over time rather than necessarily showing smooth year-on-year improvements. We believe that the fundamental aspects for long-term financial outcomes are the destination and the overall trajectory, rather than the precise portfolio metric value at every point along the path to achieve the Company's net zero goal.

More broadly, we note that the investment industry has finite influence over global emissions and cannot deliver a system-level net zero outcome in isolation. Achieving a net zero economy and the resulting reductions in financial risks from climate change is therefore also contingent on the long-term actions of other participants, in particular governments and other policymakers.

How we assess and manage climate-related risks

For the investments selected within the Company's portfolio we, through our Stock Pickers and stewardship services provider, actively engage with these companies and use voting rights with the aim of achieving positive financial outcomes and positively supporting their climate change risk strategy.

TWIM integrates the assessment of financially material sustainability risks, including climate risks, into investment management processes alongside other financial metrics. As such, we include consideration of material ESG factors in the selection of our Stock Pickers, who in turn include these factors in their investment processes. The Stock Pickers are responsible for taking financially material sustainability risks into consideration in their investment decisions at the security level and are expected to be good stewards of capital. We place particular emphasis on engagement to drive change in harmful business practices that may threaten long-term corporate profitability. Therefore, TWIM engages with the Stock Pickers on various issues including sustainability risk and climate risk management. In turn, the Stock Pickers engage with the companies in which they are investing. In addition, the stewardship services provider engages with companies on various topics including sustainability issues to effect change and TWIM is able to engage with the stewardship services provider on engagement priorities.

➔ For more information, please refer to the TWIM 2024 Entity Level TCFD Report.

[1] Alliance Trust PLC and Witan Investment Trust PLC combined to form Alliance Witan PLC in October 2024. The Company's net zero goal was set in 2021 prior to the combination however Alliance Witan has maintained the goal.

ALW has specific exclusions detailed in its Exclusions Policy agreed between TWIM and the ALW Board. While we would much rather encourage positive change through stewardship and engagement activities, we exclude certain types of stocks from the portfolio. For example, in July 2021 we decided to exclude stocks with significant exposure to thermal coal or producing oil from oil sands. We exclude investment in securities issued by companies that:

- Derive more than **25%** of revenues from thermal coal mining or sales to third parties;
- Derive more than **50%** of revenues from thermal coal power generation; or
- Derive more than **25%** of revenue from oil sands extraction.

Thermal coal is by far the most carbon-emitting source of energy in the global fuel mix and tar sands are among the most carbon-intensive means of crude oil production. Companies with significant revenue exposure to these activities are exposed to significant financially material climate-related risks and we believe that positive change to manage those risks cannot be brought about by engagement alone.

TWIM has ESG-specific controls to ensure ongoing oversight and compliance, which supports the investment functions in the delivery of strong risk management and governance.

This process is incorporated in both the Stock Picker due diligence process and the combined portfolio management process.

➔ Further details of TWIM's climate change risk management can be found in the **TWIM 2024 Entity Level TCFD Report**.

Metrics and targets

Interpretation of climate metrics can be challenging and needs to be done using a holistic approach, looking at a variety of both backward and forward-looking metrics.

Historic carbon emissions are backward looking and so tell us about the past but not the future; scenario analysis and CVaR attempt to tell us about the future but are based on models and assumptions. These metrics are both decision useful and action-oriented, however no one single metric is perfect, a combination helps reduce blind-spots and improve understanding of the climate risks inherent in the portfolio.

Not all companies with high carbon emissions now are “bad”, as some are building solutions for a faster decarbonisation. Similarly, companies in industries that are generally considered to be “low carbon”, can hide higher climate-related transition risks. A Software company might have a negligible carbon footprint from its operations, however, if it is exposed to a large client base of oil and gas companies, its transition risks could be significant. Whereas an auto manufacturer, with a high current carbon footprint, may have materially lower transition risks if it is increasingly focused on Electric Vehicles. Although the risks inherent in such companies might not be visible if only looking at pure Scope 1 and Scope 2 emission metrics, digging further into metrics such as CVaR or Scope 3 emissions can help identify companies with “hidden” higher climate-related risks, both transition and physical in nature, within their supply chains and subsequently helping to reduce certain blind-spots.

It should be noted that climate reporting in the asset management industry continues to evolve, with challenges, including data quality, availability and consistency of methodologies associated with climate reporting. Accordingly, TWIM’s internal climate risk analytics and capabilities are also evolving, which has resulted in a change in the data source used for the purpose of this Report.

As such, the 2023 climate metrics data presented in this year’s Report may not reconcile with the data contained in last year’s 2023 TCFD report, however, for the avoidance of doubt and to ensure consistency, data used in the tables below, includes both 2023 and 2024 data which has been sourced from the same data source.

Table 5. Total Emissions, Carbon Footprint and Weighted Average Carbon Intensity (WACI)

ALW Carbon Profile	2023	2024	Change
Scope 1 and 2 Total Emissions (tCO_2e)	169,444	318,629	88%
Scope 3 Total Emissions (tCO_2e)	4,893,095	2,825,176	–42%
Scope 1 and 2 Carbon Footprint (tCO_2e/$m invested)	37	47	27%
Scope 3 Carbon Footprint (tCO_2e/$m invested)	1,080	416	–61%
Scope 1 and 2 WACI (tCO_2e/$m sales)	72	107	49%
Scope 3 WACI (tCO_2e/$m sales)	1,534	835	–46%

Source: WTW as at 31 December 2024, using latest available data.

In 2024, the combination between Alliance Trust and Witan as outlined in the introduction, led to an increase in total AUM of approximately £1.8bn. This, along with changes in portfolio holdings and Stock Picker line up led to an increase in Scope 1 and 2 emissions from 169,444 tCO_2e in 2023 to 318,629 tCO_2e. The carbon footprint per million dollars invested also increasing from 37 tCO_2e/$m to 47 tCO_2e/$m.

The portfolio's Scope 1 and 2 carbon footprint increased, primarily due to the higher carbon footprint of one of the new Stock Picker portfolios compared to the Stock Picker they replaced. A key stock contributor to this was exposure to a high-emitting aluminium producer.

Two Stock Pickers increased exposure to companies in high-emitting sectors such as utilities and aviation, contributing to a rise in emissions, while another Stock Picker helped offset some of the increase by removing or reducing exposure to several high-emitting holdings in the energy and industrials sectors.

The portfolio's Scope 3 carbon footprint decreased significantly over the period. This was primarily due to the replacement of two Stock Picker portfolios with new Stock Picker portfolios that had lower Scope 3 carbon footprints.

The Scope 1 and 2 WACI rose from 72 tCO_2e/$m sales to 107 tCO_2e/$m sales, while Scope 3 WACI decreased from 1,534 tCO_2e/$m sales to 835 tCO_2e/$m sales.

Metrics reported are largely based on actual reported data, rather than estimated data, with little change in data quality between 2023 and 2024.

➡ For metric definitions on the above table please refer to the Glossary.

Statement of compliance

This statement of compliance is made in accordance with TCFD disclosures for the year ending 31 December 2024 in relation to Alliance Witan PLC. This Report has been sent to the Towers Watson Investment Management Limited Board of Directors, as the alternative investment fund manager of Alliance Witan PLC, for approval.

This Report was approved by the Directors on 18 June 2025, as reflected by the Director's signature below.

Mark Calnan
Towers Watson Investment Management Limited
18 June 2025

Disclaimers

Towers Watson Investment Management Limited

Legal notices

Towers Watson Investment Management Limited ("TWIM") is the appointed alternative investment fund manager to Alliance Witan PLC.

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Scenarios are hypothetical constructs and not designed to deliver exact outcomes or predictions. Instead, scenarios provide a way to consider how the future might look if certain trends continue or diverge and if certain conditions are met.

Metrics selected have been used as they are common business metrics for our industry sector. Data timeframe alignment is as close as is reasonably practical. For example, emissions data covers the calendar year reporting period, but revenue figures related to the WACI cover the financial year best aligned to the reporting period.

Some of the goals, targets, commitments, impacts, policies and programmes described in this Report are also dependent on future actions, commitments taken by governments, private and public sector firms and wider systems.

Any assumptions, scenario analysis and metrics used in this Report have been derived using a blend of economic theory, historical analysis and opinions provided by external asset managers and/or advisers. They inevitably contain an element of subjective judgement. Any opinions or return forecasts on asset classes contained in this Report are not intended to imply, nor should they be interpreted as conveying, any form of guarantee or assurance regarding the future performance of the asset classes in question. No economic model can be expected to capture perfectly future uncertainty, particularly the risk of extreme events.

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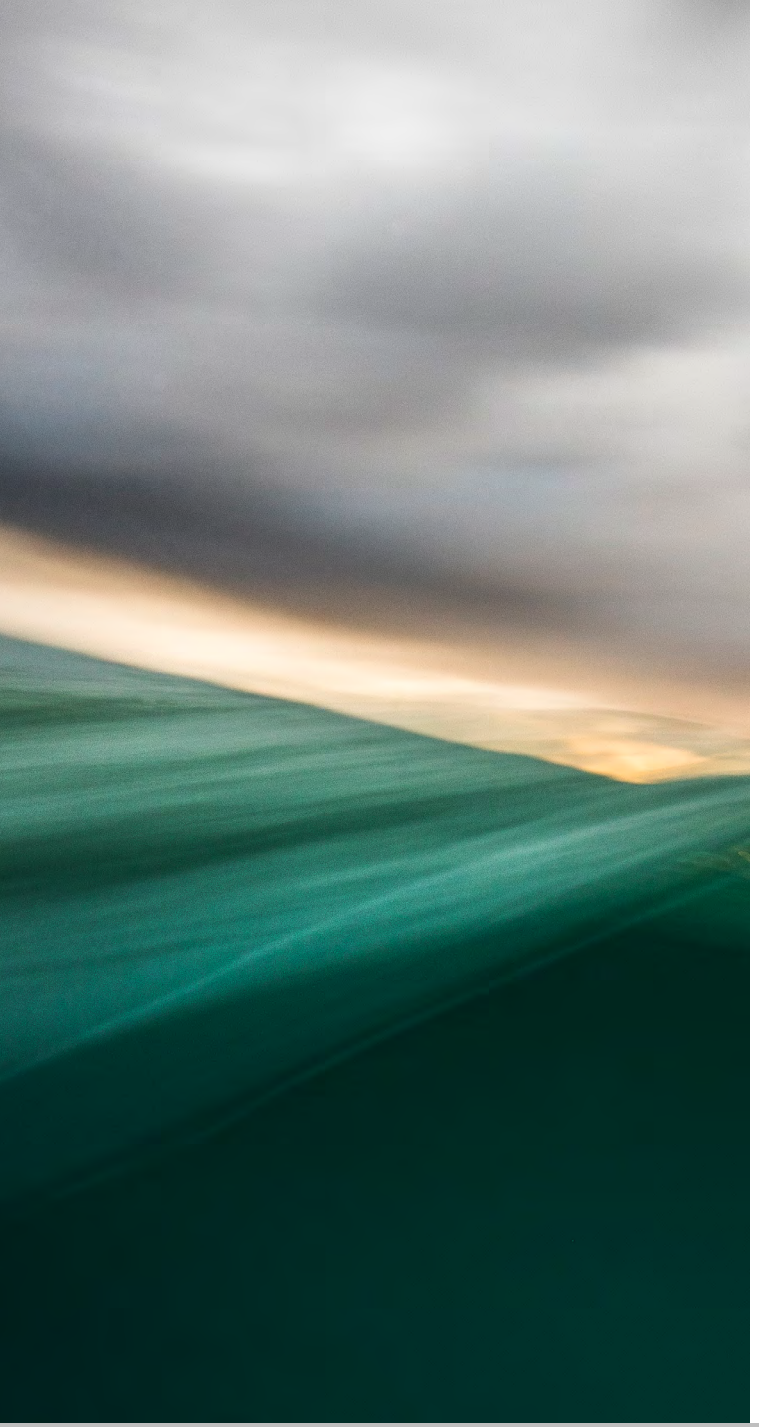


Glossary

C Carbon Dioxide Removal

Refers to technologies, practices and approaches that remove and durably store carbon dioxide (CO_2) from the atmosphere.[1]

D Disorderly scenario

Delays in taking meaningful policy action result in a rapid policy shift around 2030. Policies are implemented in a somewhat but not completely co-ordinated manner resulting in a more disorderly transition to a low carbon economy, with availability of CDR technologies limited. Emissions exceed the carbon budget temporarily but decline more rapidly than in Below 2°C.[2]

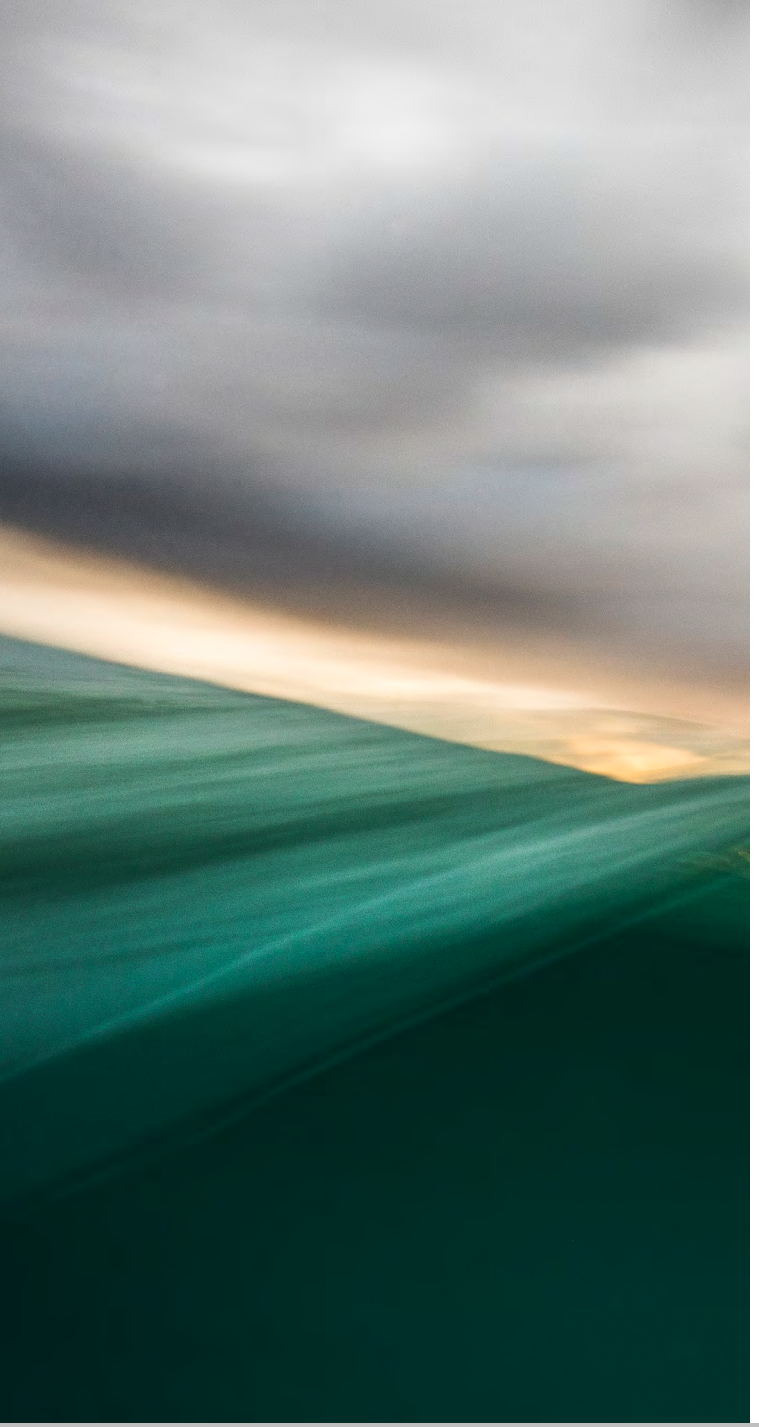
H Hot House World scenario

The world follows a Net Zero 2050 pathway; however the resultant temperature outcome exceeds 2°C due to a lower than expected remaining carbon budget and/or the impact of climate tipping points. Use of CDR technologies is relatively low.[3]

N Network for Greening the Financial System

It was launched at the Paris One Planet Summit on 12th December 2017. It is a group of Central Banks and Supervisors willing, on a voluntary basis, to share best practices and contribute to the development of environment and climate risk management in the financial sector and to mobilise mainstream finance to support the transition toward a sustainable economy.[4]

[1] Source: The Intergovernmental Panel on Climate Change
[2] Source: NGFS, WTW
[3] Source: NGFS, WTW
[4] Source: NGFS



Glossary (continued)

O Orderly scenario

Globally co-ordinated climate policies are introduced immediately, becoming gradually more stringent over time. Companies and consumers take most actions available to capture opportunities to reduce emissions and the use of Carbon Dioxide Removal ('CDR') technologies is relatively low.[1]

S

Scope 1: Direct GHG emissions that occur from sources owned or controlled by the reporting company — i.e., emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.[2]

Scope 2: Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company. Scope 2 emissions physically occur at the facility where the electricity, steam, heating, or cooling is generated.[3]

Scope 3: All other indirect GHG emissions (not included in Scope 2) that occur in the value chain of the reporting company. Scope 3 can be broken down into upstream emissions that occur in the supply chain (for example, from production or extraction of purchased materials) and downstream emissions that occur as a consequence of using the organisation's products or services.[4]

Stock Picker: A third-party investment manager.[5]

Stranded assets: Are defined as assets that have suffered from unanticipated or premature write-downs, devaluation or conversion to liabilities.[6]

T Total emissions and carbon footprint

The total emissions shows the absolute carbon emissions (in tonnes CO_2e) and carbon footprint shows relative emissions (absolute emissions/$m invested).[7]

W Weighted Average Carbon Intensity

Measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' Carbon Intensity (emissions/sales).[8]

[1] Source: NGFS, WTW
[2] Source: PCAF, WTW
[3] Source: PCAF, WTW
[4] Source: PCAF, WTW
[5] Source: WTW
[6] Source: Lloyd's
[7] Source: WTW
[8] Source: MSCI ESG Research LLC

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