

# Morgan Stanley UK Group Pension Plan

## Taskforce on Climate-related Financial Disclosures (“TCFD”) Executive Summary

### Governance around climate-related risks and opportunities

The Trustee is responsible for the overall management of climate and other risks and opportunities with the support of the Investment Committee (“IC”), TCFD Working Group and third-party providers.

The Trustee utilises Investment Consultants, Investment Managers, and other third-party providers, such as the Actuarial and Covenant Advisers, to identify and assess climate risks and opportunities.

As part of the latest sustainability training session, the Trustee has agreed a refined set of ESG focus areas.



### Strategy for climate-related risks and opportunities

During 2024 the Trustee further de-risked the DB Section’s assets in line with the strong funding position, positively impacting its climate resilience.

The IC, on behalf of the Trustee, is reviewing the DC Section to further improve ESG alignment in the default equity strategy and build on the range of sustainable options.

Climate scenario analysis carried out in 2022 is used in conjunction with a broader strategic review of investment strategy. The analysis will be updated in 2025 for recent strategy changes. As of now, the latest findings suggest:

**DB: Resilient across climate scenarios.**

**DC: Climate risk managed by climate integrated funds and monitored.**

### Identification and management of climate-related risks

With guidance from its advisers, the Risk & Governance Committee monitors the risk register and mitigation measures, including those addressing climate-related risks, and provides regular updates to the Trustee. The identification and management of risks rely on key tools, including:

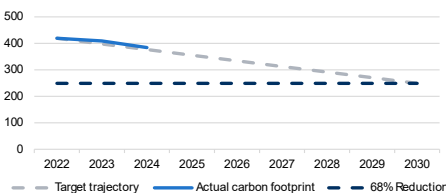


### Plans’ climate metrics and targets

**DB:** to reduce the carbon footprint of gilts within the LDI portfolio by 68% by 2030, relative to a 1990 baseline.

**DC:** to reduce the carbon footprint of the Passive Global Equity Fund by 45% by 2030, relative to a 2021 baseline.

**The Plan is broadly on track to meeting this target.**



**The Plan is currently ahead of its target.**

