BROWN SHIPLEY & CO. LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Registered number: 00398426

COMPANY INFORMATION

Directors	Kathleen Cates – Non-Executive Chair
	Robert Kitchen – Chief Executive Officer
	Tim Gillbanks – Non-Executive Audit Committee Chair
	Marcia Cantor-Grable – Non-Executive
	Nicholas Harvey – Non-Executive
	Christopher Allen - Non-Executive
Registered office	2 Moorgate London EC2R 6AG
	Company registered number: 00398426
Registered Auditors	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY

Task Force on Climate-related Financial Disclosures (TCFD)

This report is our response to the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD). Consistent with the recommendations, it includes how the Company incorporates climate-related risk and opportunities into governance, strategy, risk management, and metrics and targets.

During the financial year ended 31 December 2024, the Company has complied with the TCFD requirements as stated in the FCA ESG Sourcebook. The Company will further develop our governance, strategy, risk management, metrics and targets over the coming years as its sustainability strategy matures.

The focus of subsequent developments will be to improve the Company's understanding of climate-related risks at a granular level under various pathway scenarios. The Company will evaluate how these risks are managed for specific products / investment strategies, by exploring relevant measurements including the weighted average carbon intensity (WACI).

A copy of this report is also available under the TCFD section of the Company website, accessible under this link [Important Information | Brown Shipley].

Climate Risk Overview

This report explains how climate related issues are likely to affect the Company's current and future financial position as countries transition to a lower carbon economy &/or given the associated physical aspects of climate change, specifically in relation to revenue, expenditure, assets / liabilities, and capital / financing. As Brown Shipley provides wealth management services comprising of investment management, financial planning, and banking services, this report will focus on those financial impacts (revenue, and assets / liabilities), which are the most relevant.

Brown Shipley believes Environmental, Social and Governance (ESG) is a driver of long-term investment performance and a value add to the investment process, not a constraint. In that regard, the Company introduced a new approach to incorporating environmental, social and corporate governance factors where it applies large data sets to quantitatively assess a company's material ESG risks. This is integrated across the in-house equity and fixed income investment process. Furthermore, the third-party fund ESG analysis involves a rigorous assessment to sustainability, including sustainable risk management approach.

Additionally, Brown Shipley's clients now benefit from a unique data set quantitative analysis that generates proprietary ESG reports on major listed companies.

The Company believes sustainability risks are such important considerations in the investment process because of their potential to impact investment values. In line with the Group Responsible Investment policy, when investing directly, the Company applies exclusions that limit or avoid exposures to certain high ESG risk areas. The Company does not invest in instruments of companies that violate the UN Global Compact for three years running, involved in controversial weapons, companies that derive more than 10% of their revenue from thermal coal, and issuers on the EU arms embargo list.

Brown Shipley's engagement and voting activities further mitigate sustainability risks by improving practices of companies where sustainability issues are significant. At the same time, the Company strives to create positive change at companies it invests in. In line with the commitment to active ownership, both Quintet and Brown Shipley have progressive voting records. During the year, the Quintet Group took part on behalf of all Group entities in more than 280 shareholder meetings, voting on over 4,400 proposals. Brown Shipley took part in more than 15 of those shareholder meetings itself, voting on almost 200 proposals. On behalf of its clients, Brown Shipley also supported 60% of environmental and over 25% social shareholder proposals.

The sustainability risk management framework is in the process of being aligned with Group's, through which sustainability risks are identified, assessed and managed within the governance structure of Brown Shipley. The Company has also established a control framework to ensure accountability for sustainability risks. The investment team and risk team monitor key sustainability risk indicators on a regular basis and escalate issues to management.

Whilst some aspects of climate change are already impacting the Company, it is accepted that climate change remains primarily an emerging risk and therefore there is no financial statement impact for the Company at this point (see Note 1d to the annual report). As defined in the PRA's Supervisory Statement 3/19 the financial risks from climate change are typically classified as physical or transition risks:

Physical risks from climate change arise from a number of factors and relate to specific weather events (such as heatwaves, floods, wildfires and storms) and longer-term shifts in the climate (such as changes in precipitation, extreme weather variability, sea level rise and rising mean temperatures).

Transition risks arise from the process of adjustment towards a net-zero carbon economy. The UK Government has set a target of achieving net zero greenhouse gas emissions by 2050 to respond to the challenge climate change poses.

Governance

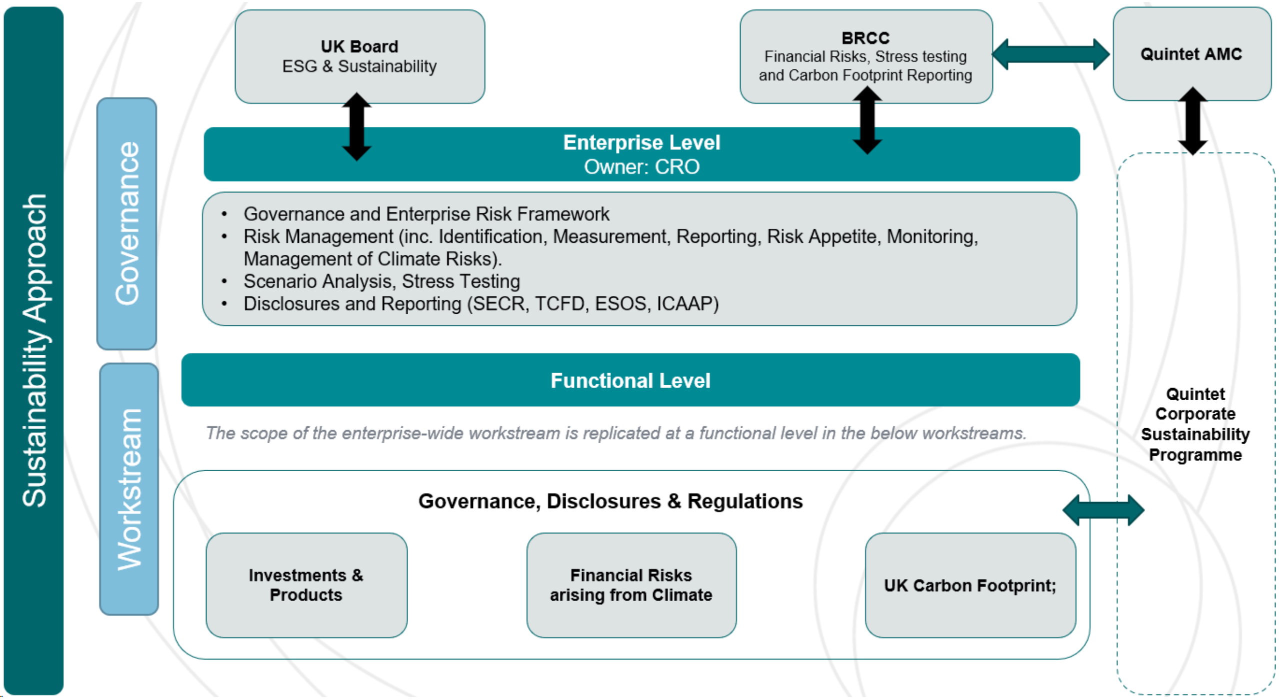
The Board is responsible for approving the Company's business strategy and overseeing its execution by management, within the risk appetite boundaries.

The Board's oversight of Sustainability includes consideration of climate risks and opportunities. The Board is supported in its oversight of risk management activities through risk and audit committees; these committees are described on page 14 of the Directors' report. To ensure the Sustainability strategy remains relevant and to monitor the progress effectively made towards the goals, the Board of Directors will continue to act as key stakeholder, during refreshed stakeholder engagement processes and materiality assessments.

In response to the potential impact of climate change on the Company, a Sustainability Programme was developed, structured as shown below, with dedicated SMF responsibilities. The programme considers investments and products, financial risks arising from climate change, and the Company's own Carbon Footprint. Brown Shipley also work closely with its parent company Quintet, and actively participates in the corporate sustainability programme that has been tasked with defining and implementing a transitional pathway to achieve the Group's sustainability goals. The Company's risk governance structure is illustrated below. This shows that specific risk related activities are cascaded from ExCo to dedicated sub-committees. Where applicable, the terms of reference for these governance forums reflect relevant climate related responsibilities.

The Board approved 2024 risk appetite statement included climate and environmental risk KRIs. These risk indicators were further developed in quarter 4, in line with the Group's transitional pathways, to support the sustainability goals.

Climate related activities are determined by either the Sustainability Programme &/or the risk sub-committees, which are delegated to relevant subject matter experts individually, or via working groups, for progression. Work is ongoing in developing and embedding the Company's climate related processes, based upon regulatory guidance and industry best practice, as the latter continues to evolve.



The Board are regularly informed of relevant climate related activities through either the quarterly CRO Risk Report and/or via specific updates from the Sustainability Programme.

Strategy

The Quintet Group strategy is designed to integrate climate-related considerations across all facets of the business, from direct operations to client lending and investments. By aligning with Quintet's group-wide sustainability framework and incorporating regulatory requirements, Brown Shipley aims to build resilience, mitigate climate-related risks, and proactively position ourselves to capitalise on emerging opportunities.

Climate strategy, for Brown Shipley, is both a defensive and an offensive tool: it ensures the Company is prepared for regulatory changes and transition risks, while also enabling Brown Shipley to leverage its position to offer innovative, sustainable solutions to clients. Whether through embedding active ownership, assessing transition pathways, or decarbonising portfolios, the Company's approach reflects a forward-looking commitment to managing climate risk, minimising impact, and ensuring long-term value creation.

The Quintet Group corporate sustainability strategy, which was approved in 2023 includes 6 climate objectives aiming to reduce Scope 1,2,3 emissions, including the reduction of Scope 3 financed emissions (see below).

Scope 1, 2 and operational Scope 3	I. Near-term target: We commit to reduce emissions by 50% by 2032 compared to a 2022 base year.
	II. Long-term target: We commit to reduce emissions as close as possible to 100% by 2050.
Scope 3 financed emisisons	III. We aim to reduce our Scope 3 financed emissions, within our assets under management, lending business and our ALM portfolio.
	IV. AuM: We commit to reduce carbon intensity for our Scope 3 financed emissions by 20% between 2024 and 2030, compared to a 2023 base year for our DPM*.
	V. AuM & Lending: We commit to continue to measure our impact on climate change and the environment within assets under management and lending, with the aim to set further targets in 2024.
	VI. ALM: We aim to reduce our emissions by applying the Sustainable Investment Framework to our ALM portfolio by end of 2025.

These goals were further refined during 2024, details of which are presented in the 'Metrics and Targets' section. The specific strategies relating to the underlying activities are at various stages of development within Brown Shipley, and will continue to evolve / mature during the forthcoming year.

Climate and Environmental Risk Drivers

Climate and Environmental (C&E) risk factors are considered 'risk drivers', which could adversely affect other traditional risks categories. A high-level assessment has been undertaken to consider the potential impact of climate related issues on other risks categories, which is presented below. This assessment has been undertaken locally at entity level and concludes that the most significant impact from climate change could be the effect on the Company's Credit, Market and Business risks; the latter could primarily be reflected via income volatility.

This qualitative assessment also considers the likely timeframe for climate related issues to potentially impact the Company's existing risks. This process examines a range of time horizons; short (<1yr), medium (1-3yrs) and long term (up to 10yrs).

The results are summarised below:

Risk Type	Risk Sub-type	Physical			Transition			Climate-related Risk Drivers	Financial Impacts
Credit Risk	Borrower risk	✓			✓			- borrowers' financial circumstances may decline, increasing Probability of Defaults (PDs), if they are materially exposed to climate related risk drivers. - Loss Given Defaults (LGDs) may also be adversely impacted by reduced collateral values: real estate collateral due to EPC ratings / flood risk, or financial investments where the issuers are sensitive to climate risk.	- write offs, asset impairment, which impacts profitability & potentially capital.
		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		
	Counterparty risk	✓			✓			- The reputation of institutions could be damaged by their actions, or the lack of action in respective of ESG issues, which results in reduced	- credit downgrades potentially resulting in increased RWAs / capital requirement.
		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		

								demand for their products and services.	
Market Risk	Asset re-pricing		✓			✓		- Sovereigns or government agencies, may be adversely affected by extreme changes in weather patterns / damage to infrastructure assets; specific incidents. - The reputation of institutions could be damaged by their actions, or the lack of action in respect of ESG issues. This could result in a decline in assets prices (or 'stranded' assets in extreme circumstances), due to falling demand.	- write offs, asset impairment, which impacts profitability & potentially capital.
		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		
Business / Strategic risk	Strategic / Business model risk					✓		- the risk to existing AUM / the Company's ability to secure NNM in not understanding client preferences in respect of responsible / sustainable investing and adapt the proposition accordingly. - the reputational damage from the firm's own actions, or via 'association' with key business partners / stakeholders. - the performance of underlying securities could be adversely impacted by climate related factors, which in turn adversely affects investment performance depending upon strategic asset allocation, policy and procedures for constructing and managing client portfolios. - the risk from being at the cutting edge of change, or a fast follower, or the risk of getting left behind as competitors move and evolve more quickly.	- reputational damage - reduced demand for BSCO's services, AUM outflows &/or failure to achieve Net New Money targets, resulting in reduced revenue &/or profitability.
		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		
	Investment Performance		✓			✓			
		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		
	Competitor risk					✓			
		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		
Legal and Compliance Risks	Regulatory risk					✓		- failure to satisfy regulatory expectations re Climate Change, increasing the risk of regulatory breaches.	- reputational damage. - financial penalties / increased expenditure. - reduced demand for BSCO's services, AUM outflows, resulting in reduced revenue / profitability.
		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		
	Legal risk					✓		- increased risk of litigation from clients explicitly seeking a 'sustainable' investment strategy & not receiving the appropriate service, or products mis-sold as being 'Green' without appropriate due diligence.	- reputational damage. - financial penalties / increased expenditure. - reduced demand for BSCO's services, AUM outflows, resulting in reduced revenue / profitability.
		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		
ICT Risk	ICT operations		✓					- extreme weather events could cause damage to servers,	- reputational damage. - financial penalties

		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term	communication lines, etc. which could temporarily disrupt the Company's operational capability. - Overall cost of services may rise as outsourced service providers meet requirements. Providers may reshape their services and not provide all required services due to cost/benefit shifts.	/ increased expenditure. - customer dissatisfaction, AUM outflows, resulting in reduced revenue / profitability.
	ICT outsourcing / Business Continuity Management		✓						
		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		
Reputational Risk	Greenwashing					✓		- risk of being accused of not living up to the public statement and promises made around C&E topics (e.g. emission reduction targets, financed emissions, etc). - sustainable products marketed by the Company could be accused of not being as sustainable as advertised.	- reputational damage. - financial penalties / increased expenditure. - reduced demand for BSCO's services, AUM outflows, resulting in reduced revenue / profitability.
		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		

'✓' Denotes applicable, Shading indicates time horizon over which risk could materialise

Climate-Related Risks and Opportunities

Climate-related risks and opportunities influence the Company's strategy across its direct operations, client lending solutions and its investments.

As a Private Bank, Brown Shipley does not typically lend to corporate clients that operate in industrial sectors considered sensitive to C&E risk factors, such as Energy, Agriculture and Transportation. Therefore, it does not have significant concentrations of credit exposures to carbon-related assets. The Company's borrowers are typically private individuals or the vehicles for these individuals' wealth, although it is indirectly exposed to C&E risk via its real estate lending (i.e. collateral for mortgages) or from the financial investments securing its Lombard lending.

From an asset management perspective, in line with our corporate sustainability strategy on responsible products and services the business has a Group Responsible Investment Policy and a Sustainable Investment framework.

ESG Integration in Investments

When Brown Shipley assesses the level of sustainability within funds and ETFs, the Company does not just rely on the self-proclaimed Sustainable classification. Brown Shipley also applies its own analysis to give a more nuanced indication of how much a fund has incorporated environmental, social and governance (ESG) factors. Funds that themselves claim to have a relatively high sustainable profile are assessed against a range of factors to make sure they meet the Company's high standards. In the sustainability due diligence for such funds and ETF's Brown Shipley uses a proprietary scoring methodology.

Brown Shipley strongly believes that ESG is a key driver to long-term investment performance and a value added to the investment process. Accordingly, a new approach was introduced to incorporate environmental, social and governance factors to quantitatively assess a securities material ESG risks. This approach is fully integrated across the Company in-house equity and fixed income investment processes. In addition, the Company avails itself of a third-party fund ESG analysis which involves a rigorous assessment to sustainability, including sustainable risk management approach, which provides another layer to Brown Shipley's Sustainable Investment framework.

When investing directly, the Company follows the Group Responsible Investment policy which outlines exclusions to be applied across single line equities and fixed income securities to limit or avoid exposures to certain high ESG risk areas. For instance, investments in companies that violate the UN Global Compact, companies involved in controversial weapons, companies that derive more than 10% of their revenue from thermal coal, and issuers on the EU arms embargo list.

Brown Shipley's parent company Quintet is a signatory of the UN Principles of Responsible Investment (UNPRI) and as such employs an active ownership policy to further mitigate sustainability risks through its active engagement and voting activities, by improving practices of companies where sustainability issues are significant and at the same time, by striving to create a positive change in the companies where the Company invests in.

Scenario Analysis

The Company has leveraged the PRA and FCA's Climate Financial Risk Forum's (CFRF) Scenario Analysis tool to evaluate the risks and opportunities associated with climate change to its banking activities (in particular to the lending offering), and to the asset management activity, using different 'transitional pathways'. The process considers three sets of pathways, based upon the Network for Greening the Finance System (NGFS) scenarios, namely: an orderly transition scenario (i.e. gradual reduction in CO2 emission), a disorderly transition scenario (i.e. delayed or divergent policies changes on CO2 reduction) and a 'hot house' world scenario (i.e. CO2 emissions do not decrease sufficiently to prevent significant temperature increases). These climate risk scenarios are considered appropriate and industry standard.

Brown Shipley provides private banking services, typically to high net worth (HNW) and ultra-high net worth (UHNW) individuals, and/or the investment vehicles for those individuals' wealth. Given the nature of the Company's activities and its client base, the Company's strategy is considered to be generally resilient to the effects of climate change, although the BSCO Board appreciates that climate related risks exist, primarily in respect of its mortgage lending and the investment strategies employed when managed client assets.

Under the optimistic orderly transition scenario, where the UK government embeds policy changes in a timely manner, the main source of risk to Brown Shipley would be transitional risk associated with its real estate collateral (i.e. meeting minimum EPC standards). This could potentially translate to higher LGDs, given lower property (collateral) values. Opportunities for the Company under this scenario are its ability to support clients financially improving the energy efficiency of their properties.

In the disorderly transition scenario UK Government policy Policy changes are assumed to be delayed or be divergent across countries causing world CO2 emissions to decrease at a slower rate. This could result in uncertainty, governments implementing stricter policies, and a non-smooth transition to achieve emission targets. This scenario potentially increases risk for the lending activity, increasing both PDs and LGDs: higher energy prices may affect borrowers' ability to service / repay debt, and more stringent government or late notice policy changes regarding EPC standards may have a more adverse impact on the housing market / property valuations.

Under this scenario additional risks should be considered such as client and employee retention due to company carbon footprint and reputational risks due to not achieving CO2 reduction commitments.

In the hot house world scenario, emissions do not decrease sufficiently to prevent significant temperature rises, which results in higher physical risks (e.g. flooding, coastal erosion, etc.). Such circumstances could have an adverse effect on property valuations in 'high' risk areas, increasing insurance costs and/or potentially resulting in some properties becoming uninsurable, again impacting LGDs.

To manage and mitigate these risks the Company continues to develop the quality of its data, its knowledge and understanding of the respective risks, and strategically adopt the lending proposition where appropriate.

From an asset management perspective, in all scenarios the Company would need to continuously assess sovereign and sectorial asset exposures in their pathway transition. Increased energy costs, capital investments in energy efficiencies, changes in consumer demands and production disruptions due to adverse weather are all elements that will potentially impact companies' profitability and asset valuations. The risks for Brown Shipley in failing to navigate these transitional pathways carefully and successfully are investment under-performance, reputational damage, client retention, inability to attract new clients, all of which may result a decline in trading performance.

At this point in time Brown Shipley is only able to provide a scenario analysis from a qualitative perspective. In the future, consideration will be given to explore the scenarios from a quantitative perspective if deemed reasonably practical.

Managing the Impact and Carbon Reduction Approach

As part of Brown Shipley's broader climate strategy, the Company is committed to reducing the environmental footprint of both its operations and the assets it manages. This also helps Brown Shipley ensure that clients' portfolios have reduced exposure to climate related assets and risks; it also helps the Company manage regulatory expectations and risks. This commitment is grounded in Brown Shipley's responsibility to lead by example and is closely tied to regulatory requirements, stakeholder expectations, and Quintet's group-wide climate objectives.

- **Decarbonising Managed Assets:**

  Through the alignment of client investments with Quintet's Sustainable Investment Framework, Brown Shipley prioritises the reduction of carbon intensity across its portfolios. This includes proactive engagement with clients to assess and address the climate-related risks associated with their investments, while steering assets away from carbon-intensive sectors toward those aligned with a sustainable future.

- **Integration of Metrics and Transition Pathways:**

  Brown Shipley integrates measurable targets and milestones into its strategic planning, ensuring accountability in achieving decarbonisation goals. By monitoring transition pathways, the Company can assess progress and adapt our strategies as necessary to meet its long-term objectives.

- **Resilience and Compliance:**

  Brown Shipley's strategy also considers the regulatory landscape, aligning with frameworks such as the UK's Sustainability Disclosure Requirements (SDR) and the FCA's Anti-Greenwashing Rules.

In summary, Brown Shipley's approach to carbon reduction forms a key part of our broader climate strategy, reflecting our dual focus on mitigating risks and contributing to a sustainable future. By reducing its own emissions and guiding client investments toward low-carbon opportunities, the Company aims to deliver meaningful progress while managing climate-related risks effectively.

Brown Shipley is committed to a responsible and sustainable investment proposition, to manage and mitigate the climate related risks. It continues to use its active ownership commitment to engage with counterparties to aid their transitions to a low carbon economy or, when this is deemed not possible, to adjust portfolios accordingly. Future efforts will be deployed to adapt the asset management offering to climate change transition through the Quintet Corporate Sustainability Programme.

Risk Management

BSCo employs an Enterprise Risk Management Framework, which defines the structures, governance and requirements for the management of enterprise-wide risk within the Company. The Framework applies to all business areas of BSCo and articulates the requirements for the identification, measurement, monitoring, management and reporting of risks across the Company, including C&E risks.

The Company has an established risk taxonomy, which was implemented across the Quintet group. As part of the Risk Appetite Statement (RAS) annual review and annual capital assessment, the risk taxonomy is regularly reviewed and the risks relevant to BSCo confirmed. A dedicated C&E section was added to BSCo RAS which is regularly monitored through its related KRIs.

In addition, processes are employed to consider emerging risks, such as C&E, and to escalate this information to the ERC / BRCC via the CRO risk report, as mentioned in the governance section on page 19.

Regular risk assessments are performed across the second and third lines within Risk, Compliance and Internal Audit that cover all of the risk types included in the risk taxonomy and feed the risk appetite statement and related metrics to the Board.

The Company also has an established Risk and Controls Self-Assessments (RCSA) which represents a key component of Brown Shipley's Operational Risk framework. This process is central to the identification,

assessment and management of the Company's operational risks, including C&E related, by leveraging the current, collective knowledge and experience of its management and staff, overseen by the Operational Risk team. The RCSAs are regularly reviewed and updated at least once a year.
For asset management activities, climate related risks are managed in accordance with the Brown Shipley Sustainability Risks in Investments Policy.

Processes have been implemented to manage sustainability risks when investing or advising in single-line securities or investing in collective investment vehicles.

When investing or advising in single-line investments, the Company's sustainability investment policy requires the Company to only invest in firms that adhere to specific international standards that promote ESG criteria, such as UN Global Compact principles. The Company monitors on a continuous basis the adherence of its investees to the required international standards.

In addition, the Company execute the day-to-day application of the exclusion list from the Group Investment Universe (GIU), a common list to all Group entities which represent the set of all validated securities that can be used in portfolio management. Metrics and deviations to the approved investment universe are regularly reported to the relevant risk governance forums.

The Company incorporates ESG consideration at the individual security through an internally developed sector-specific materiality matrix and issuer factsheets. This process combines industry best practices, third-party data, and in-house expertise and is continuously calibrated as new insights and best practices emerge. The Company considers its ESG integration as complementary to other risk assessments, such as market and/or credit, in its investment decision-making process.

Lastly, as mentioned above, the Company employs an active ownership policy to further mitigate sustainability risks through its active engagement and voting activities.

When investing or advising in collective investment vehicles, the Company takes into consideration the ESG integration policy of the vehicle managers. The Company also assesses the exclusion policy of the vehicles to understand their process to avoid and limit exposures to certain sustainability risk areas. In addition, the Company requires that managers where applicable have an active ownership policy. To ensure such standards, extensive sustainability due diligence process is conducted on each third-party manager and collective investment vehicle in which Brown Shipley invests, combined with extensive reporting requirements on third-party managers and continued monitoring.

Metrics and targets
As a subsidiary of Quintet, Brown Shipley aligns its sustainability objectives with Quintet's group-wide targets for emissions reductions, which encompass key areas such as Discretionary Portfolio Management (DPM), Own Operations, Asset-Liability Management (ALM), and Lending portfolios. While these are Quintet's overarching goals, they incorporate Brown Shipley's contributions as part of the group's broader sustainability commitments.

- **Discretionary Portfolio Management (DPM):**

  Brown Shipley has committed to reducing the carbon intensity of DPM portfolios by 20% between 2024 and 2030, with 2024 as the baseline year. These reductions only include Brown Shipley's flagship discretionary portfolios, SVS, which are actively managed in alignment with the group's Sustainable Investment Framework. Further details on Flagship SVS funds metrics are provided in the TCFD product disclosure below.

  On an overall DPM basis, the below table displays Brown Shipley product and portfolio-level carbon emission and GHG disclosures. The scope of the calculations covers investments made in Brown Shipley's core funds and discretionary portfolio mandates, held as of 31st December 2023 and 2024.

	Dec-23	Dec-24	YoY % change
Scope 1 GHG emissions (in tCO2e)	99,824.56	95,529.45	-4.3%
Scope 2 GHG emissions (in tCO2e)	44,117.40	37,370.06	-15.3%
Scope 3 GHG emission (in tCO2e)	1,687,130.99	1,960,143.89	16.2%
Total GHG emissions Scope 1,2 and 3 in (tCO2e)	1,831,072.95	2,093,043.40	14.3%
Carbon Footprint (in tCO2e/ EUR Million invested)	20.16	20.12	-0.2%
Weighted Average Carbon Intensity (in tCO2e/ EUR Million of Revenue)	47.72	50.90	6.7%
Exposure to companies active in the fossil fuel sector (in %)	4.17%	4%	-4.1%

The Company uses a 3rd party provider to calculate the above metrics, which follow the methodology as provided on the TCFD disclosure recommendations. Where we have used 3rd party data or estimates of emissions, we gain comfort by reviewing available data or estimations and performing relevant checks. However, we do not have full knowledge of the methodology, processes, data quality or operation of this externally provided information, and cannot therefore exert direct control.

Over the past year, there has been a notable improvements in the availability of emissions data reported by companies. As a result, underlying data coverage has increased over the year which lead to a higher reported total for Scope 3 emissions and WACI.

TCFD Product Report – SVS funds

Fund Name	Sum of AUM in GBP	Scope 1&2 Carbon Emissions	Scope 3 Carbon Emissions	Total Carbon Emissions	WACI	Carbon Footprint	Exposure to Fossil Fuel Sector
Svs Brown Shipley Multi Asset Portfolio - Balanced Fund	551,798,033	13,420	185,273	198,432	50.97	20.11	4.43%
Svs Brown Shipley Multi Asset Portfolio - Cautious Fund	14,697,256	220	2,562	2,782	26.38	12.39	1.52%
Svs Brown Shipley Multi Asset Portfolio - Dynamic Fund	119,972,676	3,412	50,033	53,361	64.67	23.52	5.50%
Svs Brown Shipley Multi Asset Portfolio - Growth Fund	333,173,841	9,298	129,187	138,310	60.92	23.08	5.12%
Svs Brown Shipley Multi Asset Portfolio - Income Fund	143,231,729	2,723	36,555	39,250	38.20	15.72	3.13%

The above calculations follow industry best practices using PCAF (Partnership for Carbon Accounting Financials) methodology, however careful interpretation is required to account for methodological nuances.

- Sector & Business Model Influence: Carbon data does not always reflect a company's full climate impact. For example, industries with inherently high emissions may still be key players in the transition to a low-carbon economy. Likewise, a company with relatively low emissions may not necessarily align with sustainability goals.
- Comparability Across Metrics: Certain metrics, such as weighted average carbon intensity (WACI), allow for meaningful comparisons between funds, while others, like absolute carbon footprint, are influenced by the size of assets under management (AUM) and may not be directly comparable across portfolios.
- Coverage & Data Gaps: The availability and accuracy of emissions data continue to evolve. While we use the most reliable data available from our provider, some figures, particularly for asset classes like government bonds, remain estimated or unavailable.
- Calculation Method & Reporting Currency: Brown Shipley reports carbon metrics in GBP (£) and Euro (€) to ensure alignment with our investment reporting framework. This may lead to differences when comparing our figures to those of asset managers who report in USD ($) or other currencies.

This report reflects data coverage based on the proportion of fund holdings for which the firm has reliable reported or estimated data. The figures presented, including carbon emissions, apply only to the portion of assets with available data, while no assumptions are made for uncovered holdings. Since Brown Shipley portfolios include both corporate and government securities, overall data coverage may be lower due to limited disclosures for government bonds.

In cases where climate data is unavailable or lacks reliability, Brown Shipley takes a prudent and measured approach, reporting on a best-effort basis while acknowledging certain limitations. Despite the firm's commitment to robust disclosure, some data may not be processed or reported if it cannot be presented in a fair or meaningful way. Where this occurs, it is clearly noted in the report. As regulation advances and the availability of quality data improves, we expect future reports to expand and enhance these disclosures.

As the strategy for DPM continues to evolve over the coming years, future disclosures will expand the TCFD product report section by including a qualitative summary of how climate change is likely to impact the assets underlying the above listed TCFD products under various scenarios and their most significant drivers as prescribed in PRA ESG Sourcebook 2.3.11.R (2).

- **Asset-Liability Management (ALM):**

Brown Shipley ALM portfolios, are being aligned with the group's Sustainable Investment Framework. The group aims to reduce the carbon intensity of corporate portfolios by 20% by 2028, using a 2022 baseline.

As the strategy for ALM portfolio develops to incorporate the above mentioned sustainability criteria in the investment decision making, related climate related metrics will be disclosed in future disclosures.

- **Lending Portfolios:**

Brown Shipley Lending portfolios, aim to reduce emissions within the mortgage book by 6% by 2030, using a 2023 baseline.

As the strategy for the lending portfolios develops to incorporate the above mentioned sustainability criteria in the investment decision making, related climate related metrics will be disclosed in future disclosures.

- **Own Operations:**

Brown Shipley emissions from Own Operations are to be reduced by 50% by 2032 compared to a 2022 baseline, and as close to net zero as possible by 2050. Brown Shipley actively reviews and reduces emissions across its own operations, including offices and business travel, and is working to extend this analysis to its supply chain.

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)

Statement of carbon emissions compliant with UK legislation set out in the Streamlined Energy and Carbon Reporting (SECR), 21 January 2021 covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and energy efficiency actions.

Key disclosures as required by SECR

	2024	2023	2019 – 2021 (Restated)	% change between 2019 & 2024
Fuel Type Usage	**kWh**	**kWh**	**kWh**	**%**
Total gas use	674,528	905,239	575,179	17% increase
Total electricity use	824,907	885,934	1,219,854	32% decrease
Total transport use	238,515	236,517	233,807	2% increase
Total energy use	**1,737,950**	**2,027,690**	**2,028,840**	**14% decrease**
Total Carbon Emissions	**tCO2e**	**tCO2e**	**tCO2e**	**%**
Scope 1	123	166	123	no change
Scope 2	171	183	355	52% decrease
Scope 3	167	163	80	109% increase
Total Scope 1, 2 & 3	**461**	**512**	**558**	**17% decrease**
Total estate size (sqft)	58,082	58,082	72,532	20% decrease

Emissions breakdown is as follows:

- Scope 1 emissions - gas
- Scope 2 emissions - purchased electricity
- Scope 3 emissions - private vehicle used for business travel

Calculations include emissions associated with extraction, refining and transportation of the raw fuel (‘Well-To-Tank’ or ‘WTT’) and energy loss that occurs in getting the electricity from the power station to site (‘Transmission and Distribution’ or ‘T&D’).

WTT accounts for the upstream emissions associated with extraction, refining and transportation of raw fuel sources prior to combustion (gas, fuel) or for use in the generation of electricity. T&D accounts for the emissions associated through grid energy loss, which occurs in getting the electricity from the powerplant to our sites.

2024 energy usage by office and fuel type

	Fuel Type (kWH)			
Office Location (page 12)	**Electricity**	**Natural Gas**	**Transport**	**Total**
Edinburgh	34,032	-	-	34,032
Leeds	41,251	-	-	41,251
London	488,908	560,921	-	1,049,829
Norwich	25,763	61,613	-	87,376
Cambridge	79,142	-	-	79,142
Nottingham	69,047	-	-	69,047
Birmingham	37,773	17,228	-	55,001
Manchester	48,991	34,766	-	83,757
Transport -Grey Fleet	-	-	238,515	238,515
Total energy use	**824,907**	**674,528**	**238,515**	**1,737,950**

Methodology used in the calculation of disclosures

ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, published by the Environment Agency, 21.01.21) used in conjunction with Government GHG reporting conversion factors.
For carbon only related matters, the SECR methodology as specified in "Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting and greenhouse gas reporting" was used in conjunction with Government GHG reporting conversion factors.

Conversion factors used (2024):

- Electricity 1 kWh - 0.00020707 tCO2e
- Natural Gas 1 kWh- 0.00018296 tCO2e
- Transport (Medium Car Diesel) 1 mile - 0.00016716 tCO2e

Intensity ratios calculated as follows:

- Kg CO2e per sqft of total estate size
- Kg CO2e per Full Time Equivalent

Intensity ratios calculated using square footage. tCO2e per square foot of total site area.
Total gross emissions in tCO2e = 461 (2023: 512)
Total square footage = 58,092 (2023: 58,092)
kgCO2e per square footage = 7.94 (2023: 8.81)

The calculations have been approved by a PAS51215 compliant body.

Energy efficiency actions

Brown Shipley is committed to responsible energy management and practices energy efficiency throughout the organisation. The Company recognises that climate change is one of the most serious environmental challenges currently threatening the global community and it has a role to play in reducing greenhouse gas emissions.

When combined our Scope 1, 2 & 3 emissions show that we have made progress in reducing our reported emissions. In 2024, our combined emissions decreased by 13% from prior year to 448t of CO2e (2023: 512t of CO2e) .

Comparing our current 2024 emissions data for Scope 1 and 2 to 2023, Scope 1 gas emissions were down 26% in 2024 from 166t of CO_2e to 123t of CO_2e and Scope 2 purchased electricity emissions showed a 7% decrease in the same period from 183t of CO_2e to 171t of CO_2e.

In 2024 the data collected on Scope 3 emissions identified a 6% decrease in our grey fleet emissions from 163t of CO_2e to 154t of CO_2e.

In 2024 we continue to offer a salary sacrifice scheme to support our colleagues in acquiring electric vehicles which continue to have a positive uptake and we are hoping this will continue in 2025.