



BROWN SHIPLEY
A QUINTET PRIVATE BANK

BROWN SHIPLEY & CO. LIMITED

TCFD REPORT – FROM THE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Registered number: 00398426

COMPANY INFORMATION

Directors

Marco Mazzucchelli– Non-Executive Chair

Robert Kitchen – Chief Executive Officer

Tim Gillbanks – Non-Executive Audit Committee Chair

Marcia Cantor-Grable – Non-Executive

Christopher Allen – Non-Executive

Registered office

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Company registered number: 00398426

Registered Auditors

KPMG LLP
15 Canada Square
London
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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 2025, 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 and in line with the revised PRA regulatory expectations on how to manage climate risk as outlined in the latest supervisory statement SS5/25.

The focus of future developments will be to improve the Company's understanding of climate-related risks at a granular level under various pathway scenarios.

The company gains comfort by reviewing and performing relevant checks on any third party employed to calculate emissions estimations as these follow methodology as provided on the TCFD disclosure recommendations. However, it does not have full knowledge of the methodology, processes, data quality or operation of this externally provided information, and cannot therefore exert direct control.

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

Developments achieved during the past year

Over the course of 2025 Brown Shipley has continued its efforts to further embed its strategy on climate risks. Some of the progress implemented includes the further development of the Company's Treasury and Lending climate strategies with the setting and monitoring of dedicated risk indicators by the Board and sub-committees.

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 and/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, through a third-party provider. This is integrated across the in-house equity and fixed income investment process. Furthermore, this ESG analysis involves a rigorous assessment to sustainability, including sustainable risk management approach.

The Company believes sustainability risks are 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 76 shareholder meetings, voting on over 1,100 proposals. Brown Shipley took part in more than 15 of those shareholder meetings itself, voting on more than 80 proposals. On behalf of its clients, Brown Shipley also supported 50% of environmental and over 16% social shareholder proposals. Due to an issue in the vote execution process, Brown Shipley was unable to submit majority of the intended votes during the

2024 proxy season. As a result the numbers presented reflect only those votes that were successfully submitted and recorded.

The Company has an established risk management framework, through which sustainability risks are identified, assessed and managed within the governance structure of Brown Shipley. This ensures 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 updated PRA's Supervisory Statement 5/25 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.

In response to the potential impact of climate change on the Company, a local 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 Board approved risk appetite statement states that:

"We are committed to supporting our clients and the communities in which we operate and maintain a corporate sustainability strategy and associated framework to facilitate the effective implementation of our ESG and sustainability principles across our firm in line with stakeholder expectations."

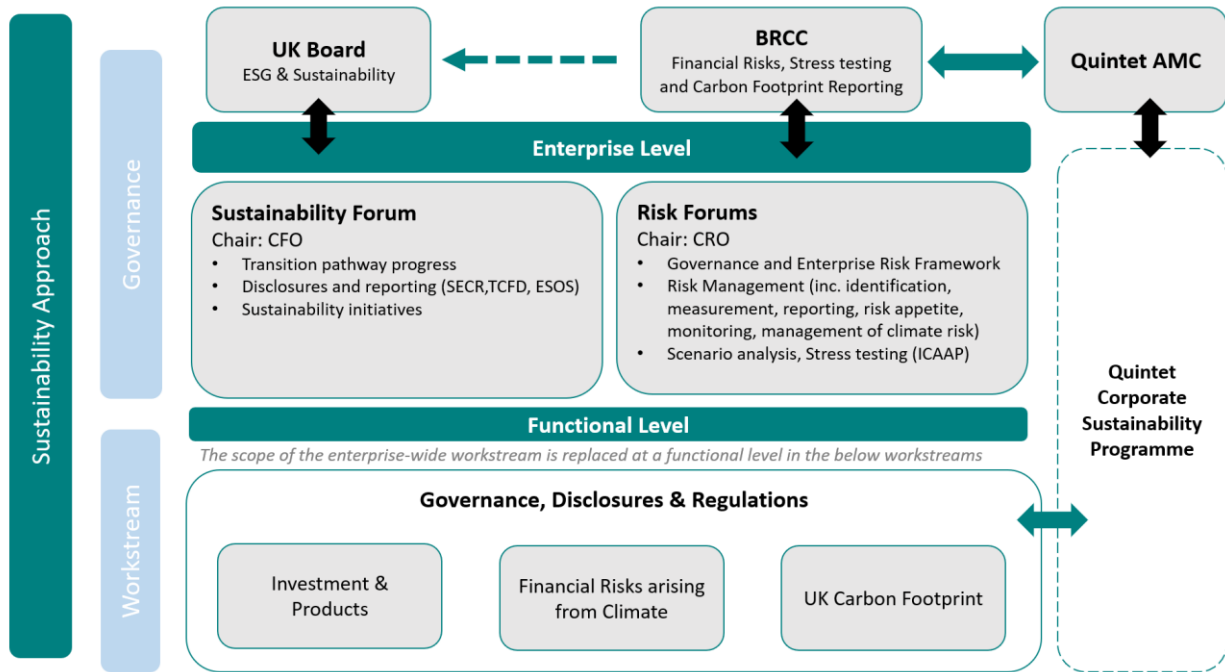
This statement is supported by climate and environmental risk KRIs. These risk indicators have been developed in line with the Group's transitional pathways, to support the sustainability goals.

The Brown Shipley Board regularly receives Corporate Sustainability updates over the year with sustainability, including climate risk, being a dedicated item in the Board agenda.

The Board is supported in its oversight of risk management activities through risk and audit committees; these committees are described on pages 13 to 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.

Specific risk related activities, together with the relevant risk indicators are tracked by dedicated sub-committees. Where applicable, the terms of reference for these governance forums reflect relevant climate related responsibilities.

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.



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 Climate and Environmental (‘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.

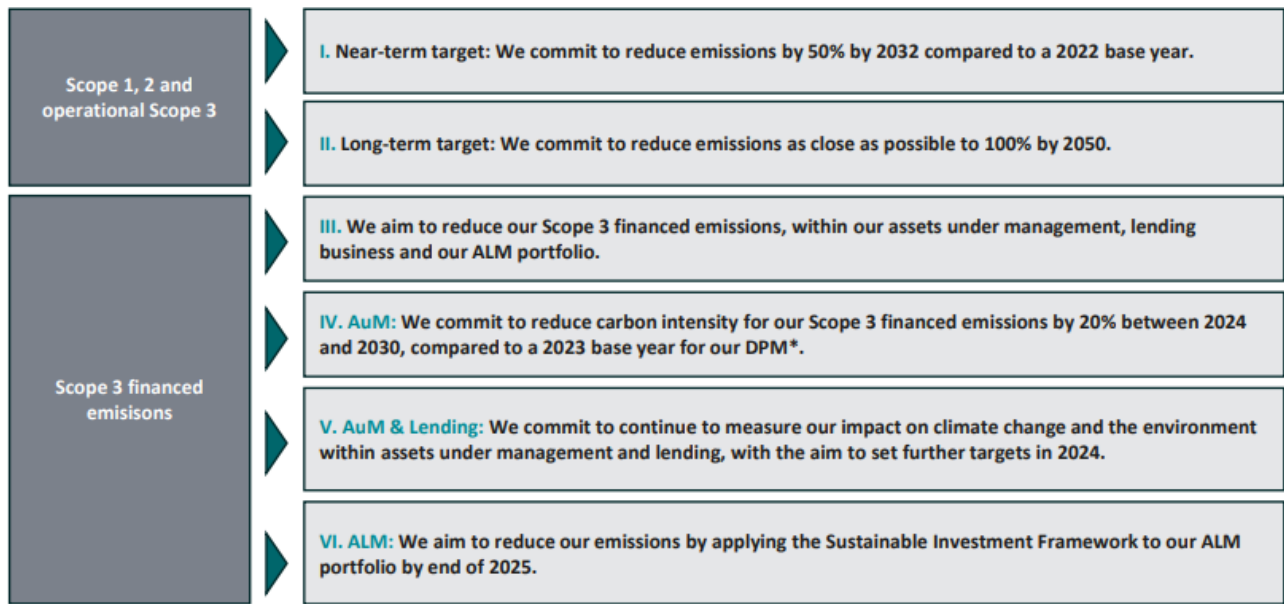
From an asset management perspective, in line with our corporate sustainability strategy on responsible products and services the business has a Group Responsible Investment Policy and a Sustainable Investment framework.

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).



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.

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.

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 is included in BSCo RAS which is regularly monitored through its related KRIs in all BSCo business activities of Treasury, Lending and discretionary portfolio management.

In addition, processes are employed to consider emerging risks, such as C&E, and to escalate this information to the BRCC via the local sustainability forum, as mentioned in the governance section on page 19.

Climate and Environmental Risk Drivers

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 the 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 demand for their products and services.	- credit downgrades potentially resulting in increased RWAs / capital requirement.
		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		
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 respective 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	- reputational damage - reduced demand

		Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		
Investment Performance								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.	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		
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		
Information and Communication Technology ('ICT') Risk	ICT operations							- extreme weather events could cause damage to servers, communication lines, etc. which could temporarily disrupt the Company's operational capability.	- reputational damage. - financial penalties / 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	- 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.	
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)	- reputational damage. - financial penalties / increased expenditure. - reduced demand for BSCO's

								targets, financed emissions, etc). - sustainable products marketed by the Company could be accused of not being as sustainable as advertised.	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

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.

Risk Assessment

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.

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) long term 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). BSCo considers these climate risk scenarios to be relevant to BSCo business and possible future pathways and appropriate to form the basis for its scenario analysis as they are considered to be industry standard and widely encouraged to be used by Central Banks and Supervisors.

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 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.

As part of the ICAAP, Brown Shipley has developed a climate stress-test analysis for its lending book, in line with Group's methodology. The analysis investigates the impact of physical and transition risk to the firm's real estate collateral assets, with properties valuations being stressed for flood risks and EPC ratings. The Company has leveraged NGFS long term scenarios data for macroeconomics variables such as house prices trends, interest rates and inflation, with the worst case scenarios being used for the analysis. For the acute physical risk (flood risk) the analysis uses the ECB Climate Stress Test 2022 methodology, in line with Group approach. For the transition risk component the analysis stresses property values on internally calibrated shocks as a function of their EPC label. Results from the 2025 ICAAP assessment demonstrated that Brown Shipley does not face high climate-related risk in its lending book and that no additional capital should be held by the Company for climate risk.

Following the PRA publication on updated expectations in managing climate risks (SS5/25) in December 2025, the company will evaluate, as part of its Gap analysis, how Brown Shipley could improve its scenario analysis to better meet the new regulatory expectations.

Risk Control / Mitigation

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.

Investment performance and risk indicators are monitored and reported regularly to the Group Investment Product Committee with the risk indicators being also reported to Board on a quarterly basis.

For Asset-Liability Management (ALM) activities, the ALM & Treasury team assess the embedded C&E risks, if available, before new investments are made. These include the investment carbon intensity and its ESG Risk rating, according to the third party provider used to analyse investments ESG characteristics. These are then monitored, managed and reported according to the risk indicators approved and reviewed annually by BRCC, including relevant escalation in case of limit breaches. Further details on these metrics is provided in the below 'Metrics and targets' section.

An ALM C&E dashboard was also developed during the year by the ALM & Treasury team which collates together the various metrics and provides them with a RAG status. This dashboard is circulated and presented on a monthly basis to the local ALCo.

For lending activities, climate related risks are managed in accordance with the BSCo Credit Policy, which includes an ESG section. This requires accounting for C&E factors in the lending origination, as part of the appraisal process. In addition, engagement letters used to request the provision of valuation reports to external valuers, both for new clients and regular reviews, now require the collection of energy performance certificates (if available).

The credit risk driven by C&E risks is primarily monitored, managed and reported according to risk indicators approved by the Board as outlined in the below 'Metrics and targets' section, including relevant escalation in case of limit breaches.

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.

Each activity target is monitored against a baseline, data availability and influence from external factors, such as Covid, were considered when selecting the base year.

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. The DPM decarbonisation pathway is currently monitored on a consolidated basis by tracking material deviations from the Board approved target trajectory. Group results for 2024 and 2025 are presented below. The Company uses a 3rd party provider to access carbon intensity data (scope 1 and 2) for each security that forms part of the flagship funds. The Company has put in place several controls to assure accuracy of the data provided, its completeness and consistency.

RI ID	Risk indicator	Dec-24	Dec-25	Trigger	Limit
SUS_9	Material deviation from transition targets (%) - Investment Management	-5.00%	-12.40%	-3.50%	-2%

The ESG data provider used to calculate the above metric changed over the year. Historical data was used to recalculate the baseline emissions with the baseline date kept the same. The impact of changing provider was minimal as majority of carbon emission data used to compute the above metric is reported and not estimated. The company remains in track with its decarbonisation targets.

Further details on Flagship SVS funds C&E metrics, such as Scope 1,2 and 3 emissions and carbon footprint, are provided in the TCFD product disclosure below.

In addition to the decarbonisation metric, Brown Shipley also monitors and reports other management metrics which track the sustainability characteristics of the funds.

Lastly, as part of Group corporate sustainability disclosure, the company also calculates on an overall DPM basis, Brown Shipley product and portfolio-level carbon emission, data provided in the below table. The scope of the calculations covers investments made in Brown Shipley's core funds and discretionary portfolio mandates, held as of 31st December from 2023 to 2025. Please note year on year change calculation reflects only year 2024 and 2025.

Metric	Dec-23	Dec-24	Dec-25	YoY % change
Scope 1 GHG emissions (in tCO ₂ e)	99,825	95,529	115,567	21%
Scope 2 GHG emissions (in tCO ₂ e)	44,117	37,370	38,279	2%
Scope 3 GHG emissions (in tCO ₂ e)	1,687,131	1,960,144	2,154,757	10%
Total GHG emissions Scope 1,2, and 3 in (tCO ₂ e)	1,831,073	2,093,043	2,308,603	10%
Carbon footprint (in tCO ₂ e / EUR million invested)	20.2	20.1	25.5	27%
Weighted Average Carbon Intensity (in tCO ₂ e / EUR million of revenue)	47.7	50.9	61.7	21%
Exposure to companies active in the fossil fuel sector (in %)	4.17%	4%	5.5%	38%

In 2025 Brown Shipley's underlying ESG data provider changed from Sustainalytics to Clarity AI, which naturally introduces differences in how emissions data is calculated and reported. In addition, the overall data coverage improved from 60% to 72%, meaning a larger portion of the portfolio now has reported or modelled emissions data. Invested companies are also continually updating and refining their Scope 3 emissions disclosures. As a result, the apparent increases shown in the table primarily reflect enhanced data availability and updated reporting.

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

TCFD Product Report – SVS funds:

Brown Shipley relies on its independent Authorised Fund Manager for SVS funds, Tutman Fund Solutions Limited, to disclose its TCFD product reports for SVS funds.

The reports have been produced in compliance with the TCFD requirements and in accordance with FCA ESG Sourcebook.

Tutman uses the company Impact Cubed Ltd to produce the metrics outlined in the various SVS reports. Brown Shipley gain comfort on 3rd party disclosures by reviewing available data and performing relevant checks. However, the firm does not have full knowledge of the processes, data quality or operation of this externally provided information, and cannot therefore exert direct control.

Link to the reports can be found in www.tutman.co.uk, under the literature page ([Literature - Tutman](#)).

Asset-Liability Management (ALM):

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

Over 2025, the strategy for the ALM portfolios was further developed with the introduction of various sustainability risk metrics, which are monitored monthly via a dedicated ALM ESG dashboard.

Currently ALM pathway to decarbonisation target is monitored by tracking material deviations from the Board approved target trajectory.

The company uses a third-party provider to gather investments' issuer ESG information to compute the below metric. Where 3rd party data or estimates of emissions is used, the company gain comfort by reviewing available data or estimations, however, the firm does not have full knowledge of the processes, data quality or operation of this externally provided information, and cannot therefore exert direct control.

RI ID	Risk Indicator	Dec-24	Dec-25	Trigger	Limit
SUS_19	Material deviation from transition targets (%) - ALM	n/a	-88%	n/a	n/a

As mentioned above, 2025 marks the first year for Brown Shipley in monitoring ALM sustainability metrics, which provides limited scope for comparison. However, the table illustrates that overall the company ALM portfolios are characterised by low ESG risks.

Lending Portfolios:

Brown Shipley Lending portfolios, aim to reduce emissions within the mortgage book by 6% by 2030, using a 2023 baseline. This decarbonisation pathway is currently monitored on a consolidated basis by tracking material deviations from Board approved target trajectory. Group results for 2024 and 2025 are presented below. The reduction in financed emission illustrated in the table below is mainly attributed to a decrease in the loan book over the year.

RI ID	Risk indicator	Dec-24	Dec-25	Trigger	Limit
SUS_14	Material deviation from transition targets (%) - Lending	-6.17%	-14.15%	-0.90%	-0.50%

Over 2025, the strategy for the lending portfolios was further developed with the introduction of the various sustainability metrics, which are reported on a quarterly basis to the Board and tracked more frequently by the Strategic Credit Committee.

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

Fuel Type Usage

	2025 kWh	2024 kWh	2023 kWh	2019-2021 kWh	2024 & 2025 % change
Total gas use					
Total electricity use	629,772	674,528	905,239	575,179	7% decrease
Total transport use	769,880	824,907	885,934	1,219,854	7% decrease
Total energy use	1,92,580	238,515	236,517	233,807	19% decrease
	1,592,232	1,737,950	2,027,690	2,028,840	8% decrease

Total Carbon Emissions	2025 tCO ₂ e	2024 tCO ₂ e	2023 tCO ₂ e	2019 -2021 tCO ₂ e	2024 & 2025 % change
Scope 1	213	293	166	123	27% decrease
Scope 2	136	171	183	355	20% decrease
Scope 3	135	154	163	80	12% decrease
Total Scope 1, 2 & 3	484	618	512	558	22% decrease
Total estate size (sqft)	61,839*	64,778*	58,082	72,532	5% increase

*office sizes reviewed

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.

2025 energy usage by office and fuel type

Office Location (page 88)	Fuel Type (kWh)			
	Electricity	Natural Gas	Transport	Total
Edinburgh	56,372	16,993	-	73,365
Leeds (combined new and old)	11,791	-	-	11,791
London	490,679	524,913	-	1,015,592
Norwich	10,499	22,177	-	32,676
Cambridge	51,363	-	-	51,363
Nottingham	63,519	-	-	63,519
Birmingham	39,111	15,990	-	55,101
Manchester	46,546	49,699	-	96,245
Transport -Grey Fleet	-	-	192,580	192,580
Total energy use	769,880	629,772	192,580	1,592,232

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 (2025)

- Electricity 1 kWh - 0.00017700 tCO₂e
- Natural Gas 1 kWh- 0.00020270 tCO₂e
- Transport (Large Diesel Car) 1 mile - 0.00033808 tCO₂e
- Transport (Large Petrol Car) 1 mile - 0.00043175 tCO₂e
- Transport (Medium Diesel Car) 1 mile - 0.00027639 tCO₂e
- Transport (Medium Petrol Car) 1 mile - 0.00028121 tCO₂e

- Transport (Small Petrol Car) 1 mile - 0.00023027 tCO₂e

Intensity ratios calculated as follows:

- Kg CO₂e per sq ft 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 = 484 (2024: 618)

Total square footage = Total square footage = 61,839 (64,778 for Q1 of 2025. 2024: 64,778)

Note - The kgCO₂e per sf calculation has been divided so that it represents three quarters of the year at 61,839, and the first quarter at 64,778, kgCO₂e per square footage = 7.74 (2024: 9.54)

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.

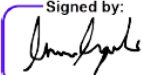
When combined our Scope 1, 2 & 3 emissions show that we have made progress in reducing our reported emissions. In 2025, our combined emissions decreased by 14% from prior year to 386t of CO₂e (2024: 448t of CO₂e).

Comparing our current 2025 emissions data for Scope 1 and 2 to 2024, Scope 1 gas emissions were down 7% in 2025 from 123t of CO₂e to 115t of CO₂e and Scope 2 purchased electricity emissions showed a 20% decrease in the same period from 171t of CO₂e to 136t of CO₂e.

In 2025 the data collected on Scope 3 emissions identified a 18% decrease in our grey fleet emissions from 62t of CO₂e to 51t of CO₂e. This contributed to an overall reduction in Scope 3 emissions from 154t CO₂e to 135t CO₂e.

In 2025 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 2026.

Approved by the Board of Directors and signed on behalf of the Board.

Signed by:

198C40D8679C429
Marco Mazzucchelli
Chair
31 March 2026

Company registered number: 0039842