2024

Task Force on Climate-Related Financial Disclosures (TCFD) Report

Contents

1) Introduction

While the past decade has seen encouraging momentum behind climate commitments from both companies and governments, this has more recently been met with significant headwinds. Numerous companies have either retracted or fallen short of their climate goals, hindered by persistent challenges in emissions data quality, the growing energy demands of AI technologies, and the complexities of navigating global energy transitions.

The landscape for climate-focused investor collaboration has similarly shifted. Once seen as a cornerstone of the financial sector's net zero ambitions, voluntary alliances such as the Net Zero Asset Managers initiative (NZAM) and Climate Action 100+ have faced growing scrutiny in some jurisdictions. There have been high-profile departures from these coalitions in 2024 and early 2025, raising concerns over legal liability and regulatory scrutiny.

These developments come amid a broader pushback on ESG frameworks, particularly in certain jurisdictions where political and regulatory pressures have created a more challenging environment for sustainability-oriented investing. Despite this, Partners Capital believe that the financial services industry retains both a responsibility and a strategic opportunity to play a pivotal role in the decarbonisation of the global economy. While we acknowledge the real and growing challenges faced by climate initiatives, we are equally committed to driving progress wherever possible, through robust engagement and thoughtful capital allocation aligned with the low-carbon transition.

Our approach remains grounded in our fiduciary duty: delivering competitive, risk-adjusted returns to our clients while also supporting the structural shifts required to address the climate crisis. We are pleased to present the 2024 Climate Report of Partners Capital (collectively referred to as "**Partners Capital**" or the "**Firm**"), as specified below, aligned with the Recommendations of the Task Force on Climate-Related Financial Disclosures ("**TCFD**")[1].

Partners Capital Investment Group Entities	Jurisdiction
Partners Capital LLP ("PCLLP")	United Kingdom
Partners Capital Europe SAS ("PCE")	France
Partners Capital Investment Group LLP ("PCIG LLP")	United States
Partners Capital Investment Group (Asia) Pte Ltd ("PCIG Asia")	Singapore
Partners Capital Asia Limited ("PCAL")	Hong Kong

This report sets out the TCFD-aligned group-level disclosures of the Firm (the "**Report**"), in relation to climate-related matters, for the reporting period 1 January 2024 to 31 December 2024 (the "**Reporting Period**"). The report has been prepared to apply the TCFD Recommendations to the Firm's assets under management, including where the Firm acts as investment manager or investment advisor in respect of its client portfolios, as well as fund or portfolio manager with respect to any of the 'pooled vehicles'[2] that are managed by one of the Firm's group entities. In this Report, the Firm's managed products and services are together referred to as "**Portfolios**".

[1] This report is also consistent with the climate disclosure requirements in Chapter 2 of the FCA's ESG Sourcebook.
[2] Pooled vehicles are Partners Capital's internally managed funds. They principally serve to aggregate capital from multiple investors and allocate it across a diversified portfolio of underlying investment funds. They are classified as alternative investment funds (AIFs) and non-mass market investments (NMMIs) for regulatory purposes (and are funds of funds).

Our Investment Approach

Partners Capital manages bespoke multi-asset class segregated portfolios for its clients, investing across both public and private markets, predominantly through third-party asset managers. Partners Capital tailors these investment portfolios depending on the clients' risk profile, time horizon, liquidity constraints, sustainability preferences and investment objectives. Client portfolios are constructed using Partners Capital pooled vehicles or direct investments in the underlying investment funds (and in many cases a combination of both). The Firm's pooled vehicles are aggregation structures covering each of the major asset classes, which allow all our clients to invest with who we believe to be the best asset managers in each asset class.

Our investment model is based on the "Yale Endowment" model, but has evolved into what we term the Partners Capital Advanced Endowment Approach ("AEA"). This takes the key principles of the Yale model of keeping stable risk levels, multi-asset class diversification and selecting the right managers to further incorporate finding the right partnership structures, being early-movers to new themes and continued rigorous risk management. Partners Capital has implemented a firm-wide Sustainable Investing approach and related practices that are consistent with this evolved institutional investment approach.

Estimating and reporting the carbon footprint of investment portfolios continues to pose material challenges, particularly in the context of multi-manager, multi-asset class strategies with exposure to private markets. While climate data availability and quality have improved meaningfully in recent years, driven by advances in AI, and the emergence of new climate data vendors, gaps remain significant. This is especially true in private equity, private debt, and other alternative asset classes, where transparency is often limited, and disclosure practices across managers and geographies remain highly inconsistent. As a result, Partners Capital is often not in possession of the full set of look-through data required to calculate disclosures with complete confidence in the accuracy of the figures. Despite these challenges across various asset classes, we are pleased to be able to make a fair and reasonable TCFD-aligned disclosure on a best-efforts basis.

2) Governance

1. Board Oversight of Sustainability-Related Risks and Opportunities

Partners Capital's Board of Directors (the "Board"), comprised of executive and non-executive directors, holds ultimate responsibility for the firm's governance and oversight, including with respect to sustainability-related and ESG regulatory risks, including climate-related risks. The Board has delegated day-to-day responsibility to management and established governance committees to ensure effective oversight of these matters.

Board-level oversight of sustainability-related risks and ESG regulatory risks is principally provided through the Audit and Risk Committee ("ARCo"), a sub-committee of the Board composed of at least two independent non-executive directors. ARCo receives updates on ESG regulatory risks at each of its quarterly meetings, with such items included as a standing agenda item via the firm's Compliance Heat Map, which uses a RAG risk rating system. Material or elevated ESG risks (e.g. Amber or Red ratings) are explained in detail to ensure appropriate review and mitigation.

ARCo also receives ad hoc escalations of material sustainability or ESG regulatory risks, including climate change risks, from the Global Sustainable Investing Committee via the Operational Risk Committee ("ORC"). This escalation framework ensures that sustainability risks with investment, regulatory, or client relevance are considered at the appropriate governance level.

2. Management's Role in Assessing and Managing Sustainability-Related Risks

The Global Sustainable Investing Committee (the "Committee") serves as the central governance body for Partners Capital's sustainability-related strategy and disclosures. Chaired by the Global Head of Sustainable Investing, the Committee includes senior leadership, including the Head of Research Operations, Chief Investment Officer, Chair of the Client Committee, and the Head of Asia Pacific Compliance.

The Committee meets quarterly, and reviews reports from the Sustainable Investing Team and Compliance, covering third-party manager assessments, portfolio-level controversies, and ESG regulatory risks. Material issues are escalated to ORC and subsequently to ARCo, if appropriate.

Additionally, regional Regulatory Management Committees in Boston, London, Paris, Singapore, and Hong Kong review local ESG regulatory risks. These regional committees follow the same reporting framework as ARCo and ORC but apply a lower materiality threshold to ensure early identification and potential escalation of risks.

The Sustainable Investing Team, led by the Global Head of Sustainable Investing, is responsible for:

- Implementing the firm's Sustainable Investing Policy.
- Conducting the Asset Manager ESG Integration Survey.
- Preparing sustainability-related disclosures and client reporting.
- Training investment teams on ESG risk identification and escalation protocols.
- Collaborating with Risk and Compliance to ensure regulatory alignment.

Where a material sustainability-related risk is identified, the Sustainable Investing Team works with Compliance to ensure appropriate escalation through the Committee structure (ORC / ARCo), in accordance with the firm's governance framework.

Executive Oversight

The CEO is ultimately accountable at the Board level for sustainability-related risks and ESG regulatory risk. The Global COO sponsors ESG regulatory risk oversight through her leadership of the firm's control functions. The Global Head of Sustainable Investing, a member of the senior leadership team, chairs the Global Sustainable Investing Committee and is responsible for shaping and delivering the firm's sustainable investing strategy.

The Committee ensures that senior management remains well-versed in evolving regulations, industry standards and best practices related to ESG risk management.

2.1. Due diligence and approval of third-party funds

Partners Capital has implemented a robust due diligence and approval process for each of the third-party funds in which we invest. The Research Operations Team have day to day responsibility for the oversight of the manager due diligence process.

We seek to assess the degree to which our managers integrate financially material ESG factors, including climate-related risks, into their investment process and their stewardship and engagement approaches. The Sustainable Investing Team supports the Asset Class Research Teams with this assessment before we formally approve a manager for investment. Thereafter, the Sustainable Investing Team ensures that the assessment is ongoing through the life of the relationship, including during our formal three-year due diligence updates, ongoing risk reporting and periodic interactions.

As further outlined within the Risk Management section below, the Firm has developed an Asset Manager ESG Integration Survey, which is the most formal assessment of the extent to which third-party managers with which we invest incorporate sustainability considerations, including climate change issues, into their investment decisions.

2.2. Portfolio Management

Partners Capital provides either advisory or discretionary management services to its clients in relation to Partners Capital managed pooled vehicles and third-party investment products. Where Partners Capital provides advisory services to a client, Partners Capital will provide investment advice with the client retaining discretion over the investments within the Portfolio. Where Partners Capital provides discretionary management services, the client team will have discretion over the investments within the portfolio with oversight by the firm's Client Committee and Investment Committee.

Where a client has specific sustainability-related investment preferences, whether under an advisory or discretionary management agreement, it is the responsibility of the Investment Team, and in particular the Client Manager, with oversight from the Client Head, to ensure that these preferences are incorporated into the management of their portfolio. Any exceptions to sustainability-related preferences are reported to the Global Sustainable Investment Committee for consideration as potential conflicts of interest.

The Firm's pooled vehicles aim to provide Partners Capital's clients access to what we believe to be, the best asset managers in each major asset classes. The Pooled Vehicle Portfolio Management Team ensures adherence to the pooled vehicle's strategy, including with respect to the agreed sustainability-related characteristics, where applicable.

The below table sets out the teams and individuals with day-to-day responsibilities for the key processes Partners Capital has established to assess and manage sustainability-related risks for the Portfolios we manage.

<u>Exhibit 1</u>

Committee / Team	Role / responsibilities	Governance Activity
Research Operations Teams	• Oversight of the due diligence and approval process for new third-party funds / asset managers	Oversight of climate risk
Asset Class Research Teams	• Assess new third party funds/ asset managers	Assessment and management of climate risk
Client Head	• Oversight of the investment decision and recommendations made by the Client Manager are in line with the global sustainability risk management framework and client sustainability preferences	Oversight of climate risk
Client Manager	• Ensure any investment decisions and recommendations made on behalf of a client are done so in line with the global sustainability risk management framework and client sustainability preferences	Assessment and management of climate risk
Asset Class Head	• Ensure the approval and ongoing monitoring of the third-party funds/ asset managers within their asset class is conducted on an ongoing basis	Assessment and management of climate risk
Asset Class Investment Committee	• Oversight of the due diligence and monitoring process of the third-party funds/ asset managers within their asset class	Oversight of climate risk
Pooled Vehicle Portfolio Manager	• Ensure that investment decisions made within the pooled vehicle are done so in line with the global sustainability risk management framework • Maintain adherence to the pooled vehicle's strategy, including with respect to the agreed sustainability-related characteristics of the pooled vehicle, where applicable	Assessment and management of climate risk

3) Strategy

This section of the report discusses how we assess our third-party asset managers with respect to their approaches to ESG and climate change, and how we aim to steer capital to impactful investment opportunities where applicable in line with our clients' sustainability preferences.

1. **Climate risk assessments:**

Third party asset managers

Partners Capital manages bespoke multi-asset class segregated portfolios for our clients, investing across both public and private markets. As we invest our clients' portfolios predominantly through third party fund managers, rather than investing directly in individual securities, we review the extent to which ESG factors are incorporated into managers' investment process through our due diligence process and ongoing monitoring of them. The primary tool that we use to understand our asset managers' ESG integration and climate risk management approaches is our Asset Manager ESG Integration Survey. In the Survey, which is used as part of our due diligence process of new asset managers, we have a dedicated section on climate change to enable us to identify how asset managers oversee and manage climate-related risks and opportunities as part of their investment process.

Since Q3 2023 through Q4 2024, we have assessed 233 managers using our Asset Manager ESG Integration Survey. Of the responding managers, 57% reported that they assess climate risk in the investment decision making process, which represents a 3% decrease from 2023. Similarly to 2023, we have noticed differences in manager practices across different jurisdictions based on the location of the asset managers' headquarters (Exhibit 2), with responding EU and UK managers adopting a higher rate of climate risk assessments in their investment decision making processes than those in other regions of the world.

Exhibit 2:

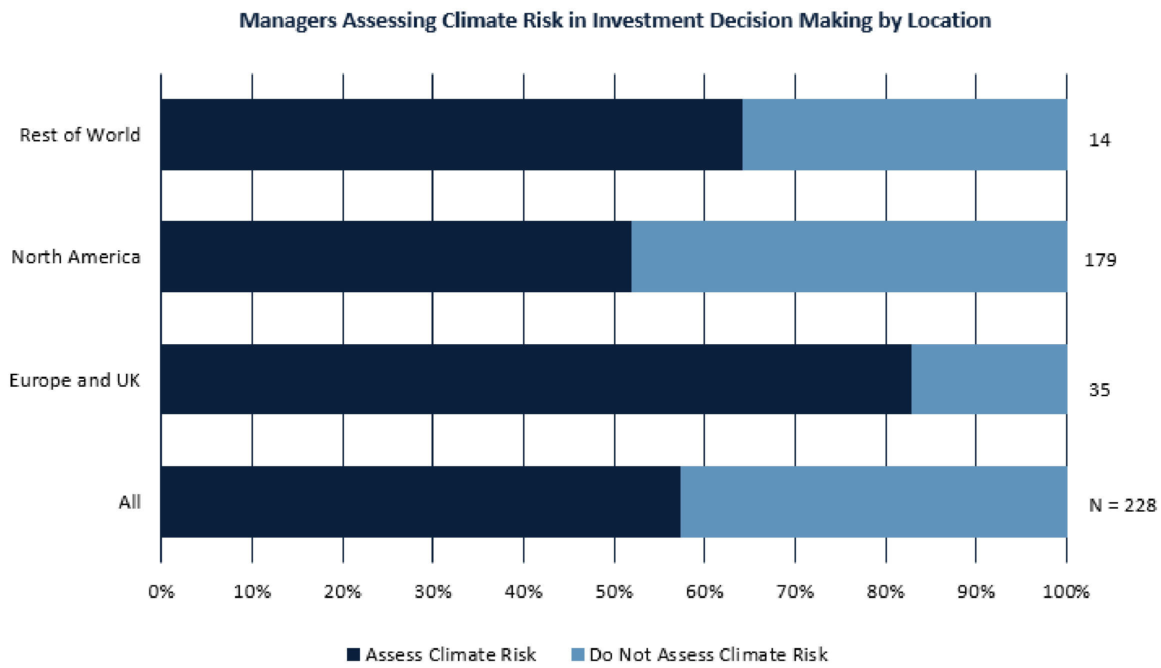


Exhibit 3:

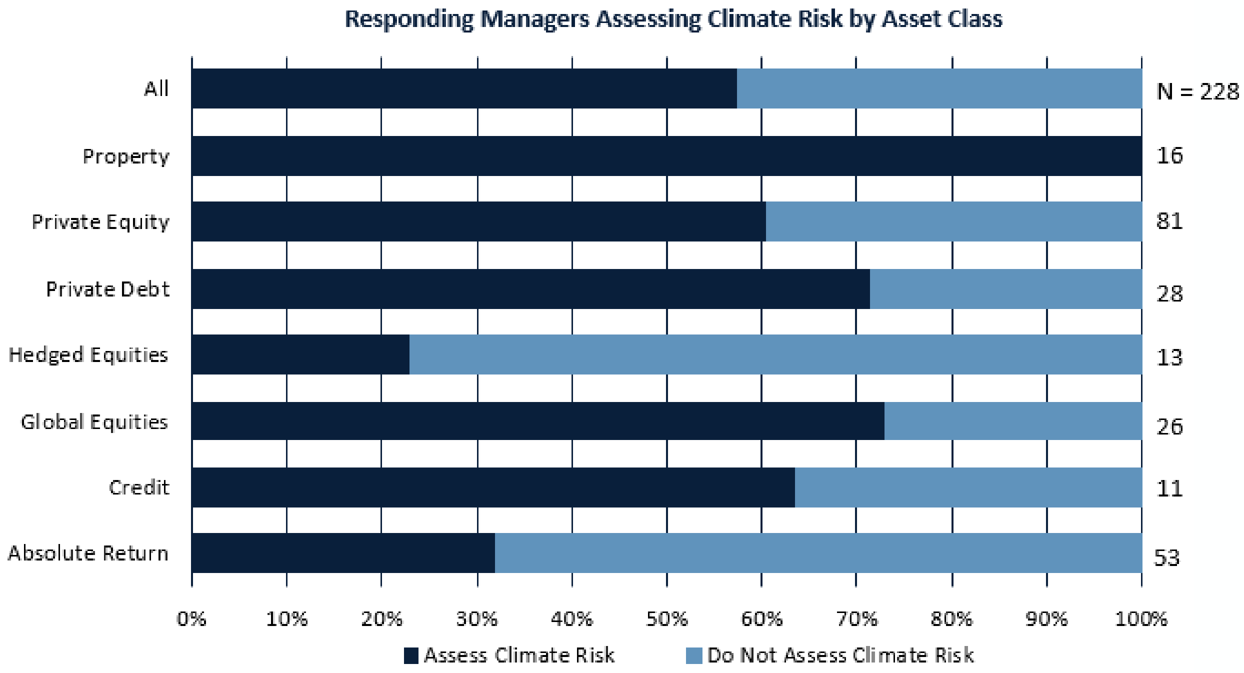


Exhibit 4:

Private Debt Case Study:

As a private debt manager, Manager A has embedded ESG factors, including climate risk into their investment process. The firm begins by screening out high-risk sectors such as oil and gas and coal, aligning its investment universe with climate-conscious criteria. For companies that pass this screen, Manager A performs an ESG risk assessment during due diligence, incorporating climate-related risks where relevant. These risks are flagged using a traffic light system and discussed at investment committee meetings to determine materiality and impact on creditworthiness. The firm uses industry tools like the materiality map originally provided by the Sustainability Accounting Standards Board (SASB), now being maintained by the International Sustainability Standards Board (ISSB), to guide climate-related risk identification based on sector. In select cases, Manager A structures ESG-linked financing with pricing incentives tied to climate performance metrics, reinforcing its commitment to measurable outcomes.

Exhibit 5:

Private Debt Case Study: Portfolio Company Engagement to Reduce Carbon Emissions
Portfolio Company Y produces and distributes a variety of industrial gas products to onsite and retail/merchant customers. Since investment by a Private Debt Manager, Portfolio Company Y has executed several initiatives to improve energy efficiency and reduce waste. Energy consumption and energy efficiency has improved year-on-year since 2017. The firm aims to further decrease energy consumption by 3% p.a. 85% of water consumption used for cooling is now recycled. New waste management policies have also been implemented to reduce the firm's environmental impact.

Clients

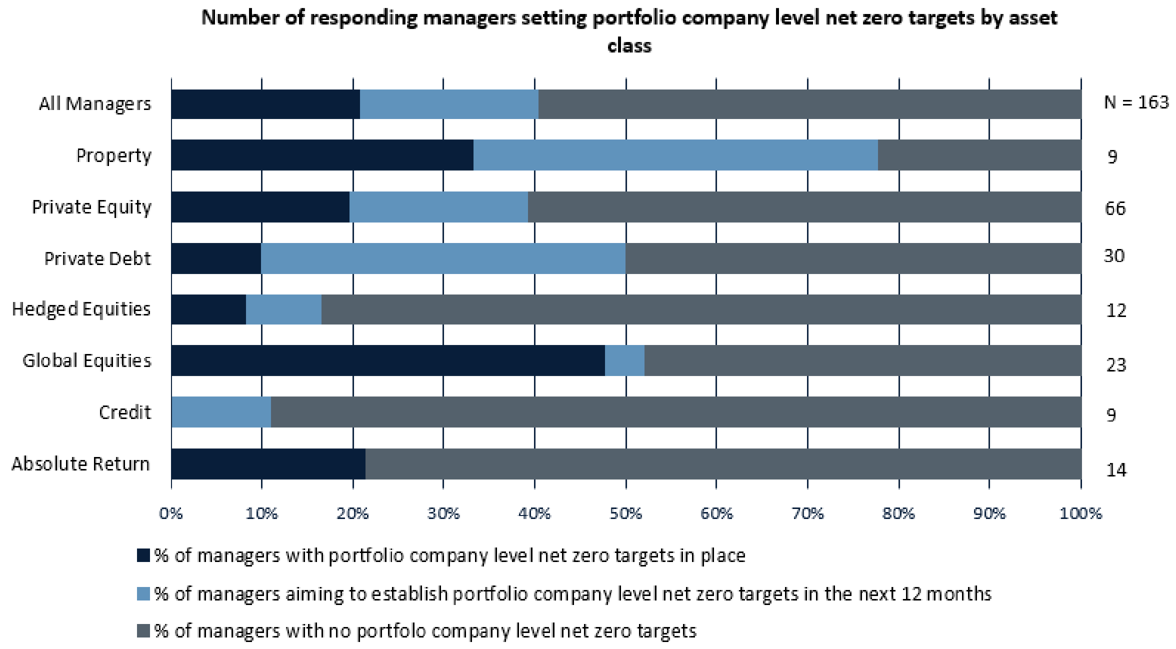
Partners Capital's Sustainable Investing Policy outlines a value-driven approach to integrating sustainability risks into our investment process. It reflects our belief that evaluating how third-party asset managers incorporate ESG considerations, including climate change-related factors, engaging with them to raise standards, and allocating capital to impactful opportunities can lead to stronger long-term investment outcomes for our clients, while also benefiting society and the environment. Our policy is rooted in our core beliefs, which guide our mission to deliver superior long-term results. We recognize that some clients may hold specific sustainability and climate change values. For those clients, we are committed to developing tailored sustainable investment policies and building portfolios that reflect and align with their individual preferences. Examples of customization include creating dedicated allocations to energy transition themes or working with managers to develop net-zero strategies and emissions reduction targets. Where clients set specific sustainability objectives, Partners Capital actively monitors performance against these goals to ensure transparency and accountability.

2. Path to Net Zero

Manager Net Zero Commitments and Carbon Reduction Targets

A key part of our climate change strategy rests on assessing managers approaches to climate change and related risks, as outlined in the Risk Management section of this report. Therefore, we continue to assess whether our managers have net zero pledges in place or not. Since Q3 2023 through 2024, we have assessed 163 managers. At the time of the responding to the survey, 21% had net zero targets in place with Property and Global Equities managers most likely to have targets in place at 33% and 48%, respectively. At the time of responding, 20% of managers indicated that they aim to establish portfolio level net zero targets in the next 12 months and c. 60% had no portfolio company level net zero targets in place currently.

Exhibit 6:



We will continue to assess managers' approaches to climate change risk assessments and target setting going forward. However, given the pushback on ESG in general and climate-related matters in particular in some jurisdictions, we are expecting a slower progress of managers establishing credible carbon reduction targets. Nevertheless, where applicable and relevant, we will aim to continue engaging with managers on these topics in order to help them improve their climate-related risk management practices.

B) Client Decarbonisation Transition Plans

Investors are still in the early stages of building multi-asset portfolios that contribute meaningfully to net zero or net negative emissions. Reaching this goal requires thoughtful, long-term planning and a balance between climate ambition and financial performance. A key decision when assessing decarbonisation opportunities is whether to reduce emissions by divesting from high emitters or by investing in climate solutions. While divestment offers a quick emissions reduction, investing in climate enablers delivers more enduring impact.

We believe that going forward, high-potential investment areas include carbon capture, green hydrogen, energy efficiency software, and carbon removal technologies. These companies often have net negative emissions and are essential to decarbonizing hard-to-abate sectors like steel, cement, and energy. However, many of these technologies are still early-stage and may carry higher investment risk. When interested, we guide clients to gain access to this theme gradually, aligning allocations with the maturity of each technology. This approach allows clients to contribute to climate goals while mitigating risk. Investing in climate solutions is not only a lever for portfolio decarbonization but also a strategic opportunity to gain exposure to the energy transition.

3. Investing in Climate Solutions

We believe that the allocation of capital into climate solutions forms an important part of a credible net zero investment approach. While sourcing investments that deliver both uncompromised returns and clear, meaningful environmental benefits is challenging, the energy transition remains a key focus area as climate change is the biggest sustainability challenge worldwide, with a growing gap between ambition and reality.

We have made more than $500M of environmental impact-focussed Private Equity commitments since 2022, primarily investing behind the energy transition and across our core focus areas of private equity buyout, venture capital and infrastructure. The program's largest allocation is in the waste sector driven by sizeable commitments to a few managers focused on resource efficiency followed by the energy sector. The energy sector, which encompasses electricity generation and distribution, is benefitting from attractive underlying dynamics and tailwinds, with the rapid increase in data center buildout expected to drive step-change growth in electricity demand. Meanwhile, allocations to the industry and transport sectors are generally proportional to their contributions to global emissions. We note that as the underlying managers continue to deploy capital, these allocations will change over time.

4. Operational Approach

Partners Capital is supportive of the UK's net zero target, where the government committed to a 100% reduction of greenhouse gas emissions by 2050 compared with 1990 levels. Partners Capital has made progress on net zero as a firm and in 2024 we continued to work with Carbon Footprint Ltd, a UK-based environmental consultancy, to calculate and offset our operational carbon emissions for 2023. The project covered direct emissions associated with our operations, i.e., heating, electricity, and travel (Scope 1 and 2 emissions), and the indirect emissions from staff commuting and our purchased goods and services (i.e., emissions associated with electrical equipment purchases or legal advice, Upstream Scope 3 emissions).

Our 2023 carbon footprint is 7% higher than 2022 and with an estimated 2,161 tonnes CO_2e for 2023 vs. 2,012 tonnes CO_2e for 2022. The increase from the previous year is predominately driven by a return to normality and business travel post COVID. Further, the firm has experienced an increase in headcount by 11% since 2022. Scope 1 and 2 emissions continue to fall as Partners Capital continues to reduce overall electricity consumption despite an increase in overall headcount.

Partners Capital neutralized our 2023 operational carbon footprint by purchasing carbon offsets. We offset 2,620 tonnes of emissions, primarily through carbon avoidance offsets by selecting three "Gold Standard" certified projects. The firm chose three projects: a wind power project based in India, a safe water project based in Zambia, and a renewable solar project based in India. These projects were selected based on perceived positive social and environmental impact as well as cost.

In addition to being operationally carbon neutral, carbon emissions measurement and reduction is an engagement topic we discussed with several managers in 2024. Partners Capital engages with managers to provide information on various carbon footprint providers, with the aim to help them measure and offset their own operational carbon footprint.

Exhibit 7:

Metric	2022	2023	% change on previous year
Scope 1 & 2 GHG emissions (tonnes)	94.0	48.4	-48.5%
Scope 3 GHG emissions (tonnes)	1,918.4	2,113.0	10.1%
Total GHG emissions (tonnes)	**2,012.4**	**2,161.4**	**7.4%**
Tonnes of CO_2e per employee	**6.3**	**6.1**	**-2.9%**

4) Risk Management

This section summarises Partners Capital's processes for identifying, assessing and managing climate-related risks. We have adopted a two-pronged approach that focusses on 1) the asset managers that we work with and 2) our client investment portfolios.

1) Third Party Asset Managers

A) Identification and Assessment of climate-related risks

Climate change poses both risks and opportunities to investors across asset classes, and we remain committed to incorporating ESG and climate considerations into our manager selection process.

Partners Capital's assessment begins during the active due diligence phase, with the help of the proprietary Partners Capital Asset Manager ESG Integration Survey. Every manager that moves into the final stage of our due diligence process is asked to respond to our ESG Survey. This process supplements the high-level information that our Asset Class research teams would have gathered in their initial due diligence of the manager. Once the key sustainability risks, including climate change risks, have been identified and assessed, these are included in the materials for the Investment Committee. In the instance where the Asset Class research team has been unable to obtain sufficient information on the manager's ESG practices in time for the meeting, the Sustainable Investing Team will conduct further due diligence and include their assessments in the investment committee materials as soon as possible thereafter. For ongoing monitoring purposes, Partners Capital sends the Asset Manager ESG Integration survey at least biennially to the majority[3] of the asset managers we work with to stay abreast of our managers' ESG integration approaches.

[3] Covering over 70% of our AUM, with excluded managers primarily due to legacy manager positions, manager confidentiality sensitivities and when ESG integration is not relevant to a particular strategy.

Exhibit 8:

Stage	How sustainability risks are integrated in the manager selection process
Initial Due Diligence	• Asset Class research teams, where reasonably practical seek to gather high level, but critical firm/fund-level information on key ESG areas. This includes whether policies are in place, the extent to which investment tools are used to identify sustainability risks such as data providers and materiality frameworks, and any engagements with portfolio companies on these topics.
Active Due Diligence	• When a manager moves to active due diligence, the Sustainable Investing Team undertake a comprehensive evaluation of their ESG practices through our proprietary Asset Manager ESG Integration Survey. • Assessments are made across all of our six core pillars of ESG integration, including climate change, and are included in Asset Class Investment Committee materials.
Asset Class Investment Committee Approval and Post-Approval	• Discussion of specific sustainability risks and opportunities during the Asset Class Investment Committee meeting if needed, with key details relayed to client teams. • The Sustainable Investing Team, where applicable, will engage with the manager on specific approaches where the manager appears to be lagging.

In the active due diligence phase, we evaluate our third-party asset managers' ESG practices across six core pillars of ESG integration using the Partners Capital Asset Manager ESG Integration Survey. We consider climate change to be a systemic risk and therefore it represents a core pillar that is assessed across all asset classes in every manager due diligence.

1. Policies and Infrastructure

2. Due Diligence, Investment Decision-making and Portfolio Management

3. Climate Change

4. Diversity, Equity and Inclusion

5. Measurement and Reporting

6. Asset Class Specific Questions

We have four categorisations of ESG integration that we assign for each manager based on the survey responses, namely: Yet to Integrate, ESG Initiated, ESG Advanced, and ESG Leader. We have a qualitative scoring framework against which we use to score the managers and the classification process is designed so that managers are evaluated against criteria that are relevant to their asset class rather than taking a one-size-fits-all approach. An illustrative breakdown of each of our four categories is outlined in Exhibit 9:

Partners Capital

Exhibit 9:

Four tiers of ESG Integration	Public Equity, Liquid Credit, Private Equity, Private Debt, Real Estate	Absolute Return Hedge Funds, Commodities, Other Liquid Strategies
ESG Leader	• Meet criteria required to be "ESG Advanced" and also demonstrates strong differentiating factors, e.g. use of sustainability linked loans ("SLLs") where the manager links payable interest rates to company sustainability performance, or use of a proprietary framework for assessing ESG factors.	
ESG Advanced	• Highly integrated ESG resources and tools that result in an ability to generate differentiated insights on underlying portfolio companies, create value to the point of delivering competitive advantage and expectation of better societal outcomes. • Active ownership through engagement with portfolio company management teams. • Reporting to limited partners on ESG activities.	• Investment process incorporates ESG factors in decision making to the extent possible. • Reporting to limited partners on ESG activities. • Substantial internal policies procedures and initiatives to address the firm's environmental impact and effect on local communities.
ESG Initiated	• Have a clear ESG policy. • Clearly integrate ESG criteria into their investment decision making. • Engagement through at least proxy voting.	• Investment strategy focused on "doing no harm". • Firm's internal ESG policy focuses on the firm's impact on people and the planet.
Yet to Integrate	• Do not have an explicit ESG policy (firm or investment strategy). • Do not truly integrate ESG criteria into investment decision-making at a base level.	• Personnel and governance policies are below threshold.

As in previous years, we use information from each of the six underlying core pillars to arrive at the overall manager classification, with no one pillar more heavily weighted than another in the scoring framework. The "ESG Leader" classification is awarded to a manager that meets all the requirements of an ESG Advanced manager as well as additional differentiating factors. In recognition of the importance of climate specific risks to investment portfolios, we significantly enhanced the climate change section of our Survey over the last few years to be able to provide a more nuanced assessment to what extent our asset managers are assessing climate-related risks and whether they are committing to net zero targets (see Strategy section). Further, we are of the opinion that climate risks are of greater materiality to some managers than others depending on the sector and investment strategy of the Fund. For example, a Private Equity Real Estate manager will have climate risk assessment embedded into the investment strategy due to the physical, long-term nature of the underlying investments. Alternatively, a Hedged Equities manager with a high degree of portfolio turnover will not typically assess climate risk when considering an investment due to the short holding period.

Exhibit 10:

Case Study: Property Manager and the Integration of Climate Risk in the Investment Process

Property Manager B, which specialises in Data Centres, systematically accounts for the physical risks of climate change for all prospective and existing investments. Sustainability requirements are included for more than 50% of development projects/major renovations and the manager systematically incorporates ESG considerations into preparations for exit.

Manager B integrates considerations into its investment decision making and ongoing portfolio management, targeting sustainable growth amid rising energy and resource consumption in the data centre sector. Its Executive Sustainability Committee oversees initiatives like carbon reduction targets, renewable energy roadmaps, and a Supplier Sustainability programme. Aligned with frameworks such as the Carbon Disclosure Project (CDP), Task Force on Climate-Related Financial Disclosures (TCFD), and the Science-based Targets Initiative (SBTI), it commits to climate neutrality for EU data centres by 2030. Progress includes 66% renewable energy use globally in 2023 and systematic climate risk assessments.

Exhibit 11:

Case Study: Private Debt Manager and Climate Risk Mitigation

Private Debt manager C has a US Direct Lending vertical focused on sports, media and entertainment and is underwriting an investment in a series of tennis tournaments. During due diligence, the deal team flagged potential physical climate risks associated with the investment, given that each event operates for approximately two weeks per year at a single venue with exposure to catastrophic weather. The team then evaluated the potential severity of the climate risk posed to each event:

•Single site risk at the events is largely concentrated to matchday revenues (45% of revenue). Additionally, c. 90% of matchday revenues are sold in advance, and could be covered by insurance policies in place to cover losses.

•Stadium Sustainability: While both stadiums have favourable sustainability initiatives, the stadium involved in the matches has a commitment to reduce the facility's carbon footprint and sustains a high diverted waste percentage annually through various innovative sustainability efforts. The stadium has received the LEED Gold certification in acknowledgement of their holistic sustainability initiatives.

The deal team flagged single site risk in the ESG page and ensured that manager C conducted due diligence to ensure that the matches had proper insurance coverage to account for the losses posed by inclement weather.

B) Management of climate-related risks

In addition to assessing the climate-related risks that the asset managers with whom we partner face, we also seek to engage with asset managers on their approaches to sustainability-related risks, including climate change risks, where applicable. In 2024, Partners Capital engaged with 44 third-party investment managers, representing approximately $12.9 billion of our total assets under management (AUM)[4]. Recognising the absence of a uniform industry standard for the integration of environmental, social, and governance (ESG) considerations, our approach remains tailored and adaptive. Engagements are structured according to the specific characteristics of each manager's investment strategy, scale, and asset class exposure. While we have continued our engagement plan, we note that there has been more hesitancy recently, especially among US-based asset managers, who have increasingly cited the polarized US political climate and the SEC's stringent anti-greenwashing stance as barriers to advancing ESG efforts, a trend that has persisted into 2025.

As in previous years, our engagement framework operates on two levels: (i) direct engagement with our underlying managers on ESG and climate-related risks and opportunities; and (ii) monitoring the extent to which those managers engage with their investee companies on material ESG and climate factors.

Exhibit 12:

Partners Capital Climate Engagement with Private Debt Manager

We have had a series of engagements with Manager D, a US Private Debt manager, since 2023. The manager already had strong ESG processes and policies in place, with demonstrable integration of ESG factors in the investment process. However, we identified climate change as an area in which the manager could make further progress. We recommended the development of their climate risk assessment and measurement processes and encouraged the manager to engage with companies on climate and net zero. The manager appointed a Climate Strategy Lead to drive forward the firm's strategic priorities for climate. Carbon accounting became a core focus area and Manager D conducted a data provider evaluation exercise to help their carbon measurement. Following the onboarding of a central data platform, the manager has developed their emissions measurement process, significantly expanding their footprint for financed emissions. Over the last year, the manager has also formalised their decarbonisation engagement framework, which covers measurement, prioritisation, engagement, support and monitoring. Targets are identified based on emissions intensity and decarbonisation progress, and the program aims to provide practical resources to portfolio companies to support their climate action.

In addition to engaging with our asset managers, we are allocating capital in support of the global energy transition. While sourcing investments that deliver both uncompromised returns and clear, meaningful environmental benefit it is challenging, we view the energy transition as a key focus area for such opportunities (see Strategy section).

[4] Approximately 20% of total AUM.

2) Client Risk Management

Partners Capital customises investment portfolios based on a range of factors, including each client's risk tolerance, time horizon, liquidity needs, and overall objectives. Where clients express specific sustainability preferences, we work closely with them to design portfolios that reflect those values. The degree to which climate-related factors are integrated into a client's portfolio is therefore shaped by their individual sustainability priorities.

In addition to evaluating the quality and maturity of our manager's ESG integration approaches through our investment due diligence and ongoing monitoring, we provide customised climate-related reporting for clients when requested. This primarily involves carbon emissions reporting which we can provide for clients' public equity holdings, combining emissions data from a third-party ESG data provider with company-level data from our underlying managers. Exhibit 13 also illustrates an example where we estimate the carbon footprint of a client's total portfolio using a sector based estimation approach, by combining GICS sector carbon intensity data from a global equities index with the client's sector look through allocations.

Exhibit 13:

Sector	Scope 1 and 2 Carbon Intensity (tonnes CO2 / $M Enterprise Value)	Portfolio Exposure ($M)	Scope 1 and 2 Emissions (tonnes C02)	Contribution to Portfolio Carbon Footprint
Materials	365.6	$7.3M	2,678	43.5%
Utilities	336.5	$2.2M	734	11.9%
Energy	257.3	$4.7M	1,204	19.5%
Industrials	35.2	$19.0M	667	10.8%
Consumer Staples	30.6	$4.2M	129	2.1%
Consumer Discretionary	13.7	$10.8M	148	2.4%
Information Technology	17.0	$24.4M	416	6.7%
Communication Services	5.8	$8.1M	47	0.8%
Real Estate	4.9	$1.3M	6	0.1%
Financials	1.3	$15.5M	21	0.3%
Health Care	1.9	$57.7M	112	1.8%
Total		**$155.1M**	**6,162**	**100%**

5) Metrics and Targets

Partners Capital constructs tailored multi-asset class portfolios for its clients, allocating capital across both public and private markets, primarily via third party managers. These portfolios include a broad range of asset classes such as Public Equity, Private Equity, Private Debt, Absolute Return, Liquid Credit, and Real Estate. The accessibility and consistency of ESG and climate-related data differ notably between these asset classes and are further affected by the characteristics of the asset managers we engage with. While climate-related disclosure continues to evolve, considerable data and methodological limitations remain, particularly within private markets, though the overall availability and quality of information are gradually improving.

Approach

We are reporting on the following five key metrics as recommended by the TCFD framework: Scope 1, Scope 2 and Scope 3 GHG emissions, Weighted Average Carbon Intensity (WACI) and Carbon Footprint. More information on the definitions and calculation methodologies are included in the Appendix.

Data availability and quality remain critical challenges, particularly in asset classes outside of public markets. In public equities, coverage was historically limited to large-cap companies in developed markets, with data often self-reported and lacking standardization. Nowadays, however, emissions data coverage is becoming more mature, largely due to regulatory pressure and the expansion of disclosure frameworks, investor demand and corporate awareness of climate-related risks. Third-party data providers have also enhanced their methodologies for estimating emissions when disclosures are missing, although consistency and accuracy still vary.

In contrast, emissions data for private market investments, such as private equity and private debt, is significantly less accessible due to structural and operational challenges inherent to private investments. Private companies are not subject to the same reporting requirements as public firms and many lack the internal resources or expertise to measure and report emissions accurately. Encouragingly, there is growing momentum in the private markets toward better climate disclosure, driven by investor demand, emerging regulatory expectations, and initiatives such as the ESG Data Convergence Initiative (EDCI). Certain asset managers require portfolio companies to collect and report carbon data during ownership, often starting with Scope 1 and 2 emissions and are partnering with third party data platforms to support the effort. However, these efforts remain nascent, and we recognise that the data quality and methodologies adopted in private markets continue to lack consistency.

Certain assets, such as cash, government bonds, inflation linked bonds, Absolute Return funds with no directional sector exposure as well as Litigation funding strategies within Private Debt. are considered not applicable to our greenhouse gas emissions calculations. These assets equate to c. $11B and therefore have been excluded from the AUM for which we have TCFD metrics.

In Exhibit 14, we estimate the core TCFD metrics per asset class and at the aggregate level for those assets that we classify as in scope that we believe are relevant for the calculations, for which we have 86% coverage. We provide a description of the methodologies used across the different asset classes below.

Exhibit 14:

Asset Class	% Coverage of in Scope AUM	Scope 1 Emissions (Metric Tonnes)	Scope 2 Emissions (Metric Tonnes)	Scope 3 Emissions (Metric Tonnes)	Weighted Average Carbon Intensity	Carbon Footprint
Partners Capital	86%	989,596	308,168	14,343,842	73	33
Global Equities	44%	510,981	145,214	7,613,217	67	34
Private Equity	20%	180,996	84,172	3,155,467	65	30
Private Debt	10%	97,811	33,818	1,528,709	75	29
Absolute Return	4%	169,947	30,932	1,567,727	185	68
Real Estate	4%	2,279	7,380	82,662	50	5
Credit	2%	27,582	6,651	396,060	78	34

Methodology

Global Equities

Consistent with the greater carbon emissions data coverage for public companies, our public equity programme has the most data available. Most of our global equities data coverage (c. 80%) is through disclosed manager holdings, which we combine with carbon emissions data from companies sourced from Integrum ESG, our third-party ESG data provider. The information available through Integrum ESG is a combination of both disclosed company emissions data (actual) and their own estimates using average emissions data for companies in the same sector and region, where this data is not available (proxy).

Although our coverage of underlying holdings is high, for the proportion of assets where we had partial stock look-through information available for funds, we extrapolated the data for the remainder of the portfolio, assuming that the remaining fund holdings have the same carbon intensity as the known proportion of the public equities programme (c. 15%). Where we had no stock-look through available for funds, we linked sector exposure[5] data to GICS sector carbon intensity data from MSCI ACWI Index (c. 5%). There is a large confidence interval around this approach, but we believe this is the most accurate estimate we can share currently based on the data that we have available.

Other Asset Classes

For the remaining core asset classes, namely Private Equity, Private Debt, Absolute Return, Liquid Credit and Real Estate, we have used a GICS sector-based estimation approach to estimate the relevant carbon metrics.

[5] Sector exposure data is at a range of dates between 1 January 2024 and 31 March 2025, based on availability of data.

- Private Equity: Given the aforementioned climate change data coverage issues in private markets, especially for small and mid-cap companies, we have used a sector estimation approach by assuming the same sector-level carbon intensity as the MSCI ACWI global equities index. Of the assets covered, 80% is based on sector estimates using look through holdings data, with the remaining 20% based on fund level sector information based on manager reports.

- Private Debt has similar data coverage limitations, which remain low compared to public markets. There are also various sub-strategies within Private Debt where we believe collecting carbon information is less relevant and therefore have omitted those from our calculations. For example, litigation funding strategies typically involve financing legal claims or proceedings, which are not linked to physical assets or operating businesses and thus have no clear emissions profile.

- Absolute Return is comprised of funds that are uncorrelated to traditional asset classes such as public equities and span multiple different types of strategies. Estimating the carbon emissions associated with certain strategies, such as multi-strategy funds and fixed income relative value to name a couple is methodologically complex and we believe provides results of limited interpretive value. These strategies typically involve frequent trading across a wide array of liquid instruments, many of which are held for short durations and may not represent long-term ownership or financing of underlying entities. In addition, apportioning emissions associated with derivatives and short positions contributes to the data issues within the asset class. Therefore, we have continued to estimate the carbon metrics for only a subset of funds, most notably fundamental equity long / short strategies, where we believe sector information is more relevant, and have used the sector-based estimation approach outlined above but focussing only on long exposures.

Like the sector-based estimation approaches above, our Liquid Credit and Real Estate exposures have been calculated using proxy GICS Sector intensities based on the MSCI ACWI benchmark.

Targets

We recognise the importance of climate-related risks and opportunities in the investment landscape and their financial implications. We are able to monitor climate metrics such as carbon footprint, weighted average carbon intensity (WACI) and exposure to high-carbon sector across our investment strategies where data is available which inform our broader understanding of climate risks.

However, we do not currently set any climate-related targets such as portfolio-level emissions reduction targets for our proprietary pooled vehicles. This reflects the bespoke and multi-asset nature of our investment solutions, which are tailored to the diverse objectives and beliefs of our global client base. Our clients often hold their own values, policies and objectives when it comes to sustainability and therefore, we prioritise flexibility and client alignment over a uniform application of climate targets across pooled vehicles.

Conclusion and Outlook

The Weighted Average Carbon Intensity and Carbon Footprint metrics at the aggregate level[6] for the assets in scope of our analysis are broadly in line with what was reported in our 2023 report. We note that these figures should continue be interpreted cautiously given the underlying estimations that have been made with therefore large confidence intervals around the provided figures. Compared to a global equities index, these remain lower than MSCI ACWI (73 vs 109 metric tonnes CO2 per $1M of sales, and 33 vs 45 metric tonnes CO2 per $1M invested, respectively), despite the lower metrics for the index following strong relative performance of technology stocks, which tend to exhibit lower carbon intensities and the weaker performance of more emissions-intensive sectors such as energy.

Exhibit 15:

Asset Class	Weighted Average Carbon Intensity	% Change on Previous Year	Carbon Footprint	% Change on Previous Year
Partners Capital (2023)	71	-[7]	34	-
MSCI ACWI (2023)	120	-	49	-
Partners Capital (2024)	73	+3%	33	-5%
MSCI ACWI (2024)	109	-9%	45	-8%

However, it is worth noting that there are significant variations in the results by asset class. We continue to focus on allocating capital to software and healthcare sectors especially within our Private Equity programme, which typically have lower carbon intensities. Given the methodology used, the estimated carbon metrics will also be heavily impacted by changes in asset managers' underlying sector exposures. We would also highlight that there will be some differences attributable to changes in ESG data provider that we made that underlie the estimations between the 2023 and 2024 reports, with slight variations in estimation methodologies between the two.

Going forward, we expect that there will remain differences across jurisdictions. For example progress in the US will depend on whether the US Securities and Exchange Commission's (SEC) rules requiring public companies to disclose climate-related risks are reinstated, having been adopted in March 2024 but withdrawn in March 2025. We continue to engage with our asset managers on climate, aiming to drive improvements in their carbon accounting practices and climate data collection processes. We also aim to promote active stewardship, whereby managers not only improve their own reporting capabilities but also work with their underlying portfolio companies to build the necessary infrastructure for carbon measurement and disclosure. Over time, we expect this collaborative approach to not only improve transparency and enhance emissions data coverage, but also enable more effective climate risk management across portfolios.

[6] Weighted Average Carbon Intensity and Carbon Footprint are the most appropriate metrics for year-on-year comparison as they normalize emissions relative to investment exposure.
[7] Partners Capital produced its first TCFD report in 2023 and therefore there are no comparisons to the year prior.

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6) PCLLP Annex

Compliance Statement

Our group level approach to each of the TCFD's recommendations does not deviate per entity. As such, the disclosures in this Report have been drafted to reflect our group level approach and activities in relation to climate-related risks and opportunities for 2024. To ensure compliance with the climate related disclosure requirements in Chapter 2 of the FCA's ESG sourcebook, we have indicated within this Annex the climate related metrics and targets data with respect to our UK entity, PCLLP.

The Report has been prepared to apply the TCFD Recommendations to the PCLLP's assets under management, including where the PCLLP acts as investment manager or investment advisor in respect of its client portfolios. This Report encompasses all the investment advisory activities of PCLLP, which are included in the Firm's AUM.

Partners Capital is a global business and the full report addresses our global AUM base accordingly. However, for the purposes of TCFD reporting, the estimated emissions of PCLLP are also illustrated in Exhibit 16.

Exhibit 16:

Asset Class	% Coverage of in Scope AUM	Scope 1 Emissions (Metric Tonnes)	Scope 2 Emissions (Metric Tonnes)	Scope 3 Emissions (Metric Tonnes)	Weighted Average Carbon Intensity	Carbon Footprint
Partners Capital	92%	323,477	93,623	4,624,382	77	35
Global Equities	43%	139,213	39,235	2,335,986	61	35
Private Equity	21%	54,903	24,764	935,425	69	31
Private Debt	12%	29,594	10,566	441,257	74	27
Absolute Return	7%	88,840	14,090	729,657	230	80
Real Estate	5%	657	2,126	23,816	50	5
Credit	4%	10,270	2,843	158,241	67	29

Will Jagger, Partner

Partners Capital LLP

7) Appendix

Data point	Definition / methodology
Scope 1 GHG emissions	**Direct GHG emissions –** These occur from sources that are owned or controlled by the investee company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment.
Scope 2 GHG emissions	**Electricity indirect GHG emissions -** Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the investee company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.
Scope 3 GHG emissions	**Other indirect GHG emissions -** Scope 3 is a reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the investee company, but occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services.
WACI: Weighted average carbon intensity	Portfolio's exposure to carbon-intensive companies, expressed in tons CO2e / \$M revenue. The formula can be expressed as: $$\sum_{n}^{i}\left(\frac{\textit{current value of investment}_i}{\textit{current portfolio value}} * \frac{\textit{issuer's Scope 1 and Scope 2 GHG emissions}_i}{\textit{issuer's \$M revenue}_i}\right)$$
Carbon Footprint	Total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tons CO2e / \$M invested. The formula can be expressed as: $$\frac{\sum_{n}^{i}\left(\frac{\textit{current value of investment}_i}{\textit{issuer's market capitalization}_i} * \textit{issuer's Scope 1 and Scope 2 GHG emissions}_i\right)}{\textit{current portfolio value (\$M)}}$$

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