JUPITER

TCFD GROUP REPORT 2023

JUPITER FUND MANAGEMENT PLC

INTRODUCTION

We recognise the urgent need to accelerate the transition towards a low-carbon economy. We support the objectives of the Taskforce on Climate-Related Disclosures (TCFD) and have been voluntarily reporting against the TCFD framework since 2017.

In our first standalone TCFD Report, we aim to provide our shareholders, clients and other stakeholders with an update on how we are aligning our activities with the goals of the Paris Agreement.

We consider climate-related risks and opportunities both in terms of our direct operations and our investments. This report sets out how we incorporate climate considerations into our governance, strategy, risk management, and metrics and targets.

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TCFD REPORT

OUR CLIMATE COMMITMENT

We published our Jupiter climate strategy in our 2022 Sustainability Report, available on the Company's website at www.jupiteram.com. The climate strategy sets out our near-term 2030 and long-term 2050 net zero targets and the actions we are taking across three climate pillars.

Our operations

We are committed to achieving net zero by 2050 at the latest, which we define as a 90% reduction in Scope 1 and 2 emissions against a 2019 baseline with residual emissions balanced through carbon offsets or removals. We are exploring options to include Scope 3 non-financed emissions categories in our operational net zero targets.

Investments

Financed emissions form the largest part of our footprint. We believe that a transition towards a low-carbon economy is in the long-term interests of our clients and our investment performance. We use our influence as an investor through stewardship and active ownership to encourage companies to identify, manage and mitigate climate change risks. We joined the Net Zero Asset Managers (NZAM) initiative in 2021.

CONSISTENCY WITH TCFD

This report is intended to supplement the summary disclosures on pages 44-47 of the 2023 Annual Report and Accounts. Disclosures have been prepared in accordance with FCA Listing Rule 9.8.6R(8).

This report follows the TCFD recommendations and considers the Supplemental Guidance for the Financial Sector.

We do not yet consider our reporting to be fully consistent with the TCFD recommendations and the sector guidance. In the below overview, we provide transparency on the current level of consistency of our disclosures and our approach to address current gaps in our reporting.

TCFD OVERVIEW

Described in the following sections of this report, we have identified measures to further incorporate the consideration of climate risks and opportunities into our governance, strategy, risk management and metrics and targets, which will enable more consistent TCFD reporting in future years.

TCFD recommended disclosures	Consistency in Jupiter disclosures	References	Actions to improve disclosure
Governance			
a) Describe the Board's oversight of climate-related risks and opportunities.	Fully consistent	*2023 Group TCFD Report* – *Governance pillar (pages 4-5)* *2023 Annual Report and Accounts:* – *Governance at a glance (page 72)* – *Governance framework (page 80)* – *Board activities (page 82)*	
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Fully consistent		
Strategy			
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Fully consistent	*2023 Group TCFD Report* – *Strategy pillar (pages 6-9)*	• We are considering how to effectively integrate climate-related risks and opportunities into our ongoing financial planning and scenario analysis and expect to report the process we are undertaking in the 2024 Group TCFD Report. • We are developing our approach to scenario analysis and expect to report Group-level impacts under different scenarios in the 2024 Group TCFD Report.
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Partially consistent		
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Partially consistent		

TCFD OVERVIEW CONTINUED

TCFD recommended disclosures	Consistency in Jupiter disclosures	References	Response
Risk management			
a) Describe the organisation's processes for identifying and assessing climate-related risks.	Fully consistent	*2023 Group TCFD Report* – *Risk management pillar (pages 10-11)* *2023 Annual Report and Accounts* – *Risk management (pages 64-69)*	
b) Describe the organisation's processes for managing climate-related risks.	Fully consistent		
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Fully consistent		
Metrics and targets			
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially consistent	*2023 Group TCFD Report* – *Metrics and targets pillar (pages 12-13)* *2023 Annual Report and Accounts* – *Managing our operational emissions (pages 41-43)*	• TCFD entity and product reports for in-scope funds will include forward-looking metrics under different climate scenarios. These reports relate to the FCA's enhanced rules on climate-related disclosures and will be available on the Company's website at www.jupiteram.com in the first half of 2024. • Weighted average carbon intensity (WACI) data will be disclosed in forthcoming TCFD entity and product reports for in-scope funds.
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	Partially consistent		
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Fully consistent		

CAUTIONARY NOTES

External methodologies, our internal data processes and our approach for climate-related data continue to evolve. This may lead to changes in our metrics and our reporting of progress in future periods.

In the first half of 2024, we will publish TCFD reports for in-scope entities and products in accordance with the FCA's enhanced rules on climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers. TCFD entity and product reports will be available on the Company's website at www.jupiteram.com.

GOVERNANCE

BOARD AND BOARD COMMITTEE OVERSIGHT ON CLIMATE-RELATED ISSUES

The Board has set and implemented an effective governance framework to help promote the success of the Company for the benefit of all its stakeholders. The day-to-day management of the Group is delegated to the Chief Executive Officer, with the exception of matters specifically reserved for the Board's decision and any matter which is the subject of a delegation to a committee of the Board.

Strategy

The Board has ultimate responsibility for the Group's strategy including sustainability and climate. The Group's sustainability and climate strategy, and progress against elements of the strategy, are reviewed twice yearly by the Board on a pre-defined schedule. This took place in May and October in 2023.

Climate-related activities and outcomes considered by the Board during these meetings included:

- Approving revised operational net zero targets, including a near-term 2030 target;
- Reviewing and challenging the Group's plans to decarbonise the Group's operations;
- Reviewing the programme to comply with enhanced TCFD reporting for asset managers;
- Reviewing the requirements for climate transition plans;
- Challenging and agreeing the Group's sustainability-related risks; and
- Considering progress against the Group's sustainability strategy and voluntary initiatives.

Risk

Sustainability and climate-related risk is overseen by the Audit and Risk Committee. The Audit and Risk Committee is accountable for reviewing the effectiveness of the Group's risk management and its internal control systems. 2023 activities included receiving and reviewing regular updates on progress on these matters, and challenging action plans to ensure all improvements related to internal controls were delivered and implemented on a timely basis.

The Audit and Risk Committee provides formal governance for the Group TCFD Report and, from 2024, it will approve all external sustainability reporting.

Executive remuneration

The Remuneration Committee considers a number of environmental measures as part of its qualitative assessment when reviewing annual performance, including progress towards our net zero targets for operations and investments.

Sustainability, including climate change, was one of several corporate strategic performance metrics assessed as part of the Executive Directors' overall performance in 2023. All strategic performance measures comprised 25% of the Executive Directors' bonus metrics within the balanced scorecard.

In 2024, progress towards meeting our operational net zero targets, described on page 7, will be included as part of the sustainability criteria in the balanced scorecard for assessing the Executive Directors' overall performance and determining bonus outcomes.

Enhancing Board expertise

Our offshore regulated entity Boards received formal ESG and sustainability training from an external specialist in February 2023 that focused on sustainability frameworks for fund service providers and ESG skills for directors. UK regulated entity Boards received updates and took part in workshops throughout 2023, covering topics such as sustainability in the investment process, first line and second line oversight of ESG commitments and implementation of ESG regulations and guidelines.

SUSTAINABILITY AND CLIMATE GOVERNANCE AND MANAGEMENT'S ROLE

Sustainability governance

We made changes to our management committees in 2023 to enhance the focus and efficiency of governance and management structures. As part of this re-structure, we considered the roles and responsibilities of each committee and how corporate sustainability matters were considered across the Group. Further to this review and reflecting the fact that sustainability matters are now integrated across the Group's activities, we have transferred the responsibilities of what was the Sustainability Committee to various governance and management committees, aligned with each committee's core activities. For example, sustainability reporting is now reviewed by the Group's Audit and Risk Committee, our Operating Committee takes responsibility for the decarbonisation of our operations, and our Strategy and Management Committee is responsible for the Group's corporate sustainability strategy.

Overseen by the Operating Committee, our operational decarbonisation strategy involves implementing a series of energy-saving initiatives. The strategy is delivered by a working group consisting of representatives from IT, facilities, procurement, and corporate sustainability teams. The corporate sustainability team is responsible for annual emissions reporting and quarterly emissions monitoring, which forms part of our mandatory disclosure requirements and is used to track progress against our targets.

Responsible investment governance

The Investment Oversight Committee (IOC) has within its remit accountability for stewardship and active ownership across the investment teams. The IOC reports to the boards of Jupiter Asset Management Ltd and Jupiter Investment Management Ltd, the Group's regulated investment management entities.

In 2023, we established the Responsible Investment Forum (RIF) which reports into the IOC and sits alongside the Investment Review Forum (IRF). The RIF, when requested by the IOC, reviews and opines upon the eligibility of specific investments for mandates which operate restrictions based on frameworks such as the United Nations Global Compact (UNGC) or controversial business activities. In addition, the RIF reviews the use of future proprietary ESG frameworks and methodologies, as applicable to our investment processes to ensure they are fit for purpose.

The IRF, which also reports into IOC, has a broader remit focusing on investment performance and risk management. Within the context of ESG and sustainability, the IRF reviews ESG risk, net zero commitments, UNGC violators as well as monitoring voting and company engagement activities across investment strategies. If required, matters are escalated to, and overseen by, relevant boards and committees within the Group's governance structure.

In 2023, we reorganised the structure of our sustainability and stewardship team. A new ESG research and integration (ESG R&I) function was created to sit alongside stewardship and corporate sustainability. The ESG R&I team is responsible for ESG research, thought leadership and oversees ESG integration across investment strategies. The stewardship team is responsible for active engagement and our stewardship strategy and execution.

MANAGEMENT COMMITTEES AND FORUMS

Name	Chair / Head	Example of involvement in climate-related activities
Strategy and Management Committee	Chief Executive Officer	• Recommends the Group's corporate sustainability strategy and oversees the delivery thereof, including the climate strategy, and reviews progress against targets including key performance indicators.
Risk and Compliance Committee	Chief Financial and Operating Officer	• Reviews climate-related risks and opportunities material to the Group. Reviews the ESG risk management process that supports the business in identifying, measuring, monitoring and ultimately managing ESG risks.
Operating Committee	Chief Financial and Operating Officer	• Oversees implementation of the operational decarbonisation plan and reviews progress towards meeting Scope 1 and 2 operational net zero targets.
Investment Oversight Committee	Head of Fixed Income and Head of Equities	• Oversees the stewardship role of the investment manager, with respect to the integration of ESG factors into the investment process in particular. Monitors stewardship activities as reported by the ESG R&I and stewardship teams through the IRF, by reviewing voting and engagement records, sustainability-related disclosures and accompanying regulatory risk and other relevant stewardship matters.
Investment Review Forum	Investment Business Manager	• Reviews portfolio-level ESG risk, net zero alignment, and UNGC violators and other applicable metrics for Jupiter products.
Responsible Investment Forum	Head of ESG Research and Integration	• Reviews and decides upon exceptions and overrides, approves the use of future ESG frameworks and methodologies.

STRATEGY

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Time horizons

When considering climate risks, we use the following time horizons:

- Short-term as less than three years.
- Medium-term as three to 10 years.
- Long-term as 11+ years.

These time horizons are aligned with our near- and long-term net zero targets.

Materiality

Our enterprise risk assessment approach uses ratings from 'low' to 'very high' to differentiate between the materiality of risks and to help escalate and prioritise actions.

Our materiality matrix contains five impact assessment categories; financial, client, regulatory, reputational and operational to ensure that we are considering the different impacts we could see from a risk crystallising. In the event that an ESG-related risk is identified, such as greenwashing or regulatory risk, appropriate controls are implemented based on this risk-based approach.

Further detail on our risk approach can be found in the Risk Management section and on pages 64-69 of the 2023 Annual Report and Accounts.

Risks and opportunities

The table below sets out our material climate-related risks and opportunities. We have arrived at these risks and opportunities through functional input from the corporate sustainability, ESG R&I and risk teams. The Risk and Conduct Committee reviewed and challenged the risks and opportunities in advance of the publication of this report.

Risk type	Risk and opportunities	Timeframe	Impact
Transition risks			
Policy and legal	Exposure to litigation	ST MT LT	Failure to adequately prepare for the transition to a low-carbon economy resulting in: • Financial penalties of non-compliance; • Litigation from investors and other stakeholders; or • Reduced demand from clients.
Market	Changing client behaviour	MT LT	Changes in client preference resulting from increased awareness of transition risks resulting in: • AUM impacts; or • Reduced revenue.
Reputation	Shifts in client preferences	ST MT	Misleading communications and/or regulatory non-compliance resulting in: • Regulatory enforcement; • Reduced demand for products; or • Outflows from products.
Physical risks			
Acute	Increased severity of extreme weather	MT LT	Portfolio companies could be negatively impacted financially and operationally by increased severity of extreme weather events resulting in: • Reduced valuation of investments; or • Stranded asset risk.
Opportunities			
Products and services	Shift in client preferences	ST MT	Increased demand for new or existing products which employ climate-focused strategies resulting in: • Increased revenue.

Time frame key

ST Short-term MT Medium-term LT Long-term

Climate-related risks and opportunities are managed through our climate strategy and risk management processes described in the following sections.

We are in the process of developing a standalone ESG risk register, which will enable us to better identify ESG risk, including climate risks, and agree measures, thresholds and indicators. It is likely that our climate risks and opportunities will be updated in future reporting once the ESG risk register is established.

CLIMATE STRATEGY

We published our climate strategy in 2023 in our 2022 Sustainability Report, which is available on the Company's website at www.jupiteram.com. The strategy sets out near-term 2030 and long-term 2050 net zero targets and the actions we are taking across three climate pillars. The actions support our management of climate-related risks and opportunities.

Carbon emissions from the investments we manage on behalf of our clients make up the vast majority of our footprint. We joined the NZAM initiative in 2021; as members, we are committed to supporting the goal of net zero GHG emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees.

Whilst our operational emissions are modest in comparison, we are committed to reducing our energy demand in line with the Paris Agreement.

Employee awareness and expertise

It is important we build employee awareness of, and expertise in, sustainability and climate-related issues in order to deliver our climate strategy. We partnered with a law firm in 2023 to deliver baseline firm-wide sustainability education. This covered a range of introductory topics including the Paris Agreement, regulatory sustainability disclosure requirements and greenwashing. In 2024, we will deliver a module-based sustainability training programme that is tailored according to functional needs.

Financial planning and stress testing

We adopt a bottom-up and top-down approach to identifying risks, described on pages 10-11 , which includes ESG and climate risks. We are considering how to effectively integrate climate risks and opportunities into our ongoing business stress-testing and scenario analysis.

STRATEGIC PILLAR 1: DECARBONISING OUR OPERATIONS

We have been a member of RE100 since 2017. With the exception of our Singapore office, all offices within our operational boundary either used renewable energy or were covered by renewable electricity certificates in 2023. We are committed to intensifying our approach to reduce energy consumption, as we recognise the global need to decarbonise.

Our approach

We undertook building assessments in 2022 and 2023 to identify energy-saving initiatives at our London office which accounted for 88% of our Scope 1 and 2 (location-based) footprint in 2022. These initiatives form the basis of our decarbonisation pathway and revised net zero targets which are described on page 13. Each initiative is categorised as low or high impact based on the expected emissions reductions that will be achieved, our degree of control and the ease of implementation.

An internal working group, consisting of representatives from facilities, corporate sustainability, procurement and IT teams, leads the implementation of our decarbonisation strategy and will report quarterly to the Operating Committee from 2024.

Progress in 2023

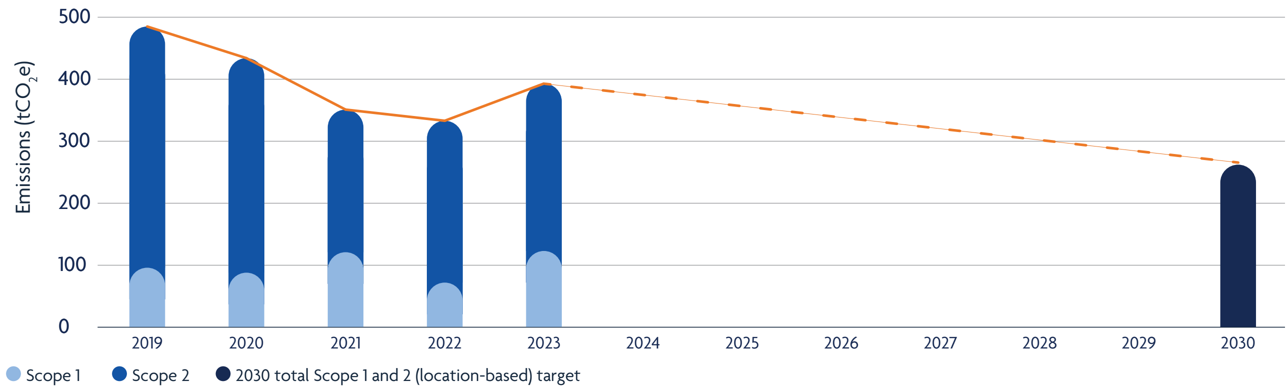
During 2023, examples of energy and emissions reduction initiatives at our London office include:

- Conducting an energy-savings assessment;
- Installing daylight-sensing systems to reduce our lighting usage;
- Reducing technology operation time (company printers and monitors);
- Removing perimeter lighting; and
- Turning off boilers from mid-July to October 2023 as recommended by our landlord due to warmer weather patterns.

During the second half of 2023, our electricity consumption reduced for six consecutive months compared with the same period in 2022, which we can attribute to energy-saving initiatives.

Although our 2023 Scope 1 and 2 (location-based) emissions increased by 18% from the previous year, we are still on track to meet our 2030 net zero target as we have decreased Scope 1 and 2 (location-based) emissions by 19% against our 2019 baseline.

Year-on-year progress towards our Scope 1 and 2 (location-based) near-term 2023 net zero target



The increase in our Scope 1 and 2 emissions (location-based) in 2023 was largely due to an increase in natural gas consumption at our head office in London, particularly during the first half of the year. As the gas usage at our London office is not sub-metered, our consumption is apportioned based on the floor area we occupy. We are working with the building's site engineer to further understand this increase and explore opportunities to measure our consumption more accurately. Longer-term, we are engaging with our landlord to implement alternative heating solutions, which is an important element of our net zero strategy.

Although not yet covered by our operational net zero targets, described on page 13, we monitor our Scope 3 emissions as part of our annual GHG reporting. We have been enhancing our Scope 3 emissions reporting to improve data quality, data coverage and calculation methodologies since 2021.

Emissions from Jupiter's business travel, including hotel stays, increased by 74% in 2023, primarily due to a 9% increase in flights and a 14% increase in distance travelled. This is in part a result of our strategic focus on growing our institutional business which has seen us service more global clients. The Operating Committee will consider opportunities to reduce the impact of our business travel in 2024.

STRATEGIC PILLAR 2: ACCELERATING PORTFOLIO TRANSITION

We believe that the transition towards a low-carbon economy is in the long-term interest of our clients and our investment performance. We use our influence as an investor through stewardship and active ownership to encourage companies to identify, manage and mitigate climate change risks.

Our approach

Our investment teams have the discretion to interpret portfolio climate risks and opportunities as appropriate for their asset classes and investment processes.

We expect that the transition to a more sustainable economy will not be linear or risk-free, and that both policy actions and inactions will influence the pace of the transition, how asset prices respond and the investment objectives of funds.

a) Identifying climate risks and opportunities

Our underlying approach is to seek to understand the climate risks and opportunities facing companies where relevant, including their alignment with net zero, through in-depth company research and analysis, assessment of sector trends and use of third-party data sets. Described as follows, we adopt additional approaches for portions of our AUM or specific strategies which are aligned with our core objectives.

b) Portfolio and asset alignment

As an NZAM member, we have set Group-wide alignment targets for our portfolio which are described on page 12. As of October 2021, 42% of our AUM is in scope of our Group-wide alignment targets, which consists of our fundamental, long-only, developed market equities and relevant Article 8 and 9 products.

In line with the Net Zero Investment Framework (NZIF), our approach is centred on increasing the alignment of our portfolio companies with net zero over time, using engagement to understand a company's readiness to implement climate-related changes, track progress against goals and demonstrate impact.

We have developed bespoke climate engagement scoring criteria for portfolios in-scope of our Group-wide alignment targets, which helps investment teams identify engagement priorities. The scoring is based on a range of criteria including an investee company's contribution to a portfolio's carbon footprint, our assessment of the company's net zero alignment and its management of climate-related risks.

c) Portfolio carbon intensity

Carbon intensity is a useful standardised market metric that can be used to monitor how investee companies are implementing their decarbonisation goals. For the AUM in scope of our Group-wide alignment targets, our objective is to improve the carbon intensity of portfolios relative to the sector through active stewardship. As an active manager, we do not automatically divest from or underweight carbon-intensive issuers. Where we believe we can have an influence, our objective is to undertake active engagement and use our proxy voting rights to encourage companies to decarbonise. Available on the Company's website at www.jupiteram.com, our stewardship reporting provides examples of our engagement with companies to support the transition to a low-carbon economy.

d) Climate solutions

Our environmental solutions strategy aims to contribute to tackling key environmental challenges such as climate change mitigation and adaptation alongside natural capital and biodiversity restoration, waste and pollution prevention and control, through allocating capital to environmental enablers and accelerators. The strategy invests in companies that address environmental and sustainability challenges by delivering a positive impact, directly or indirectly across six themes: clean energy; green mobility; green buildings and industry; sustainable agriculture and land ecosystems; circular economy; and sustainable oceans and freshwater systems. These themes present a multi-decade investment opportunity as companies address long-term challenges while generating both positive investment returns and measurable sustainability impacts.

Progress in 2023

We assessed the latest net zero alignment of over 700 investee companies according to the NZIF methodology, many of which are in scope of our Group-wide alignment targets, according to our NZAM commitments. The coverage of our proprietary net zero alignment database stands at approximately 1,200 companies as of year-end 2023.

Building from our database, we integrated NZIF alignment data onto our portfolio management system which has improved data consistency and transparency across oversight and monitoring functions, enhanced our reporting capabilities and improved our prioritisation of engagement targets.

In 2023, we undertook 291 ESG engagements, of which 98 were climate-related engagements. We will provide case studies demonstrating our engagement with companies on climate-related matters in our Stewardship Report, which can be found on our Company's website at www.jupiteram.com.

Use of scenario analysis

In 2023, we used MSCI's Climate VaR model as our scenario analysis tool to assess the exposure of our investments to climate-related risks and opportunities under different physical and transition scenarios. Scenario analysis is deployed on a discretionary basis by investment teams, the ESG R&I team and the risk team for selected funds.

In accordance with FCA PS21/24, we will be publishing forward-looking scenario analysis metrics for our in-scope entity and product reports in the first half of 2024. This analysis covers 'orderly transition', 'disorderly transition', and 'hothouse world' scenarios.

In the preparation of these TCFD entity and product reports, we have evaluated the forward-looking climate metrics we disclose for our investments. As a result, we have chosen not to report scenario analysis metrics in this Group TCFD Report to avoid inconsistency. We intend to report forward-looking metrics at Group level in our 2024 Group TCFD Report.

STRATEGIC PILLAR 3: STAKEHOLDER ENGAGEMENT

We recognise that we cannot achieve our net zero ambitions alone and we therefore work collectively with other investors and stakeholders to promote climate transition and shape climate-related policy and regulation.

Effective stewardship through collective engagement on climate issues enables us to learn from peers, share common objectives and actively contribute to climate-related industry debates and evolving regulation and policy.

We are active members of Climate Action 100+, an investor initiative which seeks to target collective action around a selection of the world's highest-emitting companies and co-ordinate shareholder engagement. Joining Climate Action 100+ has allowed us to play a lead role in collective engagement with investee companies on climate matters.

Progress in 2023

We joined Nature Action 100 as an investor participant in September 2023 and signed several baseline engagement letters sent to the initial 100 companies identified by the initiative. We have been assigned to the investor engagement groups for two companies and we look forward to engaging with them in 2024 on corporate actions required to protect and restore nature and ecosystems.

In September 2023, we publicly supported a letter to the UK Prime Minister, jointly drafted by the Institutional Investors Group on Climate Change, Principles for Responsible Investment and UK Sustainable Investment and Finance Association. The letter urged the Government to reconsider its intention to delay phase-outs of new internal combustion engine car sales, gas boilers and energy efficiency measures.

RISK MANAGEMENT

The Board and executive management are responsible for establishing and maintaining a strong risk management culture that embeds and supports a high level of risk awareness and a sound control environment. The Group has a comprehensive approach to identifying, monitoring, managing and mitigating risk.

Sustainability risk is one of seven key risks which we define as the failure to identify, assess, manage and report on ESG issues that could cause actual or potential material negative impacts on our core business activities.

The Group is exposed to various risk types in pursuing its business objectives which can be driven by internal and external factors. Understanding and managing these risks is both a business imperative and a regulatory requirement.

RISK MANAGEMENT APPROACH

The Group operates a three-tier risk governance framework, generally known as the Three Lines of Defence model, which distinguishes between risk management and risk oversight. This approach provides a clear and concise separation of duties, roles and responsibilities, and is described in detail on page 64 of the 2023 Annual Report and Accounts.

The Board has ultimate responsibility for oversight of the Group's risks and for determining the risk appetite limits within which the Group must operate. It delegates day-to-day responsibility of risk management and control activities to the Chief Executive Officer, supported by the Strategy and Management Committee and the Risk and Compliance Committee with oversight from the Audit and Risk Committee.

Our enterprise risk management policy describes the policy, framework and methodology that enables us to identify, assess, manage, monitor and report the enterprise risks to which we are exposed.

The differing risks faced by the Group are documented within our taxonomy and managed through the Group's enterprise risk management framework (ERMF) in line with risk appetite.

Sustainability risks can impact and manifest in a number of ways including financial underperformance, reputational damage and operational risks linked to climate change. The potential impacts of sustainability risks can therefore be understood through the assessment of our principal risks, leveraging inputs from teams and individuals from across the business.

Regulatory landscape

The compliance team is responsible for horizon scanning across relevant jurisdictions to identify sustainability-related requirements imposed by local financial regulatory authorities. Once published, proposals are tracked through the consultation phase to implementation. The implications of the regulatory change on the business are determined, and appropriate change management processes, including formal projects managed by Jupiter's change management team or less formal working groups where necessary, are put in place to ensure compliance.

A risk-based monitoring programme, which includes sustainability-related regulatory obligations, is operated by the compliance team to provide assurance to senior management regarding the ongoing operation and effectiveness of the control environment.

We also receive updates from advisers, industry bodies and other member organisations on forthcoming climate-related legislation that sits outside of financial regulatory authorities, such as the UK Government's Energy Savings Opportunity Scheme Phase 3.

Updates from external parties and from our legal teams are distributed to relevant functions. Our response to wider regulation is undertaken on a function-by-function basis with support from compliance, legal and company secretariat as appropriate.

ENTERPRISE RISK

Identifying and assessing enterprise risks

We adopt a bottom-up and top-down approach to identifying risks. The top-down risk assessments (TDRA) identify the Group's material enterprise risks and monitors their profile. It is informed by data and information pertinent to each risk category, which is used to assess the residual risk impact and the likelihood of the risk crystallising. The consolidated view of the Group's risk profile is presented to the Risk and Compliance Committee for its approval, before being presented to the Audit and Risk Committee.

The TDRA identified a number of ESG risks in 2023 which are being integrated into each function's risk register. These included risk of greenwashing, regulatory risk and ESG data risk.

The bottom-up identification and assessment of operational risk is performed by teams across the business via a risk and control self-assessment (RCSA). Enterprise risks are assessed on both an inherent and a residual basis, with ratings determined for potential impact and likelihood.

A number of ESG risks were identified via the RCSA in 2023, including risks related to our operational decarbonisation and the increased costs to the business. The Internal Capital Adequacy and Risk Assessment (ICARA) process, introduced by the Investment Firm Prudential Regime in 2022, supports Jupiter to further identify the potential material harms, including from ESG and climate, that could be caused during our ongoing and wind-down activities.

Managing enterprise risk

Sustainability risks are captured and managed within Jupiter's standard risk framework and control environment. Enterprise risks, included sustainability and ESG risks, are managed through the ERMF, although in 2024 our approach for ESG risk specifically is being augmented. Incident management processes are deployed in the event of inadequate or failed internal processes, people and systems or of external events. Once a risk is identified through an RCSA, the assessment identifies and monitors material risks and associated key controls by considering the operating environment, processes, roles and responsibilities as well as risk incidents.

INVESTMENT RISK

Identifying and assessing investment risk

Investment risks are identified and assessed by our investment teams with independent challenge provided by the second line of defence teams. Our investment teams use a variety of different tools which may include fundamental research or use of third-party ESG data vendors to identify and assess underlying climate risks in investment portfolios.

Insights are leveraged from our proprietary desktop tool, known as ESG Hub, which allows investment teams to apply multi-factor ESG screening to their investment universe and to build custom reports. Using third-party data sets, the tool provides a visualisation of value-at-risk under different climate scenarios. The use of climate value-at-risk analysis is being expanded in 2024 to capture a greater range of strategies and will improve the identification of specific climate risks across portfolios.

Managing investment risk

Investment process

Our investment teams analyse material ESG issues including climate risk identified by their investment processes, to ensure that we protect and enhance the value of our clients' investments to deliver risk-adjusted returns in line with mandates. Investment teams are supported by dedicated stewardship and ESG R&I teams that assist with asset monitoring, company research and proxy voting, as well as direct and collaborative engagement.

Investment risk oversight and controls

We expanded our centralised first-line control team and significantly increased the automation of a number of ESG data sets (proprietary and third party) in 2023. This team reviews climate and ESG commitments made by funds on an ongoing basis. Compliance monitoring teams have enhanced the number of automated controls in the order management system. For example, proprietary net zero alignment analysis of holdings and funds in line with NZIF is now available for first and second line oversight purposes.

Described on page 5, the IRF and RIF are responsible for further reviews and escalations relating to ESG risk and climate at portfolio level.

Product development and oversight

We continue to assess our products to ensure they meet client needs and expectations related to the transition to a low-carbon economy. Those funds which promote or have a specific climate impact agenda have climate measurement metrics which are monitored on an ongoing basis.

Company engagement and escalation

Thematic issues including climate change make up the criteria we use to determine our engagement priorities. We have developed a bespoke, in-house engagement plan for AUM in scope of our Group-wide net zero alignment targets. We encourage these investee companies to set Paris-aligned commitments and develop credible decarbonisation plans to set them on a net zero alignment pathway.

Our stewardship responsibilities require us to monitor and escalate our concerns in cases where strategic execution has altered, management decisions have led to value destruction, or we have concerns that a company's longer-term sustainability agenda is off track. In such events we deploy appropriate escalation steps which are described in Principle 11 of our stewardship reporting.

COMPLIANCE MONITORING AND AUDIT

Sustainability and climate are considered as part of our ongoing compliance monitoring and audit programmes.

The 2023 compliance monitoring plan included a thematic review of ESG which is due for completion in the first quarter of 2024. The review focuses on the robustness of Jupiter's ESG internal controls, oversight and governance arrangements.

The 2023 internal audit plan included a review of ESG and sustainability, focusing on implementation and embeddedness at the product level. The review commenced in December 2023 and will be completed in 2024.

AUGMENTING OUR APPROACH IN 2024

The Group appointed a new Head of ESG Risk in November 2023 with a remit to enhance the focus on ESG-related risks both on a corporate and portfolio level.

While ESG risks are captured within the ERMF on a cross-cutting basis, an investment oversight framework and new standalone ESG risk register are being established to help better identify risk, and agree measures, thresholds and indicators.

METRICS AND TARGETS

FINANCED EMISSIONS

In accordance with the TCFD guidance, we use the following metrics to report on our financed emissions. To bring consistency in our approach, we intend to use the same metrics in our forthcoming TCFD entity and product reports.

Metrics	2023	Coverage
Carbon emissions		
Scope 1 and 2 GHG emissions (tCO_2e)	3,036,016	89%
Scope 3 GHG emissions (tCO_2e)	18,931,134	89%
Carbon footprint		
Scope 1 and 2 GHG emissions (tCO_2e/£m invested)	58	89%
Weighted average carbon intensity		
Scope 1 and 2 GHG emissions (tCO_2e/£m revenue)	95	92%

Additional notes

- Carbon metrics in this report include long-only listed equities and corporate bonds, which accounted for over half of our AUM as of 29 December 2023.
- Cash, derivatives and sovereign debt are excluded from all calculations due to the availability of data.
- Metrics are provided in UK GBP where relevant. Data is calculated in USD and converted to UK GBP using 31 December 2023 exchange rates in line with our financial accounting.
- The total financed carbon emissions refer to Jupiter's share of allocated emissions from investments apportioned on an EVIC basis using third-party data provider MSCI.
- We will report the individual WACI for in-scope strategies in our forthcoming TCFD entity and product reports.

GROUP-WIDE PORTFOLIO TARGETS

As a committed member of NZAM, we have set the following Group-wide targets:

- Reduce portfolio emissions intensity (Scope 1 and 2 only) of in-scope assets by 50% by 2030 from 2020 baseline.
- Achieve net zero by 2050 for 100% AUM (including Scope 3).

In 2022, we set near-term 2025 and 2030 Group-wide alignment targets for our in-scope AUM consisting of our fundamental, long-only, developed market equities and relevant Article 8 and 9 products. As of October 2021, 42% of our AUM is in scope of our Group-wide alignment targets.

Group-wide alignment targets[1]

Net zero alignment	2020	2025	2030
Not aligned	28%	5%	0%
Committed to align	57%	19%	8%
Aligning	13%	60%	17%
Aligned	2%	16%	75%
Achieving net zero	0%	0%	0%

1. Assessment undertaken using the latest information available at 31 March 2022. Targets include equities only. Cash and derivatives are not included.

Targets are built from the aggregated baseline alignment assessment of in-scope portfolios undertaken in 2022, using a 2020 baseline, as required by NZIF.

We anticipate that market practices for net zero alignment assessments will evolve over time and in line with updated NZIF guidance. We also expect company strategies and disclosures to improve over time to meet the increasing climate-related regulatory reporting requirements and respond to policy and technological advances.

Ongoing monitoring

We use climate data dashboards to track and monitor the progress of alignment targets, carbon emissions and carbon intensity at both the security and portfolio/Group level. In 2023, we integrated alignment data on our portfolio management system which has improved our ability to monitor progress.

OPERATIONAL GHG EMISSIONS

We quantify and report our operational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised version) and the Scope 2 Guidance. Our operational emissions have been verified to a limited level of assurance by an external third party according to the ISO 14064-3 standard.

During the reporting period from 1 January 2023 to 31 December 2023, our measured Scope 1 and 2 emissions (location-based) totalled 394 tCO_2e. Our measured Scope 3 emissions totalled 19,517 tCO_2e.

Scope and category[1]	FY2023 UK	FY2023 Rest of world	FY2023 Total	FY2022 UK	FY2022 Rest of world	FY2022 Total
Scope 1	**104**	**19**	**123**	72	0	72
Natural gas	**93**	**0**	**93**	69	0	69
Fuel for transport	**10**	**19**	**29**	1	0	1
Refrigerants	**1**	**0**	**1**	1	0	1
Scope 2						
Location-based	**254**	**17**	**271**	225	37	261
Market-based	**0**	**3**	**3**	0	0	0
Total Scope 1 and 2 (location-based)	**358**	**36**	**394**	296	37	333
Total Scope 1 and 2 (market-based)	**104**	**22**	**126**	72	0	72
Scope 1 and 2 intensity per FTE (location-based)[2]	**0.71**	**0.07**	**0.78**	0.54	0.07	0.61
Scope 3	**N/A**	**N/A**	**19,517**	N/A	N/A	20,498
Purchased goods and services (including water supply)	**N/A**	**N/A**	**16,662**	N/A	N/A	17,985
Capital goods	**N/A**	**N/A**	**402**	N/A	N/A	897
Fuel- and energy-related activities	**N/A**	**N/A**	**50**	N/A	N/A	45
Upstream transport and distribution	**N/A**	**N/A**	**38**	N/A	N/A	48
Waste (including water treatment)	**N/A**	**N/A**	**1**	N/A	N/A	2
Business travel – flights	**N/A**	**N/A**	**2,025**	N/A	N/A	1,156
Business travel – rail	**N/A**	**N/A**	**2**	N/A	N/A	0.08
Business travel – hotels[3]	**N/A**	**N/A**	**31**	N/A	N/A	28
Business travel – taxis	**N/A**	**N/A**	**3**	N/A	N/A	Not reported
Employee commuting[3]			**302**			329
Upstream leased assets[4]	**N/A**	**N/A**	**0**	N/A	N/A	8

Any discrepancies in totals are due to rounding.

1. Relevant emissions categories calculated using data from the International Energy Agency (IEA) (2023) emission factors, found at www.iea.org/statistics. All rights reserved; as modified by Jupiter Asset Management Ltd.
2. In the 2022 Account Report and Accounts we reported market-based Scope 1 and 2 intensity per FTE. We have since moved to location-based reporting in 2023 to align with our location-based target baseline.
3. We have restated our 2022 business travel – hotels and employee commuting emissions in the above table to correct a calculation error in the 2022 Annual Report and Accounts.
4. Emissions are calculated using the market-based approach for our upstream leased assets.

Reporting boundary

We use a materiality threshold to determine which emissions are included in our GHG reporting. Offices with six or more employees are included in our reporting boundary. This resulted in the number of offices in our reporting boundary increasing from five to seven for 2023.

Although most of our emissions come from our London head office, the existing materiality threshold has resulted in some of our smaller offices falling in and out of scope between reporting years. This has created an inconsistency between the offices included in our net zero target reporting and our 2023 GHG emissions reporting. We are reviewing the appropriateness of our reporting boundary in 2024 and expect to make changes and re-baseline as needed.

OPERATIONAL NET ZERO TARGETS

In 2023, we revised our operational targets to set near-term and long-term net zero targets in line with our portfolio alignment targets and the latest science:

- Reduce absolute Scope 1 and 2 (location-based) GHG emissions by 46% by 2030 from a 2019 baseline.
- Reduce absolute Scope 1 and 2 (location-based) GHG emissions by 90% by 2050 or sooner from a 2019 baseline.

In line with the Science Based Targets initiative's Corporate Net Zero Guidance, we have chosen to set our Scope 2 emissions target using the location-based methodology. Although we are a member of RE100, meaning our offices use renewable energy or are covered by renewable electricity certificates, we prefer to focus our efforts on decarbonising our operations.

We continue to assess options to include Scope 3 emissions in our operational net zero targets.

Ongoing monitoring

We engage an external climate partner to measure and monitor our Scope 1 and 2 emissions on a quarterly basis. Energy data is reviewed for different parts of our London office to identify increases in consumption and assess the effectiveness of decarbonising initiatives. Scope 3 categories such as purchased goods and services are calculated on an annual basis.

GLOSSARY

Greenhouse gases: The seven gases mandated under the Kyoto Protocol and to be included in national inventories under the United Nations Framework Convention on Climate Change (UNFCCC) – carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).

Financed emissions: Absolute emissions that banks and investors finance through their loans and investments.

Net zero: Achieved when all emissions released by human activities are counterbalanced by removing carbon from the atmosphere in a process known as carbon removal.

Paris Agreement: A global agreement adopted within the UNFCCC in December 2015, committing all participating countries to limit global temperature rise to well-below 2°C above pre-industrial levels.

Scope 1 and Scope 2 GHG emissions: Emissions from sources that an organisation owns or controls directly (Scope 1) or which it causes indirectly via the energy it purchases (Scope 2).

Scope 3 GHG emissions: Emissions that are not produced by an organisation itself, but by those for which it is indirectly responsible for up and down its value chain. Examples of Scope 3 emissions include the emissions of a company's suppliers or those produced by its customers when using its products.

Total carbon emissions: The absolute GHG emissions associated with a portfolio, expressed in tonnes CO_2e.

Total carbon footprint: Total carbon emissions for a portfolio normalised by the market value of the portfolio, expressed in tonnes CO_2e/£m invested.

Weighted Average Carbon Intensity: Measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' GHG emissions relative to their revenues, expressed in tonnes CO_2e/£m revenue.

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