Mercer

Wiltshire Pension Fund

Analytics for Climate Transition (ACT) 2022 – Summary report

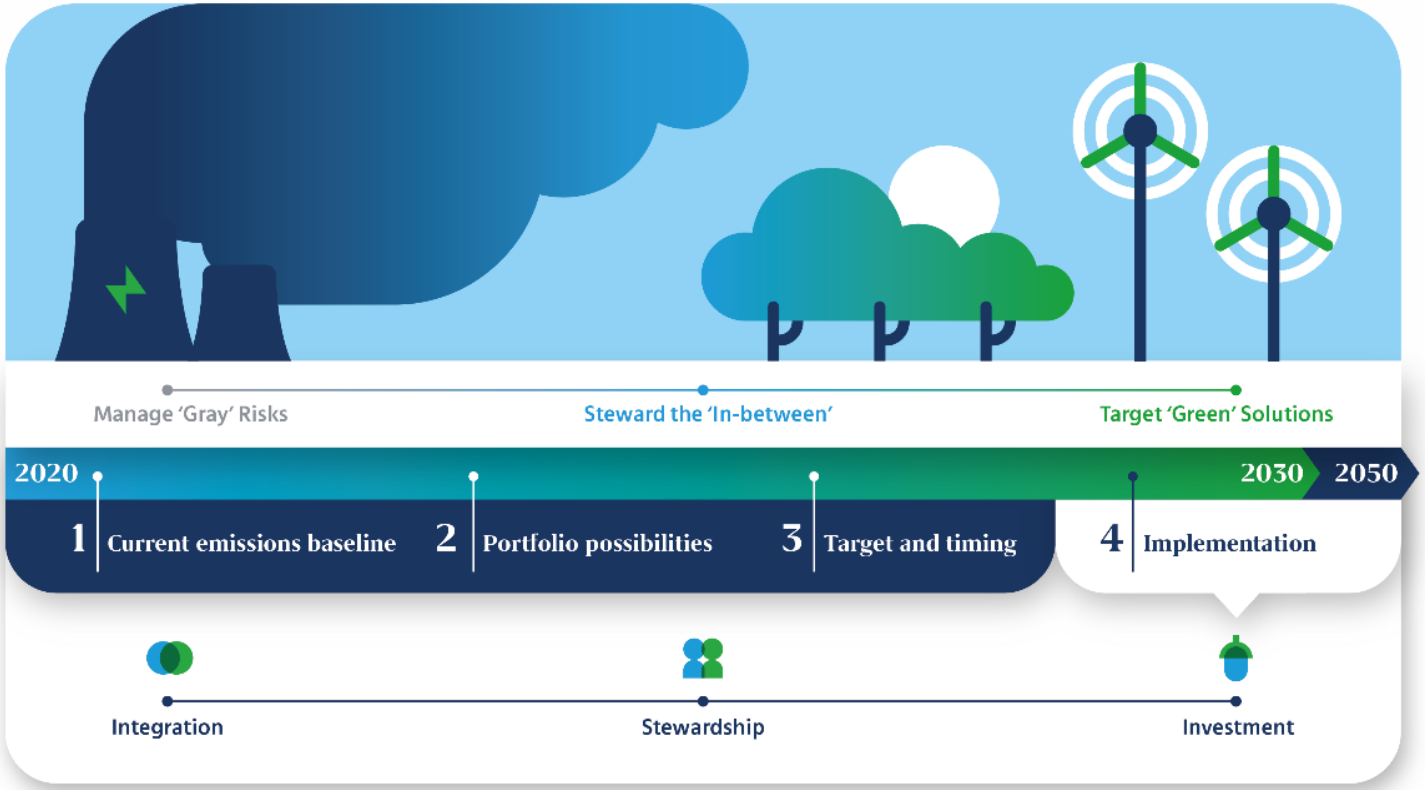
August 2022

welcome to brighter

Analytics for Climate Transition

The How and What?

Mercer's Analytics for Climate Transition (**ACT**), follows a step by step approach to align to a net zero* outcome by 2050 or earlier.



The recommendations are in the form of a **climate transition plan, including targets, and have confidence in answering key questions**:

Can we reduce emissions and set aligned targets while:

a) meeting investment objectives? &
b) not just divesting today's high carbon companies? And can this be practically implemented and monitored?

*'Net zero' means emissions are reduced as far as possible, where there are options to do so, with any remaining emissions offset by absorbing an equivalent amount from the atmosphere e.g. in nature (trees and soils) or via carbon capture and storage or use technologies

Purpose of this Analysis

- This report provides the Fund with an updated understanding of the portfolio's transition capacity as at 31 December 2021 using the Mercer Analytics for Climate Transition (ACT) tool. It is the second year of this analysis.
- Analysis is carried out on the Fund's listed equity portfolio. This results in c.40.8%* of the total Fund being analysed.
- The aim of this analysis is to:
    - Monitor progress against the Fund's listed equity decarbonisation targets.
    - Understand the transition capacity of the Fund's listed equity portfolio.
    - Present a high level implementation plan for the listed equities and for incorporating further asset classes over time.
- To date, the recommended targets have been set on scope 1 and 2 emissions and when the level of corporate reporting of scope 3 emissions improves we recommend including scope 3 emissions into the Fund's emissions baseline and target setting framework.
- The analysis includes the impact of updating the baseline to 31 December 2019 (previously 31 December 2020), following guidance from the IIGCC. The analysis dates within this report hereafter correspond to the previous day (e.g. 2020 refers to the position as at 31 December 2019).

The aim of this analysis is to understand the Fund's low carbon transition alignment and progress against the recommended decarbonisation targets set and communicated in 2021.

- *The Fund's mandates outside of listed equity and corporate bonds are excluded from this analysis on the grounds that sufficient bottom up data and methodologies are not yet available.

How ACT analysis has been used to date and key findings

Forward look to next 12-18 months

Over the last 12 months ACT has been used to:

- Set 2025 and 2030 decarbonisation targets and monitor progress
- Provide insight into transition capacity and monitor progress
- Support the RI strategy and policy approach

Key findings in this report include:

- Decarbonisation progress over the 2 year period: the listed equity portfolio has decarbonised by 19% on a carbon footprint basis and is on target. The Magellan listed infrastructure portfolio has decarbonised by 7% but is behind target
- Transition capacity has increased for the listed equity portfolio as a whole, although it has marginally decreased for the Ninety One emerging market equity portfolio*
- Identification of the most strategically important companies from an emissions perspective (slides 17 & 18)

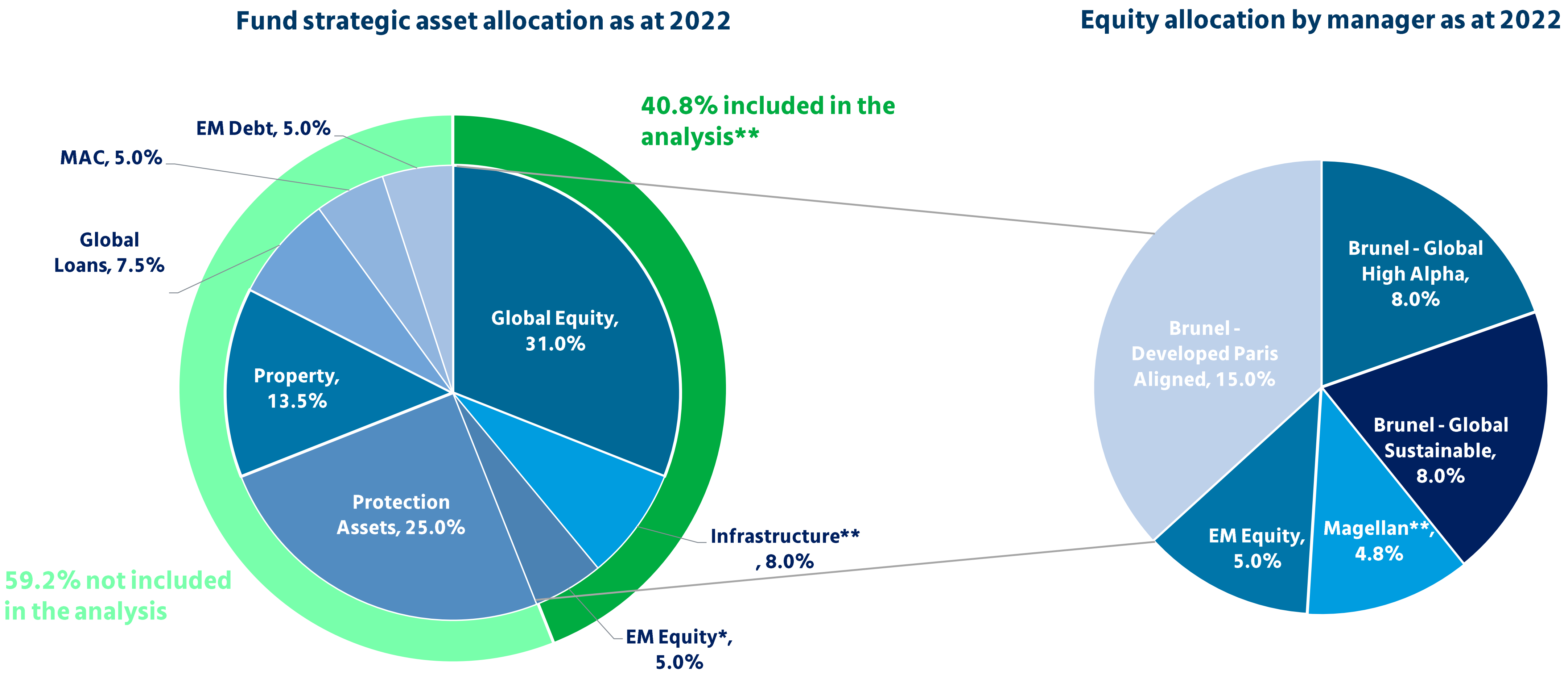
Key areas of focus for next 12-18 months:

- Setting more granular targets across:
  - Sustainable / climate solutions
  - Transition alignment
  - Stewardship
- Expand net zero approach beyond the listed equity portfolio to property, infrastructure, emerging market debt, loans and multi-asset credit (data permitting)
- Potential connections to biodiversity / natural capital

Use insights and recommendations to shape discussions with Brunel and support climate change reporting (TCFD)

* Please note that Mercer's transition capacity methodology has improved over the year so the figures are not directly comparable year on year.

Proportion of Holdings Analysed



* The total SAA for the Ninety One Emerging Markets Multi Asset fund is 10.0%. However, only the equity portion is being included in the analysis (c.5.0% of the total Fund's SAA).
**Magellan absolute emissions calculation based on actual allocation (4.8%) as at 2022. Magellan sits within the infrastructure allocation on the left hand side pie chart.
Notes: The data analysed excludes e.g. cash and derivative allocations within the funds analysed. Where there is partial coverage of a portfolio we scale up the absolute emissions to estimate coverage for 100% of the mandate.

Current Targets and Progress

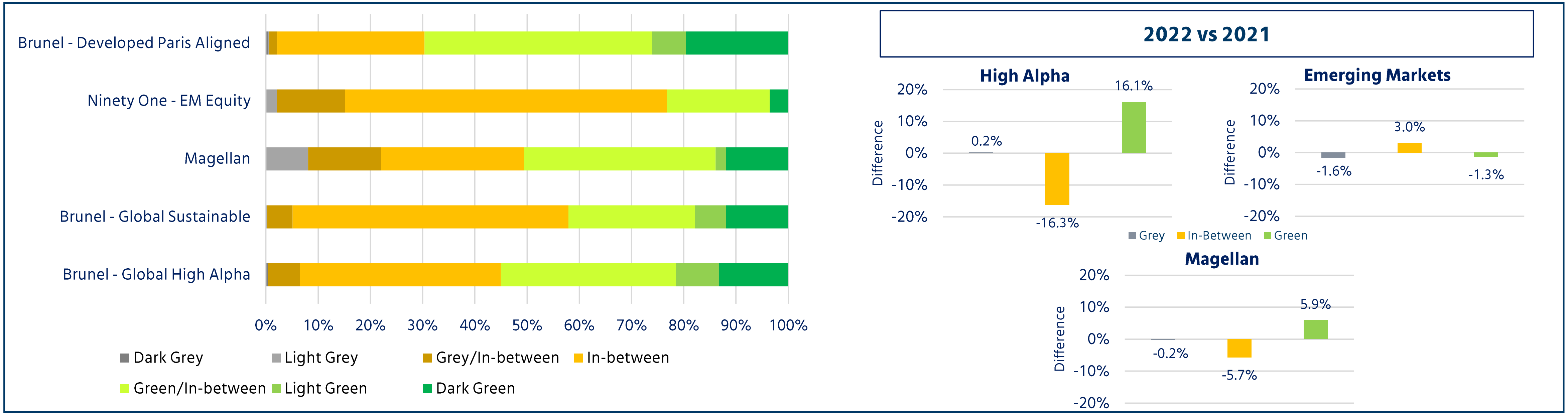
On Track | Progress Required

Scope	Current Target	Progress	Progress to Date
Total Fund	• **Total Fund carbon reduction target of 50% by 2030 and net zero by 2050.**	• Listed equities are the initial area of focus with further asset classes being incorporated over time.	On Track
Total Fund	• **Allocating 30% of the Fund to sustainable / low carbon green assets by 2025, and 35% by 2030 as measured by the long term strategic asset allocation.**	• Supports overall objective of supporting the global climate transition and sustainability ambitions of the Fund. • The Fund has made allocations to sustainable and Paris Aligned equity mandates. The Fund has also agreed to make an allocation to renewable infrastructure.	On Track
Total Fund	• **Expand specific net zero target setting and monitoring of metrics for other asset classes over 2022/23, starting with property and infrastructure.** • **Scope 3 emissions to be included when data quality and consistency of measurement are sufficient.**	• A project is currently underway whereby Officers and Mercer are working with the Fund's Property, MAC, Emerging Market Debt and Loans managers to explore the levels of data availability with a view to expanding target setting in the future. • Consistent with IIGCC Net Zero Framework and other investors targeting a 'whole of portfolio' approach across scope 1, 2 and 3.	Progress Required
Listed Equities	• **A listed equities decarbonisation target of net zero by 2050, a 43% reduction by 2025 and a 69% reduction by 2030 versus the 2020 baseline.**	• Listed equity portfolio (excludes Magellan), from 2022: • Carbon Footprint to decrease by 29% by 2025 and 62% by 2030.*	On Track
		• For Magellan, from 2022: • Carbon Footprint to decrease by 39% by 2025 and 67% by 2030.*	Progress Required

*Please note we provide the equivalent figures for absolute emissions and WACI in the appendix. We recommend using carbon footprint as the primary metric for monitoring decarbonisation progress. This normalises emissions per $million invested.

Transition Alignment of the Portfolio

- **We present the transition alignment of the portfolio,** to understand exposure to assets that are well aligned ("green") or not well aligned ("grey") with the low carbon transition as well as the evolution since the first analysis.



Highlights & Questions

✓ Higher allocations to Green across Magellan and Brunel High Alpha portfolios but this largely is driven by methodological change

✓ Retained very low allocations to Grey

How are Brunel engaging with the most carbon intensive and Grey companies?

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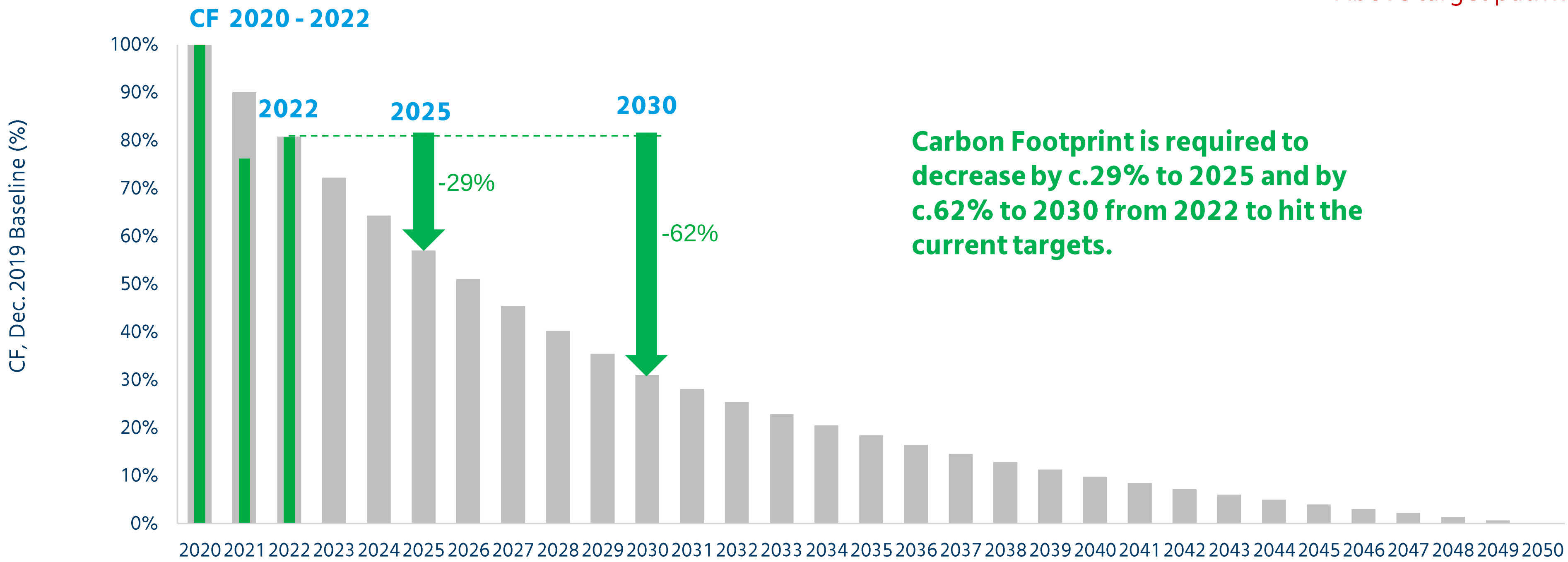
Notes: Figures may not sum due to rounding. Analysis captures carbon dioxide equivalent emissions. Where there is partial coverage of a portfolio we scale up to estimate coverage for 100% of the mandate. (see Appendix on limitations).

Decarbonisation Path – 2020 baseline

Transition Leader Curve – Listed Equities (Ex. Magellan)

In line/below target pathway
Above target pathway



Carbon Footprint is required to decrease by c.29% to 2025 and by c.62% to 2030 from 2022 to hit the current targets.

- Above is the proposed decarbonisation pathway for the Fund's listed equities portfolio, shown on a carbon footprint basis, starting with a 2020 baseline (aligned with the IIGCC). This portion of the portfolio is shown versus the Transition Leader pathway curve, which is the curve previously adopted by the Committee.
- The carbon footprint has decreased in line with the pathway over the period shown.
- In terms of carbon footprint, the Fund is in line with the pathway, despite an increase from 2021 to 2022. Since 2020, Ninety One EM Equity and Brunel Global High Alpha have driven the fall in carbon footprint, along with the introduction of the Paris Aligned and Sustainable Equity Funds.
- We recommend using carbon footprint as the primary metric for monitoring decarbonisation progress, but to also monitor progress against absolute emissions and weighted average carbon intensity (WACI) (see appendix for further details).

Notes: Analysis captures carbon dioxide equivalent emissions. Where there is partial coverage of a portfolio we scale up the absolute emissions to estimate coverage for 100% of the mandate .
**The SAA calculation potentially understates the fall in absolute emissions compared to actual values over the period.*

Strengthening targets

Private equity, real estate and infrastructure	Climate solution targets
Explore setting net zero targets on property, infrastructure and wider assets over 2022/23.	Refine current sustainability targets and adopt a climate solutions target by 2025 and 2030.

Stewardship / Engagement	Alignment Targets	
70% of financed emissions in material sectors are either aligned to net zero or under active engagement, rising to 90% by 2030.	Explore the potential to set a target on increasing the % AUM in net zero or aligning assets by 2025.	Target 100% of investments in the sectors deemed most material by the IIGCC*, to be either already net zero, aligned to net zero, or aligning to net zero by 2040.

*Source:

Appendix

Climate Transition

High level implementation plan

<table>
<tr><th></th><th>Integration
(Risk Reduction)</th><th>Stewardship
(Transition Support)</th><th>Investment
(Solutions)</th></tr>
<tr><td>2022</td><td>• Communicate listed equity progress versus decarbonisation targets to key partners and members. Incorporate into TCFD reporting.</td><td>• Discuss the companies raised in Mercer’s ACT analysis as engagement priorities with Brunel.

• Work with Brunel and Mercer to establish the extent to which financed emissions in material sectors are currently aligned to net zero or under engagement today. The target is 70% of financed emissions in material sectors are either aligned to net zero or under active engagement.</td><td rowspan="3">• Consider adopting a Climate Solutions Target that sits within the existing commitment to invest at least 35% of total assets in sustainable and low carbon investments by 2030.

• Consider increasing allocations to low-carbon / sustainability-themed exposures, including transformative solutions. For example, opportunities in local impact opportunities or nature based solutions. Mercer’s green transition alignment score provides an indication of current green exposures within the equity portfolio, however definitions of climate solutions vary widely.</td></tr>
<tr><td>2022 - 2025</td><td>Emissions Reduction Target:
Achieve a 43% reduction in emissions by 2025 versus the listed equities 2020 baseline. Monitor this on both an absolute and intensity basis.
• Expand net zero target setting to wider asset classes – infrastructure, property etc. – when data quality and methodologies exist.

• Include Scope 3 within emissions reduction efforts when corporate reporting quality increases sufficiently.</td><td>• Engagement targeting :
Work with Mercer and Brunel to ensure that the engagement progress is made, focusing on the companies that are most material to the Fund’s decarbonisation journey, supported by annual ACT monitoring.

• ‘Just Transition’
Use the Fund’s influence as a shareholder to encourage companies and policy makers to adapt their activities to support the transition to a low carbon economy, especially across developing nations and societies</td></tr>
<tr><td>2030</td><td>Emissions Reduction Target:
Decarbonise, with 69% reduction in emissions in the listed equity portfolio by 2030 (vs 2020 baseline).</td><td>• 90% of financed emissions in material sectors are either aligned to net zero or under active engagement by 2030.

• Escalation Policies :
Evaluate the success of the stewardship activities with target companies. Companies that haven`t produced the desired change following stewardship could be considered for replacement.</td></tr>
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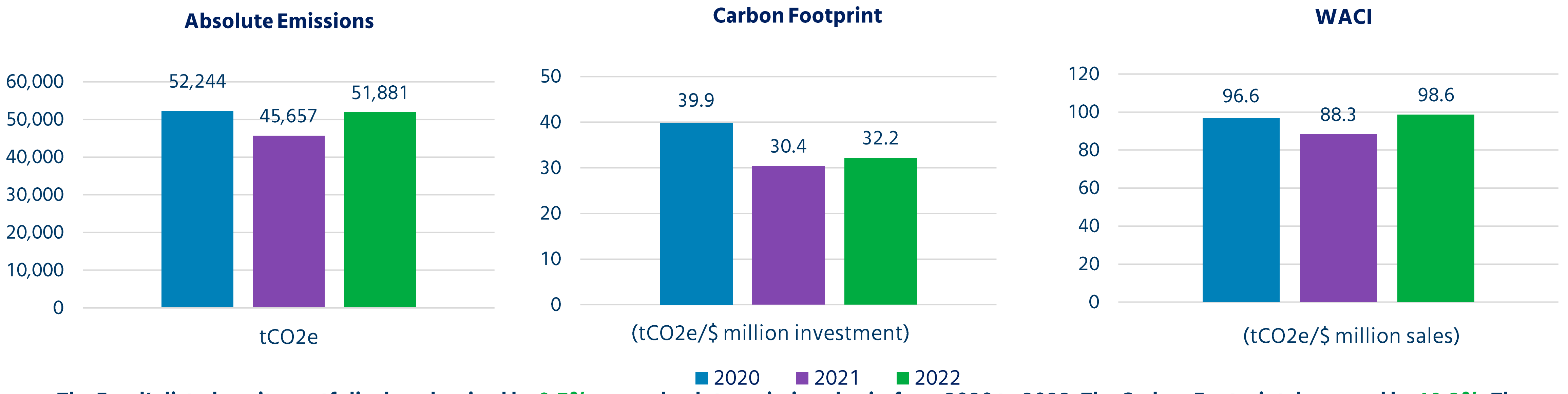
Progress versus the baseline across three emissions metrics

Listed Equities (Ex. Magellan)



- **The Fund's listed equity portfolio decarbonised by 0.7% on an absolute emissions basis, from 2020 to 2022. The Carbon Footprint decreased by 19.3%. The Weighted Average Carbon Intensity (WACI) increased over the same period by 2.1%.**
- Relative to the 2020 baseline, the latest results reflect the impact of two new funds which have been added to the portfolio – the Brunel Global Sustainable Equity fund and the Brunel Developed Paris Aligned fund. The Brunel Global High Alpha and EM Equity portion of the Ninety One EM mandate, which were the only two common funds between both analyses, have decarbonised across all three metrics during the period. Over the three year period, the Fund has disinvested from Brunel Low Carbon Equity.
- The increase in the Weighted Average Carbon Intensity (WACI) metric is explained by the transition of the Low Carbon Equity fund to the Brunel Developed Paris Aligned and the addition of the Brunel Sustainable Equity Fund over the period . See slide 8 for an explanation of what has driven the change in carbon footprint. It is difficult to fully attribute the change in absolute emissions due to the manager line up changes over the period and the variables which impact the metric but it was in part driven by the new allocation to the Paris Aligned fund.

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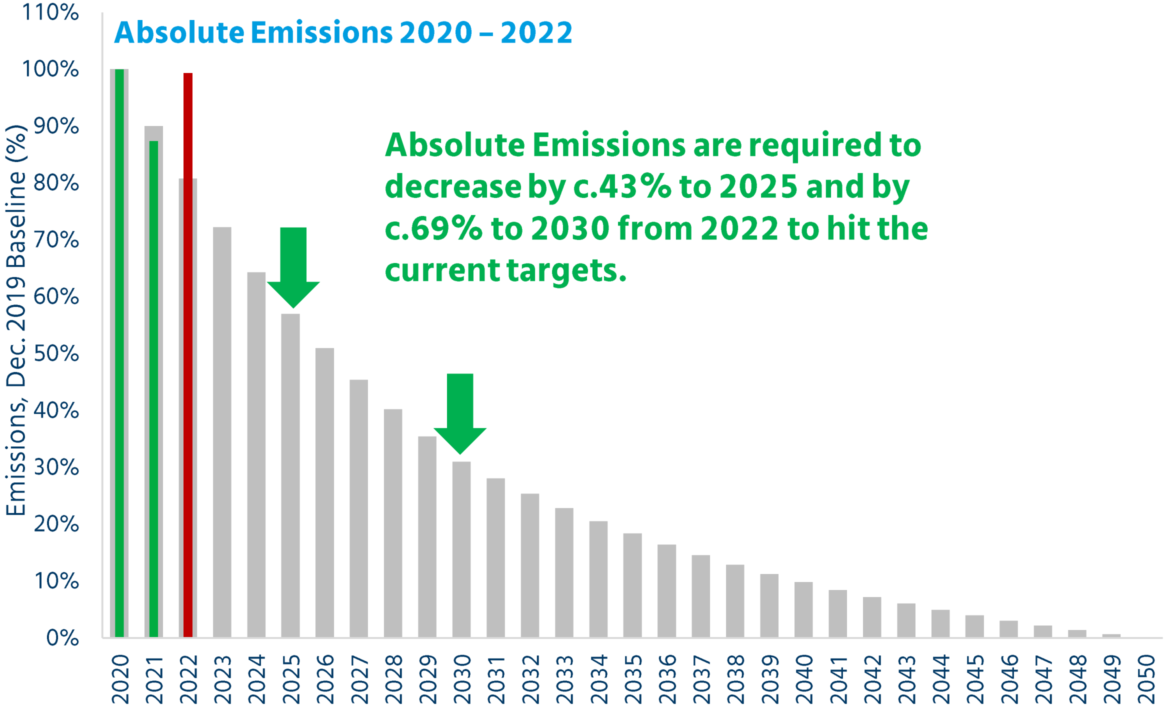
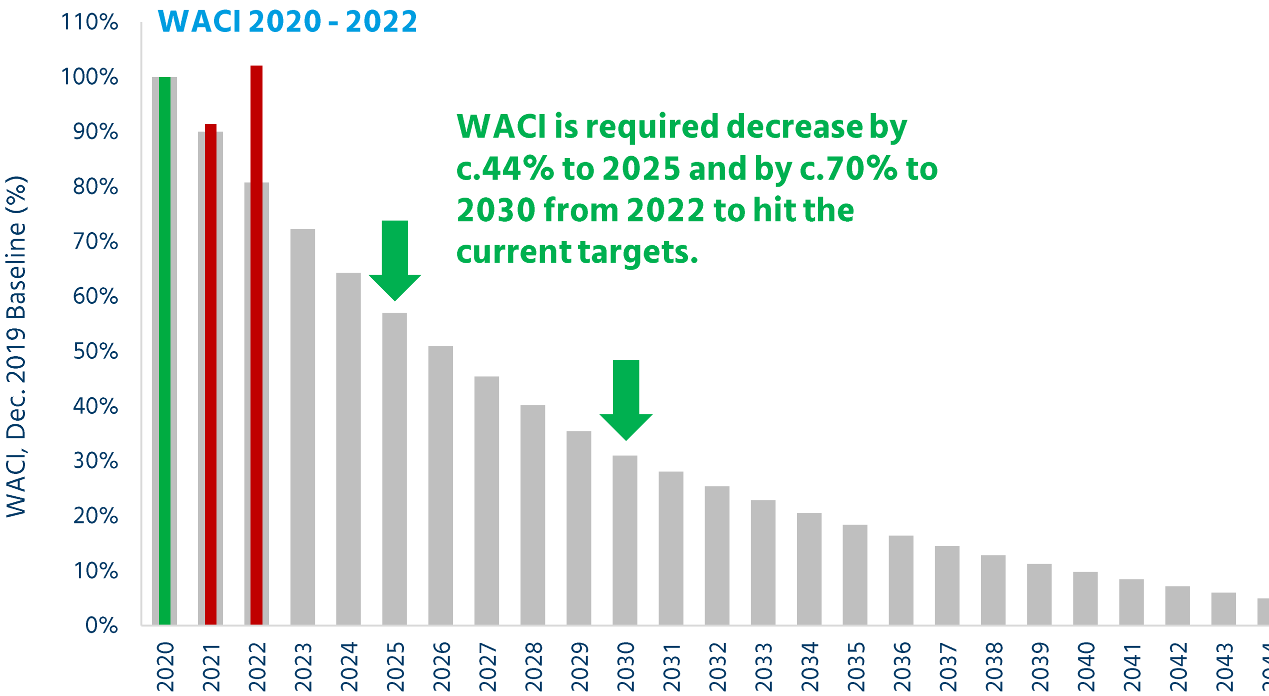
Notes: Analysis captures carbon dioxide equivalent emissions. Where there is partial coverage of a portfolio we scale up the absolute emissions to estimate coverage for 100% of the mandate.

Decarbonisation Path – 2020 baseline

Transition Leader Curve – Listed Equities (Ex. Magellan)

In line/below target pathway
Above target pathway





- Above are the proposed decarbonisation pathways for the Fund's listed equities portfolio, shown on both an absolute emissions and a WACI basis, with a 2020 baseline (aligned with the IIGCC). This portion of the portfolio is shown versus the Transition Leader pathway curve, which is the same curve already agreed by the Committee using the 2021 baseline.

- In addition to tracking decarbonisation progress on a carbon footprint basis we also monitor decarbonisation on an absolute emissions and WACI basis. The listed equity portfolio is behind target when assessed on these metrics as both have remained largely flat since 2020.

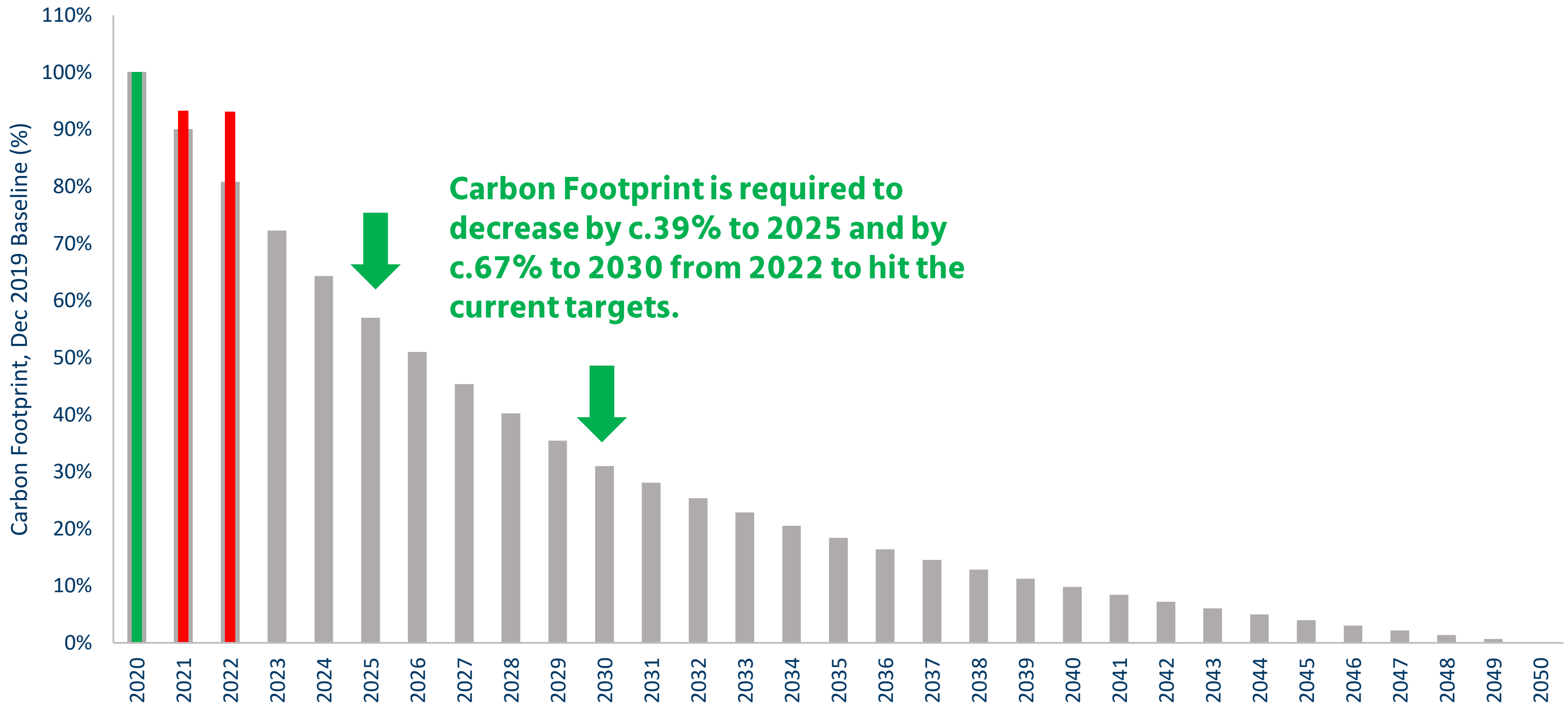
- The lack of progress on WACI is explained by the transition of the Low Carbon Equity fund (64.5 tCO_2e/\$million sales) to the Brunel Developed Paris Aligned (76.0 tCO_2e/\$million sales) and the addition of the Brunel Sustainable Equity Fund over the period. It is difficult to fully attribute the change in absolute emissions due to the manager line up changes over the period and the variables which impact the metric but it was in part driven by the new allocation to the Paris Aligned fund.

Notes: Analysis captures carbon dioxide equivalent emissions. Where there is partial coverage of a portfolio we scale up the absolute emissions to estimate coverage for 100% of the mandate .
**The SAA calculation potentially understates the fall in absolute emissions compared to actual values over the period.*

Decarbonisation Path – 2020 baseline

Transition Leader Curve – Magellan

In line/below target pathway
Above target pathway



- Above is the proposed decarbonisation pathway for the Fund's listed infrastructure mandate with Magellan, shown on a carbon footprint basis, with a 2020 baseline (aligned with the IIGCC). This portion of the portfolio is also shown versus the Transition Leader pathway curve, which is the same curve already agreed by the Committee. Magellan is tracked on a separate basis owing to its role as a warehouse for the Fund's private debt commitments, which are expected to be largely drawn down over time.
- Whilst the carbon footprint has fallen over the period, the magnitude of the fall is less than that required by the Transition Leader pathway curve.

Notes: Analysis captures carbon dioxide equivalent emissions. Where there is partial coverage of a portfolio we scale up the carbon footprint to estimate coverage for 100% of the mandate .

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Transition Alignment and Emissions Baseline
for Annual Monitoring as at 2022

Indicator of improved carbon performance vs last year
Indicator of worsened carbon performance vs last year
2021 figures shown in brackets

		Portfolio	SAA Weight %	Absolute Emissions Coverage	Absolute emissions (tCO2e based on value of investment) Scope 1 + 2	WACI Coverage	WACI (tCO2e/$million sales) Scope 1 + 2	Carbon Footprint Coverage	Carbon Footprint (tCO2e/$million investment) Scope1 + 2	Implied Temperature Rise (°C)*	*SBTi Alignment***
Included in the Baseline	**Global Equity**	Brunel – Global High Alpha	8.0 (16.0)	96.6%	**7,000 (16,211)**	96.8%	**57.6 (59.8)**	96.6%	**19.6 (24.1)**	**2.2**	27.1%
	EM Equity	Ninety One – EM Multi Asset	5.0 (5.0)	97.6%	**21,525 (19,100)**	98.1%	**206.1 (235.2)**	97.6%	**96.1 (91.8)**	**2.9**	6.1%
	Listed Infra	Magellan	4.8 (4.6)	95.0%	**30,384 (27,045)**	95.0%	**813.2 (771.2)**	95.0%	**141.6 (141.8)**	**3.2**	34.8%
	Listed Equity	Brunel – Global Sustainable	8.0	98.5%	**10,548**	98.5%	**114.8**	98.5%	**29.5**	**2.2**	28.4%
		Brunel – Developed Paris Aligned	15.0	99.6%	**12,808**	99.6%	**76.0**	99.6%	**19.1**	**2.1**	41.6%
		Total Listed Equities	40.8	98.0%	**82,265**	98.1%	**182.7**	98.0%	**45.1**	**2.4**	31.0%
		Total Listed Equities ex. Magellan	36.0	98.4%	**51,881**	98.5%	**98.6**	98.4%	**32.2**	**2.2**	30.5%
		Comparator - MSCI ACWI	-	-	**-**	99.4%	**149.9**	99.3%	**50.0**	**2.3**	31.2%

- The Fund's allocation to Magellan is expected to trend broadly downwards as capital is drawn down to fund Brunel renewable infrastructure commitments.
- While the Brunel Developed Paris Aligned Fund is more carbon intensive than the Passive Low Carbon Global Equity Fund it has replaced, it has a 7% year-on-year decarbonisation target which is expected to make it more carbon efficient over time.

*MSCI have amended their methodology for implied temperature since the last ACT report was issued, therefore figures for 2020 are not shown owing to not being a like for like comparison. **SAA weights shown for Magellan are Actual allocations.
** This metric measures the proportion of companies in the portfolio with one or more active carbon emissions reduction target/s approved by the Science Based Targets Initiative (SBTi)

Transition Alignment and Emissions Baseline
2020 Baseline

Portfolio	SAA Weight %	Absolute Emissions Coverage	Absolute emissions (tCO2e based on value of investment)	WACI Coverage	WACI (tCO2e/$million sales)	Carbon Footprint Coverage	Carbon Footprint (tCO2e/$million investment)	Implied Temperature Rise (°C) [1]	*SBTi Alignment*[1]
			Scope 1 + 2		Scope 1 + 2		Scope1 + 2		
Brunel Low Carbon Equity	15.0%	95.6%	**11,380**	95.8%	**64.5**	95.6%	**20.9**	**2.2**	35.7%
Brunel Global High Alpha	16.0%	92.9%	**16,372**	93.1%	**66.9**	92.9%	**28.1**	**2.2**	27.8%
Ninety One – Emerging Markets Equity[2]	5.0%	93.1%	**24,492**	93.1%	**287.8**	93.1%	**134.7**	**3.2**	2.7%
Magellan	5.6%[3]	87.6%	**30,972**	87.6%	**783.7**	87.6%	**152.1**	**3.5**	22.5%
Total Listed Equities	**41.6%**	93.2%	**83,217**	93.3%	**189.1**	93.2%	**55.0**	**2.5**	26.9%
Total Listed Equities ex. Magellan	**36.0%**	94.1%	**52,244**	94.2%	**96.6**	94.1%	**39.9**	**2.3**	27.6%
Comparator - MSCI ACWI	**-**	-	**-**	96.4%	**180.2**	96.9%	**74.1**	**2.4**	30.0%

[1] *Please note these figures are the latest available from MSCI and reflect the ITR / % of SBTI aligned companies today that were in the portfolio as at 31/12/2019.*
[2] *The Ninety One EM Equity mandate has a total equity portion of c.55%. This is reflected in the numbers above.*
[3] *The Magellan allocation shown is the actual allocation as at 31/12/2019, consistent with the 31/12/2020 and 31/12/2021 analyses.*

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Engagement targets – Total Portfolio (ex. Magellan)

Top 10 contributors to absolute emissions (2022)

	Company Name	Sector	Equity Portfolio Weight *	Cont. to absolute emissions (scope 1.2) *	Transition category	Emissions intensity (carbon footprint)	SBTi	TPI Management Quality Score	TPI Carbon Performance	CA100+	Mandates held in
1	POSCO Holdings Inc.	Materials	0.07%	3.31%	**Grey/In-between**	1,808	No	-	-	-	Ninety One EM Multi-Asset Equities
2	Holcim AG	Materials	0.04%	2.47%	**Grey/In-between**	2,246	Yes	4	1.5 Degrees	Yes	Brunel Global High Alpha Equity
	REPUBLIC SERVICES, INC.	Industrials	0.212	1.97%	**In-between**	337	Yes	-	-	-	Brunel Global Sustainable Equity, Brunel Developed Equity Paris Aligned
3	China Petroleum & Chemical Corporation	Energy	0.06%	1.93%	**Light Grey**	1,202	No	-	-	-	Ninety One EM Multi-Asset Equities
5	NK LUKOIL PAO	Energy	0.09%	1.85%	**Grey/In-between**	799	No	-	-	-	Ninety One EM Multi-Asset Equities
6	ENGIE SA	Utilities	0.15%	1.76%	**Green/In-between**	434	Yes	4	Below 2 Degrees	Yes	Brunel Developed Equity Paris Aligned
7	DUKE ENERGY CORPORATION	Utilities	0.11%	1.63%	**Dark Grey**	544	No	3	Below 2 Degrees	Yes	Brunel Developed Equity Paris Aligned
8	HAWAIIAN ELECTRIC INDUSTRIES, INC.	Utilities	0.05%	1.50%	**Light Grey**	1,052	No	2	Not Aligned	No	Brunel Global Sustainable Equity
9	ANGLO AMERICAN PLC	Materials	0.23%	1.49%	**In-between**	245	No	4	National Pledges	Yes	Brunel Global High Alpha Equity, Ninety One EM Multi-Asset Equities
10	LINDE PUBLIC LIMITED COMPANY	Materials	0.24%	1.46%	**Grey/In-between**	231	No	4	-	No	Brunel Global High Alpha Equity, Brunel Developed Equity Paris Aligned
Total			**1.03%**	**18.78%**							

*Both Equity Portfolio Weight and Contribution to Absolute Emissions include Magellan within the total absolute emissions / total portfolio allocation , i.e. in the denominator of the calculations.

Engagement targets – Magellan
Top 10 contributors to absolute emissions (2022)

	Company Name	Sector	Weight within Magellan mandate	Cont. to Magellan's absolute emissions (scope 1.2)	Transition category	Emissions intensity (carbon footprint)	SBTi	TPI Management Quality Score	TPI Carbon Performance	CA100+
1	Evergy, Inc.	Utilities	3.70%	29.57%	**Grey/In-between**	1,074	No	3	Below 2 Degrees	No
2	Xcel Energy Inc.	Utilities	3.87%	18.51%	**Grey/In-between**	642	No	3	Below 2 Degrees	Yes
3	WEC ENERGY GROUP, INC.	Utilities	3.80%	14.21%	**Light Grey**	503	No	3	Below 2 Degrees	Yes
4	Dominion Energy, Inc.	Utilities	3.90%	9.56%	**Light Grey**	330	No	4	Below 2 Degrees	Yes
5	ALLIANT ENERGY CORPORATION	Utilities	1.94%	9.01%	**Grey/In-between**	623	No	3	Below 2 Degrees	No
6	SEMPRA ENERGY	Utilities	4.58%	3.55%	**In-between**	104	No	3	Below 2 Degrees	No
7	Enbridge Inc.	Energy	4.22%	3.15%	**Green/In-between**	100	No	4	-	Yes
8	NATIONAL GRID PLC	Utilities	3.59%	2.16%	**Green/In-between**	81	Yes	4	Below 2 Degrees	Yes
9	NORFOLK SOUTHERN CORPORATION	Industrials	3.90%	1.58%	**Green/In-between**	55	Yes	-	-	-
10	CSX Corporation	Industrials	3.45%	1.03%	**In-between**	40	Yes	-	-	-
Total			**36.95%**	**92.32%**						

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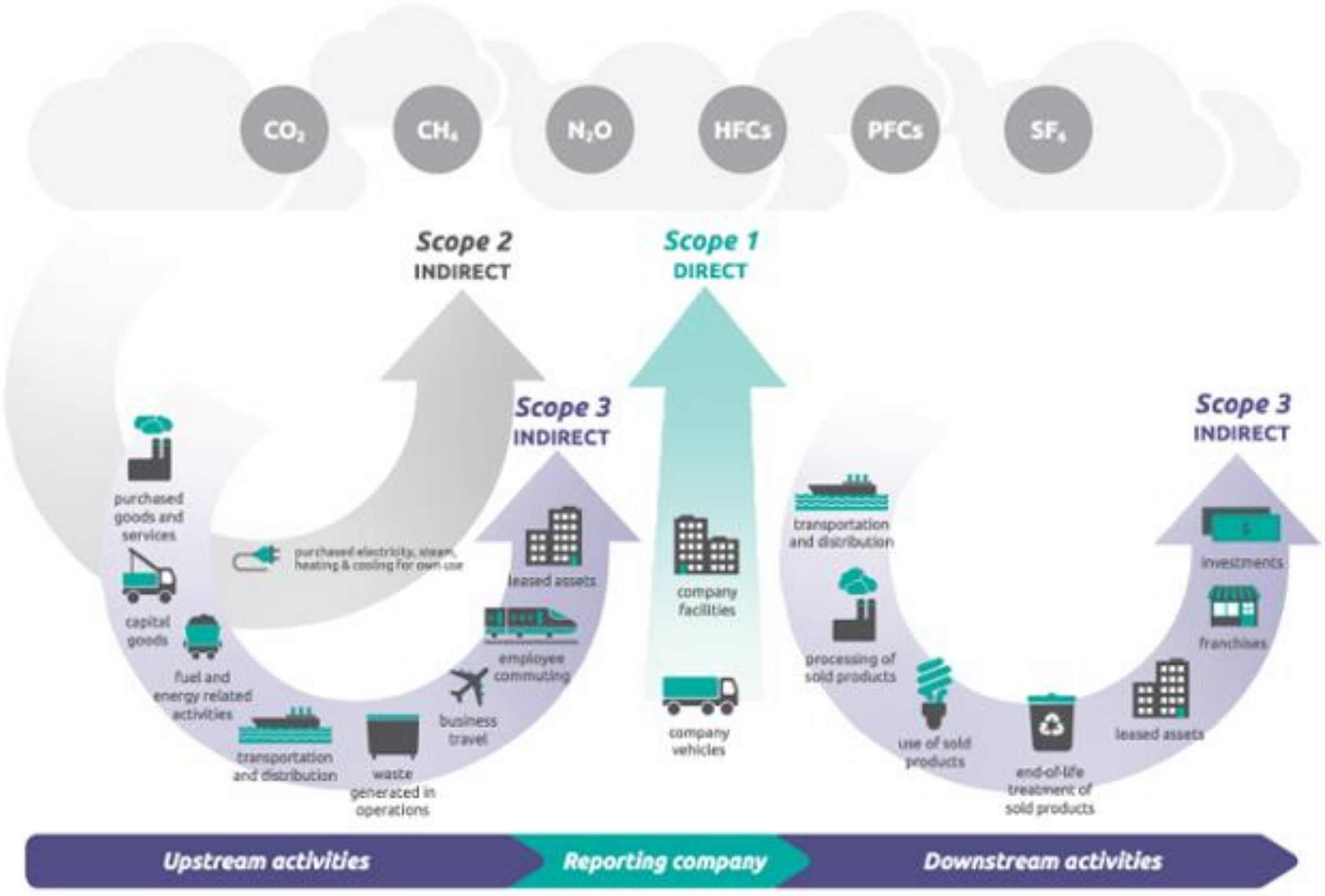
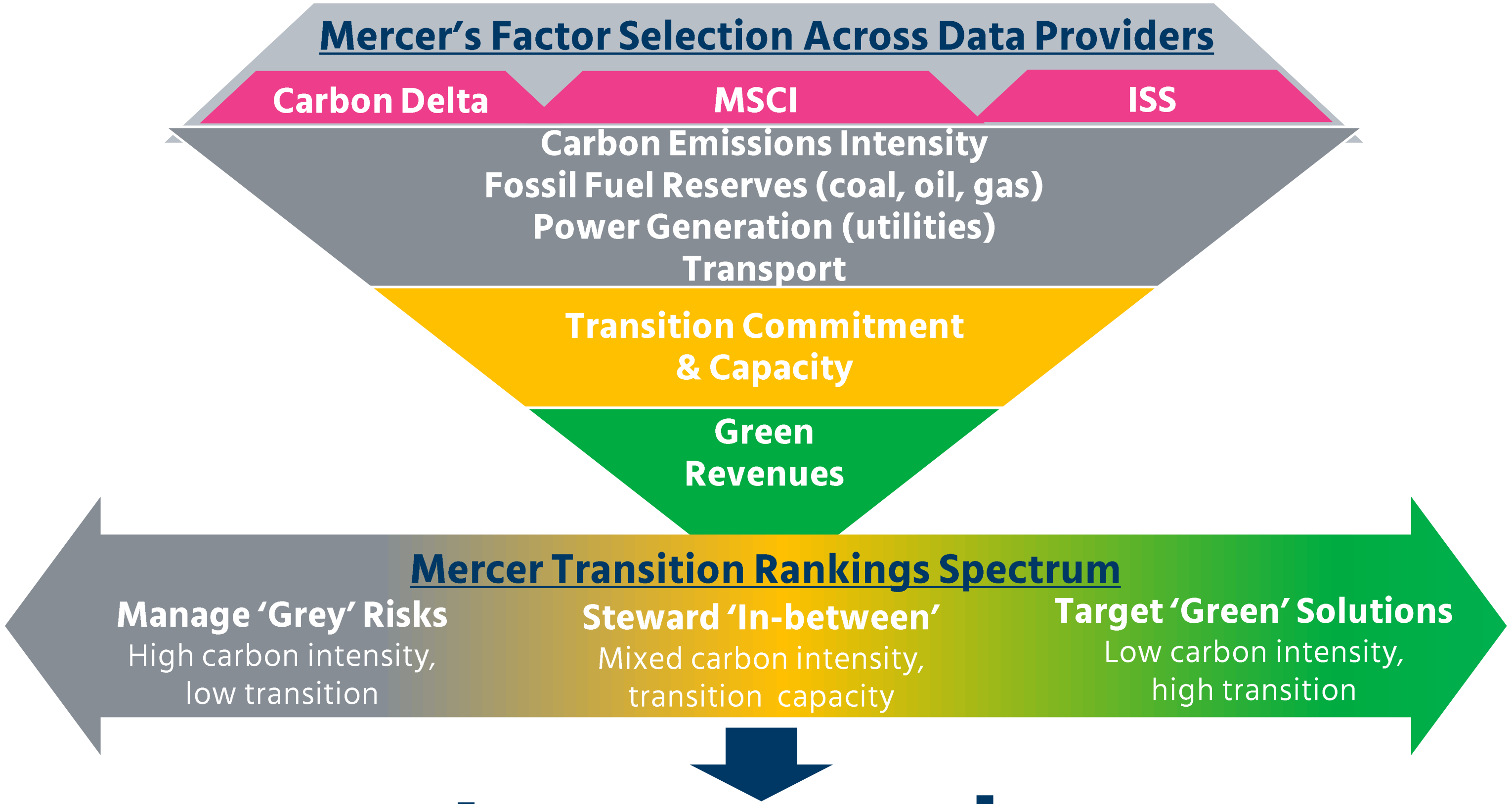
Emissions Data
Understanding the Scopes



Transition Risk Management

Mercer Methodology

The objective is to identify the 'grey', the 'green' and the 'in-between' i.e. from the likely 'losers' to the potential 'winners' in a low carbon transition, with the company names evolving each year.



Test Against TPI Rankings to double check stock names in grey end in particular

+

Test For Scenario Alignment emissions reductions required for 'science-based alignment'

+

Test For Scenario Downside Risk test potential portfolio changes in different climate scenarios

Decarbonisation – Emissions Metrics
Notes on the Analysis

- The analysis focuses on the listed equity portfolio, showing contributions to Fund emission metrics. We assess carbon dioxide “equivalent” metrics.
- Caution should be exercised in interpreting individual data points, as in reality, emissions may differ, given the data coverage in the analysis is less than 100%. Where companies do not have data points, companies are assumed to have the same carbon metrics as the average of companies that we do have data points for, therefore we do not assume that companies have zero emissions because we do not have data for them.
- Emissions are likely underestimated as Scope 3 emissions are not included in the metrics presented within. Although we do present an overview of the attribution of Scope 3 emissions by fund and sector as part of our detailed analysis.

Decarbonisation – Emissions Metrics
Understanding the Limitations

- Many of the Intergovernmental Panel on Climate Change's (IPCC) warming scenarios are reliant on net zero (or net negative) assumptions later this century. This can include the deployment of mitigation technologies, such as carbon capture and storage, as well as ecosystem approaches, such as land and forest conservation and restoration. There has been some scepticism as to whether such technologies and approaches are viable, at the required scale. Mercer will look to integrate further assumptions around net zero emissions in due course, as science and technology evolves.

- The focus of these decarbonisation curves is currently on Scope 1 and Scope 2 emissions. Mercer will however seek to integrate Scope 3 emissions as methodologies improve.

- The approach to weighted average carbon intensity (WACI) calculation can lead to relatively large swings in the data results over time. For example, the WACI metric is easily impacted by shifting sales trends over time, with sales acting as the denominator of the WACI calculation. The WACI statistic may therefore fluctuate regardless of underlying emissions. Given the limitations to all of the Metrics, Mercer advocates for monitoring decarbonisation progress on absolute emissions, WACI and carbon intensity bases.

Important Notices

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