

# Prudential BlackRock Aquila Over 15 Years UK Gilt Index Fund

Climate Report as at 31 December 2023

## Why are we producing this report and what does it show?

A glossary of terms used in this document can be found here – [Task force on Climate-related Financial Disclosures Glossary](#)

The report is based on the recommendations from the Task force on Climate-related Financial Disclosures (TCFD). The report provides information that can be used to assess the fund's climate-related risks and opportunities.

We recognise that the investments within the fund could have an impact on climate change and, equally, climate change could influence the performance of investments in the fund. To understand how we manage the risks and opportunities related to climate change, please refer to the [Prudential Entity TCFD Report](#) for this report.

The investment strategy of Prudential BlackRock Aquila Over 15 Years UK Gilt Index Fund is to purchase units in BlackRock Aquila Life Over 15 Years UK Gilt Index Fund - the underlying fund.

The climate metrics are sourced directly from the underlying fund manager. While we've taken every care in producing this report, due to the reliance on the fund manager, Prudential does not guarantee the accuracy, adequacy or completeness of the metrics.

In some instances the underlying fund manager has not made the metric available and we do not have reliable proxies. We aim to address this gap going forward.

### Changes to this year's report

This report should show last year's emissions (the first year of reporting) and this year's, but in some instances the fund manager did not make 2022 metrics available to us and we do not have reliable proxies so there is a gap.

Due to the reliance on the fund manager, the potential factors contributing to changes in the data from last year cannot be explained in the report. In some cases scope 3 emissions have not been provided by the fund manager which has also led to a gap.

Scope 3 emissions are indirect emissions that occur up and down the value chain, eg, from purchased goods and services.

## Definition of climate metrics

**Financed Carbon Emissions (FCE)** Represent the total financed greenhouse gas (GHG) emissions associated with the fund. The larger the number, the more it is contributing to the effects of climate change. The FCE is directly related to the size of the fund and therefore it is difficult to use to compare across funds.

**Data coverage** How much of the fund for which we have data available, either reported or estimated.

**Assets Under Management (AUM)** This is the total market value of the assets we manage on behalf of clients.

**tCO<sub>2</sub>e** Refers to tonnes of carbon dioxide (CO<sub>2</sub>) equivalent. There are a number of greenhouse gases which warm the earth with different intensity levels. Rather than providing metrics for each gas they are converted into tCO<sub>2</sub>e.

**Scope 1 emissions** Direct emissions associated with the business operations eg a utility company's emissions from combusting fuel.

**Scope 2 emissions** Indirect emissions associated with the business' heating/power requirements eg a software company's emissions from buying electricity.

**Scope 3 emissions** Indirect emissions that occur up and down the value chain, eg from purchased goods and services, business travel, employee commuting, waste disposal, use of sold products, transportation and distribution (up and downstream), investments, leased assets, and franchises.


## Climate metrics for the fund investments



Assets Under Management  
as at 31 December 2023  
£1,730,000



Assets Under Management  
as at 31 December 2022  
£1,843,239

	Financed Carbon Emissions (annualised figures)	2023		2022	
		Fund	Data coverage	Fund	Data coverage


Company shares and/or bonds (tCO <sub>2</sub> e)				
Scope 1+2	N/A*	–	–	–

\*This metric is not provided as the underlying fund manager does not make it available and we do not have reliable proxies.

# Definition of climate metrics

**Carbon Footprint (CF)** Refers to Financed Carbon Emissions divided by the fund's market value (AUM), expressed in tCO<sub>2</sub>e/£m invested. The larger the number, the more it is contributing to the effects of climate change. CF can be used to compare across different funds.

## Carbon Footprint

	Carbon Footprint (annualised figures)	2023		2022	
		Fund	Data coverage	Fund	Data coverage
Company shares and/or bonds (tCO <sub>2</sub> e/£m invested)					
Scope 1+2		N/A*	–	–	–

\*This metric is not provided as the underlying fund manager does not make it available and we do not have reliable proxies.

## Definition of climate metrics


### Weighted Average Carbon Intensity (WACI) Investments

Is the fund's exposure to carbon-intensive issuers, expressed in tCO<sub>2</sub>e/£m sales. The larger the number, the more carbon intensive the investments currently are. WACI allows comparison across different funds.

**Government bonds – production WACI** Is the fund's Weighted Average Government Bonds Production Intensity, expressed in tCO<sub>2</sub>/Purchasing Power Parity-adjusted gross domestic product (GDP) in US Dollars (USD).

**Government bonds – consumption WACI** Is the fund's Weighted Average Government Bonds Consumption Intensity, expressed in tCO<sub>2</sub>/capita.

## Weighted Average Carbon Intensity

	WACI (annualised figures)	2023		2022	
		Fund	Data coverage	Fund	Data coverage
Government bonds – production (tCO <sub>2</sub> /\$m PPP)					
Scope 1 <sup>a</sup>		132	100%	197 <sup>c</sup>	100%
Government bonds – consumption (tCO <sub>2</sub> /capita)					
Scope 1+2+3 <sup>b</sup>		6	100%	N/A*	–

a Scope 1 – Represents the fund's Weighted Average Government Bonds Production Intensity, expressed in tCO<sub>2</sub>/\$m Purchasing Power Parity-adjusted gross domestic product (GDP) in US Dollars (USD). GDP is the value of all final goods and services produced within a country.

b Scope 1+2+3 – Represents the fund's Weighted Average Government Bonds Consumption Intensity, expressed in tCO<sub>2</sub> divided by the country's average population to indicate the emissions associated with consumption per person.

c 2022 figure is expressed in Great British Pounds (GBP).

\*This metric is not provided as the underlying fund manager does not make it available and we do not have reliable proxies.

## Scenario analysis

Climate adjusted value is equivalent to value at risk (VaR). It is the adjustment of the value of assets in the fund as a result of a climate scenario. This metric is not provided as neither MSCI (an external data company) nor the underlying fund manager make it available and we do not have reliable proxies. We aim to address this gap going forward.

## Implied temperature rise

Implied temperature rise estimates the global temperature increase contribution from a fund's current greenhouse gas emissions trajectory. It is a simplified tool to assess alignment of business strategies with climate goals like the Paris Agreement target. There is no widely accepted industry standard that characterises whether a fund is closely aligned or materially unaligned to the Paris agreement target. While MSCI (an external data company) provides an implied temperature rise metric for this fund, the fund's strategy is to purchase units in an underlying fund that is managed externally. Therefore, we cannot apply our own judgement to determine the appropriateness of this metric so we will not provide it on this occasion. Additionally, providing it without the contextual analysis required for effective interpretation risks over- or underestimation of a fund's implied temperature rise. We aim to address this gap going forward.

If you have any questions about anything in this report please speak to your financial adviser. You can also find more information including a [glossary of terms](#) and a [Q&A](#).

We have sourced the data in this report directly from the underlying fund manager. While Prudential have taken every care in producing this report, due to the reliance on the fund manager, Prudential cannot guarantee the accuracy, adequacy or completeness of this information or make any warranties from its use. Furthermore, the data presented is for a specific point in time and likely to change in the future and therefore should not be relied on as such.

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