



Brightwell – the way we work

Summary of the year ended 31 December 2024

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Foreword

At Brightwell, while what we achieve is important, how we achieve it is equally important. Our values guide the way we work and we put great emphasis on them.

Recently, the business benefits of sustainability and diversity have come under intense scrutiny. Whilst we acknowledge the debate, in our view the core rationale for fully integrating sustainability and diversity into what we do and the way we operate remains intact.

We have always taken a pragmatic approach, focussing on the areas that we understand to be most material for the investments we manage on behalf of our clients, even where it is challenging to do so. We also believe that by incorporating sustainability, we are supporting the health of the financial system that we and our clients rely on.

Our clients are asset and business owners reliant on a well-functioning system. The interconnected systemic risks we face today — such as climate change, nature related risks, conflict and social unrest — have the potential to undermine not only specific investment outcomes but the economies and markets that we rely on to achieve the investment outcomes our clients need. These risks are as great today as they have ever been.

As such, sustainability factors are integrated into the investment process to mitigate financial risk, capitalise on the opportunities that the transition to a more sustainable economy will present and generate the best outcomes for clients and members.



We focus on real-world impact, aiming to positively influence the way business is conducted to help deliver the right returns on a risk-adjusted basis. We believe that well-run companies that are aware of sustainability make better investments over the long-term. Therefore, we apply these principles to our own operations as well as to our clients' asset managers and companies in which we invest.

We believe in the power of partnership and are an active participant in a number of key industry initiatives which help us to build our knowledge and advance our goals. You can read more about these partnerships on page 20.

I'm pleased with the progress we have made over the past 12 months in understanding and incorporating these risks and opportunities into what we do. We're committed to continually evolving and improving the way we work and have plans in place to achieve our ambitions.

Brightwell CEO

Morten Nilsson

About Brightwell

Brightwell is a comprehensive service provider to UK defined benefit (DB) pension schemes.

We have deep expertise in the market due to our long history managing services for one of the UK's largest private sector defined benefit pension schemes - the BT Pension Scheme (BTPS).



In April 2023, Brightwell opened its capabilities to other DB schemes and since then has been appointed fiduciary manager for the DB section of the EE Pension Scheme and administrator for the Mineworkers' Pension Scheme (MPS). Services to MPS commenced in January 2025.

Our approach is based on partnership – collectively owning problems, sharing solutions and collaborating for the long-term.



Brightwell at a glance

Members

258,588

and pays

£2.8bn

annually



Procentia®

Procentia's pension
administration software serves

4.2 million

pension savers

Assets under management

£35.7 billion*

*As at 30 June 2024

Employees

390+

Locations

London / Bristol /
Chesterfield / Chicago



About Brightwell

Brightwell's core services

Our core services are delivered across the following business units.

Fiduciary services

Tailored solutions perfectly aligned to clients' needs

Ensuring pension schemes can meet their annual cashflows to members and their beneficiaries involves careful management of scheme assets and in-depth understanding of the risk factors that can affect scheme funding outcomes.

Brightwell offers:

- Investment and funding advisory
- End-to-end fiduciary management
- Hedging and LDI provision
- Portfolio analytics and reporting

Scheme services

Advisory services built from deeper understanding

Advisory services built from deeper understanding While every DB scheme is unique and at a different point in its journey, there are many challenges common to every scheme. These include determining how to reach their endgame safely and sustainably, the cost-effective provision of a high-quality service to their members, the integration of sustainability into the investment process, and the recruitment and retention of the talented people they need in an increasingly competitive market. At Brightwell, we understand these challenges and offer advisory support across a wide range of areas.



Member services

High-quality member services driven by insight

Brightwell has invested heavily in its member services, building a fully in-house, Pension Management Institute (PMI) qualified team based in Chesterfield, providing:

- Benefits payments and administration services
- Data cleansing
- Administration platform as a service
- Member outbound communications
- Inbound member contact centre
- Case management and technical casework

Member expectations for online services are increasing and, in partnership with Procentia,

Brightwell offers a powerful solution. Clients can give scheme members access to personalised pension information at the touch of a button and a fully online end-to-end retirements process. Via an online portal, members can self-serve for all key tasks, such as retirement quotes and changes to personal details.

In addition to sophisticated member portals, Procentia's best-in-class platform, IntelliPen, incorporates automation of workflows, calculations, pensioner payroll and document imaging.

Procentia

Market-leading pensions administration software

Procentia Group (Procentia Limited and Procentia Inc) provide development, maintenance and support of software to the pensions and benefits industry.

The group has offices in Bristol and Chicago, and services clients across the globe. Procentia has an independent Board which includes representatives from Brightwell.

About Brightwell

The Brightwell difference

DB schemes share a common set of challenges. Through our market-leading work in support of BTPS we understand these challenges better than anyone. We are not driven by short-term profits or selling products. We focus on building lasting, mutually beneficial and transparent working relationships with our partners.



Deep alignment

We take a long-term holistic view of the scheme's needs, delivering a Trustee focused and partnership-like relationship with the scheme's sponsor.

Akin to retaining the **benefits of an in-house manager**.



Unique perspective and capability

Our integrated pension management model offers bespoke journey plan management towards pension endgames.

We leverage economies of scale, are outcome based, ESG integrated and set up to deliver at competitive costs.

We provide a bespoke, comprehensive pension service, with an unparalleled depth and understanding.



Value retention

We offer a true alternative to multiple service providers to deliver cost and time savings through **tailored** Funding & Fiduciary Services alongside **best-in-class** Member Services; and Executive Services.



A new approach focused on the long-term

We have a long history of innovation in the DB pensions market and believe that the market needs a new approach. So we focus on holistically **managing the journey for its remaining lifespan**, by taking responsibility for the scheme's overall objectives and long-term targets.

Corporate objectives

Brightwell's corporate objectives focus around 5 key pillars, which together guide us towards our ultimate North Star.



**The partner of choice;
creating new paths
for UK pensions**



Corporate objectives

Our RISE Values

Our organisational values underpin the way we deliver on our corporate objectives, and our corporate objectives support our client service delivery outcomes.

Each year we hold the “RISE” awards for colleagues that best embody our values to underline the importance we attach to them.



Responsible

We take individual responsibility for making things happen. We take ownership of the decisions we make. We never walk past a problem. We are both open and brave, supporting and challenging each other to resolve issues.



Impactful

We are driven to do all that we can to create a better future for our clients' members. We recognise that the way we invest on behalf of our clients can benefit wider society. We constantly strive to make a difference.



Supportive

We work together across teams to deliver the best outcomes for clients, their members and wider society. We support each other when taking difficult decisions and are always respectful, thoughtful, and helpful.



Expert

We set very high standards, constantly looking at how we can be better and bolder, whether serving clients, improving how we work, or invest. We are constantly innovating; challenging ourselves to find new ideas. We use our commercial acumen to deliver value for clients and wider society.

Our integrated approach to sustainability

What we do has a real-world impact

We can positively influence the way business is conducted to reduce negative externalities and future costs. Our clients are universal owners reliant on a well-functioning system. The interconnected systemic risks we face today — such as climate change, nature related risks and social unrest — have the potential to undermine the economies and markets that we rely on to achieve the investment outcomes our clients need.

This underpins the following sustainability statement and implementation beliefs:

Sustainability statement

“ We seek to support long-term value, reduce risk and contribute towards better client, colleague and member outcomes to deliver sustainable retirement solutions. ”

At Brightwell, we have a long history of incorporating sustainability considerations into the investment decision making and supporting clients in this way.

Sustainability is embedded throughout our investment activities as we focus on developing our expertise and provide solutions to industry and world challenges. We partner both with our clients and investment managers, collaborating for the long-term, with the aim of delivering sustainable retirement solutions.

Long-term horizon

Pension schemes have a long-term investment horizon. This provides both a responsibility and an advantage which we believe will produce better investment outcomes.

Sustainability integration

Integrating financially sustainability factors into asset, manager and security selection processes will help clients make more informed and better investment decisions. As a fiduciary manager we focus our efforts and act where we believe the largest risks and opportunities exist, climate change, natural capital and inequality.

Stewardship and engagement

Exercising ownership rights, collaborative engagement with clients' agents and portfolio companies, as well as active management of physical assets can improve long-term risk adjusted returns and create sustainable long-term value.

Our integrated approach to sustainability

Our integrated approach to sustainability is designed to provide outcomes that are meaningful to our clients, their members and wider society. We review the impact of sustainability on investments on an ongoing basis and measure the impact at least annually. These outcomes include:



1. Investment outcomes

The interconnected systemic risks we face today have the potential to undermine the financial system we rely on to achieve the investment outcomes our clients need. Integration of sustainability may help to reduce the risk of permanent capital loss and it may provide investment opportunities. We must protect the system, through global efforts and collaboration, to reduce the likelihood of large negative future financial impacts.



2. Client & regulatory expectations

Our clients are universal owners reliant on a well-functioning system. The risk of not considering sustainability is significant from an investment, fiduciary and reputational perspective. There are growing regulatory expectations and requirements which need to be met.



3. Positive real-world impact

We firmly believe that how and where we invest matters, and this is a responsibility we have always taken very seriously. What we do has a real-world impact, and we can positively influence the way business is conducted to reduce negative externalities.

Our integrated approach to sustainability

Sustainability is fast moving both with regards to understanding the issues but also as technology and best practices rapidly evolve. We continue to develop our approach to ensure we're leading the way for our clients.

Why we invest with sustainability embedded into our decision making:



To help reduce the risk of loss of capital and identify new investment opportunities



To take a leading position and encourage a more sustainable future through capital allocation



To prepare for sustainability-related policy and regulation

Brightwell's Sustainability Strategy has three layers:

1 Sustainability themes

Three core themes identified that could have a material risk on client funding outcomes which are detailed on page 14;

2 5 pillar framework

Developed to action these covering (1) portfolio construction, (2) mandates & managers, (3) stewardship, (4) advocacy (5) Brightwell as a company;

3 Critical enablers

People, process and partnerships to facilitate the actions supporting the themes.

Sustainability governance is overseen by our internal Sustainability Strategy Group which meets quarterly and comprises of Brightwell's CEO and CIO together with members of the investment, risk and comms teams.

Our integrated approach to sustainability

Sustainability themes

We focus our efforts and act where we believe the largest risks and opportunities are for our clients' investments. For instance, we'll run companies that are aware of and mitigate potential risks as far as practicable should lead to better investments. At present, we believe the following are themes that are most material to client portfolios. Over time we believe these will evolve and they require ongoing assessment and critical challenge. There are, of course, broader sustainability themes we are also managing through considered monitoring and measurement of managers' investment approaches and outcomes, as well as continual challenge and monitoring of material and emerging sustainability threats.

1. Climate change

The implications of climate change are systemic and apparent, with extraordinary weather events including flooding, drought, storms, and wildfires increasing in frequency, with significant financial and human consequences.

Climate change is likely to financially impact our clients through the value of their investments (e.g. through the impact of stranded assets, new regulation, high costs due to carbon pricing, extreme weather events disrupting supply chains). But it also provides opportunities through investments in new technologies (e.g. increasing resource efficiency, shifting from fossil fuels to renewable energy).

We help clients understand how climate change could affect their pension scheme and provide solutions to better insulate them from its effects. We encourage setting net zero goals where appropriate, setting out climate action plans clients commit to and report on annually.

We believe that reducing exposure to carbon emissions over time through asset allocation, effective stewardship and collaboration, will help manage investment outcomes for clients and reduce the impact of future climate risks and may offer opportunities for investors.

2. Natural capital

Climate change has dominated sustainable investment conversations to date but it's becoming increasingly apparent how interconnected all sustainability topics are. A key interdependency is how the climate depends on nature.

Biodiversity loss, ecosystem degradation and the associated value at risk are all important considerations. Key challenges we're facing such as freshwater provision, sustainable agricultural, regional conflicts, and migration due to resource shortages are likely to be exacerbated by biodiversity loss and ecosystems degradation. The consequences of which will affect supply chains, availability of resources and therefore growth of most sectors around the world, with costs likely to increase in the not-so-distant future.

What makes natural resources particularly challenging however is the link between the reliance on them and businesses through their supply chains which are notoriously complex. The effects are likely to be felt gradually over a longer period of time, rather than a one-off short dramatic event.

We believe the effects of biodiversity loss are not adequately reflected by the market and therefore present both a large risk and opportunity for investors.

3. Inequality

Within the broad area of inequality sits issues such as human rights, modern slavery, as well as diversity, equity and inclusion (DE&I), and the use of artificial intelligence.

There are growing expectations around these key issues, whether from our clients and their members, governments and wider society or colleagues. There is growing visibility in part due to developing understanding of investors' responsibilities and the real-world outcomes of ignoring inequality. There is regulation on human rights and the UN Guiding Principles which we and our investment partners look to employ.

We believe systemic inequality has the potential to destabilise the financial and social systems within which our clients invest and benefit from. Increased inequality is likely to lead to reduced economic growth through greater financial and social instability, and reduced output. Having an awareness of inequality and addressing inequalities such as developing DE&I practices is an ethical and business imperative to have a licence to operate.

We believe that by seeking to prevent and mitigate inequalities, as far as we can, that could impact the economic and financial system that we rely on to generate the investment outcomes, this should lead to better risk management and a narrower range of investment outcomes for clients.

Progress on decarbonising Brightwell's operations

At Brightwell, we are dedicated to reducing our environmental impact by promoting sustainability throughout our operations. We continuously strive to improve resource efficiency, reduce waste in our processes and minimise greenhouse gas emissions and adopt energy-efficient practices.

In April 2023, the executive management team set a goal to have net zero greenhouse gas emissions by 2035.

We monitor and measure emissions across our operations, including energy consumption, business travel, office activities, and our supplier network. Our overarching aim is to eliminate emissions across our value chain where feasible, with an initial focus on those within our direct control. As we do not generate Scope 1 emissions, our early efforts have concentrated on Scope 2. In 2024, for example, we transitioned our offices to a green energy tariff to reduce Scope 2 emissions. We also regularly offset emissions associated with employee business travel. In 2024, Brightwell offset 163 tonnes of carbon dioxide (2023: 118 tonnes), covering travel and accommodation-related emissions. We continue to promote environmentally conscious travel decisions among employees and encourage virtual meetings where appropriate.

We acknowledge that most of our emissions fall under Scope 3, which are outside our direct control and primarily linked to our supply chain. To address this, we engage with key suppliers to

better understand their emissions profiles, reporting practices, and net zero commitments. We have also embedded emissions-related criteria into our procurement process for new material suppliers, ensuring alignment with our sustainability objectives. As we work toward our 2035 net zero aim, we recognise that offsetting may be necessary for residual emissions and that progress may not necessarily follow a linear path.

The company's green benefits for employees, an electric car scheme and a cycle to work scheme, continue to be taken up by employees. The electric car scheme has been adopted by 11% of colleagues across our London and Chesterfield offices and we continue to promote it.

To help mitigate the impact of our footprint, we work with ClimateCare, a specialist environmental and social impact company. ClimateCare invests in climate and development projects to offset scope 1 and 2 emissions and business travel to help deliver positive social outcomes in developing communities.

Having baselined our carbon emissions, choosing to use 2019, we updated this to 2023 emissions. The groups' carbon emissions continue to come from scope 3, from our suppliers (99%).

As an integral component of our supplier onboarding process, we diligently assess and validate the approach to sustainability principles for applicable suppliers, ensuring alignment with Brightwell's overarching strategy. This evaluation underscores our commitment to fostering partnerships that not only meet our operational needs but also uphold our values of sustainability and ethical business practices. By scrutinising suppliers' adherence to sustainability criteria during onboarding, we reinforce our dedication to responsible sourcing and contribute to the advancement of sustainable practices across our supply chain ecosystem.



Thought Leadership

The future of ageing in an uncertain world

As a provider of services to pension schemes, we spend a lot of time thinking about longevity but primarily through an actuarial lens.

To ensure that our services remain fit for the future, Brightwell commissioned the International Longevity Centre (ILC) to run a futures focussed project examining how technological, economic, societal and environmental changes are reshaping our experience of longer lives.

Future of
Ageing | 2044



The report, which can be read [here](#), finds that over the next 20 years, Artificial Intelligence (AI) is set to democratise access to financial information and advice, changing how we save and manage our finances. Cash will become increasingly obsolete, and our decisions about how to spend and save will be driven more and more by environmental and ethical concerns. More of our health and care will be provided at home or in the community, and technological advances will support faster and cheaper diagnostic testing, and more personalised treatments.

We will work for longer, but how, when and where we work will change. More of us will be renting into later life, and we'll all have access to the key amenities we need by travelling no more than 15 minutes on foot or by bike. We will be able to work, live, and play from our homes, and smarter homes will enable us to live independently for longer.

But we are vastly unprepared for these changes. The report sets out how pension providers and service providers will need to adapt and future-proof the design of their offer for older adults. It also emphasises the growing risk of inequality between those who are homeowners and have defined benefit pension schemes and future generations that are more likely to be renters with less generous DB pensions.

We shared the findings of the report at face to face and virtual events during September and October. A short film summarising the report findings can be found [here](#).

Benefits of an inclusive and diverse workforce

Brightwell is committed to developing and maintaining an inclusive culture, ensuring that behaviours, working practices and policies promote fair treatment and access to development opportunities for every colleague.

We value the benefits a diverse workforce can bring and want Brightwell to be a place where all colleagues can thrive, feel that they belong and are valued and contribute to our success. This is underpinned by Brightwell's corporate values: Responsible, Impactful, Supportive & Expert.

We also recognise the role we have to play in contributing to industry initiatives to drive broader change.

Strategy for 2023 – 2026

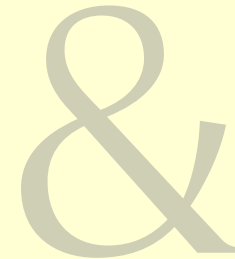
Progressing towards a more inclusive Brightwell



Ensure that behaviours, working practices and policies promote fair treatment, access and development opportunities for every colleague.



Remove barriers in the recruitment process to access a candidate pool from a wider range of backgrounds and experience, thereby increasing the diversity of thought within Brightwell and improving decision making and business performance.



Improve colleagues' experience in the workplace to enhance empowerment and motivation, increase their sense of belonging and reduce the likelihood of attrition and loss of expertise and organisational know-how.

This year we have been focussed on the importance of inclusion, as without it, achieving lasting diversity and equity is impossible.

Benefits of an inclusive and diverse workforce

Progress over the past 12 months

Data collection

On a confidential and wholly voluntary basis, we invite colleagues to share information about themselves via the HR system. This enables us to build a more detailed profile of our colleagues and our organisation to establish our baseline and to track and monitor our progress.

To date, c.74% of colleagues have shared their data and we continue to encourage data sharing to help shape our areas of focus.

Each year we include a series of questions as part of our employee engagement survey. This year's survey showed scores maintained or improved across all areas. We also added two new questions on the Executive team and senior leadership team.

Inclusive recruitment

We work with a select group of recruitment agencies who are aware of our priorities and support us in ensuring diverse candidate pools (including protected characteristics, diversity of thought and skills).



Training

We have been rolling out inclusion focussed and anti-harassment training to underline our commitment to an inclusive, safe and supportive workplace where everyone can be themselves at work.



Benefits of an inclusive and diverse workforce

Partnerships

Investment 20/20

Part of The Investment Association, Investment 20/20 helps drive a forward thinking, responsible and inclusive investment industry. This year we became one of their 60 member firms and recruited our first trainee in September. We are looking forward to strengthening this partnership in 2025 with involvement in talent outreach. We will be hosting a workplace visit allowing us to engage a future diverse workforce.

Asset Owner Diversity Charter

The Asset Owner Diversity Charter (AODC) The Charter is co-chaired by Emma Douglas, Senior Stewardship Analyst, Brightwell, alongside Helen Price from the Church of England Pensions Board.

The AODC is an asset owner-led initiative to help improve diversity and inclusion across the investment industry and to encourage positive broader industry change. BTPS became a signatory in March 2022. Through this, Brightwell has committed to hold its asset managers to account on diversity and inclusion to improve the asset management industry's performance on this important issue. This means including DE&I in its regular monitoring of managers, requesting DE&I data from managers on an annual basis and having DE&I as an input into the manager selection process. It goes beyond asking about the strategic approach, identifying how managers look at diversity and inclusion across five key areas: industry perception, recruitment, culture, promotion and leadership.

Since becoming a signatory to the Charter, managers have responded to the AODC questionnaire and we have analysed their responses. Whilst there is of course room for improvement, we are encouraged by the constructive conversations we have had with managers on this important topic. In particular, their willingness to engage and their efforts to drive real change across the industry whether, for example, through joining initiatives such as the Diversity Project, or setting targets to improve senior female and ethnic minority representation.

The Diversity Project

Brightwell is a member of the Diversity Project, a cross-company initiative championing a diverse and inclusive UK investment and savings industry, and we have representatives on a broad range of its workstreams.



People & employee engagement

Every year, we survey colleagues to establish what's working well and where we can improve. The survey is entirely anonymous and conducted by an independent company.

Typical response rates are over 80% which helps us to have confidence that the findings are robust and representative. The feedback is reviewed by the Brightwell Executive Committee and the Brightwell Board. The results are used to consider actions to further evolve the overall employee proposition.

Volunteering

All colleagues receive one day a year paid leave for volunteering. This year colleagues supported the North West Kent Countryside Partnership with their efforts to preserve and improve biodiversity at Swanscombe Heritage Park.

The team worked hard raking wild meadowland and installing wooden stumps that will become a vital habitat for Stag Beetles — a threatened species in Britain. Town Mayor, Peter Harman, attended the afternoon to lend a hand and thank the team.

Swanscombe Heritage Park are midway through a two year programme to improve the biodiversity of the park, following habitat loss during the planned construction of the new Lower Thames Crossing. The park is a 3.9-hectare geological site of special scientific interest as it is one of only two sites in Britain where Palaeolithic remains have been found from this very early period.

We also supported the East End Community Foundation where we spent time with young adults, talking about financial wellbeing and general money management skills. We spent an hour with two groups of around 10-15 people creating a slide pack containing useful tips and advice around money management, as well as some myth busting questions. We finished off each session with a couple of interactive money management games/challenges, to help the young adults apply what they had been walked through earlier in the session.

“ The feedback was overwhelmingly positive, as we spent time focusing on things schools don't really talk about, as well as sharing some of our own personal experiences around money management. ”

Arian Sattarin, Operations Assistant Manager at Brightwell who was one of the volunteers



People & employee engagement

Case study: Overcoming hearing challenges with Brightwell

Molly Ward is a Pensions Administrator based in Brightwell's Chesterfield office. Throughout her life Molly has faced and overcome significant hearing challenges.

Molly was born eight weeks premature and faced hearing issues from a young age. She had glue ear and required grommets, but traditional hearing aids were ineffective due to infections. Eventually, she received bone-anchored hearing aids (BAHAs).

During college, Molly worked as a shift manager at McDonald's for four years. Although it was a useful starting role, it had limited opportunities. When an opportunity came up at Brightwell she saw it as an opportunity to build a career.

With her additional needs, Molly received an Access to Work grant which covered £10,000 worth of equipment, with the company contributing a percentage. This included training and fitting of a noise cancelling headset. The equipment helped with her hearing fluctuations, socialising, and meetings, and integrates seamlessly with her computer.



“ With my condition I never expected to be handling telephone calls, but it’s been a fantastic opportunity so far. The magnetic BAHA and my noise-cancelling headset have really helped, and often members don’t believe I’m deaf on calls, especially those who are deaf themselves. ”

Molly Ward
Pensions Administrator

People & employee engagement



Nurturing home-grown talent – the Brightwell Pensions Academy

Social mobility is a key theme of our DE&I strategy and developing our people and building industry leading teams is one of our corporate objectives. In support of this, we launched the Brightwell Pensions Academy at our administration hub in Chesterfield in the summer of 2022. The premise behind this was simple - to recruit people of any age and background, with little or no pensions knowledge, but who had strong potential, a great attitude and a willingness to learn, and take them on a year-long structured training programme. At the end of the programme, they would graduate as qualified pensions administrators.

The Academy training is a blended learning programme combining classroom learning, hands-on experience, and work-based practical training.

The practical training guides all Academy administrators go through include the core administration processes, including data, bereavements, transfers and retirements. The training is delivered by qualified administrators, with a full “route to competency” framework wrapped around to monitor progress to ensure support is provided as required.

“ I am so pleased to have graduated from the Brightwell Pensions Academy Training Programme. The training was really thorough and although I didn’t know anything about pensions when I joined, I’ve felt supported throughout. It’s a very friendly place to work and every day is different. ”

Morgan Golding
Graduate



People & employee engagement



At the end of 2024, we were delighted to welcome Toby Perkins, local MP for Chesterfield, to visit our office in Chesterfield and learn more about the Pensions Academy.

“ It’s great to see another company really growing in our town. Strong local employers who are committed to investing in and developing talent are key to the community. I was delighted to visit Brightwell and see the great work they are doing with the Pensions Academy providing not just jobs but careers with real potential. ”

Toby Perkins MP



People & employee engagement

Learning & development key statistics



21

completed Academy
graduations



31

currently ongoing



c.2,800

hours of formal training
delivered this year



c.3,500

hours of other training
such as process training



Outside of the Academy,
we have:

98%

administration employees
holding a pensions
qualification of service
operations (excluding new
starters and Academy)



85%

hold a higher level
qualification

More information on the Brightwell
Pensions Academy can be found on
the Brightwell website [here](#).



People & employee engagement

Hybrid working

We offer a hybrid working arrangement to help support our colleagues in achieving a healthy work-life balance. This helps us adapt to the ever-changing needs of our business and aligns with our passion for supporting sustainability — something which is evident in how we manage our modern-day office spaces.



Look ahead: Partnership with 'We Can Be'

Brightwell has become a corporate partner with 'We Can Be' — a Lord Mayor's Appeal programme which organises outreach events with girls in socio-economic cold spots. We Can Be aims to build confidence, develop skills and raise the aspirations of young women, by opening up the City and its opportunities while also equipping them with the tools to consider careers in the City, if they want one.

Changing perceptions of the City by matching participating businesses with schools from London and further afield, We Can Be provides, an opportunity for young women to realise and refine the skills that they already have, build their confidence, and learn how those skills transfer into the City. It also gives businesses the opportunity to meet and inspire future recruits, engage with other like-minded businesses and be part of creating A Better City For All.

Brightwell will be holding an event with We Can Be in February 2025.

Appendix: Brightwell TCFD report*

Brightwell is pleased to publish its TCFD report for the calendar year ending 31 December 2024. This TCFD entity-level report has been written to comply with the requirements of the FCA's ESG sourcebook and, more broadly, the four recommendations and eleven recommended disclosures set out in the Financial Reporting Council's TCFD Final Report.

Brightwell CEO

Morten Nilsson

The TCFD recommendations outline 4 sections for which stakeholders can report their climate-related financial risks and opportunities:

1. Governance



How is the organisation's board and management assessing, managing and providing oversight of climate-related risks and opportunities.

2. Strategy



How these risks impact the organisation's business model.

3. Risk



What and how have risks been identified and managed.

Metrics & Targets



How are the risks being monitored, and have the appropriate metrics and targets been selected.

The TCFD was established by the global Financial Stability Board 'to develop voluntary, consistent climate-related financial disclosures that would be useful to investors, lenders, and insurance underwriters in understanding material risks... its members were selected by the Financial Stability Board and come from various organisations, including large banks, insurance companies, asset managers, pension funds, large non-financial companies, accounting and consulting firms, and credit rating agencies'.

* Brightwell is the trading name of BT Pension Scheme Management Limited (BTPSM Ltd). This TCFD report covers the scope of BTPSM's activities as the FCA regulated entity.

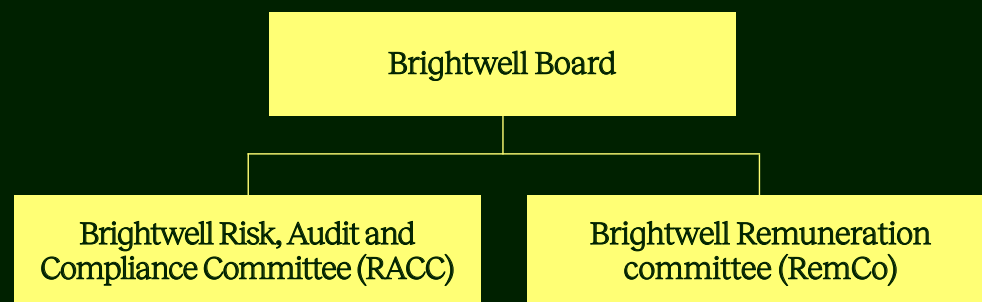
Appendix: Brightwell TCFD report

Governance

Brightwell, is regulated and authorised by the Financial Conduct Authority (FCA). Our corporate governance framework is designed to support the Board's oversight of the Company's purpose of working together for a better future, which is integral to the business. The framework demonstrates the Board's commitment to high standards of governance.

Brightwell Board

The Board is collectively responsible for the Company's long-term sustainable success within a framework of prudent and effective controls. The Board is responsible for the overall strategy, oversight of financial and operational performance, key risks (including climate related risk) and regulatory compliance. The Board manages certain operations independently but delegates others to its committees. The Board considers all of Brightwell's key risks when setting its strategy. The Board periodically receives and reviews Brightwell's risk register. There are two formal Committees of the Board — Risk, Audit and Compliance Committee and Remuneration Committee, as outlined below. The Brightwell Board receives annual updates on progress in relation to Net Zero strategy (further described in the Strategy section). The Board also receives quarterly reporting on sustainability related risks and issues. At present, neither executive nor senior management remuneration is linked to climate related objectives. The board delegates day-to-day management to the CEO who is supported by an Executive Committee as well as any climate related issues arising.



Brightwell Risk, Audit and Compliance Committee

Chaired by non-executive director, Kevin Troup, the RACC's key purpose is to provide oversight and advice to the Board in relation to the current and potential future risk profiles and exposures of the firm, including the risk appetite, and on the effectiveness of the risk management framework. The RACC also assists the Board in carrying out its responsibilities relating to accounting policies / approaches, internal controls (e.g. compliance and audit) and financial reporting functions, including consideration of any relevant non-financial disclosures or related controls which may impact the financial statements.

Board Remuneration Committee

The purpose of the Remuneration Committee is to ensure that the Board is supported in the aim of ensuring that Brightwell's remuneration arrangements are aligned to the successful delivery of Brightwell's long-term strategy. Brightwell Board Chair, Denise Le Gal, chairs the Remuneration Committee. Whilst remuneration is not directly linked to climate related objectives, compensation does consider the effective management of Brightwell's key risks, which includes sustainability risk.



Appendix: Brightwell TCFD report

Strategy

In April 2023, the executive management team set a goal to have net zero greenhouse gas emissions by 2035.

This section provides a high-level overview of the start of our Net Zero 2035 journey and plan to achieve this. At present, we have not set interim targets but we may look to introduce interim targets in future should we determine that this would support the achievement of the overall aim.

In 2022, we undertook an exercise to baseline emissions for Brightwell. In 2023, we set a 2035 net zero goal and we prepared and shared Brightwell Net Zero strategy document with the Executive Committee and Brightwell Board. This strategy proposed immediate short-term actions (for 2024) and medium-to-long term actions (beyond 2024) to support the Net Zero objective.

These actions were considered in relation to: (i) improving our emissions data, (ii) direct emissions reduction activities, and (iii) emissions reporting requirements. The majority (99%) of our emissions are indirect scope 3 emissions, whilst the remaining 1% are scope 2 emissions connected to the consumption of purchased electricity, and heating. We already collect accurate data on Scope 2 emissions and we have been offsetting 100% of Scope 2 emissions since 2020. In the second half of 2023, we switched to 100% renewable energy supply for our office space, reducing the requirement for offsets.

Reducing, and ultimately eliminating Scope 3 emissions is critical to our Net Zero goal, given the contribution of these to total emissions. Over 90% of our Scope 3 emissions relate to emissions embedded within goods and services purchased by Brightwell. Therefore, obtaining accurate data on supplier emissions is an important part of our Net Zero strategy.

Supplier engagement is crucial to obtaining this data, and ultimately reducing these Scope 3 emissions. Our supplier engagement strategy is summarised below:

1. Existing suppliers

Accurate supplier emissions data must first be obtained to understand which suppliers are the heaviest emitters, the extent to which our suppliers have an emissions reduction plan that is consistent with Brightwell's Net Zero objective; and the timeliness, accuracy, and quality of their emissions reporting. Our engagement with Omnevue has supported with obtaining supplier-level emissions data. This will be reviewed and analysed over the course of 2025 and beyond, with the aim of gaining better insights into our emissions data and supporting decision making.

2. New suppliers

Brightwell's supplier onboarding considers whether a potential supplier has a process to accurately report emissions and has a net zero plan that is consistent with Brightwell's objective. Where a potential new supplier cannot comply with the above, the cost of offsetting should be calculated and considered as part of the ongoing supplier cost.

Other Scope 3 emissions include employee commuting, business travel, and emissions related to our buildings. Whilst these form a relatively small share of the overall emissions, we have kicked off work to gain a better understanding of the emissions data in this area, for example, engaging with our building managers to collate quarterly emissions data covering energy, water and waste usage.

Other potential pipeline activity includes exploring partnerships with carbon neutral business travel providers, employee engagement, e.g. via enhancing 'green benefits' provision and others.

Appendix: Brightwell TCFD report

Risk Management

Brightwell has established its Risk Management Framework ("The Framework") to support the achievement of business objectives by providing an integrated approach to considering and managing risk across the business, including ESG-related risks. The Framework comprises the components that make up the organisational arrangements for the management of risk at Brightwell. As such, it describes the vision for how risk should be managed and the expectation that everyone in Brightwell understands this vision and how it affects them. The Framework therefore plays a key role in the communication and promotion of the risk management culture. Brightwell recognises that the assumption of risk is inherent in the firm's business model and that risk does not necessarily always need to be fully eliminated. Some staff have the authority to take on risk in accordance with their roles and responsibilities, but risks must be understood and assessed to ensure exposure is commensurate with Brightwell's risk appetite. The identification, assessment and management of risk is made across all business-as-usual activities and across key business change initiatives. Brightwell adopts a Three Lines of Defence governance model for risk management. This model provides a consistent, transparent, and clearly documented allocation of accountability and segregation of functional responsibilities. The segregation of responsibility helps to establish a control framework that improves understanding and encourages the continuous improvement of the management of risk in the business.

Risk Management Strategy

Brightwell's risk strategy is to ensure that effective risk management is embedded in all core operating and decision-making processes across the organisation and that enduring and emerging risks are identified and managed to within acceptable risk tolerances. The Framework enables a common approach to risk management across Brightwell and sets out the guiding principles and requirements for effective management of risks as defined in the risk taxonomy. The Framework also defines roles and responsibilities of key stakeholders. The holistic management of risk is enabled by the Framework, which is designed to support the effective identification and management of risks inherent to Brightwell, potential risk incidents and trends that may significantly impact the Firm's ability to achieve its strategic goals or maintain its operations. The Board is responsible for the governance and effective management of risk within Brightwell, including but not limited to the setting of the direction of how risk should be approached and addressed, and in relation to the development of strategy and the effects of risk on the achievement of objectives.

Appendix: Brightwell TCFD report

Risk Culture

In order to reinforce and support implementation of the Framework, Brightwell has adopted an approach to promote and embed a risk-aware culture across the organisation, including reinforcing individual behaviours and capabilities that are aligned with Brightwell core values and beliefs. This approach also includes alignment of remuneration and performance structures which incentivise risk accountability and the right risk-aware behaviours. Brightwell has introduced a behavioural framework which includes a set of cultural values that articulate the firm's ethos.

Processes and methodologies

Risk appetite

- Board approval of Brightwell's risk appetite statements and qualitative and quantitative tolerances to measure the firm's exposure. Risk appetite statements and their supporting indicators are reviewed and approval annually.

Policies and procedures

- Developing and implementing risk management policies supported by procedures and standards. Key policies are outlined in the following table.

Policy Name	Scope of the Policy	Governance Approval
Non-Financial Risk Policy	Strategic (including ESG) and Operational Risk	Brightwell Board
Financial Risk Policy	Market Risk Credit Risk Liquidity Risk	Brightwell Board

Risk identification and assessment

- The identification and assessment of risks that arise from day-to-day activities and through business change initiatives. First line functions have the principal responsibility for identifying risks, including ESG risks. The second line supports the process through challenge and oversight of the first line and by ensuring that appropriate risk management strategies are in place to mitigate identified risks. The second line also performs horizon scanning to identify emerging risks. Risk management strategies and techniques are used to ensure identified risks are mitigated in accordance with Brightwell's risk appetite.

Monitoring and measurement

- Investigation, root cause analysis and recording of risk incidents.
- Risk-based monitoring reviews.
- Developing and monitoring key risk indicators to support Brightwell's risk appetite process.

Reporting

- Quarterly reporting on the firm's risk profile to the Board including ESG related risks.

Appendix: Brightwell TCFD report

As a fiduciary manager, Brightwell recognises the importance of understanding and managing risks and opportunities, including climate-related ones. As detailed in the following table, our risk assessment indicates that at present, there are no short-term risks to Brightwell and limited climate-related risk to Brightwell over the defined time periods.

Risk category	Risk	Timeframe	Current risk level	Potential impacts	Rationale
Operational & strategic risk	Physical risk to buildings, staff and infrastructure	Long term	Low	Business disruption leading to poor service to clients	We have a small physical presence in London with well-rehearsed BCP/DR arrangements. As such we have a low risk of physical climate impacts.
	Regulatory risk	Medium term	Low	Material changes to Brightwell's organisational arrangements	We recognise that future regulation may impact Brightwell's organisational arrangements but at present, we assess this risk to be low.
	Reputational risk	Medium term	Low	Negative perceptions that could impact client relationships.	We continually assess the reputational risk that may arise from Brightwell's fiduciary and organisational activities with respect to climate change. At present, we assess this risk to be low.
Financial risk	Balance sheet risk	Medium term	Low	Liquidity issues leading to Brightwell being unable to meet its financial obligations.	Brightwell's assets are held in cash and near cash products. As such we currently have a low risk of climate risk to our balance sheet.
	Revenue risk	Medium term	Low	Decreased future revenue	We recognise our fiduciary obligations to our clients, and we seek to mitigate the impacts of climate change on asset values. The majority of our fees are based on a fixed fee model. As such we have low risk of revenue being impacted by climate impacts on asset valuations.

On the basis that we do not believe we have any short-term exposure to any financially material climate-related issues, we do not believe that Brightwell's strategy will need to change to consider various different climate scenarios (i.e. transition to a low-carbon economy consistent with a 2°C or lower scenario). Brightwell does however recognise that there may be long-term impacts to the financial services sector from climate-related risks. For this reason, other than the analysis in the table above, we have not performed scenario analysis for Brightwell for this year's submission or described the impact of climate-related issues to our business strategy and financial planning. We will continue to review this in subsequent years (along with the risks that we are exposed to) and will take appropriate action. Whilst we do not currently perform climate-related scenario analysis or disclose the impact of climate-related issues for Brightwell as a corporate entity, as a fiduciary manager, we do perform climate scenario analysis for our clients. The potential impacts of climate change are explored on a range of time horizons — short-term (1 year), medium-term (up to 2034) and longer-term (2034 onwards) and we consider a range of scenarios when completing climate analysis (lowest common denominator, inevitable policy response, global co-ordinated action and climate emergency).

Appendix: Brightwell TCFD report

Metrics and Targets

We have partnered with Omnevue to calculate Brightwell’s Scope 1-3 CO2e emissions. Omnevue’s CO2e emissions calculation methodology has been developed in line with the Greenhouse Gas (GHG) Protocol, the most widely recognised and used carbon accounting framework in the world. Brightwell’s CO2e calculations are assured in line with international accounting standards (ISAE 3000). In line with the GHG Protocol, our CO2e emissions are categorised into Scopes 1, 2 and 3, ensuring a comprehensive picture of our carbon emissions.

Omnevue’s calculations prioritise activity data (e.g. litres of fuel burned, kilometres driven, weight of products bought) over spend data (i.e. calculating CO2e emissions based on a company’s spending on goods and services and their associated spend-based conversion factors).

The GHG Protocol only permits the spend-based method in Scope 3 calculations, and only as a fallback when more precise activity data are not available. Omnevue collects company-level emissions data covering over two million businesses worldwide from several of the largest CO2e emissions databases. c56% of Brightwell’s supplier CO2e by spend has been calculated using supplier-specific emission factors. This represents c21% of our value chain in terms of Scope 3 emissions in 2024 calendar year. Brightwell does not, at present, set interim targets for its emissions as reaching this goal will not necessarily be a linear process.

The table below sets out our Scope 1-3 emissions for 2022 to 2024 calendar years. We do not generate Scope 1 emissions and whilst we have grown in terms of headcount and business activity, our Scope 2 emissions have been on a downward trajectory, primarily due to transition to green energy tariff. Scope 3 emissions, which are predominantly associated with our supply chain, are influenced by annual variations in procurement and spend patterns. As such, we do not anticipate a consistent year-on-year reduction. As outlined earlier in this report, improving the accuracy and quality of supplier emissions data remains a key priority in supporting our broader net zero strategy.

Brightwell’s Emissions - Calendar Year	2024 tCO2e	2023 tCO2e	2022 tCO2e
Direct Emissions			
Combustion of gas and use of fuel for transport	-	-	-
Scope 1	-	-	-
Indirect Emissions (for own use)			
Purchased Energy	20.1	24.0	31.0
Scope 2	20.1	24.0	31.0
Indirect Emissions	tCO2e	tCO2e	tCO2e
Scope 3	797.7	671.6	1,158.9
	FTE	FTE	FTE
BTPSM Average FTE	110	98	92





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The information provided in this report was correct as at 31 December 2024 and BTPSM trading as Brightwell shall be under no obligation to notify you of any changes to the information or otherwise to update the information after this date. It is intended for information purposes only and does not constitute an offer, recommendation or solicitation to buy securities or derivatives products. Any reliance you place on this information is at your own risk.

The investment strategies that BTPSM trading as Brightwell use are subject to normal market fluctuations and the risks associated with investing in international securities markets. Therefore, the value of investments and the income from it may rise as well as fall and investors may not get back the amount they originally invested.