EVENLODE

INVESTMENTS FOR LIFE



ENTITY-LEVEL REPORT

Evenlode Investment

Climate and Nature Report

June 2026

evenlodeinvestment.com

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SECTION ONE

Introduction



About this report

Evenlode supports the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) and commends the FCA's integration of these recommendations into its listing rules and the ESG Sourcebook's reporting requirements for financial services companies. The following entity-level report is written in accordance with the TCFD framework and from the perspective of Evenlode Investment Management Limited. The disclosures and calculations in the report cover all our in-scope assets managed or administered by the firm and are based on a calendar year schedule (12 months) ending 31 December 2025, using the most up-to-date information. Where relevant, we have also made disclosures regarding our operations as a firm.

At Evenlode Investment Management Limited ('EIML' or 'Evenlode'), we recognise that climate change and nature loss pose significant financial challenges and opportunities, in the near term and the future. To preserve and enhance the value of our clients' assets, it is important for us to assess the climate and nature-related risks and opportunities faced by our investee companies, as well as understand their readiness for a low-carbon economy.

Climate change and nature loss are not separate crises. They are deeply intertwined: deforestation accelerates warming, rising temperatures degrade ecosystems, and the collapse of pollinator populations or soil health can unravel agricultural supply chains just as surely as a carbon tax can reshape energy markets. Our investment philosophy is based on two fundamental principles: Investment is a long-term pursuit, with returns driven by performance of the underlying portfolio companies; and active risk management is key to producing attractive, long-term shareholder returns. Understanding nature-related risks is key to effecting long-term risk management and ultimately fulfilling our fiduciary duty to our clients.

In accordance with the FCA's ESG Sourcebook, EIML has made these disclosures consistent with the TCFD Recommendations and Recommended Disclosures, including Sections C and D of the TCFD 2021 Annex. The disclosures in this report, including any third-party or Group disclosures cross-referenced in it, comply with the requirements under Chapter 2.2. in the FCA's ESG Sourcebook.

Our commitment to regulatory compliance highlights our dedication to operating with transparency and integrity. Should you require further clarification or have any questions regarding the report's contents, please feel free to reach out to us.

This year, we are expanding our disclosure to include nature-related risks and dependencies, aligned with the Taskforce on Nature-related Financial Disclosures (TNFD) framework. Nature loss and biodiversity decline present material financial risks to our portfolio companies, both through their impacts on natural systems and their dependencies on ecosystem services. We have undertaken an initial assessment of our portfolios' nature-related exposures using the ENCORE tool (see key terms below), supplemented by targeted research on key risk themes. The findings from this analysis are integrated throughout this report alongside our climate-related disclosures.

Ben Peters

CO-FOUNDER, FUND MANAGER & DIRECTOR OF STEWARDSHIP · JUNE 2026

Our business operations, investment strategy, and products are consistently aligned with our overarching entity-level governance, strategy, and risk management practices, in accordance with the recommendations of the TCFD. This alignment is highlighted by our commitment to invest in companies that possess independent governance structures with a high level of expertise, provide credible transition plans, and actively manage both financial and non-financial risks over the long term.

About Evenlode

Evenlode is an asset management firm located in the North Cotswolds. We are a dedicated team committed to serving the best interests of our clients.

Our name itself reflects this connection to the natural world: the River Evenlode flows through the Oxfordshire and Gloucestershire countryside near our offices, winding through ancient woodland and water meadows that have sustained communities for centuries. This sense of place informs our perspective. We are reminded daily that economic prosperity ultimately depends on the health of the natural systems that surround us, from the waterways that support local agriculture to the broader ecosystem services on which global supply chains rely.

As above, the Evenlode philosophy rests upon two fundamental principles:

1. Investment is a long-term endeavour, with returns being influenced by the fundamental performance of the underlying portfolio companies.
2. Active risk management plays a pivotal role in generating attractive, long-term shareholder returns.

At Evenlode, we view investments in equities as fractional ownership stakes in real companies. Consequently, we adopt a long-term, business-focused approach to investment. We firmly believe that this approach best aligns our investment decisions with a long-term horizon and reduces investor return volatility.

Key terms

Climate change. Long-term changes in temperature, precipitation, wind patterns, and other elements of the Earth's climate system, largely driven by human activities such as burning fossil fuels, deforestation, and industrial processes, leading to global warming and environmental impacts.

CO_2e. 'Carbon dioxide equivalent' — a measure used to express the global warming potential of all greenhouse gases in terms of the equivalent amount of carbon dioxide emissions. A key metric in assessing and managing greenhouse gas emissions.

Ecosystem services. The benefits that people and businesses derive from nature, including provisioning services (e.g. water supply), regulating services (e.g. flood control), and cultural services (e.g. recreation, education).

ENCORE. Exploring Natural Capital Opportunities, Risks and Exposure — a tool developed by the Natural Capital Finance Alliance and UNEP-WCMC that maps economic activities to their potential impacts on nature and dependencies on ecosystem services, rating each linkage from Very Low to Very High materiality.

Greenwashing. The misleading practice of a company making its actions appear more environmentally friendly than they are. For example, a company might claim to be "net zero" in its operations, but achieve this by paying to offset its emissions rather than by reducing actual emissions.

Nature-related risk. Risks arising from an organisation's dependencies and impacts on nature. These include physical risks (degradation of ecosystem services), transition risks (policy and regulatory changes such as the EU Deforestation Regulation) and systemic risks (ecosystem tipping points that disrupt economic activity).

Network for Greening the Financial System (NGFS). A network of central banks and financial supervisors that aims to enhance the role of the financial system in managing risks and mobilising capital for green and low-carbon investments, and to help strengthen global efforts to meet the goals of the Paris Agreement.

Physical risk. Risks related to the physical impacts of climate change, including acute risks like extreme weather events (hurricanes, floods, wildfires) and chronic risks like sea-level rise, temperature increases, and changes in precipitation patterns that can affect assets, infrastructure, and operations.

Scenario analysis. A process of analysing potential future events by considering alternative possible outcomes (scenarios). In climate risk management, it involves assessing how different climate-related scenarios (e.g., various levels of global warming) could impact an organisation's operations and strategy.

Scope 1 GHG emissions. Direct emissions from owned or controlled sources by an organisation, including on-site fuel combustion, manufacturing processes, and company vehicles.

Scope 2 GHG emissions. Indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting organisation.

Scope 3 GHG emissions. All other indirect emissions that occur in a company's value chain, including both upstream and downstream emissions, such as those from purchased goods and services.

Transition risk. Risks associated with the transition to a low-carbon economy, including policy and legal risks, technological changes, market shifts, and reputational risks that can impact businesses as economies shift away from fossil fuels towards sustainable and renewable energy sources.

SECTION TWO

Governance



Board oversight of climate and nature-related risks and opportunities

The Evenlode Board states explicitly that it is committed to considering the risks and opportunities associated with environmental, social and governance (ESG) matters when setting the firm's risk appetite, when charging executives with developing the business plan, and when approving the plans themselves. The commitment specifically includes the risks and opportunities associated with climate change and the transition to a low-carbon economy.

As a business, the biggest risk that we face is in not managing the risks and opportunities in client portfolios appropriately. Should unmanaged risks translate into lower or negative returns for clients, this could lead to a loss of business. Environmental risks, including climate change and nature loss, fall firmly into the category of risks to be managed at a company and portfolio level.

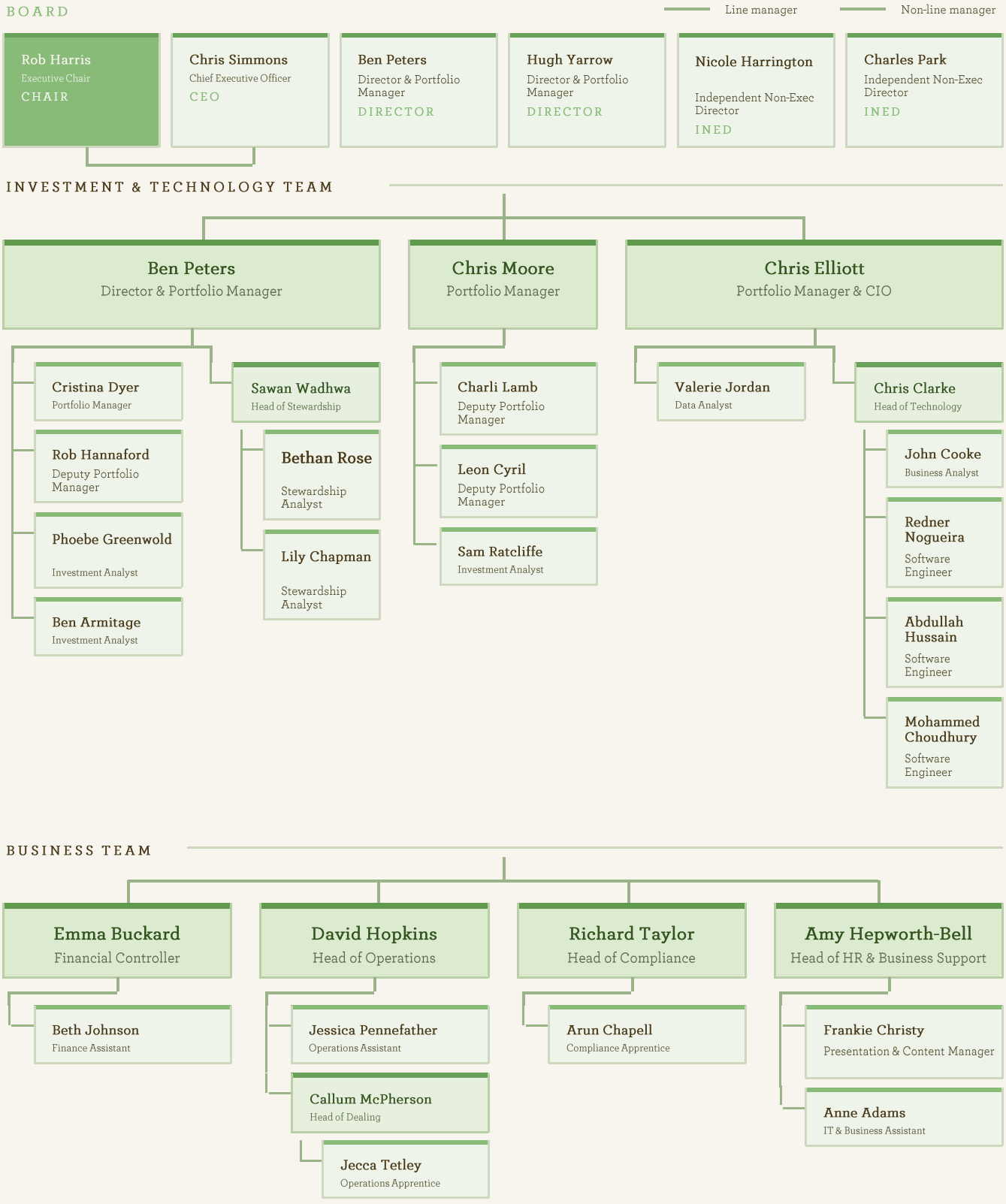
The Evenlode Board recognises climate change and nature loss as some of the most critical environmental issues facing societies globally. They maintain oversight of global policy changes relevant to climate change and nature. The Board believes the firm has an active role in addressing the challenge of reducing greenhouse gas emissions to net zero by 2050. To ensure effective climate risk management, the Board leverages the expertise of certain individuals (ESG Director and Head of Stewardship) when making decisions on business plans and setting performance objectives, maintaining close working relationships with both. These positions have more direct responsibility for integrating climate considerations.

This close collaboration ensures the Board is frequently informed about climate and nature-related issues. These factors are then integrated into Board discussions on strategy and major capital expenditures.

Additionally, climate-related risks at an operational level are identified as part of the firm's Risk Management Process (RMP). The firm has a dedicated risk management system which is populated by senior management with details of operational risks (including likelihood, impact, mitigating controls and key risk indicators). Risk reports are submitted to the Evenlode Board at each Board meeting. Climate-related risks include the risk of greenwashing, which may result from inadequate communication in our marketing materials, websites, and regulatory reports. This focus on climate-related risks represents an enhanced component of our operational risk management strategy and is reported to the Board quarterly. Evenlode's Management Team also plays a crucial role in monitoring the emission intensity of funds as part of the 'Impact' strategic pillar, in conjunction with other key indicators such as staff engagement, investor concentration, and client complaints.

Management's role in assessing and managing risk

Evenlode's organisational structure can be depicted as follows.



Management roles

Assessing and managing climate and nature-related risks and opportunities forms part of the responsibilities of many different management roles. These are detailed below.

ESG Director — Ben Peters

All ESG and stewardship activities are led by the ESG Director who sits on the Evenlode Board. He is supported in these tasks by the investment team, the business team, and the technology team. This approach ensures that all teams remain vigilant in identifying and managing climate-related issues, reflecting its impact on the group's operations and strategic planning.

The ESG Director is responsible for ensuring that climate and nature-related risks and opportunities are considered by the Board and addressed within the firm's business plan. As climate change and nature loss present risks and opportunities, the ESG Director ensures that material climate and nature-related matters are reflected in business planning, risk management, and ultimately, business activities.

Head of Stewardship — Sawan Wadhwa

The Stewardship business plan is created annually and over a rolling 3-year period with ultimate responsibility for its execution lying within the stewardship specialism. The plan provides detailed information about the department's focus areas for the next 12 months. The team conducts quarterly reviews to ensure it remains focused on its short, medium, and long-term goals and that its strategic direction continues to align with the overall business strategy. To ensure transparency, business plans are shared among the investment and Evenlode teams, presented for Board approval annually, and regularly monitored by the Head of Stewardship.

The Head of Stewardship and the Chief Executive Officer meet semi-annually to discuss the overall implementation of the stewardship strategy. This ensures an open line of communication between senior management and the executive team. Most discussions over the last 12 months have centred around the net zero strategy, supply chains, the political backdrop and ESG resiliency.

Audit & Risk Committee

The Committee is a sub-committee of the Board, tasked with implementing the firm's Risk Management Process. It comprises Nicole Harrington (Non-Executive Director), Rob Harris (Executive Chair), Chris Simmons (CEO), David Hopkins (Head of Operations), Amy Hepworth-Bell (Head of HR & Business Support) and Richard Taylor (Head of Compliance).

The Committee has developed a Risk Matrix of all identified pertinent risks and oversees a control environment that links risks, their mitigating controls and various processes, procedures and responsibilities across the organisation. Whilst this primarily focuses on strategic and operational risks, it also addresses the ever-evolving climate and nature-related regulations and industry developments. Individual risks are assigned to a department head or Board member for periodic review — monthly, quarterly or annually depending on the nature of the risk.

REMUNERATION

We do not have prescriptive performance metrics tied to remuneration. We believe such metrics can lead to unintended consequences and may not effectively drive the desired behaviours. Instead, we prefer to create a culture of accountability and shared responsibility, where employees are empowered to make decisions that align with our overall strategic objectives, including our approach to managing climate-related risks and opportunities.

SECTION THREE

Strategy



Identification of climate and nature-related risks and opportunities

We use the following time-horizons in our considerations of climate and nature-related risks and opportunities:

SHORT-TERM	MEDIUM-TERM	LONG-TERM
Up to 3 years	3 to 10 years	Over 10 years

Given the characteristics of climate and nature-related risks and opportunities, they cannot be neatly separated into time-horizons. This is because the materialisation of risks and opportunities will depend largely on government policy changes and environmental tipping points, both of which have considerable amounts of inherent uncertainty. We discuss this further in the section on scenario analysis below. For present purposes, however, we have detailed indicative time horizons where risks and opportunities may materialise.

To systematically identify the climate-related risks and opportunities most material to our portfolio, we have worked with Canbury Insights to assess investee companies through the lens of 'transmission channels.' These channels describe the pathways through which climate-related factors — whether physical or transition-related — can affect the financial performance of the businesses in which we invest. There are five transmission channels: own operations, supply chain, market dynamics, customer base, and access to capital, which cover value chain and macroeconomic exposures. The analysis below sets out the most potentially material risks and opportunities highlighted within each time horizon.

Climate-related risks

Short term

Our investments are predominantly within the European and US market. In Europe, the most significant short-term risks relate to transition-related dynamics, particularly regulatory compliance and shifting market dynamics. For example, investments within consumables manufacturing holdings are potentially exposed to increased supply chain due diligence obligations from policies such as the EU Deforestation Regulation, which is set to come into force within the short term. The direction of regulatory travel also indicates that 'greenwashing' and misleading environmental claims may result in significant compliance pressure in the short term.

In the US, the short-term picture is shaped less by regulatory tightening and more by political volatility. The rollback of federal climate and disclosure initiatives, alongside a broader anti-ESG movement, creates uncertainties. Companies operating across both jurisdictions face the cost and complexity of navigating two increasingly misaligned regulatory regimes, while shifting US policy on environmental disclosure may affect the availability and comparability of the data we require for our analysis.

Medium and long term

The medium and long-term risks that manifest will depend on government and corporate action taken in the near term, and so this question is returned to in the discussion of scenarios below. Risk categories likely to evolve include:

Regulatory risks — changes in climate-related regulations affecting investments in carbon-intensive industries.

Physical risks — an increase in the frequency and severity of extreme weather events.

Market risks — changes in consumer preferences affecting the profitability of companies.

Reputational risks — negative public perception due to unsustainable practices.

Medium and long-term risks also include environmental tipping points, with second-order effects that are difficult to forecast. Over the medium to long term, the most significant climate-related risk we have identified is the failure to achieve our net-zero emission intensity targets.

NATURE-RELATED RISKS

In addition to climate-related risks, our portfolio is exposed to nature-related risks through the dependencies and impacts of investee companies on ecosystem services. Using the ENCORE tool, we have identified the most material nature-related risk themes:

- Water risk
- Land use & deforestation

CASE STUDY

Regenerative agriculture

We engaged directly with five investee companies — Nestlé, Unilever, Heineken, Diageo, and Reckitt Benckiser — to assess the credibility and maturity of their regenerative agriculture programmes. Nestlé's network of over 1,000 agronomists provides strong technical support to farmers, particularly in cocoa and coffee supply chains, but structured transition finance remains limited. Unilever's Regenerative Agriculture Fund, launched with AXA and Tikehau Capital as a blended-finance vehicle, represents one of the more credible approaches to sharing the cost of transition.

The nature-related risks identified above are not confined to abstract risk registers. They are actively reshaping the agricultural supply chains on which several of our portfolio companies depend. Our dedicated research into coffee and cocoa supply chain resilience documents how deforestation, soil degradation, and shifting rainfall patterns are already driving extreme commodity price volatility and threatening the long-term viability of these crops. To complement that analysis, we have undertaken a targeted research programme into regenerative agriculture (RegenAg) across the agri-food holdings in our portfolio.

Agriculture, forestry, and other land-use activities account for roughly 23% of global greenhouse gas emissions, making the sector the second-largest emitter after energy. Intensive agricultural production is also recognised as the leading driver of biodiversity loss globally. This dual role as both a driver of environmental degradation and a potential solution makes the sector a critical focus for our nature-related risk analysis. We define regenerative agriculture as the restoration of full soil system functionality: enhancing its capacity to store water, supply nutrients, provide structural support, enable gas exchange, and break down contaminants.

Three structural barriers emerged consistently. First, the lack of long-term financial incentives that allow farmers to absorb short-term transition costs remains the most significant obstacle to adoption. Second, the absence of standardised measurement, reporting, and verification (MRV) frameworks limits credibility. Third, opaque and fragmented supply chains continue to limit traceability and incentive alignment.

We found that the most credible regenerative agriculture strategies are those that integrate multi-year, structured financial incentives; trusted agronomic advisory support; clear, externally verified MRV frameworks; and robust farmer co-operative networks. These findings directly inform our engagement priorities and reinforce our conviction that nature-related dependencies in agricultural commodity supply chains are material to long-term portfolio resilience.

COMPANIES ENGAGED

Nestlé | Unilever | Heineken | Diageo | Reckitt Benckiser

Climate and nature-related opportunities

> *Just as nature-related risks can erode value, the restoration and protection of natural systems present compelling investment opportunities. Companies that invest in water stewardship, regenerative supply chains, and nature-positive business models are not only reducing their exposure to regulatory and physical risks, but building the operational resilience and brand trust that underpin durable competitive advantage.*

Climate change, nature loss, and society's reaction to it also present investment opportunities. These include identifying and allocating capital to companies that are well positioned to benefit from the transition to a low-carbon economy. This may include firms providing climate solutions — such as energy efficiency technologies, renewable energy systems, or circular economy models — as well as those with robust climate governance, transparent disclosures, and credible transition plans.

We also see long-term opportunities in companies that are actively improving supply chain efficiency and reducing lifecycle emissions. As regulatory frameworks evolve and investor expectations rise, businesses with lower value chain emissions are likely to benefit from lower capital costs and enhanced long-term competitiveness. Over time, this can translate into improved resilience, higher margins and greater shareholder value. Where we see strong evidence of progress and upside potential, we may increase our portfolio weighting to reflect that conviction.

Impact of climate and nature-related risks and opportunities on our business, strategy and financial planning

Business operations

Regarding our business operations and supply chains, we have set the ambitious target of being net zero carbon across all scopes, excluding financed emissions, by the end of 2030. This has impacted our business planning in many ways, including in the design and construction of our office near Moreton-in-Marsh, Gloucestershire, which prioritised sustainability through the use of existing steel, recyclable materials, and minimal disruption to the existing ecosystem. Climate-related issues have not had material impacts on our financial performance (i.e. revenues, costs) or financial position (i.e. assets, liabilities) to date. We will continue to monitor this going forward.

We are conscious that our operations target will inevitably need to involve the use of offsets, as certain categories of transport, notably air travel, will certainly not be decarbonised by that time. However, we are committed to ensuring that offsets do not exceed 5% of our overall emissions, focusing instead on direct emission reduction strategies, while actively exploring long-term opportunities to address these challenging areas.

Strategy and financial planning

Our investment process encourages us to invest in asset-light models, excluding certain emission-intensive industries which are often excluded from sustainability-focused funds. We undertake an extensive process of assessing companies against 32 ESG-related metrics which we use to inform our investment decisions. Our strategy applies to all products with no material differences in its application to any individual product.

Much of the stewardship team's work has traditionally been retrospective in nature, therefore we welcome the forward-looking nature of the requirements under the TCFD and Taskforce on Nature-related Financial Disclosures (TNFD). Analysing historical emissions reductions, supply chain controversies, and remuneration policies have all been valuable indicators — but these typically focus on the past. The emphasis on forward-looking practices like double materiality assessments has compelled us to adopt a broader, long-term perspective.

Our TNFD-aligned nature risk assessment, presented later in this report, exemplifies this forward-looking approach. By mapping our portfolio's exposures to nature-related impacts and dependencies through the ENCORE framework, and supplementing this with targeted research, we are building the analytical foundation for understanding how nature loss may affect our investee companies over the medium to long term.

Resilience of our strategy under different climate and nature-related scenarios

Scenario analysis is a process for identifying and assessing the potential implications of a range of plausible future states under conditions of uncertainty. Scenarios are hypothetical constructs, not designed to deliver precise outcomes or forecasts. The purpose is to emphasise key elements of a potential future and draw attention to the factors that could influence developments in policy, sentiment and economic outcomes. Given the physical and policy uncertainty associated with climate change, scenario analysis has not yet informed our firm strategy; however, we will continue to take the results forward in internal discussions.

In previous years we used the Network for Greening the Financial System (NGFS) scenarios. This year we have transitioned to three IEA scenarios that directly address the current state of play: the Net Zero Emissions by 2050 Scenario (NZE) as our aspirational benchmark; the Stated Policies Scenario (STEPS) as the base case; and the Current Policies Scenario (CPS) as the downside case. Our partnership with Theia Finance Labs gives us direct access to the climate expert survey dataset informing the Inevitable Policy Response (IPR) forecasting process, which we use to triangulate the three scenarios against the aggregated views of 375 climate experts.

	IEA NZE 2050	IEA STEPS	IEA CPS
Role in our analysis	Aspirational benchmark. The pathway aligned with our Net Zero commitment.	Base case. What our investee companies are most likely to operate in.	Downside case. If legislated policies fail to materialise.
Headline outcome	Net zero by 2050. WEO-2025 acknowledges a 1.5°C overshoot is now inevitable; returning below 1.5°C by 2100 will require large-scale CO_2 removal.	2.5°C warming by 2100. Coal and oil demand peak around 2030; gas grows into the 2030s. Low-carbon fuels and CCUS underdeliver.	3°C warming by 2100. Only currently legislated policies delivered; announced net-zero pledges and major policy packages not implemented.
Expert survey *Theia / IPR, 375 experts*	UK, EU and Japan median net zero year: 2050. Consistent with NZE for advanced economies.	US median: 2065. India: 2070. Indonesia & South Africa: 2060. Materially slipped vs NZE; broadly consistent with STEPS.	End-of-deforestation medians of 2035–2050; Kunming 30×30 medians of 2035–2045. Both past their formal targets.

Portfolio resilience by scenario

We can test the resilience of the portfolio through two risk scores in our frameworks most exposed to climate and nature-related dynamics: the ESG risk score, which captures management of environmental, social and governance risks, and the Long-Term Industry Outlook (LTIO) risk score, which captures the scale and growth of the total addressable market, changes in market structure, and potential for disruption, substitution or regulation. Both are scored A to E and discussed at weekly investment meetings.

NZE — ASPIRATIONAL BENCHMARK

Under NZE, the asset-light, quality bias of our investable universe aligns with the direction of policy and consumer expectations. Companies with credible transition plans — those scoring As and Bs — strengthen their competitive position and economic moat. We test the portfolio against NZE because it is the pathway our Net Zero commitment is aligned with, not because we view it as the expected case; the IEA itself acknowledges in WEO-2025 that a 1.5°C overshoot is now inevitable, and expert views place US, India and Indonesia net zero between 2060 and 2070.

STEPS — BASE CASE

Under STEPS, transition risk is moderate and broadly priced in, with physical risk becoming the more material concern over the medium to long term. Our quality criteria — high return on invested capital, strong pricing power and low capital intensity — favour businesses that can pass through input cost inflation and operate asset-light models. We hold minimal direct exposure to the most physically exposed sectors (Oil & Gas, Materials, Utilities). The key vulnerabilities we have identified are coffee and cocoa in the supply chains of some holdings, where cocoa price volatility has already affected short-term economics. We will be engaging on traceability with Nestlé, Lindt and the wider supply chain.

CPS — DOWNSIDE CASE

Under CPS, there is little regulatory or market incentive to reduce carbon intensity, and the effects of climate change become increasingly acute, particularly in emerging and climate-vulnerable economies. It reflects a world in which announced net-zero pledges are not legislated and the EU Deforestation Regulation and similar policies are softened or delayed. Cocoa supply chain traceability becomes a longer-term LTIO issue, and water security exposure in our technology holdings (Microsoft, Amazon, Alphabet) is less acute in regulatory terms but the underlying physical pressure remains.

Headline findings

NZE is our aspirational benchmark, not our central case. We use it because it is the pathway our Net Zero commitment is aligned with, and because it sets the standard against which we assess investee company transition plans.

STEPS is the base case. The expert survey confirms that the aggregated view of 375 climate experts is more aligned with STEPS than with NZE for the major emitters.

Physical risk through agricultural supply chains is the main vulnerability under STEPS and CPS. Consumables is the sector most exposed; our ENCORE assessment identifies it as the portfolio's largest water- and land-dependent sector.

CPS is the most credible downside case. The expert survey shows nature policy slippage is already visible, with end-of-deforestation medians falling outside formal targets.

Climate and nature in the Long-Term Industry Outlook risk score

Our Investment Process Handbook defines the LTIO risk score as covering the scale and growth of the total addressable market, changes in market structure, and further potential for disruption, substitution or regulation. Climate and nature-related dynamics act on all four dimensions, however only on a select number of sectors.

Market growth dynamics. Regenerative agriculture is becoming an important process within agri-food, with implications for addressable market growth and farmer cost structures over a 5 to 10 year horizon. Water stewardship is also becoming a material input cost for technology businesses.

Market structure change. The EU Deforestation Regulation will separate cocoa, coffee and palm oil supply chains into compliant and non-compliant segments. The cost of traceability favours larger players able to absorb the additional due diligence requirements.

Regulation as growth driver or constraint. The expert survey identifies national ETS and carbon tax mechanisms as the dominant carbon pricing instruments. Where investee companies sell into emissions-intensive customer bases, this is an LTIO consideration.

A company can score well on ESG — managing its own footprint, strong governance, credible science-based targets — while still facing a weakening LTIO because of industry-level dynamics outside its direct control. Our cocoa, coffee, regenerative agriculture and water security research has fed into both.

Limitations

Scenario analysis remains qualitative. Nature-related data is materially less mature than climate-related data. The IEA scenarios are climate-focused; the LTIO section above makes the nature integration explicit at the investment process level, and our ESG risk score matrix — where we assess company-level disclosures on dependencies and impacts on nature — captures the double materiality question. We will continue to develop this analysis as the TNFD framework matures and as ENCORE and company datasets improve.

Climate change and the transition to a low-carbon economy represent one of the biggest systemic risks facing the global economy and our portfolio companies. We have developed clear systems and processes to identify, assess and manage the climate-related risks we face, applying the same process to each investment portfolio.

SECTION FOUR

Risk management



Processes for identifying and assessing climate-related risks

We assess companies in our investable universe on a range of financial and non-financial factors, divided into three different categories:

Business	Financial	Investment
Economic Moat, Pricing Power, Long-term Industry Outlook, Economic Sensitivity, Diversification, Management & Cultural Quality, and ESG.	Balance Sheet Strength, and Cash Generation.	Liquidity Risk and Valuation Risk.

We assign a score of between A to E for each risk factor for each company we follow and analyse. Within the ESG risk factor, we prioritise environmental-related themes due to the value we attribute to climate-related risks and the governance needed from portfolio companies to achieve emissions reduction targets. To ensure a consistent and rigorous assessment, we have created a checklist which asks climate-related questions of each company.

EXAMPLE QUESTIONS

· Is there board-level oversight of climate-related issues? · Does the company publish its total greenhouse gas emissions (scope 1, 2 and 3)? · Does the company have science-based emissions reduction targets? · Does the company assess executives on sustainability-related incentives in their remuneration policies?

Once the score is calculated, independent judgement and discretion is applied by the stewardship department as a common-sense overlay. The resulting ESG risk score is presented and discussed at our weekly investment meeting, benefiting from independent discussion, discretion and calibration rather than a purely mechanical approach.

Companies that score badly on certain issues are less likely to be included in our investable universe. An E on ESG risk — where severe concerns are not being managed adequately — leads to exclusion, while a D leads to active engagement on the identified issues, escalated where necessary to collective engagement.

The engagement strategy varies between investee companies categorised as 'not aligned' and those 'aligned' with the Net Zero Investment Framework (NZIF). We prioritise engagement towards portfolio companies deemed material and 'not aligned'. Our voting policy aligns with this strategy, allowing us to vote against board members responsible for a company's climate strategy.

ESG risk classification

We assign each company a score from A to E. The classification below explains what each grade reflects with regard to climate, and the engagement approach that follows.

A
86–100%
ENGAGE TO LEARN

Reports scope 1, 2 & 3 emissions; coherent 'science-based' net zero strategy with interim targets; conducts scenario analysis; board-level oversight of ESG strategy; positive social impact with no material supply-chain controversies; governance-code-compliant board; relevant ESG metrics in remuneration policy; positive engagement with shareholders.

B
76–85%
ENGAGE ON MINOR ISSUES

Reports scope 1 & 2 and relevant scope 3 emissions; environmental targets for the medium and long term approved by an external body; largely positive social impact with minor controversies being addressed; non-financials measured in remuneration policy; fully independent board committees; active engagement with shareholders.

C
66–75%
ADDRESS MODERATE ISSUES

Reports scope 1 & 2 and some scope 3 emissions; long-term environmental targets; ESG strategy reported to the CEO; neutral social impact; moderate controversies not fully managed; majority independent board; metrics other than TSR/EPS used in remuneration policy; responsive to shareholders.

D
50–65%
ACTIVELY ENGAGE FOR CHANGE

Reports scope 1 & 2 emissions; weak governance on ESG strategy; only short-to-medium-term environmental targets; recurring supply-chain controversies left unmanaged; lack of independence on the board and committees; opaque remuneration policy focused solely on share price / earnings; lack of responsiveness to shareholders.

E
0–49%
EXCLUDE FROM PORTFOLIO

Does not report emissions; poor ESG disclosure standards; relatively high emission intensity; no environmental targets; detrimental social impact of core product or business model; non-existent net zero strategy; misaligned remuneration policy; serious board independence concerns; no engagement with shareholders. Excluded from the portfolio.

Processes for managing climate-related risks

It is our belief that companies that do not adequately manage their own business risks — including climate-related risks — face potential liabilities through fines, regulatory censure, reputational damage and subsequent lost revenues.

The processes described above enable us to have a comprehensive understanding of the risks associated with a company when we decide to invest. If we decide to invest in a company that scores poorly on one of the indicators, they will form part of our engagement strategy with the company. This is fundamentally a risk control mechanism.

Such companies present heightened risks. We therefore look elsewhere to achieve good risk-adjusted returns for our clients. Our risk identification process includes prioritisation, ensuring that material risks are identified.

We classify ESG risk as material for a significant portion of the companies in which we invest. Given the nature of our investment process and time horizon, environmental risk will continue to gain significance as we move towards a net-zero economy. The risk management process applies to all our investment strategies.

Nature-related risk assessment

ENCORE portfolio screening

The analysis covers the combined Evenlode portfolio across all mandates. The portfolio maps to 19 sectors, with Professional Services, Consumables Manufacturing, Financial Services, Pharmaceuticals, and Internet & Media representing the five largest sector weightings. We have organised the material findings into three thematic risk clusters.

Working with Canbury Insights, we have undertaken a systematic assessment of the portfolio's nature-related exposures using the ENCORE tool. ENCORE maps each holding to its constituent ISIC economic activity codes, then cross-references each code against the ENCORE database to assign materiality ratings (from Very Low to Very High) for each impact on nature and dependency on ecosystem services.

The ENCORE analysis reveals a portfolio whose value is quietly dependent on nature. While our investment process naturally steers towards asset-light, service-oriented businesses, the data shows that indirect dependencies persist: nearly half of the portfolio, by capital weighting, is materially reliant on ecosystem services that most financial models take for granted — clean water, stable soils, predictable rainfall, and functioning flood defences.

CLUSTER 01

Water

CLUSTER 02

Land use & deforestation

CLUSTER 03

Emissions & climate feedbacks

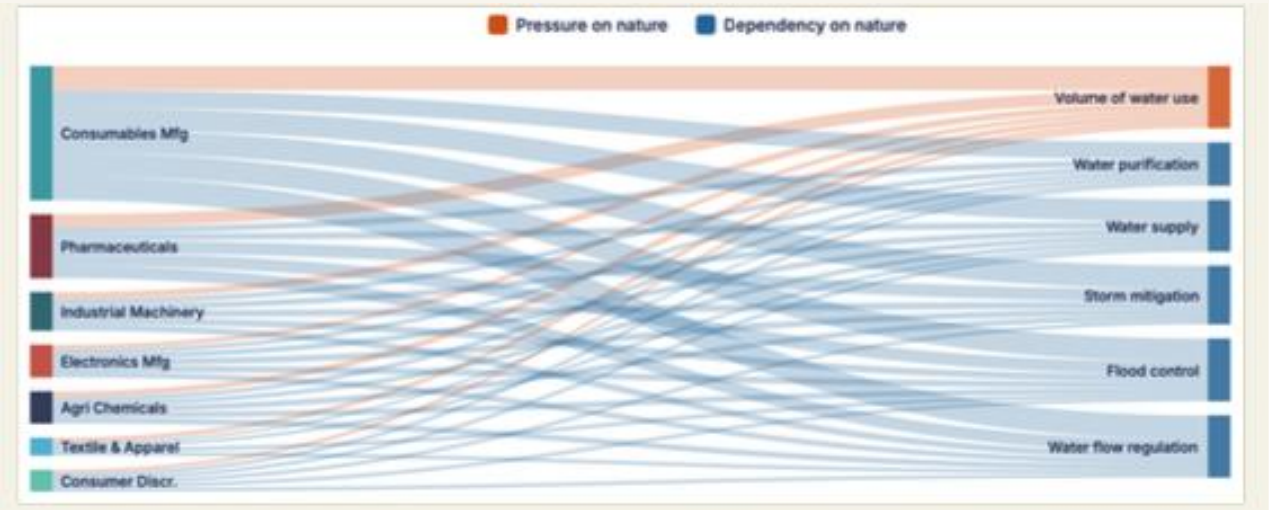
FIVE LARGEST SECTOR WEIGHTINGS

- Professional Services
- Consumables Manufacturing
- Financial Services
- Pharmaceuticals
- Internet & Media

CLUSTER 01

Water risk

Water emerges as the dominant nature-related risk theme for the portfolio. Volume of water use is the highest-rated impact, while storm mitigation, flood control, water flow regulation, water supply, and water purification are the most material dependencies.



Sector-level pressures on and dependencies on water-related ecosystem services (ENCORE). Orange links denote pressures on nature; blue links denote dependencies.

~50% of the portfolio is materially reliant on water-related ecosystem services. The sectors most highly connected with water are **Consumables Manufacturing** and **Pharmaceuticals**.

Water security and technology companies

The physical infrastructure behind cloud computing, AI, and semiconductors is highly resource-intensive, with data centres consuming vast quantities of water both directly for cooling and indirectly through electricity generation. Our research focused on Microsoft, Amazon (AWS), and Alphabet (Google) — all three have committed to becoming 'water positive' by 2030, but the research identified several areas warranting scrutiny.

Absolute consumption continues to rise

Despite efficiency gains, Google's water consumption rose 27% year-on-year in 2025, reaching 8 billion gallons. AI workloads are a key driver.

Indirect water use is underreported

Water-positive targets typically cover only direct operations, excluding embedded water in electricity generation — the majority of total impact. Nearly a third of US fresh water is used by thermoelectric power.

Geographical mismatch in replenishment

Several companies run data centres in high water-stress regions (Chile, Saudi Arabia, Belgium, Thailand) while replenishment projects are dispersed globally.

Innovation is promising but uneven

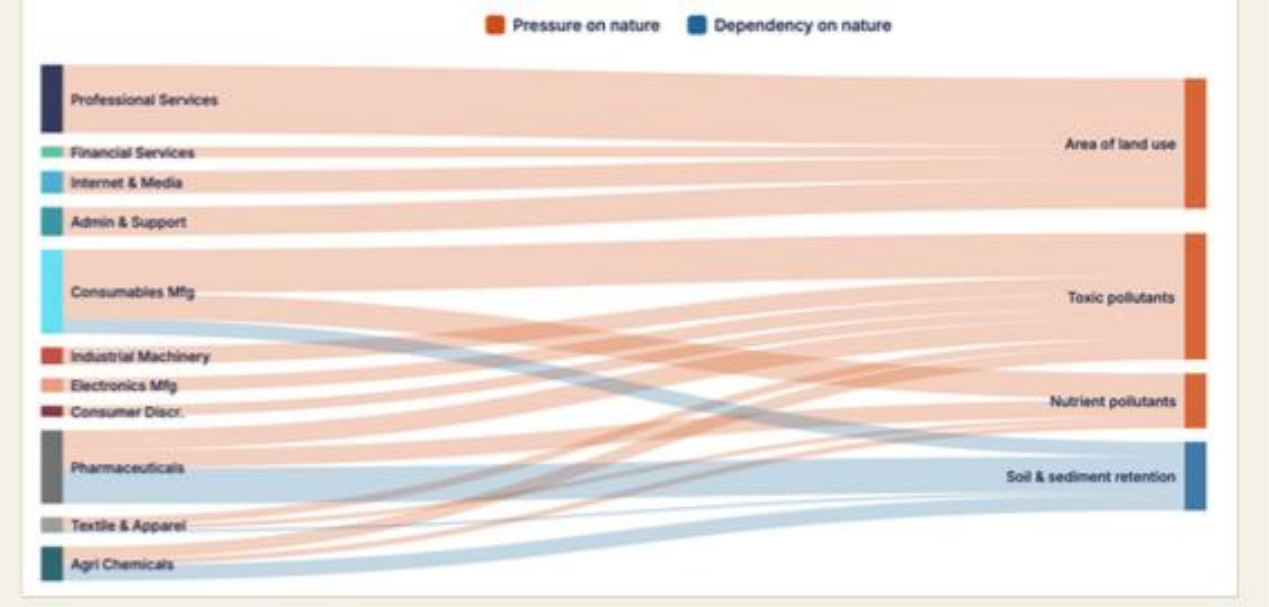
Microsoft's "zero water" cooling and AWS's liquid cooling (saving 946m litres in North America) are genuine advances, but retrofitting legacy infrastructure remains deprioritised.

This research has reinforced water security as an engagement priority. We continue to engage with Microsoft, Amazon, and Alphabet on clarity over direct and indirect water use, geographical alignment of replenishment projects, and transition plans for existing infrastructure — not only new builds.

CLUSTER 02

Land use and deforestation

Area of land use shows broad but moderate direct land-use pressure. The regulatory dimension is significant: the EU Deforestation Regulation (EUDR), effective from January 2027, imposes due diligence obligations on companies placing palm oil, soy, timber, cocoa, coffee, rubber, and cattle products on the EU market.



Sector-level pressures on and dependencies on land-related ecosystem services (ENCORE). Orange links denote pressures on nature; blue links denote dependencies.

Coffee and cocoa supply chain resilience

200%+
cocoa price rise in three years

12.4%
of Brazil's original Atlantic Forest remains

95%
of coffee farms are under five hectares

46.4%
of Nestlé's primary cocoa traceable

Deforestation is undermining the crops it was intended to support. In Brazil, only 12.4% of the original Atlantic Forest remains, and the resulting changes to microclimates and rainfall are reducing coffee yields.

Unfair value distribution perpetuates vulnerability. Around 95% of coffee farms are smaller than five hectares, and an estimated two million cocoa farmers earn less than $1 per day.

Regulatory and market pressure is intensifying. Nestlé's data shows only 46.4% of its primary cocoa supply chain is traceable and deforestation-free, highlighting a significant compliance gap.

The Evenlode portfolios are exposed primarily through Nestlé (Evenlode Global Income) and Lindt & Sprüngli (Evenlode Global Equity). As long-term shareholders, we are engaging with both on supply chain traceability and EUDR readiness, encouraging investment in agroforestry and disease-resistant crop varieties, and will continue to monitor these dynamics through our ESG risk scoring matrix.

Integration into overall risk management

The Evenlode Investment Risk Oversight Committee (IROC) supervises this risk management process and ensures that fund managers act consistently with the stated Evenlode investment approach. The IROC is independent of the investment team, and ensures that we undertake active risk management, considering the following kinds of risk.

01

Fundamental business risk

Fundamental risk management relates to the idiosyncratic risks faced by each company. Evenlode has a defined investment risk framework focused on 10 risk factors that affect a company's ability to withstand uncertainty. These include ESG risk, which is owned independently by the Stewardship team; the ESG risk score ultimately acts as one of the key inputs into the maximum position size of the company. Companies with lower scores will, all else being equal, have lower maximum position sizes.

02

Liquidity risk

Liquidity risk management relates to the liquidity of shares in the portfolio companies. Illiquidity affects fund managers' ability to enter and exit positions without significantly disturbing the share price, and ensures that any client redemptions can be met. Liquidity risk is included in the 10 risk factors and is set independently by the dealing team.

03

Valuation risk

Valuation risk management is used alongside the framework above to set position sizes. Evenlode has a proprietary reverse discounted cash flow model applied consistently across all companies, allowing us to bias the portfolio to companies deemed better value. Traditional valuation spot metrics are used as a sense check for internal valuations.

SECTION FIVE

Metrics and targets



Metrics used to assess and manage climate and nature-related risks and opportunities

We have reference to the metrics summarised in the graphic below when assessing climate-related risks and opportunities within our portfolios. Emissions are calculated in line with the GHG Protocol methodology, and the metrics we reference have remained consistent over the last several years. We have reference to the same metrics when considering each product.

Metric	What does it mean?	How do we measure it?
Absolute financed emissions	The absolute emissions associated with our share of our portfolio companies' emissions. This helps us understand the overall climate impact of our investments.	$\sum \frac{\text{outstanding amount}}{\text{EVIC}} \times \text{company emissions}$
Emissions per £10k invested	The emissions footprint resulting from investing £10k in our fund. This allows us to put our financed emissions in a more meaningful context for clients and comparisons with other funds and benchmark indices.	$\sum \frac{\text{outstanding amount}}{\text{total portfolio value}} \times \frac{\text{£10k}}{\text{EVIC}} \times \text{Company emissions}$
Weighted average emissions intensity	The emissions intensity of our funds based on the revenue composition of our portfolio. This helps us understand the fund's exposure to emissions-intensive companies.	$\sum \frac{\text{outstanding amount}}{\text{total portfolio value}} \times \frac{\text{company emissions}}{\text{company revenue}}$

Financed emissions

PORTFOLIO FINANCED EMISSIONS, 2023–2025

	2023	2024	2025
TOTAL FINANCED EMISSIONS (tCO_2E)			
Scope 1	16,768	12,912	10,780
Scope 2	8, 558	9,516	9,362
Scope 3	810,978	1,034,350	1,125, 951
of which upstream	427,411	418,716	324,699
of which downstream	383,567	615,635	801,252
Total	**836,303**	**1,056,779**	**1,146,095**
Emissions per £10k invested (tCO_2e)	1.47	2.05	2.67
Weighted average emissions intensity (tCO_2e / £m revenue)	390	608	887

The increase was driven almost entirely by two holdings within the Evenlode Income fund, both of which reported materially higher figures for Scope 3 Category 11, 'use of sold products.' Both companies manufacture long-lifespan products whose downstream emissions are largely determined by how customers use them and the carbon intensity of the energy grids on which they operate.

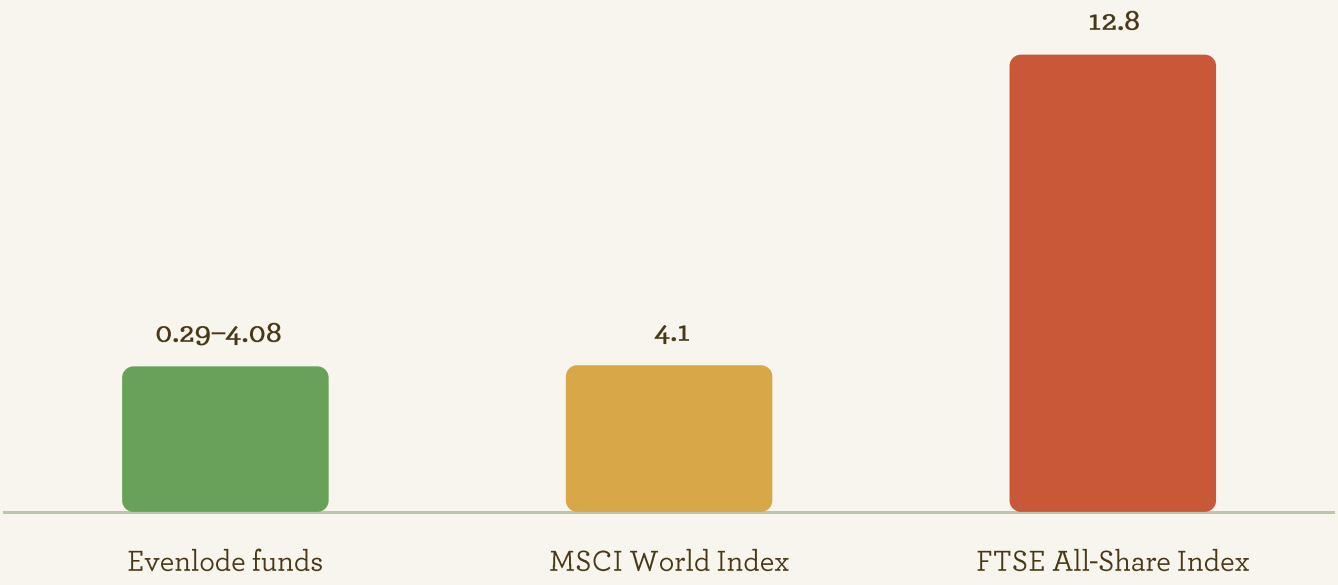
In both instances, the higher reported figures reflect improvements in data collection — including more accurate customer utilisation data and refined calculation methodologies — rather than a deterioration in environmental performance. Despite the aggregate increase, emissions per £10k invested decreased across our global income and global dividend strategies, reflecting sector exposure adjustments, the disposal of certain emissions-intensive holdings, and reported emissions reductions at the company level.

Our Global Equity and Global Opportunities funds also recorded lower emissions intensity, supported by continued portfolio allocation towards lower-emitting sectors. Across all funds, Scope 3 emissions continue to represent the significant majority of total financed emissions. Progress towards our net zero targets is not expected to be linear, and the 2025 results reinforce this; we continue to engage actively with investee company management to support emissions reduction over the medium term.

Carbon footprint of a £10k investment, versus benchmarks

The emissions associated with investing £10k in any one of our funds was between 0.29 and 4.08 tCO_2e in 2025 — lower than an equivalent allocation tracking the MSCI World Index, and substantially lower than one tracking the FTSE All-Share Index.

TCO_2E PER £10K INVESTED (2025)



The difference can be largely explained by sector allocation: the Evenlode funds have minimal exposure to energy-intensive industries such as Oil & Gas, Materials, Real Estate and Utilities. Evenlode favours asset-light businesses with a bias towards quality, which also plays a role in the difference in intensity between our funds and the indices.

The FTSE All-Share Index comprises fewer, smaller businesses than the MSCI World Index and has a much higher weighting towards the Energy, Materials and Consumer Staples sectors. For these reasons the FTSE All-Share Index represents a more intensive benchmark than the MSCI World Index. The Evenlode Income fund is broadly in line with the MSCI World Index at 4.08 tCO_2e per £10k invested, reflecting the Scope 3 Category 11 dynamics discussed previously.

Operational emissions

	OPERATIONAL GHG EMISSIONS BY CATEGORY	2024	2025
1.1	Generation of electricity, heat or steam	14	16
1.2	Transportation of materials, products, waste & employees	–	0
1.4	Fugitive emissions	0.5	–
2.1	Electricity related indirect emissions	2	3
3.1	Purchased goods and services	562	261
3.2	Capital goods	7	32
3.3	Fuel and energy related activities	5	6
3.4	Upstream transportation and distribution	–	6
3.5	Waste generated in operations	9	6
3.6	Business travel	74	61
3.7	Employee commuting	43	3
3.8	Upstream leased assets	–	0.6

19
Scope 1 & 2 (tCO_2e)

420
Scope 3 (tCO_2e)

438.8
Total emissions (tCO_2e)

11.4
per employee (benchmark 20)

All emissions calculated under operational control across the three GHG assessment scopes · GHG Protocol (GWP100).

Scope 1 and 2 emissions total 19 tCO_2e and Scope 3 emissions are significantly higher at 420 tCO_2e. Overall, our total emissions amount to 438.8 tCO_2e, with an intensity of 11.4 tCO_2e per employee. For context, the sector benchmark for asset and fund management indicates an average of 20 tCO_2e per employee. Scope 1 includes direct emissions from owned or controlled sources; Scope 2 accounts for indirect emissions from purchased electricity, steam, heating and cooling; and Scope 3 describes all other indirect emissions in our value chain, both upstream and downstream.

Data completeness

We report the financed emissions of our investments across all the Evenlode portfolios. Our analysis covers scope 1, scope 2 and scope 3 emissions. For our analysis, we utilise the Full GHG Emissions Dataset provided by the Carbon Disclosure Project (CDP).

We acknowledge that our financed emissions are only estimates which attempt to approximate the 'true' emissions of our investments. With continuous improvement in the availability and quality of emissions data from our portfolio companies, our analysis will continue to improve and provide a more representative view of our financed emissions. We intend to continue to monitor and improve our data coverage in future reporting periods, as this becomes feasible.

67/82

investee companies report 100% of their emissions across all scopes, as at 31 December 2025

Gaps in the underlying data

Since we began conducting this analysis, we have witnessed a gradual and sustained increase in total emissions disclosure at the portfolio level. The availability of reported data has continued to improve year-on-year, reducing the requirement to rely on modelled estimates. Where gaps remain, the CDP estimates provide sufficient coverage. For our portfolio companies, there was minimal overlap in their emissions, and overestimation due to double counting is likely to be immaterial.

Metrics or scenario analysis that the firm has not been able to disclose

We have disclosed all mandatory metrics and scenario analysis given the specifics of our portfolios. Where a forward-looking disclosure has not been made, the reason and our intended approach are set out below.

Nature-related metrics

We have chosen not to report quantified nature-related metrics this year. Nature-related metrics remain at an earlier stage of maturity than their climate equivalents: carbon emissions can be measured in tonnes, while biodiversity loss, water stress, and soil degradation resist such tidy quantification. Across the market, few companies yet report against these themes on a consistent or comparable basis. We would rather wait until company-reported data is robust enough to support accurate baselining and reliable year-on-year monitoring before disclosing such metrics to clients. Once we are confident that this threshold has been met, we will report against nature-related metrics within this disclosure, and we expect them to follow a similar trajectory of increasing rigour and utility to our climate metrics.

Greenhouse gas emissions remain central to this picture. Climate and nature are deeply interconnected, and we have measured our portfolio's financed emissions since 2019. Where reliable data exists, we use it appropriately; where it does not yet exist, we engage with our investee companies to improve it.

> *"We would rather wait until company-reported data is robust enough to support accurate baselining than publish metrics that cannot yet be relied upon."*

Targets

To support global decarbonisation efforts, we have committed to reaching net zero by 2050 or sooner across 100% of our investment portfolios. As an asset manager, our financed emissions constitute most of our emissions. By measuring our financed emissions annually, we can better understand the climate impacts of our portfolio companies as well as the climate-related risks they face. This, in turn, allows us to proactively engage with the top emitters in our investment portfolios and better manage climate risks in our investment processes.

Our targets span three areas:

AREA 01

Portfolio alignment

The proportion of AUM in material sectors that are aligning with or achieving net zero.

AREA 02

Emissions intensity

The rate at which we are reducing financed emissions per £10k invested.

AREA 03

Engagement

Ensuring active dialogue with companies that are not yet aligned with net-zero pathways.

Portfolio alignment and emissions intensity targets

01 **100% of financed emissions** in material sectors to be aligned, achieving net zero or under direct or collective engagement by the end of 2022. This was completed before the deadline; however it continues to be a key part of our net-zero engagement strategy.

02 **50% of our assets under management (AUM)** in material sectors to be aligning, aligned or achieving net zero by 2025, and 100% by 2030. This target was achieved ahead of the deadline, and progress continues to be monitored.

03 **100% of AUM** in material sectors to be net zero or aligned by 2040.

04 **58.3% reduction in emissions per £10k invested** across scopes 1, 2 and 3 by 2030, using a baseline of 31 December 2025. This equates to an average 16% per annum in line with the SBTi Net Zero Standard.

Following our 2025 portfolio emissions analysis, we have recalculated our emissions baseline. The Science-Based Targets initiative (SBTi) recommends that organisations revisit and recalibrate their carbon emissions baseline when there is a change of 5% or more in base-year emissions. Since we began measuring portfolio emissions in 2019, the quality of company-reported data has improved substantially, and this has had a material effect on reported emissions at the portfolio level. To ensure our targets accurately reflect the reductions required, we have moved to a new 2025 baseline of 2.67 tCO_2e per £10k invested, compared to our original 2020 baseline of 2.30 tCO_2e per £10k invested. This revised baseline results in a target of a 58.3% reduction in emissions per £10k invested by 2030, compared to the previous target of 51.6%.

Engagement

In 2025, 6% of all engagements were based on investee companies' 'Net Zero' targets. We set a target to ensure that 50% of our AUM in material sectors were either 'aligning', 'aligned', or 'achieving net zero' by 2025. We have seen considerable progress year-on-year, with 76% of our invested AUM in material sectors meeting these criteria.

**We have chosen an emission intensity target rather than an absolute target for our financed emissions, as we expect AUM to increase in the coming years and an absolute target could be met simply through portfolio contraction. To ensure rigour, we have adopted a reduction target of 7% per annum in line with the SBTi Net Zero Standard, which is more stringent than the minimum 4.2% per annum for Scope 1 and 2 and 2.5% for Scope 3 under absolute targets. This is consistent with the Standard's requirement to halve emissions before 2030 and achieve a 90% reduction by 2050.*

Important information

This document is not intended as a recommendation to invest in any particular asset class, security or strategy. The information provided is for illustrative purposes only and should not be relied upon as a recommendation to buy or sell securities. Every effort is taken to ensure the accuracy of the data in this document, but no warranties are given.

IFSL Evenlode Income, IFSL Evenlode Global Income and IFSL Evenlode Global Equity are sub-funds of the IFSL Evenlode Investment Funds OEIC. Investment Fund Services Limited (IFSL) is authorised and regulated by the Financial Conduct Authority, No 464193.

The Evenlode Global Dividend Fund and Evenlode Global Opportunities Fund are sub-funds of the Evenlode ICAV. The Evenlode Global Dividend Fund and Evenlode Global Opportunities Fund are authorised and regulated in the Republic of Ireland by the Central Bank of Ireland.

Product-level TCFD reports for the IFSL Evenlode Investment Funds are published by IFSL and are available on their website. Please note that the IFSL reports use different data providers and different methodologies than used by Evenlode in this entity-level report.

Evenlode believes that delivering real, durable returns over the long term can be best achieved by integrating environmental, social and governance (ESG) factors into the risk management framework, as this ensures that all long-term risks are monitored and managed on an ongoing basis. In addition to reviewing ESG factors when making investment decisions, Evenlode engages with portfolio companies on a range of ESG issues (for example greenhouse gas emission reduction). However, please note that the funds do not have a sustainability objective.

Full details of the funds including risk warnings and costs and charges are published in the fund prospectuses, and the Key Investor Information Documents (KIID) which are available on request and at www.evenlodeinvestment.com. Past performance is not a guide to future returns. The funds are subject to normal stock market fluctuations and other risks inherent in such investments. The value of investments and any income derived can go down as well as up, and investors may not get back the full amount invested. You should therefore regard your investment as medium to long term.

The Evenlode funds are concentrated with typically 30–50 investments, therefore the funds carry more risk than a fund that is spread over a larger number of stocks. The funds have the ability to invest in derivatives for the purposes of efficient portfolio management, which may restrict gains in a rising market. Investment in overseas equities may be affected by exchange rates, which could cause the value of your investment to increase or diminish.

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Appendix A — TCFD references

TCFD RECOMMENDATION	REFERENCE
Governance — Disclose the organisation's governance around climate-related risks and opportunities	
Describe the board's oversight of climate-related risks and opportunities.	Page 8
Describe management's role in assessing and managing climate-related risks and opportunities.	Page 9
Strategy — Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where material	
Describe the climate-related risks and opportunities the organisation has identified over the short-, medium- and long-term.	Page 12
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Page 16
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 17
Describe how risks and opportunities are factored into relevant products or investment strategies and describe related transition impact.	Page 12
Risk management — Disclose how the organisation identifies, assesses and manages climate-related risks	
Describe the organisation's processes for identifying and assessing climate-related risk.	Page 21
Describe the organisation's processes for managing climate-related risks.	Page 23
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Page 27
Describe how material climate-related risks are identified, assessed and managed for each product or investment strategy.	Page 22
Metrics and targets — Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where material	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 29
Describe metrics used to assess climate-related risks and opportunities in each product or investment strategy.	Page 29
Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions and the related risk.	Page 30
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 35

Appendix B — Net Zero Alignment Classifications

We define alignment levels following the Net Zero Investment Framework:

CLASSIFICATION	MEETING CRITERIA	DESCRIPTION
Not aligned	–	No target set.
Preparing to align*	–	Have set a target that is not in line with 1.5°C.
Committed to aligning	1	Have set a net zero target for 2050 or earlier that covers at least 95% of scope 1 and 2 and at least 90% of scope 3 in line with 1.5°C.
Aligning	1, 2, 4 & partial 5	Additionally: have set a short- (up to 2025) and medium-term target (up to 2035, covering at least 67% of scope 3), disclose at least 90% of scope 1, 2 and scope 3 emissions, and for high-impact companies have a plan relating to how the company will achieve these targets.
Aligned	1–4 (& 5–6 for high impact)	Additionally: have adequate emission performance over time in line with the targets set, and for high-impact companies a decarbonisation strategy that sets out how they will achieve their targets and allocate capital in alignment with their long-term climate target. Also have emissions audited, and disclose % of green revenues and details of offsets used.
Achieving net zero		Additionally: have reached or are close to net zero and have an investment plan or business model expected to continue to achieve that goal over time.

**Alignment classification created by Evenlode Investment to differentiate between companies who haven't set a climate-related target and those who have, even if not in line with 1.5°C.*

Alignment criteria

1 **Ambition**	A long-term 2050 goal consistent with global net zero.
2 **Targets**	Short- and medium-term emissions reduction targets (scope 1, 2, and material scope 3).
3 **Emission performance**	Current emissions intensity performance (scope 1, 2, and material scope 3) relative to targets.
4 **Disclosure**	Disclosure of scope 1, 2 and material scope 3 emissions.
5 **Decarbonisation strategy**	A quantified plan setting out the measures that will be deployed to deliver GHG targets, proportions of revenues that are green and, where relevant, increases in green revenues.
6 **Capital allocation alignment**	A clear demonstration that the capital expenditures of the company are consistent with achieving net zero emissions by 2050.

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