



**EVENLODE**

INVESTMENTS FOR LIFE



**Evenlode Portfolio  
Emissions Report 2024**  
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**PCAF**

Partnership for  
Carbon Accounting  
Financials

[evenlodeinvestment.com](https://www.evenlodeinvestment.com)

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# EXECUTIVE SUMMARY

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Globally, we have consecutively broken temperature records each year for a decade. The climate crisis intensified in 2024, with the global average surface temperature exceeding 1.55°C above pre-industrial levels<sup>1</sup>.

Scientific consensus confirms that human activity is the driving force behind climate change, with the sharp rise in atmospheric carbon dioxide (CO<sub>2</sub>) levels identified as a major contributor to global warming. CO<sub>2</sub> concentrations now exceed 420 parts per million - an alarming increase from pre-1911 levels, which never rose above 300 ppm. The natural climate pattern El Niño further intensified global temperatures in early 2024, while its typical cooling counterpart, La Niña, failed to materialise. Last year was marked by extraordinary and extreme weather events, from devastating wildfires in California to deadly floods in West Africa that claimed over 1,500 lives.

Set within this context, institutional investors have a critical role to play in accelerating decarbonisation. At Evenlode, we have been measuring and reporting our financed emissions

since 2019. This report forms part of our commitment to achieving net zero emissions across 100% of our portfolios by 2050, aligning with the Net Zero Asset Managers (NZAM) initiative. The urgency of the Paris Agreement's goals has never been clearer. Drastic global action is needed now to reduce emissions and prevent the worst impacts of climate change.

We believe that conducting annual assessments of the financed emissions of our funds - and publicly reporting the results - enhances our understanding of the climate impact of our portfolio companies and the transition risks they may encounter over the long-term. This analysis allows us to engage more effectively with the highest-emitting businesses, supporting meaningful progress toward our net-zero emission intensity targets.

## METHODOLOGY

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We report the financed emissions of our investments across all the Evenlode funds, based on the portfolios as at 31 December 2024. Our analysis covers scope 1, scope 2, and all categories across scope 3 emissions. For our analysis, we utilise the full Greenhouse Gas (GHG) emissions dataset provided by the Carbon Disclosure Project (CDP). This dataset collates companies' own reports of their emissions and fills in the gaps with modelled estimates.

This year, we continue to align our reporting with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), particularly with respect to climate-related metrics and targets.

## RESULTS

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In 2024, we saw an increase of 39.7% in our emissions per £10k invested across our investment portfolios, from 1.47 to 2.05 tonnes of CO<sub>2</sub>e. For context, the average UK resident was responsible for 5.4 tCO<sub>2</sub>e<sup>23</sup> and the average US resident was responsible for 13.4 tCO<sub>2</sub>e in 2024<sup>4</sup>. Ideally, our goal is for the data to move in the opposite direction, however, following our in-depth analysis, we fully understand the reasons behind the increase and are now well-positioned to focus our engagement efforts accordingly.

The IFSL Evenlode Global Equity (EGE) and Evenlode Global Opportunities (EGO) funds reported the lowest emissions per £10k invested among the Evenlode funds - a difference largely attributable to sector allocation. While IFSL Evenlode Income (EI), IFSL Evenlode Global Income (EGI), and Evenlode Global Dividend (EGD) maintain greater exposure to sectors such as Consumer Staples and Industrials, EGE and EGO hold higher allocations to financials and communication services sectors typically associated with lower emissions intensity.

<sup>1</sup> World Meteorological Organization, 2025, State of the Global Climate 2024. [View here.](#)

<sup>2</sup> World Population Prospects 2024, Department of Economic and Social Affairs, United Nations. [View here.](#)

<sup>3</sup> 2024 UK Greenhouse Gas Emissions, Provisional Figures, Department for Energy Security & Net Zero. London. [View here.](#)

<sup>4</sup> IEA (2025), CO<sub>2</sub> per capita emissions by region, 2000-2024, IEA, Paris. [View here.](#)

# EXECUTIVE SUMMARY

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This overall rise was driven almost entirely by a significant increase in a single scope 3 category for one company: Spirax-Sarco, a holding within the EI fund. Upon identifying the anomaly, we engaged with the company to verify the data. Spirax-Sarco responded with three key explanations for the increase:

1. The inclusion of the emissions of two major acquisitions in their 2024 reporting for the first time.
2. A conservative assumption of full-capacity usage of their products to prevent under-reporting.
3. The incorporation of full product lifecycle emissions, particularly for long-life technologies such as electric thermal solutions and steam systems.

In 2023, emissions in the 'use of sold products' category for Spirax-Sarco were estimated by CDP. In 2024, the figure was reported directly by the company. Although CDP expressed reservations about Spirax-Sarco's methodology, we have chosen to include the company's disclosed data in our analysis to maintain consistency in using company-reported figures.

In addition to the increase attributed to Spirax-Sarco, a methodological decision was made regarding the measurement of scope 3, category 11 emissions, 'use of sold products', for our Consumer Goods holdings. Procter & Gamble has consistently been one of our most carbon-intensive holdings, largely due to the indirect emissions from its household and laundry products - the energy associated with powering washing machines, dishwashers, and heating water. To ensure consistency, we incorporated the 'indirect use' emissions figures reported by Reckitt Benckiser and

Unilever - sourced from their own disclosures - instead of relying solely on the 'direct use' figures previously reported to CDP. This approach is supported by guidance from the GHG Protocol and resulted in emissions increases of 174% for Reckitt Benckiser and 90% for Unilever, measured in tonnes of CO<sub>2</sub>e. It is important to note that this is a data decision made for consistency purposes, rather than evidence of Reckitt and Unilever becoming significantly more energy intensive.

Despite these changes, emissions per £10k invested remained stable for EGI and EGD over the year, as increases in certain holdings were offset by reductions elsewhere. Notably, the sale of C.H. Robinson - a company responsible for approximately a quarter of these funds' emissions in 2023 - contributed significantly to this balance. The decision to exit the position was driven by concerns around internal restructuring, heightened risk from required technology investments, and broader industry shifts toward more capital-intensive and cyclical business models. The investment team concluded that more attractive opportunities existed elsewhere.

EGE and EGO experienced a modest reduction in emissions intensity, primarily driven by a reduction in exposure to Consumer Staples (from 21% to 16% year-on-year) and an increased allocation to the lower-emitting communication services sector (from 7% to 10%).

Across all Evenlode funds, scope 3 emissions remained significantly higher than scope 1 and scope 2 emissions, highlighting the importance of understanding and disclosing value chain emissions across the full life cycle of a product or service.



# EXECUTIVE SUMMARY

## Tonnes of CO<sub>2</sub>e/£10k invested across scopes 1, 2 and 3

Fund	2020	2023	2024	y-o-y % change	% change since baseline
IFSL Evenlode Income (EI)	2.34	1.51	2.57	71%	10%
IFSL Evenlode Global Income (EGI)	2.14	1.56	1.56	0%	-27%
Evenlode Global Dividend (EGD)	2.13	1.57	1.59	1%	-25%
IFSL Evenlode Global Equity (EGE)	0.89	0.54	0.41	-25%	-54%
Evenlode Global Opportunities (EGO)		0.54	0.41	-24%	
<b>Evenlode Total</b>	<b>2.30</b>	<b>1.47</b>	<b>2.05</b>	<b>40%</b>	<b>-11%</b>

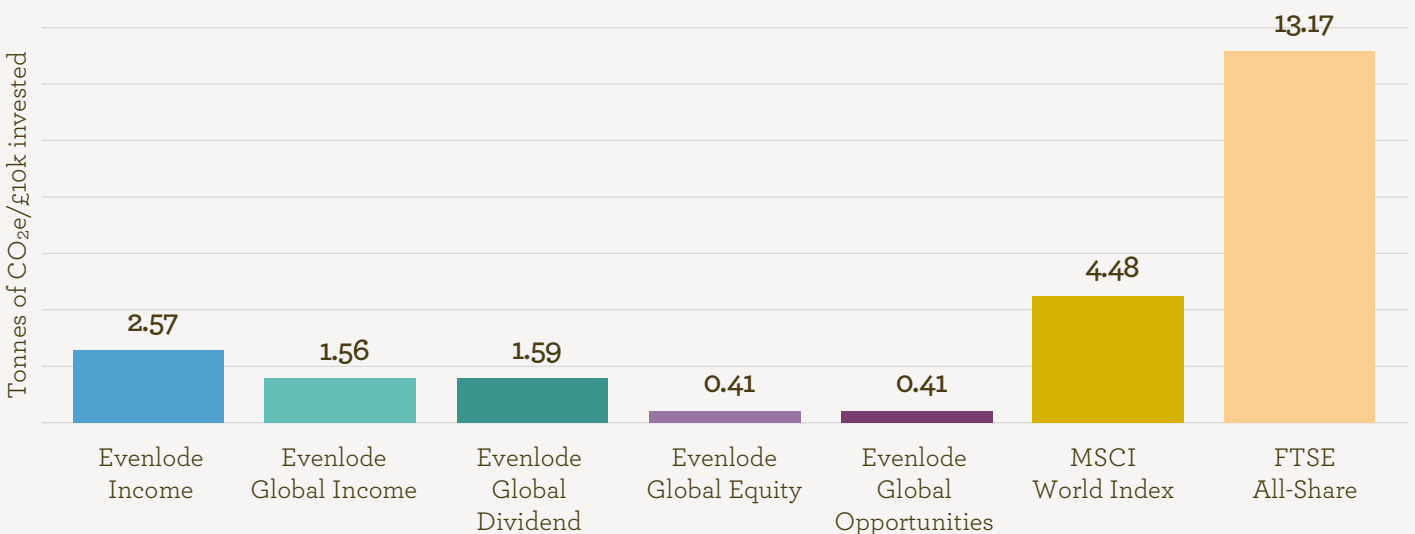
Tonnes of CO<sub>2</sub>e/£10k invested across scopes 1, 2 and 3 as at 31 December 2020, 29 December 2023 and 31 December 2024. Source: CDP and Evenlode. Evenlode portfolios as at 31 December 2021, 30 December 2022, 29 December 2023 and 31 December 2024, using data from the CDP 2021, 2022, 2023 and 2024 Full GHG Emissions Datasets.

The emissions footprint associated with investing £10k in any of the Evenlode funds is lower than an equivalent allocation to a strategy which tracks the MSCI World Index or FTSE All-Share Index. The difference can be largely explained by looking at sector allocation; the Evenlode funds have low exposure to energy-intensive industries, such as the Oil & Gas, Materials, Real Estate, and Utilities sectors. Evenlode favours investments in asset-light businesses and our approach has a bias towards quality; these factors also play 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 it also has a much higher weighting towards the Energy, Materials and Consumer Staples sectors, for these reasons the FTSE represents a more intensive benchmark than the MSCI.

Despite the 2024 increase, emissions per £10k invested remain 5.3% lower than in 2022, suggesting longer-term improvement. Evenlode continues to target a 7% annual reduction through 2030, in line with SBTi's Net Zero Standard. Challenges remain around volatility in disclosure and the pace of change among some holdings.

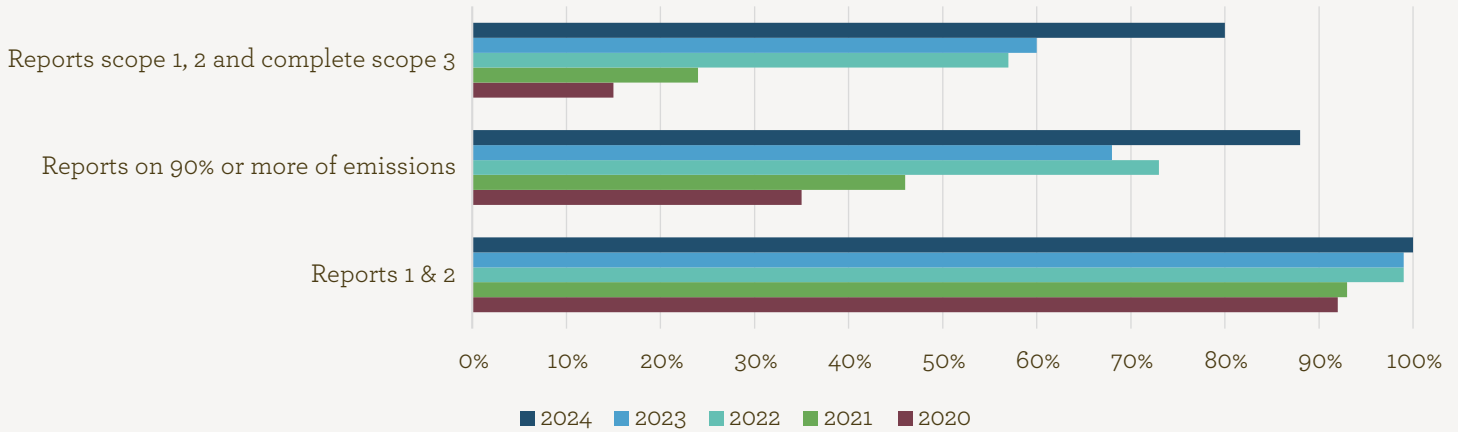
## Scope 1, 2 & 3 emissions per £10k invested



Scope 1, 2 and 3 emissions per £10k invested as at 31 December 2024. Source: CDP 2024 Full GHG Emissions Dataset, Evenlode, MSCI and FTSE Russell. Evenlode as at 31 December 2024. MSCI World and FTSE All-Share portfolios as at 31 December 2024. Index data converted from weighted average emission intensity into emissions per £10k invested based on portfolio revenue and asset value as at 31 December 2024.

# EXECUTIVE SUMMARY

## Holding companies' emission reporting by scope



Percentage of companies in Evenlode portfolios reporting across the different scopes. Source: CDP Full GHG Emissions Dataset and Evenlode. Based on Evenlode portfolios as at 31 December each year, using data from CDP full GHG emissions dataset.

### OUTCOME

While measuring financed emissions is inherently complex and imperfect, the process continues to yield valuable insights that inform our investment decisions and stewardship activities in support of our net-zero targets. Encouragingly, data availability and quality are improving - 61 of the 76 companies we invest in now report 100% of their emissions across all scopes.

As our analysis and company engagements mature, we are better able to assess climate impacts and communicate a more accurate picture of our financed emissions to clients. Evenlode remains committed to ongoing engagement with portfolio companies to enhance emissions reporting and support meaningful emissions reductions.

You can find all our portfolio emission reports on the Stewardship section of our [website](#).

# INTRODUCTION

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2024 is the latest record-breaking year for global temperatures, set within a decade full of record-breaking years. We know that climate change is being caused by human activity, with the huge increase in concentration of CO<sub>2</sub> in the atmosphere cited as the key driver of global warming<sup>1</sup>.

CO<sub>2</sub> measured in parts per million now stands at over 420. For context, prior to 1911 this figure had never been greater than 300. The natural climate phenomenon, El Niño, exacerbated temperatures across the globe throughout the beginning of 2024, with the reciprocal cooling phase of ENSO, La Niña, declining to show face at all last year. This resulted in the global average surface temperature being 1.55°C above the 1850-1900 average. 2024 was a year characterised by unprecedented and extreme weather events. The goals of the Paris Agreement have never been more pressing; across the globe we urgently need to reduce emissions if we are to avoid the most horrific consequences of climate change.

At Evenlode, we understand the importance of annually evaluating the financed emissions of our investment strategies and sharing these insights publicly. This process deepens our awareness of the climate-related risks facing our portfolio companies, as well as the environmental footprint of their operations. It also enables us to more strategically direct our engagement efforts, reinforcing our commitment to meeting our medium-term net zero objectives.

As an asset manager, the majority of Evenlode's emissions fall under scope 3, category 15: 'Investments'. To achieve our ambition of net zero emissions across 100% of our investment portfolios by 2050 or earlier, we must maintain active dialogue with companies and be prepared to divest from high-emitting holdings that do not make adequate progress in reducing emissions across scopes 1, 2, and 3 - thereby failing to address their environmental risks.

Evenlode has been measuring and disclosing financed emissions since 2019. In 2020, we became the first UK asset manager to report financed emissions in line with the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by the Partnership for Carbon Accounting Financials (PCAF)<sup>2</sup>. Since 2023, we have further aligned our disclosures with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, particularly in relation to climate metrics and targets<sup>3</sup>.

This report is intended to provide further details on our financed emissions for interested readers; for a summary, please see our Responsible Investment Report 2024.

All our portfolio emissions reports can be found on our [Stewardship page](#).

<sup>1</sup> World Meteorological Organization, 2025, State of the Global Climate 2024. [View here](#).

<sup>2</sup> PCAF, December 2022. The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition. [View here](#).

<sup>3</sup> TCFD, June 2017. Recommendations of the Task Force on Climate-related Financial Disclosures: Final Report. [View here](#).

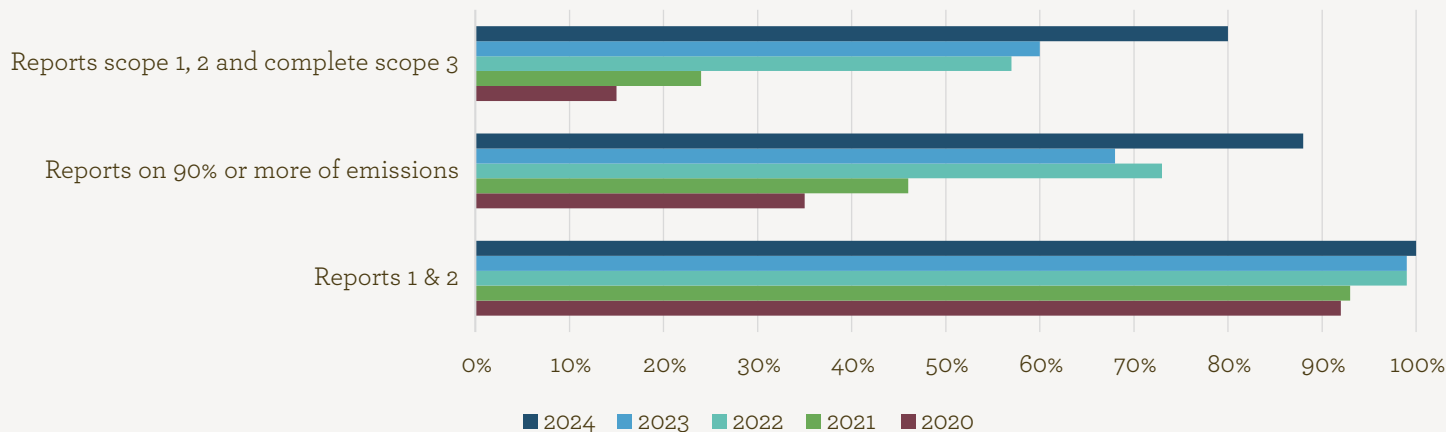
# RESULTS – EMISSIONS DISCLOSURE OF OUR PORTFOLIO COMPANIES

The disclosure across Evenlode’s invested universe is significant, with 61 of our 76 investee businesses reporting their scope 1, 2 and 3 CO<sub>2</sub>e emissions in full. All the companies we invest in across all three strategies are reporting their scope 1 and 2 emissions, which is encouraging. We noted in last year’s emissions report that three companies which were added to in 2023 were reporting <5% of their emissions, thus bringing our overall figures down somewhat. We are pleased to note that we engaged with all three of these businesses and that all are now reporting >5% and two are reporting >50%. In previous years we have had to rely on

modelling up peer group data in the absence of more robust figures either reported by our investee businesses in their own literature or estimated by the Carbon Disclosure Project (CDP). Fifteen companies were modelled in 2022, decreasing to nine in 2023, with no such modelling required in our latest analysis in 2024.

We can now rely entirely on figures calculated and reported by our portfolio companies alongside some CDP estimations to measure our financed emissions.

## Holding companies’ emission reporting by scope



Percentage of companies in Evenlode portfolios reporting across the different scopes. Source: CDP Full GHG Emissions Dataset and Evenlode. Based on Evenlode portfolios as at 31 December each year, using data from CDP full GHG emissions dataset.



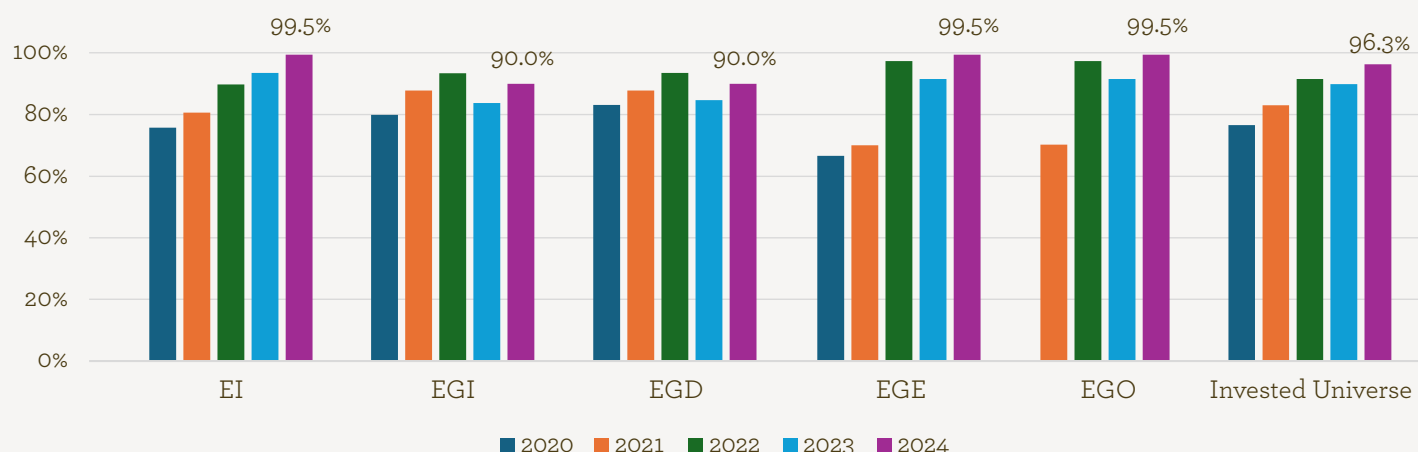
# RESULTS – EMISSIONS DISCLOSURE OF OUR PORTFOLIO COMPANIES

Fund	Evenlode Income (EI)	Evenlode Global Income (EGI)	Evenlode Global Dividend (EGD)	Evenlode Global Equity (EGE)	Evenlode Global Opportunities (EGO)	Invested Universe
Scope 1 (%)	100	100	100	100	100	100
Scope 2 (%)	100	100	100	100	100	100
Scope 3 (%)	99.5	89.7	89.7	99.5	99.5	96.2
<b>Total (%)</b>	<b>99.5</b>	<b>90</b>	<b>90</b>	<b>99.5</b>	<b>99.5</b>	<b>96.3</b>

Percentage of emissions reported by the company to the CDP or in their own reports rather than modelled by the CDP or Evenlode, by scope and fund. Source: CDP 2024 Full GHG Emissions Dataset, Evenlode Investment. Evenlode portfolios as at 31 December 2024.

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.

## Emission reporting trends



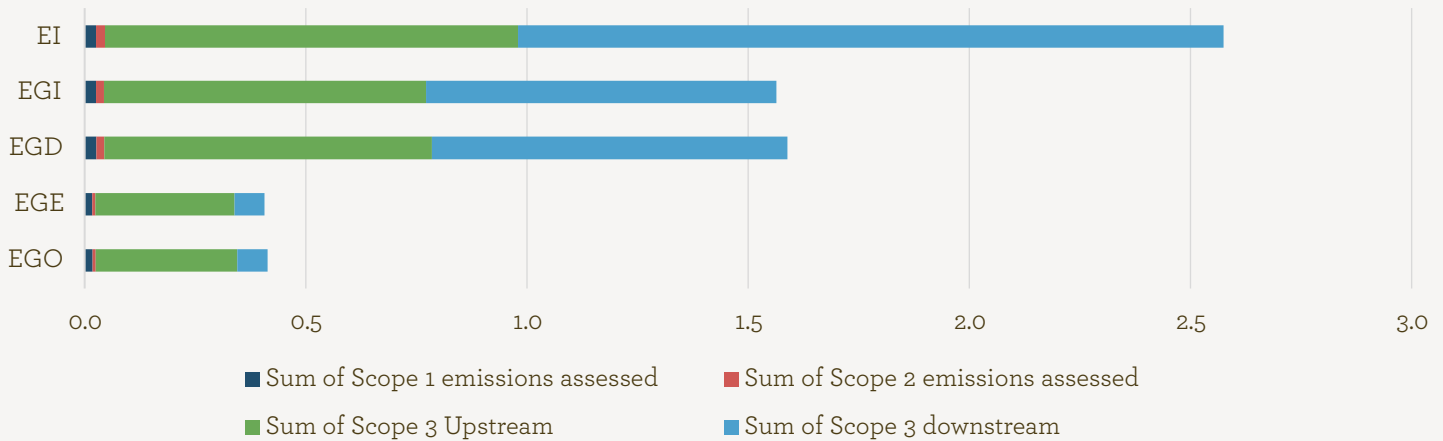
\*EGO launched in 2021

Percentage of companies in Evenlode portfolios reporting across the different scopes. Source: CDP and Evenlode Investment. Evenlode portfolios as at 31 December 2020, 31 December 2021, 30 December 2022, 29 December 2023 and 29 December 2024, using data from the CDP 2020/2021/2022/2023/2024 Full GHG Emissions Dataset.

# RESULTS – THE IMPACT OF YOUR INVESTMENT

Each year, the average UK resident is responsible for 5.4 tCO<sub>2</sub>e<sup>12</sup> where the average US resident emits 13.4 tCO<sub>2</sub>e annually<sup>3</sup>. The emissions associated with investing £10k in one of our funds was between 0.4 and 2.6 tCO<sub>2</sub>e in 2024.

## Emissions per £10k invested



Tonnes of CO<sub>2</sub>e/£10k invested across scopes 1, 2 and 3 as at 31 December 2024. Source: CDP and Evenlode. Evenlode portfolios as at 31 December 2024, using data from the CDP 2024 Full GHG Emissions Dataset, which collates annual corporate emission data for emission accounting years ending between June 2023 and June 2024.

EGE and EGO had the lowest emissions per £10k invested when compared with the other Evenlode funds. This can be partly explained by sector exposure. EI, EGI and EGD, have a higher exposure to more emissions intensive sectors such as Consumer Staples and Industrials, where EGE and EGO have a higher allocation to Financials and Communication Services, which are less intensive.

In our most recent round of analysis, we found that our reported emissions increased by 39.7% between year-end 2023 and year-end 2024. This rise was almost entirely due to a large increase in a single scope 3 category for one company, Spirax-Sarco, a holding in the IFSL Evenlode Income fund. Once we identified the anomaly, we contacted the company to verify the data. They responded highlighting three key reasons for the increase:

1. The inclusion of two large acquisitions in the 2024 calculations for the first time.
2. An assumption of full-capacity usage of their products to avoid underreporting.
3. The fact that their emissions are based on the full lifecycle of products, many of which - such as electrical thermal solutions and steam loops - have very long and useful lives.

In 2023, the ‘use of sold products’ category was estimated by CDP, but in 2024, it was reported directly by the company. While CDP noted disagreements with Spirax-Sarco’s methodology, we have chosen to include the company’s reported figures in our analysis to maintain consistency in our use of company-disclosed data. We anticipate further volatility in the data going forward as Spirax continues to hone its calculation methodology.

In addition to this increase for Spirax’s ‘use of sold products’ category, we made a data decision regarding our Consumer Goods exposure to ensure continuity of measurement across the sector. This data decision was also in relation to scope 3, category 11; ‘use of sold products’. Procter & Gamble (P&G) has been our most carbon intensive holding for some years, primarily as a result of the energy used to power washing machines, dishwashers and to heat water. These emissions are categorised as ‘indirect’ use of sold products. Reckitt Benckiser and Unilever have always reported their ‘direct’ emissions for this category to the CDP but in our 2024 analysis we elected to include their much larger, ‘indirect’ figure - found in their own literature - to be consistent with P&G.

1 World Population Prospects 2024, Department of Economic and Social Affairs, United Nations. [View here.](#)

2 2024 UK Greenhouse Gas Emissions, Provisional Figures, Department for Energy Security & Net Zero. London. [View here.](#)

3 IEA (2025), CO<sub>2</sub> per capita emissions by region, 2000-2024, IEA, Paris. [View here.](#)

# RESULTS – THE IMPACT OF YOUR INVESTMENT

This decision was substantiated by guidance published by the GHG Protocol<sup>4</sup> however, it led to an increase of 174% and 90% for Reckitt and Unilever in tonnes of CO<sub>2</sub>e respectively. This change should be regarded as a data decision rather than an increase in emissions intensity for Unilever and Reckitt.

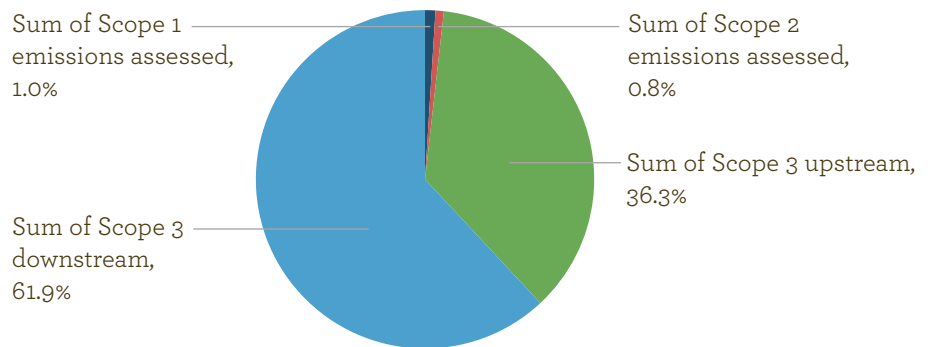
EGI and EGD’s emissions per £10k invested remained constant last year; the major shifts beneath the bonnet broadly balanced out. The substantial increase in the emissions reported by Unilever and Reckitt - as has already been outlined - were countered by the fund selling its holding in C. H. Robinson. This company represented a quarter of EGI and EGD’s emissions in 2023. C.H. Robinson was exited due to concerns around internal restructuring and increased exposure to risk stemming from the need for significant technology investment. Additionally, an industry-wide trend toward more capital-intensive business models risked exacerbating the company’s already relatively high level of cyclicality. Ultimately, the team concluded that better value opportunities existed elsewhere.

We have witnessed a marginal decrease in the emission intensity of the EGE and EGO funds; primarily driven by a reduction in Consumer Staples exposure from 21% to 16% year on year and an increase in the allocation to the communication services sector from 7% to 10%.

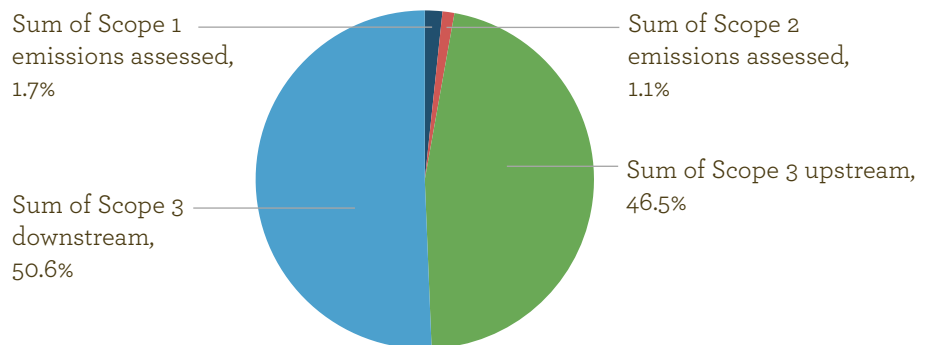
Across all Evenlode’s funds, scope 3 emissions vastly outstripped scope 1 and scope 2 emissions. This highlights the importance of disclosing value chain emissions across the life cycle of a product or service.

## Breakdown of fund emissions by scope

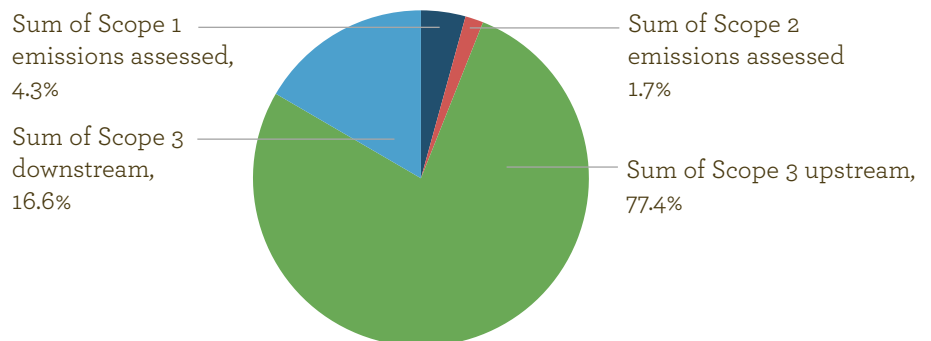
IFSL Evenlode Income



IFSL Evenlode Global Income/Global Dividend



IFSL Evenlode Global Equity/Global Opportunities



Source: CDP 2024 Full GHG Emissions Dataset, Evenlode. Evenlode portfolios as at 31 December 2024.

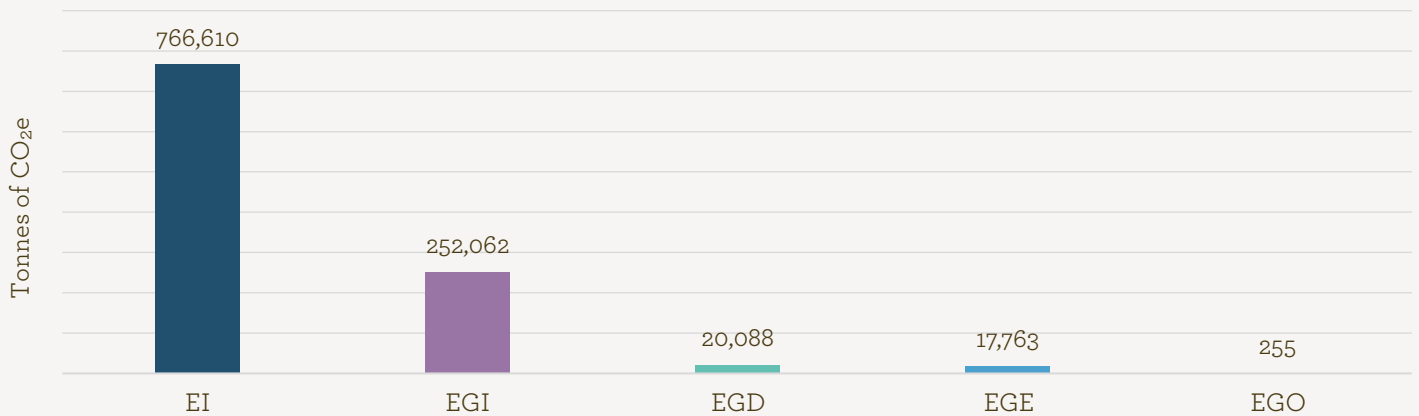
<sup>4</sup> Category 11: Use of Sold Products. Technical Guidance for Calculating Scope 3 Emissions. GHG Protocol. [View here](#).

# RESULTS – THE IMPACT OF OUR FUNDS

The chart and table below summarise the total financed emissions of Evenlode’s strategies. As is to be expected across all funds, scope 3 comprises the vast majority of tCO<sub>2</sub>e emitted. As of 31 December, 2024 EI and EGI made up 58%

and 30% of our AUM respectively and as such they represent a combined 96% of Evenlode’s total financed emissions. EGD, EGE, and EGO collectively contributed 4% to the total.

## Total financed emissions per fund



Fund	Scope 1	Scope 2	Scope 3 Upstream	Scope 3 Downstream	Total
IFSL Evenlode Income (EI)	7,585	6,102	278,099	474,824	766,610
IFSL Evenlode Global Income (EGI)	4,219	2,871	117,323	127,650	252,062
Evenlode Global Dividend (EGD)	336	229	9,355	10,168	20,088
IFSL Evenlode Global Equity (EGE)	761	310	13,742	2,950	17,763
Evenlode Global Opportunities (EGO)	11	4	197	42	255
<b>Evenlode Total</b>	<b>12,912</b>	<b>9,516</b>	<b>418,716</b>	<b>615,635</b>	<b>1,056,779</b>

Total financed emissions by scope in tonnes of CO<sub>2</sub>e. Source: CDP 2024 Full GHG Emissions Dataset, Evenlode. Evenlode portfolios as at 31 December 2024.

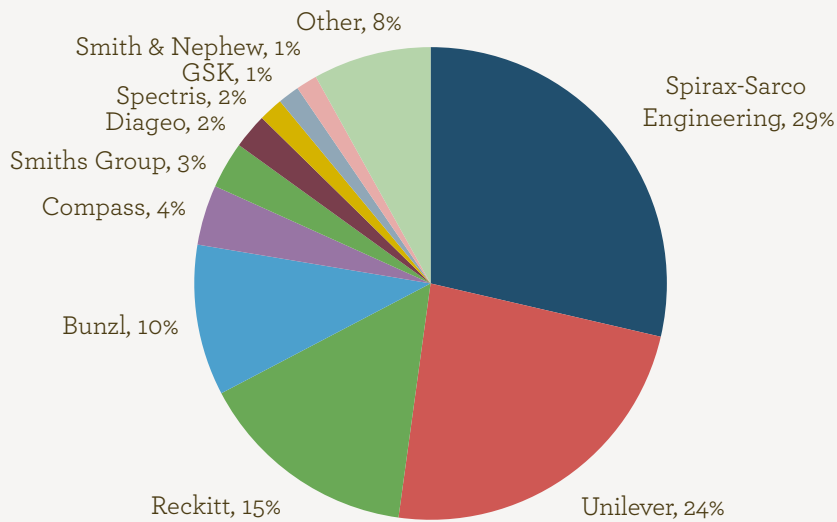


# RESULTS – OUR TOP EMITTERS

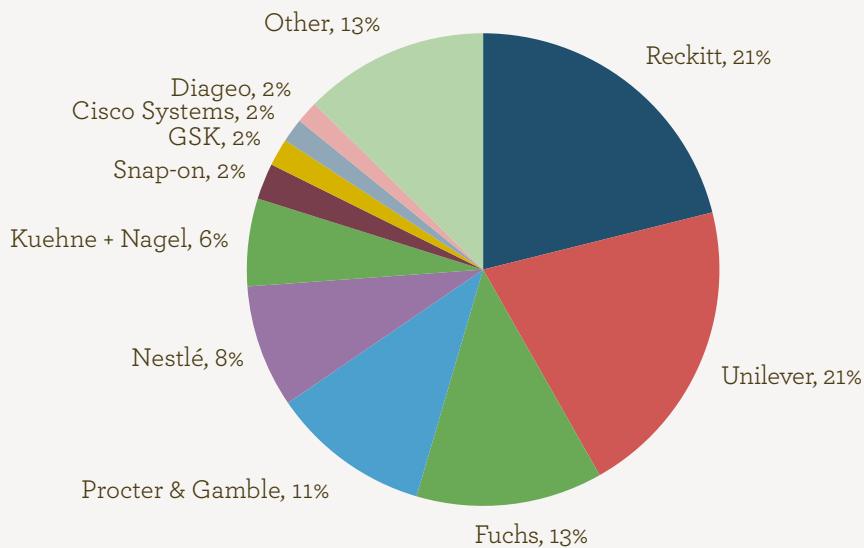
Some companies in our portfolios have a disproportionately large impact on financed emissions due to their emissions intensity profile as well their ownership within the fund.

The pie charts below illustrate the top ten contributors, by percentage, for each investment strategy:

## Top contributors to IFSL Evenlode Income’s financed emissions

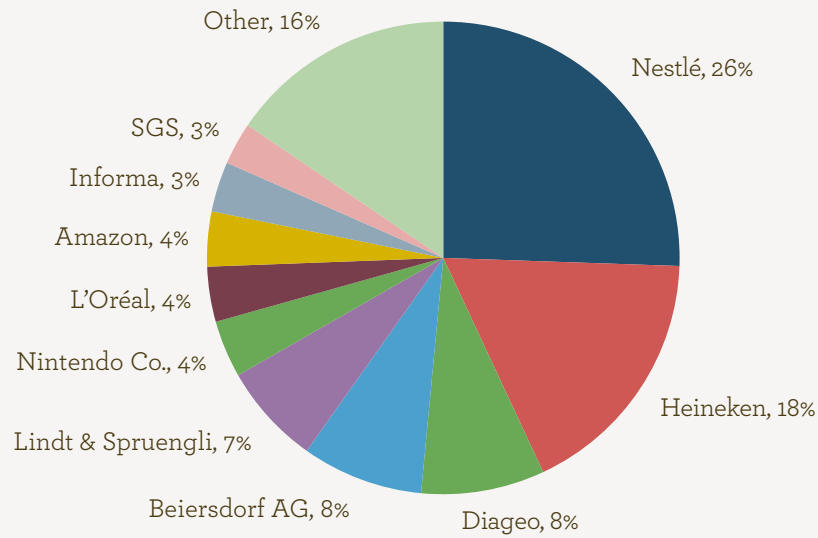


## Top contributors to IFSL Evenlode Global Income’s financed emissions



# RESULTS – OUR TOP EMITTERS

## Top contributors to IFSL Evenlode Global Equity’s financed emissions



Total fund emissions across scopes 1,2 and 3 broken down by each company's contribution. Source: CDP 2024 Full GHG Emissions Dataset, Evenlode. Evenlode portfolios as at 31 December 2024.



## RESULTS – OUR TOP EMITTERS

Our engagement efforts are concentrated on the most emissions-intensive companies, as measured by emissions per £m of revenue. This metric serves to highlight the carbon intensity and/or operational efficiency of companies, independent of their overall market capitalisation or the size

of their position within the portfolio. Listed below are the top ten most emissions-intensive companies for each fund.

Due to data licensing restrictions, we are not able to disclose individual companies' emission intensities in this report.

Rank	Evenlode Income	Evenlode Global Income/ Global Dividend	Evenlode Global Equity/ Global Opportunities
1	Spirax-Sarco Engineering	Reckitt	Nestlé
2	Unilever	Unilever	Diageo
3	Reckitt	Procter & Gamble	Nintendo Co.
4	Bunzl	Nestlé	Heineken
5	Diageo	Fuchs	Lindt & Spruengli
6	Smiths Group	Snap-on	Beiersdorf AG
7	Compass	Cisco Systems	L'Oréal
8	Halma	Diageo	Amazon
9	Smith & Nephew	Kuehne + Nagel	Informa
10	GSK	L'Oréal	Medtronic

The ten companies with the highest tonnes of CO<sub>2</sub>e/£m revenue across scopes 1, 2 and 3 per portfolio. Source: CDP 2024 Full GHG Emissions Dataset, Evenlode. Evenlode portfolios as at 31 December 2024.

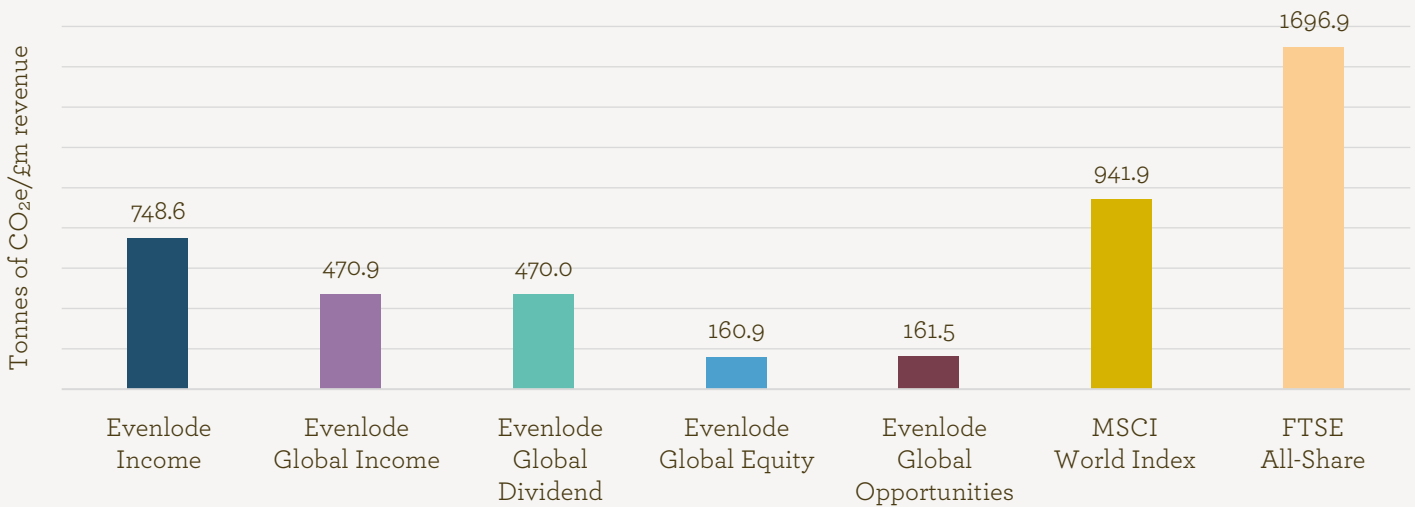
Procter & Gamble is still one of the most emissions intensive company in the EGI cohort as a result of its 'use of sold products' category. However, as a consequence of the data decision described previously, we can see Reckitt and Unilever tracking up the list for EGI and EI, ultimately surpassing P&G for EGI given their lower revenue. As has also already been discussed, the methodology idiosyncrasies exhibited by Spirax-Sarco mean that the company now tops the EI top 10 most intensive holdings by tonnes of CO<sub>2</sub>e per £ million of revenue. We expect further volatility within this data in the coming years. Nestlé remains EGE and EGO's most intensive holding as one of their largest Consumer Goods businesses, but we are encouraged to see the world's biggest food producer reducing its emissions to the tune of 15% in 2024. Consistent with the efficiency improvements made by Nestlé in 2023, the reduction can be attributed to improved supplier engagement, resulting in a 23% decrease in their scope 3, category 1; "purchased goods and services". We note that there is still a long way to go if the companies' net zero targets are to be met.

# RESULTS – HOW OUR FUNDS COMPARE TO THE BENCHMARKS

Evenlode’s emissions intensity across all three scopes, relative to both the MSCI World Index and the FTSE All-Share Index, can largely be attributed to our investment philosophy

favouring asset-light businesses. As a result, our process excludes heavy industrial sectors such as Energy, Materials, and/or Utilities.

## Weighted average emission intensity across scope 1, 2 & 3



Weighted average emission intensity across scopes 1, 2 and 3 as at 31 December 2024. Source: CDP 2023 Full GHG Emissions Dataset, Evenlode, MSCI, and FTSE Russell. MSCI World Index and FTSE All-Share Index portfolios as at 31 December 2024 and converted to GBP using that day’s exchange rate.

The FTSE All-Share Index is considerably more carbon-intensive than the MSCI World Index for two primary reasons: it has a higher allocation to the Energy, Materials, and Consumer Staples sectors, whereas the MSCI World Index is more heavily weighted toward the Information Technology sector. Furthermore, the FTSE All-Share Index comprises a smaller number of companies, relative to the constituents of the MSCI World Index.

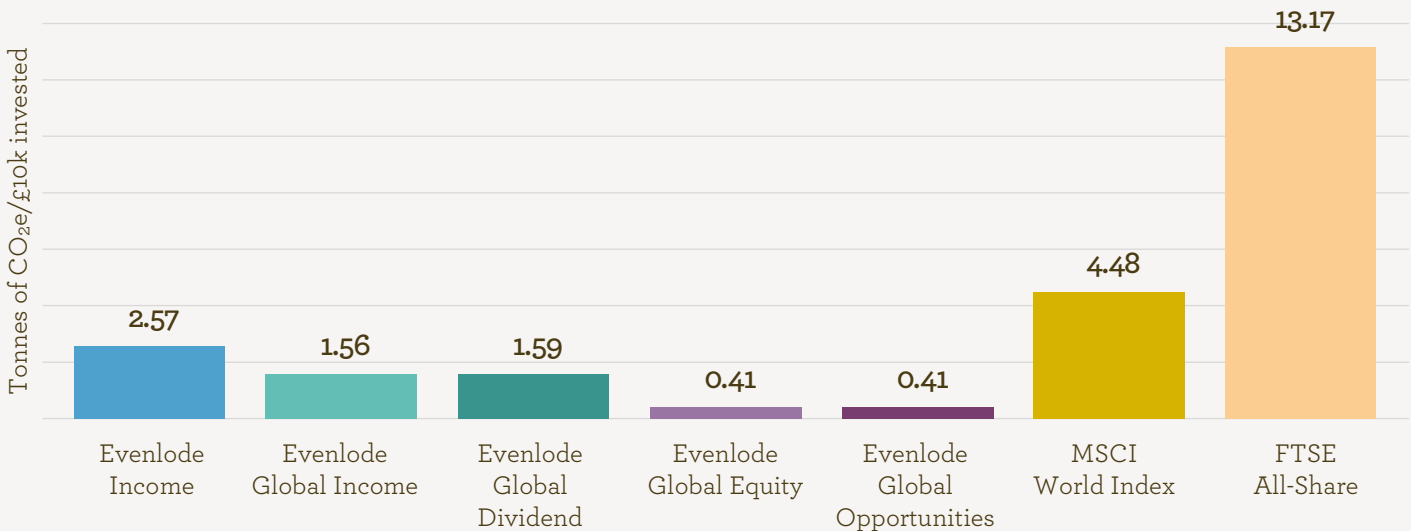


# RESULTS – HOW WE ARE PROGRESSING AGAINST OUR NET ZERO TARGETS

Since 2019, we have been reporting our emissions intensity. Since we submitted our targets, we have been aiming for a reduction of 7% per annum (using the end of 2020 baseline) in line with the SBTi Net Zero standard. In 2023, we saw an overall reduction of 32.2% in our emissions per £10k invested across our investment portfolios – a decrease from 2.16 to 1.47 tCO<sub>2</sub>e. In 2024, we have witnessed an increase of 39.7%, bringing the intensity back up to 2.05 tCO<sub>2</sub>e in 2024. We are of course disappointed to see the figures going in this direction, but we are content that we understand the rationale behind the data volatility and following quality engagements, feel as though the companies in question are indeed managing their transition risks. Upon looking at the data over two years we can record a modest reduction of 5.3% between 2022 and 2024.

Despite ongoing geopolitical tensions and economic uncertainty, the tenth edition of the IEA's World Energy Investment report<sup>1</sup> indicates that capital flows into the energy sector are projected to increase in 2025, reaching USD 3.3 trillion- representing a 2% real-term increase over 2024. Of this total, approximately USD 2.2 trillion is allocated to clean energy technologies, including renewables, nuclear, grids, storage, low-emissions fuels, energy efficiency, and electrification - double the USD 1.1 trillion directed toward fossil fuels such as oil, natural gas, and coal. While uncertainty surrounding the global economic and trade outlook has led some investors to adopt a cautious stance on approving new projects, this has not yet resulted in any significant reductions in capital spending on existing developments. This 'grid greening' which is taking place continues to enable companies to reduce their scope 2 emissions.

## Scope 1, 2 & 3 emissions per £10k invested



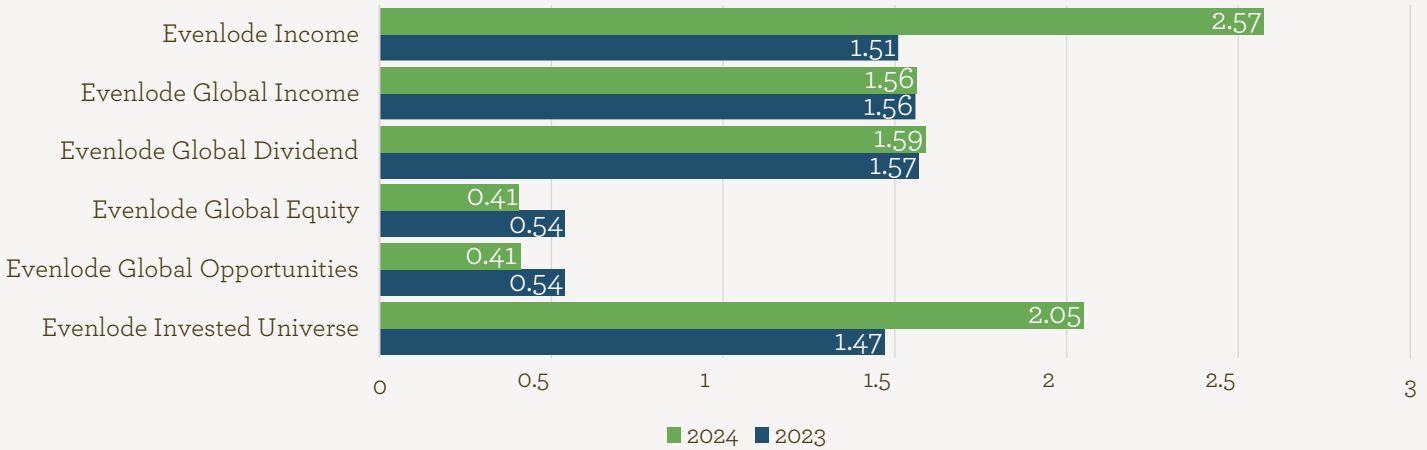
Tonnes of CO<sub>2</sub>e/£10k invested across scopes 1, 2 and 3 as at 31 December 2021, 30 December 2022, 29 December 2023 and 31 December 2024. Source: CDP and Evenlode. Evenlode portfolios as at 31 December 2021, 30 December 2022, 29 December 2023 and 31 December 2024, using data from the CDP 2021, 2022, 2023 and 2024 Full GHG Emissions Datasets.

The emissions footprints of our funds were lower than those associated with an equivalent £10k investment in a fund tracking either the MSCI World Index or the FTSE All-Share Index. This disparity is primarily attributable to the Evenlode funds' limited exposure to energy-intensive sectors such as Oil & Gas, Materials, Real Estate, and Utilities. In addition, Evenlode's preference for asset-light, high-quality businesses contributes to the lower emissions intensity of our portfolios relative to these benchmarks.

<sup>1</sup> IEA (2025), World Energy Investment 2025, IEA, Paris. [View here](#).

# RESULTS – HOW WE ARE PROGRESSING AGAINST OUR NET ZERO TARGETS

## Tonnes of CO<sub>2</sub>e per £10k invested in 2023 and 2024



Tonnes of CO<sub>2</sub>e/£10k invested across scopes 1, 2 and 3 as at 29 December 2023 and 31 December 2024. Source: CDP and Evenlode. Evenlode portfolios as at 29 December 2023 and 31 December 2024, using data from the CDP 2023 and 2024 Full GHG Emissions Dataset.

Since 2022, for completeness and transparency, we have elected to report the progress against our net zero targets in both sterling and dollar terms. In 2023, our emissions per \$10k invested across our funds decreased by 36% from 1.80 to 1.15 tCO<sub>2</sub>e. In 2024, our emissions per \$10k invested across our funds increased by 42% from 1.15 to 1.64 tCO<sub>2</sub>e. In 2023 we saw sterling rally 6% against the US dollar and then in 2024 this trend reversed somewhat, and sterling ended the year -2% on the US dollar.



# CONCLUSION

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In order for Evenlode to continue delivering attractive risk-adjusted financial returns for our clients over the long term, it is essential that we actively engage with our portfolio companies on their emissions intensity and their progress toward achieving net zero targets. We believe that by measuring and publicly disclosing our financed emissions, we will enhance the quality of our investment decision-making through improved transparency and insight.

Our 'best efforts' estimate of the emissions footprint for the Evenlode funds in 2024 is 2.05 tCO<sub>2</sub>e per £10k invested for scope 1, scope 2, and scope 3, which represents a year-on-year increase of 39.7% from 1.47 tCO<sub>2</sub>e per £10k invested in 2023. If we calculate the change over the previous two years from 2022 to 2024, we can report a modest decline of 5.3%.

We tempered expectations in last year's analysis highlighting that we don't expect progress towards our net zero targets to be linear or indeed easy. Our most recent figures from 2024 substantiate our words of caution. The increase in our financed emissions for 2024 highlights the complexities within the data; we feel as though we understand the key drivers and can actively engage with management teams to improve efficiencies going forward. We remain committed to building fruitful relationships with our investee business and to stewarding our clients' capital for the long term.



## OUR DATA SOURCES

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To measure our financed emissions, we rely on the Full GHG Emissions Dataset provided by the Carbon Disclosure Project (CDP) as well as publicly reported emissions data by our portfolio companies.

We prefer the CDP dataset for several reasons. First, it requires companies to report emissions segregated into scope 1, scope 2, and the 15 scope 3 categories, rather than in aggregated form. This gives us a better understanding of the sources of emissions. Second, it provides data quality assurance. The CDP data teams check reported emissions, flagging those that deviate from their own estimates of the company's likely emissions, and comparing reported emissions against emissions disclosed in company reports. Third, it provides emissions estimates for all the categories that companies have failed to report on.



Nevertheless, our analysis suggests that the estimates provided by the CDP tend to be higher more often than lower compared to emissions disclosed by the company. It is critical for companies to measure and report their emissions as they have a better understanding of their operations and supply chains.

We prefer reported emissions over the emissions estimates provided by the CDP. However, we acknowledge that, in some cases, reported emissions are often estimated by companies and, therefore, may contain errors. We minimise data errors by implementing systematic cross-validation of the emissions data from the CDP dataset and our portfolio companies' reported sources.

This is also the reason we validate the CDP dataset to ensure the consistency and accuracy of our analysis and to understand where weaknesses in the data occur. We complement the CDP dataset with the emissions data reported by our portfolio companies on their websites or in their annual or sustainability reports.



# OUR METHODOLOGY

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## DATA SOURCE

The 2024 Full GHG Emissions Dataset, covering company emissions for reporting years ending between 30 June 2023 and 30 June 2024 is obtained from the CDP. Company financial data for the emissions reporting period is obtained using FactSet.



## DATA EXTRACTION

Emissions data for Evenlode's portfolio companies are extracted from the CDP dataset.



## DATA SELECTION

Company reported emissions are preferred over CDP estimates unless the CDP provided good reasons for using its estimates. For scope 2 emissions, market-based emissions are preferred over location-based emissions because they consider a company's energy sources.



## VALIDATION

Systematic cross-validation of the emissions data from the CDP dataset and our portfolio companies' reported sources is conducted.

- Where emissions data is not reported to the CDP, but the company publicly reports its emissions, available data points are used.
- Where emissions data is not available from both sources, emissions are modelled based on peers or last year's estimates, scaled by revenue. This assumes that the emissions intensity remains constant.



## DOUBLE COUNTING

Potential overlaps in the value chain that might result in double counting of emissions, particularly scope 3 emissions, are examined and removed if necessary.



# OUR METHODOLOGY

## DATA QUALITY CHECK

Emissions are broken down by data source and quality, and the percentage of emissions reported by portfolio companies is calculated.



## ANALYSIS

Evenlode's outstanding ownership of a company and the company's enterprise value including cash (EVIC) as at 31 December 2024 is obtained using CapIQ to calculate the attribution factor. The attribution factor along with company emissions and financial data are used to calculate financed emissions metrics, which include absolute financed emissions, emissions per £10k invested, and weighted average emissions intensity.



## BENCHMARKING

The Evenlode funds' emissions per £10k invested and weighted average emission intensity (WACI) are compared to those of the MSCI World Index and the FTSE All-Share Index.

### FTSE All-Share:

London Stock Exchange Group (LSEG) state that their methodology prioritises publicly reported documents for all data across scopes 1, 2 and 3. They cite the below as sources for their data:

1. Non-Financial Reports
2. Sustainability Report
3. Corporate Social Responsibility
4. Environmental Report
5. Annual Report
6. Company Website
7. Integrated Report
8. Registration report
9. Annual General Meeting
10. DEF-14
11. Subsidiary Report
12. Guidelines Reports (Business Responsibility and Sustainability Reporting, SASB, TCFD, GRI, CDP (Questionnaire-CC14.1), SDG, Climate Action 100+, etc.)

### MSCI World:

As stated in our methodology we collect carbon emissions data for the companies in the coverage universe. Data is collected once per year from most recent corporate sources, including annual reports, Corporate Social Responsibility reports or websites. In addition, we use the carbon emissions data reported through CDP (formerly the Carbon Disclosure Project) or government databases when reported data is not available through direct corporate disclosure.

When companies do not disclose data, MSCI ESG Research uses proprietary methodologies to estimate Scope 1, Scope 2, Upstream Scope 3, and Downstream Scope 3 carbon emissions.

# CHANGES TO THE METHODOLOGY

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We are committed to improving the way we measure and report our financed emissions. The 2024 analysis remained very similar to the 2023 analysis. This year for the first time, we had no reason to model-up the emissions for any of our investee businesses. The availability of the data in companies' own literature has continued to improve year-on-year and where there are gaps, the CDP estimates are sufficient. For our portfolio companies, there was minimal

overlap in their emissions. Therefore, overestimation due to double counting is likely to be immaterial. We will not be recalculating our baseline based on this year's changes, but we will continue monitor the changing best practice guidance regarding this issue. We have established a baseline recalculation policy to set out clearly under what conditions we will recalculate our baseline (see below).

## EVENLODE'S RECALCULATION POLICY

We will recalculate our baseline emissions when we identify significant opportunities to improve our methodology, such as closing the time lag between financial and emissions data (as we did in our 2022 analysis), or if the changing best practice guidance requires methodological changes to the way we calculate financed emissions, such as a change to the recommended attribution factor (as in our 2021 analysis). The threshold for this shall be a potential change of at least 5% to our reported financed emissions or wherever we identify serious inconsistencies or errors.



# ATTRIBUTING THE EMISSIONS OF OUR PORTFOLIO COMPANIES TO OUR FINANCED EMISSIONS

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The PCAF standard requires financial institutions to account for the emissions from their investments. This is based on the proportional share of their ownership in portfolio companies, allocated based on an attribution factor. The allocation factor defines the portion of a company's total emissions for which an investment portfolio is responsible.<sup>1</sup>

For listed equity, PCAF recommends calculating the attribution factor determined by the ratio between the outstanding amount of ownership in a portfolio company and the enterprise value including cash (EVIC) of the company.

$$\text{Attribution factor for listed equity} = \frac{\text{nominal shares} * \text{share price}}{\text{enterprise value including cash (EVIC)}}$$

PCAF defines EVIC as follows:

*The sum of the market capitalisation of ordinary shares at fiscal year-end, the market capitalisation of preferred shares at fiscal year-end, and the book values of total debt and minorities' interests.*

Financed emissions are then derived from multiplying the attribution factor by the emissions of the portfolio company.



<sup>1</sup> PCAF, December 2022. The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition. [View here](#).

# OUR FINANCED EMISSIONS METRICS AND TARGETS

The TCFD recommends organisations to provide the key metrics they use to measure and manage climate-related risks and opportunities. To effectively assess and track the climate

impacts of our portfolio companies as well as the climate-related physical and transition risks they face over time, we rely on the following metrics:

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 funds. This allows us to put our financed emissions in a more meaningful context for clients and aids comparison with other funds and benchmark indexes.	$\sum \frac{\text{outstanding amount}}{\text{total portfolio value}} \times \frac{\text{£10k}}{\text{EVIC}} \times \text{company emissions}$
Weighted average emissions intensity	The emissions intensity of our funds based on our portfolio composition and our portfolio companies' emissions intensity. This helps us understand the fund's exposure to emissions-intensive companies.	$\sum \frac{\text{outstanding amount}}{\text{total portfolio value}} \times \frac{\text{company emissions}}{\text{company revenue}}$

In June 2021, Evenlode joined the Net Zero Asset Managers (NZAM) Initiative, and we have committed to reaching net zero by 2050 or sooner across 100% of our investment portfolios. As part of our net zero commitment, we have chosen an emissions per £10k invested reduction target of 7% per annum in line with the SBTi Net Zero Standard, leading to a 51.6% reduction from 2020 to 2030. This aligns with the standard's requirement to halve emissions before 2030 and achieve 90% reduction by 2050.<sup>1</sup>



<sup>1</sup> Science Based Targets Initiative, August 2022. Financial Sector Science-Based Targets Guidance. [View here.](#)

# GLOSSARY

Term	Description
Attribution Factor	A formula used to determine how much of a company's emissions should be attributed to an investor. It considers the investor's ownership stake relative to the company's total value.
Carbon Disclosure Project (CDP)	An organization that collects and publishes environmental data from companies. It provides emissions data used in Evenlode's analysis and helps ensure consistency and transparency in climate reporting.
Carbon Dioxide Equivalent (CO <sub>2</sub> e)	A standard unit for measuring carbon footprints. It expresses the impact of different greenhouse gases in terms of the amount of CO <sub>2</sub> that would have the same global warming effect.
Category 11 - Use of Sold Products	A subcategory of Scope 3 emissions. It refers to the emissions generated when customers use a company's products—like the energy needed to run a washing machine or heat water.
Emission Intensity	A measure of emissions relative to a financial metric—such as tonnes of CO <sub>2</sub> e per £10,000 invested or per £1 million of company revenue. It helps compare the climate impact of different investments.
Enterprise Value Including Cash (EVIC)	A financial metric used to calculate the attribution factor. It includes a company's market capitalization, debt, and cash holdings.
Financed Emissions	Emissions associated with investments made by financial institutions. These are calculated based on the investor's share of ownership in a company and the company's total emissions.
Greenhouse Gas (GHG) Emissions	Emissions of gases that trap heat in the atmosphere, contributing to global warming. These include carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), and others. GHG emissions are typically categorized into scopes 1, 2, and 3.
Net Zero	A state where the amount of greenhouse gases emitted is balanced by the amount removed from the atmosphere. For investors, this means aligning portfolios so that financed emissions are reduced to net zero by a target year (e.g., 2050).
Paris Agreement	An international treaty adopted in 2015 to limit global warming to well below 2°C, ideally to 1.5°C, compared to pre-industrial levels. It encourages countries and organizations to reduce emissions and invest in climate resilience.
SBTi (Science Based Targets initiative)	A global body that helps companies set emissions reduction targets in line with climate science. Evenlode follows its guidance to aim for a 7% annual reduction in emissions.
Scope 1 Emissions	Direct emissions from sources owned or controlled by a company—such as fuel combustion in company vehicles or boilers.
Scope 2 Emissions	Indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the company.
Scope 3 Emissions	All other indirect emissions that occur in a company's value chain. This includes emissions from suppliers, product use by customers, business travel, and waste disposal. Scope 3 is often the largest and most complex to measure.
TCFD (Task Force on Climate-related Financial Disclosures)	A framework that helps companies disclose climate-related financial risks and opportunities. It promotes transparency and consistency in climate reporting.

# IMPORTANT INFORMATION

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Please note, these views represent the opinions of the Evenlode Team as of July 2025 and do not constitute investment advice. Where opinions are expressed, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice. 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.

We believe that delivering real, durable returns over the long term can be best achieved by integrating environmental, social and governance (ESG) factors into our 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, we engage with portfolio companies on a range of ESG issues (for example greenhouse gas emission reduction). However, please note that the Evenlode funds do not have a sustainability objective.

The UK sustainable investment labels help investors find products that have a specific sustainability goal and that meet certain specific requirements in relation to their sustainability characteristics. Although the Evenlode Funds have sustainability characteristics, they do not have UK sustainable investment labels because they do not have a specific sustainability objective, and have flexibility to pursue a wide range of investment opportunities, without being limited by the specific criteria required for a label.

IFSL Evenlode Income, IFSL Evenlode Global Income and IFSL Evenlode Global Equity are sub funds of the IFSL Evenlode Investment Funds ICVC. 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. 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](http://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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INVESTMENTS FOR LIFE

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