EVENLODE
INVESTMENTS FOR LIFE

Evenlode Portfolio Emissions Report 2024

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Summary Report

PCAF Partnership for Carbon Accounting Financials

evenlodeinvestment.com

EXECUTIVE SUMMARY

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[1].

Scientific consensus confirms that human activity is the driving force behind climate change, with the sharp rise in atmospheric carbon dioxide (CO_2) levels identified as a major contributor to global warming. CO_2 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

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

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_2e. For context, the average UK resident was responsible for 5.4 tCO_2e[23] and the average US resident was responsible for 13.4 tCO_2e in 2024[4]. 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.

1 World Meteorological Organization, 2025, State of the Global Climate 2024. View here.
2 World Population Prospects 2024, Department of Economic and Social Affairs, United Nations. View here.
3 2024 UK Greenhouse Gas Emissions, Provisional Figures, Department for Energy Security & Net Zero. London. View here.
4 IEA (2025), CO2 per capita emissions by region, 2000-2024, IEA, Paris. View here.

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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_2e. 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.

Tonnes of CO_2e/£10k invested across scopes 1, 2 and 3

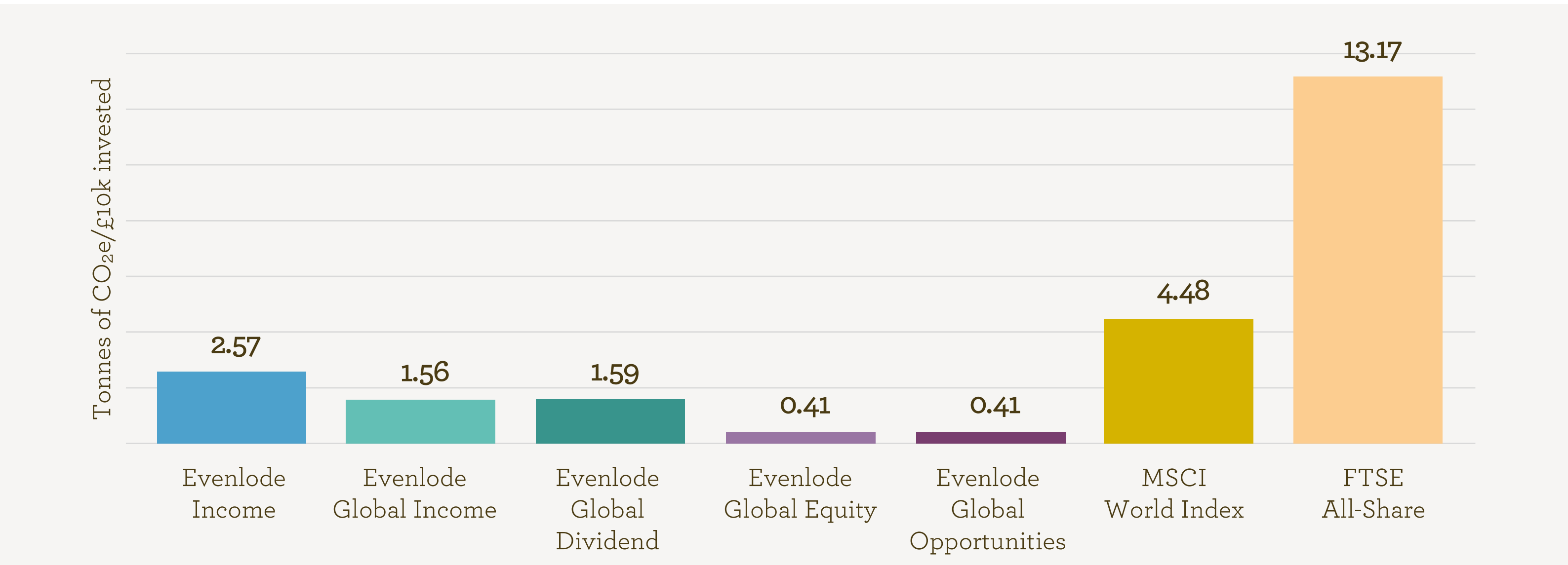
Fund	2020	2023	2024	y-o-y % change	% change since baseline
IFSL Evenlode Income (EI)	2.34	1.51	2.57	71%	10%
IFSL Evenlode Global Income (EGI)	2.14	1.56	1.56	0%	-27%
Evenlode Global Dividend (EGD)	2.13	1.57	1.59	1%	-25%
IFSL Evenlode Global Equity (EGE)	0.89	0.54	0.41	-25%	-54%
Evenlode Global Opportunities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

Tonnes of CO_2e/£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.

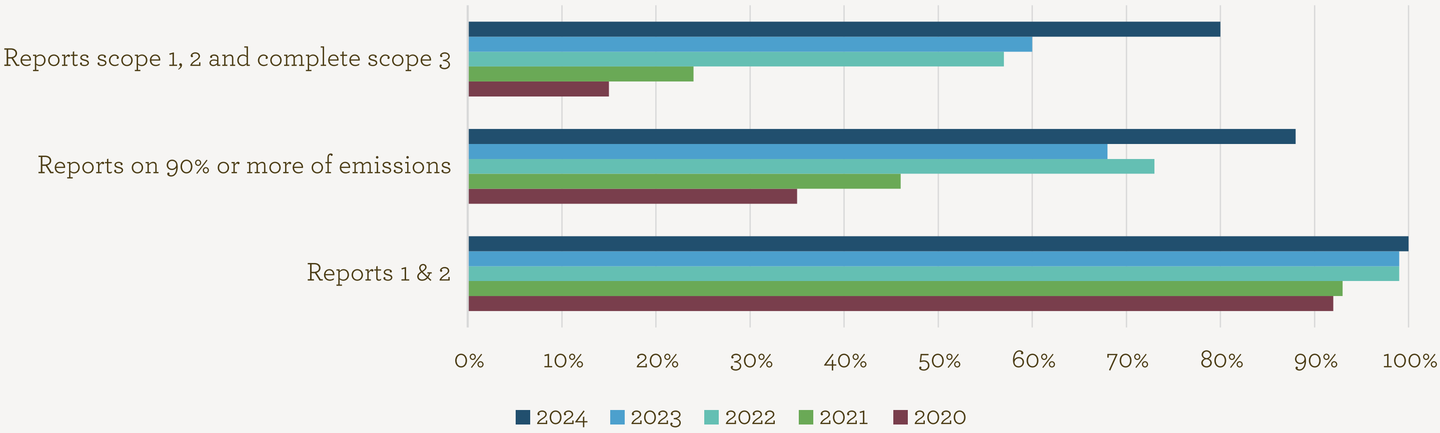
Scope 1, 2 & 3 emissions per £10k invested



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.

Access the full version of this document and find all our portfolio emission reports on the Stewardship section of our website.