



EVENLODE

INVESTMENTS FOR LIFE



Evenlode Portfolio Emissions Report 2022

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Summary Report



PCAF

Partnership for
Carbon Accounting
Financials

evenlodeinvestment.com

EXECUTIVE SUMMARY

This year saw record temperatures in the UK and across the globe. This, coupled with extreme weather and climate events, led to adverse impacts and losses to nature and people. Limiting global warming to 1.5°C – as called for in the Paris agreement – requires deep, rapid, and sustained reduction in greenhouse gas (GHG) emissions across all sectors.

Every year, Evenlode assesses the financed emissions associated with our investments to better understand the climate impacts of our portfolio companies as well as the climate-related physical and transition 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.

We have been measuring and disclosing our financed emissions since 2019. This year, we are aligning this report with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) regarding climate-related metrics and targets.

METHODOLOGY

We report the financed emissions of our investments across all of the Evenlode funds, based on the portfolios as at 30 December 2022. 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). This dataset collates companies' own reports of their emissions and fills in the gaps with modelled estimates.

RESULTS

In 2022, we achieved an overall reduction of 7.2% in our emissions per £10k invested across our investment portfolios – a decrease from 2.33 to 2.16 tCO₂e. This reduction was solely driven by a 25.2% decrease in emissions per £10k invested for Evenlode Income (EI), our largest fund, which accounted for 64.6% of total assets under management.

The emissions associated with investing £10k in one of our funds was between 1.00 and 2.98 tCO₂e. For context, the average UK resident was responsible for 5.15 tCO₂e in 2021.¹

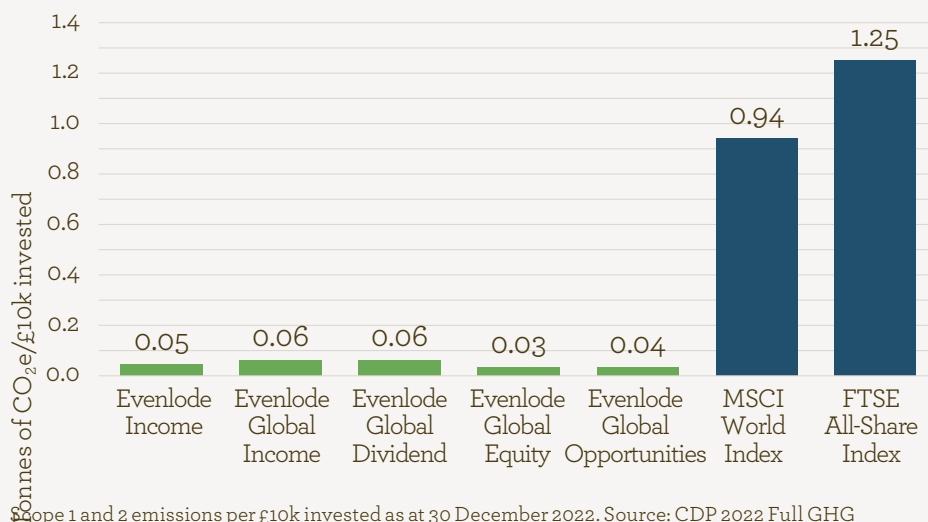
Fund	2021	2022	% change	% of AUM
Evenlode Income (EI)	2.35	1.75	-25.2	64.6
Evenlode Global Income (EGI)	2.33	2.96	27.0	32.4
Evenlode Global Dividend (EGD)	2.34	2.98	27.2	2.0
Evenlode Global Equity (EGE)	0.58	1.00	71.7	1.0
Evenlode Global Opportunities (EGO)	0.60	1.01	67.6	0.0
Evenlode Total	2.33	2.16	-7.2	100.0

Tonnes of CO₂e/£10k invested across scopes 1, 2 and 3 as at 31 December 2021 and 30 December 2022. Source: CDP and Evenlode. Evenlode portfolios as at 31 December 2021 and 30 December 2022, using data from the CDP 2021 Full GHG Emissions Dataset and the CDP 2022 Full GHG Emissions Dataset. AUM as at 30 December 2022.

¹ Our World In Data based on the Global Carbon Project, November 2022. [View here.](#)

Our emissions footprints were significantly lower than the emissions associated with an equivalent £10k investment in a fund tracking the MSCI World Index and the FTSE All-Share Index.² The difference mostly came from the Evenlode funds' low exposure to energy-intensive industries, such as the energy, materials, real estate, and utilities sectors.

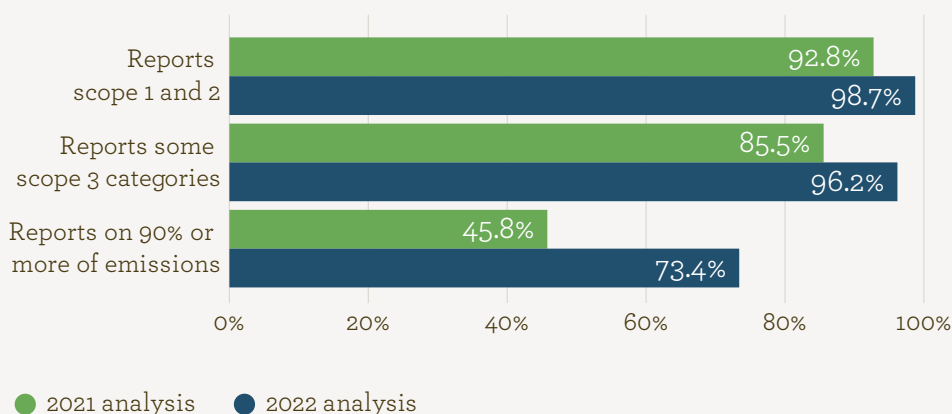
Scope 1 & 2 emissions per £10k invested



Scope 1 and 2 emissions per £10k invested as at 30 December 2022. Source: CDP 2022 Full GHG Emissions Dataset, Evenlode, MSCI and FTSE Russell. Evenlode as at 30 December 2022. MSCI World and FTSE All-Share portfolios as at 30 December 2022. Index data converted from weighted average emission intensity into emissions per £10k invested based on portfolio revenue and asset value as at 30 December 2022.

We are seeing a steady increase in emissions disclosure by our portfolio companies. Overall, 91.6% of Evenlode's financed emissions were reported by our portfolio companies, up from 83.0% in 2021.

Portfolio companies' emission reporting by scope



Percentage of companies in Evenlode portfolios reporting across the different scopes. Source: CDP and Evenlode. 2022 analysis based on Evenlode portfolios as at 30 December 2022, using data from the CDP 2022 Full GHG Emissions Dataset. 2021 analysis based on Evenlode portfolios as at 31 December 2021, using data from the CDP 2021 Full GHG Emissions Dataset.

OUTCOME

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. Though it is not perfect, our analysis provides valuable insights to steer our investment processes and stewardship efforts toward our net zero targets. Evenlode will continue to engage with our portfolio companies to improve reporting and drive action to cut emissions.

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

² This comparison is only for scope 1 and scope 2. Scope 3 estimates are still not reported for the indexes.