EVENLODE
INVESTMENTS FOR LIFE

Evenlode Investment
Net Zero Engagement & Voting Policy 2022

evenlodeinvestment.com

INTRODUCTION

We consider climate change and the transition to a low carbon economy to be one of the biggest systemic risks and challenges facing society, the global economy and our investee companies today.

It is clear that rapid global decarbonisation in line with 1.5°C is needed to avoid the worst effect of climate change. To manage climate-related risk in our portfolios and contribute to this global imperative, Evenlode joined the Net Zero Asset Managers (NZAM) Initiative[1] in June 2021 and committed to reaching net zero across our investment portfolios by 2050 or sooner, across 100% of our investments.

Following the Paris Aligned Investment Initiative's (PAII) Net Zero Investment Framework (NZIF)[2], one of the three methodologies endorsed by NZAM, we are setting net zero-aligned engagement, portfolio alignment and decarbonisation targets. To achieve these targets, we will need all the tools available to us as asset managers. This includes using direct and collective engagement with investee companies, regulators and policy makers, and using our voting rights to vote on resolutions at company meetings to encourage more action on climate change. This policy is intended to help us structure our voting, engagement and escalation measures in the most effective way, in support of our net zero stewardship and engagement strategy. It covers all companies in our portfolios. Beyond the NZIF, the policy draws on further guidance such as the Net Zero Stewardship Toolkit[3] by the Institutional Investors Group on Climate Change (IIGCC)[4], a global investor membership body largely focused on climate change and one of the founding partners of NZAM, that Evenlode Investment is a member of.

1. NZAM is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions (GHG) by 2050 or sooner, in line with global efforts to limit warming to 1.5°C. This important initiative was launched in December 2020 with an initial group of 30 signatories. View here
2. Net Zero Investment Framework Implementation Guide, March 2021. View here
3. IIGCC Net Zero Stewardship Toolkit, April 2022. View here
4. IIGCC's mission is to support and enable the investment community in driving significant and real progress by 2030 towards a net zero future. View here

EVENLODE'S NET ZERO TARGETS

For all our investment funds, which are invested solely in listed equity, we target:

100%
of financed emissions in material sectors to be aligned, achieving net zero or under direct or collective engagement by the end of 2022.

50%
of our assets under management (AUM) in material sectors to be aligning, aligned or achieving net zero by 2025, and 100% by 2030.

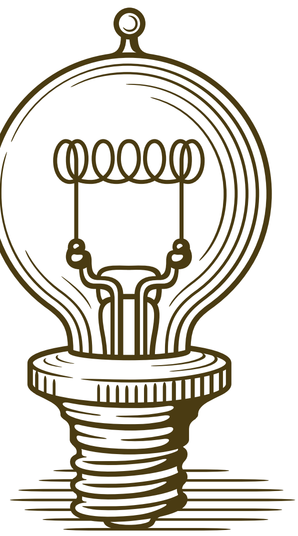
100%
of AUM in material sectors to be net zero or aligned by 2040.

51.6%
reduction in emissions per £10k invested across scopes 1,2 and 3 by 2030.

We use the definition provided in the NZIF for companies in material sectors and high impact companies, which are a subgroup of companies in material sectors. At the end of 2021, 67 companies or 81% of our portfolio companies across funds were considered in material sectors, and 16 companies or 19% of portfolio companies were considered high impact. Material and high impact companies represent 94% and 76% of financed emissions, respectively, and 79% and 31% of total net asset value (or invested AUM), respectively. When we speak about material companies, financed emissions or AUM in material sectors, we mean to include high impact companies in this. Definitions of aligning, aligned or achieving net zero as well as the alignment criteria underlying these classifications are provided in Appendix A.

We believe that a science-based climate strategy is necessary to drive sustained emission reductions. We therefore intend to focus on engagement with portfolio companies over the next few years so that they have the necessary strategy in place to decarbonise. We expect this engagement push to contribute to rapid alignment of portfolio companies with 1.5°C. We recognise that there will be a time lag between target setting and seeing the effects of our climate strategy on company emissions and therefore portfolio emissions. Hence, we expect the targeted emission reductions to be realised most strongly in the second half of this decade. For this reason and due to the uncertainty around the enabling environment for decarbonisation (such as decarbonisation of the electricity grid and government action on climate), we have not set a short-term target by 2025. We will continuously review this and strengthen our targets if possible.

We have chosen an emission intensity target rather than an absolute target for our financed emissions as we are expecting AUM to increase in the coming years. To balance this with the potential for absolute emission increases, we have chosen a more stringent reduction target of 7% per annum in line with the SBTi Net Zero Standard as opposed to a minimum 4.2% reduction per annum for scope 1 and 2 and 2.5% for scope 3 in the near-term for absolute emission reduction targets. This leads to a 51.6% reduction overall from 2020 to 2030. This is in line with the Standard's requirement to halve emissions before 2030 and 90% reduction by 2050.



ENGAGEMENT POLICY

It is our belief that improvements are best achieved through constructive dialogue with the company in question. When we vote against a management recommendation, we write to the company explaining why we have done so and offer ourselves for consultation on the subject at hand. We may also contact the company where our analysis has uncovered a matter for engagement, even if we are not voting against a resolution, being aware that voting is a powerful but blunt instrument. Voting our proxy is therefore a potential starting point for engagements whatever the nature of the voting decision.

Engagement is a core component of our approach to integrating sustainability. We engage with all investee companies to gather information on the firm's approach to a range of environmental, social and governance (ESG) matters, which inform our view on the risks and opportunities that the company faces. We consider engagement with companies as an opportunity. Discussing challenges with companies enables us to understand their business context and obtain more information about their mitigation of and resilience to the risks that we perceive. We understand that all this takes times and a measured approach.

We use active engagement and voting to move portfolio companies along their net zero journey. This is where we can have the biggest impact and can contribute to real decarbonisation in the economy. Ultimately though, we are seeking to create long-term value for our clients through improving the sustainability characteristics of a company. Should a company's lack of net zero alignment present a severe, unmanaged risk, we would escalate our engagement which could include a collaborative engagement, voting to effect change at board level, making a change to the maximum position size or in some cases complete exclusion from our portfolios. It is important to us that engagements involve active dialogue with the company, that it is clear what the intention of an engagement is at the outset, and what the outcomes were once it is complete. We monitor all engagements within our proprietary research management system (known as EDDIE), alongside all other analysis carried out on a company. This means that engagements can be actively managed from start to finish and that they are also visible to the entire investment team, so that duplication of engagement effort by different members of the team can be avoided.

ENGAGEMENT PRIORITIES

Evenlode has prioritised a set of portfolio companies for engagement in 2022 and beyond. In keeping with our engagement goal of 100% of our financed emissions in material sectors to be aligned, achieving net zero or under direct or collective engagement, we will execute our engagement plan in H2 2022. With 2.6% of financed emissions in material sectors currently aligned and 0.0% achieving net zero, this means that 97.4% of financed emissions in material sectors will be under active engagement, and we will contact all 64 companies that are in this group by the end of 2022. However, to help us prioritise which companies to start engaging with and allocating more of our resources to, we have outlined several engagement priorities below.

The emphasis will be on engagements with high impact companies as well as the largest contributors to our portfolio emissions that are not aligned or achieving net zero yet, as these are the companies whose alignment with net zero will have the biggest impact. At the end of 2021, 16 of our portfolio companies were considered high impact and none have currently achieved full alignment. Of the 10 companies with the highest contribution to our financed emissions, only one is aligned, and the remaining companies contributed to 80.7% of our financed emissions in 2021.

Within this group, we will prioritise engagements with the companies that have the lowest level of alignment and the largest position size in our portfolio, since this increases the impact and likelihood of a successful engagement. We will also consider which companies are already subject to collective engagements that we are part of (see Appendix B). Over time, as we collect data on companies' alignment journey, we will also consider the speed of companies' progress to date and target those that have improved least since we started engagement.

ENGAGEMENT OBJECTIVES

For our engagements, we will set time-bound company level objectives that will lead to escalation if not achieved in the set timeframe. Along with having relevant targets, emissions data and performance disclosed, portfolio companies will also be asked to ensure emission performance is on track with their targets, have their emissions verified by third-parties, and for high impact companies, disclose a climate transition plan, report the type of offset they are using (if applicable; preferably carbon removals with permanent storage), commit to align future capital expenditures with their long-term GHG emission targets and disclose the percentage of their current and aspired share of overall sales from green revenue. These additional criteria will form our minimum engagement objectives and milestones. Generally, we are expecting companies in material sectors to move up one alignment category within 12 months of engagement (see figure 1). If they do not achieve the engagement objectives set within this time frame, we will escalate via voting and collective action on a case-by-case basis.

Due to the concentration of our portfolios and the robust analysis done by the team in assessing company alignment with net zero, we will be able to engage with 100% of our portfolio companies that are deemed to be in material sectors.

Engagement Pyramid

ENGAGE-MENT PRIORITY	ENGAGEMENT OBJECTIVES
TIER 4	**Achieving Net Zero target** and sustaining it.
TIER 3	**Becoming aligned:** emission performance in line with targets, audit of emission disclosure.
	For high impact companies also: full decarbonisation strategy, capital alignment, green revenue disclosure, details of offsets if applicable.
TIER 2	**Becoming aligning:** setting science-based short and medium-term targets in line with 1.5°C, covering at least 67% of scope 3 and disclosure of at least 90% of relevant emissions.
	For high impact companies also: action plan for how to achieve these targets.
TIER 1	**Becoming committed:** setting a long-term net zero by 2050 commitment covering at least 95% of scope 1 and 2 and 90% of scope 3.

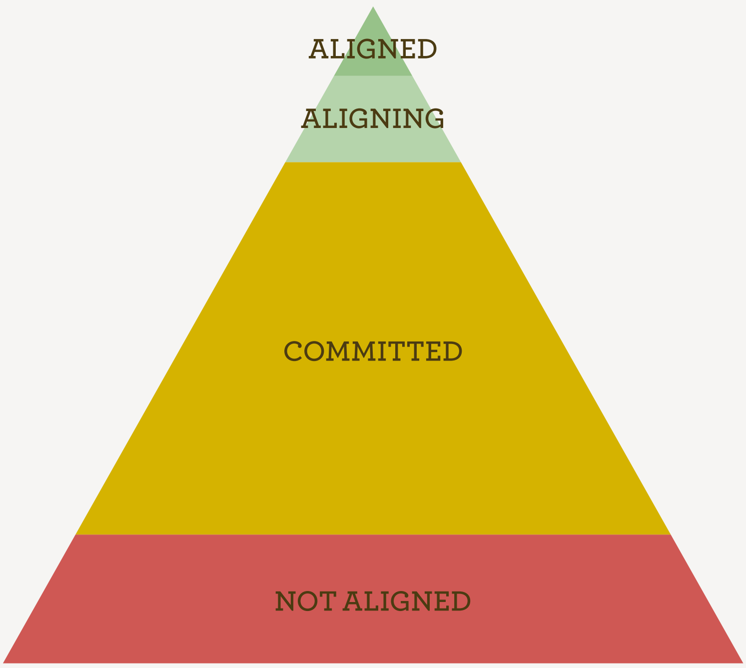


Figure 1. Engagement pyramid.

Net zero alignment of companies in material sectors as of 31 December 2021 (% of AUM in material sectors)

- Achieving net zero (0%)
- Aligned (9.8%)
- Aligning (14.5%)
- Committed to aligning (45.6%)
- Not aligned (30.1%)

*Engagement objectives represent changes required to move companies up one alignment category.

COLLECTIVE ACTION AND POLICY ENGAGEMENT

In order to achieve our goal of 50% of our AUM in material sectors to be aligning, aligned or achieving net zero by 2025, we must consider and improve the quality of data from our portfolio companies. We have noticed that there has been a steady increase in emission reporting by our portfolio companies. While progress on scope 1 and 2 reporting has stalled and is very high at 93% of portfolio companies as of 2021, scope 3 reporting has increased from 2020 to 2021. Overall, 83% of Evenlode's financed emissions are now reported by the company, up from 77% in 2020 and almost half of all companies in the portfolio now report on at least 90% of their emissions. In 2021, we engaged with all companies disclosing less than 90% of scope 1, 2 and 3 emissions, and we will continue this engagement programme in 2022 and the coming year. To escalate our engagement with the non-responders, we are also participating in the CDP's 2022 Non-Disclosure Campaign.

Our overall approach around direct vs collaborative engagements is simple. We believe that as long-term investors we have developed long-term relationships with our investee companies and that relationship can act as a key ingredient in effecting change that will benefit our companies, our clients and society more broadly. However, combining Evenlode's voice and direct ownership with those of other like-minded investors is important to strengthen our collective influence in addressing gaps in climate transition plans. We will therefore continue to actively take part in collective investor engagements with companies on climate change, such as the CDP's Science-Based Targets and Non-Disclosure Campaign, and FAIRR's Sustainable Protein Engagement.

In addition, we are engaging with governments and regulators on public climate policy, such as supporting the Investor Agenda's Global Investor Statement to Governments on Climate Change, FAIRR's Where's The Beef Statement to governments, the IIGCC's Investor Statement on Net Zero Transition Plans, and taking part in consultations by the FRC and ICGN on climate-related disclosure rules in the UK and US, corporate net zero targets and Say on Climate votes.

We endeavour to ensure that our policy advocacy and engagement with regulators is in line with our climate commitments, such as supporting increased disclosure of climate material risks and mitigation, government action on climate change and regulation targeted at enabling the private sector transition to net zero.

Collaborative engagements help send a consistent message and therefore typically lead to accelerated action by companies. Engaging with regulators, however, has the potential to create real systemic change in the market. These are some of the escalation tools we have at our disposal to effect change at scale.

VOTING POLICY

The ability to vote at a company meeting is a fundamental right available to investors which they should use to hold companies accountable and protect their long-term interests. Corporate stewardship principally revolves around the responsibilities associated with part ownership of companies via a shareholding. Shareholdings usually carry voting rights that enable the owners to vote with or against the management of a company on issues of governance and long-term climate and net zero strategies. We consider it our responsibility, as part of the investment process, to decide on behalf of our investors how votes should be cast. We feel context and nuance are crucial in making a voting decision. This is why we do not use any third-party research providers to make our decisions but instead rely on the research which has been carried out by the investment team, over many years.

Evenlode's approach to voting is investment-led, serves as the first step to our engagement strategy and also forms part of our escalation strategy. Our voting policy has historically centred on four main corporate themes: board composition, alignment of (sustainability-related) incentives with long-term (climate and/or net zero) strategy, shareholder rights and disclosure. We believe boards should be made up of members with the necessarily set of skills, experience and psychological attributes, as well as sufficient independence to challenge management teams. For high impact companies, this includes board members with knowledge of ESG matters as this represents an important area to be managed by the company. Incentives are important in driving behaviour, and we feel these should be well aligned with the overall long-term strategic direction of the business, including its climate strategy. We support and defend minority shareholders' rights including the right to receive good quality corporate reporting in a timely manner and have a general view that the quality of reporting should reflect the board's strategic thinking and its financial reports. This year, our voting policy places further emphasis on sustainability and our net zero commitment. In light of our net zero target, we will use our existing themes to vote on the governance, incentivisation, disclosure and the general quality and depth of investee companies' climate transition plans.

OVERSIGHT OF CLIMATE-RELATED ISSUES

Evenlode expects its portfolio companies in material sectors to meet the criteria to be considered to be 'aligning' (see Appendix A). For example, we would expect them to have set a long-term net zero target, set a short (up to 2025) and medium-term (2026-2035) target, have disclosed at least 90% of total emissions including scope 1, 2 and 3 and, for high impact companies, have a coherent plan outlining how the company will achieve these targets.

If we see an absence of relevant targets and/or disclosures which demonstrate the company, especially those classified as high impact, is not 'aligning' with net zero, we will vote against the board director directly responsible for the oversight of the climate strategy, or the CEO if no such director has been identified.

After 12 months from the start of the initial engagement, where we have identified no incremental positive changes towards their climate transition plan or a meaningful acknowledgement to our engagements, an escalation approach will be taken to voting, by also voting against the CEO.

REMUNERATION

Evenlode expects its portfolio companies to operate a remuneration committee with full independence, relevant expertise and a culture with which it can exercise its discretion downwards as well as upwards. When considering net zero commitments, we would encourage companies in material sectors to abide by the following principles. This list is by no means exhaustive:

- Remuneration policies should provide sufficient disclosure in order for investors to make an informed decision. This includes weighting of performance metrics, pre-determined thresholds, targets and a total percentage and amount being paid to each executive.
- Remuneration policies should be clear and understandable for all stakeholders, in particular the retail investors.
- Performance metrics assessed as part of annual bonus and long-term incentive plans should be clearly aligned to the long-term strategy of the business, including its climate strategy.
- Remuneration policies should consist of relevant, materially weighted (>10%), climate-related performance metrics especially for companies that are classified as high-impact.

For those companies in material sectors, if we see an absence of relevant performance metrics aligned to the portfolio companies' climate strategy, we will vote against their remuneration policy. To give an example, for high emitters in the upper quartile of funds in terms of emission intensity, we would expect a performance metric looking at reducing absolute emissions, weighing at least 10-15% of total variable pay.

After 12 months from the start of the initial engagement, an escalation approach will be taken to voting if we haven't seen any incremental change in the policy after initiating engagement, by also voting against the re-election of the chair of the remuneration committee.

CLIMATE DISCLOSURE

Evenlode expects its portfolio companies in material sectors to provide an adequate amount of transparency on their climate transition plan. The plan should include, but not be limited to:

- Disclosures on the Board's capabilities and competencies to manage climate change,
- Short, medium and long-term climate ambitions and targets covering at least 95% of scope 1 and 2 and 67% of scope 3 for short and medium-term targets, and 95% of scope 1 and 2 and 90% of scope 3 for long-term targets, and
- Disclosure of emissions performance covering at least 90% of scope 1, 2 and 3.

For high-impact companies, we also want to see over time, a net-zero aligned decarbonisation strategy which identifies a set of actions the company intends to take and alignment of future capital expenditures to achieve its GHG reductions over the targeted time frame.

As supporters of the Task Force on Climate-related Financial Disclosures (TCFD), we encourage all companies in our portfolio to highlight their exposure to physical and transition risks to climate change in line with the well-defined framework, as well as undertake a quantitative scenario and transition analysis, over time.

If we see an absence of disclosure necessary for shareholders to make an informed decision, we will vote against the Reports and Accounts.

After 12 months from the start of the initial engagement, an escalation approach will be taken to voting if we haven't seen any incremental improvements in disclosure or there has been a lack of meaningful acknowledgement from our engagement efforts, by also voting against the chair of the company.

SAY ON CLIMATE VOTE

Evenlode is supportive of a Say on Climate vote especially when it is being displayed through the framework of the TFCD, allowing stakeholders to understand how companies are considering climate in their long-term strategy and how it is being measured over time. The momentum created for shareholders to express their support and/or discontent towards climate transition planning is encouraging. Furthermore, adoption of such a vote enhances awareness of the organisation's climate strategy to the market and allows engagement plans to be initiated by investors.

The disadvantages of putting such a proposal out for a vote is that it could lead to situations where some retail investors, who may not have the resources or the technical know-how to analyse such complex plans, may automatically vote with management, thereby approving weak misaligned climate strategies. Secondly, the lack of standardised climate data, which comes with weaker regulations and fewer assurance mechanisms compared to financially audited data, means that shareholders may be voting on resolutions where the underlying data is not yet approved by independent third parties. Finally, as climate strategies become more intertwined with the overall long-term business strategy, shareholders may end up being asked to approve on certain elements of the company's strategy which is technically being re-packaged as the climate transition plan.

Due to the reasons highlighted above, we judge Say on Climate votes on a case-by-case basis approving plans only when we see evidence of compliance with our own minimum quality standards for Net Zero alignment. For example, we would want to see:

- A net zero ambition with short, medium and long-term targets which are science-based and covering at least 95% of scope 1 and 2 and 67% of scope 3 for short- and medium-term targets, and 90% of long-term targets, according to the NZIF.
- Disclosure of target progress annually and an emission trajectory consistent with what is needed to meet industry standard targets.
- Reporting covering all GHG emissions and at least 90% of total emissions including scope 1, 2 and 3.
- For high-impact companies, a net-zero aligned decarbonisation strategy which identifies a set of actions the company intends to take, showcases a clear focus on emission reduction and low reliance on offsetting, uses scenario analysis, commits alignment of future capital expenditures to achieve its GHG reductions over the targeted time frame and ideally reports the share of revenues that are considered 'green'.

In situations where a company has submitted its own climate transition plan and we identify that the plan does not meet our minimum standards, we may vote against the plan and request a new one. If a company is not on track to achieve its transition plan or targets set for two years or more, we may vote against the board, remuneration policy, annual report and accounts.

Evenlode's Say on Climate vote policy will be voted consistently across all our portfolios.

ANNUAL REPORT AND ACCOUNT

For companies classified as high impact, we expect them to include climate risk in their financial accounts. Over time, as companies further align their transition plans to net zero, we expect them to include and state any material climate-sensitive assumptions and outcomes in financial accounts and auditor reports and use of internal carbon price or an equivalent pricing mechanism. The ultimate goal is to calculate the financial implications of climate change on a company's business activities.

We will be voting against annual reporting and accounts if climate risk is not mentioned in the notes on the preparation of the financial statements. After 12 months from the start of the initial engagement, an escalation approach will be taken to voting, if we haven't seen any incremental positive changes in disclosure or a lack of meaningful acknowledgement to our engagement efforts, by also voting against the chair of the audit committee or in some cases, the chair of the company.

SHAREHOLDER PROPOSALS

Along with resolutions proposed by management teams, shareholders are increasingly putting forward proposals asking companies to report on climate goals, asking to disclose an analysis of the climate-related risks facing the business, to assess the feasibility of adopting greenhouse gas emissions (GHG) emissions targets in executive compensation plans and asking companies to present a climate plan and reporting on progress for annual approval. Over the past five years, the rise of coordinated, global campaigns on climate-related topics have been a strong trend in shareholder activism and we welcome this effort. We will support proposals that are in line with our net zero alignment criteria and our net zero targets.

VOTE DECISION DISCLOSURE

Voting is an important tool which allows us to support, influence or challenge management teams. However, it is only the first step. If we decide to vote against management, our policy requires us to engage with the company to communicate our decision. If necessary, we would also engage before we have input the vote, if any of the information is unclear. We will share this policy with companies when we engage with them in 2022, ahead of next year's proxy season. This will allow companies, especially those classified as material or high impact, to understand our expectations of them around governance of climate-related risks, target-setting, and disclosure.

ESCALATION STEPS

Engagement is an important part of the process of achieving our net zero targets and is the preferred approach over divestment. Engagement provides us with an opportunity to learn, collaborate and leverage off other like-minded investors. It is the main tool by which to achieve positive change at companies over the long-term. However, for our engagement model to have impact, it must be accompanied with a clear and vigorous escalation process, and divestment is only considered where escalation has been exhausted and if there are significant, unmanaged and/or unmanageable risks identified. As outlined in this policy, Evenlode will be using active voting, collective engagement to escalate where our engagement demands have not been met and provide consistency with our net zero targets in all our stewardship activities.

For our engagements with material companies, we are setting clear, time-bound objectives and escalation steps in case objectives are not achieved in the set timeframe. An example is provided in Appendix C. We will be reporting on the outcomes of our engagements in our first net zero progress report in 2023.

NET ZERO ENGAGEMENT & VOTING POLICY 2022
APPENDIX

APPENDIX A

We define alignment levels following the NZIF:

ALIGNMENT 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 1.5C.
Aligning	1, 2, 4 and 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 (and 5-6 for high impact companies)	Additionally: have adequate emission performance over time in line with the targets set, and for high impact companies, have 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, disclose % of green revenues and details of offsets used.
Achieving net zero	1-4 (and 5-6 for high impact companies) and achieved 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 to those who have, even if not in line with 1.5°C.

ALIGNMENT CRITERIA	DESCRIPTION
Ambition	A long- term 2050 goal consistent with global net zero.
Targets	Short- and medium-term emissions reduction targets (scope 1, 2, and material scope 3).
Emission Performance	Current emissions intensity performance (scope 1, 2, and material scope 3) relative to targets.
Disclosure	Disclosure of scope 1, 2 and material scope 3 emissions.
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.
Capital Allocation Alignment	A clear demonstration that the capital expenditures of the company are consistent with achieving net zero emissions by 2050.

APPENDIX B

COLLECTIVE ENGAGEMENTS EVENLODE IS PART OF	PORTFOLIO COMPANIES TARGETED	PORTFOLIO TOTAL
CA100+ (waiting list)	• Nestlé (high impact, aligning) • PepsiCo (high impact, committed) • P&G (high impact, committed) • Unilever (high impact, aligning)	6.3% of material companies that are not aligned.
CDP's SBT Campaign	• Bunzl (material, preparing) • Smith & Nephew (material, committed) • Medtronic (material, committed) • Hexagon (high impact preparing) • Intercontinental Exchange (material, not aligned) • Alphabet (material, committed) • Aon (material, preparing) • Amadeus (material, preparing) • Booking Holdings (non-material, unassessed) • Experian (non-material, unassessed)	12.5% of material companies that are not aligned, plus two non-material companies.
FAIRR's Sustainable Protein Engagement	• Nestlé (high impact, aligning) • Unilever (high impact, aligning)	3.1% of material companies that are not aligned.

APPENDIX C

PRIORITY	COMPANY	PROPORTION OF TOTAL FINANCED EMISSIONS	MATERIALITY	CLASSIFICATION	INITIAL ENGAGEMENT	OBJECTIVE(S)	TARGET YEAR	ESCALATION STEPS
Tier 1	Nintendo	<0.03%	High impact	Not aligned	2022 letter campaign	• Set net zero target • Disclose scope 1 and 2 emissions	2023	Vote against director responsible for climate strategy in 2023.
Tier 2	Compass Group	2.8%	Material sector	Committed to aligning	2022 letter campaign, meeting with management	• Set short-term (to 2025) target • Gain clarity on whether scope 3 target covers 67% of scope 3 at least and whether scope 3 emission disclosure is verified	2023	Vote against director responsible for climate strategy in 2023.
Tier 3	Nestlé	2.3%	High impact	Aligning	2022 letter campaign, participation in round table	• Get scope 3 emission reductions on track for targets • Greater clarity on commitment to capital alignment with net zero • Disclose the current and aspired share of overall sales from green revenues	2023	Vote against Director responsible for climate strategy. Vote against CEO. Adjust ESG risk score downwards. Decrease max position.

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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 information purposes only and should not be relied upon as a recommendation to buy or sell securities.

For full information on the Evenlode funds, including risks and costs, please refer to the Key Investor Information Documents, Annual & Interim Reports and the Prospectuses, which are available on the Evenlode Investment Management website (www.evenlodeinvestment.com). Recent performance information is shown on monthly factsheets, also available on the website.

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