



# CLIMATE TRANSPARENCY REPORT 2019

EdenTree Investment Management Ltd

# About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

## About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here ([https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-3E1E5BA9-087A-44DD-ACCE-D7B022A67817/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C\\*complete\\*%7C\\*public\\*/Merged/](https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-3E1E5BA9-087A-44DD-ACCE-D7B022A67817/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/)). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

## TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	✓	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

# ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

## MAIN CHARACTERISTICS

<b>Name</b>	EdenTree Investment Management Ltd
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ 1 - 4.99 billion AUM
<b>Main Asset Class</b>	Multi-Asset
<b>Signed PRI Initiative</b>	2013
<b>Region</b>	Europe
<b>Country</b>	United Kingdom
<b>Disclosure of Voluntary Indicators</b>	98% from 38 Voluntary indicators

# EdenTree Investment Management Ltd

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) UK Stewardship Code Statement <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Our investment philosophy is based on the principles set out below:

- Active management: Be flexible to best position the portfolio to take advantage of opportunities
- Value stock picking: Buy companies when their price is attractive
- Contrarian asset selection: Prefer stocks that have fallen out of favour
- Long term investment horizons: Allow time for companies' intrinsic value to be recognised and reduce trading fees
- Broad diversification: Reducing risk and volatility
- Responsible & Sustainable approach: Responsible and sustainable companies are more likely to outperform over the long-term

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

EdenTree's RI approach is based on four pillars: screening, engagement, governance and research. EdenTree manages a variety of funds and mandates for retail, charity and institutional clients. EdenTree applies the same importance to stewardship across all assets under management: our voting, engagement and stewardship policies therefore apply to all funds. We also apply different forms of negative and positive screening across the majority of our funds, however they are tailored depending on the client.

For our Amity Funds, our policies are the same for fixed income and equity; we therefore do not have asset class specific RI guidelines. We have also developed a policy for our direct property investments. Group investments also apply the same negative screening criteria for equities and fixed income.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

**SG 01 CC**

Voluntary

Public

Descriptive

General



<b>SG 01.6 CC</b>	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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We assess climate-related risks through our company screening process under our environmental management pillar. In addition, we have conducted portfolio carbon footprints of some of our equity portfolios to assess climate-related risks. We consider most climate-related risks to be more medium/ long term. As part of our analysis we have identified risks related to regulatory changes and environmental-related costs as well as transition risks and physical risks for the companies we invest in. We also consider that some companies will benefit from opportunities created by a low carbon economy and also see increased concern from clients on exposure to high-emitting companies in the portfolios.

<b>SG 01.7 CC</b>	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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- Yes
- No

<b>SG 01.9 CC</b>	Indicate whether the organisation publicly supports the TCFD?
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- Yes
- No

<b>SG 01.10 CC</b>	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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- Yes
- No

<b>SG 01.11 CC</b>	Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.
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Currently we already monitor and manage climate-related risks and opportunities for our Amity range of funds as well as other segregated mandates that apply a responsible and sustainable investment approach. We manage different mandates for clients and the timeframe will vary accordingly to the client's needs.

<b>SG 1.12 CC</b>	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1**

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

{hyperlink:https://www.edentreeim.com/process}

- Attachment (will be made public)

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

{hyperlink:https://www.edentreeim.com/process}

- Attachment (will be made public)

- Formalised guidelines on social factors

URL/Attachment

- URL

URL

{hyperlink:https://www.edentreeim.com/process}

- Attachment (will be made public)

- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

{hyperlink:https://www.edentreeim.com/process}

- Attachment (will be made public)

- Sector specific RI guidelines

URL/Attachment

- URL

URL

{hyperlink:https://www.edentreeim.com/process}

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:https://www.edentreeim.com/process}

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

{hyperlink:https://www.edentreeim.com/docs/default-source/literaturelibrary/uk-stewardship-code-statement-2019.pdf?sfvrsn=8f99c5af\_0}

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://www.edentreeim.com/docs/default-source/literaturelibrary/corporate-governance-policy-2019.pdf?sfvrsn=cf99c5af\_2}

Attachment (will be made public)

Other, specify (1)

Other, specify (1) description

UK Stewardship Code Statement

URL/Attachment

URL

URL

{hyperlink:https://www.edentreeim.com/docs/default-source/literaturelibrary/uk-stewardship-code-statement-2019.pdf?sfvrsn=8f99c5af\_0}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments

URL/Attachment

URL

URL

{hyperlink:https://www.edentreeim.com/process}

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:https://www.edentreeim.com/process}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.edentreeim.com/docs/default-source/literaturelibrary/uk-stewardship-code-statement-2019.pdf?sfvrsn=8f99c5af\_0}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.edentreeim.com/process}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.edentreeim.com/docs/default-source/literaturelibrary/uk-stewardship-code-statement-2019.pdf?sfvrsn=8f99c5af\_0}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.edentreeim.com/docs/default-source/literaturelibrary/uk-stewardship-code-statement-2019.pdf?sfvrsn=8f99c5af\_0}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.edentreeim.com/process}

Attachment

We do not publicly disclose any investment policy components

### SG 02.3

#### Additional information [Optional].

We publish a variety of policies related to our responsible and sustainable investment approach, describing our overall approach and our specific screening criteria as well as engagement and voting activities.

In addition to the policies listed above, we also publish an overseas corporate governance policy:

[https://www.edentreeim.com/docs/default-source/literaturelibrary/corporate-governance-policy-ex-uk-2019.pdf?sfvrsn=ef99c5af\\_2](https://www.edentreeim.com/docs/default-source/literaturelibrary/corporate-governance-policy-ex-uk-2019.pdf?sfvrsn=ef99c5af_2)

We are also signatories to the European SRI transparency Code.

[https://www.edentreeim.com/docs/default-source/literaturelibrary/european-sri-transparency-code-2018-2019.pdf?sfvrsn=d8bac5af\\_0](https://www.edentreeim.com/docs/default-source/literaturelibrary/european-sri-transparency-code-2018-2019.pdf?sfvrsn=d8bac5af_0)

## Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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**SG 07.5 CC** Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	External managers or service providers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other role, specify (1)
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	Other description (1)
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Other role, specify (1)

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

## ESG issues in asset allocation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

<b>SG 13.3</b>	Additional information. [OPTIONAL]
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In 2018, we began looking at the percentage of companies in our portfolios that had set science-based targets as a way to assess climate risk at a portfolio level.

<b>SG 14</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>SG 14.1</b>	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

**SG 14.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

**SG 14.3**

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

**SG 14.4**

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

In 2016 we signed the Montréal Pledge and committed to disclose publicly the emissions related to our equity investments. We developed a transparent reporting framework which is available for each equity fund on our website.

Disclosure includes emissions financed by the fund, carbon intensity compared to the fund's benchmark as well as detailed emissions at company level for the highest emitters in each fund.  
<https://www.edentreem.com/literature>

**SG 14.5**

Additional information [Optional]

In 2016 we conducted our first externally verified carbon footprint for some of our equity funds. This has allowed us to improve risk management associated with climate change, providing fund managers with carbon intensity data for the first time, and informing our subsequent engagement activities in this area.



<b>SG 14 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>General</b>
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**SG 14.6 CC** Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

<b>Metric Type</b>	<b>Coverage</b>	<b>Purpose</b>	<b>Metric Unit</b>	<b>Metric Methodology</b>
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Assess leaders and laggards in portfolio	TCO2 / £ invested	Outsourced to ISS Ethix Climate Solutions
<b>Total carbon emissions</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Assess company's impact on climate	TCO2 emitted	As disclosed by the company in annual report or to CDP
<b>Carbon intensity</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Allows sector comparison	TCO2 compared to sales	Provided by Sustainalytics
<b>Exposure to carbon-related assets</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	No direct extractives exposure	Fossil fuel reserves	Outsourced to ISS Ethix Climate Solutions

**SG 14.8 CC** Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management

Please describe

Screening reviews as well as the results of carbon footprints are shared with the investment team and fund managers to inform decision making. Climate risks are flagged to fund managers at both company level and portfolio level.

- Process for climate-related risks is not integrated into our overall risk management

**SG 14.9 CC** Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

- Yes

Please describe
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We have encouraged companies to provide transparent disclosure on greenhouse gas emissions in line with the TCFD recommendation. This has included engagement on oversight of climate risk, measurement and management of emissions, initiatives to reduce emissions as well as long-term emission reduction targets.

No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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5

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
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- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing

	Asset class invested
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Listed equity

	% of AUM
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5

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

**% of AUM**

5

- Fixed income - Securitised
- Property
- Cash
- Other (1)
- Other (2)

**Brief description and measures of investment**

Although we have exposure to most of the themes listed in this question, for our Amity Funds we assess four sustainability/thematic areas, which are: education, health & wellbeing, social infrastructure and sustainable solutions. Within the Amity Funds, approximately less than 5% is invested in social infrastructure which includes social and affordable housing and urban regeneration infrastructure. We do not measure the exact %.

- Education

**Asset class invested**

- Listed equity

**% of AUM**

5

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Cash
- Other (1)
- Other (2)

**Brief description and measures of investment**

Although we have exposure to most of the themes listed in this question, for our Amity Funds we assess four sustainability/thematic areas, which are: education, health & wellbeing, social infrastructure and sustainable solutions. Within the Amity Funds, approximately less than 5% is invested in education. We do not measure the exact %.

- Global health

**Asset class invested**

- Listed equity

% of AUM

10

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

10

- Fixed income - Securitised
- Property
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Although we have exposure to most of the themes listed in this question, for our Amity Funds we assess four sustainability/thematic areas, which are: education, health & wellbeing, social infrastructure and sustainable solutions. Within the Amity Funds, approximately less than 10% is invested in health & wellbeing. We do not measure the exact %.

- Water
- Other area, specify

Sustainable solutions includes various themes: circular economy, energy efficiency, green buildings, pollution prevention & control, renewables, safety & security, sustainable agriculture, sustainable transport, sustainable waste and water.

Asset class invested

- Listed equity

% of AUM

5

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

5

- Fixed income - Securitised
- Property
- Cash
- Other (1)
- Other (2)

#### Brief description and measures of investment

Although we have exposure to most of the themes listed in this question, for our Amity Funds we assess four sustainability/thematic areas, which are: education, health & wellbeing, social infrastructure and sustainable solutions. Within the Amity Funds, approximately less than 5% is invested in sustainable solutions. We do not measure the exact %.

No