



CLIMATE TRANSPARENCY REPORT 2020

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 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-F96C2F82-C4A7-4E96-938E-156CC2A5A67E/79894dbc337a40828d895f9402aa63de/html/2/?!lang=en&a=1>). 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 2020 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 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	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	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	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	
Name	EdenTree Investment Management Ltd
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	>50% Listed Equity Internally Managed
Signed PRI Initiative	2013
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	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
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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.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

We assess climate-related risks through our company screening process under our environmental management pillar.

We also aim to understand and reduce the risks of climate breakdown in our portfolios. Carbon footprinting our equity portfolios is the first step in this approach. As climate risks become more acute, we are seeking a more integrated, systemic method of assessing physical and transition risks across our portfolios, and this be a key piece of work through 2020. We started carbon footprinting our equity portfolios in 2016, and reported on the fourth consecutive year of undertaking these in 2019.

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.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

No

Describe why your organisation has not yet assessed the likelihood and impact of climate risks

We have not conducted any climate scenario analysis or stress tests for our portfolios to assess the likelihood and impact of climate change risks. Companies in our portfolios rarely report the likelihood and impacts of climate risks themselves; as a result, we believe the models available are very complex and costly and rely on estimates and inaccurate data.

We have however looked at the PRI's inevitable policy reponse work and also held several lectures in partnership with the Grantham Institute to support the investment's team awareness of climate risks.

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

- Yes
- No

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes
- No

Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

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.

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**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 heads of departments

- 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

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

Other role, specify (1)

The independent Amity Panel

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

SG 07.6
CC

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Board level responsibility for climate change is part of their wider oversight duties on EdenTree's responsible and sustainable investment approach.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.3

Additional information. [OPTIONAL]

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. We also carbon footprint our portfolios and look at the CDP scores of companies in the portfolios.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- 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

other description

Climate disclosure

- None of the above

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.

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Portfolio carbon footprint	<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 CDP
Total carbon emissions	<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
Carbon intensity	<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 in 2019

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

	Please describe
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Screenings of prospective investment ideas and reviews of existing holdings, as well as the results of carbon footprints are shared with the investment team and fund managers to inform decision making. Climate risks related to emissions are flagged to fund managers at both company level and portfolio level.

- Processes for climate-related risks are not integrated into overall risk management

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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- 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 undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

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.

Yes

SG 15.2

Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

15

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.

Area

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing

Asset class invested

- Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

1

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

Percentage of AUM (+/-5%) per asset class invested in the area

1

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

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 and 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

Percentage of AUM (+/-5%) per asset class invested in the area

1

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

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

Percentage of AUM (+/-5%) per asset class invested in the area

9

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

Percentage of AUM (+/-5%) per asset class invested in the area

0

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

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 a 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

Percentage of AUM (+/-5%) per asset class invested in the area

4

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

Percentage of AUM (+/-5%) per asset class invested in the area

4

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

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

