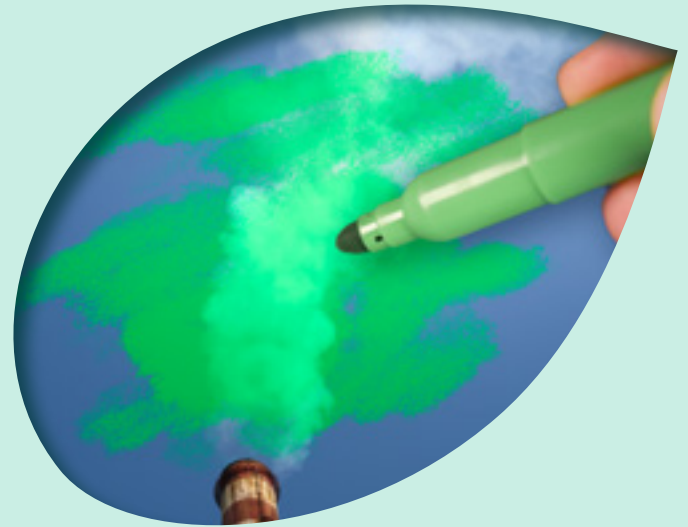


The Anti-Greenwashing Rule: Evidence and reference



SDR is very much a policy designed with consumer protection (or “Consumer Duty”) in mind. Greenwashing risk, poor investor understanding, and the erosion of trust have been unfortunate feature of the investment industry in recent years. We therefore view the new anti-greenwashing rules on 31 May 2024, which complement SDR, as a positive step.

In essence, the guidance on the anti-greenwashing underscores the importance of transparency, accuracy, and integrity in marketing and promoting sustainable investment products. As professional financial advisers, it's essential to adhere to these principles to build trust with clients and ensure they make well-informed decisions aligned with their values and objectives. By providing clear and balanced information, conducting thorough due diligence, and maintaining ongoing oversight, advisers can help combat greenwashing and promote genuine sustainability in the financial market.

Part of that guidance stated:

“ Where a firms claim makes specific reference to the evidence that supports it, they may wish to consider whether it would be helpful to make that evidence publicly available in a way that is easily accessible. ”

Sustainability references should be:



Correct and **capable** of being substantiated



Clear and presented in a way that can be understood



Complete – they should not omit or hide important information and should consider the full life cycle of the product or service



Fair and meaningful in relation to any **comparisons** to other products or services

Source: FCA <https://www.fca.org.uk/publications/guidance-consultations/gc23-3-guidance-anti-greenwashing-rule>

Core statements and evidence

	<p>1. Dedicated to Responsible & Sustainable Investing</p> <ul style="list-style-type: none"> • Across our entire range of funds we seek to invest in companies operating as sustainable businesses, as well as those contributing to environmental and social solutions • All funds are 'screened' in line with responsible, sustainable or thematic investment process • See funds
	<p>2. We launched our first ethical fund in 1988</p> <ul style="list-style-type: none"> • Amity UK Equity Fund launched 01/03/1988 • Factsheet available here 'Fund launch date' is on the factsheet
 	<p>3. We are proud to have been awarded the Moneyfacts Best Ethical Investment Provider award each year since 2009 - an award voted for by the adviser community</p> <ul style="list-style-type: none"> • Advisers vote for the awards and the category we are voted for in is 'Best Ethical Investment Provider'. We have been awarded a certificate/trophy after each win • Two elements make up the awards judging; the first is a financial adviser testimonial process, whereby advisers nominate their top three providers across protection, retirement and investment products and services • Advisers are free to nominate any providers, rather than having to select from a predetermined list. These results are then given over to the analytical expertise of our research team, who will thoroughly examine each provider, their products and their activity during the preceding 12-month period to come to the final decisions
	<p>4. Invest with specialists in Responsible & Sustainable Investing</p> <ul style="list-style-type: none"> • We are specialists, because this is all we do • Across our entire range of funds we seek to invest in companies operating as sustainable businesses, as well as those contributing to environmental and social solutions • All funds are 'screened' in line with responsible, sustainable or thematic investment process • See funds
	<p>5. Investing for a better tomorrow</p> <ul style="list-style-type: none"> • Across our entire range of funds we seek to invest in companies operating as sustainable businesses, as well as those contributing to environmental and social solutions • All funds are 'screened' in line with responsible, sustainable or thematic investment process • See funds • By 'screening in' companies which have a positive impact, and 'screening out' those which do not, we are influencing asset prices and the cost of capital of businesses and contributing to a better tomorrow • Our engagement programme is designed to catalyse change for a better tomorrow
	<p>6. Why EdenTree? Partnering with us can empower your clients with a suite of investment strategies designed to help address pressing environmental and social challenges, while seeking to deliver competitive rates of return. Together, we can help to shape a more sustainable future for generations to come. Contact us today to explore our innovative investment solutions and discover how we can support your clients' sustainable investment objectives</p> <ul style="list-style-type: none"> • Across our entire range of funds we seek to invest in companies operating as sustainable businesses, as well as those contributing to environmental and social solutions • By 'screening in' companies which have a positive impact, and 'screening out' those which do not, we are influencing asset prices and the cost of capital of businesses • All funds are 'screened' in line with responsible, sustainable or thematic investment process • We engage with our portfolio companies to further our positive impact
	<p>7. For over three decades EdenTree has been dedicated to promoting the importance of environmental, social and governance integration</p> <ul style="list-style-type: none"> • Launched our first ethical fund in 1988 • Today all our funds integrate ESG in their investment process • We have been a voice in the industry promoting the importance of ESG over the years, as demonstrated through thought leadership, speaking at events, award wins etc

Core statements and evidence



8. Responsible and sustainable investing is all we do at EdenTree. It goes beyond screening and box-ticking

- Dedicated to responsible and sustainable investment as per ref 1
- Across our entire range of funds we seek to invest in companies operating as sustainable businesses, as well as those contributing to environmental and social solutions
- All funds are 'screened' in line with responsible, sustainable or thematic investment process
- Process does not rely on ESG ratings, research goes well above this as evidenced through screening process
- [See funds](#)



9. We believe the way we engage with businesses enables us to act as a catalyst for change

- Through our engagement programme we seek to drive change
- Regularly report on engagement activity and outcomes in annual and quarterly activity reports, with specific examples of outcomes achieved (i.e. change in company behaviour)
- Examples provided on where we have seen a change in company behaviour following a period of engagement: Salesforce, Insteam and Greencoat
- [How we engage](#) sales aid provides further information



10. We also engage collaboratively with other investors on issues where there is common cause, and work collectively with investors through the Principles for Responsible Investment

- Across our annual and quarterly reports we include examples of the collaborative engagements we are part of and the work we've been part of
 - Examples provided from Annual Review 2023: 'UK Government' & 'Salesforce'
- We are signatories to and members of a number of industry partnerships, working collaboratively to advance the investor voice on sustainable investment. These are listed below:
 - Principles of Responsible Investment
 - UK Sustainable Investment and Finance Association (UKSIF)
 - Global Impact Investing Network (GIIN)
 - FRC UK Stewardship Code
 - Institutional Investor Group on Climate Change (IIGCC)
 - FAIRR Initiative
 - Financing a Just Transition Alliance
 - World Benchmarking Alliance (WBA)
 - Access to Medicine Foundation
 - Access to Nutrition Initiative
- We are also active participants in collaborative engagement initiatives across the industry, including:
 - PRI's Advance initiative on human rights
 - IIGCC's Banks Working Group
 - Carbon Disclosure Project (CDP)
 - Climate Action 100+
 - Nature Action 100+
 - WBA's Digital Inclusion Collective Action coalition
 - 30% Club Investor Group
 - ShareAction's Good Work Coalition
 - Find it, Fix it, Prevent it initiative on modern slavery



11. This includes assessing a diverse range of indicators including environment and climate change, human rights, employment & labour, community, business ethics and corporate governance

- To be considered suitable for inclusion within our R&S range, an investment idea must meet the criteria laid out by our screening model
- [How we screen](#) sets out process in further detail

Core statements and evidence

	<p>12. We employ a process whereby Responsible and Sustainable factors are integrated into the investment management process, with our fund managers and responsible investment team working side by side to generate ideas, analyse opportunities, create meaningful and diversified portfolios and undertake ongoing evaluation</p> <ul style="list-style-type: none"> • How we screen sets out process across fund ranges • Integrated approach across RI & Investment team, including through weekly meetings and regular interactions
	<p>13. As responsible and sustainable investors, we regularly engage with our holdings on governance best practices and encourage changes which strengthen business oversight</p> <ul style="list-style-type: none"> • Governance included as part of EdenTree engagement programme • Regularly engage with holdings on governance best practice, in particular during AGM season • In addition, we do thematic engagement on governance, choosing a specific topic - most recently on AIM governance
	<p>14. As part of our commitment to the Montreal Pledge, we annually measure the carbon footprint for each of our Funds. We also provide footprint assessments for our Benefact Group clients and direct benefits pension scheme</p> <ul style="list-style-type: none"> • Annual carbon footprinting exercise undertaken, with results published annually in Climate Stewardship Report • Mandates also provided with carbon footprint results
	<p>15. Climate change is an integral part of our screening process</p> <ul style="list-style-type: none"> • None of our Funds have any exposure to companies that derive more than 10% of their revenue from fossil fuel exploration or production • In addition, climate change is integrated into our investment process across our full range: <p>Responsible and Sustainable Fund Range & Global Impact Bond</p> <ul style="list-style-type: none"> • Investment ideas are assessed against our positive environment and climate change screen, where we analyse how well a company is managing its climate-related risks • As part of this we consider the credibility of a company's transition plan, assessing their governance of climate risk, emissions reduction targets, decarbonisation goals and performance, and climate-related disclosure • This screen enables us to gain exposure to companies with robust transition plans and eschew investment in high emitting sectors such as automotives and aviation. Our screening template shows the process & data points we assess • Additionally, across our R&S range we apply a discretionary positive screen for 'sustainable solutions' – which includes companies contribution to the low carbon transition • We hold a range of names which provide climate solutions (e.g., DS Smith, Enel, Veolia Environment, Renewi, Borregaard, Kemira) <p>Green Funds: Green Future & Green Infrastructure</p> <ul style="list-style-type: none"> • GFF & GIF are thematic funds and have a requirement for at least 70% of stocks to be contributing to environmental and climate solutions, as defined by the Green Future and Green Infrastructure Frameworks
	<p>16. EdenTree's investment process is designed to facilitate the creation of carbon-aware portfolios. The three-stage process captures different climate-related elements that when combined, provide a rich and holistic assessment</p> <ul style="list-style-type: none"> • Our portfolios are considered 'climate aware' as a result of the funds' carbon footprint results showing temperature alignment scores below 2 degrees, and below the Fund's respective benchmarks • The data demonstrating this is available in the Climate Stewardship Report
	<p>17. Fixed Income is playing an increasingly important role for investors seeking to link financial goals with the desire to address pressing societal needs and environmental concerns</p> <ul style="list-style-type: none"> • Research shows that issuance of labelled debt has increased in recent years
	<p>18. The investment process has been built, refined and applied over two decades of manager experience in environmental investing</p> <ul style="list-style-type: none"> • Charlie Thomas has been managing a similar strategy with a focus on environmental investing since 2002-3, with the Jupiter Ecology fund

Why EdenTree?

Partnering with us can empower your clients with a suite of investment strategies designed to help address pressing environmental and social challenges, while seeking to deliver competitive rates of return. Together, we can shape a more sustainable future for generations to come.

Contact us today to explore our innovative investment solutions and discover how we can support your clients' sustainable investment objectives.

Our Responsible Investment Team

We have a specialist in-house Responsible Investment (RI) team who carry out thematic and stock-specific research to identify responsible and sustainable investment ideas for our range of Funds.

The team is also responsible for creating an on-going dialogue with companies, allowing us to engage on a wide variety of environmental, social and governance topics. For investors, it's

an added layer of assurance that our clients' money is being invested in companies that are operating in a responsible and sustainable way.

Our responsible and sustainable investment process is overseen by an independent Advisory Panel that meets three times a year, and comprises industry and business experts, appointed for their specialist knowledge.



Carlota Esguevillas
Head of RI



Amelia Gaston
Senior RI Analyst



Hayley Grafton
Senior RI Analyst



Cordelia Dower-Tylee
RI Analyst

Further information and support

We serve the professional investment community across the entirety of the UK, with our Business Development Team consisting of dedicated and experienced regional representatives, who are on hand to provide exceptional levels of client support.

For additional information, please contact your EdenTree relationship manager, or get in touch with us at:



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