edentree

Impact Report 2024

EdenTree Green Future Fund

Investing for a better tomorrow

Sustainability Impact

Message from Andy Clark, CEO

Investing for real-world change

It is with pleasure that I introduce this inaugural report for the EdenTree Green Future Fund.

The launch of the EdenTree Green Future Fund in January 2022, which coincided with the launch of the EdenTree Global Impact Bond Fund, was a significant milestone. It marked an important stage in our evolution as a business as we expanded our product offering into a more overtly impactful investment area.

EdenTree has long had a pioneering spirit. Our business was built in the late 1980s upon ethical foundations that provided a platform for us to expand into sustainable investing over a decade ago. Our approach pays attention to not just *what* a company produces but *how* they produce it, seeking to support positive outcomes through both our investment and stewardship activities.

Generating positive social and environmental outcomes is central to our purpose – not only in terms of the outcomes we seek as impact and sustainable investors but as a charity-owned business whereby all distributable profits support a range of charitable causes. Our ultimate parent is the third largest corporate donor in the UK. Our sustainable ethos drives our desire to deliver positive impacts alongside financial returns for our clients.

Although not explicitly named or marketed as impact, the EdenTree Green Future Fund – like our Green Infrastructure Fund – has always had a firm aim of investing in assets that are having a positive impact. It has always invested in a breadth of 'dark green' assets, seeking to build a portfolio of holdings that are directly reducing dependence on fossil fuels and helping to bring about the transition to a net zero global economy.

With the introduction of the FCA's Sustainability Disclosure Regime (SDR), it was logical for the Fund to formalise this intention with a clear climate-related theory of change and adoption of the Sustainability Impact label. The adoption of this label made us the only investment house, at the time of writing, with sustainability impact labels across three asset classes – listed equities, listed infrastructure and fixed income – a distinction of which we remain proud.

Andy Clark
CEO, EdenTree Investment Management

Impact by numbers

£38.9m
Assets under management (US$48.6m)

85%
Assets under management contribute to the Fund's impact goal

17,381 tCO_2e
Metric tonnes of CO_2e avoided through renewable energy generation and resource efficiency*

447.3 tCO_2e
Metric tonnes of CO_2e avoided per £m invested

12,055 MWh
Renewable energy produced

310.3 MWh
Renewable energy produced per £m invested

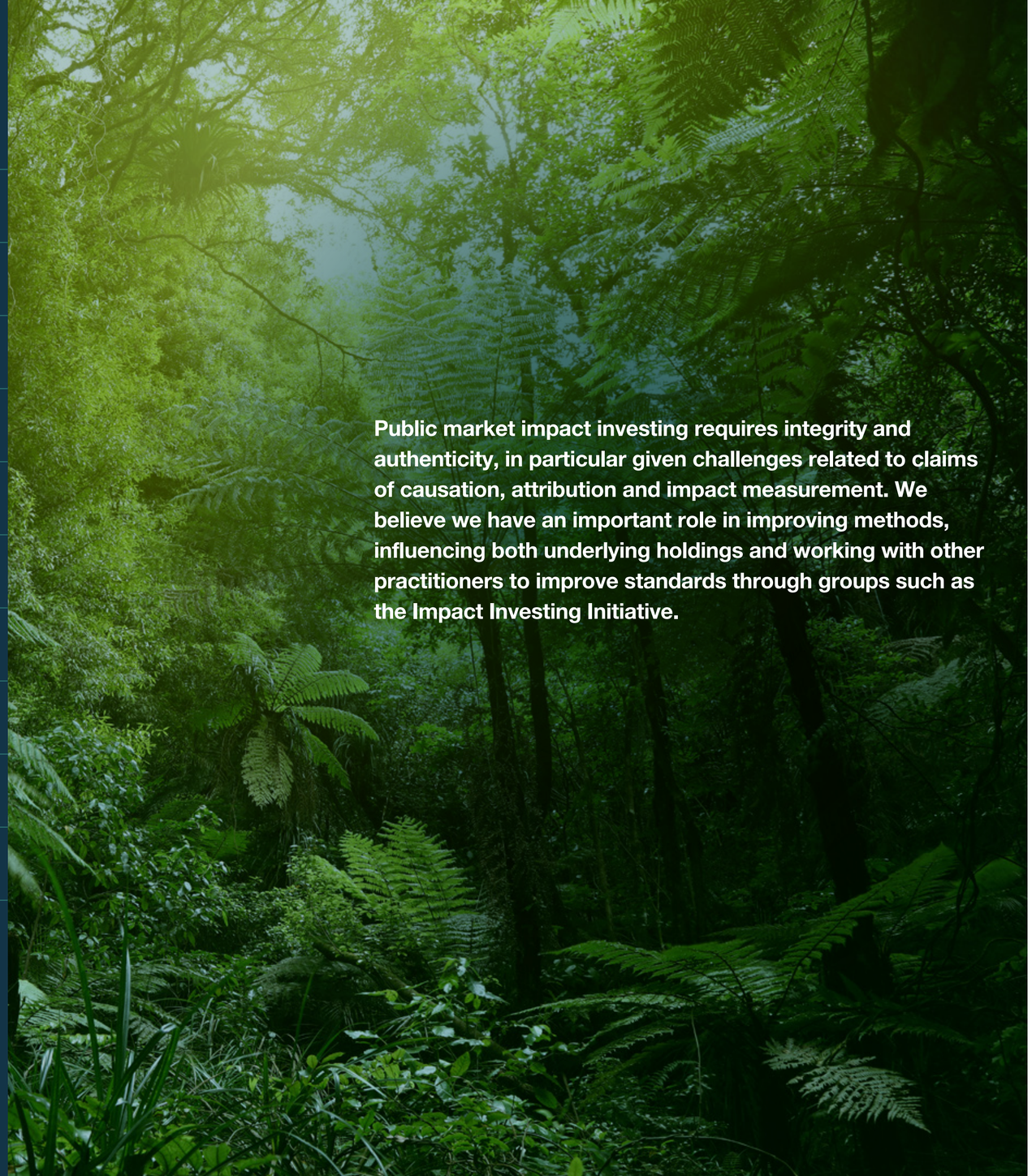
2.8 MW
Renewable energy capacity installed

0.07 MW
Renewable energy capacity installed per £m invested

131,721.9 m^3
Water treated

3,390 m^3
Water treated per £m invested

*The data is indicative only and is based on company-reported figures and best estimates for 2024 based on the Fund's holdings as at the 31 December 2024. Please note, the Fund formally adopted the Sustainability Impact label on 29 November 2024 but has invested according to its asset selection process for the entire year. The data has been sourced from Net Purpose, a 3rd party data provider. It has not been possible to source data for all impact holdings in the Fund. Please see the Data Methodology section at the end of this report for more details.



Public market impact investing requires integrity and authenticity, in particular given challenges related to claims of causation, attribution and impact measurement. We believe we have an important role in improving methods, influencing both underlying holdings and working with other practitioners to improve standards through groups such as the Impact Investing Initiative.

Impact with integrity: our core principles

The following principles inform our approach to public market impact investing:

Impact investing in public markets is inherently direct and active; the ability to divest when impact expectations are not met is as important as the ability to actively assess and participate in impact opportunities that come to market and, in some cases, seek to influence the pipeline of opportunities.

Impact investing requires patience and a collaborative, long-term approach to form constructive, influential relationships with underlying holdings; the low turnover of our funds typically reflects this. Collaborating with actors supporting similar goals strengthens the foundations of positive outcomes.

We believe combining asset allocation decisions with stewardship activities can drive enduring change, supporting real-world outcomes, innovation and market growth while limiting harms.

A finance-first approach to impact investing can attract a wider pool of potential investors, leading to long-term growth in capital available for positive real-world outcomes.

Foreword

Charlie Thomas
Chief Investment Officer & Fund Manager

Tom Fitzgerald
Fund Manager

Aaron Cox
Impact Strategist

Charlie Thomas and Tom Fitzgerald Co-Fund Managers
Aaron Cox Impact Strategist

Shades of grey with green tailwinds

This first impact report for the EdenTree Green Future Fund comes against a complex backdrop of significantly divided politics. As investors, we have seen the impact of political cycles on the pursuit of sustainable investing and the greening of the global economy. While this latest backlash is notably fierce, forcing many companies in the US to temper their sustainability commitments, we are encouraged that the drive to scale up emission-free sources of energy remains robust.

We continue to see evidence of this across our portfolio, with businesses at the forefront of energy efficiency making solid progress. Over the last year, several holdings from our Energy Efficiency theme have been rewarded by the market for strong sales of solutions that are reducing reliance on fossil fuels and boosting the electrification of the global economy. These companies have benefited from the growing awareness among businesses that technology and software can help companies improve their environmental footprint, with associated cost savings.

In short, despite the unhelpful rhetoric, businesses continue to see that the economic case for the transition stacks up. Indeed, BloombergNEF believe that 2025 could see the first structural decline in emissions at a global level due to the prevalence of clean energy. If this comes to fruition, that would be a major milestone in the fight to tackle the causes of climate change.

One unanticipated development over the last 12 months has been the expansion of power-hungry AI-related datacentres. This has led to an increase on power-purchase agreements by technology companies seeking to secure clean power to support this growth area. This has benefited some holdings from both the Renewable Energy and Energy Efficiency themes, but we are mindful the appetite for power from AI/datacentres could extend the life of some grey energy sources. As we highlight later in this report, we intend to explore opportunities to engage with businesses across the value chain on this topic to encourage heightened use of renewable energy.

A finance-first impact approach

We manage this Fund as a 'finance-first' impact investment vehicle. This means we seek to generate competitive returns while also generating a positive impact – for the Fund, this means reduced reliance on fossil fuels in the economy and, therefore, a reduction in the rate of harmful greenhouse gas (GHG) emissions that are causing climate change.

This approach differs from 'impact-first' strategies, which are willing to sacrifice potential returns in order to achieve a particular impact.

As an impact investor in public rather than private markets, the impact opportunity is also shaped to some extent by the investment opportunities available. As such, our core means for creating additional impact is by engagement with companies. It is an approach that takes time. We believe being patient long-term investors gives us an advantage when it comes to seeking to deliver both impact and financial returns. Our long-term approach means we can support investment companies through the economic cycle. Indeed, our ability to look through short-term challenges can help us to form engagement partnerships where we seek to positively enhance impact outcomes for the benefit of our clients and wider society.

What we seek to achieve with this disclosure

Although the Fund is yet to formally complete its first year since its adoption of the Sustainability Impact label, it has an investment track record that extends back to September 2022. The label has not led to changes in the Fund's investment aims and philosophy but has formalised our impact aims in relation to how we engage with underlying holdings.

This disclosure, therefore, is both retrospective and forward-looking. It provides details of what we do and how we do it, including the impacts of the Fund's underlying holdings based on the best available data to the end of 2024, and an overview of our engagement activity during that year. It also reflects activity in the months since adopting the Sustainability Impact label. It looks to the future by highlighting some of our engagement plans for the rest of 2025, which help to shed further light on our approach.

We hope you enjoy this first Green Future Fund Impact Report.

Sustainability objective

To support a reduction in the level of greenhouse gas emissions (GHGs), measured in tonnes of CO2e avoided on an annual basis, through the Fund's investment in, and engagement with, companies whose products and services provide climate change solutions. For example, for the Alternative Energy theme, the investee company has products/services that enable energy solutions that do not rely on the burning of fossil fuels (such as the generation, storage and distribution of clean energy).

Investors should note that the Fund's focus on companies providing solutions to climate change means that its choice of companies for investment is limited to a subset of the stock market and may result in periods of difference in the Fund's performance compared to its indicative benchmark.

The Fund holds a diversified portfolio of companies across a range of impact themes. The investment thesis for holding each company is based on the combination of its impact and long-term financial return. We consider the Fund's impact and financial goals to be complementary and are not looking to compromise on either or deliver concessionary financial returns.

Sustainability approach

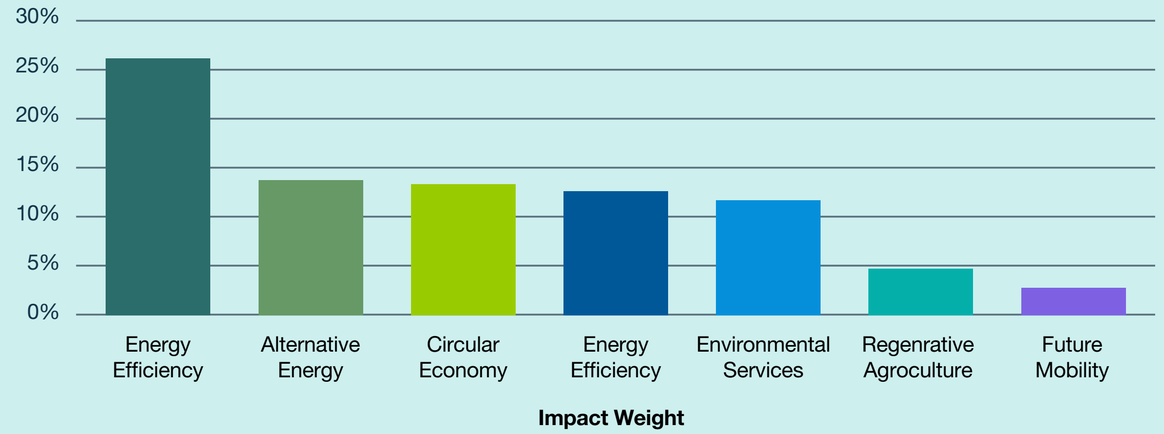
The EdenTree Green Future Fund invests to help address the human-made causes of climate change – that is the problem it is seeking to help solve. It does this by investing across seven themes, each of which support this climate-related impact goal, and targets companies whose products and services lead to an avoidance of harmful GHGs.

The framework also supports the Fund's financial goals, providing diversified sources of investment returns and exposure to a relatively broad range of businesses and economic dynamics.

Alternative Energy	Energy Efficiency	Circular Economy	Environmental Services	Water Management	Future Mobility	Regenerative Agriculture
Companies that offer products or services that provide alternative energy that does not rely on the burning of fossil fuels	Companies that offer products or services that enable reductions in energy use by their customers	Companies that offer products or services that extend the life of existing resources and enable the more efficient management of natural resources	Companies that provide software and cloud solutions that enable customers to de-sign, test, build and operate more envi-ronmentally friendly buildings, products or services	Companies that offer products or services that provide solutions for water conservation and management	Companies that offer products or services which enable low carbon transporta-tion	Companies that offer products or services which enable low carbon food production

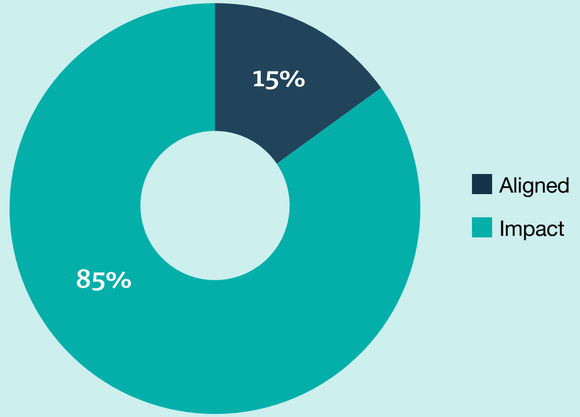
Source: EdenTree Green Future Fund as at 31 December 2024.
The Fund assesses the combined financial and impact potential of each holding on its merits and may not invest in all themes at all times.

Fund breakdown of Impact Themes 2025



Source: EdenTree Green Future Fund as at 31 December 2024.

85% of AUM invested in Impact holdings



Source: EdenTree Green Future Fund as at 31 December 2024.

At the end of 2024, some 85% of the Fund was invested in what we consider to be impact holdings. The remainder of the Fund (circa 15%) is invested in assets which, while they do not entirely fit the Fund's thematic framework and overall impact goal, are complementary in nature and do not contradict what the Fund is seeking to achieve. For example, at the time of writing, the portfolio held a global leader in advanced safety products within this bucket of non-impact aligned holdings.

For details of the Fund's investment objective, investment policy and sustainability approach please refer to the Appendix. Additional information can also be found in the Fund's Prospectus, Key Investor Information Document (KIID) and 2-page Sustainability Disclosure.

Click here

The Green Future Fund's theory of change: climate-positive investing

The 'theory of change' provides a rationale – or chain of logic – behind what the Fund invests in and why. It outlines the positive changes that are intended through the Fund's investments and underpins the processes by which we select assets and engage with companies to enhance outcomes.

The Fund's theory of change is built upon the scientific consensus that the Earth's climate is becoming warmer and that human-induced GHGs in the Earth's atmosphere are the chief cause of climate change.

By investing in companies whose products and services provide solutions that help to reduce the rate of harmful GHG emissions, and engaging to increase the provision of these solutions, the Fund seeks to mitigate the causes of climate change and its harmful effects. The Fund reports progress against its sustainability objective annually, measured in emissions avoided (tCO_2e).

Based on 2024 data, the Fund's theory of change has the following logic chain:

Problem

- GHG emissions are leading to damaging climate change; the planet is at risk of warming by 1.5ºC relative to pre-industrial levels within 20 years.
- US$1.5 trillion of investment is required every year to 2030 for tripling of renewable energy capacity and doubling of energy efficiency, as outlined in the UAE Consensus at COP28 in Dubai, up from US$570 billion in 2023[1].

Activities

- Directing capital to companies whose products, services or assets enable a reduction in the level of GHG emissions across six pre-defined themes.
- Engaging with at least 70% of holdings per five-year period to encourage an increase in climate solutions and to reduce potentially negative outcomes that might result from the provision of these solutions.

Outputs

- 85% of the Fund's assets under management (AUM) invested in impact holdings across Energy Efficiency, Alternative Energy, Circular Economy, Water Management, Environmental Services, Regenerative Agriculture and Future Mobility.
- Engagements across 35% of holdings in 2024, primarily with a focus on a Just Climate Transition, with additional engagements on social and financial inclusion, water stress and to support impact delivery.

Outcomes

- Avoided emissions of **17,381 tCO_2e** equivalent to **447.3 tCO_2e** per £million invested through the activities of investee companies.

Impact

- Reduced climate-related risks compared to a scenario where the clean solutions of investee companies had not been provided.

[1] Global Goal of Tripling Renewables Needs USD 1.5 Trillion Investment Per Year

What is impact?

Aaron Cox Impact Strategist

'Impact' implies that an investment is a catalyst or contributor to positive change for people and planet. It should be intentional and, where possible, measurable. We discuss the challenges related to measurability later in this report.

It should be an activity with an 'additionality' quality, providing an increase in a solution beyond business as usual (BAU). Additionality is an outcome that would not have occurred in the absence of a technology or solution, which in the case of the Fund refers to solutions that either directly or indirectly help to avoid harmful GHG emissions.

A question of *who owns impact* is an important one when it comes to understanding investment impact.

Take a simple example: the shift from internal combustion engine (ICE) cars to electric vehicles (EVs), which should reduce GHG emissions and ultimately have the impact of mitigating climate change. In this example, is the impact owner the consumer who decides to purchase an EV instead of a car with an ICE? Or is it the manufacturer of the EV that has managed to produce an appropriate substitute to an ICE vehicle at a competitive price? Or is it the supplier of the battery and other unique components required to manufacturer the EV – a role in the value chain often called an 'enabler'? Perhaps it is the investor that provides capital vital for research and development in the production of the EV?

The simple answer is that impact involves many factors. In this example, each party contributes to the overall impact that EVs are having in replacing ICEs. 'Attributing' the sources of impact to each contributor is challenging, especially for complex environmental and social problems such as climate change.

It is for this reason that impact investing, especially in public markets, is led by 'intentionality,' with key performance indicators used to verify the progress a fund makes towards achieving its impact goal.

Intentionality sets an impact fund apart from a non-impact fund. In the case of the Green Future Fund, this is to pursue investment that reduces the reliance on fossil fuels in the economy and, therefore, helps to tackle and mitigate the causes of climate change. This sets the purpose of the Fund, steering its investments and our engagement activity towards a core goal of supporting the Fund's climate-based theory of change.

There are two levels of impact within the Fund:

Asset contribution, which is the contribution provided by the underlying investments through their solutions to the problem of needing to reduce the economy's reliance on fossils fuel to tackle the causes of climate change. This impact is captured in the Fund's primary avoided emissions key performance indicator (KPI), as outlined below.

Investor contribution, which is where we seek to create 'additionality' – that is an increase in the assets' activities beyond a BAU scenario – by engaging with companies, encouraging an increase in the provision of solutions and reducing potential harms. Each engagement has a bespoke KPI that links back to the Fund's impact goal.

Recognising the inherent challenges related to measuring impacts and attributing them to the various stakeholders in the value chain, we believe it imperative that we act with transparency and integrity – an ethos we have followed when preparing this report.

Aaron Cox
Impact Strategist

How we measure progress

Key performance indicators

We measure the Fund's progress towards achieving impact through one primary KPI: **the quantity of harmful GHG emissions (tCO_2e) avoided.**

Avoided emissions data is sourced from the annual disclosures of underlying holdings within the Fund as well as 3rd party estimates provided by Net Purpose. This data represents the collective progress made by companies held within the Fund during 2024 and reflects the 'asset' contribution to impact.

As outlined below, we engage with companies on a range of issues and themes with the aim of ultimately increasing the rate of avoided emissions, whether through the increase in the solution or technological improvements or the reduction of potential negative impacts that might occur along the way.

We expect each of the Fund's underlying holdings to contribute positively towards the Fund's avoided emissions KPI. In cases where avoided emissions data is not available and cannot be estimated due to limited company disclosures, we typically engage with the company to request improvements to their disclosures.

In addition to avoided emissions, we measure three additional theme-specific sustainability metrics, which provide a more detailed picture of the sorts of activities that are contributing to the Fund's overall impact goal.

These include:

- **Renewable energy installed capacity (MW)** - the amount of electricity a generator can produce when running at full operation.
- **Renewable energy generated (MWh)** - the amount of electricity generated by a power plant over a given reporting period.
- **Water saved/treated/provided (m^3)** - the volume of water that is treated/saved/provided by a company's products and services.

What are avoided emissions?

Avoided emissions data shows a hypothetical difference between the emissions caused by a green activity (including life-cycle analysis) compared to a BAU scenario. In the case of renewable power generation, avoided emissions are calculated by comparing the emissions produced by the renewable power generated by a wind or solar farm to the average emissions intensity of the electricity grid. This average includes a mix of energy sources, both green and grey, and serves as a proxy for the emissions that would have been generated if the same amount of electricity was supplied without the wind or solar farm. See the data methodology section below for more information.

Avoided emissions are sometimes referred to as a company's "Carbon Handprint" or "Scope 4" emissions, although many industry standards discourage these terms as they can lead to confusion about how they differ from other activities aimed at meeting net zero.

Indeed, avoided emissions represent one of three important pillars – along with 'reduced emissions' and 'negative emissions' – for achieving net zero (see table below). Unlike the activities involved in the other two pillars, avoided emissions occur through the use of a product as a substitute for a higher emitting alternative – they are based on implied market activity.

This contrasts with the reduced emissions pillar where a company seeks to manage and reduce its operational and value-chain emissions that fall within the Scopes 1, 2 and 3 emissions framework.

Negative emissions include activities such as forestry, where trees store carbon, or indeed, the purchase of carbon credits from regulated markets such as the European Emissions Trading System, where the purchase of credits removes the pollution permitted from a range of sectors to the value of those credits.

Although the primary KPI of the Fund is measured in terms of the emissions avoided by assets held, the Fund's wider activities can contribute positively to all three pillars, with the reduction in Scope 1, 2 and 3 operational emissions part of our Just Climate Transition engagement strategy to reduce potential negative impacts, while direct investment in natural capital assets, as well as EU ETS carbon allowances (held as complementary assets), supports the negative emissions pillar.

Decrease in emissions		Increase in carbon removal
Reduced emissions **Pillar A** A company's efforts to reduce value chain emissions – Scope 1, 2 and 3.	**Avoided emissions** **Pillar B** A company's contribution to avoided emissions through the productions of solutions with lower lifecycle emissions than a reference scenario (e.g. wind farm compared to average grid GHG intensity).	**Negative emissions** **Pillar C** Development of carbon sinks, natural capital (forestry) or offsets (such as carbon credits or power purchasing agreements).

Based on WBCSD Avoided Emissions Guidance.

Sustainability metrics

Asset-level impact

Primary Key Performance Indicator (KPI)		Further Metrics		
2024 Impact Data	**Carbon Emissions Avoided (tCO_2e)**	**Renewable energy generated (MWh)**	**Renewable energy installed capacity (MW)**	**Water saved/ treated/provided (m^3)**
Total Portfolio Value	**17,381.00**	**12,055.00**	**2.79**	**131,721.89**
Per £m Invested	**447.32**	**310.25**	**0.07**	**3,390.00**
29 November 2024 to 31 December 2024				
Total Portfolio Value	**1,571.43**	**1,089.90**	**0.25**	**11,909.10**
Per £m Invested	**40.44**	**28.05**	**0.01**	**306.49**

Source: EdenTree and Net Purpose based on portfolio holdings on 31 December 2024.

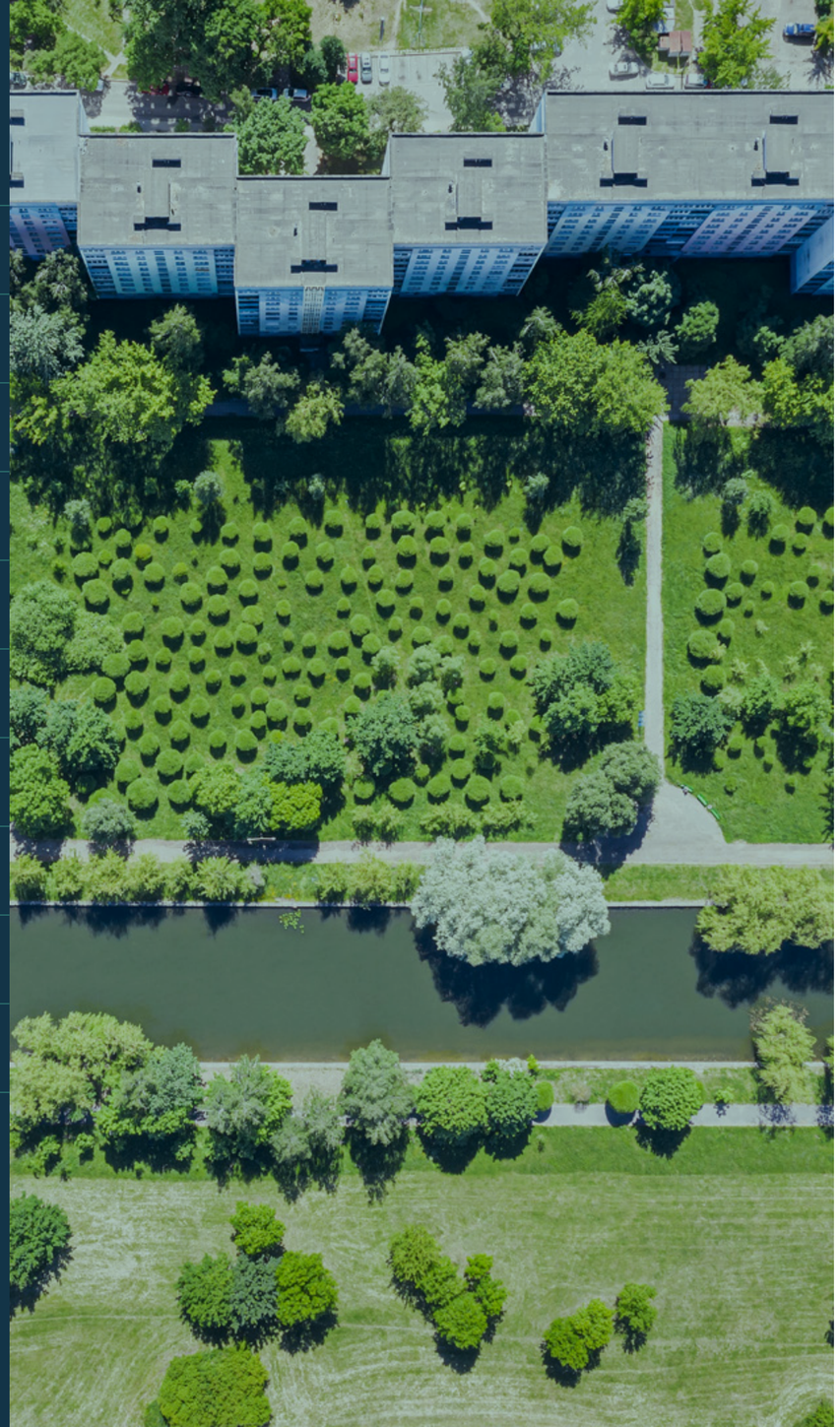
In the above table, we have also included data for the period from the adoption of the Sustainability Impact label on 29 November 2024 to the end of the year.

The portfolio's assets produced **12,055 MWh** of renewable energy in 2024, equivalent to powering roughly **3,647 homes** in the UK.

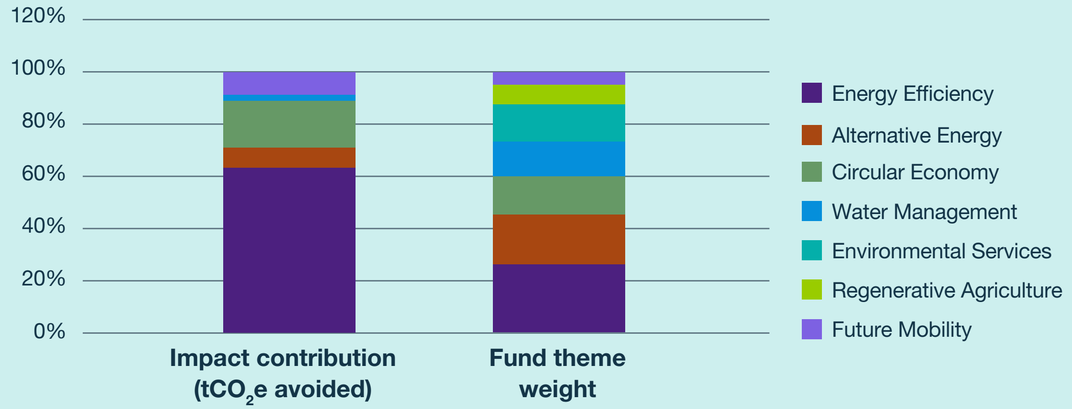
The activities of the Fund's underlying companies are weighted according to holding sizes, resulting in an implied avoided emissions figure of 17,381.0 tCO_2e equivalent to 447.3 tCO_2e per £1 million invested for the year 2024. It is also important to highlight that the 2024 annual data does not account for holdings that might have been added or sold during the year. In practice, there have been relatively few portfolio changes through the year, with three holdings added in the first half of 2025 (Lattice Semiconductor, Miura and Ferguson Enterprises), none of which contributed to the impact data due to reporting limitations (see below for further discussion about these limitations). We would expect that the effects of portfolio transactions will even out over time and have decided to show the data for each for the entire year to avoid creating a situation where next year's numbers are artificially boosted by adjustments made today.

According to Ofgem, households use roughly 3.3MWh of electricity per year. On that basis, the production of 12,055 MWh of renewable power in 2024 is equivalent to powering roughly 3,647 UK homes for the entire year.

[2] www.ofgem.gov.uk/sites/default/files/docs/2006/04/13537-elecgenfactsfs.pdf



Impact by fund theme



Source: Net Purpose and EdenTree, 31 December 2024. Charts are based on impact holdings only.

Impact by theme

While the Fund invests across seven themes, four stood out as key contributors to the Fund's primary avoided emissions impact KPI: namely, Energy Efficiency (54.8%), Circular Economy (18.7%), Future Mobility (15.9%) and Alternative Energy (7.9%). Modest contributions were recorded among holdings in Water Management, Environmental Services and Regenerative Agriculture. Outsized contributions from the themes related to Alternative Energy, Energy Efficiency, Circular Economy and Future Mobility are perhaps to be expected. However, the distribution of impacts also reflects the strengths and weakness of data disclosure. Those holdings for which avoided emissions data is clearly disclosed or measurable invariably made a stronger contribution than holdings with insufficient data, regardless of the real word contributions of their underlying activities. Many enablers remain difficult to assess. These are companies that provide vital technologies and solutions on the value chain, such as Lattice Semiconductor that develops technologies for energy efficiency solutions, which tend not to either report on the implied emissions avoided by their products or break down revenue sources incrementally to enable accurate estimates. We are actively engaging with this cohort of holdings for additional disclosures to help us track their impacts but also to provide an important signal to the market of the positive contribution of their products, which might ultimately support the availability of investment capital with which to reinvest in the business and expand the provision of solutions. We seek to improve the measurement process through time.

Impact by holding

We provide a selection of stock-level case studies below. However, there are some points worth highlighting. The first is that the key contributors to the Fund's key avoided emissions metric reflect the thematic breakdown mentioned above. We discuss Rockwool and Schneider Electric in case studies below.

Renewi and Acuity Brands also feature highly as contributors, with their underlying activities demonstrating the breadth of solutions that are leading to the avoidance of harmful GHG emissions. Renewi (Circular Economy) is a leading waste-to-product company with operations in the UK and mainland Europe. The company specialises in converting "waste to value," which avoids carbon emissions associated with landfill. In 2024, Renewi reported that it avoided 2.5 metric tonnes (MT) of carbon emissions, estimated to be equal to 237kg of CO_2e per tonne of waste. Acuity Brands, meanwhile, is a specialist in lighting and building efficiency solutions. At the start of the decade, the company set an ambitious target of avoiding >100 million metric tonnes (MMT) of GHG emissions through its products by 2030. In 2024, the company reached 34 MMT, roughly a third of this target. Core contributors to this goal are the sale and deployment of LED lighting, as well as lighting and building controls (including those associated with refrigeration), which greatly improve energy efficiency. Acuity's impact demonstrates the role of the company's end customers – i.e. the demand for its products as a substitute for less efficient alternatives and ageing incumbents – in generating impact. The company's impact, therefore, is in part affected by prevailing economic conditions that are beyond its (and our) control and is inherently linked to the company's wider sales strategy. The company's spend on research and development (R&D), which is roughly $100 million per year, helps improve the energy efficiency of its products and its performance-to-cost ratio.

Among the Fund's alternative metrics, which in themselves are generally more precise and easier to measure, Valmont Industries stands out as a top contributor to the renewable energy generated (MWh) theme. The company is held in our Regenerative Agriculture basket but also has a long-established infrastructure business, which includes renewable energy assets.

In terms of data sources for the Fund's core avoided emissions metric, the Fund held 39 impact holdings at the end of 2024: data for 18 holdings came directly from the companies themselves; data for 7 holdings were estimated by Net Purpose; and data for 14 holdings were omitted due to insufficient information, in some cases with data yet to be disclosed by the company.

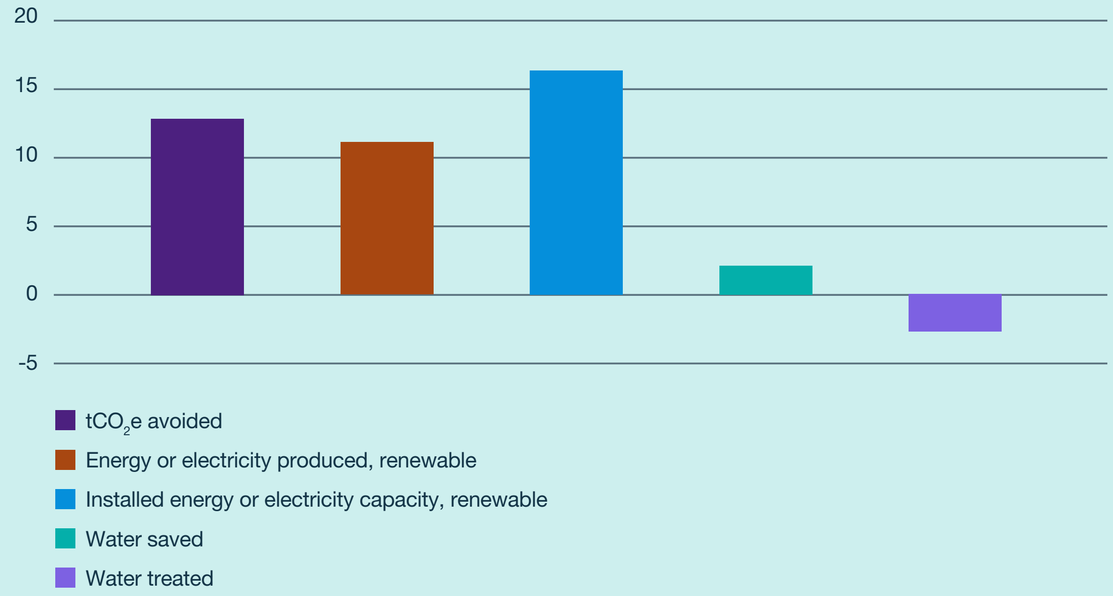
Primary Key Performance Indicator (KPI)	Further Metrics		
Carbon Emissions Avoided (tCO_2e)	**Renewable energy generated (MWh)**	**Renewable energy installed capacity (MW)**	**Water saved/treated/ provided (m^3)**
Rockwood International (Energy Efficiency)	**Infineon Technologies** (Future Mobility)	**Enel** (Alternative Energy)	**Mueller Water Products** (Water Management)
Renewi (Circular Economy)	**Hannon Armstrong** (Alternative Energy)	**NextEnergy Solar** (Alternative Energy)	**Xylem** (Water Management)
Acuity Brands (Energy Efficiency)	**Valmont Industries** (Regenerative Agriculture)	**Greencoat UK Wind** (Alternative Energy)	**Advaced Drainage Systems** (Water Management)
Schneider Electric (Energy Efficiency)	**Greencoat Renewables** (Alternative Energy)		**Clean Harbors** (Circular Economy)
Infineon Technologies (Future Mobility)	**Enel** (Alternative Energy)		

Source: EdenTree and Net Purpose based on portfolio holdings on 31 December 2024.

Annual change in impact

Although the Fund only formally adopted the Sustainability Impact label in November 2024, the overall shape of the portfolio has not materially changed over the twelve-month period. We have included an indication of how each of the Fund's metrics have changed in that time. Portfolio holdings have, on average, made positive progress against these metrics during the year, with the exception of the water treated metric. We would underscore that these figures are indicative, and we will provide a more detailed discussion of year-on-year progress in the Fund's report for 2025, once it has been managed for a full calendar year with the impact label.

2023–2024 year-on-year implied change in impact



Source: EdenTree and Net Purpose based on portfolio holdings on 31 December 2024.

Case studies

The following case studies provide a snapshot of our impact assessment approach and some of the ways holdings in the Fund contribute to the Fund's broader impact objective.

Each provides a unique perspective on how holdings and their related themes contribute to the Fund's overall theory of change and avoided emissions KPI. Notably, they all provide solutions that either support a particular value chain (e.g. electric vehicle charging technology in the case of Schneider) or directly help their customers avoid emissions (e.g. Rockwool's insulation lowers energy required by households and industrial companies), highlighting the sorts of impact opportunities we pursue within the portfolio.

You will note that we haven't engaged directly with these example holdings but do highlight our intention to reach out to them to support the Fund's overall impact objective.

These examples are not exhaustive or necessarily representative of the entire portfolio.

When building an impact case, we identify prospective holdings based on their contribution to one of the Fund's themes and then conduct an impact assessment, which at a minimum considers three factors:

Intentionality – the company's commitment to providing climate solutions.

Materiality – whether the company's product and services – its provision of 'climate solutions' – are a material part of the company's business as measured by 50% or more of the company's total revenue, capital expenditure or asset base. Typically, this rate is much higher.

Operations – the environmental, social and governance (ESG) impact of the company's own business and how well it is managing these.

The Fund is also subject to baseline exclusions, such as material involvement (10% or more) in fossil fuel exploration and production.

Case studies Rockwool International

Rockwool is a specialist manufacturer of stone wool insulation that improves the energy efficiency of the build environment and has applications across a range of sectors (residential, industrial, horticulture and marine). Its products are manufactured from naturally occurring and recyclable materials (i.e. volcanic rock) and have several benefits, including reduced energy consumption and noise pollution as well as improving fire resilience and water management.

The manufacturing process of Rockwool's product is energy intensive, requiring furnace melt temperatures of >2700ºF that involve the use of coal and natural gas. The company estimates that its building insulation product saves 100 times more energy than the CO_2 emissions caused by production.

Source: Rockwool

This company has been held in the portfolio since soon after the Fund's inception in 2022.

Fund theme: Energy Efficiency

Theory of change

Rockwool has products that enable reductions in energy use by its customers. Most energy is produced by burning fossil fuels, which emits carbon dioxide into the atmosphere. A reduction in energy use means less fossil fuels are burnt, which will lead to a reduction in global GHG emissions.

Intentionality

Rockwool seeks to "improve the lives of people and the planet through innovative, sustainable solutions for the built environment" and is clearly committed to providing solutions that lower dependence on fossil fuels. It has clear targets for reducing its own operational emissions and creates a product that has both a long lifespan as well as being recyclable.

Source: Rockwool's Annual Report 2024

Materiality

57% of Rockwool's revenue is aligned with the EU Taxonomy and is related to the sale of insulation products, which save energy. The remainder of the company's revenues, related to construction materials, also potentially generate positive impacts, supporting sustainable consumption and production.

Asset contribution in 2024

The data in this case study has been estimated by Net Purpose based on Rockwool's reported revenues. As Rockwool does not disclose revenues by product – which is not unusual, as it is not generally required under financial accounting standards – Net Purpose has used other reported data around product energy savings as a basis for its estimates. This might lead to an over or underestimation of Rockwool's avoided emissions.

Avoided emissions (tCO_2e):

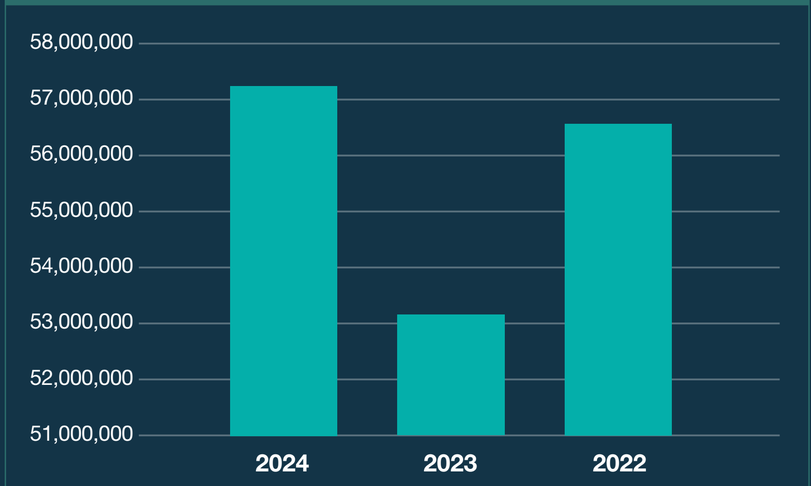
Company: **57,307,130**

Fund exposure: **5,676.86**

Engagement history

We have not yet engaged with Rockwool, but we plan to engage with the company to request additional disclosures to increase our and the market's understanding of its positive impacts. We will also seek to better understand its strategy for reducing the emissions generated by its operations.

Rockwool tCO_2e avoided



Source: Net Purpose and EdenTree

Case studies Schneider Electric AB

Schneider Electric is a global technology company that specialises in energy efficiency solutions. Its products are used in areas such as electric vehicle (EV) charging infrastructure, smart industries, intelligent buildings, renewable energy (e.g. battery energy storage) and data centres.

This company has been held in the portfolio since the Fund's inception in January 2022.

Fund Theme: Energy Efficiency

Theory of change

Through its EV charging infrastructure, Schneider Electric has products or services that enable low carbon transportation. Most vehicles in use today rely on internal combustion engines, which use petroleum-based fuels. When these are burned, carbon dioxide is emitted. EVs emit no direct emissions when driving, reducing GHG emissions. Public transport also reduces the individual journeys taken via internal combustion engines, which leads to a reduction in GHG emissions.

Intentionality

Scheider Electric has positioned impact at the centre of its purpose statement: "Schneider Electric's purpose is to create Impact by empowering all to make the most of our energy and resources, bridging progress and sustainability for all."

It has clear goals to grow its impact revenues (80% by 2025), help customers avoid tCO_2e (800MTCO_2e by 2025 from a 2020 baseline) and to reduce emissions at its top suppliers (50% by 2025 from a 2020 baseline).

Materiality

In 2024, 74% of Scheider Electric's revenues were sourced from products that have a positive impact, helping their customers avoid harmful GHG emissions.

Asset contribution in 2024

It is pleasing to see the company's progress towards achieving its emissions targets. The company estimates that it has helped save and avoid 679 MTCO_2e since 2020 with an increase of 126 MTCO_2e in 2024. Key contributors to this increase have been Power Purchase Agreement services and the sale of Variable Speed Drives sales.

The Zero Carbon Project (SSI #3) helped to reduce CO_2 emissions in the operations of the 1,000 top suppliers by 40%, representing a significant improvement on the 27% recorded in 2023.

Avoided emissions (tCO_2e):

Company: **126,100,000**

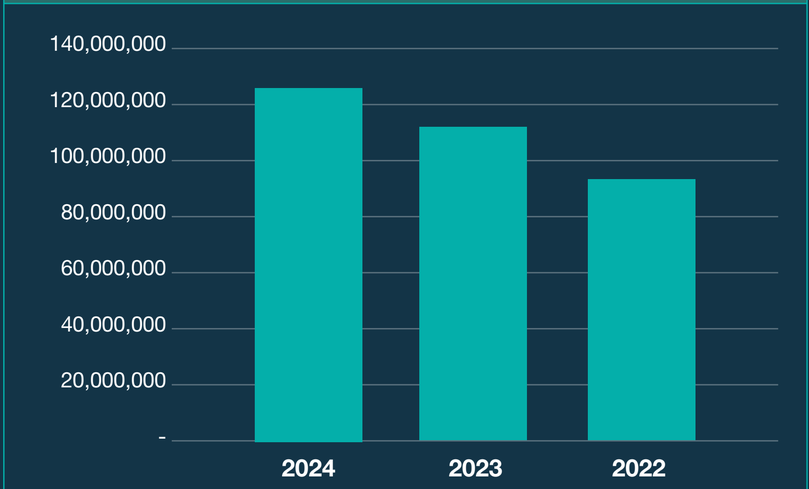
Fund exposure: **1,341.9**

While the company produced a **12% increase** year on year, this was in part due to back-calculations. Adjusting for these produces an increase of **3.1%** year on year.

Engagement history

We are yet to engage with Schneider Electric but can see an opportunity to meet with the company on its involvement with data centres and its purchase power agreements business, with the aim of seeking to influence the data centre ecosystem on the use of renewable and zero carbon energy.

Schneider Electric tCO_2e avoided



Investor stewardship

The pursuit of additionality

Stewardship has long been an integral part of our investment approach, with our Responsible Investment (RI) Team taking a pivotal role in assessing and engaging with companies prior to and during investment.

Our stewardship approach has historically not only sought to ensure that the companies we invest in satisfactorily integrate responsible and sustainable practices into their businesses but also to positively influence sustainable outcomes by encouraging companies to improve their social and environmental impacts.

In short, our stewardship activities have long sought to positively influence companies to deliver higher levels of sustainability while also seeking to reduce potential harms.

This broad approach has been applied to the Green Future Fund since its inception in January 2022. When we adopted the Sustainability Impact label in November 2024, we augmented this approach, refocusing the intention behind each of our engagements to support the impact aims of the Fund.

"Engagement is a primary source of additionality for investors in the Fund."

Engagement as investor additionality

Engagement is a primary source of additionality for investors in the Fund.

Each engagement has a bespoke KPI and impact logic chain that links back to the Fund's overarching goal of supporting an increase in avoided emissions.

In an ideal world, you would be able to attribute a direct, measurable causal relationship between our engagement and an increase in the provision of a solution. However, due to a complex range of factors that affect the growth in impact of a product or service, it is often impossible to attribute an impact outcome to one specific factor, including our engagements. Therefore, we have designed an intention-led process where company outcomes are compared to our engagement KPIs to imply the fulfilment of that KPI and the desired impact.

Our stewardship framework

We are active, long-term investors. We believe seeking to establish positive, collaborative and long-term relationships with the companies in which we invest provides the best platform for driving positive change on behalf of our clients.

Our engagement activities are categorised by the following two broad objectives:

1. Enhance the investee company's delivery of positive impact.
2. Reduce potential negative impacts, e.g. through improved management of ESG risks.

We typically engage with a company multiple times through its holding period on themes aimed at both enhancing positive and reducing potentially negative outcomes. Indeed, a study on engagement success and duration[3] suggests an average 35-month duration for the successful completion of an engagement, with the longest reaching 119 months. This speaks to the importance of taking a patient, long-term approach to investing in and engaging with businesses.

Over a rolling five-year period, we aim to engage with at least 70% of holdings within the portfolio. As shown below, our company engagement activity tends to be more frequent than this general goal.

How we measure engagement progress

For each engagement we undertake, we set a specific engagement objective, bespoke to the company and topic in question. This objective is time-bound and targeted. As the engagement progresses, we use a five-milestone approach to track the completion of the engagement objective. These milestones are outlined below:

1. Company has not acknowledged the concern.
2. Company has acknowledged the concern.
3. Company has shared information on the concern.
4. Company has committed to address the concern.
5. Company has implemented a strategy to address the concern.

As the engagement progresses (i.e. as we enter into a dialogue with a company), we record progress towards our engagement objective and update the status of the engagement milestone accordingly. Once a company has reached the fifth and final milestone, we expect this to result in a positive sustainability outcome (ultimately, reduced carbon emissions).

When a company's progress through the milestones is insufficient, we will use escalation measures to drive the engagement forward. These measures include formal correspondence, collaborative intervention, AGM voting and divestment.

Please refer to the Fund's prospectus for more information about our engagement approach

There have been no escalations since the Fund adopted the Sustainability Impact label on 29 November 2024.

[3] Andreas G F Hoepner, Ioannis Oikonomou, Zacharias Sautner, Laura T Starks, Xiao Y Zhou, ESG shareholder engagement and downside risk, Review of Finance, Volume 28, Issue 2, March 2024, Pages 483–510.

The Green Future Fund's engagement progress and strategy

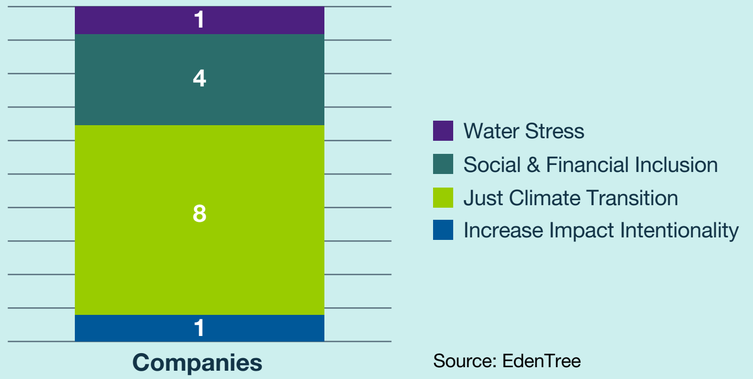
In 2024, we engaged with 14 holdings on a range of themes. In many cases, we engaged with these 14 companies more than once, resulting in a total of 41 engagements overall (usually via videocall or email), 33 of which were thematic and 8 of which were fact-finding. For example, we met with Enel to address five separate issues related to the Just Climate Transition (three of which were collaborations). These themes included the company's coal phase-out target, human rights risk in Western Sahara and energy transition risk on communities in high-risk countries.

A large proportion of the thematic engagements sought to reduce potential negative impacts. This included requests related to human rights risk in the supply chain for alternative energy, with many companies agreeing to develop human rights policies, as well as climate stewardship planning, where we encouraged progress at a grid operator and Circular Economy holding. We were pleased by the rate of progress among companies and have provided more information below on our Climate Stewardship strategy, where we monitor and seek to reduce real-world emissions associated with the Fund.

Although this engagement programme was conducted prior to the Fund securing its Sustainability Impact label, it has a clear impact logic chain that supports the Fund's overall impact goal.

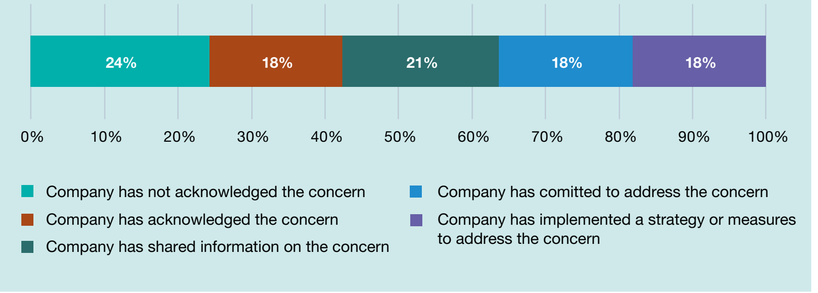
Engagement strategy	Reduce potential negative impacts
Activity	Request greater controls of human rights risk in the supply chains of renewable energy holdings
Output	The adoption of human rights standards and implementation of associated policies
Outcome	Lower risk of human rights breaches, which might impede long-term social licence to operate, and growth in alternative energy output
Impact	Support for the Fund's climate-related theory of change and Avoided Emissions KPI

We engaged with 14 companies in 2024 across themes



Source: EdenTree

Thematic engagement progress in 2024



Source: EdenTree, based on 33 thematic engagements across 14 holdings.

2024 Case studies

The following case studies provide a snapshot of the work we have done to reduce potential negative impacts.

Water stress and hazardous chemicals

Start Date: February 2024

Last Activity Date: April 2024

Expected Timeframe: 3 years

Issue: As a chemical company, Borregaard is exposed to water risk through its withdrawal of water for use in its operations and emissions to water of chemicals at its manufacturing sites. As such, it is captured within our thematic engagement on water stress and hazardous chemicals.

Actions: We met with Borregaard as part of our water stress thematic engagement, and we intend to keep engaging with the company for the next few years.

Outcome: The company demonstrates excellent management of water quality, one of the most challenging areas for the sector. It has targets to reach COD emissions (a measure of all organic and non-organic substances emitted to water) and a comprehensive implementation plan accompanies these targets. We intend to reference Borregaard as an example of best practice on water quality management with the other targeted companies. Other aspects of the call focused on water quantity and water stewardship, both of which could be strengthened through more ambitious targets and the disclosure of a separate water stewardship strategy. We will follow up on these asks in our next engagement meeting with the company.

Objective	Milestone reached	Progress
Increase ambition of water withdrawal reduction target	Company has shared information on the concern	
Disclose a water stewardship strategy	Company has acknowledged the concern	

Responsible use of technology

Start Date: August 2024

Last Activity Date: November 2024

Expected Timeframe: 3 years

Issue: The wide range of products that semiconductors are required for provides a significant investment opportunity. However, it also increases the risk of product misuse. There have been a limited number of reports of NXP's semiconductors being found in weapons systems, and as such, we wanted to better understand the company's process around responsible sale. We were also keen to better understand the make-up of the customer base and the proportion categorised as a "sustainable solution".

Action: We met with NXP to discuss its approach to product misuse, as well as the positive contribution the company makes to decarbonisation through the use of its products by customers.

Outcome: It was a constructive and open conversation in which we gained significant reassurance on the company's due diligence around customers. In order to further strengthen the company's approach, we encouraged NXP to disclose a Responsible Use Policy.

On product use, we were pleased to hear that NXP is currently mapping its revenue derived from sustainable solutions – something which we encouraged the company to disclose publicly. NXP was keen to highlight that it doesn't want to overstate its impact, so it is being conservative in its approach, something which we support.

Objective	Milestone reached	Progress
Development of a Responsible Use Policy	Company has shared information on the concern	
Disclose % of revenue from products which positively impact the planet	Company has committed to address the concern	

2025 Engagement strategy

Since adopting the Sustainability Impact label, we have continued with our thematic engagement work from 2024 and have augmented this work with engagements with the intention of enhancing positive impacts. Given these engagements are ongoing, we will hold back on providing more explicit details of the companies involved until our report next year. However, we would like to provide a high-level overview of the sorts of issues we are engaging on and why, as well as how this informs our broader strategy.

Mindful of the capital constraints many companies currently face, we have started with areas that require relatively little capital input but that can help strengthen both the impact purpose of holdings and the market's awareness of their impact contribution. Examples include:

Increase intentionality

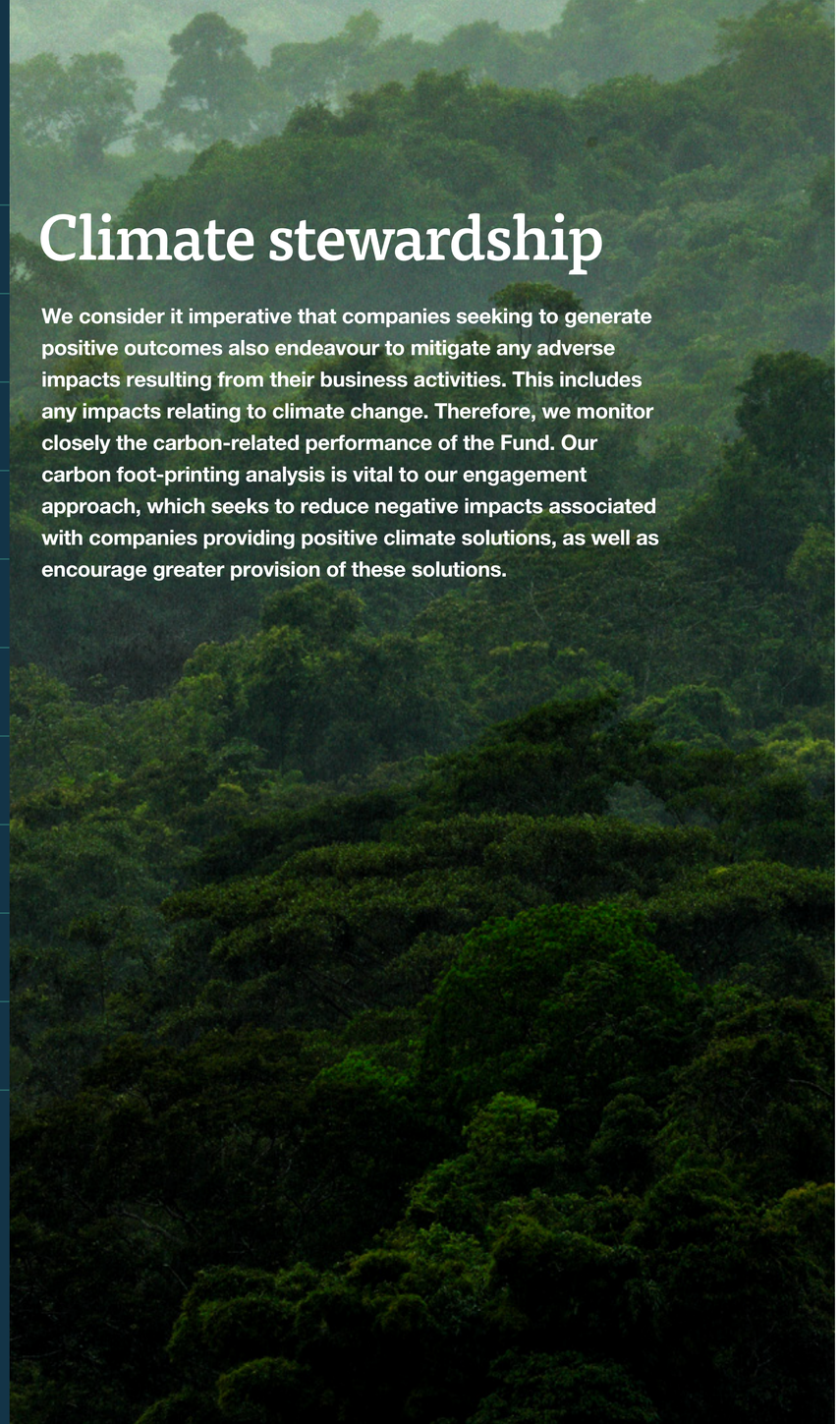
- Increase intentionality: request alignment of executive incentives with impact goals.
- Improve disclosures: request additional disclosures to improve recognition of the impacts generated by assets.

Each of these themes has a logic chain that supports the Fund's overall theory of change. For example, the alignment of executive compensation to impact outcomes should lead to more focused and effective decision making towards achieving those outcomes. Regarding disclosures, clearer and more relevant data both improves the ability to monitor impacts but also provides a stronger foundation upon which to request targets. The Fund holds a range of businesses that are enablers of a solution – as highlighted in the asset-level impacts earlier in this report. Capturing data for enablers on an impact value chain can be challenging, although in some cases this is due to a lack of knowledge about what might be useful for impact-orientated investors. We are working with investee companies where we can to provide details about what data points would be useful and best practice from peers.

Logic chain behind request for impact to be factored in executive pay

Engagement strategy	Activity	Output	Outcome	Impact
Increase positive impacts	Request greater alignment of executive pay with impact outcome	More strategic decision making in relation to impact assets	On average greater impact from asset	Support for the Fund's climate-related theory of change and Avoided Emissions KPI

Fact-finding engagements are an important part of our overall approach, as they tend to provide constructive information that ultimately leads to targeted thematic impact engagement in future. One area we plan to explore further this year is the impact of AI and data-centre demand on global energy systems, with an aim of seeking to influence decisions about energy sources with a focus on clean energy. There are a number of holdings for which this is relevant, including Schnieder Electric, a range of semiconductor businesses and renewable energy infrastructure companies held in the portfolio (among others).



Climate stewardship

We consider it imperative that companies seeking to generate positive outcomes also endeavour to mitigate any adverse impacts resulting from their business activities. This includes any impacts relating to climate change. Therefore, we monitor closely the carbon-related performance of the Fund. Our carbon foot-printing analysis is vital to our engagement approach, which seeks to reduce negative impacts associated with companies providing positive climate solutions, as well as encourage greater provision of these solutions.

Strategy

The climate risk associated with the Green Future Fund is currently managed through EdenTree's broader Climate Strategy, which seeks, amongst other things, to drive decarbonisation and accelerate the climate transition.

As part of the strategy, we have set two climate targets for the Green Future Fund. These are designed to reduce the real-world emissions associated with the Fund by targeting a reduction in carbon intensity and an increase in science-based target coverage. As evidenced in the table, the Fund is currently on track to meet both targets.

Target	Performance	Status
To reduce the Fund's carbon intensity by 50% by 2035	-18%	On track
To ensure 80% of the Fund's financed emissions are covered by a science-based target by 2025	70.5%	On track

The Fund is also covered by EdenTree's proprietary Climate Stewardship Plan, a tool which allows us to track and monitor the climate-related performance of the Fund's heaviest emitters and seek to drive down further reductions via engagement. At present, companies representing 81.3% of the Fund's financed emissions are captured by the Climate Stewardship Plan.

The Plan sets out 13 climate-related expectations and assesses the performance of the three companies against them. Based on the results, we have identified areas for improvement and translated these into engagement objectives, which we will pursue over the course of three years. This enables us to focus our stewardship activities on the areas where there is the greatest need for change, and, therefore, where we are likely to have the biggest impact on real-world decarbonisation.

Carbon risk metrics

We monitor the emissions associated with the Green Future Fund through an annual carbon footprint assessment. We disclose the results of our most recent assessment opposite.

Metric	Fund	Benchmark
Carbon intensity (tCO_2e/£m invested)	146.1	97.74
Weighted average carbon intensity (tCO_2e/revenue)	126.53	138.48
Implied temperature rise	2.3°C	2.8°C
Approved SBTs (% financed emissions)	70.5%	-
Coverage (% portfolio weight)	92.8%	-

Carbon intensity – Green Future Fund

The carbon risk metrics suggest the Green Future Fund has improved its performance from a climate perspective. The Fund's carbon intensity has reduced 18% year-on-year, and a similar trend can be seen in the weighted average carbon intensity, which has seen a 26.6% reduction year-on-year. Whilst the Fund shows a higher carbon intensity than the benchmark, this can be attributed to a higher weighting than the benchmark to industrials, which are providing key climate solutions related to energy efficiency and the circular economy. We are pleased that on a weighted average carbon intensity metric, the Fund is 8.6% lower than the benchmark, meaning that for every £1 invested the portfolio's companies emit 8.6% less CO_2.

Recognising the backward-looking nature of carbon footprint assessments, we utilise an implied temperature rise metric as a forward-looking complement. Based on current estimates, the Fund has an implied temperature rise of 2.3°C. Whilst this is lower than the benchmark, through our engagement work we hope to see this metric reduce further.

Finally, we assess the coverage of Science Based Targets (SBTs) within the Fund. At EdenTree, we place a strong emphasis on SBTs as they provide companies with a clearly defined path to achieve 1.5°C alignment, mandate absolute emissions reductions rather than carbon offsetting, and require companies to tackle the full scope of their emissions. Positively, 70.5% of the Fund's financed emissions are covered by companies that have set an SBT, with a further 15.2% committed to setting an SBT in the next two years – an indication that the Fund is invested in companies with best-in-class climate risk management.

The fall in the Fund's carbon intensity over the year has occurred due to the meaningful ambition of the underlying companies themselves to address the footprints associated with their solutions. Cabling company Prysmian, for example, has the largest footprint in the Fund. The company plays an essential role in the connection of renewable energy to grids and recognises the need to reduce its own negative climate impacts through robust Science-Based targets to drastically reduce scope 1, 2 and 3 emissions. The company's progress remains an area of engagement for us.

Contextual information

Alignment to UN SDGs

SDG alignment based on revenues – impact holdings only

The chart below shows the Fund's alignment to the UN Sustainable Development Goals (SDGs) and is based on the primary activity of each holding aggregated across the Fund. Although some holdings might contribute to more than one SDG, we have focused on the core activity of each for clarity. The chart shows portfolio alignment based on the Fund's impact holdings only and excludes non-impact aligned holdings. The assignment of SDGs to individual holdings is based on our own assessment of its fundamental activities.

Aligning to the Sustainable Development Goals

Source: EdenTree; Alignment to revenue calculated by majority revenue assciated with SDG

Data methodology

This report includes data from reports of underlying companies covering 2024 or 2023 depending on availability.* We have included data for both the 12-month period and the period from the point of adopting the Sustainability Impact label on 29 November to the end of the year.

We show the weighted impact of the Fund's holdings, rather than the total impact of each holding, based on the Fund's share of ownership, which is used to assign proportional alignment with the asset's impact.

As a metric, 'avoided emissions' is inherently complex and should be considered indicative. The impact data contained in this report has been sourced from 3rd party data provider Net Purpose and includes data from the reports of underlying companies or, in cases when not available, Net Purpose estimates. Given the data comes from either companies or Net Purpose, there is a risk of over or under-statement of impacts due to potential methodological inconsistencies, although Net Purpose seek to apply a consistent approach to calculating impact data and highlight situations when a company's reported data differs from their estimates.

Additionally, year-on-year data can be distorted by changes to how data is reported by underlying companies. We endeavour to highlight any anomalies or missing data.

In terms of methodology, Net Purpose draw from the best practice principles and standards outlined in the 2023 WBCSD Guidance on Avoided Emissions, Mission Innovation's 2021 Avoided Emissions Framework and World Resource Institute's 2019 Avoided Emissions Framework.

Net Purpose base their methodology on the seven-factor model outlined in Cleantech Scandinavia's Study on Principles for avoided emissions accounting[4]. At EdenTree, we aim to intervene in the data to reduce the risk of double counting where two holdings contribute to the same impact or where we believe the impact of an enabler is underrepresented (provided data is available).

*The impact data used in this report was sourced on 1 May 2025.
[4]Analysis on Avoided Emissions Frameworks_Cleantech Scandinavia

Contact Us

For additional information on EdenTree and to find out more about what our range of funds can deliver for you and your clients, please get in touch with us at:

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