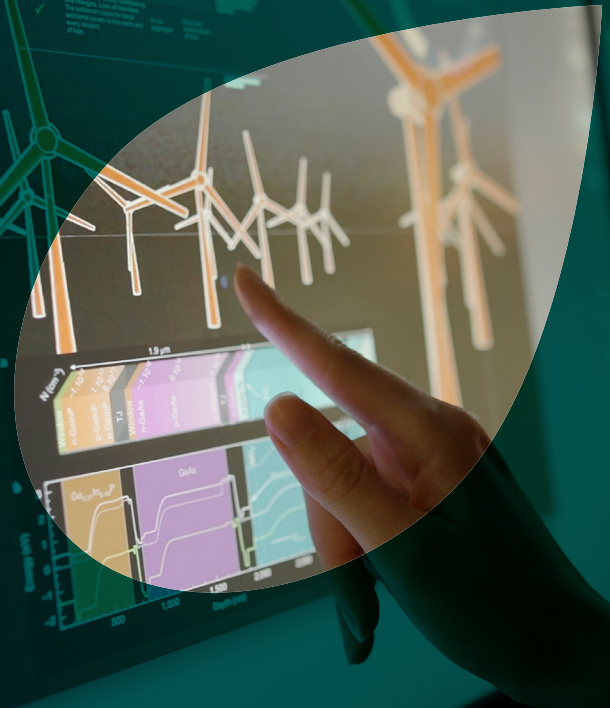




EdenTree's Climate Commitment: now is the time for like-minded investors to step up



In response to evolving policy and industry landscapes, EdenTree redeclares its support for net zero, and reaffirms the company's commitment to the climate targets laid out in its Climate Change Strategy.

Political support for climate change has become increasingly polarised in recent months. The election of Donald Trump, who has labelled climate change a hoax and promised to withdraw the US from the Paris Agreement, has strengthened the already growing anti-ESG narrative in the region.

The increasing politicisation of the subject has caused many asset managers to rescind their climate commitments and to leave stewardship alliances such as Climate Action 100+ and the Net Zero Asset Managers Initiative. The consequence for the latter has been particularly severe, with the organisation restricting access to its signatory list and suspending all activities relating to signatory implementation.

The implied dilution of climate stewardship activity has not gone unnoticed by the asset owner or wealth manager communities. On the 13th February 2025, a \$1.5tn asset owner coalition united behind a set of common stewardship expectations, calling on managers to increase their engagement efforts to manage the financial risks posed by climate change. This followed a similar letter coordinated by the UK Wealth Managers on Climate Group, which urged asset managers to step up their climate change ambitions. EdenTree welcomes these initiatives and intends to deliver against them.

Climate change is financially material

Climate change is a very real and financially material risk. Securing an orderly net zero transition is not just about enabling a safe and liveable future for all, it is also an essential part of our fiduciary responsibility. As such, we strongly believe that full consideration of climate-related risks and opportunities is a requisite for creating value for clients.

At EdenTree we believe that the scientific evidence is unequivocal; we are already living in a climate emergency and must rapidly reduce greenhouse gas emissions. 2024 was the hottest year since records began in 1850, with global average temperatures climbing to an average of 15.10°C above pre-industrial times¹. It is the first calendar year that has breached the 1.5C ambition and speaks volumes about the troubling pace of long-term temperature rise.

The associated physical impacts are already materialising. According to preliminary estimates, the total damage and economic loss associated with the 2025 California wildfires could amount to over \$140 bn², making it one of the most expensive wildfires in recent US history. The social impacts are equally devastating, with 24 lives lost and over 12,000 homes destroyed³. These outcomes will only worsen with every additional degree of warming realised.

¹ Copernicus: 2024 is the first year to exceed 1.5°C above pre-industrial level | Copernicus

² Chart: L.A. Wildfires Among the Costliest in Recent History | Statista

³ Why some structures have withstood the LA fires | CNN

Now is the time to accelerate action

Given the troubling political context, now is the time for like-minded investors to step up. Collectively, we must reaffirm that the industry's commitment to driving the low carbon transition remains absolute despite political headwinds.

Afforded by the relatively benevolent policy environment, UK investors have a particular opportunity to display this leadership. The Competition and Markets Authority has

signalled that collaboration and coordination on climate change is legal, and the Labour Government has both recognised net zero as a major economic opportunity and pledged to reduce emissions by announcing new climate goals at COP29.

UK Asset Managers must use this platform to help accelerate systemic change and provide a leading example to the rest of the world.

EdenTree's commitment

The imperative for climate action has never been clearer. At EdenTree our commitment remains unwavering, and we intend to support fulfilment of the Paris Goals by delivering against our Climate Strategy and executing effective climate stewardship.

1 Our proprietary target-driven Climate Change Strategy

EdenTree's Climate Strategy is focused on four pillars: decarbonising our funds; driving greater investment in climate solutions; working in collaboration to tackle systemic impediments to change; and holding ourselves to the same standards we expect of others. Several targets sit underneath these pillars, including:

- For 60-80% of our Fund financed emissions to be covered by an SBT by 2025
- To achieve a 50%-78% reduction in Fund carbon intensity by 2035
- To achieve alignment with a 1.5°C scenario across our Funds by 2035

We are also continuing our pursuit of a Science Based Target in partnership with our parent company, The Benefact Group.

2 Committed and engaged membership of climate engagement initiatives to drive meaningful outcomes

Reflecting the asks of the asset owner coalition, climate stewardship sits at the heart of our Climate Strategy, and our activities are firmly aligned with the goals of the Paris Agreement. We endorse the power of collaborative initiatives, recognising that collective communication of investor expectations can lead to their realisation in a more efficient and impactful manner.

Our Responsible Investment Team

We have a specialist in-house Responsible Investment (RI) team who carry out thematic and stock specific research on environmental, social and governance issues.

The team is also responsible for creating an on-going dialogue with companies, allowing us to engage on a wide variety of sustainability 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.



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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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