



**Tatton**  
Investment Management

# TCFD Entity Report

2024



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## Introduction

Tatton Investment Management Limited (“TIML” or the “Company”) is committed to providing the highest quality discretionary investment management, while taking responsibility for the impact that our strategy can have on a range of factors, including the environment. The Company has prepared this report in line with the Task Force on Climate-Related Disclosures (“TCFD”) Recommendations, and Recommended Disclosures, considering both the Company’s Scope 1 and Scope 2 fuel and energy related activities. As an investment manager, Scope 3 financed emissions represent TIML’s most significant area of climate-related exposure.

As part of the Company’s approach to risk management, we consider the impact of climate-related risks and opportunities on our business strategy. In this report, we set out how we identify, assess, and manage climate-related risks, and how this forms part of our governance framework. It is important for the Company to identify those risks which are most material to it and manage these risks accordingly. The emissions financed by the Company’s investments (“financed emissions”), including its model portfolios and funds, are the most material to the business, though the Company has exposure to various risk relating to climate change.

This report is for the calendar year 2024 in accordance with the Financial Conduct Authority’s ESG Sourcebook, and the report and disclosures are aligned with TCFD. The Company intends to continue to expand and develop its reporting in future years to provide transparent and useful information for clients, investors, and other stakeholders. The report has been prepared on an entity level for TIML, though where there is interaction with its Group parent, Tatton Asset Management plc, this has been noted.

In producing the report, we have considered the following guidance:

- The Financial Conduct Authority’s ESG Sourcebook;
- TCFD guidance; and
- The Financial Reporting Council’s review of TCFD reporting.

This disclosure is consistent with the eleven recommendations set by the TCFD. The disclosures in the report, including any third party or group disclosures cross-referenced in it, comply with the requirements of the FCA ESG Sourcebook. We have included in this report a Disclosure summary which sets out an overview of how we have met the recommendations, and key information about each of the four recommendations and requirements. We have continued to make substantial progress in being consistent with the TCFD recommendations, and have expanded our reporting on Scope 3 emissions in the period, including trains, taxis, cars, and hotels.

In line with the industry we are not yet able to disclose the full Scope 3 emissions for the Company where the data of our holdings in particular funds or asset classes is not available. We are collaborating with our partners to improve the level of data availability and in turn the disclosure of the Scope 3 emissions data for the Company. There has been some improvement in the current year in the coverage achieved across our portfolio, and we expect this to continue.

It is important for us to consider climate-related risks and opportunities to ensure we provide useful and transparent information for our stakeholders.



**LOTHAR MENTEL**  
Chief Executive Officer





£20 billion

*AUM at 31 December 2024*

£1.6 billion

*AUM in TIML's ethical MPS*

£277 million

*Net inflows into TIML's ethical MPS during the year*

8%

*AUM in ethical MPS as a % of overall AUM*

#### ABOUT TATTON INVESTMENT MANAGEMENT LIMITED

TIML was founded with the single goal of bringing expert investment management services to a wider range of investors, at the same time reducing the cost of investing. Part of Tatton Asset Management plc ("TAM" or the "Group"), we are established as one of the fastest-growing investment fund managers of our kind. As of December 2024, TIML had over £20 billion in assets under management ("AUM").

We manage three distinct types of investment, a cost challenging Managed Portfolio Service ("MPS") of easily accessible low-cost discretionary fund management, Bespoke Portfolio Services ("BPS") for clients with more specific requirements, and a range of complementary investment funds.

Our passion is to deliver investment returns for the clients of financial advisers to meet their long-term aims within their chosen risk profiles.



# Disclosure Summary

TCFD’s recommendations are structured around the four themes of governance, strategy, risk management, and metrics and targets. We have set out below our disclosure against each of these areas:

## GOVERNANCE

Description	TCFD recommended disclosure	Our disclosure	Pages
<p>Disclose the organisation’s governance around climate-related risks and opportunities.</p>	<ul style="list-style-type: none"> <li>i. Describe the Board’s oversight of climate-related risks and opportunities.</li> <li>ii. Describe management’s role in assessing and managing climate-related risks and opportunities.</li> </ul>	<p>The TIML Board and Risk and Compliance Committee review, challenge and approve the TCFD report.</p> <p>In the prior year, the TCFD Working Group was responsible for the identification and assessment of climate-related risks and opportunities. Since the implementation of these TCFD related processes, they have formed part of the remit of the Risk and Compliance Committee, who ensure that the risks and opportunities are monitored, assessed and reported to the Board.</p> <p>In addition, there is a Group ESG Committee, which is responsible for driving forward the ESG targets as approved by the TAM and TIML Boards.</p> <p>The Executive Committee support the Chief Executive Officer of the Company in the oversight of the day to day running of the business and in delivering the Company’s strategy.</p>	<p>9 to 11</p>

## STRATEGY

Description	TCFD recommended disclosure	Our disclosure	Pages
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	i. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	We have disclosed how climate-related risks and opportunities are incorporated into the strategy of TIML.	12 to 20
	ii. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	<p>There are four factors which have been considered during our assessment of climate-related risks and opportunities:</p> <ol style="list-style-type: none"> <li>1. Type of climate risk: Transitional risk relates to the global transition to a lower carbon economy. Physical risk relates to the physical impacts of climate change. These are then further subcategorised into Regulatory, Market, Reputation, Acute and Chronic.</li> <li>2. Type of opportunities: These are categorised into Reporting, Energy efficiency, Investing in low-carbon investments and Ethical investment process and expertise</li> <li>3. Time horizon: given that climate-related risks and opportunities will evolve and develop over time, we have set parameters to reflect this. Short term is 0-5 years, medium term 5-15 years, long term more than 15 years.</li> <li>4. Estimated likelihood/ impact: We have considered the impact that the risks could have on our business, from a likelihood aspect, and from the potential impact.</li> </ol>	12 to 20
	iii. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We have undertaken and disclosed a quantitative investment climate-related scenario analysis based on three different scenarios: an orderly transition, a disorderly transition, and a failed transition. This scenario analysis is based on actual holdings within our portfolios and funds. The qualitative operational climate-related scenario analysis in this report is a long-term scenario and therefore the outcomes of these three scenarios are not likely to vary much from one year to another, unless there is a major change in the business or the external environment. For this reason, long-term scenarios will be reviewed occasionally, or after a major change in the business or external environment.	12 to 20

## RISK MANAGEMENT

Description	TCFD recommended disclosure	Our disclosure	Pages
Disclose how the organisation identifies, assesses, and manages climate-related risks.	<ul style="list-style-type: none"> <li>i. Describe the organisation's processes for identifying and assessing climate-related risks.</li> <li>ii. Describe the organisation's processes for managing climate-related risks.</li> <li>iii. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</li> </ul>	<p>We have described our risk management process, including details of our Risk Management Framework and how climate-related risks have been integrated into this.</p> <p>In considering the impact of these climate-related risks we believe that they are currently immaterial to the Group. However, the risks relating to financed emissions (investments) may increase over time, and we will consider our investment process and how we work with our underlying fund managers on an ongoing basis.</p>	21 to 23

## METRICS AND TARGETS

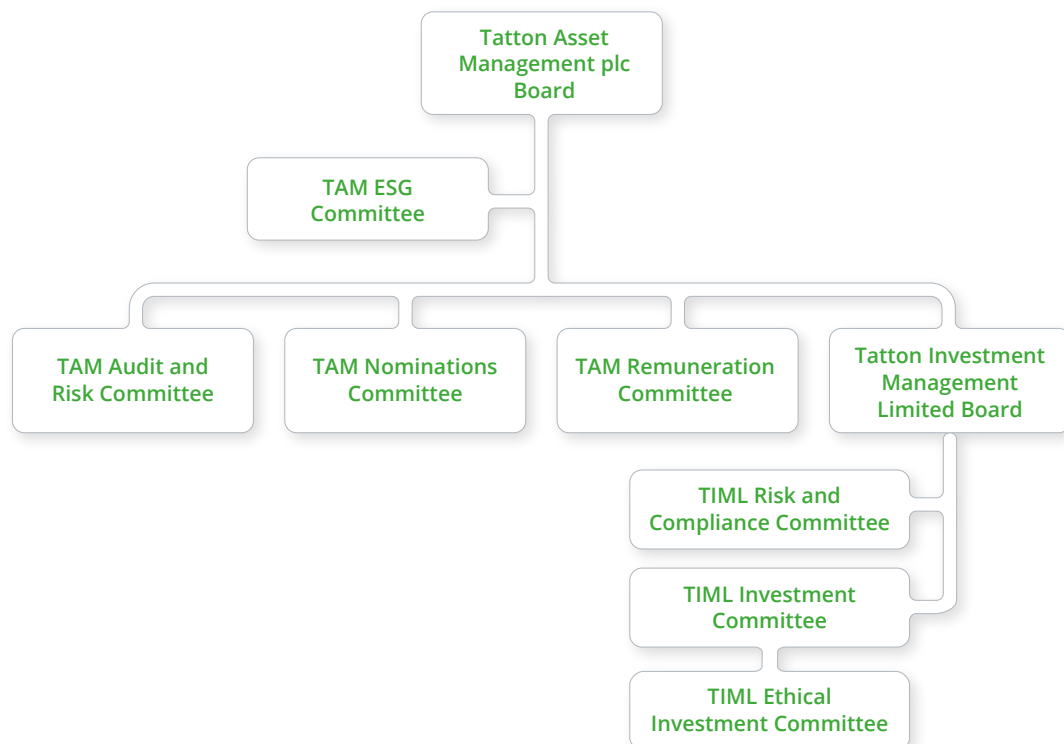
Description	TCFD recommended disclosure	Our disclosure	Pages
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<ul style="list-style-type: none"> <li>i. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</li> <li>ii. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</li> <li>iii. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</li> </ul>	<p>Regarding our operational activities, we assess, monitor and manage our exposure to climate-related risks through our greenhouse gas emissions metrics. We have disclosed our Scope 1 and Scope 2 operational metrics, along with business mileage within Scope 3 emissions. We have also disclosed the Scope 3 emissions from our investments.</p> <p>From an operational point of view for our own operations, our target is to align with the UK Government's target of reaching net zero greenhouse gas emissions by 2050 and will work on developing our action plan to reduce our greenhouse gas emissions over this timeframe.</p> <p>We will continue to assess our investment strategies and processes, and how we can best work with the underlying fund managers, as the industry works towards the net zero target.</p>	24 to 27



# Governance

The Board of Tatton Asset Management plc (the “TAM Board”) oversees the strategy of the Group, which in turn informs the Board of Tatton Investment Management Limited (the “Board”), which oversees and directs the strategy of the Company, including relating to Environmental, Social and Governance (“ESG”) factors, climate change and sustainability. The Board meets on a quarterly basis and has responsibility for identifying and assessing climate-related risks and opportunities, and how these impact the Company’s strategy and objectives. The Board provides periodic updates to the TAM Board.

The Board delegates some elements of its responsibilities to other committees and groups, including the TIML Risk and Compliance Committee. The section below outlines the Company’s governance structure, including its relationship with the Group, and how this helps the Company to address climate-related risks and opportunities.



Board Committee	Climate-related responsibilities	Key information	Future areas of consideration
<p><b>TAM plc Board</b></p>	<p>The TAM Board is responsible for the long-term success of the Group. It sets the group's strategic priorities, and actively discusses and considers climate-related risks and opportunities as part of discharging its responsibilities. The TAM plc Board is ultimately accountable for the Group's ESG Strategy and providing oversight of management decision making. Led by the Chairman of the Board.</p>	<ul style="list-style-type: none"> <li>• Key areas reported to the TAM Board, including updates on TCFD reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver further training to the TAM Board on the risks and opportunities of climate change.</li> <li>• Ensure climate change is embedded across all areas of governance and risk management across the Group.</li> </ul>
<p><b>TAM ESG Committee</b></p>	<p>Responsible for driving forward ESG priorities, which are signed off by the TAM Board. These ESG priorities form part of our strategy in creating value for all our key stakeholders.</p>	<ul style="list-style-type: none"> <li>• Monitoring and gathering data on Scope 1 and 2 carbon emissions, and some Scope 3 emissions at a TAM Group level.</li> <li>• Monitoring and reporting of climate-related risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to increase the level of reporting of Scope 3 emissions, and consider other energy saving ideas which can be implemented</li> <li>• Continue to expand on the disclosures and look to identify areas for further improvement, such as the level of data obtained and disclosed, and consideration of other areas such as increased scenario planning.</li> </ul>
<p><b>Tatton Investment Management Limited Board</b></p>	<p>TIML's Board is responsible for the oversight and management of the strategic direction of the Company. It is run by the Chief Executive Officer and has two non-executive directors. TIML's Board is responsible for identifying, assessing, monitoring, and responding to climate-related risks and opportunities that may impact the Company's business, strategy, and financial planning.</p>	<ul style="list-style-type: none"> <li>• The Board reviewed and approved the Company's inaugural TCFD Report.</li> <li>• Reviewed and approved the target of making the Company's operations carbon neutral by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>• Oversee development of the Company's Product Reports</li> <li>• Deliver further training to the Board on the risks and opportunities of climate change.</li> <li>• Ensure climate change is embedded across all areas of the Company's governance and risk management.</li> </ul>
<p><b>TIML Risk and Compliance Committee ("RCC")</b></p>	<p>TIML's Risk and Compliance Committee meet on a quarterly basis to review reports on the key risks which face its business. It sets the risk appetite for the Company and maintains its Risk Management Framework. The RCC is Chaired by a Non-Executive Director and reports on the material risks to the business to the Board.</p>	<ul style="list-style-type: none"> <li>• Includes climate-related risks on its risk register.</li> <li>• Incorporated climate-related risks in its annual internal capital adequacy and risk assessment ("ICARA").</li> <li>• Reviewed and approved the Company's TCFD Report.</li> <li>• Responsible for the ongoing monitoring, identification and assessment of climate-related risks and opportunities.</li> <li>• Provision of the TCFD Report and Product Reports.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to embed the risk from climate change into its risk appetite and Risk Management Framework.</li> <li>• Expand the Company's scenario analysis considerations and reporting.</li> </ul>

Board Committee	Climate-related responsibilities	Key information	Future areas of consideration
Executive Committee	The Executive Committee supports the Chief Executive Officer in discharging his responsibilities for the management of the Company, including the management of climate-related risks and opportunities, as well as providing oversight of investment performance.	<ul style="list-style-type: none"> <li>Oversight of the day to day running of the business, including attendance at Ethical Investment Committee and Investment Committee meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Will act on raised and reported climate-related risks and opportunities to ensure the Group meets its targets.</li> <li>Oversight of the Company's adherence to its operational net zero target.</li> </ul>
TIML Ethical Investment Committee	The Ethical Investment Committee plays a pivotal role in guiding and overseeing the company's ethical investment strategies and decisions. Their primary responsibility is to regularly assess underlying fund holdings to ensure continuous alignment with negative screening criteria, a process that typically results in portfolios with strong positive environmental, social, and governance characteristics. The Committee conducts thorough research, engages with stakeholders, and assesses the long-term viability and ethical implications of potential investments. The TIML Chief Executive Officer and Chief Commercial Officer sit on the Ethical Investment Committee and report key decisions or issues raised at the Ethical Investment Committee to the TIML Board.	<ul style="list-style-type: none"> <li>Oversight of emerging climate-related risks and opportunities relating to the firm's ethical portfolios.</li> <li>Reviewed and approved the selected methodology for quantitative scenario analysis.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the evolution of climate-related metrics and climate scenario analysis methodologies, considering how, where appropriate, these can be embedded into investment research, selection, and reporting, to enhance the assessment and management of climate-related risks and opportunities.</li> </ul>
TIML Investment Committee	The TIML Investment Committee reviews, considers, and makes decisions surrounding the investment strategy for the investment products of the Company.	<ul style="list-style-type: none"> <li>Continued due diligence and research over fund managers.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the evolution of climate-related metrics and climate scenario analysis methodologies, considering how, where appropriate, these can be embedded into investment research, selection, and reporting, to enhance the assessment and management of climate-related risks and opportunities.</li> </ul>

# Strategy

Our ESG principles and beliefs are embedded into the Company's strategy. We believe that it is important to have clear ESG beliefs and principles that guide our Board, employees and stakeholders in their actions and decision making as well as incorporating these into our investment approach for the benefit of our clients. Our guiding ESG principles are as follows:

**1. Ethical and Transparent Business Practices:**

We believe in conducting our business with integrity, honesty, and transparency. We adhere to the highest ethical standards and comply with all relevant laws and regulations.

**2. Engaging with Stakeholders:** We are committed to engaging with our stakeholders, including IFAs, their clients, employees, shareholders, suppliers, regulators, and communities, to understand their needs and concerns. We seek to build long-term relationships based on trust, respect, and collaboration.

**3. Employee Wellbeing and Development:**

Our employees are our most valuable asset. We strive to create a workplace that is safe, inclusive, and supportive. We invest in our employees' development and provide opportunities for career growth and advancement.

**4. Environmental Stewardship:** We recognise our responsibility to protect the environment and minimise our impact on natural resources. We aim to reduce our carbon footprint, conserve energy and water, and promote sustainable practices throughout our operations.

**5. Community Engagement:** We are committed to making a positive impact in the communities where we operate. We aim to support local organisations and initiatives to help address social challenges.

We believe that by integrating our ESG principles into our business strategy, we can create long-term value for our stakeholders.

## OUR EMISSIONS

As a business, we have emissions within the following categories.

### Our operations and how we conduct our business:

- **Scope 1** – emissions from sources that are owned or controlled by TIML.
- **Scope 2** – emissions from the energy we purchase.
- **Scope 3** – the goods and services we buy in order to run our business.
- **Scope 3** – the waste generated as a result of our operations.
- **Scope 3** – the travel that employees undertake to and from work as well as to see our customers and attend work related activities.

### Our Investments:

- **Scope 3** – the emissions relating to the investments we manage on behalf of our customers.

The most material impact to the Company from climate risk is to our investment portfolios and funds, which in turn makes them relevant to our client outcomes. We assess and monitor on an ongoing basis our exposure to climate-related risks and opportunities. We respond as appropriate to these risk and opportunities and follow the TCFD recommendations.

## RISKS

The identified risks have been split into Transition risks and Physical risks:

- **Transition risks:** These refer to the financial risks faced by the Company as businesses and organisations transition to a low-carbon economy and adapt to the impacts of climate change. These risks, including regulatory, market, reputation, and transition costs, arise from the shift towards more sustainable practices and the impacts of climate change.

- **Physical risks:** Those arising from the effects of climate change on livelihoods, infrastructure, communities, and ecosystems. These can be further categorised into acute (extreme weather) and chronic (long-term shifts in climate) risks.

The time horizon for each risk has also been considered using the following timeframes:

- Short term: Less than 5 years
- Medium term: 5 to 15 years
- Long term: More than 15 years

## TRANSITION

Risk	Description	Time horizon	Estimated likelihood	Potential impact
<b>Regulatory</b>	Changes in environmental regulations and policies can impact businesses' operations and profitability. For example, stricter emissions standards or carbon pricing mechanisms may require companies to invest in costly upgrades or face penalties for non-compliance.	Short, medium and long term	Medium	Medium
	Increased climate-related regulatory and reporting requirements may lead to increased operational costs for TIML.	Short, medium and long term	Medium	Low
<b>Market</b>	Transitioning to a low-carbon economy can lead to changes in market dynamics, including shifts in consumer preferences, technological advancements, and the emergence of new competitors. Companies that fail to adapt to these changes may face declining demand for their products or services, loss of market share, or reduced profitability, affecting TIML's portfolio returns and client outcomes.	Short and medium term	Medium	Medium
<b>Reputation</b>	Environmental issues have become increasingly important to consumers, investors, and other stakeholders. Companies that are perceived as environmentally unsustainable or insensitive to climate change may face reputational damage, boycotts, or loss of investor confidence, which can negatively impact their brand value and long-term competitiveness, which in turn could negatively impact the value of TIML's assets under management ("AUM"), revenue, and market return for clients.	Short and medium term	Medium	Medium
	The risk that TIML is perceived by its IFAs and clients to have an inadequate response to climate-related challenges, leading to a loss in market share.	Short and medium term	Low	High

## PHYSICAL

Risk	Description	Time horizon	Estimated likelihood	Potential impact
<b>Acute</b>	The risk of increasing frequency and severity of weather events or natural disasters could result in TIML and/or its investments incurring significant costs and disruption if impacted by such events.	Medium and long term	Medium	Medium
<b>Chronic</b>	A long-term shift in climate, such as sea level rise or changes in temperature and precipitation patterns, may affect the global economy and result in financial losses for TIML and/or its investments.	Long term	Medium	Medium

## OPPORTUNITIES

Throughout the identification and assessment process, a number of opportunities have also been identified.

Risk	Description and impact on TIML	Time horizon	Estimated likelihood	Potential impact
<b>Reporting</b>	As TIML and the wider industry continue to develop the level of reporting, this will increase transparency amongst investors to aid understanding and to allow meaningful targets to be set and monitored. TIML will continue to work its data providers to expand the scope of its reporting and target setting. This is expected to also improve TIML's reputation driving customer demand and so increase TIML's market share, AUM, and revenue.	Short, medium and long term	Medium	Medium
<b>Energy efficiency</b>	TIML will continue to monitor its own energy usage and work with its landlords and suppliers to improve the energy efficiency and use of sustainable resources. With increased reporting and scrutiny over this data not only in TIML, but across many other organisations, this should in turn help the wider economy to transition to net zero and also drive down costs for TIML.	Short, medium and long term	Medium	Medium
<b>Investing in low-carbon investments</b>	As TIML looks to reduce the level of carbon emissions from its investments, it will increase its holdings in low-carbon investments. It is expected that this would improve TIML's reputation driving customer demand and so increase TIML's market share, AUM, and revenue.	Short, medium and long term	Medium	Medium
<b>Ethical investment process and expertise</b>	As more data is obtained, understood, and reported, there will be increased focus and data availability of various climate-related and other ESG focused metrics. This will inform the investment decision making process and allow for increased governance over investments.	Short, medium and long term	Medium	Medium

## IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON TIML'S BUSINESS, STRATEGY, AND FINANCIAL PLANNING

TIML aims to integrate environmental and social considerations into its business strategy and decision making processes. The Company's ESG beliefs and principles guide our Board, employees, and stakeholders in their actions, and are incorporated into our investment approach for the benefit of all clients.

The Company has not been affected significantly by climate-related issues to date. However, it has seen cost increases in its energy costs and with its third-party costs for data and research to be able to obtain the required information for disclosing its carbon related metrics and comply with regulatory reporting requirements. As the need arises for any cost expenditure, this is considered by the Board, and budget allocated as appropriate, on a case by case basis.

TIML has, through its ICARA process, considered various climate scenarios and has incorporated these into its stress tests and decision making around levels of regulatory capital it should hold to address these risks. It also considers the impact on the business and any mitigating factors that it has already, or is able to, put in place. Key assumptions in these scenarios have been reviewed and challenged through our governance processes.

## INVESTMENT APPROACH

Our investment approach is one of long-term stewardship based on investors' preferences and time horizons. We offer a range of model portfolios – along with a bespoke portfolio design – across risk profiles and prominent investment styles. These include “active” versus “tracker” strategies, “classic” (with a higher allocation to domestic UK assets) versus “global”, and our “ethical” portfolio offering. The basic structure of how we build and manage these portfolios is the same and does not include an explicit bias toward or against any particular sector. In general, our asset allocation is done according to regions and assets classes – as defined by industry standards. This means the mitigation of climate risk is not an explicit goal of our investment process.

An overview of our investment process is included below.



However, climate risks naturally have an impact on our decision-making processes in a number of ways. The ways in which climate risks factor into the investment process differs between our *Ethical* portfolios and our *unconstrained* portfolio offerings.

### Unconstrained investment approach

We design portfolios to match clients' needs, maximising the potential for long-term returns while ensuring that risk-reward trade-offs remain appropriate. The first step is building a *strategic asset allocation* that sets the reference point for how a portfolio should be diversified across regions and asset classes. Particular sectors or investment "themes" are not explicitly represented in the decision-making process at this stage, so there is no structural allocation in favour of assets with fewer carbon emissions, or away from assets with higher emissions.

That being said, climate risks are economic risks, so our decision-making has to take account of these. Investment themes are also relevant to our *tactical asset allocation*. In this step, we identify regions or asset classes we expect to perform better or worse over the medium-term and adjust portfolios to take advantage these macroeconomic trends. Climate change is a salient theme, and its impact on investment returns will plausibly grow in the years to come. We keep abreast of these developments and factor them into our long-term macroeconomic outlook.

Managers of funds we invest in might also include environmental risks or rewards in their investment outlooks, either explicitly or as a result of the climate's expected impact on returns. This is more likely for funds included in our ethical portfolios, but even for unconstrained portfolios, fund managers' consideration of climate risks is increasing as ESG investing becomes more mainstream. In any case, we do not explicitly pick funds for our unconstrained portfolios on the basis of the managers' attention to climate risks – unless we think this attention could impact economic risks or rewards.

### Ethical portfolios

Our ethical portfolios are built and managed according to the same process, but we explicitly factor in clients' ethical concerns when making investment decisions. The aim is to generate the best long-term returns, relative to risk profiles, while only investing in assets that clients are comfortable with. Our ongoing engagement with clients remains a cornerstone of Tatton's commitment to evolving and enhancing our ethical investment offering. Recent valuable feedback has played a crucial role in this continuous evolution, directly informing a significant strengthening of our negative screening process. To ensure our ethical investment process reflects the evolving concerns of our clients, we conduct triennial surveys with their independent financial advisers. These surveys identify the most significant ethical issues currently facing investors. We then use this information for discussion and voting in our Ethical Investment Committee meetings, and to update our process if necessary. As a result of this engagement, we limit the portfolios' exposure to the following seven 'controversial' industries: fossil fuels, alcohol, animal testing, armaments, gambling, pornography, and tobacco.

When selecting funds for our ethical portfolios, we prioritise fund managers with robust exclusion and screening processes. We select funds that have a minimum of 4 exclusions to the limited industries mentioned above, with 3 mandated exclusions of armaments, pornography and gambling. However for industries where complete exclusion might not be feasible due to complex asset composition and short-term fluctuations, we see fund managers who actively limit their exposure. This could involve, but not limited to, strategies that are:

- Prioritising companies with strong ESG practices within the industry
- Engaging with companies to encourage positive ESG change

By allowing for diverse approaches to maximise ESG impact, we respect fund manager expertise while ensuring our ethical portfolios remain aligned with our overall ethical and diversification goals.

We also look into individual fund holdings within our ethical portfolios to check for any exposures that may contravene our ethical investment criteria. We receive aggregated exposures monthly, and a full list of holdings quarterly. We then query any anomalies with the fund manager.

Our ethical portfolios have a bias toward less carbon-intensive industries as a result of having exclusions on sectors like fossil fuels. Moreover, since many of the funds we buy are explicitly ESG-oriented, many fund managers will have specific processes for mitigating climate risks inherent in the assets they buy. We do not *require* that they have such processes, however. Nor does TIML have specific rules or targets for collecting data on – or reducing – the emissions of portfolios' company-level holdings.

## SCENARIO ANALYSIS

TIML has conducted a scenario analysis exercise to consider the key areas as outlined in the TCFD Recommendations. Scenario analysis is used to aid identification, assessment and management of climate risks and the implications of a range of plausible scenarios. This enables investors to assess the exposure of financial markets, companies, and portfolios to climate-related risks in different scenarios and determine the potential magnitude of financial impacts on a relative basis.

The risks of climate change can be considered in two categories: Transition and Physical risks.

- **Transition risks:** These refer to the financial risks faced by the Company as businesses and organisations transition to a low-carbon economy and adapt to the impacts of climate change. These risks, including regulatory, market, reputation, and transition costs, arise from the shift towards more sustainable practices and the impacts of climate change.
- **Physical risks:** Those arising from the effects of climate change on livelihoods, infrastructure, communities, and ecosystems. These can be further categorised into acute (extreme weather) and chronic (long-term shifts in climate) risks.

The Company has worked in partnership with ClarityAI, a sustainability technology platform that provides quantitative climate-related data, to set out three scenarios covering a wide range of pathways across four time horizons – 5, 10, 20 and 40 years from 2024. The three scenarios are:

- 1. Net Zero: An orderly transition scenario.** A radical but orderly transition scenario. Average global temperature increase of 1.5°C in 2100. This scenario aligns with the very low emissions' IPCC scenario (SSP1-RCP1.9). It includes an early and smooth transition, and considers markets are aware of future risks which are already priced-in.
- 2. Net Zero Financial Crisis: A disorderly transition scenario.** A radical transition scenario similar to the Net Zero but in a disorderly way, with sudden divestments in 2025 to align portfolios to the Paris Agreement goals which have disruptive effects on financial markets. Average temperature increase of 1.5°C in 2100, using the very low emissions' IPCC scenario (SSP1-RCP1.9).
- 3. High Warming: A failed transition scenario.** Average temperature increase of 3.7°C by 2100, high emissions' IPCC scenario (SSP3-RCP7.0). With a failure to meet Paris Agreement goals, this results in severe gradual physical and extreme weather impacts.

The methodology estimates how physical and transition risks and opportunities impact on total return and the impact is provided as a difference to a climate-uninformed baseline. It is shown in terms of cumulative percentage change of a security's total return, including direct (e.g. stock price change) and indirect (e.g. dividends).

The impacts are disaggregated into:

1. Acute physical risk: impacts of extreme weather events;
2. Chronic physical risk: impacts from longer-term changes such as increasing temperatures and changes in precipitation patterns;
3. Transition risk: impacts arising from the economic, regulatory, and technological shifts necessary to transition to a low-carbon economy;
4. Sentiment shock: This represents the abrupt repricing of assets which would occur when late and sudden awareness of climate risks cause a financial crisis.

### Scope and limitations

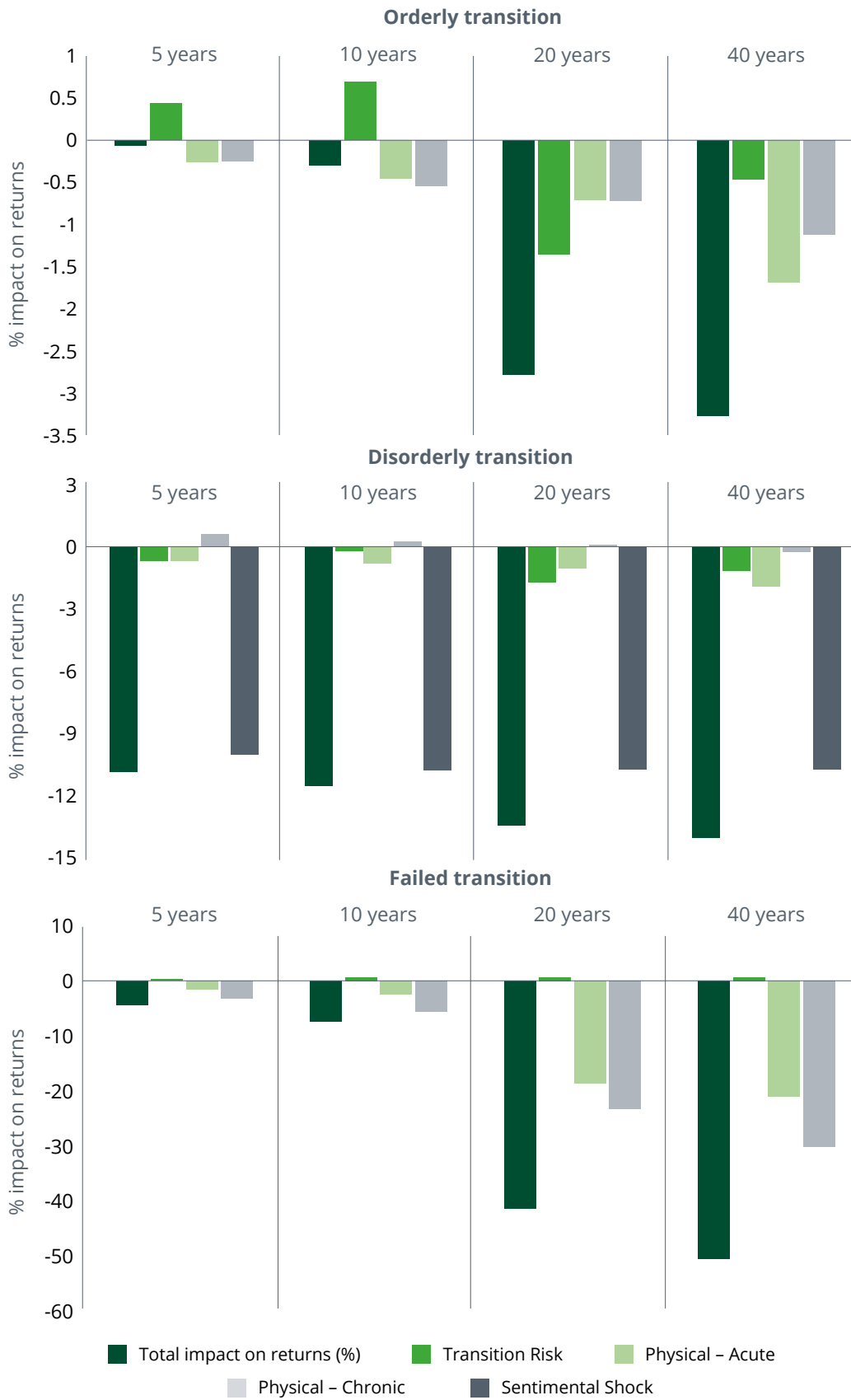
The scenario analysis we conducted is based on the climate scenarios, tools and data that are currently available. The models we used do not account for companies adapting over time (but assume they continue with their current business models) and assume that our investments remain as they currently are. These scenarios are not forecasts and do not have the same probability of happening. Therefore, climate scenario analysis is not a tool for making forecasts, but rather one that can help us manage climate-related risks in our business. We will keep track of how our industry evolves and adjust our approach accordingly over time.

The scenario analysis is only applied to equity and corporate fixed income investments due to data availability constraints. 70% of our underlying investments have been covered in the analysis. As data availability improves, we will seek to include more asset classes in to our quantitative scenario analysis.



We design portfolios to match clients' needs, maximising the potential for long-term returns while ensuring that risk-reward trade-offs remain appropriate.

Scenario analysis findings<sup>1</sup>



1 Externally calculated metrics from Clarity AI



Scenario analysis is not a static or conclusive method, but rather a way of exploring potential future outcomes.

TIML developed analytical specifications to consider the potential impact to TIML's AUM and operating margin across the chosen scenarios. As TIML derives revenues from management fees earned on AUM, the Company considers the impact of these scenarios on its AUM and therefore revenue and profit.

Scenario analysis is not a static or conclusive method, but rather a way of exploring potential future outcomes, without claiming to predict the future. The climate scenario analysis conducted allows us to assess the risks and opportunities related to climate change in a structured way, and it prompts us to consider how different types of transition and physical risks could affect our AUM and operations. The data indicates that all transition pathways pose downside risk to our current investment holdings, which underscores the need for our investment process to be robust to potential future climate risks and for the Company to be able to adjust to the global shift to a low-carbon economy. There are more potential downside risks from the orderly and disorderly transition scenarios in the short-term, as companies adapt and transition towards net-zero. There will be challenges to some extent for each company which could affect the operations of the business and potentially the returns each generates. However, over the long term, an orderly or disorderly transition will generate higher returns than a failed transition, which has more severe downside risks. If there is progress towards a transition, whether orderly or disorderly, this would lower the potential scale of physical climate risks.

# Risk Management

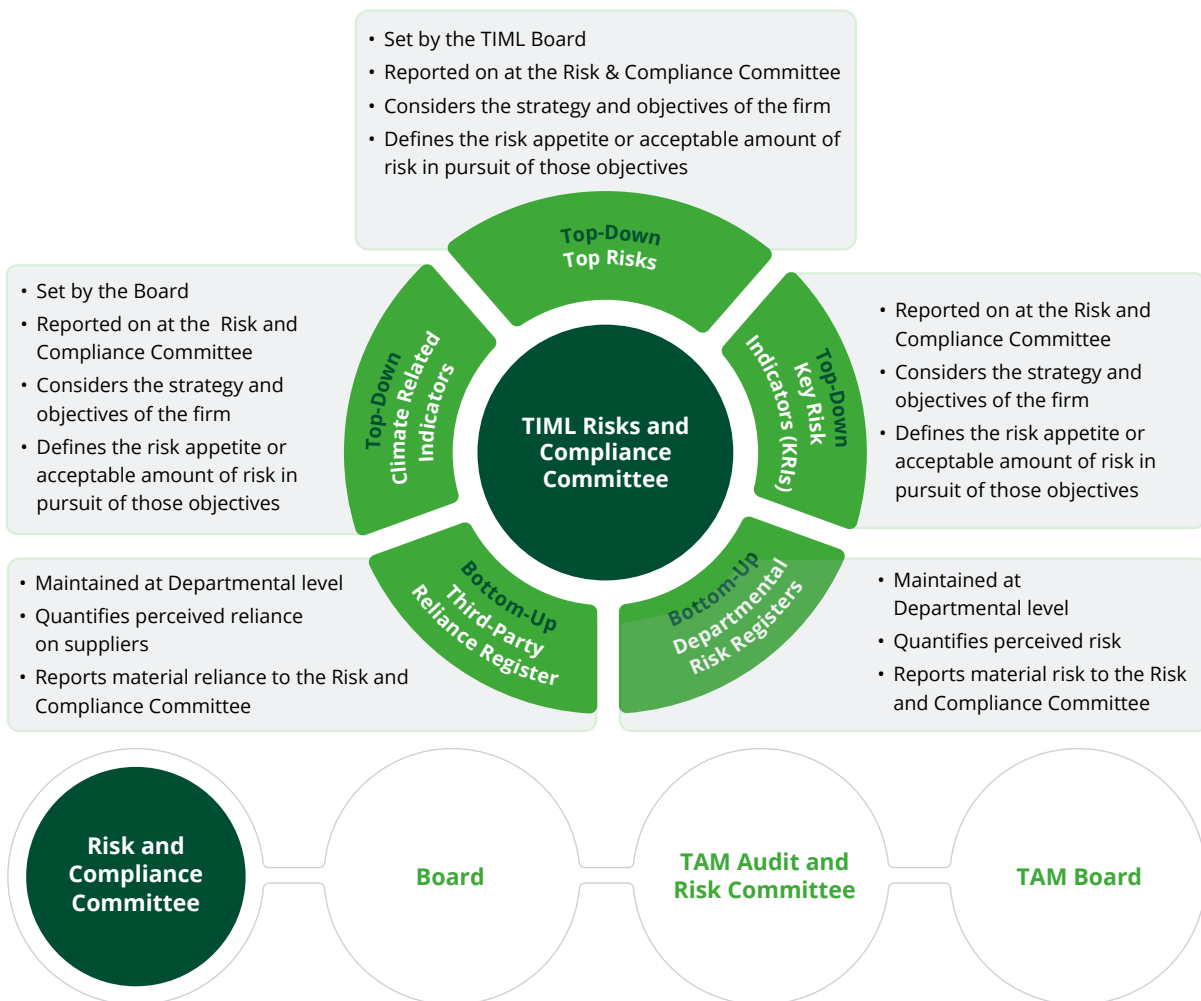
Over the previous 12 months we have continued to integrate the consideration of climate risk into our Risk Management Framework. Climate related risks are identified and reported on through a top-down qualitative assessment process where industry recognised metrics are measured on an ongoing basis. Consistent with the practices of our peers and regulatory expectations, we currently categorize climate risk into two main types: physical risks and transition risks.

## THE RISK MANAGEMENT FRAMEWORK (“RMF”)<sup>2</sup>

The Company adheres to three risk principles that form part of the foundation of the Risk Management Framework. These principles are there to help identify, assess, mitigate, and monitor risks effectively. The following form part of the Risk Principles:

- Risk Ownership and Accountability
- Integration with Business Objectives
- Risk Culture and Awareness

TIML’s risk principles ensure the business can enhance its ability to anticipate, assess and respond to risks effectively.





A summary of our approach is outlined below:

### **RISK STRATEGY**

The Board is ultimately responsible for the firm's risk management and internal control systems, and for determining the risk appetite. A Risk Management Framework (RMF) has been developed to ensure that all potential areas of risk to the business are identified, assessed, monitored, and reported.

The Board seeks to ensure that the risks taken by the Company are managed in order to achieve a balance between appropriate levels of risk and return. In managing our risks effectively, our objectives are to:

### **RISK MANAGEMENT OBJECTIVES**

- Ensure that risks in our business are identified, understood, assessed, and managed
- Support confident (& informed) decision making
- Ensure we understand the overall risk profile of our business – and the impact on it of internal and external changes
- Take the appropriate risks, that are within our risk appetite
- Reassure our stakeholders (our clients, employees, regulators, and shareholders) that their interests are safe and secure; and
- Satisfy ourselves and our regulators that capital (where required) is sufficient to cover the risks identified.

### **RISK CULTURE & BEHAVIOURS**

The Board encourages a strong risk culture throughout the business. It believes an embedded risk culture enhances the effectiveness of risk management and decision making across the business. The Board is responsible for setting the right tone and, through our senior management team, encouraging appropriate behaviours and collaboration in managing risk and ongoing compliance across the business. The Board has established a Code of Ethics that sets out the Board's expectations for all employees

Our risk culture seeks to ensure that all employees are able to identify, assess, manage, and report against the risks that the business faces. TIML operates a whistleblowing procedure where employees can raise concerns anonymously either internally or externally.

## RISK GOVERNANCE

To achieve the governance and organisation elements of the RMF we have established an effective committee structure. Overall responsibility for approving, establishing and maintaining the risk framework rests with the Board. The Board recognise the critical importance of having efficient and effective risk management systems and appropriate oversight of their output.

A clear organisational structure with documented delegated authorities and responsibilities, from the Board to the Senior Management Team ("SMT") and their respective heads of function/teams is in place. These responsibilities are captured within each Senior Managers & Certification Regime ("SMCR") function holders Statement of Responsibility ("SoR").

Management comprise the 'first line' of defence and are responsible for operating covers to manage the risks within their area of responsibility. Controls are designed into systems and processes with the objective that their effectiveness is sufficient to appropriately mitigate risk and ensuring residual exposure is within risk appetite.

Collectively, the SMT are responsible for implementing the respective components of the risk management framework within their area of responsibility.

Each business area applies a range of managerial and supervisory controls to ensure risks are managed and / or highlight control breakdowns or unexpected loss events (i.e. incidents). Management submit a range of business-related Management Information to the various committees that help oversee the operation of the business.

The Compliance and Risk Team form the 'second line' of defence and are responsible for supporting and challenging management's oversight of risk.

Both first and second line employees are subject to TIML's Training & Competence ("T&C") framework to ensure employees possess the necessary skills, knowledge, and ethical behaviour to fulfil their duties. Our T&C requirements, are aligned with the SMCR. Oversight of T&C and SMCR compliance is conducted by the Head of Risk and Compliance.

## RISK APPETITE

Risk Appetite is the amount of risk that the Board is willing to accept in pursuit of shareholder value and the attainment of its strategic objectives. It provides a mechanism by which the Board can set the boundary within which our business should operate and is a key tool in balancing the interests of the various stakeholders.

To support the measurement against our appetite statements a series of Key Risk Indicators have been established to enable management to report against the conformance with each appetite statement. These indicators are reported quarterly to the RCC by each risk indicator owner. Any shift within RAG status of a particular indicator is accompanied with an explanation as to the cause from the business owner or individual the risk has been delegated to. The Risk Appetite framework, statements and Key Risk Indicators are reviewed and approved annually by the Board.

# Metrics and Targets

In this section, the Company outlines two categories of climate-related metrics to provide stakeholders with transparency on the impact the Company has on the environment, including:

- Corporate GHG emissions. TIML reports Scope 1, Scope 2, and relevant categories of Scope 3 emissions. It does not include emissions associated with the AUM managed by TIML, which is reported separately.
- AUM product-level climate and portfolio alignment metrics. Each of the portfolios and funds which TIML manages have their own investment strategy and guidelines. TIML has used ClarityAI to calculate the Scope 1, Scope 2, and Scope 3 emissions and to make resulting disclosures of Weighted Average Carbon Intensity (“WACI”); Financed emissions; and Financed emissions per \$m invested. Only equities and corporate bonds are included in the calculations.

The Company has also obtained data in relation to fossil fuel exposure and temperature alignment. Only equities and corporate bonds are considered in the calculations.

## EMISSIONS

The definition of what is included in each category of emission:

- Scope 1 emissions are from sources that are directly owned or controlled by the company, including the use of gas at our office.
- Scope 2 emissions are from the generation of purchased electricity, steam, heating, and cooling consumed by the company, including energy purchases of electricity at our office and for the purposes of transport.
- Scope 3 emissions include all other indirect emissions that occur in the value chain of the company, both upstream and downstream. The Company is currently reporting emissions from fuel used in personal cars on business use, business travel by third party services (rail and air), hotel stays, freight, and home working within its Scope 3 emissions disclosure. We will continue to develop and increase the level of reporting, incorporating additional Scope 3 emissions into our report in the future, continuing to consider the impact from our supply chain.

## DEFINITIONS

The following metrics are provided for Scopes 1+2 and Scope 3 separately:

- Weighted-average carbon intensity (“WACI”)
- Financed emissions
- Carbon footprint, expressed as Financed emissions per million \$ invested

These are calculated according to the TCFD and Partnership for Carbon Accounting Financials (“PCAF”) recommendations.

The description and methodology for the metrics have been detailed in Appendix 1.

## TATTON INVESTMENT MANAGEMENT LIMITED ENTITY-LEVEL METRICS

Investments <sup>3</sup>	2024 Value	2023 Value	2024 Coverage	2023 Coverage
Weighted Average Carbon Intensity Scopes 1 & 2 (tons CO <sub>2</sub> e/USD M Revenue)	113.54	145.86	99.97%	99.81%
Weighted Average Carbon Intensity Scope 3 (tons CO <sub>2</sub> e/USD M Revenue)	1,268.24	1,270.83	97.78%	97.18%
Financed Emissions Scopes 1 & 2 (tons CO <sub>2</sub> e)	1,006,362.69	1,005,057.49	99.82%	99.07%
Financed Emissions Scope 3 (tons CO <sub>2</sub> e)	10,363,705.20	10,581,012.52	97.73%	97.03%
Carbon footprint - Financed Emissions / USD M Invested Scopes 1 & 2 (tons CO <sub>2</sub> e/USD M invested)	49.90	64.81	99.82%	99.07%
Financed Emissions / USD M Invested Scope 3 (tons CO <sub>2</sub> e/USD M invested)	524.87	696.56	97.73%	97.03%

Additional climate metrics	2024 Value	2023 Value
Temperature alignment Scopes 1 and 2	2.1C	2.2°C
Temperature alignment Scope 3	2.5C	2.4°C
Exposure to fossil fuels	10.25%	11.78%

<sup>3</sup> Externally calculated metrics from Clarity AI

## Operational metrics<sup>4</sup>

The table below presents the Scopes 1, 2 and 3 GHG emissions and energy consumption of the Company. This is the second year of reporting, and we have provided prior period comparatives where possible. We have implemented enhanced monitoring with regards to Scope 3 emissions and therefore not all data contains comparatives. This year the Company has increased the level of reporting of Scope 3 emissions to include emissions from business mileage, travel for business purposes using trains, taxis, and flights, overnight stays in hotels, as well as emissions from home working. The reported Scope 3 emissions have increased in the year, largely due to data improvements rather than solely as a result of an increase in the level of emissions. On a like for like basis, the same type of emissions as reported in the previous year have increased slightly from 12.4tCo<sub>2</sub>e to 13.8tCo<sub>2</sub>e. We will continue to track and make progress towards reducing the Company's emissions over time.

Our main environmental impacts are largely as a result of UK-based travel and the emissions and consumption of resources at our business premises. We hold virtual meetings where appropriate, reducing travel if not required. The Company operates one office, with a number of staff being based in a secondary location. Both buildings are on a renewable energy plan for their electrical consumption. Renewable energy is becoming more locally available and cost-effective, and we will continue to work with our landlords, the other tenants in our shared building, and utility suppliers to move towards more renewable fuel energy plans.

We primarily communicate internally and with external stakeholders through digital channels where possible, which has enabled us to reduce paper waste, whilst ensuring secure communication and effective record keeping. We continue to invest in our TIML portal, which enables IFAs to access our investment literature and view their customers' portfolios online, reducing reliance on paper-based brochures and other documents. With a relatively small number of employees, the Company has reduced UK travel for work by the use of video conferencing and the continued implementation of hybrid working, reducing the need for UK-based travel. We employ LED lighting and motion sensors to minimise our consumption. We will continue to focus on these areas as we address both energy security issues that have come to the fore, particularly over recent years due to geopolitical tensions, resource depletion and the transition to renewable energy, and also in issues related to the risks of climate change and our transition to net zero.

To calculate TIML's carbon footprint, we followed the Greenhouse Gas Protocol Corporate Standard. Our Scope 1 primary carbon impact occurs due to the use of a gas-fired heating system at our premises. Our Scope 2 emissions are related to energy purchases of electricity at our office location and for the purposes of transport. The emissions from fuel used in personal cars on business use has been disclosed as Scope 3. We will continue to develop and increase the level of reporting, incorporating additional Scope 3 emissions into our report over time.

Actions to drive the reduction of our carbon emissions within our operations across are:

- Engaging with our landlords and utility suppliers to transition to more renewable energy sources for our gas;
- Encouraging staff to utilise public transport where possible;
- Utilisation of virtual meetings;
- Reducing the consumption of paper within the office;
- Continuing to improve the level of data captured around Scope 3 emissions to be able to increase reporting going forward.

<sup>4</sup> Internally calculated metrics

Risk	2024 Energy consumption (kWh)	2023 Energy consumption (kWh)	2024 GHG emissions (Co <sub>2</sub> e)	2023 GHG emissions (Co <sub>2</sub> e)
Scope 1 emissions Combustion of natural gas	15,697	16,341	2.9	3.0
Scope 2 emissions Generation of purchased electricity	29,210	22,240	7.4	4.0
Electricity used for the purposes of transport	153	48	0.0	0.0
Scope 2 total	29,364	22,288	7.4	5.9
Scope 3 emissions Combustion of fuel in staff vehicles	57,817	51,987	13.8	12.4
Hotel stays			2.2	
Business travel by third party services (Rail)			5.6	
Business travel by third party services (Air)			5.5	
Combustion of fuel in home working			14.8	
Scope 3 total	<b>57,817</b>	<b>51,987</b>	<b>14.8</b>	<b>12.4</b>
<b>Total emissions</b>	<b>102,877</b>	<b>90,616</b>	<b>52.1</b>	<b>20.3</b>
Operational carbon intensity (tCO <sub>2</sub> e per Full Time Equivalent (FTE))	2,107	2,060	1.1	0.5

### Methodology for calculations

Energy consumption for Scope 1 and Scope 2 gas and electricity use in kilowatt-hours has been taken from supplier invoices where possible, with estimates being used where energy usage has been allocated to a shared building, based on floor area. Where possible, this has been multiplied by the kgCo<sub>2</sub>e/kWh conversion factors provided by our suppliers, but where this is not available, the UK Government GHG Conversion Factors for Company Reporting (“GHG Conversion Factors”) have been used. The mileage of employees using their own cars for business use is recorded in the Group’s expenses system and this is converted into kWh and tCo<sub>2</sub>e using an average car size GHG Conversion Factor. Other Scope 3 emissions disclosed in the current financial year include emissions from home working, rail travel, air travel, hotel stays and freight. Actual distance data has been used where possible and converted into emissions using the GHG Conversion Factors.

The most relevant intensity ratio for our organisation and sector is considered to be intensity per full time equivalent employee (“FTE”). The average number of FTEs in the year is 49.

### TARGETS

Our target for our own operations is to align with the UK Government’s target of reaching net zero greenhouse gas emissions by 2050 and will work on developing our action plan to reduce our greenhouse gas emissions over this timeframe. We will report our emissions each year to demonstrate our progress towards this target. We will continue to assess our investment strategies and processes, and how we can best work with the underlying fund managers, as the industry works towards the net zero target.

# Appendix 1 – Methodology and descriptions of calculations

## Weighted-average carbon intensity (“WACI”)

Measures a portfolio’s exposure to carbon intensive companies. This is determined using the emissions of each company, as a proportion of its revenue and applying a weighting to this based on the value of the holding in the company within the portfolio. This metric is useful in understanding the carbon intensity of the holdings included in the portfolio and whether the investment is directed towards worse or better performers.

### Methodology:

$$\sum \left( \frac{\text{current value of investment}}{\text{current portfolio value}} \right) \times \left( \frac{\text{issuer's GHG emissions}}{\text{issuer's revenue}} \right)$$

### Limitations:

- Sensitive to outliers
- Revenue tends to ‘favour’ organisations with higher prices relative to their peers
- Can only be used with listed equity and corporate bonds

## Financed emissions

Financed emissions are the total GHG emissions of a portfolio’s investments. This metric allows portfolio managers and investors to understand emissions financed through the investments of a portfolio and allows for communication of carbon footprint, consistent with GHG protocol, PCAF and TCFD.

Financed emissions are expressed in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) and calculated according to the following methodology.

Our target for our own operations is to align with the UK Government’s target of reaching net zero greenhouse gas emissions by 2050



**Methodology:**

$$\sum \left( \frac{\text{current value of investment}}{\text{issuer's EVIC}} \right) \times (\text{issuer's GHG emissions})$$

**Limitations:**

- Result changes can be due to changes to enterprise value from a year to another, which can lead to misinterpretations
- Not useful for comparing portfolios of different sizes

**Carbon footprint - Financed emissions per \$m invested**

This metric allows for comparison of portfolios of different total values against each. It is the Financed emissions metric normalised by the value of the portfolio.

Financed emissions per million dollars invested are expressed as tonnes of CO<sub>2</sub> equivalent per million dollars (tCO<sub>2</sub>e/M\$) and calculated according to the below methodology.

**Methodology:**

$$\sum \left( \frac{\frac{\text{current value of investment}}{\text{issuer's EVIC}} \times \text{issuer's GHG emissions}}{\text{current portfolio value (M USD)}} \right)$$

**Limitations:**

- Does not consider the carbon efficiency of organisations
- Results changes can be due to changes to enterprise value from a year to another and can lead to misinterpretations

**Fossil Fuel Exposure**

The percentage of the covered portfolio that is exposed to companies that make any revenue from fossil fuels, which includes one or more of the following activities: thermal coal extraction, thermal coal power generation, oil and gas production, oil and gas power generation, and oil and gas products and services. The metric is calculated as the amounts invested in companies exposed to fossil fuels as a percentage of the portfolio's total value.

**Temperature Alignment**

This metric measures the global warming potential of the portfolio and allows investors to understand whether the constituents' emissions reduction efforts are aligned with the goal of the Paris Agreement. The Temperature Alignment is calculated as a portfolio Temperature Rise value, as decimal figure.

*Methodology:*

$$\sum \left( \frac{\frac{\text{current value of investment}}{\text{issuer's EVIC}} \times \text{issuer's GHG emissions}}{\sum \frac{\text{current value of investment}}{\text{issuer's EVIC}} \times \text{issuer's GHG emissions}} \right) \times \text{issuer's Temperature Rise value}$$



## Glossary

<b>AUM</b>	Assets under Management
<b>CO<sub>2</sub>e</b>	Carbon dioxide equivalent, this is a standard unit used to express the impact of different greenhouse gases on global warming in terms of the amount of CO <sub>2</sub> that would have the same effect.
<b>Coverage</b>	Coverage refers to the portion of a portfolio included in carbon footprint calculations, based on the availability of emissions data. Only listed equities and corporate bonds are included, as they typically have reliable corporate emissions data. Other asset types—such as sovereign bonds, cash, private assets, and securitised products—are excluded. For mixed-asset portfolios, the weights of included securities are reweighted to 100%, and emissions are calculated only for that subset, with no estimates made for excluded holdings.
<b>ESG</b>	Environmental, Social, and Governance
<b>EVIC</b>	Enterprise Value including Cash
<b>Financed emissions</b>	This metric allows financial institutions to understand the emissions they finance through their investments and are typically categorised under Scope 3 emissions.
<b>Financed emissions per million \$ invested</b>	This is the Financed emissions metric normalised by the value of the portfolio.
<b>Financial Conduct Authority's ESG Sourcebook</b>	A set of guidelines and requirements established by the Financial Conduct Authority ("FCA") in the UK to help firms integrate ESG considerations into their operations, risk management, and disclosure practices.
<b>GHG</b>	Greenhouse gases
<b>High Warming: A failed transition scenario</b>	An average temperature increase of 4.3°C by 2100.
<b>ICARA</b>	Internal Capital Adequacy and Risk Assessment
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>MPS</b>	Model Portfolio Service
<b>Net zero</b>	The process of achieving a balance between the amount of GHGs emitted in to the atmosphere and the amount removed from it, stabilising the concentration of GHGs in the atmosphere, and limiting global warming to below 2 degrees Celsius above pre-industrial levels.

<b>Net Zero: An orderly transition scenario</b>	An average global temperature increase of 1.5°C in 2100 in a radical but orderly transition scenario.
<b>Net Zero Financial Crisis: A disorderly transition scenario</b>	An average temperature increase of 1.5°C in 2100 through a radical but disorderly transition scenario.
<b>Paris Agreement</b>	An international treaty adopted in 2015 which aims to address climate and its negative impacts by committing companies to limit global warming and reduce greenhouse gas emissions.
<b>PCAF</b>	The Partnership for Carbon Accounting Financials
<b>Scope 1 emissions</b>	Direct GHG emissions that occur from sources that are owned or controlled by the Company.
<b>Scope 2 emissions</b>	Indirect GHG emissions that result from the consumption of purchased electricity, steam, heating, and cooling by the Company.
<b>Scope 3 emissions</b>	Indirect GHG emissions that occur from sources that are not owned or directly controlled by the Company but are associated with its activities.
<b>SSP1-RCP1.9</b>	Shared Socioeconomic Pathway 1 and Representative Concentration Pathway 1.9. When combined, this represents a scenario where the world follows a sustainable development path (SSP1) that leads to a very low GHG emissions (RCP1.9). A specific scenario used in climate science and modelling, particularly in the context of IPCC reports and studies.
<b>SSP3-RCP7.0</b>	Shared Socioeconomic Pathway 3 and Representative Concentration Pathway 7.0. When combined, this represents a scenario where socioeconomic and geopolitical trends (SSP3) lead to relatively high GHG emissions (RCP7.0). A specific scenario used in climate science and modelling to explore the potential consequences of continued high emissions on global climate change.
<b>TAM</b>	Tatton Asset Management plc, the Company's ultimate parent undertaking
<b>Temperature Alignment</b>	This measures the global warming potential of the portfolio and allows investors to understand whether the constituents' emissions reduction efforts are aligned with the goal of the Paris Agreement
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>TIML</b>	Tatton Investment Management Limited, the Company
<b>WACI</b>	The Weighted-Average Carbon Intensity, this measures a portfolio's exposure to carbon-intensive issuers



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Tatton is a trading style of Tatton Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority.

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Tatton Investment Management Limited is registered in England and Wales No. 08219008.

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