TCFD ENTITY-LEVEL REPORT

Task Force on Climate-Related Financial Disclosures (TCFD) Report

31 December 2023

ARTEMIS

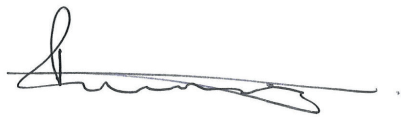
The Profit Hunter

Contents

Compliance statement

The disclosures contained in this report for Artemis Investment Management LLP and Artemis Fund Managers Limited (collectively "Artemis"), including any third-party disclosures cross-referenced herein, comply with the requirements for the disclosure of climate-related financial information set out in Chapter 2 of the Financial Conduct Authority's (FCA) Environmental, Social and Governance Sourcebook (ESG Sourcebook).

Signed



Ross Millar
Chief Risk Officer

28 June 2024

1. Introduction

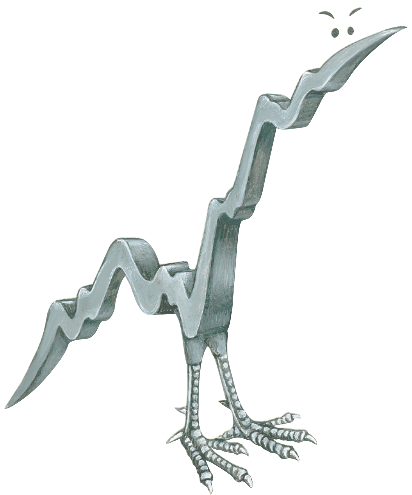
About Artemis

Independent and owner managed, Artemis' aim is to produce long-term investment returns for our clients whilst offering exemplary client service. As a dedicated active investment house, we specialise in investment management for both retail and institutional investors through our range of equity, fixed income and multi-asset strategies. Artemis was founded in 1997 and is headquartered in the UK with offices in London, Edinburgh, Munich and Zurich. Artemis employs 227 people and manages around £24.3 billion[1] across a range of funds, an investment trust and both pooled and segregated institutional portfolios.

Our TCFD Report

The Task Force on Climate-related Financial Disclosures (TCFD) sets out a global framework designed to provide consistent and transparent climate-related reporting for companies, investors and for global markets generally. This is Artemis' inaugural TCFD Report which aims to provide our clients with transparency on climate-related information for our business operations and for the investments we manage. It outlines our firm-wide approach to climate-related risks and opportunities across TCFD's four pillars: governance, strategy, risk management, and metrics & targets. The report describes our approach both from the perspective of our own business operations and from that of our investment portfolios, in each case for the year ended 31 December 2023.

Artemis' fund-level TCFD disclosures for the year ended 31 December 2023 can be found here.



Artemis' approach to climate change

Climate change represents a unique challenge for the world. It is widely recognised that continued emissions of greenhouse gases at current rates will cause global warming to reach a level which could lead to irreversible economic and social consequences. This is a global issue which requires co-ordinated action from governments, companies, investors and the financial system as a whole. We acknowledge that there is an urgent need to accelerate the transition towards global net zero emissions and for asset managers to play our part to help deliver the goals of the Paris Agreement.[2]

As active investors, we are the stewards of our clients' assets tasked with delivering long-term investment returns consistent with our clients' investment objectives for each of our strategies. Climate change factors can have a material impact on the financial outcomes of our investments and have the potential to negatively impact long-term investment returns. It is therefore important that we integrate climate considerations into our investment processes in order to manage the financial risks posed by climate change, whilst recognising the diverse set of client objectives, time horizons and priorities across our investment products and solutions. As stewards of our clients' assets, we have an overriding responsibility to act with care, diligence and integrity in everything we do.

Similarly, we recognise the importance of considering climate-related risks and opportunities as they relate to our own business operations. Ensuring the long-term success of Artemis requires us to pay due regard to climate change factors in our strategic decision-making in order to secure our future success and protect our ability to continue to deliver superior investment returns for our clients over the long term.

The assessment of climate-related risks and opportunities is a complex exercise and an area which is evolving at rapid pace. This is a journey of continuous learning and improvement and we acknowledge that we still have more work to do to develop our understanding of risks and opportunities relating to climate change and to embed these considerations across our business. The disclosures in this report are aligned with the TCFD recommendations. In common with many of our peers in the investment management industry, there are some areas we need to improve upon for future years' disclosures as we build our expertise and incorporate emerging industry best practice. We are committed to this journey of improvement and to playing our part in helping the transition to a low-carbon economy, whilst always ensuring that we are acting in the best interests of our clients.

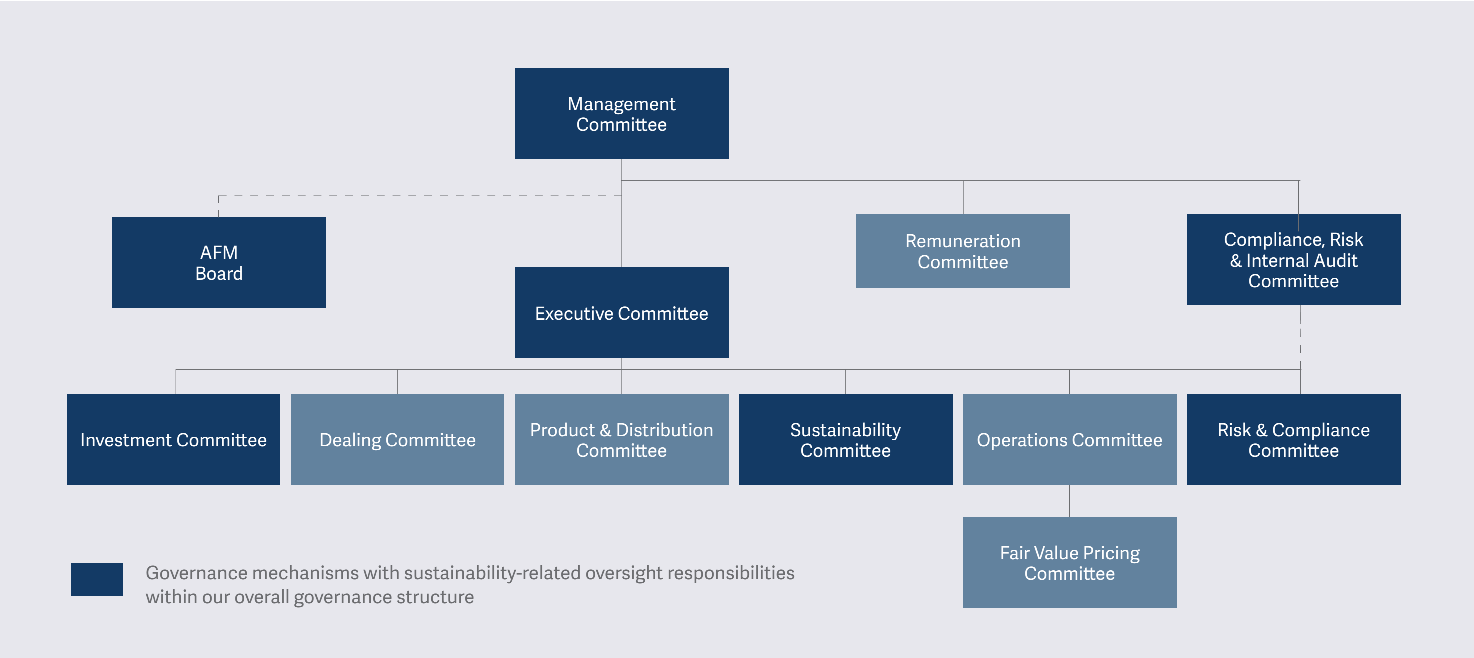
[1] As at 30 April 2024.
[2] The Paris Agreement is an international treaty adopted in 2015 with the goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

2. Governance

Our firm-wide governance structure is designed to ensure that we meet the needs of our clients whilst ensuring the ongoing success of the firm. Artemis' governance is underpinned by a partnership structure alongside formal and separate assessment of remuneration and performance. We recognise the importance of robust governance structures in order to effectively manage risks and ensure transparency and accountability, as well as to effectively execute our firm-level strategy. Sustainability is an important area of focus as it relates to Artemis' overall strategic priorities.

Governance structure

Artemis Fund Managers Limited (AFM Ltd) is a wholly-owned subsidiary of Artemis Investment Management LLP (AIM LLP). AFM Ltd is the authorised fund management company for our UK UCITS funds, and the alternative investment fund manager for our UK NURS funds and Artemis Alpha Trust plc, a UK-listed investment trust. AIM LLP provides portfolio management services to segregated mandate clients, the funds managed by AFM Ltd and to Artemis Funds (Lux).



2. Governance

Oversight of climate-related risks and opportunities

The Management Committee of AIM LLP takes ultimate responsibility for the firm's governance structure, including oversight of climate-related risks and opportunities. The Management Committee is supported by a number of key committees such as the Executive Committee and the Compliance, Risk and Internal Audit Committee (CRIAC). To ensure best practice and to support a robust governance structure, the partnership has appointed non-executive officers to key committees.

Management Committee	The Management Committee has ultimate responsibility for overseeing the firm's long-term success, establishing the firm's strategy, culture, values and standards and ensuring that risk is managed effectively. It monitors financial and regulatory reporting as well as making sure the necessary resources are in place so that our objectives, including in relation to sustainability, can be met. The members of the Management Committee include both non-executive officers and Artemis senior management. The Management Committee generally meets on a quarterly basis.
AFM Board	The Board of AFM Ltd (AFM Board) is responsible for the effective and prudent oversight of the management of the firm's collective investment funds, including ensuring that the firm and its funds meet their respective regulatory and legal responsibilities. AFM Board directors include independent non-executive directors and Artemis senior management. The AFM Board generally meets on a quarterly basis.
Compliance, Risk and Internal Audit Committee (CRIAC)	The CRIAC has been established by the Management Committee to monitor and oversee the effectiveness of the firm's systems of risk management and internal control, the firm's processes for its compliance with applicable and forthcoming law and regulation and the firm's internal audit process. The committee's risk management oversight role includes climate-related risks. The members and Chair of the CRIAC are independent non-executive officers. The CRIAC generally meets on a quarterly basis.
Executive Committee	The Artemis Executive Committee has responsibility for implementing Artemis' strategy and managing the day-to-day operations of the firm. The members of the Executive Committee are the senior management team of Artemis. The Executive Committee generally meets on a monthly basis.

Assessment and management of climate-related risks and opportunities

As described above, the Artemis Executive Committee has been established by the Management Committee to implement Artemis' strategy and to manage the day-to-day operations of the firm. The Executive Committee has delegated responsibility for certain matters to various functional committees with a more focused mandate. Of these delegated committees, the ones which consider sustainability-related matters (including oversight of climate-related risks and opportunities) within their terms of reference are summarised below.

Sustainability Committee	The Sustainability Committee has been constituted to oversee the establishment and embedding of the firmwide sustainability operating model and relevant frameworks. This includes ensuring that the firm's sustainability operating model aligns to the firm-wide strategy and plans agreed by the Executive Committee. The Sustainability Committee generally meets six times per year and includes senior representatives from multiple functions. It is chaired by our Chief Risk Officer.
Investment Committee	The Investment Committee is responsible for oversight of those sustainability matters which relate to our investment activities and our funds, including sustainability-related risks in our portfolios, and to review and approve sustainability policies which have a direct impact at fund or portfolio level. The Investment Committee generally meets on a monthly basis and includes senior representatives from multiple functions. It is chaired by our Chief Investment Officer.
Risk and Compliance Committee	The Risk and Compliance Committee is responsible for the oversight of the risk management policies and practices, including sustainability-related risks to the firm, and the oversight of the operation of our risk management framework. The Risk and Compliance Committee generally meets monthly and includes senior representatives from multiple functions. It is chaired by our Chief Risk Officer.

During 2024, we have made some changes to the terms of reference for certain committees in order to ensure that the consideration and oversight of sustainability-related matters is effectively embedded across our business. We will continue to embed these changes which are aimed at driving a holistic approach to sustainability governance and cross-functional collaboration across the business.

2. Governance

Our investments

During 2024, we have developed a **TCFD data dashboard** which will facilitate periodic reporting of key climate-related KPIs for our portfolios to the relevant governance committees which are responsible for oversight of climate-related risks in our portfolios. We believe this will help to establish a systematic approach to regular oversight of climate-related risks and to enable a data-driven assessment of climate-related issues by the relevant governance committees going forward.

We are also focused on providing ongoing **climate-related training** to colleagues across different functions to share subject matter expertise and upskill relevant teams, including the Executive team and our independent non-executive directors and officers, to better understand the key climate metrics we use for our investment portfolios.

Our operations

With respect to Artemis' business operations, we are committed to seeking ways to reduce our environmental impact. We are corporate members of **Planet Mark,** a certification programme recognising commitment to continuous improvement in sustainability with specific targets to reduce our carbon emissions every year.

PlanetMark
Certified Business

Our **Environmental Working Group** (EWG) plays a vital role in helping to reduce Artemis' corporate carbon footprint. The EWG is a voluntary collective of Artemis staff, facilitated by the office management team, with a primary goal of creating initiatives to reduce Artemis' corporate carbon footprint. The EWG focuses on changing behaviours on areas including travel and accommodation and on-site office utilities to encourage those which are more sustainable.

The Artemis Charitable Foundation

The Artemis Charitable Foundation (the Foundation) is at the heart of our culture. Artemis gives a proportion of annual revenues to the Foundation, the Trustees of which manage our charitable activities. Since launch in 2007, the Foundation has donated over £13 million to help a wide range of charities both in the UK and internationally.

The Foundation supports a number of 'core' charities in the areas of health, education, poverty and the environment. In addition to providing financial donations, the Foundation works closely with these charities, many of which are small, lower-profile charities, usually on a multi-year basis to enable greater impact and a deeper understanding of their work. With staff engagement at the heart of the Foundation's work, colleagues across the firm are given the opportunity to take part in volunteering days, charity trips, fundraising events, and workshops with our partner charities throughout the year. Further information on the work of the Foundation can be found here.

ARTEMIS
CHARITABLE FOUNDATION

3. Strategy

Our values

As dedicated active investors, our primary purpose is to deliver superior long term investment returns for our clients. Our overall strategy is driven by our clients' needs and everything we do is designed to deliver outstanding returns and service to our clients. All risks and opportunities are considered as part of the investment process by the fund managers in the context of enhancing the long-term value of our clients' investments.

Artemis' three cultural principles underpin our purpose and reinforce the client- focused, investment-led culture we foster throughout the business. These are: clients come first, collaboration, and integrity and accountability. These values are central to our mission of being a leading multi-strategy boutique asset manager. These values have also been applied to define our firm-wide approach to climate-related risks and opportunities.

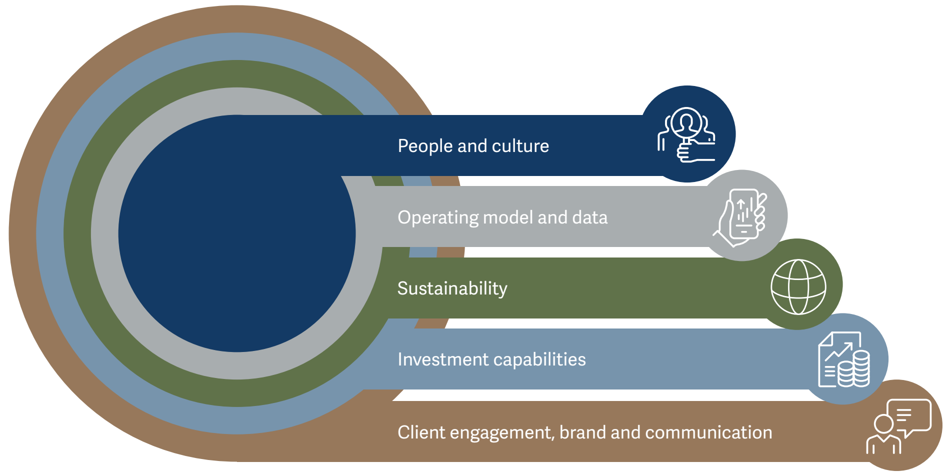
Clients come first
Fairness, clear communications, openness and transparency

Collaboration
Collegiality, teamwork and collaboration

Integrity and accountability
Integrity, accountability, expertise and talent

Five areas of focus

To support our strategic aims as a business, we have identified certain areas of focus which we believe will help to drive the future performance of our firm. One of these areas of focus is sustainability, which we use as an overarching term to describe our approach from both an operational and investment perspective. This encompasses a focus on climate-related considerations both in our investments and in our business operations.



Our investments

As long-term investors, we recognise that climate change factors can have a material impact on the financial outcomes of our investments. Our investee companies may be exposed to climate-related risks which have the potential to negatively impact long-term investment returns, whilst certain companies we invest in may stand to benefit from climate-related opportunities which will arise from the transition to a lower carbon economy. It is therefore important that we integrate climate considerations into our investment processes in order to manage the financial risks posed by climate change and benefit from potential climate-related opportunities, whilst recognising the diverse set of client objectives and priorities across our investment products and solutions. Our primary goal is to always invest in accordance with the client mandates we receive and the investment policies of our individual strategies.

Integration of climate-related factors

As active managers investing across a range of different strategies and asset classes, we take a bottom-up approach to how we consider climate-related risks and opportunities in our portfolios. This means that each investment team is responsible for considering climate-related factors in their investment process as we believe that they are best placed to assess the financially material climate risks and opportunities for their individual portfolios and holdings. We also encourage our investee companies to integrate climate change considerations in their own strategic decision-making.

Our investment teams are supported in their analysis by our Stewardship and Investment Risk team.

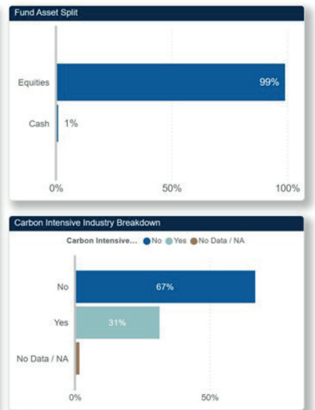
Our TCFD data dashboard

During 2024, we have developed a TCFD data dashboard to provide portfolio-level and issuer-level climate metrics which is available for use by our investment teams. This allows the investment teams to identify and monitor the main drivers of their portfolio-level climate metrics and identify investee companies with whom engagement on climate-related issues might potentially be beneficial. We expect to continue to develop this dashboard and other tools to enhance our ability to integrate climate-related considerations into our investment decision-making in the future.

Illustrative portfolio in our TCFD dashboard [3]

Fund	Fund Name	CCY	Value	LEI
AIF	Artemis Income Fund	GBP	4.50bn	549300UI76WMPCD78756

Group	Metric	Unit of Measurement	Fund	Data Coverage (% of Portfolio)
Financed Emissions:	Scope 1 and 2 Financed GHG Emissions	tonnes of CO2e	227,674	98.33%
	Scope 3 GHG Financed GHG Emissions	tonnes of CO2e	2,469,715	98.33%
	Total Financed GHG Emissions	tonnes of CO2e	2,697,389	98.33%
Carbon Footprint:	Carbon Footprint (Scope 1 and Scope 2)	tonnes of CO2e per $1 million invested	39.68	98.33%
	Carbon Footprint (Scope 3)	tonnes of CO2e per $1 million invested	430.40	98.33%
	Total Carbon Footprint	tonnes of CO2e per $1 million invested	470.08	98.33%
WACI:	Corporate constituents			
	Weighted Average Carbon Intensity (Scope 1 and Scope 2)	tonnes of CO2e per $1 million sales	47.01	98.33%
	Weighted Average Carbon Intensity (Scope 3)	tonnes of CO2e per $1 million sales	575.64	98.33%
	Sovereign constituents			
	GHG intensity	tonnes of CO2e per $1 million GDP		



[3] The image used is for illustrative purposes only and does not represent the actual positions held by any Artemis Fund.

3. Strategy

Net Zero Asset Managers initiative (NZAMi)

The Net Zero Asset Managers initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas (GHG) emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius. Artemis became a signatory to NZAMi in 2021. The NZAMi commitment sets out a range of actions for asset managers such as corporate engagement, stewardship, policy advocacy and engaging with clients in addition to setting targets.

The Net Zero Asset Managers initiative

We believe that a commitment to supporting the goal of net zero emissions by 2050 is consistent with our primary purpose to always act in the best interests of our clients. A successful transition will offer our clients a better opportunity for strong long-term investment returns, whilst a failed transition risks financially material negative impacts across the financial system.

Our NZAMi commitment represents a firm-level objective and relates to Artemis' overall approach to climate change across our investments rather than to the specific objectives of individual funds or strategies. Signatories to NZAMi are not expected to commit all assets under management as being in-scope from the outset, in recognition of the fact that the scope for asset managers to meet the NZAMi commitments depends on the mandates agreed with our clients and our regulatory obligations. For Artemis, our NZAMi commitment applies to our holdings in developed market equities at this stage.

The role of governments

Achieving net zero emissions is a monumental task that will require co-ordinated action between countries around the globe and significant change from both the public and private sectors. Many countries have either already committed to reducing their GHG emissions in accordance with the Paris Agreement objectives or are considering doing so. Whilst ambition is important, execution is what ultimately matters. Governments have the primary responsibility to lead the economy-wide transition as only they have the policy levers needed to co-ordinate the scale of economic change required. Our NZAMi commitment is based on the expectation that governments will follow through on their own commitments to ensure that the objectives of the Paris Agreement are met. In particular, we have relied on the UK's commitment to net zero through the Climate Change Act 2008, which is a legally binding obligation on the UK Government to reduce GHG emissions to net zero by 2050.

It is important to note that NZAMi is a voluntary initiative which allows us the flexibility to implement a net zero strategy which is appropriate for Artemis in the context of our own business strategy, client mandates and regulatory considerations. We recognise that a successful transition is subject to many factors which are outside our control, such as government policy and the changing macro-economic environment. We therefore focus on areas where we believe that we might be able to affect change, such as through engagement with the companies in which we invest.

Focus on real economy emissions reduction

Artemis' approach is to prioritise the achievement of real economy emissions reductions. This means that we prioritise actions which have a positive impact in the real economy, such as engagement with investee companies, rather than simply divesting holdings which may have high GHG emissions. As long-term active managers, we see company engagement as a key element of our responsibilities and our ability to create value for our clients. Artemis has a strong reputation as a dedicated active investment manager recognised for our ability to build long-term relationships with the management teams of our investee companies. These relationships act as our primary lever to influence real-world decarbonisation by challenging companies on their transition strategies and encouraging companies towards aligning with net zero. We focus on urging the companies in which we invest to lower their emissions through adopting targets and implementing strategies which will better position them to navigate and, where relevant, facilitate a successful transition. In our assessment of a company's alignment, we take due account of sectoral and geographical factors which influence its emissions reduction trajectory. We will also engage in collaborative action where appropriate through industry initiatives to help drive industry or policy change more widely.

Progress in 2023

During 2023, we analysed our assets which are in-scope for our NZAMi commitment to assess them for alignment to net zero using the Paris Aligned Investment Initiative Net Zero Investment Framework (NZIF). This helped us to identify which of our in-scope holdings contributed the most to our firm-wide carbon footprint for our investment portfolios. Our analysis has also provided additional insights into the ambition, target setting, emissions performance, disclosure and decarbonisation strategy of our investee companies. We have used this analysis to develop a focused engagement plan for those companies who are not yet aligned with the goals of the Paris Agreement and where we believe we can have the most impact through direct engagement.

We will continue to further develop our climate engagement plan in 2024. Our emphasis is on supporting the companies in which we invest to transition through firm-wide engagement, which we believe will ultimately deliver better risk-adjusted long term returns for our clients.

Please note that our SmartGARP[4] strategy implements a proprietary quantitative framework as an investment strategy. As this is primarily a quantitatively-driven approach, engaging with investee companies does not form part of the investment process for these funds or portfolios. The description of Artemis' activities relating to engagement with investee companies (whether referenced in this TCFD Entity-Level Report or in our TCFD Fund-Level Reports) therefore does not apply to our SmartGARP funds or portfolios, although the strategy does participate in voting the shares held in these funds and portfolios.

[4] SmartGARP® is Artemis' in-house software tool which screens the stock markets to help our fund managers identify companies with the most attractive financial characteristics.

Climate-related initiatives and collaborations

In addition to being signatories to NZAMi, Artemis also actively participates in various industry-wide initiatives and collaborative engagements, recognising that a collective approach can often make success more likely when instigating change.

Artemis became a member of Climate Action 100+in 2019. Using collaborative corporate engagement, Climate Action 100+ aims to ensure the world's largest corporate GHG emitters take the necessary action on climate change. The members of the initiative are asking companies to implement a strong governance framework, take action to reduce GHG emissions across the value chain consistent with the Paris Agreement's climate goals, and to provide information on transition plans. The work is co-ordinated by five investor networks.

In 2021, Artemis became a member of the Institutional Investors Group on Climate Change (IIGCC), which works with business, policy makers and fellow investors to help define the investment practices, policies and corporate behaviours required to address climate change.

In 2023, we also joined the Net Zero Engagement Initiative (NZEI) which is coordinated by the IIGCC and aims to scale and accelerate climate-related corporate engagement by expanding the universe of companies beyond the Climate Action 100+ focus list. The initiative encourages companies to develop a net zero transition plan which includes a comprehensive net zero commitment, aligned GHG targets, tracking of emissions performance and a credible decarbonisation strategy.

The Transition Pathway Initiative (TPI) provides valuable data and analysis which we use as part of our assessment of investee companies' management of climate-related risks and opportunities and their transition pathway to net zero. The ongoing research from the initiative into 'material' sectors for the purposes of climate change and the increasing company coverage continue to support our work in this area. Artemis became an official supporter of the TPI in 2023.

Climate case studies

Climate transition case study

Eagle Materials is a leading US manufacturer of cement, wallboard, paperboard and concrete. As a sector, concrete and cement contributes 7-8% of total global GHG emissions and is one of the hardest to decarbonise. Approximately 88% of GHG emissions in the concrete production cycle come from clinker production, which is a solid material produced in the manufacture of Portland cement as an intermediary product. Eagle materials has been working to reduce these emissions through shifting production from Portland Cement to Portland Limestone Cement (which has a lower carbon footprint than Portland cement); exploring the use of other low carbon supplementary cementitious material; increasing alternative fuel use; and participating in carbon capture innovation at its Sugar Creek plant.

We engaged with Eagle Materials in 2023, recognising its focus on reducing carbon emissions per unit of cementitious product and requesting further company disclosure regarding its plans and targets to transition to net zero. Following our engagement, we have welcomed the publication of the company's 2024 Environmental and Social Disclosure Report which incorporated progress on several of the areas we had discussed. Our engagement with the company is ongoing.

Climate opportunities case study

Artemis has been a long-term shareholder in Smiths Group plc, a diversified engineering business listed in the UK which, via its John Crane business, is a world leader in seal technologies. These products play an important role in helping to reduce methane emissions, which is a more potent greenhouse gas than carbon dioxide.

The energy sector is a major source of methane gas emissions from human activity, second only to agriculture. Emissions from leaks or defective seals in the energy sector account for as much as 5% of global GHG emissions and also represent 3% to 4% of total gas production. Leaks and defective seals therefore not only contribute to GHG emissions but also negatively impact revenues for the energy sector. Seal Gas recovery systems, such as those offered by John Crane, can recover valuable process gas helping to achieve reduction of methane emissions whilst also reducing product losses.

Climate collaboration case study

As a member of the Net Zero Engagement Initiative (NZEI), in 2023 we led an engagement with FirstGroup plc, a bus and rail operator in the UK. We met with the Group Head of Corporate Responsibility and discussed the company's science-based targets and electrification plans for both the bus and rail divisions.

The company is making good progress in its UK bus operations, which is supported in the near term by government subsidies via the Zero Emissions Bus Regional Areas (ZEBRA) scheme. Transition plans for the rail operations are proving more challenging as rail tracks need to be electrified and rail rolling stock is owned by the Department for Transport and leasing companies, creating a critical dependency on Network Rail and the Department for Transport as the funding body. On the open access services where FirstGroup has greater control over operations, the Lumo service from Edinburgh to London is wholly electric and Hull Trains is mainly electric with bi-modal trains used for sections of the track that have not yet been electrified.

The company has committed to publishing more information on its performance against decarbonisation targets as required by the Science-Based Targets initiative and this will form the basis of our ongoing engagement.

3. Strategy

Our investment strategies

The transition to a lower emissions economy presents opportunities as well as risks. Our investment portfolios include holdings in companies which derive revenues from transition technologies, such as alternative energy and energy efficiency, and which are likely to play a vital role in facilitating a successful transition. We expect that the net zero ambitions and commitments of countries around the globe will continue to drive policies and regulations which will encourage the massive reallocation of capital needed over the coming years to meet the Paris Agreement objectives, which should in turn continue to expand the range of opportunities for the companies we invest in.

Across our range of investment products and solutions, we have offerings for clients who may want specific climate-related objectives or characteristics for their investments. We will continue to review our product offering in 2024 and beyond to ensure that we are offering our clients appropriate options to participate in the opportunities presented by the climate transition, both within our existing investment strategies and in any new products and investment strategies that we may launch.

Artemis SmartGARP Paris-Aligned Global Equity Fund

The Artemis SmartGARP Paris-Aligned Global Equity Fund invests in a diversified portfolio of stocks that meet the manager's criteria for transitioning to a low-carbon economy, targeting a portfolio implied temperature rise lower than 2 degrees Celsius.

Artemis Income (Exclusions) Fund

The Artemis Income (Exclusions) Fund follows the same approach as our long-established Artemis Income Fund (a UK equities fund) but with an investment process that excludes stocks from certain sectors, including some companies in the fossil fuels sectors.

Artemis Positive Future Fund

The Artemis Positive Future Fund seeks to achieve capital growth by investing in companies which the manager believes have a positive environmental and/or social impact. The manager uses quantitative filters and active research to identify innovative companies which offer solutions to the most critical sustainability challenges.

3. Strategy

Our operations

We also recognise the importance of considering climate-related risks and opportunities as they relate to our own business operations. Ensuring the long-term success of Artemis requires us to pay due regard to climate change factors in our strategic decision-making in order to secure our future success and protect our ability to continue to deliver for our clients over the long term.

The table below sets out the climate-related risks and opportunities we have identified over the short, medium and long term which may impact our business.

Climate-related risks

Type of risk	Description	Potential financial impact	Timeframe
Physical risks - risks associated with the physical impacts due to climate change			
Acute	• Increased severity of extreme weather events such as floods	• Reduced revenue or increased costs due to disruptions to our facilities, systems, supply chains or workforce. • Increased capital expenditure costs (e.g. for repairing damaged facilities or systems). • Inability to obtain insurance or higher insurance premium costs. • Increased energy costs due to extreme weather patterns.	Medium to long term
Chronic	• Extreme variations in weather patterns • Rising average temperatures • Rising sea levels		Long term
Transition risks – risks associated with the transition to a low-carbon economy			
Policy and legal	• Increasing volume of regulatory reporting obligations relating to climate and/or divergent regulations across geographies. • Risk of actual or perceived greenwashing in our marketing materials or public statements relating to climate. • Risk of miss-selling products in jurisdictions in breach of local sustainability labelling/disclosure requirements. • Exposure to litigation.	• Financial penalties as a result of regulatory breaches. • Increased operating costs from increasing regulatory reporting obligations. • Financial damages as a result of litigation. • Reduced revenue as a result of asset outflows due to regulatory sanction or reputational damage. • Increased capital expenditure costs to build regulatory reporting solutions and/or data and IT solutions.	Short, medium and long term
Technology and data	• Risk of inaccurate climate data being used in investment decision-making, investment risk monitoring and/or regulatory reporting. • Increased reliance on external ESG data providers to comply with regulatory reporting. • Costs to transition facilities or equipment to lower emissions options.	• Increased costs for external ESG data providers and/or data and IT solutions. • Financial damages as a result of potential litigation from clients' reliance on inaccurate ESG data. • Increased capital expenditure costs for transition to lower emissions equipment or facilities.	Short, medium and long term

3. Strategy

Type of risk	Description	Potential financial impact	Timeframe
Market	• Negative performance of our investment portfolios due to climate-related risks in underlying holdings (e.g. for investee companies in carbon intensive sectors). • Reduced demand from clients for our products due to failure to provide suitable sustainable product offerings.	• Reduced revenues due to poor fund performance. • Reduced revenues due to client redemptions or reduced demand for our products.	Medium to long term
Reputation	• Increased scrutiny from clients or regulators as a result of our investment holdings in carbon-intensive sectors or companies. • Risk of actual or perceived greenwashing as a result of our public statements relating to sustainability and climate. • Failing to meet our net zero commitments or interim targets. • Stigmatisation of the investment management industry for its perceived role in contributing to, or failing to address, climate change. • Inability to recruit or retain employees due to reputational damage.	• Reduced revenues due to client redemptions or reduced demand for our products. • Increased costs to invest in marketing efforts to protect our brand image. • Increased recruitment or retention costs due to difficulty in attracting suitable candidates for business-critical roles or vacancies.	Short, medium and long term

Climate-related opportunities

Type of opportunity	Description	Potential financial impact	Timeframe
Resource Efficiency	• More energy efficient offices and facilities. • Reduced water usage and reduced waste due to better employee practices and firmwide policies.	• Lower operating costs. • Better staff retention (and lower recruitment costs) due to increased employee satisfaction scores as a result of better corporate sustainability practices.	Short, medium and long term
Energy Source	• Lower energy costs due to less reliance on fossil fuel energy sources and increased use of cheaper renewable sources.		
Products and Services	• Development of new investment products to meet increased client demand for climate-related or sustainable products and strategies. • Ability to diversify our product offering. • Stronger competitive position through sustainable product offering.	• Increased revenues from new products which meet changing client preferences. • Less fluctuation in revenues as a result of a more diversified product range. • Increased revenues from new client segments or markets, or increased market share of existing client segments.	Short, medium and long term
Resilience	• Higher long-term investment returns as a result of efficient climate-risk integration into investment processes. • Stability of AuM as a result of meeting client expectations for product offering and long-term investment returns. • Stronger brand reputation as a result of our sustainable product offering and/or climate risk integration into investment processes.	• Increased revenues from strong investment returns. • Stable future revenues due to resilience of AuM.	Medium to long term

4. Risk Management

Artemis recognises the importance of effective risk management processes and structures. We have a risk management framework in place to ensure that we are effectively managing known or expected risks in our operations and in our investment portfolios.

Climate-related risks have the potential to impact the firm, its clients and/or the markets in which Artemis operates. Below is a summary of how climate-related risks are incorporated into our existing risk management processes. During the course of 2024, we are working towards further embedding climate change considerations into our firmwide risk management framework.

Artemis operates a 'three lines of defence' model that assigns specific responsibilities for risk management to staff in the First Line, to the Risk & Compliance Function in the Second Line, and to the Internal Audit function in the Third Line.

- The **First Line of Defence** is responsible for the day-to-day management of risk, including climate-related risks. This means that Artemis' business managers have primary responsibility for identifying and managing the risks which originate within the business areas for which they are responsible. All staff members must adhere to Artemis' Enterprise-wide Risk Management Framework (ERMF) and its supporting policies, procedures and standards and everyone should be aware of the risks that are present in their specific activities.
- In the **Second Line of Defence**, Artemis' Risk & Compliance Function is responsible for providing advice and support on the design and implementation of risk management systems and controls. In addition, the Risk & Compliance function provides oversight and independent assurance that Artemis' policies and procedures are operating effectively and efficiently in accordance with the risk appetite set by the Management Committee, and that the firm meets the requirements of applicable laws and regulations, industry standards, good business practices and internal standards, including Artemis' cultural principles.
- In the **Third Line of Defence** the Internal Audit service function, which is separate and independent from the other business functions and activities of the firm, is responsible for examining and evaluating the adequacy and effectiveness of the firm's systems, internal control mechanisms and arrangements.

Our operations

Artemis has implemented an ERMF which encompasses a range of processes and methodologies used for the identification, assessment and management of risks and harms. In 2023, the firm formally defined and added 'sustainability risk' to our ERMF risk taxonomy.

Sustainability Risk Definition

The risk that an environmental, social or governance event, impact or condition causes actual or potential material negative impact to Artemis, the firm's clients and/or the markets in which the firm operates.

Artemis' current definition of sustainability risk is broad and encompasses climate-related risks. At firm level, this requires us to have appropriate processes and methodologies in place to ensure that sustainability risks are effectively identified, assessed, managed, monitored (overseen) and reported upon. This includes, for example, the physical and transition risks presented by climate change.

Key risk identification and assessment processes that form part of the ERMF include the Top-Down Risk Assessment, Risk & Control Self-Assessments and the Emerging Risk Assessment. Each of these are described in more detail below and demonstrate how climate-related risks are integrated within the firm's ERMF and our overall approach to risk management.

Top-Down Risk Assessment

Artemis implements a Top-Down Risk Assessment to identify the most significant risks to:

1. the interests of Artemis' clients;
2. the markets in which Artemis operates; and
3. Artemis' strategic and business objectives, including the ongoing viability of the firm.

This assessment is completed on at least an annual basis by the Management Committee and is facilitated by the Risk & Compliance Function with members of the Risk & Compliance Committee and the CRIAC playing a key role with regards to identification and assessment of top-down risks.

'Top risks' are the risks which are determined to be most significant when considering the potential likelihood and impact, should those risks materialise. The final decision as which risks are deemed to be 'top risks' for the firm is taken by the Management Committee as part of the Internal Capital Adequacy and Risk Assessment (ICARA) process. The ICARA is the centrepiece of Artemis' risk management process and ensures that the firm has appropriate systems and controls in place to identify, monitor and, where proportionate, reduce potential material harms that may result from Artemis' business.

4. Risk Management

Risk & Control Self-Assessment

Each business function at Artemis is required to complete a Risk & Control-Self Assessment (RCSA) on at least an annual basis. Artemis also completes annual cross-cutting or thematic RCSAs on specific risk themes that can have an impact across multiple business functions. RCSAs provide a 'bottom-up' and systematic approach for the identification and assessment of risks including risks to the firm, clients and/or markets, and the appraisal of the controls in place to mitigate these risks.

In 2023, Artemis commenced work on a dedicated 'Sustainability Risk' RCSA which incorporates the identification and assessment of climate-related risks, alongside other sustainability risks. The initial assessment of risks has identified that, over the short to medium term time horizon, climate-related transition risks (e.g. failing to meet new sustainability or climate-related regulations) are more numerous and potentially more impactful to Artemis' business in comparison to physical climate-related risks (e.g. extreme weather causing business disruption). Further details of the physical and transition risks we have identified are set out on pages 14 to 15.

Emerging Risk Assessment

Emerging risks are risks which may develop or already exist and are continuously evolving. They are characterised by a high degree of uncertainty in terms of impact and likelihood but can have the potential to impact Artemis and its clients. By their very nature, emerging risks are inherently difficult to quantify and cannot be assessed using other methods such as the Top-Down Risk Assessment or the RCSA.

On a six-monthly basis, Artemis completes an Emerging Risk Assessment and report the results to the CRIAC for discussion. Emerging risks are classified according to their potential impact (e.g. very high, high, medium or low) and the time horizon in which they may have an impact. The emerging risks component of the ERMF has been capturing climate-related risks, particularly the risk of physical catastrophe events, for several years.

Future developments

In 2024, we plan to further develop the monitoring and reporting of climate-related risks within Artemis' ERMF. For example, we plan to define quantitative Key Risk Indicators (KRIs) for the climate-related risks identified within the Sustainability RCSA process. Climate-related KRIs will then be reported to relevant governance fora, enabling senior management to monitor climate risk exposures over time and, when necessary, take steps to ensure climate-related risks are managed within the firm's risk appetite.

Our investments

The identification and assessment of climate-related risks in our investment portfolios is the responsibility of each Artemis investment team. As active managers investing across a range of different strategies and asset classes, we believe that our investment teams are best placed to assess the financially material climate risks for their individual portfolios and holdings. Furthermore, climate data and metrics can be complex and fast-evolving, with many data-sets still in their infancy, incomplete or estimated by our data providers. The use of these metrics requires caution and judgment, which our investment teams are best placed to apply given their deep understanding of their portfolios and their holdings.

Climate risks may be identified and assessed at various stages of the investment process, for example through investment research, sector analysis, stock selection, peer analysis or through management engagement. The extent to which climate risk is relevant to any investment will depend on a wide range of factors, such as the materiality of the climate risk to the individual investment case, the importance of climate risk in the overall investment objective or investment policy for the strategy, or the time horizon for the investment. Our investment teams undertake thorough due diligence as part of their investment research processes to assess all relevant economic and financial factors, including relevant climate-related factors, to make investment decisions aligned with the overall objective of the portfolios they manage.

Our investment teams are supported in their analysis by the Investment Risk team who undertake regular investment risk review meetings with each investment strategy.

MSCI's Climate Value-at-Risk (CVaR) metrics

Since 31 December 2023, we have been further developing our climate risk management framework for our investment portfolios by building a data dashboard for climate scenario analysis. Our Investment Risk team are working to incorporate forward-looking climate data from our main climate data provider (MSCI) which aims to provide an assessment of the financial impact of various climate scenarios on individual companies and on our portfolios by estimating the present value of future costs and opportunities in different climate scenarios. MSCI's Climate Value-at-Risk (CVaR) metrics look at both the physical impact of climate change and the impact of the transition to a low carbon economy. CVaR metrics rely on complex modelling tools which try to quantify the myriad of real-world impacts of climate change over the long-term. We recognise that metrics and models such as MSCI's CVaR remain at a very early stage of development and we are working to increase our own understanding of these datasets and how best to utilise them in our investment decision-making and risk management oversight processes going forward.

5. Metrics and Targets

In accordance with the TCFD recommendations, this section sets out our climate metrics for our investment portfolios and our business operations. The climate metrics in this report will be updated on an annual basis and are likely to evolve over time in line with data improvements and industry developments. Climate metrics can be rather technical in nature and we have sought to provide high-level explanations for the key metrics we have disclosed in this report to help you to better understand the terminology.

Greenhouse Gases (GHG) Emissions

Greenhouse gases are gases that trap heat in the earth's atmosphere, leading to global warming and climate change. The main greenhouse gases are carbon dioxide, methane and nitrous oxide. Measuring GHG emissions is the primary tool used to assess the impact of a company's activities on climate change. The common unit of measurement for GHG emissions is tonnes of carbon dioxide equivalent (tCO2e), which allows us to compare the impact of different greenhouse gases in a consistent manner.

Scope 1, 2 and 3 is a way of categorising the different kinds of GHG emissions and forms the basis for how companies report their emissions using the Greenhouse Gas Protocol, the most widely recognised accounting standard for GHG emissions.

Scope 1 Emissions

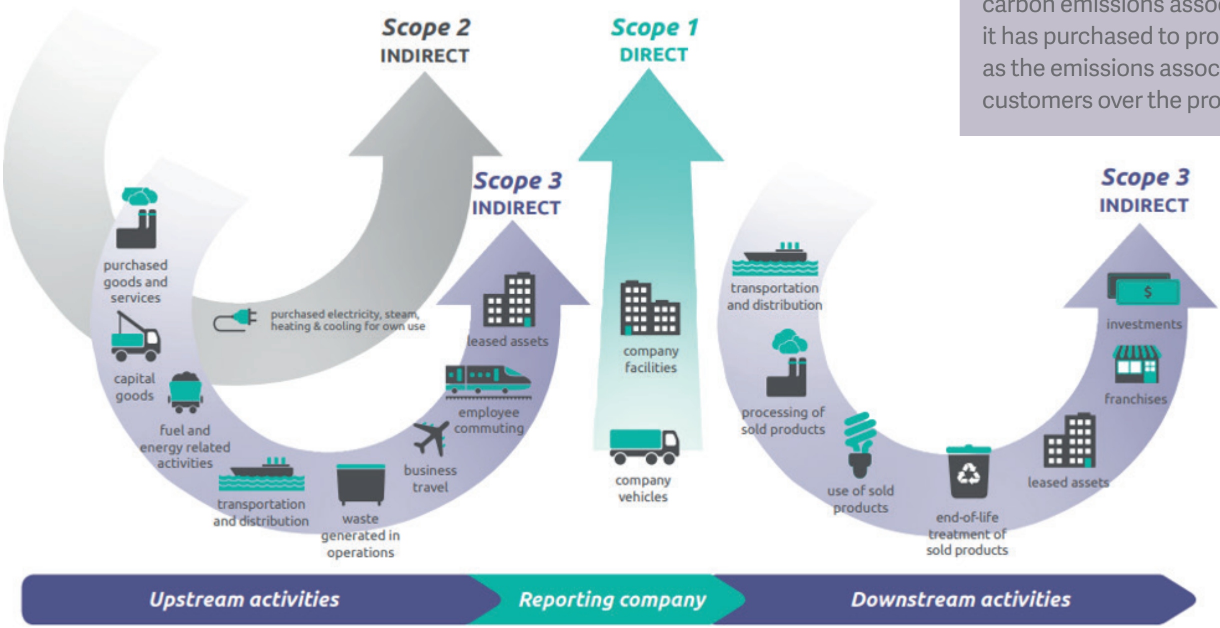
These are the ***direct*** GHG emissions that are generated from sources that are directly owned or controlled by a company. For example, a parcel delivery company would report its emissions from its delivery vehicles, depots and offices.

Scope 2 Emissions

These are a company's ***indirect*** GHG emissions from the generation of purchased energy. For example, a law firm would report the emissions associated with the electricity purchased by the business across all of their locations.

Scope 3 Emissions

Scope 3 emissions are all ***indirect*** GHG emissions (not included in Scope 2) that occur in a company's value chain, including both upstream and downstream emissions. There are 15 subcategories of Scope 3 emissions. Emissions along the value chain often represent a company's largest GHG emissions. For example, a car manufacturer would report the carbon emissions associated with the raw materials which it has purchased to produce its cars (such as steel) as well as the emissions associated with the use of those cars by customers over the product's lifecycle.



Source: Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

5. Metrics and Targets

Metrics for our investments

As an asset manager, Artemis' largest emissions are our Scope 3 emissions which relate to our investment portfolios (Scope 3 emissions under category 15 (investments) or 'financed emissions'). We use the following metrics to report our financed emissions: Financed Scope 1, 2 and 3 emissions, Carbon Footprint and Weighted Average Carbon Intensity. Please note that each of our investment strategies is managed in accordance with its own investment objective. Metrics for each fund are published in our TCFD Fund-Level Reports which can be found here. The metrics published below are the same metrics which are used for our fund-level reporting provided on a whole-firm basis and are aligned with TCFD recommendations.

Key Climate metrics as at 31 December 2023

Metric	Description	AIM LLP value	AIM LLP Coverage	AFM Ltd value	AFM Ltd Coverage
Total AuM	**Assets under Management**	**£23.3 billion**		**£17.7 billion**	
Financed GHG Emissions	**Scope 1 and Scope 2** (tCO2e)	**1,730,394**	88%	**1,378,886**	86%
	Scope 3 (tCO2e)	**12,967,852**	88%	**10,429,213**	86%
Carbon Footprint	**Scope 1 and Scope 2** (tCO2e per $1 million invested)	**58.5**	88%	**61.5**	86%
	Scope 3 (tCO2e per $1 million invested)	**438.1**	88%	**465.2**	86%
Weighted Average Carbon Intensity (WACI)	**Scope 1 and Scope 2** (tCO2e per $1 million revenue)	**104.6**	92%	**106.8**	91%
	Scope 3 (tCO2e per $1 million revenue))	**634.2**	92%	**661.7**	91%

Financed GHG Emissions: This is an ownership-based metric. It is the sum of all the Scope 1 and 2 (and the sum of Scope 3) GHG emissions associated with the investments. This is an absolute metric which cannot be used for comparative purposes.

Carbon Footprint: This is an ownership-based metric. It is measuring the GHG emissions associated with $1 million invested. This is a relative metric which can be used for comparative purposes.

Weighted Average Carbon Intensity (WACI): WACI measures exposure to carbon intensive companies. It is a calculation of the tonnes of CO2e emitted per US$1 million of company revenue. This metric is based on portfolio weightings rather than ownership of GHG emissions. This is a relative metric which can be used for comparative purposes.

Further explanations of each of these metrics can be found in our TCFD Fund-Level Reports here. Certain asset classes are excluded from our TCFD climate metrics because they either do not have a carbon profile or because there are currently no generally accepted methodologies for calculating a carbon profile for them. Artemis is treating the following asset classes as in-scope (or eligible) for our TCFD reporting: publicly-listed equities; corporate bonds, and sovereign bonds. All other asset classes are excluded, including cash, money market instruments and derivatives.

The table above sets out the climate metrics for our aggregate AuM for both AIM LLP and AFM Ltd. AFM Ltd delegates portfolio management services to AIM LLP and both entities are required to publish TCFD reports under the FCA's ESG Sourcebook. As AIM LLP is the parent entity of AFM Ltd, the climate metrics for AIM LLP include 100% of the AuM managed by AFM Ltd. The two sets of metrics in the table above should therefore not be interpreted as cumulative, but rather the AFM Ltd metrics represent a sub-set of the AIM LLP metrics. Alongside each climate metric, we include a coverage value which represents the percentage of the total AuM for which we have data for that metric.

5. Metrics and Targets

Calculation methodologies

Metric	Explanation
Financed GHG emissions	$\sum\left(\frac{\textit{current value of investment}}{\textit{investee company's enterprise value}}\ \textit{x investee company's scope (x) GHG emissions}\right)$
Carbon footprint	$\frac{\sum\left(\frac{\textit{current value of investment}}{\textit{investee company's enterprise value}}\ \textit{x investee company's scope (x) GHG emissions}\right)}{\textit{current value of all investments (\$M)}}$
Weighted Average Carbon Intensity (WACI) - Corporates	$\sum\left(\frac{\textit{current value of investment}}{\textit{current value of all investments (\$M)}}\ x\ \frac{\textit{investee company's scope (x) GHG emissions}}{\textit{investee company's \$M revenue}}\right)$

NZAMi targets

As a signatory to NZAMi, Artemis is committed to supporting the goal of net zero GHG emissions by 2050 or sooner. We have previously set a firmwide interim objective for assets in-scope for our NZAMi commitment (currently developed world equities) to reduce Scope 1 and Scope 2 carbon emissions intensity (tCO2e/$ 1 million invested) by 50% by 2030, as measured against a 2019 baseline. Please note that our NZAMi commitment represents a firm-level objective and relates to Artemis' overall approach to climate change across our investments rather than to the specific objectives of individual funds or strategies.

During 2023, we analysed our assets which are in-scope for our NZAMi commitment to assess them for alignment to net zero using the Paris Aligned Investment Initiative Net Zero Investment Framework (NZIF). During 2024, we will be reviewing our interim objective for 2030 to ensure that this is aligned with our overall approach to prioritise the achievement of real economy emission reductions. This will focus on company-level alignment (rather than portfolio emissions) to ensure that we are focused on actions which are likely to have a real-economy impact, by encouraging investee companies to set targets and make progress on their own net zero goals. Please see page 10 for further details on our approach to NZAMi.

5. Metrics and Targets

Data limitations

Data quality

Despite continuing improvements in general climate data availability, there are ongoing challenges with the quality and availability of climate data for TCFD metrics. This data availability and quality issue is especially acute for fixed income issuers (which are often private companies), for smaller companies and for companies in emerging markets. There are also broader challenges around the use of Scope 3 climate data, as explained further below.

We expect data coverage levels to improve as more companies disclose their climate metrics over time which we hope will in turn improve the quality of our TCFD disclosures in future years. Whilst every effort has been made to check the data we are publishing in our TCFD Reports, we recognise that there may remain potential sources of error in our disclosures, for example due to poor quality or inconsistent data, incorrect data from our data provider, errors in aggregation methodologies or due to IT system errors.

Data sources and data provider

Artemis uses MSCI data as the single source of all climate-related data for our TCFD Reports which helps to ensure consistency of data and methodologies across our disclosures.

Climate data used for our TCFD metrics may be either company-reported data or estimated by our data provider (MSCI). For Scope 1 and Scope 2 emissions, we have used company reported data (sourced from MSCI) where available. Where reported Scope 1 and Scope 2 emissions data is not available from companies, MSCI uses an estimation methodology. We have used MSCI's estimated (rather than company-reported) Scope 3 data for all Scope 3 metrics because the availability and consistency of Scope 3 emissions data reported by companies remains very limited and the quality of disclosures is unreliable at this time.

Lagged climate data

One of the challenges with reporting climate metrics is the issue of mismatched dates for carbon emissions data and holdings data for our investments. Companies will typically report their emissions data for a given year some time after their financial year-end, which means that the carbon emissions data for our portfolio holdings as at 31 December 2023 will not be contemporaneous with that date. There is also a further time-lag impact due to the time needed by our data provider to incorporate company-reported emissions into their own data-sets.

We have sought to mitigate the impact of lagged emissions data by using the latest emissions data available to us at the time we were preparing our TCFD reports. This means that whilst the AuM data in our TCFD Reports is as of 31 December 2023, the MSCI climate data we have used is as of 31 March 2024. This provides more up-to-date emissions data than was available at 31 December 2023 but does not fully mitigate the impact of lagged emissions data.

A note on Scope 3 emissions data

The quality of Scope 3 emissions data reported by companies remains very low at this time due to significant gaps and variability in corporate disclosures. As Scope 3 emissions are a company's indirect emissions, they can be harder for companies to monitor, measure or control. Despite these quality issues, the FCA's climate disclosure rules now require us to include Scope 3 metrics in our TCFD Fund-Level reporting. In order to mitigate the challenges of inconsistency of reported data, we therefore use MSCI's estimated Scope 3 dataset in our TCFD Reports to ensure consistency of methodologies across sectors.

It is important to note also that the GHG Protocol's Corporate Value Chain (Scope 3) Standard was designed to enable comparisons of a company's GHG emissions over time. It was not designed to support comparisons between companies and was not necessarily designed with portfolio aggregation in mind. Although Scope 3 emissions data (reported or estimated) can provide useful insights for our climate analysis, we do not think it is appropriate to aggregate Scope 3 emissions with Scope 1 and Scope 2 emissions within Carbon Footprint and WACI metrics and have reported these metrics separately in our TCFD Reports.

We also recognise the issue of double-counting when using Scope 3 emissions data. Double counting of emissions can occur when a single portfolio holds multiple companies from the same supply chain, because all indirect emissions (Scope 3) are ultimately the direct emissions (Scope 1) from other companies. Scope 3 emissions can also be double counted if two companies operate within the same value chain and are both indirectly responsible for the same emissions. It is impossible to accurately assess the extent of double counted emissions in a portfolio and the issue is widely acknowledged as an inherent challenge in using Scope 3 metrics.

5. Metrics and Targets

Metrics for our operations

Artemis is committed to reducing our own environmental impact within our business operations. In line with the TCFD recommendations, we measure and report our Scope 1, Scope 2 and material Scope 3 emissions.[5] Our Scope 2 emissions (purchased electricity) are reported using the location-based method . Since 2022, 100% of the electricity supply that Artemis purchased came from a renewable provider and, where possible, the landlords of our offices are on green or renewable tariffs. Our market-based Scope 2 emissions are therefore 0 tCO2e for 2023.

Over the last five years, Artemis have partnered with Planet Mark (a third-party corporate sustainability adviser) and participated in their certification process, which recognises continuous improvement, encourages action and is actively involved in the development and implementation of internationally recognised net zero standards such as ISO, BSI and the UN-backed Race to Zero. Planet Mark calculates our annual carbon footprint and we have achieved certification annually over this period. We have also offset our annual operational emissions (as calculated by Planet Mark), starting with our emissions for 2020, through Gold Standard. All carbon credits purchased are Gold Standard verified and the retirements are available on their public registry. Carbon credits purchased through the Gold Standard marketplace benefit project developers directly, enabling them to maintain and expand their project activity and deliver more climate and sustainable development impact.

Operational emissions targets

We aim to reduce our operational emissions by 5% per annum. Recognising that a large proportion of Artemis' emissions are from travel between the London and Edinburgh offices, a new travel policy was introduced in 2023. This policy requires staff to consider their carbon footprint whenever travelling and choose public transport over private, and to choose train over air travel. Hotels with high sustainability ratings should also be preferred.

During 2023, Artemis undertook various actions to improve our operational energy efficiency including:

- ongoing staff engagement, with a number of events and activities held during WTO Trade and Environment Week to raise awareness of our carbon footprint and to reinforce the right behaviours;
- the continued review of office suppliers to identify alternatives who operate more sustainably;
- adjusting the London office air conditioning to reduce usage at quieter times; and
- holding a webinar for all employees on our updated travel and expense policy, emphasising the use of more energy efficient modes of transport e.g. the use of trains as an alternative to aeroplanes for inter-office travel.

Emissions source	Description and unit of measurement	2023
Buildings: [5]		
Electricity (location-based) [6]	Scope 2 emissions (tCO2e)	136.2
Natural gas	Scope 1 emissions (tCO2e)	97.5
Transmission/ distribution losses	Scope 3 emissions (tCO2e)	11.8
Water [5]	Scope 3 emissions (tCO2e)	1.3
Waste [5]	Scope 3 emissions (tCO2e)	0.3
Paper [5]	Scope 3 emissions (tCO2e)	0.8
Business Travel	Scope 3 emissions (tCO2e)	196.6
Total Scope 1 and 2 emissions	(tCO2e)	233.7
Total Scope 1, 2 and 3 emissions	(tCO2e)	444.5
Emissions per employee [7]	Scope 1 and 2 emissions per employee (tCO2e/employee)	1.03
	Scope 1, 2 and 3 emissions per employee (tCO2e/employee)	1.96

[5] For the year ended 31 December 2023, the reporting boundary for our operational emissions is our London and Edinburgh offices, which represent the vast majority of our physical operations. Our operational emissions metrics do not include emissions relating to our offices in Munich and Zurich, which we have deemed to be immaterial in light of the very low number of employees currently based at these locations.

[6] A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen.

[7] We publish 'emissions per employee' as our intensity metric as Artemis is a 'people' business and we deem this to be the most appropriate intensity metric for our business.

Glossary

Term	Explanation
AuM	Assets under management.
Carbon Footprint	Carbon footprint represents the total GHG emissions associated with a $1 million investment in the fund.
Carbon intensive sector	Carbon intensive (or high impact) sectors are those industrial sectors, such energy or transportation, which have a significant impact on global carbon emissions. These sectors are determined based on global industrial sector codes which are used to classify companies.
CO2e (Carbon dioxide equivalent)	An aggregation of the greenhouse gases into their equivalent as carbon dioxide (CO2), which allows us to compare the impact of different greenhouse gases in a consistent manner.
CVaR	MSCI's Climate Value-at-Risk metrics which provide an assessment of the financial impact of various climate scenarios on individual companies.
Emissions scopes (Scope 1, Scope 2 and Scope 3 GHG emissions)	The GHG Protocol Corporate Accounting and Reporting Standard classifies a company's GHG emissions into three scopes. ▪ Scope 1: direct emissions from owned or controlled sources. ▪ Scope 2: indirect emissions from generation of purchased energy. ▪ Scope 3: all indirect emissions (not included in scope 2) that occur upstream and downstream the organisation value chain. There are 15 subcategories of scope 3 emissions.
Enterprise value including cash (EVIC)	Enterprise value including cash means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalent.
GHG	Greenhouse gases. The seven gases included in the United Nations Framework Convention on Climate Change (UNFCC) as drivers of climate change. These are: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6), and nitrogen trifluoride (NF3).
GHG Protocol	The Greenhouse Gas Protocol is an initiative that serves to determine a universal standardized measurement by which companies and organizations can be evaluated on their output of GHG emissions.
NAV	Net asset value is the total value of a company or fund, measured by taking the total value of its assets, less its liabilities.
NGFS	Network for Greening the Financial System.
NZAMi	Net Zero Asset Managers initiative.
NZIF	The Net Zero Investment Framework.
Paris Agreement	The Paris Agreement is an international treaty adopted in 2015 with the goal of holding the increase in the global average temperature to well below 2˚C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5˚C above pre-industrial levels.
TCFD	Task Force on Climate-related Financial Disclosures. Created by the Financial Stability Board to develop recommendations on how companies should disclose information to support stakeholders appropriately asses and price climate-related risks.
WACI	Weighted average carbon intensity.

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