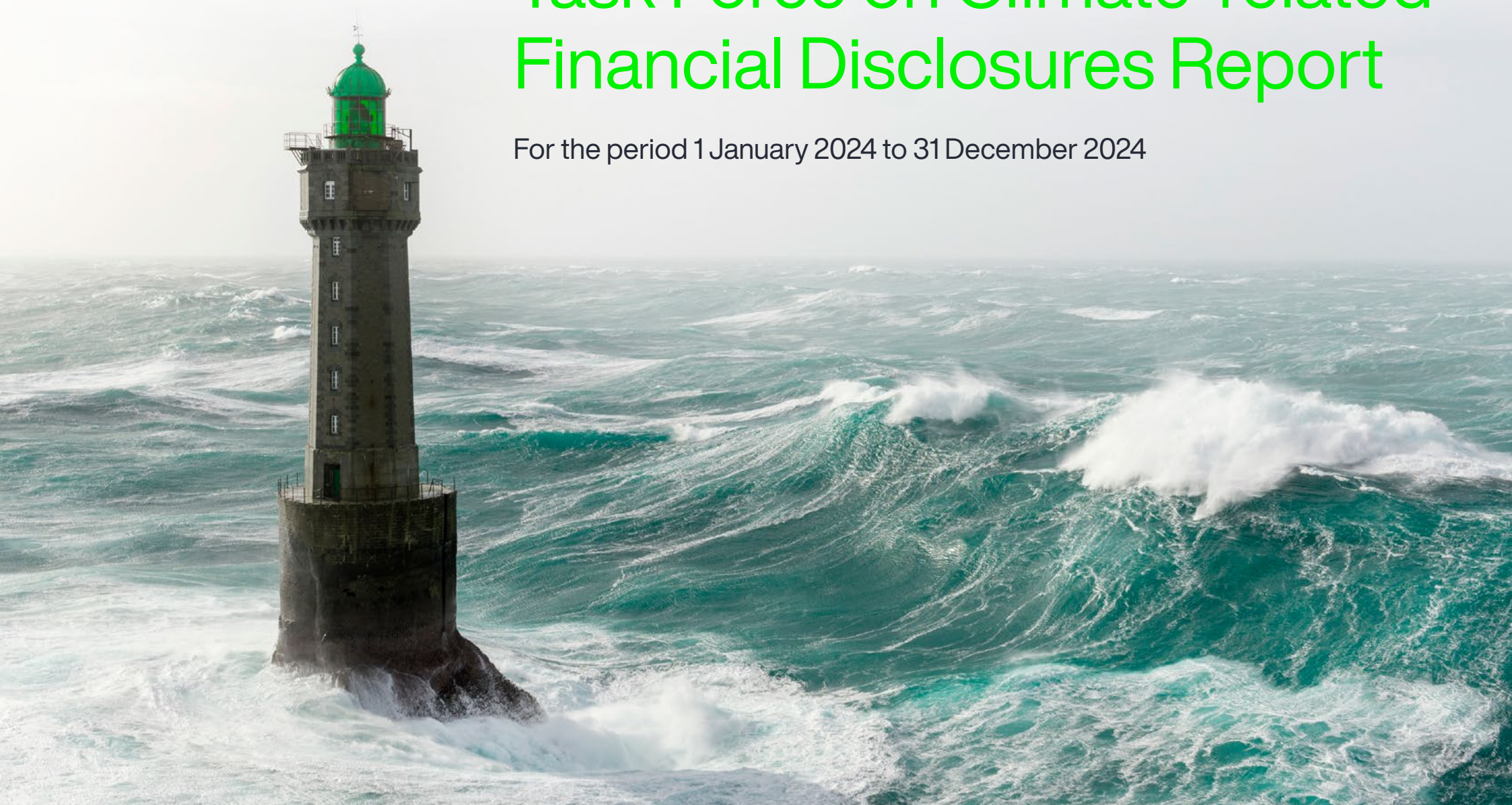




# Task Force on Climate-related Financial Disclosures Report

For the period 1 January 2024 to 31 December 2024



# Introduction and Background

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Waystone Management (UK) Limited (“WMUK” or the “Company”) is pleased to present its second annual Task Force on Climate-related Financial Disclosures (“TCFD”) report. This report is structured in line with the recommendations made by the Task Force in 2017, and subsequent guidance:

- **Section A:** WMUK as a corporate entity whose business activities could impact climate-related risks.
- **Section B:** WMUK as an independent Authorised Fund Manager (AFM) overseeing the assets of schemes with ESG credentials.

## WMUK’s Relationship with Waystone Group

WMUK is a subsidiary of the Waystone Group (“Waystone”), an unlisted and privately owned company. As WMUK operates within the Waystone group structure and is influenced by it in its consideration of TCFD factors in its day-to-day business, it is relevant to consider Waystone’s approach to sustainability prior to setting out WMUK’s current and future approach to TCFD (see Section A).

Waystone leads the way in specialist services for the asset management industry. Partnering institutional investors, investment funds and asset managers, Waystone builds, supports and protects investors, investments and strategies worldwide. With over 20 years’ experience and a comprehensive range of specialist services to its name, Waystone provides its clients with guidance and tools to allow them to focus on managing their investment goals with confidence. Its teams have the expertise, knowledge and technical capabilities to provide fit-for-purpose, efficient and compliant solutions. And it can do so right across the world.

Waystone’s Group Head of Sustainability and Group Sustainability Committee are responsible for setting, driving, and supporting the corporate Environmental, Social and Governance (“ESG”) strategy, policy, and initiatives of the group, and the Global Chief Operating Officer (COO) is the executive sponsor for ESG.

Reporting on corporate sustainability is provided internally to the Waystone Executive Team, Group Board, and other internal boards.

Waystone calculates and monitors its carbon footprint and has committed to set science-based emissions reduction targets, in line with the Science Based Targets initiative (SBTi) criteria and recommendations, and submit these targets to the SBTi for validation in July 2025.



# WMUK's Business

WMUK is the independent Authorised Fund Manager ("AFM") of a number of Open-Ended Investment Companies ("OEICs") and Authorised Unit Trust Schemes ("AUTs") comprising of Undertakings for Collective Investment in Transferable Securities ("UCITS") funds. WMUK is also the independent Alternative Investment Fund Manager ("AIFM") to a number of Non-UCITS Retail Schemes ("NURS") including a Charity Authorised Investment Fund ("CAIF"), Qualifying Investor Schemes ("QISs"), Authorised Contractual Schemes ("ACSs") and Long-Term Asset Funds ("LTAFs"): together these are categorised as Alternative Investment Funds ("AIFs").

The combination of both AFM and AIFM (together "AFM") investment funds are known as the "Scheme(s)".

As an independent AFM, WMUK, with limited exceptions, outsources portfolio management to third-party investment managers. The investment managers are appointed by WMUK, via a discretionary investment management agreement, to manage each of the Schemes in accordance with the Scheme's prospectus (that is, the investment objective, policies, and strategies) and all applicable regulations. These third-party investment managers range in size such that a number were not required until 2024, at the earliest, to themselves produce a TCFD entity report. Where a third-party investment manager has produced a TCFD entity report this will be available on their website.

As at 31 December 2024, WMUK has not set out an obligation on all Schemes to be managed with consideration of climate-related risk targets. However, certain Schemes, as set out in their prospectuses, are designed through their objective, policy and strategy to meet certain ESG investment standards, which may include TCFD considerations, as well as naming and marketing rules, reporting and disclosure requirements under the FCA's Sustainability Disclosure Requirements ("SDR") reporting regime.

Waystone identified climate change mitigation as a material financial and operational risk through a double materiality assessment conducted in 2024. Climate action has been accelerating across its business, supported by the strengthening of its corporate sustainability capabilities, a new policy framework, and an expanding global sustainability programme of engagement and initiatives. Waystone's approach is guided by the Group Sustainability Policy, the upcoming science-based target submission, and its intention to proactively manage both transition and physical climate risks.

As WMUK is a significant independent AFM delegating portfolio management, it recognises both ESG and climate-related risks that emerge from each of its Schemes for which it delegates portfolio management. To assess, oversee and manage those risks, the WMUK Board has established a number of formal committees which support the Board in respect of such risks.

## Compliance statement

The disclosures in this report, including the product reports cross referenced, comply with the requirements under chapter 2 of the FCA's ESG Sourcebook which sets out the rules and guidance concerning a firm's approach to environmental, social and governance matters.

Any information provided by third parties is believed to be reliable but has not been verified by WMUK, which supports the Board in the monitoring of such risks. As these risks are within the Schemes, and are not directly controlled on a day-to-day basis by WMUK (as the portfolio management of the schemes is delegated to third party investment managers), these oversight arrangements are set out in Section B.

Signed:



Name: Andrew Berry

Date: 27 June 2025



# Section A – WMUK TCFD Report

## General

In accordance with the requirements of ESG2.2 TCFD Entity Report of the FCA handbook this report sets out the four key matters (commonly known as the “four pillars”) which should be addressed by a firm in its TCFD report, with the pillars underpinned by eleven supporting disclosure recommendations. The report below is structured on that basis and is concerned with WMUK as a business entity.

Governance (Pillar 1)	
Disclose the organisation’s governance around climate-related risks and opportunities, incorporating disclosure requirements.	<p>The governance of WMUK stems from the direction set by the Board. The Board comprises of three independent Non-Executive Directors and four Executive Directors. The Board is responsible for directing and overseeing WMUK and its corporate governance framework. The Board is required to act in the best interests of the Company’s shareholders and have appropriate regard for the Company’s other stakeholders, primarily to act in the best interests of the investors in the Company’s Schemes.</p> <p>Climate strategy and decarbonisation are led by the Group Head of Sustainability, a newly created position in the Corporate Sustainability Group function. The Group Head reports to the Global Chief Operating Officer which ensures operational alignment and enables close coordination across functions such as Finance, Procurement, Vendor Management, Enterprise Risk, and Real Estate/ Facilities. The Group Sustainability Committee and a growing network of global Sustainability Champions support implementation across regions. Climate-related risks are actively considered within the existing risk management processes; however, Waystone recognises the need for further assessment, alignment, and integration across the group. In 2025, Waystone will continue to advance this work through coordinated efforts with its Chief Risk Officers (CROs), with a particular focus on enhancing consistency across business units and progressing its approach to climate scenario analysis in line with evolving regulatory and stakeholder expectations.</p> <p>The Board retains overall responsibility for sustainability and ESG, please see details below.</p> <p>In progressively formalising its oversight of sustainability and ESG, WMUK will in subsequent years, as appropriate, enhance its disclosures in the Company’s Annual Financial Report.</p>
Describe the Board’s oversight of climate-related risks and opportunities.	<p>The Board retains overall responsibility for sustainability and ESG, which includes:</p> <ul style="list-style-type: none"><li>▪ Recognition of Waystone Group’s Sustainability Strategy which incorporates robust environmental, social and governance focus areas considered to be material to the business, and in due course its formalisation and adoption within the WMUK governance framework;</li><li>▪ Ensuring the regulatory requirements for sustainability and ESG in the Schemes, which have defined such outcomes in their prospectuses, and for which WMUK acts as independent AFM, are achieved and maintained (see Section B);</li><li>▪ The continued identification and consideration of any material exposure to any economic, environmental, and social sustainability risks and then monitoring those strategies to address these risks; and</li><li>▪ Establishing the means to exercise oversight and governance of ESG matters.</li></ul>
Describe management’s role in assessing and managing climate-related risks and opportunities.	<p>As the WMUK Board evolves its requirements for the oversight of climate-related risks and opportunities, WMUK will develop the metrics and key performance indicators that enable the WMUK Board to fully assess the Company’s management of those risks and opportunities.</p> <p>To enable this process to operate effectively, reporting to the Board will be achieved through various WMUK Board Committees, the structure of which is shown in Section B.</p>

## Strategy (Pillar 2)

**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.**

As of 31 December 2024, as a company, WMUK has not assessed the actual and potential impacts of climate-related risks and opportunities.

As part of the Waystone Group, WMUK's assessed contribution to the group's overall climate-related risks and opportunities will be incorporated in Waystone's future reporting.

**Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.**

During 2024, WMUK has supported a number of its delegated investment managers in adhering to the FCA's Sustainability Reporting Requirements, including compliance with the anti-greenwashing rules, the production of Consumer Facing Disclosures and applications to the FCA for fund sustainability labels. WMUK is working towards two funds receiving an SDR Sustainability Label in 2025. Please refer to Appendix 1 for more details.

WMUK has continued to support several funds with benchmark relative carbon limits.

During 2024, WMUK assisted its investment managers with the launch of two Long-Term Asset Fund ("LTAF"). The purpose of these types of funds is to facilitate investment across the UK into long term, less liquid private markets and alternative assets, while also offering access to self-certified retail investors. This will support investment into areas of:

- Infrastructure with ESG upgrade potential
- Forestry and timber
- Renewable energy

Waystone is focused on embedding its Net Zero Investment Framework across its wider AFM/AIFM business. This is integrated into the Portfolio Analysis Tool to provide the investment teams with a clear overview of key metrics and the ability to assess transition alignment.

While it currently only applies to public equities and fixed income, Waystone continues to work on other classes as guidance becomes available.

Waystone's evolving decarbonisation strategy covers operational efficiency, supply chain engagement, and employee behaviour. Waystone is developing a structured emissions reduction plan aligned with the SBTi framework, using 2023 as its carbon footprint baseline. Waystone's decarbonisation strategy involves focusing on:

- Real estate rationalisation and optimisation
- Renewable energy procurement
- Energy efficiency
- Employee commuting
- Supplier engagement

## Strategy (Pillar 2)

### Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Climate-related risks and opportunities are beginning to influence Waystone's strategic decisions, operational priorities, and resource allocation. Key developments in 2024 and early 2025 include:

- **Real estate optimisation:** Moves to more energy-efficient offices in Mumbai, Singapore, New York and London, and consolidations in Dublin and Leeds, are reducing emissions overheads, and environmental certifications (e.g. LEED, BREEAM, WELL) are now a growing part of office selection criteria.
- **Energy transition:** In 2024, 50% of Waystone's Scope 2 Purchased Electricity came from renewable sources. Waystone is mapping landlord energy arrangements to identify further opportunities and has introduced global energy efficiency measures following a formal energy saving audit in Ireland.
- **Commuting emissions:** A second consecutive global commuting survey has improved Scope 3 data quality, and may enable targeted support for lower-carbon travel options.
- **Supply chain engagement:** environmental expectations for suppliers in procurement and vendor due diligence lay the groundwork for reducing Scope 3 emissions.

### Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

As of December 2024, there are currently no matters to disclose in respect of WMUK.

A comprehensive review is currently underway to develop a TCFD-aligned approach to assessing climate risk for Waystone.

### Risk Management (Pillar 3)

**Disclose how the organisation identifies, assesses, and manages climate-related risks.**

As WMUK progressively develops its strategy in relation to climate-related risks, it will then be able to fully identify and assess those risks, and whether they are material to WMUK. WMUK will then develop appropriate mitigation to those risks. In future TCFD reports, WMUK will set out the risks that have been identified, assessed for their materiality and how those risks will be managed.

WMUK, through its interactions with Waystone's Sustainability function, supports Waystone's identification, assessment and management of climate-related risks.

Waystone is evolving its enterprise risk management framework to include specific climate and sustainability risks to support the local CROs. These include:

- Physical risks (e.g. energy performance, reliance on landlords) are being assessed via office-level data collection.
- Transition risks, such as policy changes and stakeholder expectations, are managed through continuous engagement with lenders, investors, and clients.

**Describe the organisation's processes for identifying and assessing climate-related risks.**

WMUK will be developing, through 2025, its approach to identifying and assessing climate-related risks.

**Describe the organisation's processes for managing climate-related risks.**

WMUK will be developing its approach and processes to identifying, assessing and managing climate-related risks and opportunities.

**Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.**

The WMUK Board, as it develops its governance of climate-related risks, will incorporate within its Committee Structure (see Section B) responsibility for the risk management, as appropriate, of climate-related risks.

#### Metrics and Targets (Pillar 4)

**Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**

For the year ended 31 December 2024, WMUK as a business entity, has not set any metrics or targets to assess and manage climate-related risks and opportunities, nor has it imposed such targets on Schemes for which it acts as the independent AFM.

As part of the Waystone Group, WMUK's assessed contribution to the group's overall climate-related risks and opportunities will be incorporated in Waystone's future reporting.

However, in December 2021, the FCA published PS21/24 – Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers.

PS21/24 introduced the Environmental, Social and Governance (“ESG”) sourcebook, with amendments being made to the Collective Investment Schemes (“COLL”) sourcebook (the “Regulation”).

This regulatory development requires that WMUK prepares both a TCFD entity report and Scheme reports for each Scheme where WMUK acts as the AFM.

The content of the Scheme report is aligned with the Task Force on Climate-related Financial Disclosures – Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (the “Disclosures”).

WMUK has published, on its website, each Scheme report for the year 2024 as of 31 December 2024. The availability of the Scheme report is cross referenced to the Scheme's financial statements, published post 30 June 2024. The full details of the measures applied to climate-related risks are set out in the Guide to the Climate Risk Report (“CRR”). The CRR has been produced to help investors better understand what TCFD is, to assist investors interpret product reports, and better understand the key metrics included in these reports.

The Guide to the CRR can be found at <https://www.fundsolutions.net/tcf-d-reporting/>

**Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.**

Waystone has developed its strategy and risk management processes to incorporate climate-related metrics that inform decision-making across the business. Key metrics in use include:

- **Carbon footprint data:** Completed for both 2023 (baseline) and 2024, covering Scope 1, Scope 2, and relevant Scope 3 categories.
- **Science-based targets:** Emissions reduction targets, aligned to the SBTi, have been developed through data-driven analysis of the baseline footprint and projected growth. These will be submitted for validation in July 2025.
- **Operational indicators:** Energy use is monitored enabling offices to track local energy saving performance.
- **Supply chain emissions:** Focus is being placed on improving Scope 3 data quality by replacing spend-based data with supplier-specific emissions factors.
- **Staff engagement metrics:** Local Sustainability Champions provide transparency on participation in initiatives related to energy saving, recycling, and behaviour change.

Waystone will publish its first public sustainability update in 2025, sharing progress and enhancing accountability. Continuous enhancement in its sustainability programme and measurement framework will support the evolution of its TCFD disclosures.



#### Metrics and Targets (Pillar 4)

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

	Definition	Emissions (tCO <sub>2</sub> e)
Scope 1	Direct emissions from Waystone's owned or controlled sources.	6
Scope 2	Indirect emissions from generation of purchased or acquired energy that is consumed by Waystone.	266
Scope 3	All indirect emissions (not included in scope 2) that occur upstream and downstream of the organisation's value chain.	30,442
Total		30,714

At this stage, Waystone has not completed a formal assessment of the specific risks and opportunities associated with its emissions profile however it intends to undertake further analysis as part of its ongoing commitment to climate change mitigation and decarbonisation.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

WMUK, as of 31 December 2024, has not set any targets for the Company to manage climate-related risks.

Waystone has undertaken a comprehensive review to determine its SBTi aligned targets, which has ensured that they are both meaningful and achievable. The targets have been thoroughly developed based on a comprehensive data-driven analysis of the carbon footprint baseline and organic growth projections for operational expenditure and FTE. These will be submitted to the SBTi for validation in July 2025.

# Section B – WMUK Oversight of Schemes with ESG credentials

To ensure that the Schemes operate within the parameters as set out in a Scheme’s prospectus, the WMUK Board has in place a robust Committee structure. Each Committee performs an oversight activity in respect of the various stages of a Scheme’s life cycle. Those Committees receive specific reports that enable each Committee to assess the appropriate identification and management of the identified risks and whether each Scheme is within acceptable risk tolerances. This approach enables the business to be challenged on the effectiveness of the controls operated and whether enhancements are required to existing process.

The below sets out the WMUK Governance framework, with a brief description of each Committee’s responsibility in respect of ESG.

## Waystone Management (UK) Limited (“WMUK”) Governance Structure



# Appendix 1 – FCA Sustainability Disclosure Requirements (SDR) regime

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During 2024, WMUK has supported a number of its delegated investment managers with adhering to the FCA's Sustainability Reporting Requirements, including compliance with the anti-greenwashing rule, assistance with production of Consumer Facing Disclosures and applications to the FCA for sustainability labels.

During 2024, 20 sub funds had a Consumer Facing Disclosure (CFD) produced and published with another 3 sub funds publishing CFDs in early 2025. The CFD provides investors with clear and concise information detailing the sustainability characteristics of the relevant sub fund. The sub funds in which a CFD has been produced and published are listed below:

- Crystal Fund
- Trojan Ethical Fund
- Trojan Ethical Global Income Fund
- Trojan Ethical Income Fund
- Trojan Fund
- Trojan Global Income Fund
- Trojan Income Fund
- WS T. Bailey UK Responsibly Invested Equity Fund
- WS Amati Global Innovation Fund
- WS Amati Strategic Metals Fund
- WS Amati UK Listed Smaller Companies Fund
- Buxton Fund
- WS Ruffer Absolute Return Fund
- WS Ruffer Equity & General Fund
- WS Ruffer Gold Fund
- WS Ruffer Total Return Fund
- WS Ruffer Diversified Return Fund
- WS Montanaro Europe (ex-UK) Small and Mid-Cap Fund
- WS Montanaro Global Select Fund
- WS Montanaro UK Income Fund
- WS Guinness Sustainable Energy Fund
- WS Guinness Global Quality Mid Cap Fund
- WS Epworth Climate Stewardship Fund for Charities

At the timing of this report, two funds have received regulatory approval for a Sustainability label. The objective and policy of the WS Guinness Sustainable Energy Fund was updated on 7 April 2025 to allow the fund to apply the 'Sustainability Focus' label. The WS Montanaro Better World Fund has received approval from the FCA to make changes to the investment objective and policy to allow the Fund to apply the 'Sustainability Impact' label. These changes have been approved and are expected to be effective on 30 June 2025.

Looking ahead into 2025, WMUK is in the process of drafting and producing the SDR Product Level and Entity Level Sustainability Reports. The Entity Level Sustainability Report will build on the information included in this TCFD report and will be available in late 2025. The Product Level Sustainability reports can be expected to be published in 2026.

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