

Amati
Global Investors

Amati Carbon Reduction Plan



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Introduction

Report Overview

Amati has developed a carbon reduction plan, with a view to reducing our carbon footprint as a business and to align with the Scottish Government's net zero target. This plan was prepared with the valuable support and assistance of the Edinburgh Climate Change Institute and the Edinburgh Chamber of Commerce, through the Climate Springboard Programme.

This report outlines our approach to defining the company's boundaries, specifying which emissions are included in our assessment, and explaining the rationale for excluding certain emissions at this stage of our carbon reduction journey. It presents our carbon footprint for the period up to December 2023, making this our baseline year for future reporting, and provides an update on our progress in reducing business emissions. Additionally, we outline both short-term and long-term action plans to support our commitment to achieving net zero, in alignment with Scotland's broader targets. An annual follow-up report will be published, detailing the most recent annual carbon footprint and any progress made in reducing emissions.

The Company

Amati Global Investors ("Amati") was established in Edinburgh in 2010 with the objective of providing our investors with savings vehicles offering exposure to dynamic areas of the market. We aim to curate diverse portfolios of carefully analysed businesses capable of performing in a variety of market conditions. Independent and committed to active management, we have created an environment that enables our investment teams to work together effectively, focusing on making good investment decisions for our clients. Amati manages

the Amati AIM VCT, Amati AIM IHT Portfolio Service, WS Amati UK Listed Smaller Companies Fund, WS Amati Strategic Metals Fund and the WS Amati Global Innovation Fund.

As at December 2023, Amati employed 25 people, six of whom worked remotely on a full-time basis. We lease office space in a listed townhouse on Coates Crescent in Edinburgh, located within a conservation area. The building is shared with other companies, and Amati occupies 60% of the space. As tenants rather than property owners, we face challenges in reducing our Scope 1 and Scope 2 emissions.

Pathway to Net Zero: Driving our Company's Commitment to Scotland's 2045 Climate Goals

The UK's Climate Change Act (2008) mandates a legally binding goal to reach net zero emissions by 2050, while Scotland has set a more ambitious target of reaching net zero by 2045. Achieving these targets requires individuals, organisations and businesses to reduce emissions progressively by changing behaviours, adopting new technologies, and making different purchasing choices.

The Streamlined Energy and Carbon Reporting (SECR) regulations mandate disclosure for large firms of their net zero commitments, with a view to promoting transparency and accountability. Amati, as a small enterprise, voluntarily discloses our net zero commitments as we believe we have responsibilities in this area and indeed a contribution to make to the collective endeavour of reducing carbon emissions. We therefore analyse our own operational emissions in order to identify key carbon reduction opportunities, enabling us to track our progress against our internal targets, which will serve to underline our broader commitment to Scotland's and the UK's net zero goals.

Our Commitment to Carbon Tracking & Climate Disclosure

Amati has already embarked on its carbon tracking journey. Starting in 2022, we began calculating and publishing Scope 1 and Scope 2 emissions in our Annual Report. In doing so, we applied the 2019 HM Government Environmental Reporting Guidelines and aligned our approach with the GHG Reporting Protocol – Corporate Standard, utilising the relevant UK Government Conversion Factors for Company Reporting.

In 2023, the company established a Working Group to consider how Amati could reduce its carbon emissions as a business. The Group concluded that reductions could be achieved through a mixture of reduced consumption across our value chain and associated activities, in combination with carbon offsetting, the latter based on the assumption that genuine offsetting, in the form of carbon capture and sequestration, would become available in the foreseeable future. We want to emphasise that our primary goal is to reduce our emissions, and will only consider offsetting once we have minimised our energy demand as much as possible.

Climate change is now actively considered as a significant investment risk in the due diligence conducted on potential investee companies, and we have enhanced our investment process in order to capture those risks with more precision. More generally, Amati has made many investments in companies which help to facilitate the energy transition; indeed the WS Amati Strategic Metals Fund was designed for the very purpose of enabling retail investors to gain exposure to the metals that will drive global

decarbonisation and the transition away from fossil fuels, and which will be essential if as a society we are to meet the targets of the Paris Agreement. The WS Amati Global Innovation Fund complements the themes developed by its sister fund by investing in companies seeking to address the challenges of sustainable development, in which innovation plays a crucial role. Further, both funds leverage off the insights developed by the team responsible for Amati's UK Smaller Companies and Venture Capital Trust strategies, where innovative companies responding to economic and societal challenges, including the risks and opportunities of climate change, have been central to our approach.

In terms of external validation and support, Amati has been a long-standing signatory to the UK Stewardship Code and a signatory to the UN-supported Principles



Our Commitment to Carbon Tracking & Climate Disclosure

for Responsible Investment (PRI). Our PRI Transparency and Assessment Reports, along with our Stewardship Report are available at: <https://www.amatiglobal.com/our-values> where more information can be found about the responsibilities and commitments of being a signatory.

Although there is currently no regulatory requirement for Amati to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we are supporters of the TCFD and recognise the importance of these disclosures in promoting the effective management of climate-related financial risks and opportunities across the economy and the financial system. To this end we are actively collaborating with Waystone Management (UK) Limited, the Authorised Corporate Director and co-manufacturer of our UCITS funds, to initiate the process of disclosing climate-related information in accordance with the TCFD framework. We are therefore pleased to report that the inaugural 2023 climate risk reports for each of our UK UCITS funds have now been published. Future reports will be benchmarked against data from previous reports, which will enable us to assess the extent to which our portfolios are becoming less carbon intensive, both at security and portfolio levels. Given that we are at a relatively early stage in our process, neither Amati nor Waystone has set formal targets to reduce the impact of climate risk associated with our funds, although this will be continually reviewed. These reports are published on Waystone's website at <https://www.fundsolutions.net/uk/amati-global-investors/ws-amati-investment-funds/>.

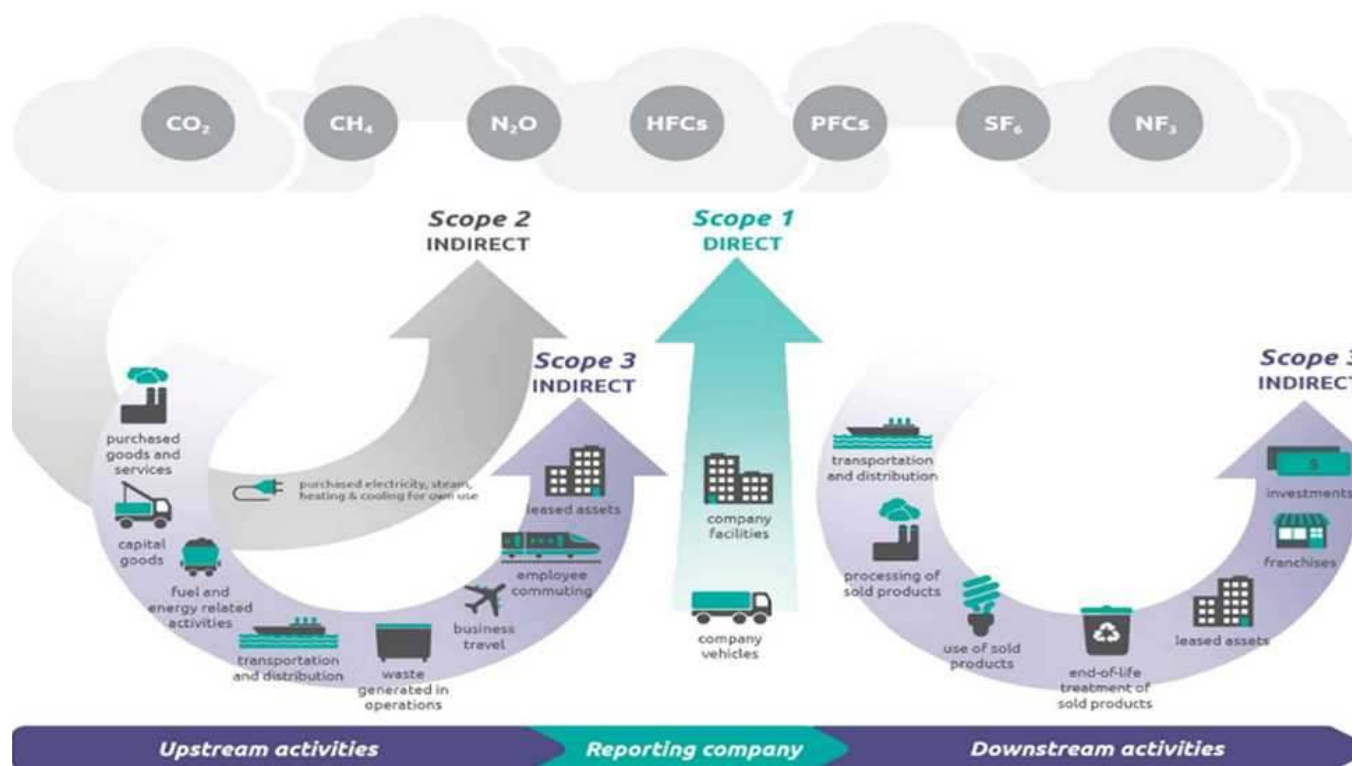


Boundaries

Assessment Boundaries

In the initial phase of developing a carbon reduction plan, it is crucial to define the assessment boundaries by first identifying the greenhouse gas (GHG) emissions associated with our operations. These emissions are then categorised into direct emissions (those from sources owned or controlled by the company) and indirect emissions (those resulting from operational activities managed by other companies).

We have now completed our initial assessment, establishing the boundaries relevant to Amati, and have provided an explanation of what is currently included and excluded from our boundary assessment. This assessment will evolve over time as emissions reporting becomes more robust and the accuracy of the data improves.



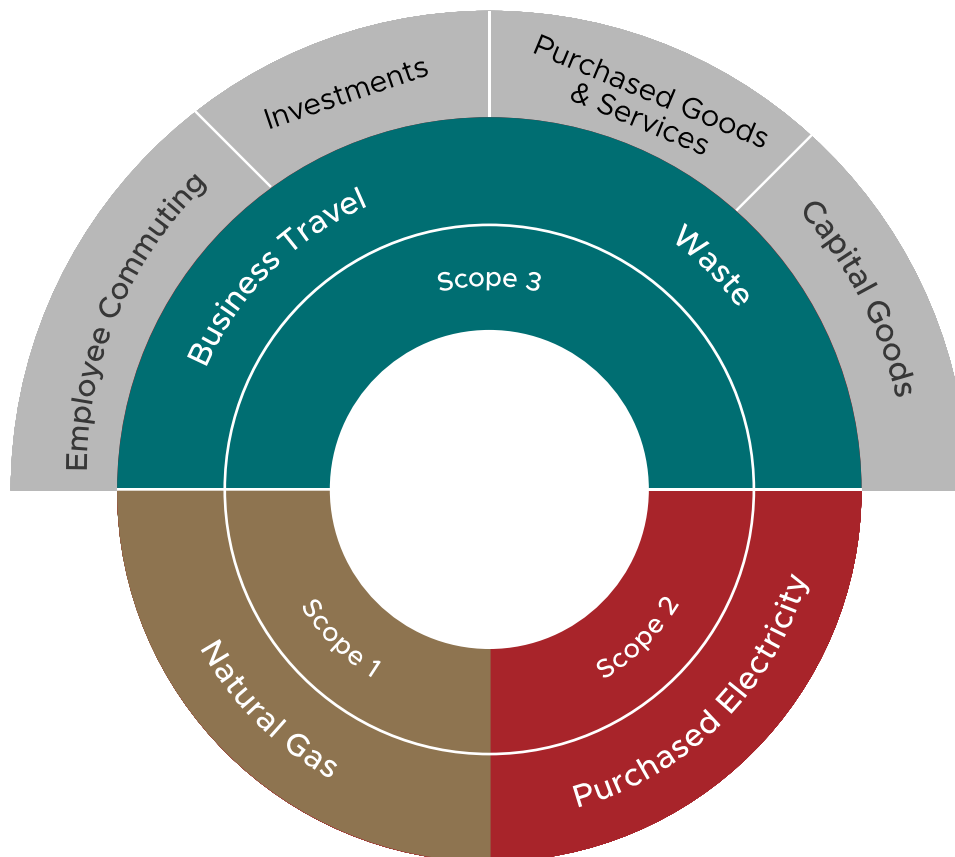
“GHG Protocol Scopes and Emissions Across the Value Chain”

This diagram from The GHG Protocol helps to explain the different GHG emissions across a company’s value chain and how these emissions are interlinked and categorised into Scope 1, 2 and 3. It is acknowledged that Scope 3 emissions represent the largest source of GHG emissions, thereby leading to significant opportunities for potential reductions.



Boundaries

Amati Global Investors: Boundaries



This diagram illustrates the sources included and excluded from Amati's current assessment boundary.

The assessment boundary includes the following, shown in colour on the diagram:

- Scope 1: Direct emissions from natural gas usage.
- Scope 2: Indirect emissions from purchased electricity.
- Scope 3: Waste and business travel.

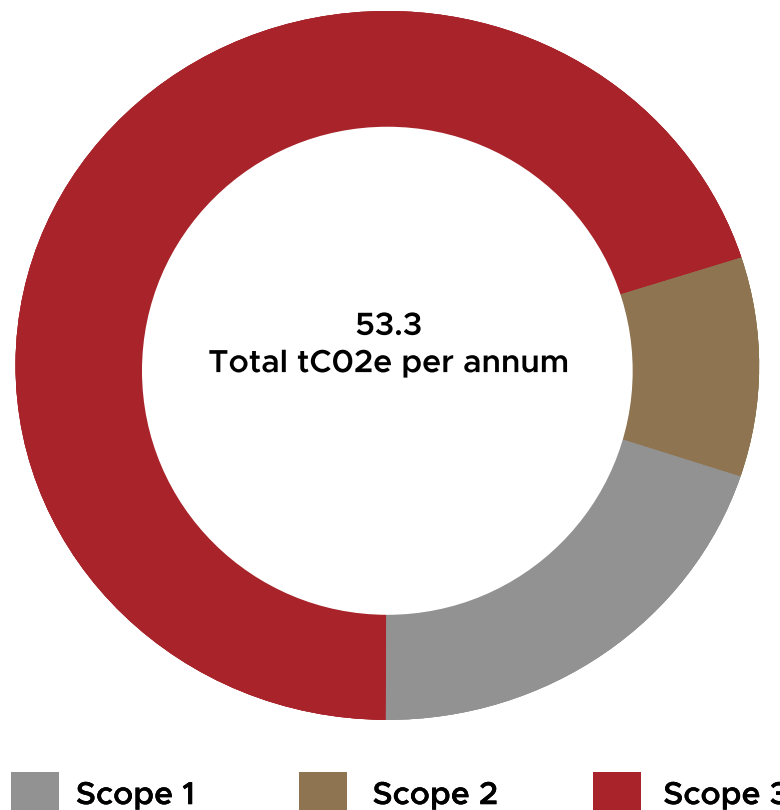
The following sources will not be included in the assessment, and we will discuss them in detail later:

- Scope 3: Purchased goods and services, capital goods, employee commuting and investments.

The following sources are excluded from the assessment as they are deemed irrelevant for the business:

- Scope 1: Company vehicles.
- Scope 3: Franchises, leased assets, end-of-life treatment of sold products, use of sold products, processing of sold products, transportation and distribution.

Carbon Footprint



We have completed a carbon footprint assessment for 2023, applying the 2019 HM Government Environmental Reporting Guidelines and aligning with the GHG Reporting Protocol – Corporate Standard. Additionally, we have used the UK Government’s 2023 Conversion Factors for Company Reporting.

Key findings from the assessment include:

Total emissions: 53.3 tonnes of Carbon Dioxide Equivalent (tCO2e)

Scope 1 emissions: 10.7 tCO2e (20% of total)

Scope 2 emissions: 2.1 tCO2e (4% of total)

Scope 3 emissions: 40.5 tCO2e (76% of total)

- Waste = 0.3 tCO2e
- Business travel = 40.2 tCO2e

Average emissions per employee per year: 2.1 tCO2e

Industry average: Using the Royal Bank of Scotland Carbon Tracker,* the carbon footprint for a company of similar size in the financial sector is approximately 297 tCO2e per year. Based on this, our emissions are currently 82.1% lower than the industry average. However, it’s important to note that we have not yet included all applicable emissions in our calculations. As we expand the categories we report on in the future, this figure will change and we will have the benefit of a more direct comparison with our industry peers.

*Royal Bank of Scotland Carbon Tracker use data provided by their partners Sage. The data covers scopes 1,2,3.1 (Purchased Goods and Services) and 3.8 (Upstream leased assets).

Emissions

Sources Included & Excluded

Emission Sources Included

SCOPE	EMISSION	SOURCES	Measurement Unit
Scope 1	Natural Gas	Utility bills	kWh
Scope 2	Purchased Electricity	Utility bills	kWh
Scope 3	Waste	Data from third party waste disposal provider	Number of bags to landfill / recycled
	Business Travel	Travel expenses and travel company	CO2 emissions from all modes of transport used

Emission Sources Not Included

SCOPE	EMISSION	SOURCES
Scope 3	Employee Commuting	Employee Survey
	Capital Goods	Purchase records
	Purchased Good & Services	Company expenses
	Investments	TCFD reporting

Employee Commuting

We have not included employee commuting in our carbon reduction plan due to having limited control over how employees travel to work, as commuting choices are personal and vary among individuals. As of December 2023, Amati had 25 employees. We offer flexible working arrangements, allowing employees to work from home when needed, with six employees working remotely on a full-time basis.

After conducting an employee survey, we found that the emissions associated with commuting are relatively low. We are pleased to see that many of our Edinburgh-based employees opt to walk, cycle, or take the bus to work, which significantly reduces their carbon footprint. For those who live further from the office, some commute by rail or car. We are encouraged by the fact that car sharing is being practised by employees when driving is the mode of transport.

Progress to Date:

- We offer both a Cycle to Work scheme and an Electric Vehicle scheme, both of which have been well received by our employees.

Action Plan:

- Continue to promote initiatives and review the policies annually.
- Continue to monitor employee commuting and consider future strategies.



Emissions

Sources Included & Excluded

Purchased Goods & Services

Moving forward, we will examine our expenditure on purchased goods and services, focusing on areas where we allocate the most resources. This will involve analysing the quantity of items purchased, rather than the monetary value, and identifying opportunities for greater efficiency. We are already taking steps to reduce paper usage, upon which we will further elaborate in this section.

Progress to Date:

- We are using recycled paper for printing internal documents.

Short-term Action Plan:

- Calculate our annual paper usage.
- Review and adjust printer default settings to double-sided and black & white printing.
- Identify areas where we can reduce printing.
- Investigate opportunities to eliminate unnecessary printing for business use.
- Educate employees on when and where they can reduce printing.

Long-term Action Plan:

- Further explore this area of our carbon impact and provide a plan in the future.

Investments

Given that we are at a relatively early stage of initiating the process of disclosing climate-related information in accordance with the TCFD framework, Amati has not set formal targets to reduce the impact of climate risk associated with our funds, although this will be continually reviewed.

Capital Goods

Capital goods are physical items used in the production of other goods and services, like machinery, equipment, and buildings. They are not directly consumed or sold but are used to produce products or services over time.

We plan to address capital goods emissions in the future, once we have made improvements in the areas identified in this report as our largest sources of emissions.



Emissions

Scopes 1 & 2

We rent our office space from the head tenant in a listed building situated in a conservation area, which creates obstacles for reducing our Scope 1 and 2 emissions. Our electricity plan uses 42% renewable energy, which is a positive start but ideally we would be looking for this to be 100% renewable in the coming years. We previously had electricity, which was from 100% renewable sources, however the head tenant of the building, who decides with which energy supplier to contract, changed the supplier in 2023 on the basis of cost rather than green principles. We are committed to researching options for electricity suppliers with renewables capability while also considering price, to see if we can make proposals to the head tenant.

Progress to date:

- Installed LED lighting throughout the premises.
- Turned down the thermostat in 2023.
- Encouraged employees to turn lights off when not required.
- Updated our website and improved its energy efficiency to Grade C, which is 55% less carbon intensive than the global average.
<https://www.websitecarbon.com/website/amatiglobal-com/>

Short-term Action Plan:

- To initiate discussions with the building owner and head tenant regarding Scope 1 and 2 emissions to see where we can make improvements.
- Estimate costs involved to establish where we can make potential improvements.
- To ensure all employees have implemented saving modes on all devices.

Long-term Action Plan:

- Arrange a visit from the Energy Saving Trust and/or Business Energy to assess the building's energy efficiency and identify potential areas for improvement.
- Install a smart meter on the premises, failing which install an energy smart monitor to collect more accurate daily readings, helping us to identify opportunities for energy efficiency.
- Research and evaluate options for draught proofing the office.
- Launch company-wide training sessions to raise awareness of energy saving best practices and empower employees to take responsibility for energy conservation in the workplace.
- Develop and distribute documentation, including posters, outlining best practices for employees.
- Investigate the emissions associated with sending mailings and explore ways to reduce or improve this process.
- Address the carbon impact of email attachments by implementing a company-wide policy to minimise their use, offering alternatives for file sharing.



Emissions

Scope 3: Business Travel

Travel will always be a necessary aspect of our business to engage with stakeholders, including through Annual General Meetings, Investor Days, industry events, and not least the management of our portfolio companies. While most of this travel is domestic, our WS Amati Strategic Metals Fund and WS Amati Global Innovation Fund both invest in global companies. It is essential for our fund managers to conduct site visits for due diligence purposes and to provide assurance that the highest operational standards are being maintained.

Progress to date:

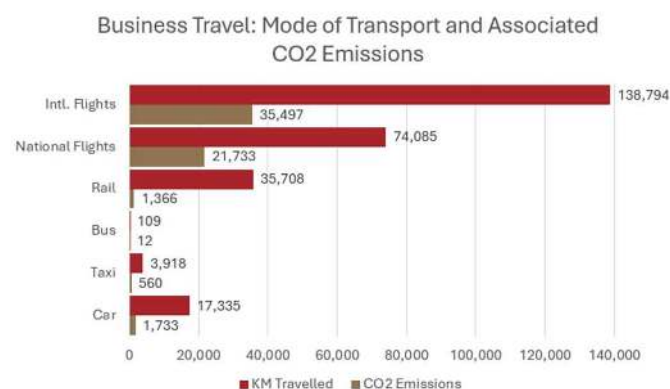
- We have completed our calculation of business travel CO2 emissions for 2023, establishing it as our baseline year moving forward. This calculation includes emissions from flights, trains, buses, taxis, and cars (excluding employee commuting).
- We are working closely with the relevant employees to streamline the process of documenting business travel for each employee and gathering the necessary reporting data from our travel providers.
- Our analysis shows that 91% of our business travel is domestic, 77% being between Edinburgh and London. This presents an opportunity to reduce Scope 3 emissions by decreasing air travel and opting for alternative, less carbon-intensive modes of transportation.
- Our employees travel in economy class, which helps to lower carbon emissions, and when travelling long distances they typically choose premium economy.

Short-term Action Plan:

- We will educate our employees on the findings from our 2023 carbon emissions calculation, emphasising the environmental impact of air travel as compared to rail travel for domestic journeys.
- We will also explore the possibility of setting up business accounts with Trainline and Central Taxis, ensuring that all employees book through these accounts. This will allow us to collect more accurate data for reporting, including details on journey length and the type of transport used (e.g., petrol, diesel, or electric/hybrid vehicles).

Long-term Action Plan:

- We will update our company business travel policy to outline strategies for reducing potential emissions.
- Air travel will be minimised wherever possible. Employees will be encouraged to use the website [Rome2Rio](#) to compare all available travel options for a given route. Rail travel should be prioritised where feasible, and if air travel is the preferred option, a clear rationale will be required.



Emissions

Scope 3: Waste

We use a third party waste disposal provider for general waste and the recycling of cardboard, plastics and glass. A different provider is used for the secure disposal of confidential waste.

Progress to date:

- We have conducted a thorough analysis of our current waste disposal provider, as well as a potential alternative. This review has raised some initial concerns that need to be addressed. Our current provider uses a Dry Mixed Recycling method, where all materials are collected together in one bag. This results in waste being separated elsewhere, which requires a more intensive process before it can be reprocessed. Ideally, we would handle the separation of recyclables on-site, reducing the carbon emissions associated with the process.
- We have provided recycling training to all employees.
- While our operational waste is minimal, we currently have a 50:50 recycling-to-landfill ratio, which is not ideal. We are committed to improving this and are working toward an 80:20 ratio.
- At present, we do not separate food waste, as it was previously deemed to be minimal within our operations. However, we have since begun to understand that food waste is a major contributor to carbon emissions due to the methane gases it generates. This issue needs to be addressed, especially as legislation will soon make food waste separation mandatory. We believe it is important to take action now, ahead of the legislation.

Short-term Action Plan:

- Create an action plan and estimate the costs involved to switch waste disposal provider.
- Initiate discussions with the head tenant regarding our findings on our current and alternative waste disposal providers.
- Address food disposal.
- Reset all printing default settings to help reduce paper and ink use.

Long-term Action Plan:

- Continue to educate our employees on the importance of ensuring we are recycling our operational waste where possible.
- Address 'wishcycling'.
- Change our waste disposal provider. This will improve not only the recycling process within the business, but it will also provide us with more detailed and accurate data for our reporting going forward.
- Address our policy and process for technology hardware recycling.



Commitment

According to the SME Climate Hub, a global non-profit initiative that supports small to medium-sized businesses in taking climate action and building resilient futures, companies are expected to reduce their emissions by 10% each year until 2030, followed by a 20% reduction by 2050. Amati had initially set a target to achieve net zero greenhouse gas emissions for Scope 1 and 2 of its operations by 2030, as outlined in its 2023 Annual Report, while also exploring actions to reduce Scope 3 emissions. However, following participation in the 2024 Climate Springboard Programme, our understanding in this area has grown, prompting us to revise our previous commitment by instead seeking to achieve net zero emissions for Scope 1 and 2 by 2045, aligning with the Scottish Government's target.

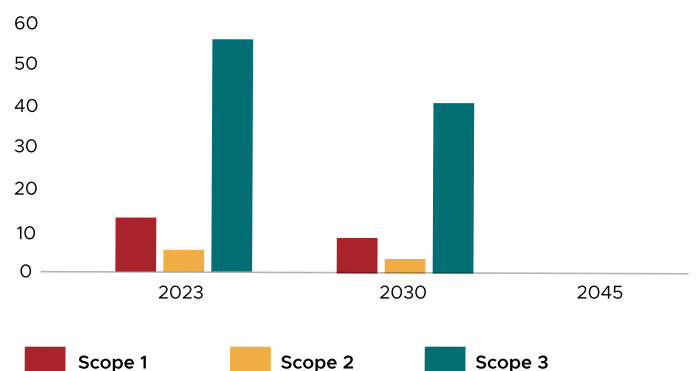
As we lease our office building, we currently lack full control over our Scope 1 and Scope 2 emissions. However, we aim to work with the building owner and head tenant to improve these emissions. Additionally, we are seeking action to reduce areas of Scope 3 emissions, with a focus on reducing the primary contributors – business travel and waste disposal – through targeted action plans outlined in this report.

In the interim, we have established what we believe is a realistic target to reduce our

Scope 1 and Scope 2 emissions by 29% by 2030, using 2023 as our baseline year. This target was developed with the assistance of the Royal Bank of Scotland Carbon Tracker, which analysed our data in order to calculate the company's overall carbon footprint and to indicate a realistic pathway in the medium term. We have also established an indicative target of a 29% reduction in Scope 3 emissions, along with those in place for Scope 1 and Scope 2, albeit that the target for Scope 3 is subject to more uncertainty and thus remains somewhat provisional.

We will regularly review our emissions reduction targets and are committed to updating them annually, as we progress with our carbon reduction plan.

Predicted Emissions Reduction



Glossary

Greenhouse Gas (GHG) Emissions: GHG emissions, or greenhouse gas emissions, refer to the release of gases into the Earth's atmosphere that trap heat and contribute to the greenhouse effect. These gases include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), fluorinated gases, and water vapour. The primary source of GHG emissions is human activity, especially the burning of fossil fuels (such as coal, oil, and natural gas) for energy production, transportation, and industrial processes. Deforestation and agricultural practices also contribute significantly. The accumulation of these gases in the atmosphere is a leading cause of global warming and climate change.

Greenhouse Gas (GHG) Protocol: a widely used international accounting and reporting standard for measuring and managing greenhouse gas emissions. It provides guidelines for businesses and organisations to quantify and report their GHG emissions in a consistent and transparent way, enabling comparison across organisations and industries. The GHG Protocol was developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Task Force on Climate-related Financial Disclosures (TCFD): an organisation established by the Financial Stability Board (FSB) in 2015, with the goal of developing recommendations for companies to disclose climate-related financial risks and opportunities in a consistent, transparent, and comparable way. The TCFD's guidelines are intended to help investors, lenders, and other stakeholders assess the financial impact of climate change on organisations. The TCFD's recommendations focus on four key areas of disclosure: Governance, Strategy, Risk Management and Metrics & Targets.

Wishcycling: the act of putting something in the recycling bin when it's not recyclable or unlikely to be recycled. It can happen even when someone's intentions are good.

Scopes: The GHG Protocol defines three distinct scopes for emissions, based on where they originate from:

- **Scope 1 (Direct emissions):** These are emissions that come directly from owned or controlled sources, such as fuel combustion in company-owned vehicles or facilities.
- **Scope 2 (indirect emissions from electricity):** These are emissions resulting from the generation of purchased electricity consumed by the reporting organisation. While the emissions occur at the power plant, they are attributed to the organisation using the electricity.
- **Scope 3 (Other indirect emissions):** These are all other indirect emissions that occur in the value chain of the reporting organisation, both upstream and downstream. Examples include emissions from the production of purchased goods and services, waste disposal, business travel, and employee commuting.

Net Zero: The ambitious goal of achieving a balance between the amount of GHGs released into the atmosphere with the amount removed. For an organisation, reaching net zero involves significantly reducing its GHG emissions and offsetting any remaining emissions through carbon removal projects such as reforestation or advanced carbon capture technologies.

UK Climate Change Act (2008): the world's first legally binding climate legislation, aiming to reduce the UK's greenhouse gas emissions to net zero by 2050. It sets carbon budgets that limit emissions over five-year periods, with progressive targets leading up to 2050. The Act also established the Committee on Climate Change (CCC) to advise the government on emissions reductions and climate policies, as well as adaptation measures to address climate change impacts. The Act is central to the UK's long-term climate strategy and has influenced other nations' climate policies.