

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Global Environment Fund

**Legal entity identifier:** 213800LQ2Q46VNU9L735

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

●● ☒ **Yes**

●○ ☐ **No**

☒ It made **sustainable investments with an environmental objective:**

98.4%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective:** \_\_%

☐ It **promoted Environmental/Social (E/S) characteristics:** and while it did not have as its objective a sustainable investment, it had a proportion of % of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent was the sustainable investment objective of this financial product met?

The Sub-Fund's environmental objective is to make sustainable investments that aim to contribute to positive environmental change through sustainable decarbonisation.

The methodology used to determine the Sub-Fund is making sustainable investments that aim to contribute to positive environmental change through sustainable decarbonisation is called 'carbon avoided'. 'Carbon avoided' refers to the carbon emissions avoided by using a product or service that has less carbon emissions than the status quo thereby contributing to decarbonisation.

As at 31/12/2022 and over the course of 2022, every company held in the Sub-Fund, excluding cash, contributed to positive environmental change through sustainable decarbonisation as evidenced by every holding having positive 'carbon avoided', and the Sub-Fund overall having positive 'carbon

avoided'. Therefore the Sub-Fund met its environmental objective and therefore its sustainable investment objective.

Further evidence of this attainment at a company-by-company level is available in the Impact Report for the Sub-Fund, available on Ninety One's website and updated on an annual basis.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **How did the sustainability indicators perform?**

| Indicator   | Metric                                   | Year* | Value  | Commentary  |
|---|--|-------|--|---|
| Scope 1, 2 and 3 absolute carbon emissions                                      | in tonnes of CO2e                        | 2022  | 29,629,358.7   | Over time we expect to see carbon emissions measures to reduce for the Sub-Fund. The capital-intensive nature of several companies in the Sub-Fund's (e.g. Utilities and Industrials) combined with the Sub-Fund's concentration in these sectors can skew the emissions data upwards. We believe this data should be assessed in conjunction with the carbon avoided data. Trane Technologies is a material contributor to the Sub-Fund's footprint and intensity measures given its reported Scope 3 figure. It is a leader in efficient HVAC (heating, ventilation and air conditioning) products/solutions with aggressive carbon reduction targets approved by the Science Based Target Initiative (SBTi). |
| Scope 1, 2 and 3 carbon footprint   | in tonnes of CO2e per US\$m invested     | 2022  | 611.5  |   |
| Scope 1, 2 and 3 – weighted average carbon intensity                            | in tonnes per CO2 e per US\$m or revenue | 2022  | 2,500.6  |   |
| Proportion of companies in the Sub-Fund which disclose carbon emissions figures | (%)                                      | 2022  | Scope 1 & 2 = 100.0%<br>All Scope 3 categories = 52.2% | Over time we have seen improvement in Sub-Fund companies' reporting of carbon data and will continue to engage with companies to improve all Scope 3 categories' disclosure.  |
| Percentage of companies with credible net zero plans in place**                 | %  | 2022  | 43.5%  | There has been growth in the adoption of SBTi approved net zero plans. We will continue to engage with all our companies to set and deliver credible net zero plans.  |

|   |   |      |         |   |
|---|---|------|---------|---|
| Percentage of companies invested in the business groups or activities prohibited under the Sub-Fund's exclusions criteria | % of equity   | 2022 | 0.0%    | There is no exposure to companies invested in the business groups or activities prohibited under the Sub-Fund's exclusions criteria |
| Carbon avoided – footprint  | in tonnes per CO <sub>2</sub> e per US\$1m invested | 2022 | 1,152.3 | Every company in the Sub-Fund produced positive carbon avoided  |

\*The above carbon disclosure is based on data from companies as at the end of financial year 2020 where available. This data has been applied to Sub-Fund position weightings as at the end of financial year 2022. While carbon reporting is improving significantly, it is still subject to a significant time lag. Where company reported emissions data is not available, estimates from MSCI have been used. Carbon data can be subject to significant variation depending on the data provider used.

\*\*For the purposes of this reporting, we have defined “companies with credible net zero plans” as those companies with plans approved by the Science-Based Target Initiative (“SBTi”). This is therefore a conservative assessment as the Sub-Fund additionally includes companies with net zero plans that are not yet SBTi approved.

#### **A note on ‘carbon avoided’**

‘Carbon avoided’ are the carbon emissions avoided by using a product or service that has less carbon emissions than the status quo thereby contributing to decarbonisation. The carbon avoided in aggregate at the Sub-Fund level can change due to the overall allocation to companies that generate carbon avoided, and the mix of companies within the Sub-Fund.

The above carbon avoided disclosure is based on data from companies as at the end of financial year 2020. This data has been applied to Sub-Fund position weightings as at the end of financial year 2022. While carbon reporting is improving significantly, it is still subject to a significant time lag.

#### ● **...and compared to previous periods?**

N/A

#### ● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

*How were the indicators for adverse impacts on sustainability factors taken into account?*

The investment process allows the Investment Manager to identify and prioritise the potential adverse sustainability impacts of investment decisions (particularly as part of the fundamental analysis stage) and to demonstrate that each investment decision made by the Investment Manager does not significantly harm other environmental or social objectives.

As part of the in-depth fundamental analysis on an individual company, the 14 mandatory principal adverse impacts are taken into account when assessing if significant harm is caused by the Sub-Fund's intended sustainable investments.

The Investment Manager uses quantitative data (i.e., the metrics for the mandatory principal adverse sustainability indicators as outlined in Annex I of the Commission Delegated Regulation (EU) 2022/1288), where available, and applies a qualitative assessment where the Investment Manager applies their knowledge, experience and

judgement to the quantitative PAI data to form a conclusion which considers the context of the company's business model and its activities. For material principal adverse impacts, the Investment Manager focuses assessment on progress made against the principal adverse impact and/or the policies, business models and operations the company has in place to manage adverse impacts.

Where material adverse impacts are identified, the Investment Manager may engage directly with company management and/or exercise proxy voting rights in an effort to catalyse change or promote improvement in a given metric.

Where indicators for adverse impacts on sustainability factors are not available (i.e. not reported by an investee company), the Investment Manager engages with companies in the Sub-Fund to disclose against all mandatory indicators.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Yes, the OECD Guidelines for Multinational Enterprises and UN Guiding Principles including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights are considered as part of the application of the Investment Manager's sustainability framework. Third party data from providers whose methodologies are consistent with international norms represented in numerous widely accepted global conventions complements the identification of these considerations.

In addition, the Sub-Fund did not invest in companies the Investment Manager deemed to be in violation of the UN Global Compact principles.

There have been no significant breaches or flags on these international principles and guidelines for the period in review.



## How did this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

| PAI Indicator    | Metric  | Year* | Value    | Commentary   |
|------------------|---|-------|----------|--|
| GHG Emissions    | Scope 1 & 2 GHG Emissions Contribution (EVIC)<br>tCO <sub>2</sub> e                   | 2022  | 42,949.1 | Over time we expect to see carbon emissions measures to reduce for the Sub-Fund. The relatively high allocation to Utilities in the Sub-Fund can skew Scope 2 emissions data upwards. This is evident by Iberdrola and NextEra Energy being responsible for a large proportion of these values. Waste Management and Xinyi Solar are other material key contributors. All four companies are at the forefront of decarbonisation through renewable energy (Iberdrola, NextEra and Xinyi Solar) and waste management respectively. Exposure to these companies is deemed not to |
| Carbon Footprint | Scope 1 & 2 Carbon Footprint Contribution (EVIC)<br>tCO <sub>2</sub> e/m EUR invested | 2022  | 43.2     |  |
| GHG intensity    | Scope 1 & 2 GHG intensity of investee companies<br>tCO <sub>2</sub> e/m EUR revenue   | 2022  | 369.3    |  |

|  |   |      |       |   |
|--|---|------|-------|---|
|  |   |      |       | result in material negative impacts.  |
| Exposure to companies active in the fossil fuel sector | %   | 2022 | 13.0% | 3 companies out of 23 – NextEra Energy, Iberdrola and Orsted – have exposure to the fossil fuel sector. This exposure mainly relates to legacy exposure. These companies are at the forefront of decarbonisation through renewable energy. Exposure to these companies are deemed not to result in material negative impacts. |
| Board Gender Diversity                                 | Average ratio of female to male board members in investee companies, expressed as a percentage of all board members | 2022 | 26.9% | Board gender diversity will continue to be an important topic for engagement, particularly within emerging markets. The Sub-Fund's relatively high exposure to emerging markets skews this measure downwards. These results are consistent with expectations, and deemed not to result in material negative impacts.          |

\*The above carbon disclosure is based on data from companies as at the end of financial year 2020 where available. This data has been applied to Sub-Fund position weightings as at the end of financial year 2022. While carbon reporting is improving significantly, it is still subject to a significant time lag. Where company reported emissions data is not available, estimates from MSCI have been used. Carbon data can be subject to significant variation depending on the data provider used.

**Note:** These carbon metrics will include Scope 3 Carbon Emissions from 1 January 2023.



## What were the top investments of this financial product?

| Largest investments     | Sector                 | % Assets | Country        |
|-------------------------|------------------------|----------|----------------|
| Waste Management Inc    | Industrials            | 5.9      | United States  |
| Nextera Energy Inc      | Utilities              | 5.4      | United States  |
| Trane Technologies Plc  | Industrials            | 5.3      | United States  |
| Te Connectivity Ltd     | Information Technology | 5.0      | United States  |
| Novozymes A/s           | Materials              | 4.9      | Denmark        |
| Croda International Plc | Materials              | 4.9      | United Kingdom |
| Ansys Inc               | Information Technology | 4.8      | United States  |
| Autodesk Inc            | Information Technology | 4.8      | United States  |
| Orsted As               | Utilities              | 4.5      | Denmark        |

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2022

|                                |             |     |               |
|--------------------------------|-------------|-----|---------------|
| Wuxi Lead Intelligent Equipmen | Industrials | 4.5 | China         |
| Rockwell Automation Inc        | Industrials | 4.5 | United States |
| Iberdrola Sa                   | Utilities   | 4.4 | Spain         |



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

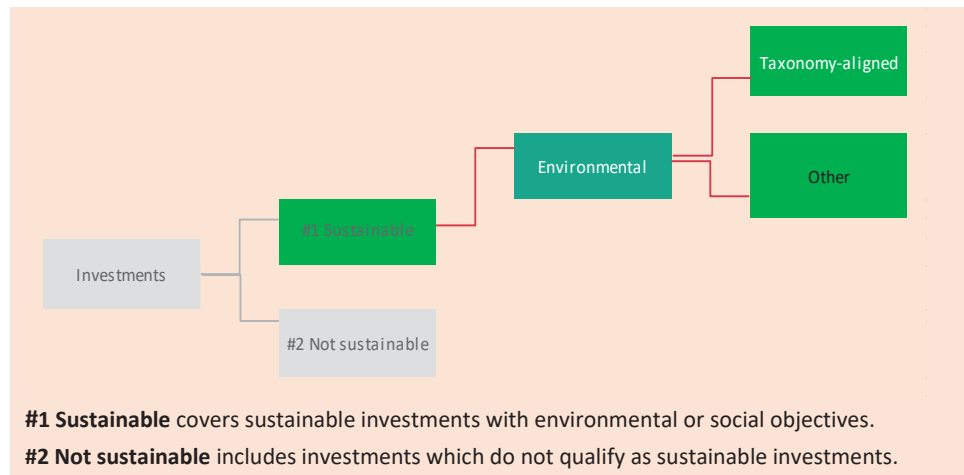
**Asset allocation**  
describes the share of  
investments in specific  
assets.

| Overall Asset Allocation  | % of Total Sub-Fund Value |
|---|---------------------------|
| #1 Sustainable investments within meaning of Article 2(17) SFDR   | 98.4%                     |
| #2 Not sustainable investments within meaning of Article 2(17) SFDR   | 1.6%                      |
| Environmental investments within meaning of Article 2(17) SFDR  | 98.4%                     |
| Other, i.e. investments neither aligned with environmental or social characteristics, nor qualified as sustainable investments within the meaning of Article 2(17) SFDR | 1.6%                      |

| Sustainable Investments (#1) Breakdown  | % of Total Sub-Fund Value * | % of Sustainable Investments |
|---|-----------------------------|------------------------------|
| Taxonomy-aligned investments, weighted by Taxonomy-aligned revenue**          | 20.7%                       | 21.0%                        |
| Investments with an environmental objective but not aligned with the Taxonomy | 77.7%                       | 79.0%                        |

\*Includes Taxonomy-aligned revenue from all securities, including those not classified as sustainable investments within the meaning of Article 2(17) SFDR.

\*\*Underlying entity revenue that can be matched to eligible economic activities as defined under the Commission Delegated Regulation (EU) 2022/1214 meeting all requirements to be deemed Taxonomy aligned.



● ***In which economic sectors were the investments made?***

Consumer discretionary, consumer staples, industrials, information technology, materials, utilities.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?***

☐ Yes:

☐ in fossil gas    ☐ in nuclear energy

☒ No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

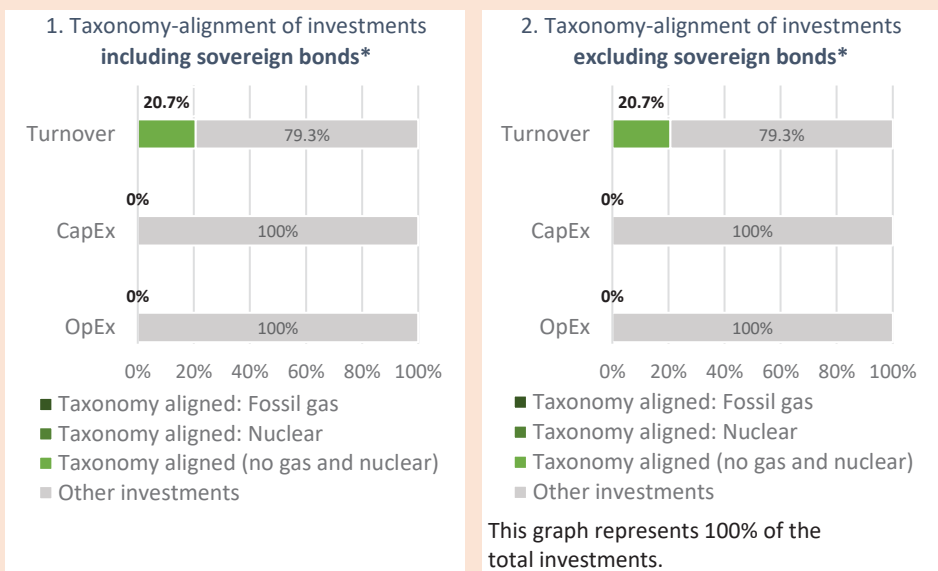
**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Taxonomy-aligned investments contributed to environmental objectives set out in Regulation (EU) 2020/852 as follows:

| EU Taxonomy-alignment, weighted by Taxonomy-aligned revenue | % of Total Sub-Fund Value |
|---|---------------------------|
| Climate change mitigation                                   | 20.7%                     |
| Climate change adaptation                                   | 0%                        |


● **What was the share of investments made in transitional and enabling activities?**

| EU Taxonomy Alignment, weighted by Taxonomy-aligned revenue | % of Total Sub-Fund Value | % of Sustainable Investments |
|---|---------------------------|------------------------------|
| Transitional activities                                     | 0%                        | 0%                           |
| Enabling activities   | 15.2%                     | 15.5%                        |

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

N/A



 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

|  | % of Total Sub-Fund Value | % of Sustainable Investments |
|--|---------------------------|------------------------------|
| Investments with an environmental objective but not aligned with the Taxonomy (i.e. Other Environmental), weighted by non-Taxonomy aligned revenue | 77.7%                     | 79.0%                        |

Currently the coverage of the EU Taxonomy Regulation does not include certain sectors and economic activities within the Sub-Fund's investment strategy. Therefore, investments by the Sub-Fund in these sectors and activities cannot qualify as environmentally sustainable for the purposes of Article 3 of the EU Taxonomy.

The Taxonomy-alignment figure is determined using vendor data which only includes alignment based on reported data, therefore this may represent a more conservative figure.

The aforementioned investments have not been subject to an assurance by an auditor or a third party.



## What was the share of socially sustainable investments?

N/A



## What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

'#2 Not sustainable' includes investment held for liquidity purposes (e.g. Cash, deposits, money market instruments).

No minimum environmental or social safeguards are applied to investments held for liquidity purposes (e.g. Cash and deposits). These investments have not affected the delivery of the sustainable investment objective as they do not form a material part of the Sub-Fund.



## What actions have been taken to attain the sustainable investment objective during the reference period?

All new investments have been selected in line with the Investment Manager's sustainability framework. Existing investments are monitored against the same framework.

The Investment Manager implements active stewardship and its right as a shareholder to preserve and grow its clients' assets, including engagement with the companies in which it invests. The extent of engagement activities will vary depending on the materiality of any adverse impacts, ability to exert influence, and the nature and severity of the potential issue.

In addition, where significant adverse impacts are identified or there is potential non-compliance with good governance requirements the Investment Manager will identify the materiality of these and the potential need for engagement to address these issues. Further information on the Investment Manager's approach to engagement is available on its website

<https://ninetyone.com/-/media/documents/sustainability/91-sustainability-and-stewardship-report-2022-en.pdf>

<https://ninetyone.com/-/media/documents/stewardship/91-esg-ownership-policy-and-proxy-guidelines-en.pdf>

The Investment Manager has determined that all companies have contributed to positive environmental change through sustainable decarbonisation. This is evidenced by every holding, excluding cash, being measured as having positive carbon avoided over the period in question.

Over the period, the Investment Manager has engaged with every company in the Sub-Fund on a range of issues covering sustainability reporting, governance, diversity and inclusion, health and safety and carbon emissions.

The Investment Manager has voted all proxies.



***How did this financial product perform compared to the reference sustainable benchmark?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

● ***How does the reference benchmark differ from a broad market index?***

N/A

● ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

N/A

● ***How did this financial product perform compared with the reference benchmark?***

N/A

● ***How did this financial product perform compared with the broad market index?***

N/A

**Reference benchmarks**  
are indexes to measure whether the financial product attains the sustainable objective.