



# **RESPONSIBLE INVESTING REQUEST FOR INFORMATION**

Firm Name: *Ninety One*

Completed By: Anish Mistry

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## **PREAMBLE**

In accordance with Queen's University's Responsible Investing Policy, as approved in May 2017, we require all of Queen's External Investment Managers to take due regard of environmental, social, and governance ("ESG") factors in making investment decisions. Managers will be asked to engage where appropriate and report to the University on their ESG activities on an annual basis.

Link to Responsible Investing Policy: <https://www.queensu.ca/secretariat/policies/board-policies/responsible-investing-policy>

**To assist with our due diligence, we request that you respond to the following questions no later than July 28, 2023.**

Note: Responses to this questionnaire will be posted in full on Queen's website.

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## GENERAL

### 1) Please provide your ESG-related policies.

There are two policies that govern the ESG space at Ninety One. Ninety One's Sustainability Policy addresses Ninety One's approach to sustainability. It covers the full sustainability framework at Ninety One, which comprises three core components: Invest, Advocate and Inhabit.

We look to ensure high-quality ESG integration processes and frameworks across all of our investment strategies. These include equity, fixed income, multi-asset and alternative strategies. Our commitment to incorporate ESG issues into investment analysis is 'investment-led', which means that each of our investment teams integrates and prioritises ESG issues in line with its investment philosophies and processes, while ensuring compliance with the policy. Our aim is to ensure that robust integration processes highlight material sustainability risks and opportunities, spanning environment, social and governance, and prompt our investment teams to analyse and address them as part of their fundamental research. Our approach is based on the belief that, over time, the market will increasingly price externalities into the value of securities, and that investment outcomes can be improved by a deep understanding of material ESG-related risks and opportunities and their potential to affect value.

The policy applies to all Ninety One entities and all investment products across asset classes (unless otherwise indicated). While the principles and approach described apply to all assets in which Ninety One invests, the policy may be applied differently according to the environment in which the company operates. Ninety One recognises that governance and corporate culture differ worldwide, and takes these differences into account in its engagements with boards and company management teams.

The policy should be read in conjunction with our 'Stewardship policy and proxy voting guidelines', which detail our approach to encouraging broader long-term shareholder value through our engagements and proxy voting.

Copies of both policies are attached with this submission.

**2) Are sustainable investing and ESG factors integrated into your investment process and portfolio management decisions? If yes, please provide details.**

Our essential purpose is to preserve and grow the real purchasing power of our clients' assets over the long term in accordance with their mandates.

The investment management industry has an extraordinary opportunity to generate attractive long-term returns while contributing to positive social and environmental outcomes. Financial capital, social capital and natural capital must work together. This is based on our view that considering material ESG risks and opportunities should be integral to the investment process and embedded in all investment strategies, as we believe, they ultimately enable better investment outcomes. ESG risk factors are considered as part of our fundamental analysis within our 4Factor investment process, and assessments are reflected in our portfolio construction process.

**4Factor ESG philosophy - 'Sustainability without bias'**

Ninety One's 4Factor overarching investment philosophy is based on the conviction that investing in companies that exhibit four alpha-generating characteristics, combined with deep fundamental research leads to outperformance. We include the analysis of sustainability issues or environmental, social and governance (ESG) concerns within this framework as we believe that when financial, social and natural capital work together, it is well placed for attractive long-term returns.

Over the past 12 months we have sought to rearticulate our sustainability philosophy within 4Factor, which we now express as 'sustainability without bias'. This philosophy is premised on the belief that the blossoming area of sustainable investing, driven by laudable intentions, may have further fuelled behavioural biases in equity markets. There are numerous behavioural biases which we, as active investors, try to capture using our repeatable investment framework. We believe that many of these behavioural biases or errors can be observed in the way some investors incorporate sustainability into their investment decisions. There are many biases, but the most common ones include:

- ***Herding and crowding*** - This can be illustrated by two recent examples, the stampede into clean tech and the aversion to the defence sector. Green investments saw a surge in interest as governments pledged resources in line with their net-zero ambitions. Many enjoyed out-sized returns as investors abandoned valuation discipline but performance has since suffered and valuation moderated. Conversely, defence stocks have spent much of the last decade on a downward trajectory. However the recent commitments of larger European nations to increase military spending following Russia's invasion of Ukraine has raised questions about the role of arms manufacturing in maintaining a peaceful world. A somewhat simplistic focus on ESG ratings risks aggravating this bias, herding investors into stocks that are deemed acceptable and condemning others to the 'sin-bin'. Herein lies opportunity – we don't rush to implement broad-brush exclusions, nor do we invest in stocks based purely on historical sustainability ratings.
- ***Salience*** - Dramatic newspaper headlines, particularly negative ones, tend to grab investor attention and are far more memorable than mundane ones – a bias known as saliency. As investors get caught up in the story, they risk abandoning rational analysis allowing the stock to detach from the valuation metrics. An example of this would be the rush to divest from fossil fuels which dismisses the world's continued reliance on such energy source and removes the opportunity – or obligation – for these firms to transition to low carbon

technologies. We therefore employ an objective and evidence-based research process to ensure the facts substantiate sustainability narratives.

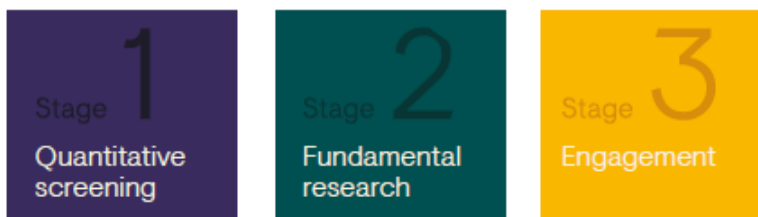
- **Anchoring** - describes how investors underreact to new information and changes in trends. The backward-looking nature of ESG ratings encourages this bias in the world of sustainable investing. Companies are punished for past transgressions and subsequent positive changes are overlooked. We therefore focus on the direction of travel, recognising the potential of sustainability improvements to unlock shareholder value.

## ESG integration within 4Factor

Behavioural biases offer opportunity. But without a repeatable investment framework, these can be missed. We put huge emphasis on integrating sustainability into our fundamental analysis and decision making to unlock the potential these opportunities represent. Although we monitor third party ESG ratings, we do not rely on them as this reduces the available investment opportunities, and risks exacerbating behavioural biases such as crowding, saliency and anchoring.

Given our preference to keep our investable universe as broad as possible, we have developed a way to help us focus our research efforts on what matters. We embarked upon a process to define and identify materiality from a bottom-up perspective, across all the sectors we invest in, tapping into the extensive specialist sector knowledge contained within the team. We quickly discovered there is no one-size-fits-all solution. There are certain key issues that define sustainability or that present risks in one sector that just aren't applicable in others. Having identified what constitutes materiality in each sector, we apply further fundamental research to assess each company's exposure to those risks.

Where appropriate, we then engage with companies to mitigate those risks and so hope to improve valuations and capture alpha.



### 1. Quantitative screening

We are actively exploring the extent to which non-financial information can add value to our quantitative screening, however we believe that simply plugging in ESG ratings to our screen leads to an anchoring bias due to their backward looking nature. Further to this, exclusionary screens based on ESG ratings at this stage of the investment process would remove a lot of good companies from the conversation.

The majority of value creation comes from intangibles and more data is required to understand these drivers. The 4Factor investment process ingests >2000 unique ESG data points across a global universe of securities from one data provider alone. The key for us, and indeed for the wider industry, will be to determine if these data points can become effective signals as opposed to just noise.

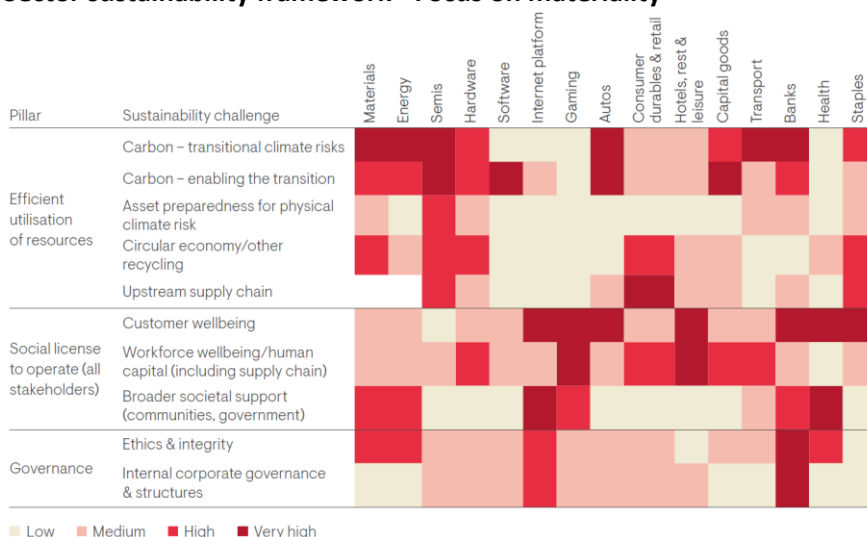
As a result, we have thus far seen greater potential to capture these signals by focusing our ESG integration efforts within our fundamental research. The work we have done around sector materiality is a key advantage and our aim is to further our understanding through detailed research.

## 2. Fundamental research

We believe that non-financial information should be analysed in a consistent manner in the same way as traditional financial data. ESG integration within the 4Factor investment process is therefore most robust during fundamental analysis, where many of the most subjective aspects of ESG understanding can be appraised and incorporated into the investment case. Each research note includes a formal section covering ESG issues.

To systematically analyse this information we first consider materiality. This is assessed through our bottom-up sector sustainability framework driven by the extensive specialist sector knowledge within the team. This framework is the effectively applied in company analysis to assess impacts on financial metrics such as growth, return on capital and discount rates and, through that, to our broader factors of operational momentum, value and quality.

### Sector sustainability framework - Focus on materiality



Our three pillar framework consists of 10 key sustainability challenges and provides us with a materiality matrix, as illustrated above. We have broken it down to the subsector level, in recognition of the breadth and specific approach required to deal with individual sectors. The darker the red, the more material the challenge. Clearly, something like carbon is an obvious challenge for sectors like materials and energy, but it's far less of an issue for, say, healthcare. In healthcare, we are far more concerned about ethics and integrity. For instance, does a prospective investee company run clinical tests? Does it test on animals or humans? How are the animals treated etc.? Is it considered humane?

We have found that insights generated from our materiality matrix help us to identify areas where financial returns could be under threat or improved and we utilise these within our fundamental research. The framework also provides a basis for prioritising engagements on the most material sustainability challenges for companies in each sector.

Alongside our materiality matrix, another key development for us has been the development of our proprietary Transition Plan Assessments. These assess a company's contribution to climate change and its responses to mitigate these risks and undertaking these assessments serves multiple purposes

for us. This has led to insightful examination of climate strategies and helped focus our efforts with portfolio companies.

### **3. Engagement**

As active stewards of our client's capital, we believe it is not only our duty to engage with companies, but that these engagements should form a critical input in our fundamental research. Seeking evidence of constructive change through active engagement is the third pillar in our sustainability framework. Our engagement strategy targets specific holdings and material ESG themes that are significant to the firm, the investment team, and our clients. In addition, as part of our investment process, we routinely meet and informally engage with our portfolio companies' senior management/investor relations teams.

The decision to engage is steeped in utility. We accept that we cannot (and need not) engage with every company in our portfolio. We also have to be very realistic with how much influence we can have, and this is dependent on our shareholding in the company. Therefore, the trigger to engage with a company is if we believe that our involvement will mitigate a material risk (financial or reputational) or catalyse an alpha-positive outcome.

The conventional approach to engagement prioritises companies that have experienced a development that could potentially materially impact their intrinsic value. We have used this reactive approach over the past two decades.

While we continue to engage in this reactive way, we also support proactive engagement which we believe can add to shareholder value. It goes without saying that proactive engagement is more of an acquired skill as it involves a deep understanding of the company and the ability to foresee potential future issues. Over the last year we have implemented our initial 'Transition Plan Assessment Framework' (TPAF) for our top emitters across the firm. We have developed engagement plans for each company and have initiated conversations – clearly outlining our assessment, why it is important and which areas are most important to focus on in order to transition.

**3) a) Are you a signatory to the UNPRI?**

Yes, Ninety One has been a signatory to the PRI since 2008. As a signatory, it is mandatory to report annually on our responsible investment practices through the PRI Transparency report.

Our latest PRI scores from the assessment report are shown in the table below and the full report is available on our website at this [link](#).

<b>PRI Assessment Module</b>	<b>2021</b>
Investment & Stewardship Policy	4 stars
Listed Equity - Incorporation	4 stars
Listed Equity - Voting	4 stars
Fixed Income - SSA	5 stars
Fixed Income - Corporate	5 stars
Infrastructure	5 stars

Source: PRI Assessment report.

We are pleased that our commitment to responsible investing and our continual efforts in deepening our integration processes have been reflected by our scores.

The PRI Assessment scores are based on our response within the PRI Transparency report, which is available via the following link: <https://ninetyone.com/-/media/documents/stewardship/91-pri-public-transparency-report-en.pdf>

Please see the following link which provides further information around the scoring methodology: <https://www.unpri.org/signatories/about-pri-assessment/3066.article>



**b) If you are signatory to other coalitions, please list them.**

As a global business, we welcome the development of stewardship codes across the world. We believe that these codes are key to enhancing the long-term success of companies, through a better quality of engagement and improved transparency in regional markets. We are currently an endorser/signatory to the following codes:

- UK Stewardship Code
- Code for Responsible Investment in SA (CRISA)
- Singapore Stewardship Principles
- ISG (Investor Stewardship Group) US Stewardship Principles
- Hong Kong Principles for Responsible Ownership
- Japanese Stewardship Code
- Korean Stewardship Code

Please refer to Appendix 2 within our Annual Sustainability and Stewardship Report for further details:

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

**c) Indicate any other international standards, industry guidelines, reporting frameworks, or initiatives that guide your responsible investing practices.**

We seek to contribute meaningfully to the conversation on sustainability and to encourage a deeper focus on sustainability-related issues in all of the jurisdictions where we invest.

We are committed to identifying and responding to market-wide and systemic risks to promote a well-functioning financial system. Where appropriate, we will seek to influence the development of policy, regulation and laws, aiming to facilitate efficient capital markets and favourable environments for shareholder rights and interests. We are also committed to engaging in research and education with our stakeholders.

We carefully consider areas for advocacy and the available channels of influence. We believe that our advocacy should be purposeful, substance oriented and aligned with the Ninety One sustainability priorities. We organise our activities through the lens of:

- Input into investing thinking
- Policy advocacy
- Industry collaboration

Our membership of regional and global organisations positions our organisation to collaborate and engage on a variety of advocacy and systemic-risk matters.

The following table details our involvement:

Organisation	Start date	Key focus	Our role
ASCOR project	2021	Develop an assessment framework for sovereigns' performance and governance as they transition – this includes the consideration of a just transition.	We are working with the ASCOR project to better assess sovereign alignment and sovereign carbon transition risks. Through this project we hope to increase the proportion of sovereigns committed to net zero by 2050.
Association for Savings and Investment (ASISA)	2008	To ensure that the South African savings and investment industry remains relevant and sustainable into the future in the interest of its members, the country and its citizens.	We actively participate in collaborative engagements and working groups and serve on the Responsible Investment Committee. Thabo Khojane, Managing Director for our South African business, is Chairman of ASISA.
The Carbon Disclosure Project (CDP)	2010	To enable companies, cities, states and regions to measure and manage their environmental impacts.	We are an active signatory involved in engagement with companies regarding their disclosure to the project.
Centre for Development and Enterprise (CDE)	2021	A policy analysis and advocacy organisation that conducts South Africa-focused research on political risk and structural reform.	We attend regular topic-based and current briefing sessions.

Climate Action 100+	2018	An investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.	We are involved in collaborative engagement efforts with companies to ensure that they are minimising and disclosing the risks presented by climate change.
Climate Bonds Initiative	2021	An international organisation working to mobilise the bond market, for climate change solutions	We are aiming to contribute to advocacy efforts that are aligned with our investment thinking, policy advocacy and industry collaboration.
Crisis Group	2014	The International Crisis Group is an independent organisation working to prevent wars and shape policies that will build a more peaceful world. Crisis Group sounds the alarm to prevent deadly conflict.	We leverage Crisis Group's expertise in our investment decision-making and engagements. We work to create awareness and broaden Crisis Group's support base. We are involved with the group's International Advisory Council and Ambassador Council.
Emerging Markets Investor Alliance	2019	Enables institutional emerging market investors to support good governance, promote sustainable development, and improve investment performance in the governments and companies in which they invest.	We are a supporter and involved in its workstream relating to fiscal transparency.
FAIRR	2019	To raise awareness of the material ESG risks and opportunities caused by intensive livestock production	We actively participate in collaborative conversations to identify and engage on material ESG risks and opportunities in global protein supply chains.
Glasgow Financial Alliance for Net Zero (GFANZ)	2021	Brings together firms from the leading net zero initiatives across the financial system to accelerate the transition to net zero emissions by 2050 at the latest.	We aim to contribute towards a working group that is focused on the transition in emerging markets.
Institute of Directors in Southern Africa (IoDSA)	2015	To promote corporate governance practices and standards.	We serve on the Remuneration Committee Forum where we contribute to Remuneration Committee position papers and from time to time take part in panel discussions to build awareness of new Remuneration Committee guidance.
Institute of International Finance (IIF)	2021	Supports the financial industry in the management to risks, to develop sound industry practices and to advocate for regulatory,	We are aiming to participate in global membership meetings and collaborative efforts on global financial policy and regulatory matters.

		financial and economic policies that are in the broad interest of its members and foster global financial stability and sustainable economic growth.	
Institutional Investors Group on Climate Change (IIGCC)	2018	To provide investors with a collaborative platform to encourage public policies, investment practices and corporate behaviour that address long-term risks and opportunities associated with climate change.	<p>We are an active participant in the organisation which includes participating in engagements (i.e. CA100+ engagement) and providing information for thought papers.</p> <p>We are also involved with broad discussions with CEO and Chair of IIGCC on how the Net Zero target framework is adjusted to: (1) ensure that the targets do not result in divestment from heavy emitters, but rather support engagement to catalyse transition and achieve real world carbon reduction, and (2) encourage investment into emerging markets to fund their transition.</p> <p>We have proposed adjustments to the wording in the framework when they produce the next update. Our subsequent discussions with the IIGCC suggests that they will be considering our input quite seriously.</p> <p>We will be working more closely with the IIGCC going forward, particularly as they develop their Investor Practices programme.</p>
The Investment Association (UK)	2002	To help the industry support the economy with stable, long-term finance, ensuring investors have access to fair and effective markets and embedding the highest standards of sustainable governance in the UK.	We are full members and take part in various working groups.
The Investor Forum	2017	To position stewardship at the heart of investment decision-making by facilitating dialogue, creating long-term solutions and enhancing value.	We regularly meet with the forum and participate in targeted strategic governance engagements.
International Corporate	2015	To promote effective standards of corporate governance and investor	We attend, contribute to various conferences/forums.

Governance Network (ICGN)		stewardship to advance efficient markets and sustainable economies world-wide.	
Investor Leadership Network	2022	A collaborative platform for investors interested in addressing sustainability and long-term growth across three workstreams: sustainable infrastructure, diversity in investment and climate change.	We contribute to the climate change working group looking to speed up implementation of uniform and comparable climate-related disclosures.
Impact Investing Institute	2019	To accelerate the growth and improve the effectiveness of the impact investing market in the UK and internationally.	We are a founding supporter of the initiative and sit on its advisory council.
National Business Initiative	2022	To work towards sustainable growth and development in South Africa and shape a sustainable future through responsible business action.	We contribute to the climate-transition related working groups.
Net Zero Asset Managers Initiative (NZAMI)	2021	The Net Zero Asset Managers initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner.	We are a signatory to the Net Zero Asset Managers Initiative. Instead of risking a disorderly exit from carbon-intensive economies, sectors and companies with a high carbon footprint, we will, where we can exert influence, actively allocate to companies and countries that can be encouraged to deliver on transition plans. Our task is to make the case not only for a transition, but for a just transition.
PRI	2008	To understand the implications of ESG factors and to support investor signatories in incorporating them into the investment process.	We are an active signatory and participate in work streams, collaborative efforts and present at events hosted by the UNPRI. We attend the annual PRI in Person event and have taken part in various collaborative engagements.
Responsible Investment Association (RIA) Canada	2021	To promote responsible investment in Canada's retail and institutional markets.	We aim to support the RIA to deliver on its mandate of advancing responsible investment in Canada.
Say on Climate	2020	It is a collaborative effort between asset managers, asset owners, companies and other stakeholders	In 2020 Ninety One became the first listed asset manager to become a signatory on the 'Say on Climate'

		to encourage companies to voluntarily submit their Climate Risk Transition Plan to a vote at their annual general meeting. We believe the 'Say on Climate' initiative will improve dialogue between companies and investors allowing shareholders to better assess the strength of the companies' plans to address climate risk in their businesses.	initiative. We advocate for the uptake of an advisory resolution on transition plans at AGMs. Ninety One will be incorporating the initiative into its voting policies and engagement strategy.
SOAS China Institute	2021	The Institute promotes interdisciplinary, critically informed research and teaching on China; it channels the unrivalled breadth and depth of expertise across a wide spectrum of disciplines on China to the wider worlds of government and business.	We aim to actively contribute to conversations with academics, diplomats and policy makers.
Sustainable Markets Initiative (SMI)	2021	It aims to lead and accelerate the world's transition to a sustainable future by engaging and challenging public, private and philanthropic sectors to bring economic value in harmony with social and environmental sustainability.	We aim to contribute towards a working group that is focused on the transition in emerging markets.
Sustainable Trading Initiative	2021	It aims to transform ESG practices within the financial markets trading industry. The network brings firms together to devise practical solutions to industry-specific ESG issues as well as providing a mechanism for self-assessment and benchmarking.	We are part of the Founder Member Group and attend meetings and working groups.
Task Force on Climate-related Financial Disclosures (TCFD)	2018	To develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders.	We are a supporter of the recommendations and have applied the guide to produce our TCFD report.
Task Force on Nature-related Financial Disclosures (TNFD) Forum	2022	To develop and deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks, with the ultimate aim of supporting a shift in global	We aim to support any consultative work to develop the TNFD recommendations.

		financial flows away from nature-negative outcomes and toward nature-positive outcomes.	
Thinking Ahead Institute	2019	To mobilise capital for a sustainable future. Its members comprise asset owners, asset managers and other groups motivated to influence the industry for the good of savers worldwide.	We are a founding member. We participate in the Institute's webcasts and have participated in industry working groups covering the 1.5C Portfolio and The Duty of Ownership, and supported research into Climate Dashboard Reporting.
Transition Pathway Initiative (TPI)	2019	To assess companies' preparedness for the transition to a low-carbon economy, supporting efforts to address climate change.	We pledge support to the initiative and use the data to support our ongoing efforts to better understand climate change risks and opportunities.
World Benchmarking Alliance (WBA)	2017	WBA has set out to develop transformative benchmarks that will compare companies' performance on the SDGs.	Our CEO Hendrik du Toit is a Champion, and we participate in working groups contributing to the benchmark work.
WWF	2019	A network of the world's largest independent conservation organisations	We work with WWF on topics relating to sovereign debt and natural capital, including developing an environmental index.

4) Please describe how ESG oversight and integration responsibilities are structured at your firm, including the process for escalation of key ESG issues. How do you obtain ESG information/data (e.g. public information, third party research, reports and statements from the company, direct engagement with the company)?

The following chart provides an overview of the governance of our sustainability approach across Invest. Advocate and Inhabit:



¹DLC: Dual Listed company

Our Sustainability team is the central custodian of the firm-wide sustainability framework and ecosystem. They report into the Sustainability Committee who are responsible for the internal oversight of sustainability, including monitoring progress and ensuring alignment of focus, strategy and integrity through the business. The Sustainability Committee reports to the Executive Management team, which in turn reports to the Ninety One Board and the Sustainability, Social and Ethics Committee (SS&E).

A detailed description of each of the functions mentioned above and how they assist with ESG integration and analysis across the firm is given in the following table:

Roles	Function
<b>Sustainability, Social and Ethics Committee</b>	The Board has ultimate responsibility for ensuring that the business is managed in the best interests of its stakeholders, which include our shareholders, our clients, our people, the communities we operate in, and the natural environment. Sustainability is one of Ninety One's five strategic priorities.



	Ninety One's Board considers the contribution of Ninety One to sustainable development, including addressing climate change, a priority. A key element of this is overseeing and reviewing risks and opportunities that may have a material impact on Ninety One.
<b>Senior Management</b>	Ninety One's executive management team is responsible for developing and implementing business strategy, under the direction of the Chief Executive Officer (CEO). This will include assessing Ninety One's exposure to sustainability risks. These risks in our portfolios are overseen by the Chief Investment Officer (CIO) office alongside Ninety One's investment risk infrastructure.
<b>Chief Sustainability Officer</b>	<p>Ninety One's Chief Sustainability Officer (CSO) is responsible for overseeing our firmwide sustainability initiatives. This includes investment integration, advocacy, corporate transition to net zero and developing and implementing efforts to mobilise dedicated funding for an inclusive net zero transition.</p> <p>The CSO reports directly to the CEO and Co-CIOs signalling the importance of the invest dimension to sustainability.</p>
<b>Sustainability Committee</b>	<p>The Sustainability Committee was established in 2010 and is responsible for the internal oversight of sustainability, including monitoring progress and ensuring alignment of focus, strategy and integrity through the business.</p> <p>Ultimately, the committee endeavours to drive a cohesive response to our sustainability priorities, set by the executive leadership by Ninety One.</p> <p>The Committee is chaired by the Chief Sustainability Officer and is comprised of senior leaders from the business, including Ninety One's CEO, Co-Chief Investment Officers, Chief Commercial Officer, Head of Risk &amp; Performance, and Sustainability Director. Investment team heads are required to report to this committee on a regular basis. They meet quarterly to review progress and activities in relation to:</p> <ul style="list-style-type: none"> <li>• review and approval of new and existing policies</li> <li>• ESG integration</li> <li>• stewardship</li> <li>• engagement</li> <li>• advocacy</li> <li>• sustainability and climate risk</li> <li>• regulation and other related matters</li> </ul>
<b>Sustainability team</b>	The Sustainability team sets the overall sustainability strategy, including our firm-wide net-zero targets and our advocacy priorities; aligns teams on strategic engagements; and provides specialist knowledge and guidance on issues like transition-plan assessments, just transition, governance frameworks, engagement approaches and voting.

<b>Sustainable Investment Advisory Forum</b>	<p>The Sustainable Investment Advisory Forum (SIAF) is the internal review and guidance forum for issues in relation to sustainable investment and Ninety One's Sustainable Strategies and Sustainable Mandates. These are the Ninety One funds and mandates that fall in to the sustainability classification framework by Ninety One (sustainable or impact) and would correspond to either a category 8 or category 9 as per the EU sustainable finance regulations. The forum is chaired by Nazmeera Moola, Chief Sustainability Officer, and is typically attended by members of the Sustainability team and the portfolio managers for the sustainability strategies.</p> <p>The forum bears the responsibility for reviewing and guiding the organisation around the sustainability standards for new and existing portfolios. It has no formal powers but plays a critical role in its advice and guidance to other formal groups and committees including the SRB, the Sustainability Committee and Global Product Committee. The forum and its members serve as a central point of excellence and insight when it comes to sustainability strategies and what constitutes a sustainable investment.</p>
<b>Investment teams</b>	<p>Ninety One's investment teams have ultimate responsibility for managing sustainability risks and opportunities, through their own integration frameworks.</p> <p>Each of our investment capabilities uses a distinctive investment process that reflects its investment philosophy. Heads of each of the investment capabilities at Ninety One are ultimately responsible for driving the ESG agenda within their strategies and portfolios. They frequently attend and report into the Sustainability committee.</p> <p>Portfolio managers as well as analysts are responsible for ESG considerations in respect of their Strategies. This means building a holistic understanding of the ESG risks in each of their positions and how to price these risks. Then through strategic engagements identify areas that we can improve or mitigate these risks over time. In addition, informal ESG champions are embedded in investment teams.</p>
<b>Investment Risk</b>	<p>The Investment Risk team includes a dedicated ESG Risk function that monitors firm and portfolio-level sustainability risks. They perform a 'safety net' function to identify, and challenge objectively on, ESG issues.</p> <p>The ESG risk-monitoring framework assumes that ESG risks are identified, analysed and acted upon by investment teams. The purpose of the ESG-risk process is to ensure this integration is a systematic part of the investment process and to strengthen existing integration efforts by testing their robustness through dialogue and challenge.</p>

	<p>The Investment Risk team test the robustness of the ESG integration within investment processes with an internal ESG risk-monitoring framework. At the firm level, they monitor exposure to investments that flag on various third-party ESG metrics.</p>
<b>Proxy Voting specialists and data support</b>	<p>Within operations, a dedicated team administers proxy voting. Within IT, a team supports the investment teams by integrating and surfacing ESG data.</p>
<b>Investment Institute</b>	<p>Ninety One's Investment Institute is an engagement platform that delivers strategic investing insights and analysis to our clients across asset classes, investment strategies and borders.</p> <p>They provide in-depth analysis and research on key geopolitical, economic and investment trends. Their work draws on our firm's investment capabilities and partnerships with leading academics and external practitioners and seeks to empower our clients with insight and knowledge. With this collaboration, central themes of the Investment Institute's work have been portfolio resilience, sustainability and the application of ESG principles to investing. These have culminated in the publication of annual journals and papers.</p> <p>They seek to play a full and active role in the global conversation on sustainable investing. From aligning a portfolio with the decarbonisation growth trend to ensuring a fair clean energy transition for all, Ninety One's portfolio managers and analysts explore sustainable investing across asset classes and investment approaches.</p>
<b>Client group</b>	<p>Client groups help to lead the sustainability conversation. They look to help provide thought-provoking content, training, events and partnerships, with the aim to help our clients tackle the issues that are impacting their investments.</p>
<b>Human Capital team</b>	<p>The Human Capital team help to ensure we are looking after our people.</p> <p>They look to help create a culture where we can collectively achieve together, as teams, without losing the sense of individual identity. They cover topics such as workforce engagement, organisational and talent development, diversity and inclusion, wellbeing, equality and health &amp; safety.</p>
<b>Workplace teams</b>	<p>The workplace team look to ensure that we are running our business responsibly and acting sustainability within our operations. They oversee our corporate sustainability strategy across five focus areas: energy, waste, water, sustainable travel and responsible procurement — with the aim of reducing and mitigating our carbon footprint.</p>

<b>Corporate Social Investment team</b>	The CSI team is responsible for our corporate social investment strategy which spans three pillars: conservation, education and community development.
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## ESG Data sources

The Sustainability team and Investment Risk team look to ensure that the business has appropriate access to ESG data, so that investment teams are equipped with the knowledge, research and tools to fully integrate ESG into their investment processes. The data that we have access to is used to support understanding of material information. We use a combination of proprietary and external research, which is integrated and considered in various ways depending on the investment team process for example through scorecards, through use of investment data platforms, and use in research reports.

The table below summarises the primary ESG data sources that we make use of:

<b>Provider</b>	<b>Product</b>	<b>How we use the research and data</b>
<b>MSCI ESG</b>	Company ESG research providing characteristic view of the business, rating, controversy flag, and thematic data such as carbon data. We also incorporate the underlying raw data which includes >2000 unique ESG metrics into the 4F quantitative investment process.	We make use of the data in different ways including analysis of company reports and ratings, as well as consideration of raw data
<b>Carbon Disclosure Project</b>	Carbon emissions data and qualitative assessment of company activities	We use the data to assess and understand exposure to climate change related risks, and analysts may use company disclosures on the CDP platform
<b>ISS Proxy Exchange</b>	Voting recommendations and governance research around company Annual General Meetings	We make use of ISS research to inform our voting decision
<b>RepRisk</b>	Monitoring platform for negative ESG news flow	RepRisk reports are distributed to analysts on request, and RepRisk data is made available to analysts, highlighting news flow contributing to reputational risk
<b>Bloomberg</b>	Bloomberg collects, verifies and continually updates ESG data from published company disclosures	We use various Bloomberg ESG data points to support our integration work
<b>Clarity AI</b>	Tech-based reporting tool to ensure compliance with relevant regulatory frameworks	We leverage the data to assist us with assessing and complying with our

		regulatory obligations i.e. SFDR requirements
<b>In-house investment-data platform (Jasmine)</b>	Our proprietary investment data platform aggregates data from several sources to give investment teams direct access to a range of portfolio management metrics, which include ESG metrics for individual securities and portfolios alongside financial data.	<p>We use the platform for:</p> <ul style="list-style-type: none"> <li>• Surfacing specific data points i.e. carbon data, MSCI data</li> <li>• Highlighting key areas of ESG risk</li> <li>• Monitoring and cross-comparison of ESG metrics for portfolios</li> <li>• Dashboards and graphics to aid analysis including: <ul style="list-style-type: none"> <li>○ ESG data distribution for portfolios</li> <li>○ Portfolio carbon decomposition</li> <li>○ Engagements (under development)</li> <li>○ Net zero progress (under development)</li> </ul> </li> </ul>
<b>Trucost</b>	Trucost assesses risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors.	Trucost data helps the team analyse the overall portfolio exposure relative to the benchmark on a variety of environmental metrics such as GHG, waste and water intensity.

## Engagement

Within 4Factor we document all dialogue and monitor and report on engagements, measuring success and outcomes against initial objectives, such as commitment to, or enactment of, actual changes by management in strategy or reporting, disclosure and transparency in our centralised research database, Tamale so all investment teams can access this information. We report on goal progress to our Sustainability Committee and to our clients.

### Determining success

We measure the success of an engagement based on our ability to meet the initial objectives we set out to achieve and by determining whether the engagement, and often recommendation made to management, will add value, and how persuasive we are in convincing management to enforce it.

It is important that the objectives and purpose of the engagement are clear and understood, and these are documented in our research database Tamale. The strategy and subsequent interactions and outcomes are then also recorded in Tamale. The success of an engagement depends on the objective of the engagement and we report on progress within our Sustainability and Stewardship report.

5) What channels do you use to communicate ESG-related information to clients and/or the public? Do you produce thought leadership (written reports and publications)? If so, is the information available to the public? Please provide links, if applicable.

Transparent reporting and communication with clients and stakeholders are key features of our “sustainability with substance” approach. We believe that being transparent about our stewardship approach is important, and this is reflected in our reporting to clients. We publish several regular and bespoke reports, which include:

#### Sustainability and Stewardship report

This report includes progress on integration across the investment teams over the year, engagement details, advocacy work, voting data, case studies and market trends and is published annually covering the period from 1 April to 31 March. You can access the report via the following link: <https://ninetyone.com/-/media/documents/sustainability/91-sustainability-and-stewardship-report-en.pdf>

#### PRI Transparency and Assessment reports

As a signatory, it is mandatory to report annually on our responsible investment practices through the PRI Transparency report. Our latest PRI reports can be found on our website via the following link: <https://ninetyone.com/-/media/documents/stewardship/91-pri-public-transparency-report-en.pdf>

#### Task Force on Climate-related Financial Disclosures (TCFD)

Ninety One formally pledged its support for the TCFD in September 2018 and this report sets out how we disclose our exposure to and management of climate risk, using the TCFD framework. You can access the report via the following link: <https://ninetyone.com/-/media/documents/reports/91-tcdf-report-2021-en.pdf>

#### Online voting disclosure

Voting decisions are disclosed publicly on a monthly basis on the Ninety One website and can be found on our website via the following link: <https://ninetyone.com/en/united-states/how-we-think/investing-for-a-world-of-change/sustainable-investing/invest/proxy-voting-results>

#### Annual Impact Reports

With regard to our sustainability-focused products, our Annual Impact Reports present significant developments throughout the year, including all environmental metrics for the portfolios and underlying holdings as well as engagement goals and progress towards those goals. See the following links for examples:

- *Global Environment Impact Report:* <https://ninetyone.com/-/media/documents/impact-report/91-global-environment-impact-report-2022-en.pdf>
- *UK Sustainable Equity Impact Report:* <https://ninetyone.com/-/media/documents/sustainability-report/91-uk-sustainable-equity-fund-sustainability-report-en.pdf>

#### Quarterly Sustainability Reports

For our non sustainability-focused products, our quarterly sustainability reports provide an outline of the key sustainability risks and opportunities and cover the investment team's approach to sustainability integration; key engagements; proxy voting activity; portfolio climate risk analysis and portfolio characteristics.

#### Other sustainability disclosures

We publish various sustainability disclosures on our website as per regulatory requirements i.e. SFDR disclosures.

#### Planetary Pulse

This report reveals the findings from new primary research into transition finance. It is based on a survey of 300 senior professionals at asset-owner institutions and advisors around the world, including pension funds, insurers, endowments, foundations, central banks, sovereign wealth funds, and consultants.

#### Investment Institute

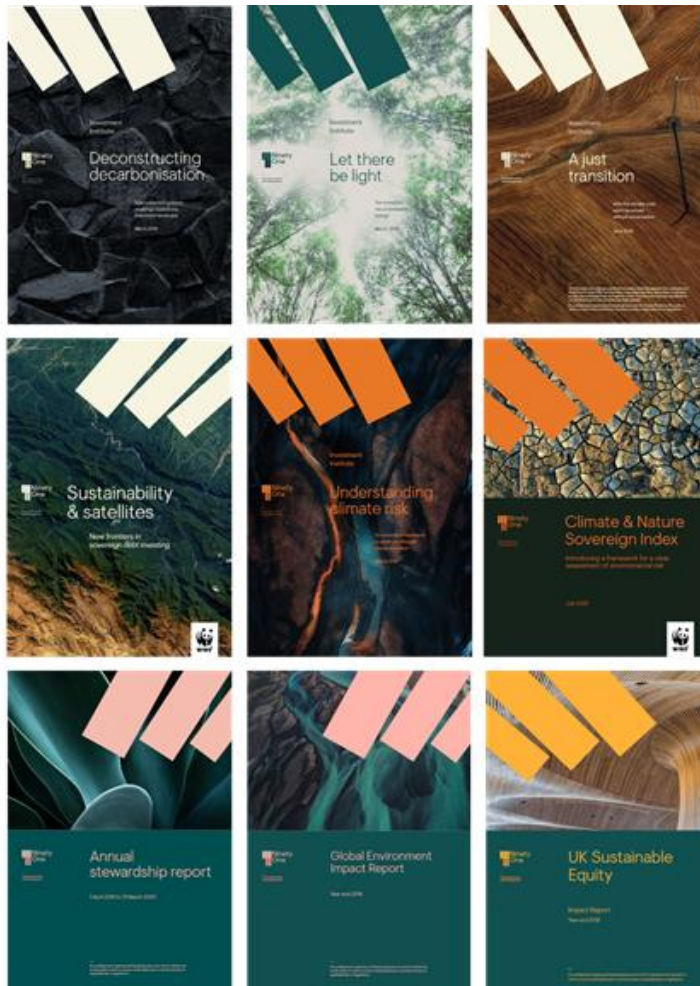
Our Investment Institute is an engagement platform that delivers strategic investing insights and analysis to our clients across asset classes, investment strategies and borders.

The Investment Institute provides in-depth analysis and research on key geopolitical, economic and investment trends. Its work draws on our firm's investment capabilities and partnerships with leading academics and external practitioners, and seeks to empower clients with insight and knowledge.

Portfolio resilience, sustainability, and ESG applied to investing have been central themes of the Institute's work and have culminated in the publication of annual journals and papers. Below are just a few of our research, reporting and thought leadership papers relating to Sustainability that we have produced. All are both, internal and public-facing communications.



## White papers



## Reporting

Our Investment Institute mobilises Ninety One's firm-wide expertise and our substantial global network of specialist partners to generate proprietary insights on the global economy, markets, geopolitics and asset allocation. The Institute seeks to play a full and active role in the global conversation on sustainable investing. From aligning a portfolio with the decarbonisation growth trend to ensuring a fair clean-energy transition for all, Ninety One's portfolio managers and analysts explore sustainable investing across asset classes and investment approaches.

An important feature of our Investment Institute is the direct link between the research insights it generates, and portfolios managed across the firm. The Institute works closely with all the firm's investment capabilities and has strong Executive Management support for its work.

## Podcasts

Through our 'The Big Picture' podcast channel we provide interviews and viewpoints on various ESG related topics.



**6) Do you have periodic reviews of your ESG process/approach to assess its effectiveness? What are the results? What would cause you to disregard ESG issues in your investment/analysis decisions?**

Despite never deviating from our philosophy we always look to enhance and evolve each stage of our investment process through constant review, to provide the best possible outcomes for our clients. The 4Factor team hold an annual off-site conference, typically held in September, during which they review the 4Factor framework, including the approach to ESG integration, and its effectiveness over the past year.

Oversight for responsible investing lies with our internal Sustainability Committee. This robust and transparent governance structure is necessary for effective stewardship and oversees all activities with respect to stewardship and ESG at Ninety One. The Sustainability Committee meets quarterly to review our progress and activities in relation to ESG integration, stewardship, engagement, advocacy, sustainability and climate risk, regulation and other related matters. This committee also reviews and approves new policies as well as changes to existing policies. Investment team heads are required to report to this committee on a regular basis.

A comprehensive assessment of E and S and G is considered and wholly integrated within each of our investment capabilities, ensuring these factors are duly considered when any investment decision is made. Therefore, any decision to buy or sell due to an ESG issue would not be made on ESG assessments alone, but rather as a result of a thorough investment process of which ESG analysis is a part.

If any investment decisions are to be vetoed the decision would be made by the Sustainability Committee (and/or the Sustainable Investment Advisory Forum for our sustainability-focused products) after a thorough due diligence process.

## CLIMATE

## 7) Describe how you identify, assess, and manage climate-related risks.

As an active global investment manager, we need to think about transition risk and physical risk from climate change in the context of all our stakeholders. This means our staff, our clients, our shareholders and the companies in which we invest. The greatest risk to our business is a material destruction of value in the underlying companies to which we allocate our clients' capital; for this reason, deep integration of climate change risk in our investment process is the most important protection for our business in the long term.

We look to integrate climate change considerations, including both transition and physical risks where material, within the investment decision making process. This includes developing ways to assess climate change risk exposure of our investments and portfolios, engage with investee companies on climate change, and support industry initiatives that encourages especially greater and higher quality disclosure of climate change data. Our internal focus is currently on integration of climate change considerations within our various investment strategies.

We have also developed the ability in house to measure portfolio carbon metrics aligned with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD), and the Partnership for Carbon Accounting (PCAF) standard. After development of a proprietary Portfolio Climate Risk Tool, which helped us understand the nuances, methodologies, and data challenges, we have transitioned to integrating carbon data with our portfolio management tools.

Our current 4Factor investment process includes comprehensive analysis of the carbon emissions and transition pathways of any of our prospective investments.

Carbon transition is highlighted as a material risk for many sectors, necessitating both a stock and portfolio-level approach. We are now working on ways to expand from our portfolio carbon risk profile analysis to place greater emphasis on transition alignment and the quality of companies' transition plans. Last year, many of our investment professionals participated in a bespoke program with Imperial College that focused on climate risk. This has helped intensify debate organisation-wide and within our investment team leading us to begin developing our own transition alignment frameworks at a strategy level.

There will continue to be a central effort from Ninety One's dedicated Sustainability team to support and guide all investment teams on this. This will feed into the objectives of individual strategies and guide engagement with clients around their own net zero agendas.

Our approach to addressing climate change includes a clear focus on materiality: identifying those companies accounting for 65% of scope 1, 2 & 3 carbon emissions. This threshold is taken from the UN Net Zero Asset Owners Alliance.

The 4Factor Carbon Scorecard for high portfolio emitters then provides a holistic assessment looking at emissions intensity, reduction targets if these are science based, TCFD reporting alignment, net zero ambitions, transition pathways, and alignment of management incentive structure linked to achievement of goals. We categorise these high emitters into five categories, to align with the IIGCC energy transition criteria: "Achieving Net Zero", "Aligned", "Aligning", "Committed" or "Not aligned" as appropriate.

Below we show an illustrative example of a carbon scorecard:

Company: GICSA sector TPI High Emissions Sector? MSCI Scope 1-2 absolute emissions MSCI Scope 3 absolute emissions MSCI intensity (scope 1-2) \$m revenue MSCI intensity (scope 3) \$m revenue	BP Plc Integrated Oil & Gas Yes 46 328 268.0 1932.1	(If Yes scorecard below must be completed) (Trucost 78.8mt Scope 3 upstream)	TPI Strategic Assessment Level 4 - Mar'20 Lightsources bp committed to 1.5oC			
Company Targets Net Zero? Scope 1 & 2 Scope 3	Yes Yes	Target Date 2050 or sooner				
<b>High Emission Sector Scorecard</b>						
Report Date	CY2020	Units	Max. Points	Company	Score	Notes/ Quantification
Support Anti-climate change groups	Active contributions		-5	N	0	Not disclosed
Climate risk and accounts	TCFD Reporting alignment		1	Y	1	First Year 2020 leibites tasked with assuring on Sustainability KPIs
Disclosure:	GHG emissions (Scope 1-2) GHG emissions (scope 3) GHG emissions intensity (highlight scope on right) Independently audited	MtCO2e MtCO2e gCO2e/MJ	1 1 0	Y Y Y	1 1 1	45.5 327.6 78.8 Scope
<b>Targets</b>						
Emission Reduction Targets:	Absolute emissions (scope 1-2) Absolute emissions (scope 3) Emissions Intensity (scope 1-2)	MtCO2e MtCO2e MtCO2e/mmbtoe	1 1 1	1 1 1	1 1 1	Reduction Target Year 2030 -33% 2030 -38% 2030 -15% Baseline Emissions Year 2019 54.40 2019 360.6 2019 79.3 Reduction p.a. -3.5% -4.2% -1.5%
Historical Reductions	Absolute emissions (scope 1-2) Absolute emissions (scope 3) Emissions Intensity (highlight scope on right)	MtCO2e MtCO2e MtCO2e/mmbtoe	1 1 1	1 1 1	1 1 1	Reduction Current Emissions Current Year 2020 45.5 2020 327.6 2020 79.3 Start Emissions Start Year 2019 54.4 2019 360.6 2019 79.3 Reduction p.a. -16.4% -9.2% -0.6% Scope 182 3 1
Net Zero Ambition	Target net zero by 2050 (scope 1-2) Target net zero before 2050 (scope 1-2) accompanied by interim target (5-10 years) Target net zero by 2050 (scope 3) Target net zero before 2050 (scope 3) accompanied by interim target (5-10 years)		1 1 1 1 1 1	Y N Y Y N Y	1 0 1 1 0 1	Reduction Target Year 2050 100% 2030 30-35% 2050 100% 2030 35-40%
Decarbonisation Credibility (science based targets)	Project Pathway Science based targets/ SBTi		2 5	Y N	2 0	/ solar pipeline in US & Europe/ renewable H2 partnership with Orsted/ 1,400 EV charging points
Climate Governance	Management compensation linked to achievement of goals.		3		2	30% of senior leaders equity award linked to low carbon/ 25% of performance-based pay linked to delivery. 2021 annual bonus linked to net zero ambition
Total Score			25 100%		17 68.0%	
			1 point 2 points Up to 3 points 5 points			

Source: Ninety One. For illustrative purposes only.

Our carbon scorecard approach provides an engagement roadmap to encourage investee companies on their journey of greater disclosure, targets, net zero alignment and transition pathways. This aligns with our commitment to engage with our high-emitting companies, to understand where they currently stand on their journey, with the aim of increasing the proportion of companies we hold with science-based targets. As we look toward the future, the greater availability of data should also allow us to engage more explicitly in areas for which standard setting can be an active area of discussion (e.g., emissions pathway to Net Zero).

**8) Describe the climate-related risks and opportunities you have identified over the short, medium, and long term.**

We recognise that climate change presents opportunities and risks to our products, investment strategies and business. We believe climate change is likely to be one of the greatest commercial challenges that our organisation has faced in its lifetime. Our strategy has always centred around delivering strong returns for our clients through innovative and targeted products. We therefore put sustainability with substance, with a focus on climate risk, at the core of our business strategy.

Our general aim is to ensure that robust ESG integration processes highlight material climate risks (both physical and transition risks) and prompts our investment teams to analyse and address them as part of their fundamental research. Our approach is based on the belief that over time, the market will increasingly price negative externalities into the value of securities. We believe that with better informed analysis to price climate risk our allocation of capital will favour companies and countries working the hardest to tackle climate risk. The strength of our investment outcomes benefits from a deep understanding of material climate-related risks and their potential to affect value.

We joined the Net Zero Asset Managers Initiative in 2021. In doing so, three actions framed our net zero agenda:

1. Setting targets that drive real-world change
2. Addressing the emerging market challenge.
3. Using our presence in Africa as a template for effective transition engagement.

We publicly disclose our targets under Net Zero Asset Managers Initiative in our Sustainability and Stewardship Report. We know this is not an easy road to travel and will be tested in the pursuit of this ambition. Wherever there are constraints, we shall, with determination and ambition, challenge and seek to overcome them.

As an asset manager, we have approached the implementation of this commitment in two ways. The first is our footprint: Our own operations. We intend to decarbonise our operations over time through investing in low-carbon energy alternatives, encouraging behaviour change, and supporting initiatives that credibly contribute to a lower-carbon world.

The second is our handprint: The impact of the portfolios we manage for our clients. In our 2022 Sustainability and Stewardship Report, we provide Ninety One's overall transition plans including investment targets, which account for the bulk of Scope 3 emissions. Our commitments to targets are aligned to science-based metrics for Scope 1 and 2 emissions. Responsibility for analysing and managing climate-related risks and opportunities in portfolios lies with the relevant investment teams.

At a firm level, we have developed a process to assess the transition risk of the biggest emitting companies in our house portfolio. When committing to net zero, we were conscious that most companies globally, but particularly in emerging markets, do not yet have a clear plan on how they're going to decarbonise by 2050. Therefore, it is our role as shareholders to encourage, measure and engage the high emitters in our portfolios on their transition and to go on the journey of transition alongside them, with a special focus on emerging markets. To ensure that we do this with integrity, we have developed an in-house 'Transition Plan Assessment Framework' (TPAF) that scores our heaviest emitters on three key principles: level of ambition, credibility of plan, and implementation of plan.

Around 23 companies contribute to over 50% of our financed emissions. Our ‘Transition Plan Assessment Framework’ (TPAF) is applied for each of these companies, with sectoral and regional modifications made to ensure every assessment is tailored to the reality of the company in question. The output of this assessment identifies key risks that we as shareholders should be aware of and which we can engage the company on if they (and we) are to reach our targets.

While the ‘Transition Plan Assessment Framework’ (TPAF) is a tool that has been created and iterated by us, the indicators that the assessment includes are derived from best in class, gold standard disclosure and measurement frameworks including: Climate Action 100+, Transition Pathways Initiative, CDP Climate data, Influence Map, IIGCC guidance and more. These more generic assessments of companies have been used wherever possible. At the time of creating the tool, nothing that met our needs existed hence progressing with one of our own. For example, most methodologies including disclosure, targets, and governance as indicators but didn’t measure the inclusion of ‘Just Transition’ – the impact of the transition to net zero on communities and workers. This was an imperative for us to consider in our own assessment of companies.

The assessment output effectively is a traffic light for analysts, indicating where the company is doing well and where progress is needed. The analyst then uses the areas of progress as key engagement objectives over the course of an annual cycle of strategic engagement and voting.



We plan to publish progress against our targets in our 2023 Sustainability and Stewardship report.

**9) Describe the resilience of your investment strategy, taking into consideration different climate-related scenarios.**

To address climate risk in portfolios, we review available climate-related metrics to make more informed decisions about the individual security level contributions to the overall carbon-related risk profile of the fund. For us to better integrate carbon data within the investment processes, and in turn to support climate risk research by investment teams, we incorporate carbon datasets and qualitative information within our proprietary investment tools. This gives us valuable insight into potential climate risks within the portfolio and may support focused engagement efforts. Both absolute and relative carbon risk exposure within the fund is used to stimulate further analysis of an investment/potential investments. Portfolio level metrics that are used to assess climate-related risk at the portfolio level are (non-exhaustive list):

- a. The extent and quality of disclosure
- b. Weighted-average carbon intensity
- c. Financed portfolio carbon emissions and footprint
- d. Portfolio exposure, for example to fossil fuels, and to companies with science based emissions targets

For further information on metrics and targets please refer to our TCFD report which can be found on our [website](#) within our integrated annual report (pages 39-50)

Under the new TCFD product-level disclosures requirements Ninety One for all of its in-scope products (i.e. OEICs) is required to provide an overview of the financial impacts of climate change on the underlying assets of that financial product based on three prescribed potential climate scenarios. Ninety One as part of its product reporting cycle will include more detailed information on the exposure to these risks in the Ninety One OEIC Emerging Markets Equity Fund interim Reports and Accounts at the end of H2.

## 10) Do you track the carbon footprint of portfolio holdings?

Yes. Our approach to carbon portfolio metrics and reduction targets is outlined below.

**If yes, please describe the methodology and metrics used, and whether you have a set target for reducing the portfolio's footprint.**

### Portfolio carbon metrics

We have developed the ability in house to measure portfolio carbon metrics aligned with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD), and the Partnership for Carbon Accounting (PCAF) standard. After development of a proprietary Portfolio Climate Risk Tool, which helped us understand the nuances, methodologies, and data challenges, we have transitioned to integrating carbon data with our portfolio management tools.

The TCFD metrics include:

- Weighted Average Carbon Intensity, measured in tons of carbon dioxide equivalents per million USD revenue
- Portfolio Carbon Footprint, measured in tons of carbon dioxide equivalents per million USD invested

Using carbon data from MSCI as a starting point, the tools support identification of companies that are material contributors to portfolio carbon metrics, allowing investment teams to focus their analysis on exposure to transition and physical risk. Importantly, the tool provides detailed coverage of scope 1, 2 and 3 emissions and, where data doesn't exist for a company, it will provide an estimate based on an industry average. Additional data we are integrating includes qualitative metrics to support in understanding companies' climate-related targets, and indicators of the quality of climate strategy.

In summary, the tools and data help us understand:

- Highest emitters and largest contributors to portfolio emissions
- How the portfolio compares relative to the benchmark
- Details on corporate climate-related targets and progress on transitioning to a low carbon world

The emphasis is always on using the available tools for an integrated understanding of the risks, including identifying companies that are least prepared for a transition to a low carbon world.

### Carbon reduction targets

In our drive for low-emitting portfolios, we intend to do more than reduce "portfolio carbon" by simply constructing portfolios that exclude high-emitting countries and companies. If we mechanistically apply an exclusionary process to achieve net zero targets, a consequence is likely to be the creation of portfolios concentrated in developed markets and asset-light industries without the transition focus on the rest. We might see places and sectors abandoned to their own devices. Instead, we seek to differentiate between the reduction of "portfolio carbon" and the reduction of carbon emissions in the real world.



More generally, we do not look to impose our ethical views on the portfolios we manage on behalf of clients. At a firmwide level, we will not invest in companies that are directly involved in the manufacture and production of whole weapon systems and intended-use components of cluster munitions, antipersonnel landmines, and biological and chemical weapons. We manage a number of dedicated sustainability strategies that have varying exclusion guidelines based on an appraisal of negative externalities, which may include coal and fossil-fuel industries.

**11) What are your firm's emissions? Please demonstrate how/whether you are taking steps to reduce these scenarios?**

Our commitment to sustainability extends beyond integrating it into the way we invest. Our sustainability activities are organised into three focus areas:

**Invest:** ESG analysis is integrated across our investment strategies. We also offer sustainable investment solutions.

**Advocate:** We seek to lead the conversation on sustainable investing.

**Inhabit:** We believe change starts at home. We run our business responsibly and act sustainably.

At Ninety One we try to inhabit our own ecosystem in a manner that ensures a sustainable future for all. This includes the way in which we look after our people and the way we govern our firm. As a long-term investor on behalf of our clients, we are aware of our broader responsibility to society.

Managing our energy consumption

We are working to decouple our company's growth from our environmental impact by expanding our corporate sustainability strategy and finding new ways to reduce our direct carbon impact. Our aim is to reduce, neutralise and eventually eliminate our carbon emissions on a Scope 1 and 2 basis. Our carbon footprint is calculated in accordance with the international GHG Protocol's Corporate Accounting and Reporting Standard (revised edition) and is shown in the accompanying table. The majority of the improvement in Scope 1 and 2 emissions during the year was due to our new office location in London.

As we upgrade our buildings or look for new premises, our environmental footprint is an integral consideration in the project plans. This is particularly important given our large contingent in South Africa, where the grid remains heavily dependent on coal-fired electricity.

We continue to improve the accuracy and comprehensiveness of the information captured by our environmental-data collection system. In 2021, we launched an employee resource group, Ninety One Green, which aims to implement initiatives across our teams and offices. We also partnered with Giki Zero, an interactive tool to help employees measure their personal carbon footprints while providing education on sustainability.

The Carbon Trust audited and verified our carbon footprint under Scope 1 and 2 emissions, and category 6 of Scope 3 (business flights, taxis, hotel stays and car rentals). We monitor our paper and waste. We intend to create mechanisms by which we can reduce our scope 3 emissions.

We have worked with the Carbon Trust to develop targets for reducing Scope 1 and 2 emissions, and have set a near-term target using a methodology aligned with the SBTi, as follows:

- We aim to reduce absolute Scope 1 and 2 (location based) GHG emissions by 46% by 2030 from a 2019 base year. This would mean an absolute decrease from 3,773 tonnes to 2,030 tonnes. Our approach:
  - Use location-based accounting
  - Reduce overall energy consumption
  - Specific focus on energy-efficiency across offices
- The SBTi guidelines permit the use of market- or location-based carbon accounting to set and track progress towards Scope 2 targets. We have opted to use location-based carbon-accounting. This is the most ambitious approach because location-based targets are largely determined by the emissions intensity of the local grid – which in Southern Africa, where we

have sizeable operations, is heavily reliant on fossil fuels for power generation. South Africa's grid depends on coal power electricity for 90% of generation capacity, making it 10x more carbon emitting than France.

- Our focus is on reducing overall energy consumption and adopting energy-efficiency measures across our offices.

The implementation of our transition plan will be monitored by the Sustainability Committee, with final responsibility lying with the Chief Executive Officer. Progress on the plan will be reported to the DLC Board Sustainability, Social and Ethics Committee.

#### **Key carbon numbers (calendar year 2022)**

- Total tCO<sub>2</sub> per £million of adjusted operating revenue, our intensity metric, reduced by 45% from base year.
- Global Scope 2 electricity emissions increased by 6.5% to 2,722 tCO<sub>2</sub> e on a location basis and 7.0% to 2,396 on a market basis. This was as a result of increased occupation in our offices following pandemic lockdowns in the previous reporting period. Over half of our Scope 2 emissions relate to our Southern Africa offices, a more carbon-intensive location for electricity.
- Our global Scope 3 emissions, which include paper, waste and business travel, increased by 109% to 4,625 tCO<sub>2</sub> e. This was mostly due to increased business travel (specifically, air travel). A certain amount of travel is required to run our global business, both to meet with clients and engage with colleagues. However, we continue to look at more climate-friendly options for air travel. This will be a focus over the coming period.

Below is a summary of our total operational GHG emissions and energy data, and is in line with the Streamlined Energy and Carbon Reporting (SECR) requirements. Our carbon footprint was calculated in accordance with the international Greenhouse Gas ("GHG") Protocol's Corporate Accounting and Reporting Standard (revised edition). We measure and report our carbon using both location- and marketbased methodologies. We believe this provides the most transparent and accurate view of our operational carbon footprint.

	FY2023				FY2022				FY2019
	Location based		Market based		Location based		Market based		(baseline)
	UK	Global	UK	Global	UK	Global	UK	Global	
Scope 1 (fuel)	4	20	4	20	14	55	14	55	227
Scope 2 (electricity)	330	2,722	4	2,396	324	2,557	7	2,239	3,546
<b>Total Scope 1 &amp; 2</b>	<b>334</b>	<b>2,742</b>	<b>9</b>	<b>2,416</b>	<b>338</b>	<b>2,612</b>	<b>21</b>	<b>2,294</b>	<b>3,773</b>
Business travel	1,745	4,604	1,745	4,604	1,181	2,194	1,181	2,194	7,957
Waste generated in operations	12	22	12	22	12	20	12	20	53
<b>Scope 3</b>	<b>1,757</b>	<b>4,625</b>	<b>1,757</b>	<b>4,625</b>	<b>1,193</b>	<b>2,214</b>	<b>1,193</b>	<b>2,214</b>	<b>8,010</b>
<b>Total CO<sub>2</sub> emissions</b>	<b>2,091</b>	<b>7,367</b>	<b>1,766</b>	<b>7,042</b>	<b>1,532</b>	<b>4,826</b>	<b>1,214</b>	<b>4,508</b>	<b>11,783</b>
Energy consumption (kWh) <sup>12</sup>	1,729,477	4,541,788			1,613,375	4,285,015			
Total CO <sub>2</sub> e/employee		6.1		5.8		4.1		3.8	11
Scope 1 & 2/employee		2.3		2.0		2.2		1.9	3.5
Tonnes CO <sub>2</sub> e/£m of adjusted operating revenue		11.6		11.1		7.3		6.8	21
Scope 1 & 2 – tonnes p/£m of adjusted operating revenue		4.3		3.8		3.9		3.5	6.7

\*Energy consumption in kWh for Scope 1 and Scope 2. Global includes UK GHG emissions. Numbers may not total exactly due to rounding. The reporting period for emissions metrics disclosures has been amended to align with Ninety One's financial year, from 1 January - 31 December to 1 April - 31 March. This change also applies to comparative figures.

We also continue to assess viable options for sourcing our energy from renewable sources. We recognise our responsibility as a global investment manager to play our part in reducing our global emissions and support the long-term goal of the Paris Agreement to limit the global average temperature increase to 1.5°C.

### Mitigating our operational carbon footprint

We maintain a long-term partnership with BioCarbon Partners to mitigate 100% of our Scope 1 and 2 emissions and our Scope 3 business-travel carbon emissions. BioCarbon Partners is a for-profit social enterprise founded in 2011 that works to make forests and wildlife valuable to rural communities in Southern Africa. BioCarbon Partners does so primarily through the development and sale of carbon offsets, which generates revenue used to conserve natural forests in some of Africa's most important ecosystems.

### 12) For the mandate you manage for Queen's, what percentage of equity holdings (if applicable) have credible net zero commitments?

We do broadly aim to build portfolios which exhibit lower WACI than the benchmark. However, we also recognise there is more to this topic than current emissions metrics. A critical part of our fundamental investment process is to understand the direction of travel; by assessing the credibility of our target companies' own commitments and proposed transition pathways.

53 out of 82 companies in the portfolio have carbon emissions reduction targets as of 31 March 2023.

14.63% of the portfolio has companies with SBTi commitments. These are commitments demonstrate an organisations' intention to develop targets and submit these for validation within 24 months. This would be the first step in setting a science-based target.

7.85% of the portfolio companies have SBTi targets set. These companies have clearly -defined pathways to reduce greenhouse gas (GHG) emissions, which have been validated by the SBTi.

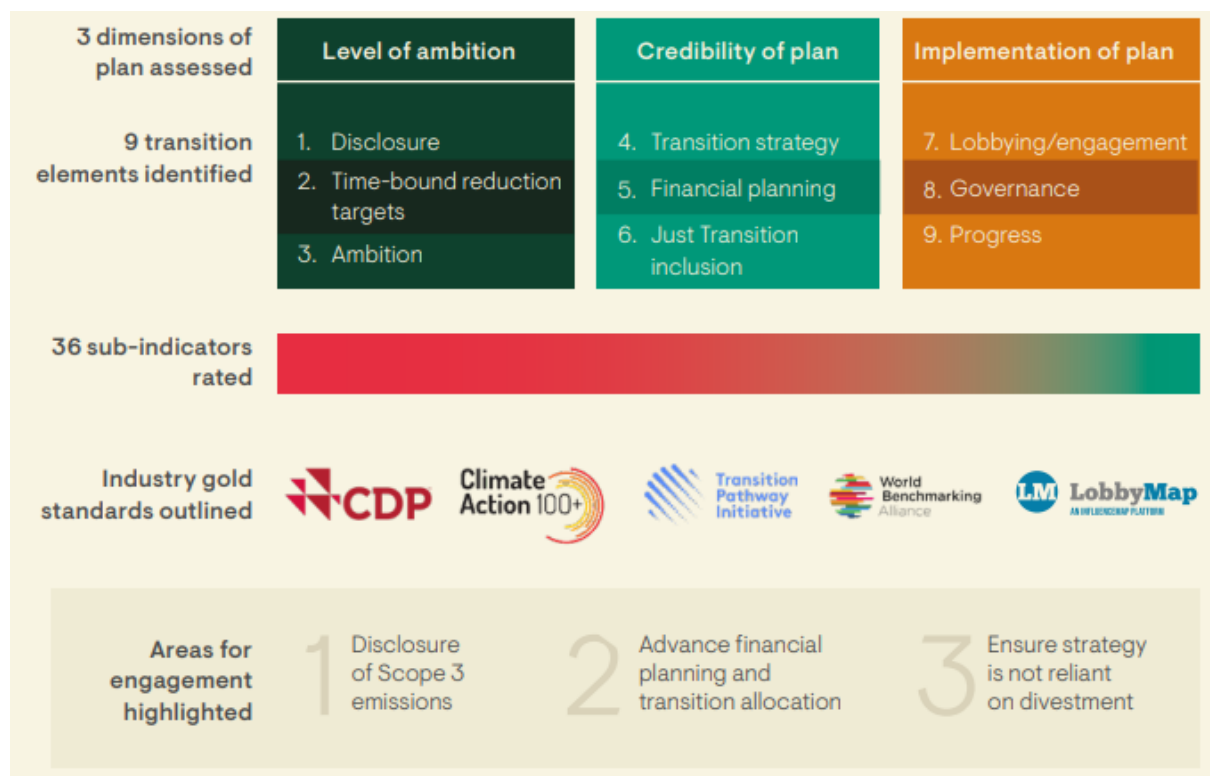
### **13) How do you assess the credibility of a company's emission reduction targets?**

In addition to the 4Factor Carbon Scorecards explained in Q7, at a firm level, we have developed a process to assess the transition risk of the biggest emitting companies in our house portfolio. When committing to net zero, we were conscious that most companies globally, but particularly in emerging markets, do not yet have a clear plan on how they're going to decarbonise by 2050. Therefore, it is our role as shareholders to encourage, measure and engage the high emitters in our portfolios on their transition and to go on the journey of transition alongside them, with a special focus on emerging markets. To ensure that we do this with integrity, we have developed an in-house 'Transition Plan Assessment Framework' (TPAF) that scores our heaviest emitters on three key principles: level of ambition, credibility of plan, and implementation of plan.

Around 23 companies contribute to over 50% of our financed emissions. Our 'Transition Plan Assessment Framework' (TPAF) is applied for each of these companies, with sectoral and regional modifications made to ensure every assessment is tailored to the reality of the company in question. The output of this assessment identifies key risks that we as shareholders should be aware of and which we can engage the company on if they (and we) are to reach our targets.

While the 'Transition Plan Assessment Framework' (TPAF) is a tool that has been created and iterated by us, the indicators that the assessment includes are derived from best in class, gold standard disclosure and measurement frameworks including: Climate Action 100+, Transition Pathways Initiative, CDP Climate data, Influence Map, IIGCC guidance and more. These more generic assessments of companies have been used wherever possible. At the time of creating the tool, nothing that met our needs existed hence progressing with one of our own. For example, most methodologies including disclosure, targets, and governance as indicators but didn't measure the inclusion of 'Just Transition' – the impact of the transition to net zero on communities and workers. This was an imperative for us to consider in our own assessment of companies.

The assessment output effectively is a traffic light for analysts, indicating where the company is doing well and where progress is needed. The analyst then uses the areas of progress as key engagement objectives over the course of an annual cycle of strategic engagement and voting.



For progress against our targets please refer to pages 14-23 in our 2023 [Sustainability and Stewardship report](https://ninetyone.com/-/media/documents/sustainability/91-sustainability-and-stewardship-report-en.pdf).

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

#### 14) What forward-looking metrics do you use to assess an investment's alignment with global temperature goals?

As an organisation, we believe in transition alignment, and in SBTi as the gold standard for companies to comply with. As a signatory to NZAMI, we are committed to setting out a plan to reach net zero by 2050 or sooner. We are committed to ensuring that 100% of our corporate asset pool (debt and equity) achieves Net Zero by 2050.

At a firm level, we have sought to design net-zero targets for our investment teams aimed at driving real-world carbon reduction and allowing emerging markets to transition in a fair and inclusive manner. To this end, we have set the following target for our investments:

- At least 50% of the corporate emissions financed by Ninety One will be generated by companies with Paris-aligned science-based transition pathways by 2030.
- The proportion of our corporate assets under management covered by Paris-aligned science-based transition pathways will meet the SBTi requirements for Ninety One to obtain a verified SBTi. We calculate this requirement to be 56% of our corporate assets under management with science-based transition pathways by 2030.
- In practice, we will be engaging actively with our highest emitters and largest holdings to maximise the proportion of our corporate AUM with science-based transition pathways.

Whilst the portfolio has no explicit net zero target, we should note that the transition alignment evaluation, enables us to monitor the portfolio from a climate risk analysis perspective, and allows us to actively engage with the companies that are top emitters in the portfolio.

We would expect more of the portfolio through time to be aligned to a net zero pathway. As an organisation, we believe in transition alignment, and in SBTi as the gold standard for companies to comply with. As a signatory to NZAMI, we are committed to setting out a plan which to reach net zero by 2050 or sooner. We are committed to ensuring that 100% of our corporate asset pool (debt and equity) achieves Net Zero by 2050.

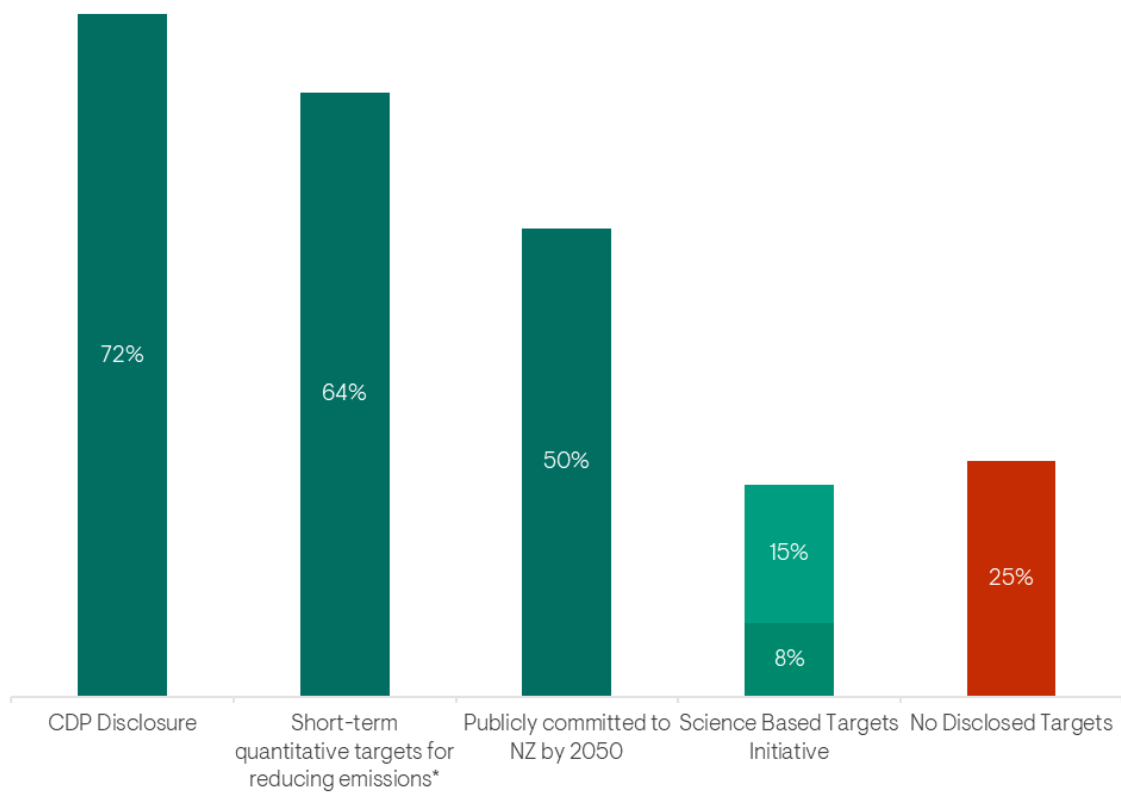
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#### Emerging Markets Equity Portfolio Net Zero Alignment

##### **Portfolio holdings' metrics and targets disclosure (%)**

The output of this analysis helps us prioritise engagement with those companies we have identified as having little or no carbon emissions disclosure, and/or do not yet have credible net zero targets and transition pathways in place that are aligned with the Paris Agreement.



\*Targets which detail a company's commitment to reduce greenhouse gas (GHG) emissions by a certain percentage by 2030.

Source: Science Based Targets Initiative (SBTi), Carbon Disclosure Project (CDP), Ninety One, 31 March 2023



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## DIVERSITY

**15) Please provide the composition of your senior leadership team and board of directors, including women and visible minorities. How do you encourage diversity of perspectives and experience?\***

The Executive Management at Ninety One consists of key senior managers and our original founders. The Executive Management represents continuity and stable leadership with members having an average of 27 years' firm tenure and 29 years' industry experience. Details of Ninety One's Executive Management are shown in the graphic below.



**Hendrik du Toit**  
Founder and Chief Executive Officer



**Mimi Ferrini**  
Co-Chief Investment Officer



**Kim McFarland**  
Finance Director



**John McNab**  
Co-Chief Investment Officer



**John Green**  
Chief Commercial Officer



**Khadeeja Bassier**  
Chief Operating Officer

Source: Ninety One.

Our Executive Management are supported in their roles by highly skilled and experienced business unit heads that have direct responsibility for activity in their individual markets.

The Board of Ninety One Ltd and Ninety One plc ("the Board") is responsible for, inter alia, the approval and review of the Ninety One Ltd and Ninety One plc group of companies' ("Ninety One Group") long term objectives and strategy, approving any dividend payments, ensuring maintenance of a sound system of internal control and risk management and oversight of financial position, investment performance and operations. Matters which the Board considers.

The Boards consist of six Non-Executive Directors and two Executive Directors.

Ninety One's board are shown in the graphic below. This includes independent as well as executive/non-executive status and committee membership.



**Gareth Penny**

Chairman of the Boards  
Chair of Nominations and Directors' Affairs Committee  
Member of Sustainability, Social and Ethics Committee



**Hendrik du Toit**

Founder and Chief Executive Officer  
Member of Nominations and Directors' Affairs Committee  
Member of Sustainability, Social and Ethics Committee



**Kim McFarland**

Finance Director



**Colin Keogh**

Senior Independent Director  
Chair of Human Capital and Remuneration Committee  
Member of Audit and Risk Committee



**Busisiwe Mabuza**

Independent Non-Executive Director  
Chair of Sustainability, Social and Ethics Committee  
Member of Human Capital and Remuneration Committee



**Khumo Sheunyane**

Non-Executive Director



**Idoia Basterrechea Aranda**

Independent Non-Executive Director  
Member of Audit and Risk Committee  
Member of Human Capital and Remuneration Committee  
Member of Nominations and Directors' Affairs Committee



**Victoria Cochrane**

Independent Non-Executive Director  
Chair of Audit and Risk Committee

Source: Ninety One.

## Diversity and Inclusion

Ninety One is a signatory of the Women in Finance Charter. Our senior executives pay is linked to the delivery of this target. We are working towards achieving our diversity targets through concrete actions. When we signed up to the Charter in 2018, we had 26% female representation in our global senior leadership and we are pleased to report that we hit our target ahead of schedule with 31% in 2021, and surpassed it again with 33% in 2022. We are committed to continuing to build on our progress and are now proactively working towards a new target of 35% female representation in our senior leadership by 2024.

Alongside our target of 35% of women in senior leadership by 2024, we strive for diverse representation on our boards. Our board of directors for Ninety One is comprised of 50% women.

In our annual talent review process leaders are held accountable for managing diversity in their teams and building a diverse pipeline of talent. The data collected during this process is then analysed and presented to our business leaders, with a particular focus on diversity.

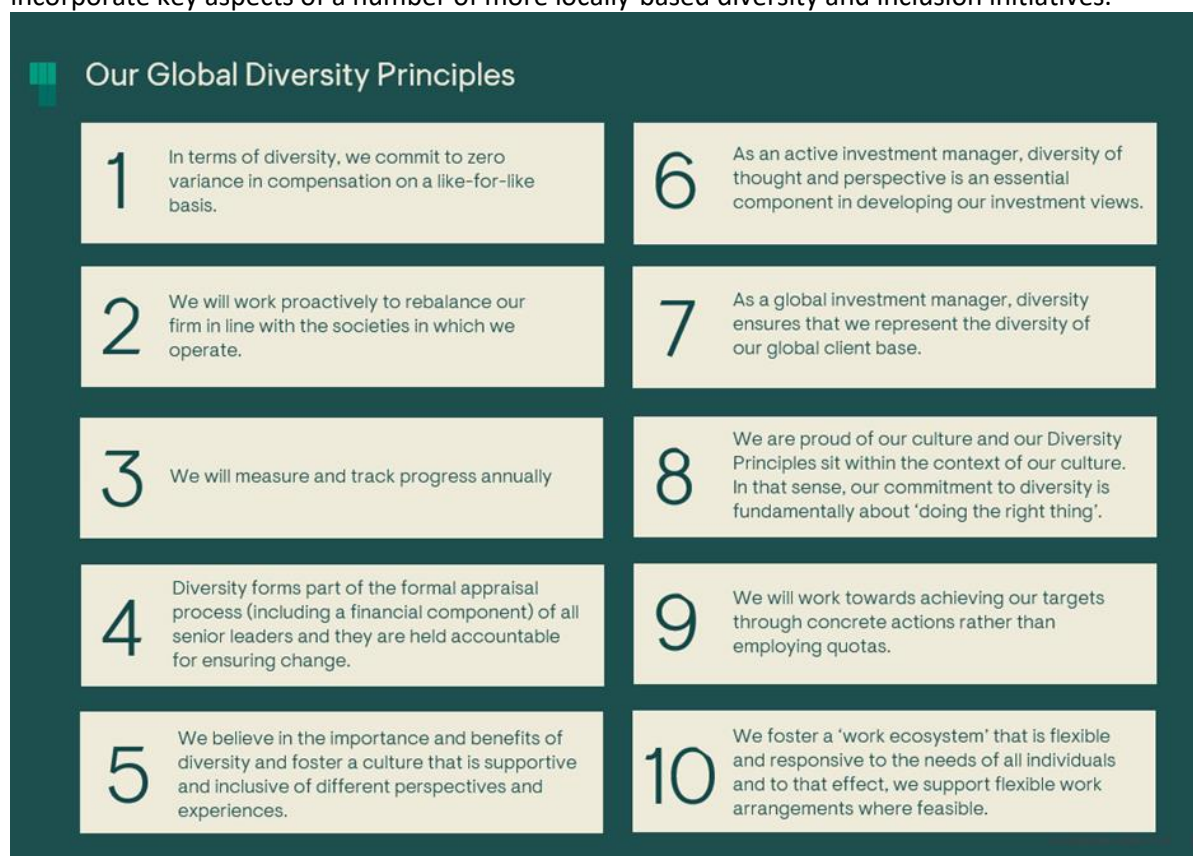
## Equality policy

At the core of our values is the respect for the dignity and worth of the individual. Our imperative is to attract and retain the best talent by providing a corporate environment where people from varying backgrounds can develop professionally and build a rewarding career. While there may be minor nuances between the laws of the different countries in which the Company operates, the concepts outlined in our Equality policy enshrine our global approach to the principles of equality, embracing diversity and doing the right thing.

We want everyone to have the opportunity to build a successful career and to thrive in a collaborative work environment. In addition to our Equality policy, we have established our own set of diversity principles and created a framework for our ongoing journey that translates into four key areas of focus described below.

## Our Diversity Principles

Our set of diversity principles, created in 2017, help define the framework for our on-going journey with regards to diversity and inclusion. These principles apply across the global business and incorporate key aspects of a number of more locally-based diversity and inclusion initiatives.



**Our Global Diversity Principles**

- 1 In terms of diversity, we commit to zero variance in compensation on a like-for-like basis.
- 2 We will work proactively to rebalance our firm in line with the societies in which we operate.
- 3 We will measure and track progress annually
- 4 Diversity forms part of the formal appraisal process (including a financial component) of all senior leaders and they are held accountable for ensuring change.
- 5 We believe in the importance and benefits of diversity and foster a culture that is supportive and inclusive of different perspectives and experiences.
- 6 As an active investment manager, diversity of thought and perspective is an essential component in developing our investment views.
- 7 As a global investment manager, diversity ensures that we represent the diversity of our global client base.
- 8 We are proud of our culture and our Diversity Principles sit within the context of our culture. In that sense, our commitment to diversity is fundamentally about 'doing the right thing'.
- 9 We will work towards achieving our targets through concrete actions rather than employing quotas.
- 10 We foster a 'work ecosystem' that is flexible and responsive to the needs of all individuals and to that effect, we support flexible work arrangements where feasible.

## Our diversity and inclusion (D&I) framework

We have created a D&I framework to enable change by considering diversity in all our people decisions. We apply our diversity principles practically through this framework using the following four key areas of focus.



## Diversity and Inclusion Framework

Creating a more balanced organisation through long-term, sustainable change

### 1. Commitment & Accountability

Global Diversity Principles  
Leadership Accountability including compensation

### 2. Enabling Change

Diversity is a central consideration in all our decision making, especially when it comes to our people.

Recruitment      Development      Retention

### 3. Measuring Progress

We monitor key diversity statistics. We use this data to devise plans, address problems and monitor our successes. This data is shared with business leaders to empower them to make change.

### 4. Promoting an Inclusive work environment

Ninety One Inspire  
Ninety One Proud      Ninety One Belong

#### 1. Commitment and accountability of our senior leadership team.

The leaders of our business are committed to creating a more balanced organisation and are held accountable for making progress. This includes our executive management, and our CEO Hendrik du Toit.

Ninety One became a signatory of the Women in Finance Charter in 2018 and committed to achieving a target of 30% women in senior leadership by 2023. When we signed up to the Charter we had 26% female representation in our global senior leadership. In 2021 we met our target and we are now committed to proactively working towards a new target of 35% female representation in our senior leadership by 2024. Our senior executives pay is linked to the delivery of this target. For our 2022 reporting period we were pleased to report we now have 33% women in our global senior leadership.

Alongside our senior leadership target, we strive for diverse representation on our boards. Our board of directors for Ninety One is comprised of 50% women and our global executive management team is 33% female.

In our annual talent review process leaders are held accountable for managing diversity in their teams and building a diverse pipeline of talent. The data collected during this process is then analysed and presented to our business leaders, with a particular focus on diversity.

#### 2. Enabling change by embedding diversity in all our people decisions

We have made diversity and inclusion a central consideration in all our decision making, especially when it comes to our people. We take a proactive approach to hiring, ensuring balanced and diversified shortlists and interview panels, and that our entry level recruitment creates a diverse pipeline of talent.

We work with universities and support the following cross-industry initiatives to promote and attract diverse talent, including:

- 'Investment 2020', which focuses on bringing diverse talent into all aspects of the asset management industry, including different socio-economic backgrounds.
- We work with 'Women Returners', whose mission is removing 'the career break penalty' for women who have taken an extended career break. By targeting this population we have the opportunity to increase gender diversity by providing opportunities for experienced and talented women to return to the industry.

Ninety One has a generous family leave policy offering all expectant parents (including adoptive parents) six months full pay. This is available to all employees globally.

We place a greater emphasis on productivity than presenteeism and actively encourage flexible working where appropriate.

We are partnered with the 30% Club and Women Ahead to offer women across our global business an opportunity to be mentored by an external, seasoned business leader.

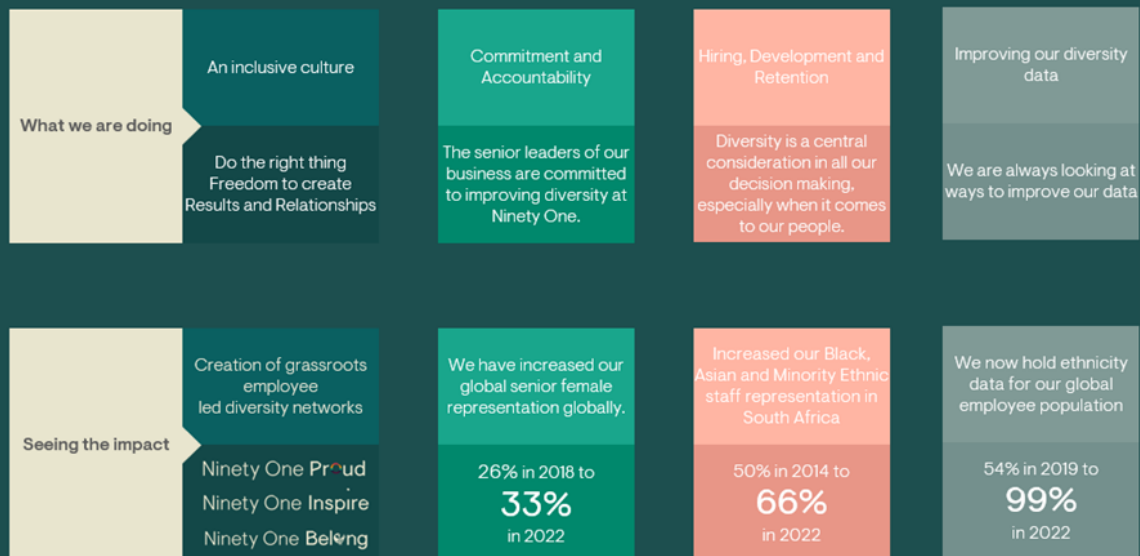
We invested in diversity training that was designed to help all our employees become aware of their conscious and unconscious biases. The training was compulsory for all our employees because we believe that everyone shares a responsibility to recognise and remove barriers to inclusion. In this coming year we plan to build on this work, by working closely with our leaders to further explore this topic.

To help build a diverse talent pipeline, diversity is a key consideration in all our leadership development training opportunities.

### **3. Measuring our progress so we can challenge and change**

We monitor key diversity statistics, so we can measure our progress, and use this data to inform our ongoing diversity and inclusion efforts. We share this data with business leaders, including the heads of our investment capabilities, to empower them to effect change.

## Seeing the impact of our Diversity and Inclusion framework



### 4. Promoting an inclusive work environment

Our employee networks are essential for creating an environment where everyone can be themselves.

## Our diversity networks

Created by our people, supported by the business

### Ninety One Inspire



**Khadeeja Bassier**  
Chief Operating Officer



**Christine Baalham**  
Portfolio Manager



**Sheila Butterly**  
Organisation Development

Inspire is a network created by women for women at Ninety One. It enables the exchange of knowledge and experiences in order to improve the opportunities for career success, collaborates with the business to impact Ninety One's diversity and inclusion agenda and advocates for continued progress.

### Ninety One Belong



**Pelumi Lawal**  
Client Manager



**Josef Odili**  
Capacity Building Director

Belong is a grass roots employee led network focused on the recruitment, retention and representation of black talent. The network is focused on achieving this through enhancing Ninety One's recruitment strategy, improving retention by partnering with internal stakeholders and enhancing representation through education and cultural exchange.

### Ninety One Proud



**James Boal**  
Events Manager



**Craig Stafford**  
Recruitment Manager

Proud is Ninety One's LGBT+ network which is designed to create an internal community for our LGBT+ colleagues and their allies. Proud is focused on developing and promoting an inclusive work environment, where people who identify as LGBT+ are free to be themselves and to attract and retain the best talent regardless of their sexual orientation or gender identity.

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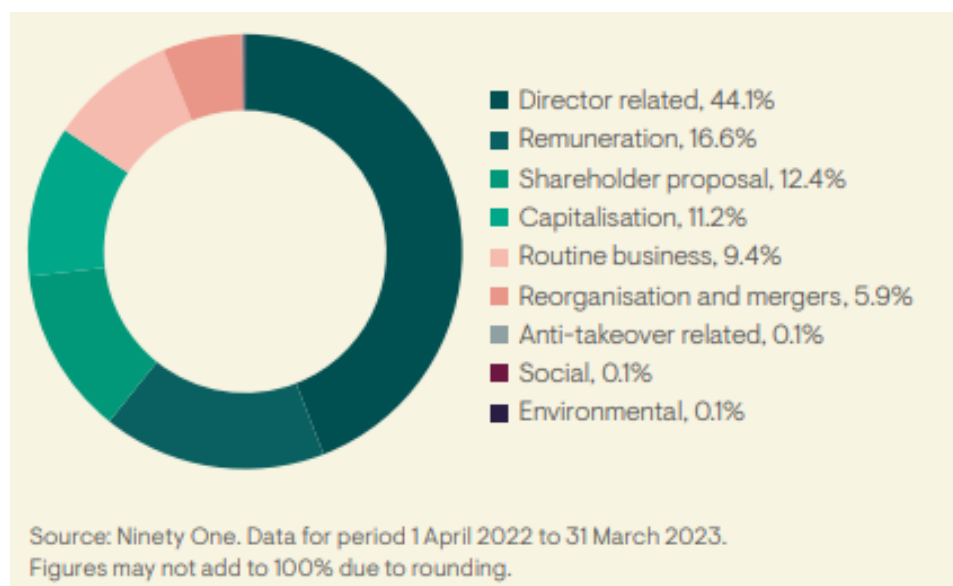
## PROXY VOTING

**16) What proportion of the time do you vote with or against management on shareholder resolutions, board appointments, and auditor appointments? What proportion of the time do you vote with or against management on ESG issues? How does this break down for climate, diversity, and remuneration issues?\***

Over the 12 months to end March 2023, we made vote recommendations at 1,102 shareholder meetings worldwide, analysing 15,625 resolutions in accordance with Ninety One's voting policy. On a resolution-by-resolution basis, we voted 'for' on 90.4% of the resolutions, and cast a dissenting vote (against, abstain or withheld) on 7.9% of resolutions, abstaining on 1.5% and withholding on 0.2%.

Globally, c.44% of all dissenting votes related to directors. We regard the governance of companies, and hence the board, as crucial for the protection and enhancement of shareholder value. We believe that owners have a responsibility to work with the board to motivate a company to create sustainable value, reinforce the board's mandate, and ensure the quality and accountability of the board.

**Dissenting votes by category**



**Shareholder proposals**

Shareholder proposals enable shareholders to recommend or require that a company and/or its board of directors take a specific action. They are key shareholder rights globally, though submission requirements vary based on countries' legal frameworks.

Over the reporting period, we voted on 432 shareholder proposals. We supported a significant number of them (57%) because they sought to improve ESG practices, were targeted and focused, and were neither too prescriptive nor too vague in their requests.

As an active investor, Ninety One prioritises direct dialogue with company boards and management to achieve our desired outcomes. Shareholder proposals are one of a number of mechanisms available to influence companies, and we assess shareholder proposals on a case-by-case basis, taking into account the outcomes of our own engagement, the relevance of the proposal to our strategic objectives, and progress being made by companies on these issues. The proportion of votes we support in any given year reflects the topic, relevance and quality of the proposals.

**17) What proportion of all independent ESG shareholder resolutions do you support?\***

There were no shareholder proposed resolutions for this period.

**18) What proportion of remuneration packages do you vote in favour of? In your view, is the current level of executive remuneration too high, too low, or about right? How is this view reflected in your voting record on remuneration?\***

We voted in favour of 88.46% of remuneration packages. Our stance on remuneration policies and how voting guidelines are aligned to these policies is included in the ownership policy and proxy guidelines attached.

**19) Have you ever co-filed an ESG-related shareholder resolution? If so, how many and with what frequency?\***

Should Ninety One believe that there is a pressing matter that should be taken into account by all shareholders, it will consider following the relevant processes to raise a shareholder resolution. Ninety One will only take this action if all other avenues of engagement have been unsuccessful. To date, Ninety One has not been involved in raising a shareholder resolution.

**20) Have you ever voted against a director for explicitly ESG-related reasons? If so, why? If not, would you consider doing so in the future?\***

Ninety One may vote against directors, including the chairperson, if, from a sustainability point of view, there are unmitigated risks, poor disclosure, incidents and failure to appropriately manage and anticipate environmental and social risks which have resulted, or may result, in the destruction of shareholder value.

To date we have not voted against directors for ESG-related reasons.

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## ENGAGEMENT

**21) How many companies do you engage with? What proportion of your engagements focus on environmental and social issues? What are your engagement goals? Are these goals outcome/action-based (e.g. decreases in emissions or increases in number of women on the board) or means-based (reporting on emissions or number of women on the board)?\***

Ninety One embraces the concept of active stewardship. We are active (not passive or activist) investors and our engagement policy is driven by a clear purpose: to preserve and grow the real value of the assets entrusted to us by our clients over the long-term. We use one database, accessible to all investment teams, to record all engagement interactions, progress and outcomes.

Ninety One is, therefore, intent on playing a role in ensuring that the boards of those companies focus on the creation and preservation of sustainable value. This approach requires interaction between Ninety One and company boards, particularly with the chairperson, the lead independent directors and company secretaries to support the ongoing objective of higher levels of accountability, transparency, reporting and sustainable performance.

We categorise engagements using the following definitions:

- **Strategic**

Strategic engagements focus on critical issues with entities we believe we can influence. These can cover sustainability, business-model and operational issues. We believe these engagements enhance our understanding of sustainability risks and can provide the opportunity to improve outcomes.

- **General**

General engagements form part of the investment process, focusing on engagement goals that are not prioritised for strategic engagement, including particularly corporate governance.

- **Advocacy**

We identify a limited number of advocacy projects that matter for our clients and the firm. The Sustainability Committee provides guidance to investment teams on their participation in advocacy, including through collaboration, where this is aligned to their investment priorities.

We may collaborate with other investors as part of an engagement strategy if it can contribute to achieving our engagement objectives. Our membership of regional and global organisations facilitates this.

We took part in 518 engagements over 12 months to end March 2023. Many of them were initiated following matters identified in our fundamental investment and voting analysis. Please note that this figure is based on individual interactions and there may be multiple interactions with any one company.

Engagement goals can be both outcome-based and means-based. As mentioned, we engage with company boards to support the ongoing objective of higher levels of accountability, transparency, reporting, and also to drive improvement in relevant sustainability metrics.

**22) What is your policy around the escalation of engagement; how and why might this happen and what is the ultimate tool you might use (e.g. voting against board re-election, etc.)?\***

Our intent is to have independent, high-quality engagements with management and boards at appropriate times, with clear goals and milestones where necessary.

All of our engagements are initially private, where we work with the board or executive management to build an appropriate professional relationship, explain the concern and the shared opportunity, while seeking commitment for change.

In the majority of engagements, we are able to build consensus about the benefits of change and the goal of our engagement. Where we are not able to build commitment or there is no appropriate response from a company, we carefully consider our options to escalate the engagement. These include:

- Meetings with the chairman and selected directors and executives to understand their view
- AGM attendance and questions
- Shareholder resolution
- Collaboration with shareholders who share the same concern
- Engaging through local engagement groups e.g., the UK Investor Forum
- Voting against management
- An extraordinary general meeting
- Selling the shares

Should Ninety One believe that there is a pressing matter that should be taken into account by all shareholders, it will consider following the relevant processes to raise a shareholder resolution. Ninety One will only take this action if all other avenues of engagement have been unsuccessful.

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Additional information on our investment strategies can be provided on request.

### **Indices**

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### **Investment Team**

There is no assurance that the persons referenced herein will continue to be involved with investing for this Strategy, or that other persons not identified herein will become involved with investing assets for the Manager or assets of the Strategy at any time without notice. References to specific and periodic team meetings are not guaranteed to be held or fully attended due to reasonable priority driven circumstances and holidays.

### **Investment Process**

Any description or information regarding investment process or strategies is provided for illustrative purposes only, may not be fully indicative of any present or future investments and may be changed at the discretion of the manager without notice. References to specific investments, strategies or investment vehicles are for illustrative purposes only and should not be relied upon as a recommendation to purchase or sell such investments or to engage in any particular Strategy. Portfolio data is expected to change and there is no assurance that the actual portfolio will remain as described herein. There is no assurance that the investments presented will be available in the future at the levels presented, with the same characteristics or be available at all. Past performance is no guarantee of future results and has no bearing upon the ability of Manager to construct the illustrative portfolio and implement its investment strategy or investment objective.

### **Performance Target**

The target is based on Manager's good faith estimate of the likelihood of the performance of the asset class under current market conditions. There can be no assurances that any Strategy will generate such returns, that any client or investor will achieve comparable results or that the manager will be able to implement its investment strategy. Actual performance of Strategy investments and the Strategy overall may be adversely affected by a variety of factors, beyond the manager's control, such as, political and socio-economic events, adverse changes in the interest rate environment, changes to investment expenses, and a lack of suitable investment opportunities. Accordingly, target returns may be expected to change over time and may differ from previous reports.

### **Specific Portfolio Names**

References to particular investments or strategies are for illustrative purposes only and should not be seen as a buy, sell or hold recommendation. Unless stated otherwise, the specific securities listed or discussed are included as representative of the Strategy. Such references are not a complete list and



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