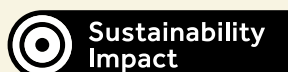




# Global Environment Fund

## Sustainability label



Sustainability Impact – invests mainly in solutions to sustainability problems, with an aim to achieve a positive impact for people or the planet.

Date **01 December 2024**

Fund Identifier

**213800BU6SZYC4R6YD14**

A sub-fund of Ninety One Funds Series iii managed by Ninety One Fund Managers UK Limited.

The Investment Manager for this Fund is Ninety One UK Limited. Throughout this document, any reference to 'Ninety One', 'our' or 'we' refers to the Investment Manager.

## Sustainability Goal

The Fund's impact sustainability objective is to invest in and engage with companies that offer products and services that reduce greenhouse gas emissions, helping to address climate change. The impact of these products and services can be measured as carbon avoided, i.e. emissions that would otherwise have reached the atmosphere if these products and services were not available. The Fund aims for these companies to grow their decarbonising products and services and, therefore, their carbon avoided over at least a five-year period. Since 2020, each year more than half of the companies in the portfolio that report carbon avoided have shown growth in this metric.

There are three main investment themes where companies are driving decarbonisation: renewable energy, resource efficiency and electrification which are explained in more detail within the Sustainability Characteristics section of this document.

The Fund prioritises capital growth through decarbonisation, which will likely make its performance different from that of other funds, such as those without a sustainability goal. For example, if a company's growth is not driven by decarbonisation, it will not be included in the portfolio. In pursuing the Fund's sustainability objective, we assess the material environmental or social effects a company may have on its stakeholders. If we determine that a company has material negative effects on the environment and/or society, it will not be included in the Fund's.

## Sustainability Approach

Everything we invest is in pursuit of the sustainability goal. We seek to invest in companies that drive their capital growth by providing products and services that enable decarbonisation. To find these companies, we do the following:

### Decarbonisation universe

The first step is to identify a universe of companies globally that generate at least half of their revenues from the sectors most likely to enable decarbonisation such as renewable energy and electric vehicles. Once we've found companies that will enable the process of sustainable decarbonisation, the second step is to determine which companies' products are genuinely enabling decarbonisation, meaning their products or services result in fewer carbon emissions than current levels. We use disclosed figures or estimate carbon avoided if not reported. The percentage of companies reporting carbon avoided is included in the Fund's Annual Impact Report which also includes more information on the carbon avoided calculation methodology.

### Company analysis

Having refined the potential investment universe to those enabling decarbonisation, we conduct in-depth research and analysis seeking companies who can grow, have competitive advantages and sustainable return profiles. We analyse each line of the company's revenue statements to do this. If a business is generating at least 20% of its revenue from decarbonisation solutions, we consider this enabling decarbonisation to be of strategic importance to the company. In addition, we consider both positive and harmful effects on the environment and society and carbon emissions to understand its overall impact on people and the planet.

Every company is different, and a deep understanding of each helps us incorporate the company's unique characteristics, such as its maturity, disclosure standards, and management awareness of the positive outcomes of its products or services, into the investment case and in setting engagement milestones. Engagement, as set out in the section 'Approach to stewardship', is a crucial part of our investment process both before and after deciding to invest.

We integrate this research into our analysis and focus on investing in those companies that have an impact through decarbonisation and have the potential for increased value.

## Contact us

For more details please visit:  
[ninetyone.com/contactus](https://ninetyone.com/contactus)

55 Gresham Street London, EC2V 7EL

Telephone: +44 (0)20 3938 1900  
[enquiries@ninetyone.com](mailto:enquiries@ninetyone.com)

Telephone calls may be recorded for training, monitoring and regulatory purposes and to confirm investors' instructions.

[ninetyone.com/sustainability](https://ninetyone.com/sustainability)

## Approach to Stewardship

We follow a structured engagement process with companies to achieve long-term sustainability objectives. This includes setting engagement objectives, tracking progress, and escalating when necessary. We aim to grow the products and services that enable decarbonisation and ensure companies report their carbon emissions.

### Engagement objectives

For each company we invest in, we set long-term engagement objectives linked to the Fund's sustainability objective and define success in achieving these objectives. This includes engaging with company management to grow their carbon avoided and encouraging them to invest more in decarbonisation solutions.

### Progress tracking

We track companies' progress towards these objectives through various milestones. This includes acknowledging the engagement topic, sharing plans to address it, and demonstrating progress towards these plans. We report on these milestones in the Fund's Annual [Impact Report](#).

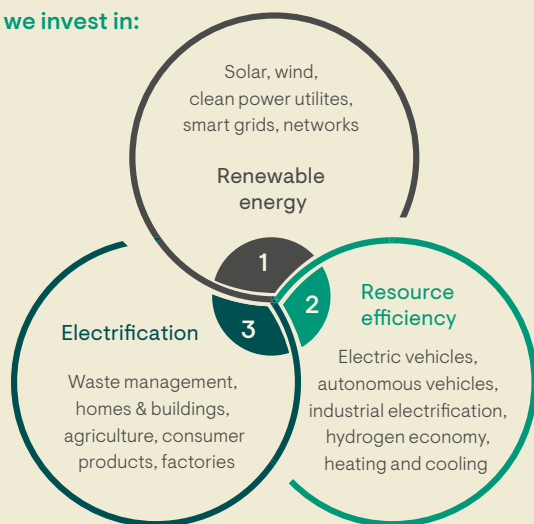
### Escalation Plan

We escalate our engagement if a company does not meet our expectations in progressing towards engagement objectives. This could involve more frequent meetings with company management or other actions to ensure the company is on track to meet its sustainability goals. After escalation, if we believe there is a lack of progress, we may decide to sell the investment.

## Sustainability Characteristics

The Fund invests in companies providing products and services relevant to renewable energy, resource efficiency, and electrification.

### What we invest in:



### What we do not invest in:

The Global Environment Fund avoids investing in companies that may negatively impact the environment or society. It does not invest in companies earning more than 5% of their revenue from tobacco, thermal coal, or oil and gas activities.

It excludes those involved in producing controversial or nuclear weapons, firearms, or depleted uranium products, as well as companies expanding coal power or unconventional oil and gas operations.

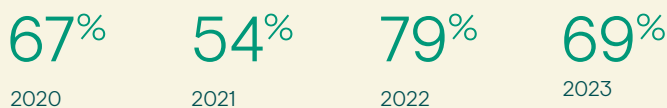
It also will not invest in companies we believe are in violation of the UN Global Compact Principles, which outline responsible business practices.

For more details about what the Fund will not invest in, please see the 'Links' section at the end of this document or visit our website.

## Sustainability Metrics

We engage companies to report their carbon avoided. By the end of 2023, 67% of companies in the portfolio were reporting carbon avoided, compared to 28% in 2019, when the Fund started. Not only do we want our companies to report carbon avoided, our aim is that every company increases their carbon avoided over time by selling more of those products and services contributing to decarbonisation. Therefore, here we show year-on-year whether the companies in the portfolio have grown their level of carbon avoided. In 2023, 69% of the companies reporting carbon avoided had achieved growth. The metrics shown here provide the percentage of companies that have grown their carbon avoided on a yearly basis since 2020.

### Percentage of companies reporting year-on-year carbon avoided growth (based on those that report carbon avoided\*)



\*For example, in 2023, of the 16 companies that reported carbon-avoided data, 11 showed a year-on-year increase.

A detailed view of both portfolio and company level sustainability metrics is available in the Fund's Annual [Impact Report](#).

### Links

This document provides you with sustainability-related information about this Fund. Investors must read the Key Investor Information Document and Prospectus prior to investing. For latest copies of these documents as well as the Fund's annual and semi-annual Report & Accounts and Instrument of Incorporation, please visit our online [literature library](#). For further information on the Fund's sustainability criteria, including details about what the Fund will not invest in, please click [here](#). To view the latest Impact Report relating to the Fund's investment strategy, please click [here](#). Both of these documents are also available to view in the literature library.

### Important information

All investments carry the risk of capital loss. This communication is not an invitation to make an investment nor does it constitute an offer for sale. For an explanation of technical terms, please refer to [ninetyone.com/glossary](https://www.ninetyone.com/glossary).