

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

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

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
Emerging Markets Sustainable Equity Fund

Legal entity identifier:
2138004MWBSGWC7QET33

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes
 No

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: _____%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: __%</p>	<p><input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics by making investments in companies that meet the standards of the Investment Manager’s proprietary sustainability framework and by excluding direct investments in certain business groups or activities.

The Sub-Fund invests across various areas in which the Investment Manager sees opportunity to promote environmental/social characteristics, examples of these:

- environmental characteristics can include transition to net zero and climate change amongst others; and
- social characteristics can include digital infrastructure, healthcare and financial inclusion amongst others.

Details of the proprietary sustainability assessment and information on exclusions are explained in the question below on ‘what investment strategy does the financial product follow?’

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

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

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

A combination of sustainability indicators and qualitative commentary from the Investment Manager alongside these indicators are used to demonstrate the attainment of the environmental and social characteristics promoted by the Sub-Fund.

On at least an annual basis the following sustainability indicators with accompanying qualitative commentary will be used to measure the attainment of environmental or social characteristics promoted by the Sub-Fund:

For direct equity investments:

- Scope 1, 2 and 3 company carbon footprint (in tonnes of CO₂e per US\$m invested)
- Weighted average carbon intensity (in tonnes of CO₂e per US\$m of revenue)
- 'Carbon avoided' (in tonnes per CO₂e per US\$m invested) for sustainable investments with an environmental objective
- Proportion of disclosure (% of companies in the portfolio which disclose carbon emissions figures)
- Percentage of holdings with credible net zero transition plans in place
- Percentage of holdings, where applicable, contributing to the following environmental and/or social objectives:
 - o financial inclusion
 - o digital inclusion
 - o access to education
 - o healthcare impact
 - o climate adaption
- Percentage of companies invested in the business groups or activities (in some cases subject to specific revenue thresholds) prohibited under the Sub-Fund's exclusions criteria

'Carbon avoided' are the carbon emissions avoided by using a product or service that has less carbon emissions than the status quo thereby contributing to decarbonisation.

Over time, the Investment Manager expects to include additional relevant sustainability indicators as data becomes more readily available.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Sub-Fund focuses on sustainable investments with environmental and/or social objectives.

To do this, currently, the Sub-Fund intends to make sustainable investments in companies believed by the Investment Manager to contribute to:

- positive environmental change through sustainable decarbonisation (the process of reducing carbon dioxide emissions). The Sub-Fund currently uses 'carbon avoided' as an indicator to assess, measure and monitor the carbon impact associated with a company.
- supporting and improving socio-economic resilience and outcomes by facilitating financial inclusion (i.e., access to useful and affordable financial products and services that meet the needs of underserved individuals and businesses delivered in a responsible manner).
- digital inclusion by providing access to products and/or services that support digital take-up and infrastructure expansion.
- access to education by providing access to high quality educational and training products and/or services for underserved groups.
- healthcare impact by providing access to products and/or services that facilitate access to healthcare in underserved or underperforming markets.
- climate adaption through products and/or services which mitigate against the impacts of climate change, driven by longer-term shifts in climate patterns and/or acute event-driven climate risks.

Following the Investment Manager's assessment, the investments that meet one of the abovementioned environmental and/or social objectives and pass the *Do No Significant Harm test* are considered sustainable investments in their entirety (i.e. the whole company is a sustainable investment).

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

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager assesses sustainable investments in relation to the 14 mandatory principle adverse impacts to determine that the investment does not cause significant harm to other sustainable investment objectives. This *Do No Significant Harm* test is applied to the whole company.

As detailed in the question below on 'what investment strategy does this financial product follow?' the Investment Manager uses a proprietary sustainability framework to analyse the material harmful effects that a company has on society or the environment.

The Investment Manager's sustainability framework also helps to identify business groups and activities (in some cases subject to specific revenue thresholds) in which the Investment Manager will not invest, typically because applying the sustainability framework has concluded that the harmful effects of the business group or activity outweighs the beneficial effects.

– *How have the indicators for adverse impacts on sustainability factors been taken into account?*

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

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

The Investment Manager uses quantitative data (i.e., the metrics for the mandatory principal adverse sustainability indicators as outlined in Annex I of the Commission Delegated Regulation (EU) 2022/1288), where available, and applies a qualitative assessment where the Investment Manager applies their knowledge, experience and judgement to the quantitative PAI data to form a conclusion which considers the context of the company's business model and its activities. For material principal adverse impacts, the Investment Manager focuses assessment on progress made against the principal adverse impact and/or the policies, business models and operations the company has in place to manage adverse impacts.

Under this assessment, detailed analysis is performed on material principal adverse impacts where some principal adverse impacts are considered more material if directly related to the Sub-Fund's environmental objective. Some principal adverse indicators may be more applicable to certain sectors and companies than others. The applicability of an indicator is determined by the Investment Manager through their assessment of the significance of that indicator to a company's business strategy and/or its stakeholders. For example, for capital-light companies (such as technology companies) the GHG emissions indicators could be considered less material to indicators related to social and employee matters.

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

– *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The OECD Guidelines for Multinational Enterprises and UN Guiding Principles including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights are considered as part of the application of the Investment Manager's sustainability framework and assessment of material negative externalities. Based on this analysis, the Investment Manager deems whether sustainable investments are aligned with these considerations. Third party data, from providers whose methodologies are consistent with international norms represented in numerous widely accepted global conventions including those mentioned above, complements the identification of these considerations.

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

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes, as part of the in-depth fundamental analysis on an individual company, the following principle adverse impacts are currently considered for the Sub-Fund's investments:

- GHG emissions
- Carbon footprint
- GHG intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Board gender diversity

When performing this analysis, the Investment Manager uses quantitative data, where available, and applies a qualitative assessment. Third party data complements the assessment of principal adverse impacts.

Where potential adverse impacts are identified, the Investment Manager will engage directly with company management or sovereign stakeholders and/or exercise proxy voting rights in an effort to catalyse change.

An assessment of the principal adverse impacts at the aggregate Sub-Fund level will be reported in the annual report as required by Article 11 SFDR.

No



What investment strategy does this financial product follow?

Sustainability Framework

The Investment Manager uses a proprietary sustainability framework to analyse the material harmful and/or beneficial effects that a company has on society or the environment. The analysis is supported by a variety of quantitative and qualitative information including publicly available sources, third party data, proprietary models and research reports.

The Sub-Fund takes a positive inclusion approach which means that the Investment Manager focuses on investing in companies it believes to be leaders in their industry sectors and geographies in their approach to sustainability. Based on the Investment Manager's sustainability framework, these companies have policies, operations and/ or business models that aim to manage their harmful effects on society and the environment, or whose products and/ or services seek to benefit society and the environment.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Investment Manager will quantify the externalities where possible and will favour investments in companies that it considers to have business models and targets in place to manage the reduction of negative externalities on society and the environment, as well as in companies with products and services that have positive externalities on society and the environment.

Using its sustainability framework, the Investment Manager undertakes sustainability reviews of industry business groups which serve two purposes:

- to help identify potential business groups that should be excluded from the Sub-Fund
- to provide context for the subsequent fundamental research that is carried out on individual companies when considering them for inclusion in the Sub-Fund.

When researching individual companies, the Investment Manager focuses on:

- whether a company benefits from structural trends that create opportunities to generate sustainable value for consumers and shareholders, and is able to deliver persistent returns and sustainable economic profit;
- whether a company has policies in place that aim to manage the reduction of their negative externalities on stakeholders, and/or has products and services with positive externalities on society or the environment;
- net zero transition plans: the Investment Manager will increasingly look to invest in companies that have, or are striving to have, credible net zero transition plans (i.e. plans to reduce greenhouse gas emissions), such as those companies committing to science-based targets. Specifically, the Investment Manager aims for all companies in the Sub-Fund to have credible net zero transition plans set by 2030 or sooner.
- company specific growth drivers, industry dynamics, quality of business model, financial strength and the profile and persistence of returns

The environmental and social characteristics that we look for span natural, social, human and financial capital, and include reduced emissions, carbon avoided solutions, access to technology, access to healthcare, financial inclusion and more.

The Sub-Fund's portfolio is constructed with the Investment Manager's consideration of positive and negative externalities as well as governance analysis. Engagement is an important element of the Investment Manager's investment process and believed to be a powerful tool to effect change. The Investment Manager will engage with companies on material financial, sustainability and governance issues and areas where room for improvement are identified.

Exclusions

As referred to above, for the Sub-Fund, the Investment Manager also seeks to exclude direct investments in certain business groups and activities (in some cases subject to specific revenue thresholds). The Investment Manager's approach to exclusions for the Sub-Fund is based on the conclusions of its sustainability framework.

As a result, the Sub-Fund will not invest in companies that derive more than 5% of their revenue from the following business activities (to the best of the Investment Manager's knowledge):

- the manufacture and sale of tobacco products;
- thermal coal extraction or power generation;
- the exploration, production and refining of oil and gas; or
- the manufacture and production of conventional weapons or civilian firearms.

In addition, the Sub-Fund will not invest in companies that (to the best of the Investment Manager's knowledge):

- are directly involved in the manufacture and production of controversial weapons (including biological and chemical weapons, cluster munitions and anti-personnel landmines);
- are directly involved in the manufacture and production of nuclear weapons, inert ammunition and armour containing depleted uranium, or any other industrial uranium, and weapons containing white phosphorus;
- increase the production of, or capacity for, coal related products/services or coal-based power generation;
- increase the production of, or capacity for, unconventional oil and gas products/services; or
- the Investment Manager deems to be in violation of the UN Global Compact principles.

More information on the Investment Manager's current sustainability criteria, including the rationale behind not investing in certain business groups and activities, can be found in the Literature Library on the Investment Manager's website.

Over time, the Investment Manager may, in its discretion, elect to apply additional exclusions to its strategy that it believes are consistent with the Sub-Fund's investment policy. Such changes will be disclosed on the Investment Manager's website, as they are implemented and subsequently updated in this Prospectus at the next available opportunity.

Additional Considerations

The sustainability framework is integrated throughout the investment process. The Investment Manager's fundamental analysis is supported by a variety of information including publicly available sources (e.g., company sustainability reports), third party data (e.g., CDP carbon disclosure reports), proprietary models as well as the experience, discretion and judgement of the Investment Manager.

Engagement with a company's management team forms an important part of the Investment Manager's process and monitoring. The Investment Manager will consider engagement with a company's management team where it identifies opportunities to effect positive change such as improved carbon disclosure and net zero emission targets.

The Sub-Fund's holdings will be monitored on an ongoing basis by the Investment Manager. A holding may be sold for a range of reasons but in particular, if it is determined that the investment case for the holding has been weakened or it no longer satisfies the investment objective and policy of the Sub-Fund. Such sales will take place over a time period to be determined by the Investment Manager, taking into account the best interests of the Shareholders of the Sub-Fund.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The commitment to have at least 90% of the Sub-Fund's assets meet environmental or social characteristics promoted by the Sub-Fund, which need to pass all the elements of the bottom-up investment process further detailed in the section on the investment strategy, including:

- 100% of the Sub-Fund's direct company shares holdings to have set credible net zero emission targets by 2030 or sooner
- The Sub-Fund will not invest in certain business groups or activities, as described above.

This criterion does not apply to the Sub-Fund's '#2 Other' investments – please find more detail in the question about asset allocation planned below.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

● ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager follows an internal investment framework to analyse any governance issues related to investee companies. This is rooted in widely accepted governance principles which are outlined in the Investment Manager's Ownership policy on its website. The following corporate governance themes are core to Ninety One's policy in relation to managing governance related issues and determining good governance:

- Leadership and Strategic Control, including board diversity, independence and engagement;
- Alignment with the long term, including remuneration and governance of sustainability issues;
- Climate change, including adequacy of management and disclosure of risks;
- Protecting capital through capital management and preserving shareholder rights; and
- Audit and disclosure, including financial reporting quality and auditor competence.

Third party data complements the governance assessment.

For the Sub-Fund, assessing the good governance practices of companies is part of the fundamental analysis that the Investment Manager performs on investee companies and through the ongoing monitoring of holdings. As part of the Investment Manager's assessment of company governance, areas such as management structures, employee relations, remuneration of staff and tax compliance are taken into account.

Where a governance issue is identified, the Investment Manager may engage directly with company management on this issue and /or exercise proxy voting rights in an effort to catalyse change.

Good governance practices include sound management structures, employee relations, remunerations of staff and tax compliance.

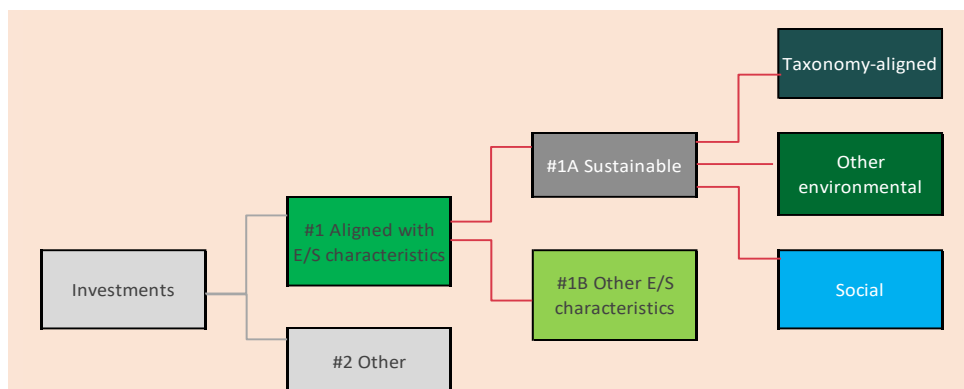


Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

Minimum proportion of assets used to meet the environmental or social characteristics promoted by the Sub-Fund (i.e. '#1 Aligned with E/S characteristics') is 90% of its assets. At least 50% of assets held in the Sub-Fund are sustainable investments within the meaning of Article 2(17) SFDR. '#1A Sustainable' investments can comprise of those with environmental objectives, social objectives, or a dual combination of both environmental and social objectives.

Information on the remaining investments, their purpose and any minimum environmental or social safeguards applied is outlined in the section below on 'What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?'



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The investments included in '#1 Aligned with E/S characteristics' are selected in accordance with the binding criteria outlined in the section 'what investment strategy does this financial product follow?' under the sub-section entitled 'Sustainability Framework'.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

N/A



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The minimum extent to which the Sub-Fund invests in environmentally sustainable investments within the meaning of Article 3 the EU Taxonomy Regulation is currently 1% of the Sub-Fund's assets.

Taxonomy-aligned activities are expressed as a share of:

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

The degree to which the Sub-Fund's investments are in Taxonomy-aligned activities will be measured by an investee company's turnover derived from its Taxonomy-aligned activities. Turnover data is the most widely available for measuring Taxonomy-alignment.

Publicly available information on a company's Taxonomy-aligned activities is the preferred source of information. Where this information is not readily available from a company's public disclosures, the Investment Manager may source information either directly from the company or from leading third-parties to assess how a company is involved in Taxonomy-aligned activities.

The compliance of the Sub-Fund's environmentally sustainable investments with the requirements of Article 3 of the EU Taxonomy Regulation is not subject to an assurance by auditors or a review by third parties.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy³⁴?**

Yes:

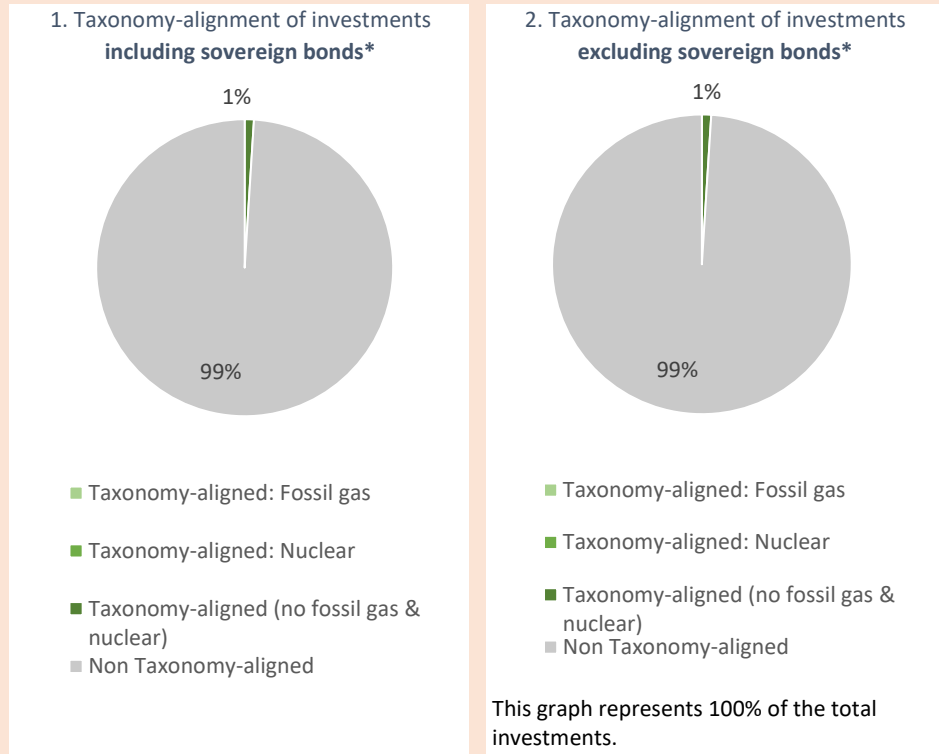
in fossil gas in nuclear energy

No

³⁴ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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



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

What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments in transitional and enabling activities is 0% of the Sub-Fund's assets.

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

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund commits to have a minimum of 1% of its assets in sustainable investments with an environmental objective aligned with SFDR which are not EU Taxonomy-aligned investments. Some of these sustainable investments could be aligned with the EU Taxonomy, but the Investment Manager is not currently in a position to specify the exact proportion of the Fund's underlying investments which take into account the EU criteria for environmentally sustainable economic activities. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

The Sub-Fund also makes sustainable investments which contribute to social objectives. At times the investments that qualify as sustainable investments with an environmental objective may be sustainable investments with combined environmental and social objectives.

What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments is 1% of the Sub-Fund's assets.

At times the investments that qualify as socially sustainable investments may be sustainable investments with combined environmental and social objectives.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

‘#2 Other’ includes (1) investments previously ‘#1 aligned with E/S characteristics’ which are under the Investment Manager’s review due to an unforeseen event (e.g. a controversy); and (2) investments that support the financial objective and other management activities of the Sub-Fund, such as:

- Cash held for liquidity purposes as an ancillary asset and overnight deposits; and
- derivatives used for hedging, Efficient Portfolio Management and/or Investment Purposes

No minimum environmental or social safeguards are applied to investments held for liquidity purposes (e.g. Cash or deposits). These investments are not expected to affect the delivery of the sustainable investment objective on a continuous basis as they do not form a material part of the Sub-Fund’s portfolio.

After the Investment Manager has completed its review, a holding may be sold if it’s determined to no longer satisfy the sustainable investment objectives of the Sub-Fund. Such sales will take place over a time period to be determined by the Investment Manager, taking into account the best interests of the Shareholders of the Sub-Fund.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A



Where can I find more product specific information online?

More product-specific information can be found on the website: <https://ninetyone.com/srd>