Ninety One

—
Investing for a
world of change

Annual Sustainability Report

1 April 2020 to 31 March 2021

About Ninety One

Launched in South Africa in 1991, we are one of the few investment management firms to have developed a substantial global footprint from emerging market origins.

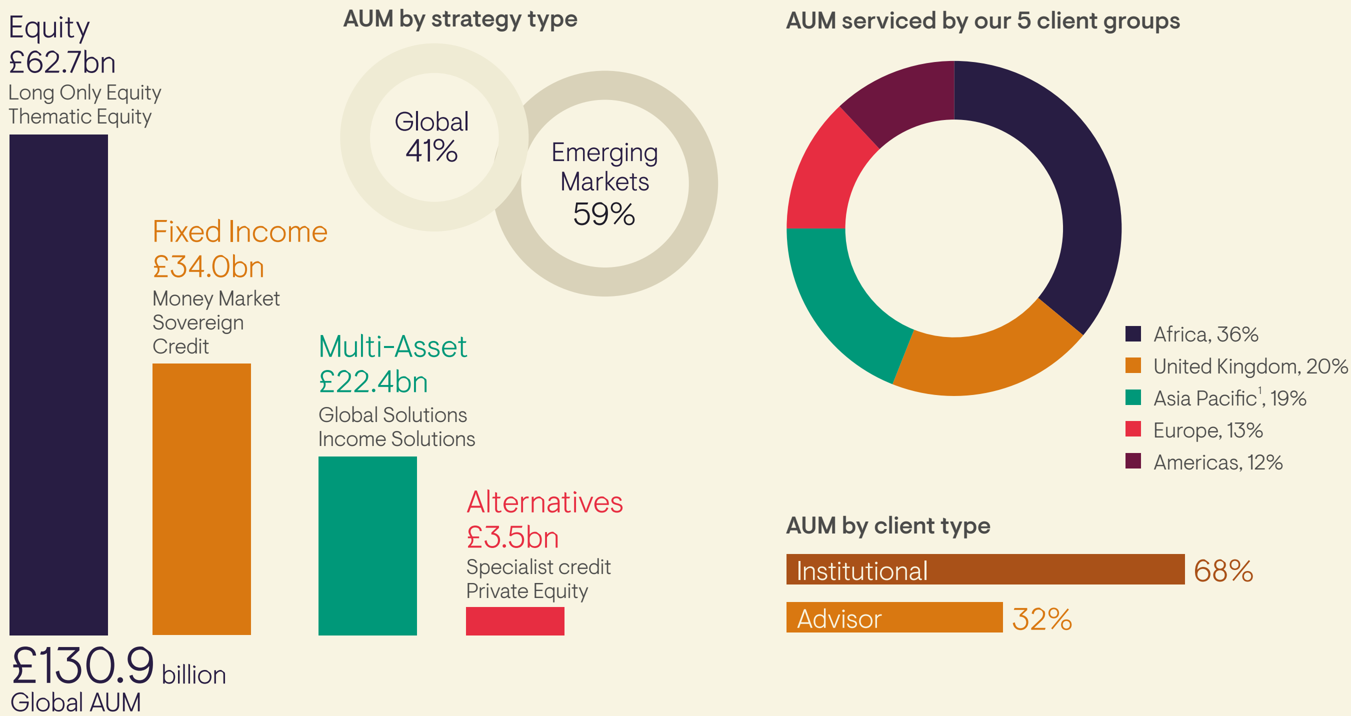
Ninety One is an independent, active global asset manager dedicated to delivering compelling outcomes for its clients, managing more than £130.9 billion in assets (as at 31.03.21).

Established in South Africa in 1991, as Investec Asset Management, the firm started offering domestic investments in an emerging market. In 2020, almost three decades of organic growth later, the firm demerged from Investec Group and became Ninety One.

Today the firm offers distinctive active strategies across equities, fixed income, multi-asset and alternatives to institutions, advisors and individual investors around the world.

Investment involves risk; losses may be made.

Figure 1: Built to understand the investment challenge in changing times



Source: Ninety One. Figures shown as at 31 March 2021. AUM excludes SA fund platform AUM of c.£8.3 billion. Breakdown based on underlying strategy definitions. During the second quarter of 2021, AUM totalling approximately £2.5 billion was reclassified across asset classes. This was done to better reflect our Alternatives asset class, which now predominantly consists of alternative credit strategies. Figures may not add up due to rounding. 1. Asia Pacific includes Middle East.

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Foreword

We are emerging from a global pandemic that the world has not endured for 100 years. Some of us have escaped the grip of the virus. Some of us are still held in its grasp. None of us is unscathed or unaffected. Words can barely reflect the social, economic and natural dislocations of the past 18 months. And yet every challenge also presents opportunity.

There can be no more important moment to commit to a future that is sustainable. This year, our first as an independent, listed business, is also our 30th of investing for our clients. We at Ninety One remember where we came from and know where we are going. We created our firm in 1991 with a dream in mind: to invest for a better tomorrow by building a better firm, making better investments and contributing to a better world. This is still our stated purpose, and it will remain so. Investing for a better tomorrow. We strive to do so for our clients, our stakeholders – including the communities in which we operate – and our people.

The pandemic and its impact on society have taught us a great deal. We learnt about our interconnectedness. The virus, like climate change, does not respect national borders.

More than 2,500 years ago, the Greek philosopher Heraclitus articulated the path to building character. "Day by day, what you choose, what you think and what you do is who you become," he wrote. What we choose, what we think and – perhaps most importantly – what we actually do determine our destiny. At Ninety One, we choose to place sustainability at the centre of our business. This has not been a faultless journey and it is unlikely to be always easy or smooth.

We know that the pandemic's damage to economic and industrial activity has been temporary, but the impact of climate change will be permanent if not arrested. As Petteri Taalas, the Secretary General of the World Meteorological Organization, wrote, "Whilst many aspects of our lives have been disrupted in 2020, climate change has continued unabated".

We are calling the coming phase in our activities at Ninety One 'Sustainability 2.0'. This phase sharpens our focus by reinforcing the substance around sustainability. Environmental, social and governance (ESG) factors have been integrated throughout our investment platform for some time. Now we are working on our ability to appraise the risks relating to climate change and sustainability in general, and the opportunities offered by the transition to a low-carbon global economy, across all our mandates. In our sustainability and impact mandates, we will mobilise capital to accelerate the transition towards a world centred on sustainable development.

We have made good progress, but there is a great deal of work ahead. Ninety One is committed to rise to this challenge in the years to come. We will continue to advocate for sustainable development and be active participants in the debate on this topic. As a business, we will do our best to manage our direct impact on the environment and society responsibly and wisely. This report speaks to the size of the task ahead, but the progress is encouraging.

Hendrik du Toit

Founder & CEO,
Ninety One

Ninety One's Chief Executive Officer, Hendrik du Toit, has reviewed the 2021 Sustainability Report to ensure alignment with the outcomes reported to the Sustainability Committee, as well as fair, balanced and clear reporting.

2 A year in review

Completing our first full year as a listed company is a significant milestone. COVID-19 challenged all of us, but we drew strength from our resilient business model and the clear purpose we have maintained for the past 30 years. From a sustainability perspective, it was also a momentous year. The pandemic highlighted the threats to society arising from humankind's increasing encroachment on natural spaces, and we saw in sharp relief some of the best and worst aspects of our social structures. The world realised that workforces are more vulnerable and in need of protection; and we became more aware of our collective and individual responsibilities towards all members of our communities. As investors, it has been important not only to be cognisant of the challenges that companies are going through, but also to be vigilant where leadership and commitments have not met expectations.

Alongside the pandemic, climate change has continued to take centre stage. Last year we identified climate change as the priority issue for the world and our sustainability efforts, and it has remained a central focus for our business. We believe in sustainability with substance. It is about a better world and, in the case of climate, avoiding a calamity.

As an organisation, we have reviewed and re-articulated our sustainability framework. Our entire organisation has been engaged in this process. This has resulted in the strengthening of our internal management of sustainability, as well as the governance around it. We believe that these changes will help to further embed ESG analysis, and our thinking on sustainability more broadly, into our investment capabilities and processes. This continues to be one of our priorities.

Our annual Sustainability Report replaces our annual Stewardship Report, focusing on our wider sustainability ecosystem including our investments, advocacy and our direct corporate footprint. We refer to this as our 'Invest, Advocate and Inhabit' approach, or the 'Ninety One sustainability framework'.

Completing our first full year as a listed company is a significant milestone.

Our focus for 2020-2021

For 2020-2021 we focused on

Preparing for a future sustainability regulatory environment: TCFD and the EU Sustainable Finance Action Plan

Articulating our Sustainability 2.0 approach, which embeds sustainability more deeply across the three core components of our sustainability framework: Invest, Advocate and Inhabit

Sharpening the articulation of our sustainability framework and deeply embedding it throughout our firm

Highlights from the reporting year

- Review and re-articulation of our sustainability framework
- Reorganisation of ESG function
- Update of sustainability governance framework
- Publication of Task Force on Climate-related Financial Disclosures (TCFD) report
- Signatory to 'Say on Climate'
- Launch of Climate & Nature Sovereign Index in partnership with WWF

Our key figures

£130.9bn
Assets under management (AUM)

£2.3bn
Managed in sustainable solutions

230
Engagements

17,040
Proxy votes cast

PRI rating A+
for Strategy and Governance and applicable listed asset classes

CO_2
Carbon-neutral from a Scope 1, Scope 2 and Scope 3 (category 6) emissions viewpoint

3 Our approach to sustainability

Ninety One's sustainability framework has three core components:

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.

As stewards of our clients' capital, achieving long-term investment excellence is our primary goal. To this end, we are committed to being active and responsible investors. This includes a constant focus on understanding the drivers of change. As an investment manager with roots in an emerging market, we have seen first-hand the impact that capital allocated responsibly can make. We do not endorse an approach of divestment or avoidance for the sake of high ESG ratings. Sustainability transitions will only occur with active participation, dialogue and collaboration.

We believe that, over the long term, the market will increasingly price negative externalities into the value of securities. The market will also improve how it will price in the growth opportunities offered by the inevitable transition.

All our mainstream investment strategies strive for high-quality integration of sustainability into their investment processes. By this, we mean understanding sustainability risks well and pricing them appropriately. We also offer a range of dedicated sustainability strategies, which focus on positive inclusion and a defined impact objective. These include investments in economic development in Africa, where we are mobilising finance to bring health and prosperity to some of the continent's poorest communities. It also involves our investments in companies benefitting from the energy transition and climate-change challenge.

As a global investment manager, Ninety One takes a holistic approach to sustainability. In addition to building sustainability into the way we invest, we are committed to advocacy on sustainability issues where we believe we can influence clients, stakeholders and policymakers. We also strive to operate our business in a more sustainable way.

As a global investment manager, Ninety One takes a holistic approach to sustainability.

Evolution of sustainability at Ninety One

Our role as investors has always been to invest for a better tomorrow, to which sustainability is a central concept. More recently, we have done a lot of work in defining our approach to sustainability, with a particular focus on climate change.

Ninety One has been evolving its approach to sustainability and ESG integration for over a decade. The past eight years were defined by what we call the 'ESG 1.0' phase, which focused on laying the foundations for a common understanding of ESG and stewardship. This resulted in a set of sustainability policies and principles. An ESG team was established to work with the investment teams and help build the foundations of robust ESG-integration processes and active ownership. The team also worked closely with clients and advised on a broad range of sustainability issues.

As ESG 1.0 matured we began working towards our next phase, Sustainability 2.0. This phase emphasises our wider sustainability ecosystem (Invest, Advocate, Inhabit) and allows for greater quality and integrity of our investment efforts as an active manager. Under Sustainability 2.0, the investment teams are fully responsible for addressing and embedding ESG and active ownership considerations, and they are monitored and supported by other functions including a Sustainability team, an Investment Risk function and an Engagement and Voting team.

ESG 1.0

- ESG 1.0 began in 2009
- Adoption of global Stewardship Policy, Voting Policy and Investment Governance Committee
- Formal ESG team and foundations to integration and active ownership (2011)
- Bottom-up approach, centrally driven
- ESG team accountable to the Investment Governance Committee on behalf of investment teams
- Focus on awareness building, sustainability insights and training, and accommodating certain clients' ESG 'needs'
- Engagement activities largely driven by ESG team
- We discharge our responsibilities to sustainability through Invest, Advocate, Inhabit

Sustainability 2.0

- Placing sustainability at the core of the business organised around Invest, Advocate, Inhabit
- ESG is fully owned and addressed by the investment teams
- Our investment processes are committed to a firm-wide integration and active ownership philosophy and also offer specialised sustainability solutions
- The current ESG team divided into:
  - Sustainability team
  - Engagement and Voting team
- The Investment Risk team oversees and challenges the investment process by including ESG factors
- The Sustainability Committee (formerly Investment Governance Committee) oversee the overall sustainability effort and direction for Ninety One

Our purpose, culture and investment beliefs

Our purpose

We founded our business in South Africa in 1991 with the aim of making a positive difference to our clients and the country in which we started. Since then, we have expanded our scope and ambition globally. Our purpose is simple: investing for a better tomorrow. This is what guides our strategic decision-making, culture and interactions with clients. We do this by building a better firm, by trying to invest in a better way and by contributing to a better world.

We believe the privilege of being trusted with our clients' capital carries with it a responsibility to contribute to a sustainable future. We aim to make a positive difference to people and the planet, while delivering long-term investment returns. We do so through a robust and comprehensive integration of ESG analysis and research into our investment processes. This is outlined further in the 'ESG integration and investments' section.

Our culture and values

Our strong culture is the cornerstone of who we are. Our shared values and norms make us. We believe the strength of our culture is a source of competitive advantage, ensuring a healthy environment for debate and the exchange of views. It is the foundation for our pursuit of enduring investment outperformance and outstanding client service. Above all, our culture embodies our overriding value – to do the right thing.

We strive to do the right thing for our clients, our colleagues and communities, and the wider world. We believe that ambition and care are not mutually exclusive, and our culture engenders both. Collectively, we insist on results and excellence but not at the expense of the human spirit. We aim to be successful and decent at the same time.

Our culture and commitment to our stewardship principles help us ensure the effective stewardship of our clients' assets.

One of the main tenets of our culture is the concept of freedom to create. We steadfastly believe in giving individuals the opportunity to be themselves. We aim to sustain a culture where we can achieve together without sacrificing our individual selves.

Our people perform best when they are liberated to pursue their passions and interests. We strive to give people the freedom to express their strengths, skills and talents. Freedom to create is a crucial driver of diversity in our business as it is only through the expression of individuality and each individual's potential that we can be truly diverse as an organisation.

If freedom sits at the core of our culture, valuing strong relationships encircles that core. Strong relationships foster diversity and an environment where all people feel welcome and respected and know they have a fair opportunity to develop and contribute. We expect people to perform both in terms of the results they deliver and also in the quality of their relationships with each other. Results and relationships are therefore our core metrics of success.

Competitive benefits and remuneration that reflect the performance of employees and the business are important to retain people. At Ninety One, we encourage employee participation in the ownership of the business. As at 31 March 2021, employees own over 23% of Ninety One, which supports stakeholder alignment and a long-term orientation.

We strive to deliver the highest standards of client service. Client management teams work with our clients to identify their requirements, including their stewardship and responsible-investing needs. We believe that being transparent about our stewardship approach is important, and this is reflected in our reporting to clients. Through thought-provoking content, training, events and partnerships, we aim to help our clients tackle the issues that are impacting their investments today and will do so in the future. We report on our responsible-investing activities in a number of ways, including via our annual Sustainability Report and PRI reporting.

Our governance structure

As part of the transition to Sustainability 2.0, we reviewed our governance structure to ensure it was fit for a more holistic approach to, and oversight of, sustainability. Our leadership team is accountable to the Ninety One Board for implementing our strategy, which includes placing sustainability at the core of the business. We want every part of our organisation to be aware of, and to manage, their individual responsibility for helping us achieve this goal. The Sustainability Committee oversees the wider sustainability ecosystem in the business. Ultimately, the Committee is the custodian of Ninety One's approach to sustainability and stewardship, and is responsible for ensuring that our Stewardship Policy and commitments to Stewardship Codes around the world are adhered to. The Committee reports to the Global Executive Management team, which in turn reports to the Ninety One Board and the Sustainability, Social and Ethics Committee (SS&E).

The Sustainability Committee is chaired by the Global Head of Sustainability at Ninety One and is comprised of senior leaders from the business, including our CEO, Chief Investment Officers, Chief Commercial Officer, Head of Investment Risk and senior representatives of our investment teams.

We believe that Ninety One's strategic shift to Sustainability 2.0, our culture and purpose, and an effective governance structure have further improved our stewardship processes and outcomes over the last 12 months.

Sustainability is a long-term strategic priority for Ninety One and we recognise the importance of linking this strategic priority with our existing performance review and remuneration processes. Variable remuneration for Executive Directors incorporates both financial and non-financial performance targets, which reflect the key financial and strategic priorities for Ninety One. Please refer to the Ninety One Integrated Annual Report for further details on our remuneration structure.

Our responses to the big issues

COVID-19

COVID-19 has emphasised the urgent need to address sustainability, from both an investment and a business perspective. During an extremely challenging period for so many people, Ninety One has remained committed to serving the long-term interests of its stakeholders. We have made sure our clients can rely on us and have remained fully operational. We have learnt to operate differently, continuing to engage with our clients and other stakeholders through virtual and physical channels.

Ninety One has taken a long-term investment perspective, in alignment with our purpose. While the short-term reductions in market valuations and investment returns witnessed during 2020 were painful, we accepted the market adjustments and dividend reductions through the crisis period and remained focused on the longer-term sustainability of individual companies, financial markets and the economy more broadly. The short-term crisis required support for investee companies, but also strong action in response to any deviation from corporate governance standards. Responsible labour practices have been a heightened focus during the pandemic, particularly in vulnerable supply chains.

The effects of the pandemic impacted all areas of our business, not least our people. As the pandemic took hold, we took precautions to protect our Ninety One community. Our Singapore and Hong Kong offices were first to transition to working from home. As the various lockdowns took hold globally in March / April 2020, we advised employees across our offices in accordance with local guidance. We enabled our people to work remotely and provided various webinars and forums to encourage interaction.

Throughout the various waves of the pandemic during the FY21 financial year and beyond, we have continued to support our employees by providing:

- Comprehensive healthcare in all jurisdictions
- An Employee Assistance Program with a clinical psychologist on staff and available to all employees
- Virtual communities on Microsoft Teams to support our various groups: Ninety One Family (our family support), Ninety One Together (our community support), Ninety One Active (our physical wellbeing support), and Ninety One Wellbeing (our overall wellbeing support)
- Subscription to a mindfulness app available to all staff along with a bi-weekly virtual mindfulness group open to all staff
- Virtual Wellbeing webinars available for all staff
- Our CEO conducted 35 virtual check-ins with staff over five weeks at the beginning of the pandemic and wrote 16 weekly letters to staff to ensure that our people were aware of the factors affecting Ninety One, along with providing clarity on any strategic areas of focus
- Various physical wellbeing initiatives and activities available to all staff, including two virtual challenges where we raised over £91,000 for charity

As a business, we strive to do the right thing for our clients, our wider community and our teams. As part of this commitment, we initially contributed £2.9 million to COVID-19 relief efforts across the globe, and added a further £240,000 at year-end for relief efforts in Namibia. In addition, our people collectively raised c.£300,000 for charities worldwide during 2020, with Ninety One matching their donations as part of our staff-donation matching scheme.

> As a business, we strive to do the right thing for our clients, our wider community and our teams.

Climate change

We recognise that climate change poses a significant risk to our business. It is therefore a priority issue for Ninety One, and we address it as part of our holistic approach to sustainability. The most significant developments and work in this area have been on the investment front and in delivering our first TCFD report, which we published in May 2021. The TCFD report articulates our progress against the TCFD recommendations and can be found on our website here.

During the past year, Ninety One decided to join the Net Zero Asset Managers Initiative. This means we support investing that is aligned with the goal of net-zero emissions by 2050 or sooner.

Our approach to net zero

By joining the Net Zero Asset Managers Initiative, we have embarked on what may be our most important project since our inception – the quest to help curtail disruptive climate change and ensure the long-term sustainability of our planet.

This commitment complements our support for the Paris Agreement and global efforts to limit warming to 1.5°C. We are also aligned with the 17 specific goals in the United Nations 2030 Agenda for Sustainable Development. For us, this is not box ticking or virtue signalling.

In joining the Net Zero Asset Managers Initiative, we have also committed ourselves to a special task. We believe the world needs an inclusive transition plan that works for all its 7.9 billion people. A drive to net zero that excludes, intentionally or otherwise, any place or enterprise, could not result in net zero at all. So, to us, the mission to reduce carbon must include the entire world. The carbon-intensive emerging market economies in particular need time, encouragement and resources to adjust. These economies, after all, are not responsible for the bulk of emissions to date. So, at Ninety One, our task is to make the case not only for a transition, but for a just transition.

In our drive for low-emitting portfolios, we intend to do more than reduce carbon by simply constructing portfolios that exclude high-emitting countries and companies. We believe that if we mechanistically apply an exclusionary process to achieve net-zero targets, we would likely create portfolios concentrated in developed markets and asset-light industries, without the transition focus on the rest. As a result, we might end up with 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. Currently, companies are incentivised to divest carbon-heavy assets to report declining carbon intensity. These carbon-heavy businesses continue to operate, but often outside the public eye. If excluded, they will increasingly operate outside the scrutiny of regulated public markets and to the detriment of society. At the same time, countries are incentivised to 'offshore' carbon emissions to other countries, which does not change domestic consumption patterns.

As currently measured, the carbon footprint of a portfolio depends far more on sector and regional allocations than on the progress of the underlying companies. A narrow focus on lowering 'reported carbon intensity' is therefore likely to divert capital out of the developing world. This could deny large parts of the world the capital needed to build a cleaner, greener economy. It would also deny developed-market savers access to the dynamism of emerging markets and the associated potential return opportunity. In the past 15 years, exposure to fast-growing emerging markets has provided return and diversification benefits to developed-market savers.

At Ninety One, we believe in active engagement and encouragement towards a transition. As a recent paper from Imperial College noted, "Not all firms can go green, but they can all get engaged in transition". 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 approach should be an expression of our purpose: investing for a better tomorrow.

We aim to do this within our three-dimensional sustainability framework:

Invest

We will endeavour to understand climate risk and transition opportunities to the best of our abilities. We will price the risk as accurately as possible in all our portfolios. We want to drive transparency and accountability. We believe that accurately priced risk will result in allocations to companies and countries working hardest to curb emissions. The interrogation of relevant externalities, including emissions, will result in the best investment outcomes for clients over time.

Advocate

We will argue for a realistic, just and inclusive transition, with appropriately ambitious financing arrangements. We intend to make the case for continued activity and investment in emerging markets on return as well as equity considerations. This encompasses engaging with countries to engender their commitment to plausible transition pathways, as well as engaging with asset owners, to commit capital to fund the transition in developing and emerging markets.

Inhabit

We will be an active and energetic driver of our own internal transition, in alignment with the Paris Agreement. We are committed to measuring, mitigating and managing our emissions. While we are already carbon neutral due to our mitigation programme on our known and controllable direct footprint, we must go further to reduce the footprint itself.

Please refer to the Ninety One Integrated Annual Report 2021 and TCFD Report for further details.

In addition to this disclosure, we will also aim to report to the Carbon Disclosure Project (CDP) for the first time as a listed company later in 2021.

At a policy level, we continue to lean on our climate-change statement in our Stewardship Policy, which sets out our commitment to integration, measurement and engagement. Oversight of how we deliver against this policy and the climate-change statement rests with the Sustainability Committee and is reported to the Ninety One Board. On a day-to-day basis, the investment teams continue to be responsible for understanding and integrating climate risk into their fundamental analysis. They are supported by data and portfolio tools developed by and managed through the Investment Risk team. Ninety One does not operate an exclusion policy with respect to any carbon element at present. The investment teams are expected to account for the risks they are exposed to and then consider engagement with companies to reduce risk and ideally enhance value over time. We are strong supporters of the need to actively finance a global energy transition and, as an emerging market investor, we believe developing regions and companies need capital to be able to transition.

We place considerable importance on advocacy around climate change and have been involved with local efforts in South Africa, addressing transition-finance options for the national energy utility, Eskom. We are an active participant in the work that the Institutional Investors Group on Climate Change (IIGCC) is leading on, including the Paris Aligned Investment Initiatives and the Net Zero Investment Framework, which we were involved in developing. We have also contributed to CDP disclosure efforts, with success, and have joined the Say on Climate Initiative. Our Investment Institute is an important driver of our thought-leadership; our most recent climate-related paper (at the time of writing) 'Europe and the race to net zero' addresses transition pathways for Europe.

Finally, we have continued to look for ways to reduce our direct carbon footprint. We recognise our responsibility as a global asset manager to play our part in reducing global emissions and supporting the long-term goal of the Paris Agreement to limit warming to 1.5°C. Over the financial year to 31 March 2020, we successfully de-merged from Investec Group and decoupled our energy consumption data from its systems. Over the 2021 calendar year, we will continue to look at methods to reduce our direct carbon impact and encourage sustainable behaviour. We are carbon neutral from a Scope 1, Scope 2 and Scope 3 (category 6) emissions viewpoint and have entered into a long-term partnership with BioCarbon Partners (BCP) to mitigate those emissions. We strive to reduce our total carbon emissions, which includes all categories under Scope 3. BCP is a for-profit social enterprise founded in 2011 that is working to make forests and wildlife valuable to rural communities in Southern Africa. BCP does this primarily through the development and sale of carbon offsets, working in partnership with local communities and landowners. With respect to our office locations, our new London headquarters at 55 Gresham Street achieved a Building Research Establishment Environmental Assessment Method (BREEAM) rating of 'excellent' for the fit-out. As we upgrade our buildings or look for new offices across the world, our environmental footprint is an integral part of the project plan.

4 Invest

Highlights over the year:

- Transitioned from ESG 1.0 to Sustainability 2.0
- Evolved governance structure
- Incorporated ESG factors into the risk process
- Internal training rolled out on TCFD and carbon tools and data
- Rated A+ by PRI for Strategy & Governance and applicable listed asset classes
- Evolved engagement frameworks with the investment teams
- Expanded proxy voting guidelines
- Delivered against EU Sustainable Finance regulations

Our approach to 'Invest'

From our beginnings 30 years ago, we have been committed to investing for a better tomorrow and pursuing substance over form in all aspects of sustainability. We believe that active management has a unique role in facilitating the allocation of capital to support the shift to a more sustainable future. However, achieving an inclusive, sustainable future is a big global challenge. Ninety One looks to invest for a world of change through inclusive capital allocation rather than divestment.

We take on a stewardship role on behalf of our clients' capital, ensuring that our investment teams are challenged on, and encouraged to improve, their sustainability credentials. This approach of investing sustainably is central to our core goal of achieving long-term investment excellence for our clients. In focusing on sustainability, we seek to position portfolios to benefit from a deep understanding of externalities that, over the long term, we believe the market will price into the value of securities.

As a firm, we do not impose our own corporate values on our clients and their portfolios. However, we have a firmwide controversial-weapons exclusion policy and will not invest in companies that are directly involved in the manufacture and production of cluster munitions, antipersonnel landmines, and biological and chemical weapons. This exclusion list is reviewed on a regular basis and approved by the Sustainability Committee. At the request of clients with segregated portfolios, we can exclude specific securities, sectors or countries from our ESG-integration portfolios.

Our approach to sustainability is applied to our investments in three main ways:

Integration

We seek high-quality ESG-integration standards firmwide for all strategies. Our aim is to ensure that robust ESG-integration processes highlight material sustainability risks and opportunities, and prompt our investment teams to analyse and address them as part of their fundamental research in order to determine an appropriate valuation.

Our approach is based on the belief that, over time, the market will increasingly price negative 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. This way of investing allows us to participate in financing a sustainable future, rather than claiming to make a contribution by avoiding certain sectors or divesting.

Ninety One's investment teams have ultimate responsibility for managing sustainability risks and opportunities, and their own integration frameworks. In this, they are supported by several global functions:

- The Sustainability team, which oversees and supports Ninety One's sustainability ecosystem
- The Investment Risk team, which includes a dedicated ESG Risk function that monitors firm- and portfolio-level sustainability risks
- The Engagement & Voting team, which provides engagement support, guidance and advice to the investment teams, leads engagement action (where required), and assists with and coordinates proxy voting

Active ownership

As a business, we are active (not passive or activist) investors. We believe that effective boards and management teams that are aligned with our long-term objectives should be supported.

Our global 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 seek to engage with companies to both challenge and support them on their journeys to becoming more sustainable.

We take a targeted approach to engagement, prioritising strategic engagements where we can influence an issuer to reduce risk. We believe strategic engagements enhance our understanding of sustainability risks and can provide the opportunity to improve outcomes. Where we believe engagement is ineffective or companies are not committed to change, we may use the ultimate lever we have as an investor, which is to reallocate our capital.

Engagements take place as an integral part of the investment process, with the investment teams initiating engagements based on their investment processes and priorities. Our Engagement & Voting team provides engagement support, guidance and advice to the investment teams and leads engagement action where required.

Ninety One votes at shareholders meetings throughout the world as a matter of principle. We believe that, once we become active owners, we assume a critical fiduciary responsibility on behalf of our clients by consistently exercising our proxy voting rights in company general meetings by either support or sanction.

Impact

A direct way that Ninety One contributes to sustainability is through a range of dedicated sustainability focused investment solutions. These solutions include a high proportion of investments allocated to achieving a positive impact on sustainability issues, and they adhere to certain requirements in terms of investing and reporting.

ESG integration and investments

The evolution of ESG integration into investment processes is ongoing and we are pleased that certain elements have taken a significant step forward in the past year. The investment teams have full responsibility for integrating sustainability. We require that all our investment professionals strive to improve their knowledge of sustainability. We have continued to develop their skills through multiple forums, working with external parties and leveraging our internal expertise to drive debate and innovation.

Ninety One's investment teams all uniquely apply a fully integrated ESG approach. Figure 2 provides a high-level overview of each team's ESG integration within the different asset classes.

Figure 2: Overview of ESG integration

<table>
<tr><th>Asset class</th><th>Prior to investing
Fundamental research</th><th>Monitoring
Portfolio management</th><th>Active ownership
Engagement</th></tr>
<tr><td>Equity</td><td rowspan="2">Materiality-based integrated ESG analysis</td><td rowspan="2">In-house capability to monitor and alert on changes in ESG information</td><td rowspan="3">Conducted according to each investment team's engagement priorities</td></tr>
<tr><td>Multi-Asset</td></tr>
<tr><td>Fixed Income</td><td>Integrated scorecard approach</td><td>In-house capability to monitor and alert on changes in ESG information and Quarterly sovereign ESG reviews and scorecard updates</td></tr>
<tr><td>Private Markets</td><td>ESG assessment for assets defined by respective management systems</td><td>Monitoring needs defined following extensive due diligence exercise</td><td>Portfolio companies actively managed through management representation and/or lenders' consortia (legal undertakings)</td></tr>
</table>

The Investment Risk team performs a 'safety net' function to identify, and challenge objectively on, ESG issues. Over the reporting period we evolved our Investment Risk process to more fully incorporate ESG risks. The ESG risk-monitoring framework assumes that ESG risks are identified, analysed and acted upon by investment teams. In our view, ESG risk is best managed at the time of investment and monitored alongside other risks.

The purpose of the new 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. As with any other investment risks, we want to ensure that ESG risks are identified and understood, and that relevant exposures are justified, and risks mitigated in terms of overall client and stakeholder outcomes.

We test the robustness of the ESG integration within investment processes with an internal ESG risk-monitoring framework. This framework is developing as we gain access to more data and methodologies. At the firm level, we monitor exposure to investments that flag on various third-party ESG metrics.

Identifying appropriate ESG data and service providers is critical. While our specialist teams continuously monitor and review the available providers, a formal review process typically takes place every three years.

Integration case studies

4Factor investment team:
Modern slavery in developed markets

Understanding ESG concerns is an important component of the 4Factor investment team's bottom-up analysis. This approach derives from the belief that doing so leads to a better understanding of a company's strategy, one of the four key attributes of the 4Factor investment philosophy.

The 4Factor team has held Boohoo shares since 2020. Its in-depth research acknowledged several challenges specific to the apparel industry, and in particular regarding 'fast fashion', but the team felt that Boohoo showed an entrepreneurial drive premised on sustainable practices.

In July 2020, it emerged that one of Boohoo's Leicester-based supply chain manufacturers was allegedly breaching COVID-19 safety standards and significantly underpaying workers. Boohoo's share price fell abruptly.

Modern slavery is a concept that many people associate with emerging markets. However, it is estimated (likely under-estimated) that 1.5 million people are subject to modern slavery in developed markets, including the UK. Typically, labour standards are stronger in developed markets and particularly in the UK through disclosure requirements under the Modern Slavery Act. Around 40% of Boohoo's suppliers are based in the UK, which one might assume infers lower exposure to this issue. However, the Boohoo case highlights that simply being based in a developed market and having a comprehensive modern slavery statement is not enough to take comfort that the issue of modern slavery is being sufficiently monitored and managed, and we have more fully incorporated this understanding into our thinking and investment approach. We would note that, prior to the controversy, Boohoo was rated above-average for labour management by a third-party data provider (this rating has since been downgraded); this strongly reiterates the importance of proprietary research, understanding materiality, and effective monitoring and engagement.

Boohoo quickly launched a review of its UK supply chain and is fully committed to adopting the subsequent recommendations, and aspires to become best in class. This includes improving its supplier audit process, implementing a more diversified board and engaging in activities to improve social outcomes.

Case studies

Quality investment team:
The consideration of businesses and their role in society

For too long, businesses have tended to operate in isolation, focusing on generating returns and looking after their own interests. Fortunately, this is changing. More companies are recognising that commerce, society and the environment are interdependent. The Quality team believes that businesses that understand this are better placed to thrive in any conditions. In the COVID era, it is paramount for companies to retain the confidence of their customers, employees, supply-chain partners, shareholders and communities.

Engagement, by which is meant a purposeful conversation with a company on issues that matter to the investment case, is always key for the Quality team. Over time, it has built strong relationships with companies, allowing for open two-way conversations. This not only helps investment teams stay in close touch with developments, but also gives them the chance to provide a shareholder perspective that may be useful for companies. This is particularly important when companies are dealing with issues that they are unlikely to have faced before, such as a pandemic.

The furlough scheme, under which the British taxpayer part-funded salaries with the aim of preserving jobs through the COVID-19 lockdown, was new for everyone. Since the UK government implemented the programme, the Quality capability's UK Sustainable Equity investment team was among those to engage with companies to discuss its use. Furloughing staff is a good way for companies to look after employees, while also protecting their businesses. Alongside the clear moral obligation to do the right thing by employees, the UK Sustainable Equity team believes companies with loyal, motivated, and well-trained workforces are more likely to emerge strongly from a crisis.

However, they also took the view that it was important that only those companies that needed the scheme should make use of it. Accepting unnecessary furlough payments created a reputational risk and could sour relationships with customers and other stakeholders. It also raises questions over a management team's motivations and priorities. Additionally, the investment team was mindful that businesses that receive public funds may not be in a position to justify the payment of dividends.

Among other things, the team had open discussions about whether companies really needed the furlough scheme, particularly with companies with stronger balance sheets and those that carry out work for governments or benefit from regulatory drivers. Some decided to use it, others did not. In the early days of the virus outbreak, it was unclear what the world was facing, and a safety-first approach was understandable. However, over time several UK Sustainable Equity portfolio companies paid back to the UK government all of the furlough money they received. Not least thanks to the dedication of their staff, they found that business picked up much faster than expected.

The UK Sustainable Equity team took it as a sign that these companies are high performers from an internal sustainability perspective, and that they exemplify what they were seeking for the portfolio in this regard. In their view, companies with strong internal sustainability are more likely to come through difficult times and to bounce back when something like normality resumes.

Thematic Equity investment team: Demonstrating the importance of proprietary research

Endeavour Mining is a West Africa-focused company which has been going through several years of asset optimisation. The gold producer was poorly rated on ESG by third parties. The Thematic Equity team met with management to discuss these ratings, and the company demonstrated a strong and improving sustainability track record across environment, employment, and health & safety. However, its strong ESG performance – which could add considerable value to the company – was not recognised by the market due to lack of disclosure by the company. The Thematic Equity team engaged with management, proposing three clear goals focused on performance and disclosure that would help the company develop its sustainability report and thus address material ESG issues for investors.

The first engagement goal was to link ESG targets to management and employee compensation. This has since been resolved, with management compensation now aligned with the World Gold Council's Responsible Gold Mining principles. A second goal was for Endeavour to become a member of the International Council on Mining and Metals (ICMM). Upon discussion with Endeavour, its membership of the World Gold Council was deemed sufficient, given it is increasingly aligning its standards with ICMM; we therefore consider this goal to be resolved. The final goal was to disclose Scope 3 carbon emissions and report carbon and water data to CDP. Endeavour now reports to CDP across climate, water and forests. In addition, the company reported some Scope 3 emission categories in its 2019 Sustainability report (we continue to monitor developments and encourage all 15 categories to be disclosed).

Emerging Market Corporate Debt investment team: A deep dive on how the pandemic affected emerging market banks

In 2020, when the COVID-19 pandemic hit, the Emerging Market Corporate Debt team carried out intensive conversations with emerging market banks under its coverage, to understand what they were doing for customers and employees regarding the impact of the pandemic. The team gained detailed insight into the nature and scope of the relief programmes the banks provided to borrowers, as well as the forbearance measures the regulators provided to the banks. Analysis showed that the banks would suffer some negative but manageable financial impact in the short term, but the medium-term impact of such programmes is expected to be positive for all stakeholders, including customers, the banks themselves, and the broader financial system stability. As a result, the investment team had the conviction to maintain investments in emerging market banks, and further added to these positions during the market sell-off, at valuations it regarded as attractive.

The team continued to actively engage with banks under coverage, urging them to improve disclosure on sustainability and to include ESG assessments into lending practices. Following an interaction with Vakifbank in Turkey, the team found that the bank had restored its communication with and coverage by ESG rating agencies and had carried out a comprehensive review of its ESG policy. The bank and its peers in Turkey are already big providers of financing to the renewable energy sector as well as the small and medium enterprise segment in the country. The Emerging Market Corporate Debt team decided to invest in the bank's debut sustainable bond, believing that despite the macro and geopolitical volatility Turkey faced, the bank's good ESG credentials will contribute to its ability to maintain adequate access to funding.

Active ownership

Our approach is to have a constructive, open relationship with the relevant entities regarding the investments held on behalf of our clients. While our engagement framework will vary across investment teams and processes, from an equity perspective proxy voting reflects our proxy voting guidelines, as well as our communications around material sustainability issues throughout the year.

Our proxy voting approach

Ninety One votes at shareholders' meetings throughout the world as a matter of policy and principle. We believe that once we become investors (i.e., owners of a company) we assume a critical fiduciary responsibility on behalf of our clients by consistently exercising our proxy voting rights in company general meetings by either support or sanction. Our 'Ownership Principles and Proxy Voting guidelines' establish our voting and engagement approach, which applies across all of our equity holdings. The proxy voting guidelines rest within our broader stewardship policy framework. They focus on the following four principles whereby Ninety One will: i. disclose how it discharges its stewardship duties through publicly available policies and reporting; ii. address the internal governance of effective stewardship, including conflicts of interest and potential obstacles; iii. support a long-term investment perspective by integrating, engaging, escalating and monitoring material ESG issues; iv. exercise its ownership rights responsibly, including engagement and voting rights. Ninety One publicly discloses its voting decisions on a quarterly basis on its website.

Although our proxy voting guidelines apply globally, we recognise regional differences. In markets where the codes are still evolving and not yet fully aligned with global best practice, we take this into account. In these markets, we aim to engage actively with policymakers, regulators and stock exchanges, together with other global and local investors, to address more critical potential shortcomings.

We understand that some clients may have their own policies, which may differ from our policy. For clients invested in segregated portfolios, we are able to put mechanisms in place to ensure adherence to client-specific voting guidelines. We do not take part in stock lending, so this does not affect our voting process.

We use an external proxy-research and vote-execution service provided by Institutional Shareholder Services (ISS). ISS delivers its benchmark research and Ninety One's custom policy research based on our internal voting policy; we then take these into consideration and discuss internally to make a decision in the best interest of shareholders (which may differ from ISS recommendations).

Proxy voting is intended to act as an additional mechanism to bring about change and reflect the ongoing engagements that the investment teams have with companies. We give management and boards time to adequately respond to our questions before voting on critical issues.

Figure 3: Key proxy voting figures

91%
of meetings voted[1]

1,366
meetings voted

17,040
proposals

60
countries

Source: Ninety One, ISS ProxyExchange. Data is for the 12 months to end March 2021.

In 2020/21, we made vote recommendations at 1,366 shareholder meetings worldwide, analysing 17,040 resolutions in accordance with Ninety One's voting policy. On a resolution-by resolution basis, we voted 'for' on 87% of the resolutions, and cast a dissenting vote (against, abstain or withheld) on 13% of resolutions.

Figure 4: Votes cast on a per resolution basis

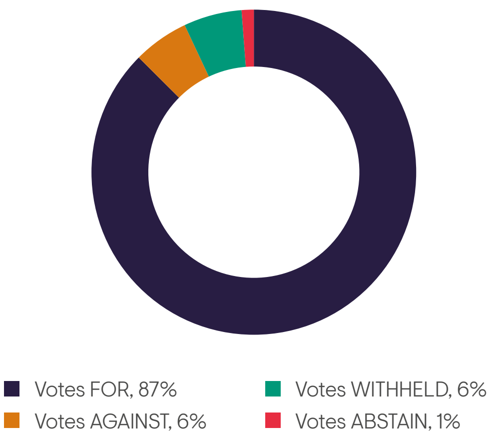
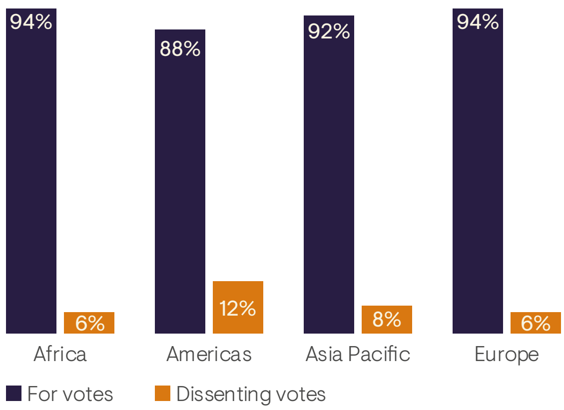


Figure 5: Number of votes cast (on a per-resolution basis) by region vs. number of dissenting[2] votes



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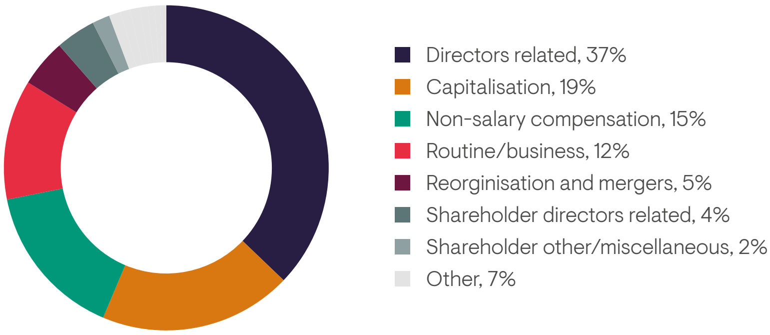
1. Note that we have excluded companies that were not held at the time of voting and those where we did not vote due to a conflict of interest. We aim to cast a voting decision across 100% of our holdings, which may be a 'do not vote' decision for several reasons including share-blocking restrictions or power-of-attorney restrictions.
2. Dissenting means against/abstain/withhold. Source: Ninety One, ISS ProxyExchange. Data is for the 12 months to end March 2021. Figures may not add up to 100% due to rounding.

Globally, c.37% of all our votes 'against' 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.

Figure 6: Global breakdown of votes against on a per resolution basis

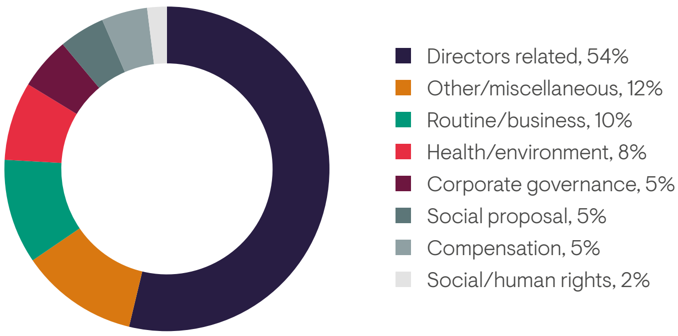


Shareholder proposals

Shareholder proposals enable shareholders to recommend or require that a company and/or its board of directors take a specific action. They complement direct engagement and letter-writing campaigns. They are key shareholder rights across the globe, although there are myriad differences in submission requirements due to countries' varying legal frameworks.

Over the reporting period, we voted on 289 shareholder proposals. We supported a significant number of them (65%) because they sought to improve ESG practices, were targeted and focused, and were neither too prescriptive nor too vague in their requests. We did not support shareholder proposals that were not in the best interests of all shareholders or that lacked sufficient detail.

Figure 7: Breakdown of shareholder proposals voted in favour on a per resolution basis



Ninety One's significant votes

We have included a summary of our most 'significant' votes over the period, as per the Shareholder Rights Directive II (SRDII) requirements. Ninety One describes these as votes with significant client, media or political interest; material holdings; those of a thematic nature (i.e., climate change) and significant corporate transactions that may have a material impact on future company performance, for example approval of a merger, etc.

easyJet Plc — British multinational airline group

Overview	AGM on 22 May 2020. This special meeting garnered media attention due to the airline's largest shareholder seeking to oust four incumbent directors in a special shareholder vote. Furthermore, he sought the cancellation of a £4.5bn order for more than 100 new aircraft that he believed jeopardised the airline's future.
Process	We voted in line with management, i.e., 'AGAINST' the removal of directors because the dissident had not provided sufficient evidence that removing four key directors would leave the board and the company better positioned to deal with the current crisis. We engaged with the dissident and the board.
Outcome	Over 99% of votes cast by independent shareholders were in support of the board.

Tongaat-Hulett Ltd — South African agriculture and agri-processing business

Overview	EGM on 28 September 2020. At the time of voting this was a material holding for Ninety One. The company sought shareholder approval of transactions in terms of the JSE Listing Requirements and authorising ratification of the proposed sale of the entire issued share capital of Tambankulu Estates Pty Ltd and its wholly-owned subsidiary, Format Development Corporation Ltd.
Process	In the absence of concerns, we voted in favour of both items. We had several meetings prior to the transactions.
Outcome	All the resolutions were passed by a majority.

BHP Group PLC — Global resources group

Overview	AGM on 15 October 2020. Two shareholder proposals were put forward. One requested that the company place a moratorium on activities at Cultural Heritage sites, to refrain from enforcing contractual rights on Native Title Holders from speaking publicly, and to disclose its expectations regarding Industry Association lobbying on cultural heritage issues. The other proposed that the company suspend memberships with industry associations whose record of climate change and energy-related advocacy is inconsistent with the Paris Agreement's goals.
Process	We did not support the shareholder proposals (thereby voting in favour of management). Our vote was informed by previous engagements with management. The communication from the company in this regard addressed the issue adequately.
Outcome	Item 24 did not go to a vote and Item 25 failed.

Sefalana Holdings Company — Botswana wholesale and retail distribution

Overview	AGM on 30 October 2020. At the time of voting this was a material holding for Ninety One. Several management resolutions on capitalisation.
Process	We decided to ABSTAIN on the vote on remuneration of executive directors due to concerns over ongoing increases in executive remuneration. We communicated our concerns and our vote to the company for further engagement on the issue.
Outcome	All proposed resolutions were passed by a majority.

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Outcome source: Proxy Insight. Data is for the 12 months to end-March 2021.

Voting conflicts of interest

Ninety One has a firm-wide conflicts of interest policy as well as a separate conflict of interest committee that manages the broader remit of potential conflicts across the business. These conflicts can vary in nature and we respond to each case individually, following a strict process.

In some instances, we would refrain from taking the voting decision ourselves and instead defer the decision to our clients. An example would be voting on holdings in listed Ninety One-managed funds and Ninety One Plc/Ltd. If underlying owners express a vote decision, the Engagement & Voting team will instruct it on the voting platform; if they decline to do so, Ninety One will cast a 'do not vote' at the meeting. Other, less severe conflict-of-interest risks could be instances of Ninety One board members, Ninety One senior employees and/or client senior employees serving on the boards of other publicly listed companies. To manage this, the Engagement & Voting team has put in place an internal regularly updated map of board memberships. This enables conflicted meetings to be flagged early. In these cases, the relevant portfolio manager is notified of the conflict and the normal voting process applies, including escalation to the Ninety One Sustainability Committee, when appropriate. Some perceived conflicts of interest may be less controversial and may involve voting at a client's AGM, for example. In this situation, portfolio managers notify the Engagement & Voting team and normal voting applies.

For further information, please refer to the 'Conflicts of interest' section in our stewardship policy.

Rights and responsibilities for fixed income assets

We exercise our rights and responsibilities for credit instruments in a number of ways:

- We are often a member of bond or loan syndicates, and as such amendments to the documentation or indentures are typically facilitated through the facility agent or arranging bank. We thoroughly review any borrower requests or amendments and then submit our vote or signed amendment through the relevant channel.
- To the extent there is the potential impairment of a holding, a coordinating committee is usually formed to represent the interests of the bond or loan holders. This committee is typically made up of the largest lenders and to the extent we fall into that category we would be happy to represent our interests accordingly. This committee then negotiates with the borrower or any restructuring officer to ensure a fair outcome for lenders.
- Each analyst reviews any bond or loan prospectus ahead of investment. We also use a third-party legal service called Xtract, which comprehensively reviews all bond and loan documentation, flagging potentially relevant terms in the documentation.

Our engagement approach

As a business, we are active (not passive or activist) investors. Our global 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. The following section explains how that policy has been implemented.

We take a targeted approach to engagement, prioritising strategic engagements where we can influence an issuer to reduce risk. We believe strategic engagements enhance our understanding of sustainability risks and can provide the opportunity to improve outcomes.

Our clients' assets are exposed to systemic risk that could impact value but where the timing is uncertain. We carefully identify a limited number of advocacy projects that really matter for our clients and the firm. In addition, the Sustainability Committee provides guidance to investment teams on their participation in advocacy, including through collaboration, where this is aligned to their investment priorities.

Ninety One seeks to ensure company boards focus on creating and preserving sustainable value. Investing client capital in an uncertain future requires each investment team to include governance as part of its fundamental analysis. A low level of governance comfort requires communication type engagement to justify the investment.

Engagements take place as an integral part of the investment process, with the investment teams initiating engagement based on their investment processes and priorities. The Engagement & Voting team is accountable to executive leadership through the Sustainability Committee for policy implementation and engagement on a quarterly basis. We do not outsource engagement to third-party service providers.

The integrated investment and engagement process described above is complemented with collaborative engagement, including organisations such as the UK Investor Forum. In addition, our membership of regional and global organisations, such as the Asian Corporate Governance Association (ACGA), Council of Institutional Investors in the US (CII), the Institutional Investors Group on Climate Change (IIGCC), the Principles for Responsible Investment (PRI) and the International Corporate Governance Network (ICGN), position our organisation to collaborate and engage on a variety of advocacy and systemic risk matters.

Overview

During the reporting period we took part in 230 engagements. Many of the engagements were initiated following matters identified in our fundamental investment and voting analysis. We continue to focus on ensuring active ownership is aligned with investment integration. Effective fundamental analysis that integrates material ESG factors helps ensure early identification of significant issues and resolutions that need attention at the next AGM. In addition, the assessment of governance or leadership culture is critical to our investment capabilities' investment processes. Sound governance improves confidence in our analysts' earnings forecasts and helps protect client capital.

Figure 8: Our key engagement figures

39
strategic engagements

147
communication engagements

44
advocacy engagements

54
related to proxy voting

48
collaborative engagements

Figure 9: Engagement by category

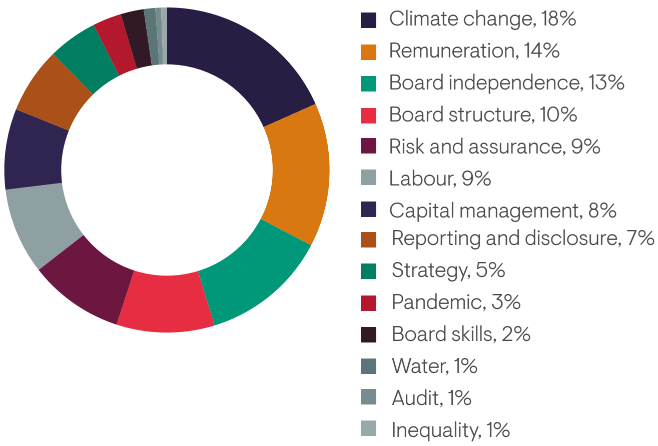

Figure 10: Engagement by region

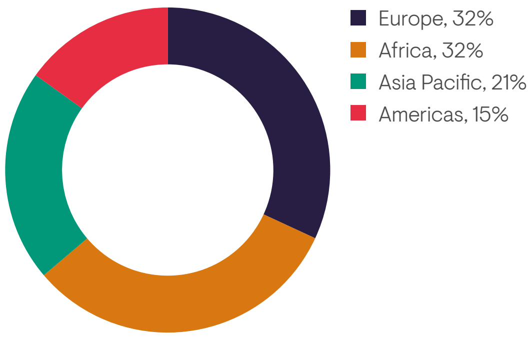

Figure 11: Strategic engagement outcomes for the reporting period

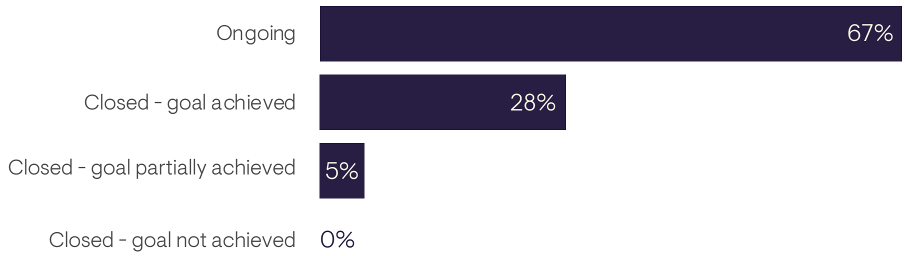

Figure 12: Engagement methods for the reporting period

Engagement options	Extent of use	Asset class	Engagement type
Letter to the board	Global	Equity, Corporate Debt	Strategic, Communication
Letter to the executive team	Most engagements, no regional difference	Equity, Corporate Debt	Strategic, Communication
Generic letter	Advocacy engagements; global	Equity, Sovereign Fixed Income	Strategic, Communication, Advocacy
Annual corporate dialogue by company or investor	Regular dialogue; globally but with awareness of regional differences in governance and culture	Equity, Corporate Debt	Communication
Focused targeted dialogue with Chairperson, LID, Chair of Board Committee or executive	When required; global but with awareness of regional differences in governance and culture	Equity, Corporate Debt	Strategic
Public statement	When required; global	Equity, Corporate Debt, Sovereign Fixed Income	Strategic, Advocacy
AGM attendance and questions	Required for material engagement; global	Equity	Strategic
Shareholder resolution	We did not make use of a shareholder resolution during the period	Equity	Strategic
Collaboration	Advocacy and strategic engagement where appropriate to the engagement strategy; global	Equity, Sovereign Fixed Income	Strategic, Advocacy

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Note that communication engagements and advocacy engagements are categorised as 'ongoing' or 'closed', as they are usually either once-off interactions or take place over a period less than a year.
Source: Ninety One, data for period 1 April 2020 to 31 March 2021.

Engagement case studies

We engage across all asset classes, geographies and regions. We do not outsource engagement but may collaborate if we believe this will assist in achieving our engagement goal. We are sensitive to regional differences in governance and culture and adapt our engagement approach accordingly.

Engagement & Voting team: Sasol Climate Action 100+ collaborative engagement

Climate change risk

Identify

Sasol is the second-biggest carbon emitter in South Africa. Our investment capabilities manage client assets with mandates that require the inclusion of Sasol from time to time in the portfolios they manage. The limited South African investment universe, together with Sasol's carbon footprint, necessitates careful consideration of Sasol's strategy to manage climate risk, including the reduction of emissions.

Plan

Our previous engagement with Sasol, targeting change in leadership, improved capital management and emission transparency, was successful regarding leadership and capital management, but the emission transparency required renewed engagement. Considering this and the need to better understand Sasol's climate risk strategy, we decided to collaborate through the Climate Action 100+ engagement process to bring about the change required on behalf of our clients.

Engagement goal:

- Make use of the Climate Action 100+ initiative to ensure an appropriate strategy is in place to reduce emissions and align with the objectives of the Paris Agreement.
- Collaborate with other investors to ensure a strong governance framework is in place, and action is taken to reduce emissions and ensure enhanced disclosure through TCFD reporting.

Engage

We have followed the Climate Action 100+ overall engagement approach. The collaborating engagement team has developed a specific engagement strategy for Sasol. Action to date includes dialogue with Sasol's sustainability experts and leadership to communicate the purpose of the Climate Action 100+ engagement.
We have also spent time engaging to understand Sasol's climate strategy and progress to date. In addition, we have assessed the company's public disclosure against the Climate Action 100+ net-zero benchmark.

Outcome

The engagement is at a relatively early stage. We are building an appropriate relationship with the company and sharing our findings on its alignment with the Paris Agreement. We believe our approach will help motivate commitment for the change we seek. We have progressed as planned with our voting decisions informed by our engagement learnings and progress. The planned engagement outcome will have a material benefit to society (environment and social impact).

4Factor investment team:
Pepkor Group governance engagement

Board governance

Identify	Steinhoff, with its over 70% holding, is an important governance influencer of Pepkor. We required the governance of Pepkor to improve on behalf of current and future clients. Better governance, and the right culture of leadership, help to ensure greater confidence in our analysts' valuation and earnings projections for the company. At the same time, better governance will eventually lead to a better investment rating for the company.
Plan	Engagement goal: — Ensure the Pepkor board has enough independent directors to balance the power of Steinhoff. This will ensure Pepkor executives and the board are better positioned to act in the long-term interests of the company and minority shareholders.
Engage	We engaged directly with the chairman of Pepkor and met with him on two occasions. We met with the previous chair of Steinhoff and the CEO to communicate the governance change we sought and to encourage them to use their material influence. More recently, we voted against the chairman of Pepkor and wrote to the Board reinforcing our concern with the slow governance change. We also communicated this view to Heidrick & Struggles when we participated in a review of the Pepkor chairman facilitated by the search firm. On 18 November 2020, it was announced via SENS that the chairman would not make himself available for re-election when his term ended. This was closely followed by an 18 December 2020 SENS that Jacob Wiese would not make himself available for re-election at the March 2021 AGM. Wiese therefore retires from the board on 10 March. The engagement is closed.
Outcome	Board restructuring has taken place with the Pepkor board better positioned to act in the long-term interests of the company and minority investors.

4Factor investment team:
Impala Platinum and sustainability

Sustainability strategy

Identify

Impala has sound governance and good leadership. An historically poor safety record, together with the need to do more to manage carbon emissions, has resulted in a poor social rating. These risks affect the company's overall ESG rating, including the investor rating of the company.

Plan

Engagement goal:

- Engage with the company to encourage an integrated sustainability strategy. The overall strategy should include plans to improve safety, climate-risk management and community relations, among other positive sustainability impact and outcomes. The implementation of the sustainability strategy needs to be effectively communicated. The integrated sustainability strategy, together with effective communication, should encourage an improved third-party service provider research rating and ultimately an improved investor rating for the company.

Engage

Engagement initially focused on the safety record, carbon emissions and incentivisation metrics designed to improve safety and reduce emissions. We engaged with the executives for sustainable development on an integrated sustainability strategy. This included a focus on safety, COVID-19 and plans to balance safety and production. The sustainability strategy was to be supported with an appropriate comprehensive communication plan. Ninety One encouraged an early estimate of the financial plan linked to sustainability, including capital required.

Outcome

The company achieved zero fatalities for the period to December 2020 and achieved a record 9 million fatality free shifts in February 2021. We acknowledged the balanced presentation of the excellent results with the increasing focus of Impala on sustainability, including the creation of sustainable value over time. We expect the ESG rating providers will eventually acknowledge the increased focus on sustainability and improving societal impact.

Emerging Market Corporate Debt investment team: Synthomer

Environmental risk

Identify	Synthomer scored well in terms of social and governance factors but we needed to gain additional detail and comfort on select environmental topics, including why water withdrawal, total waste generated and waste-to-landfill metrics had increased.
Plan	Engagement goal: – Engage with the company to better understand the environmental risk and communicate our ESG priorities to management. Our plan focused on pollution and waste and their impact on natural capital.
Engage	We engaged with the Synthomer management team and gained a detailed understanding of the environmental risks (pollution, waste and impact on natural capital). Our engagement included a discussion of their approach to managing ESG related risks, and notable current or expected ESG challenges. This was important in helping us better understand company-specific risks, and appropriately pricing them. The dialogue allowed the management team to develop an understanding of our ESG priorities while they provided comfort on the risks identified, including their commitment to environmental targets.
Outcome	A successful engagement with the Synthomer management team, which allowed Ninety One to get comfortable with the environmental risks and helped the company's management team understand our ESG priorities.

Emerging Market Sovereign Debt investment team: Turkish government

Fiscal transparency

Identify

We are a large investor in emerging market debt and a long-time investor in Turkey. It is important to Ninety One and our clients that Turkey continues to improve its attractiveness to foreign investors. The Open Budget Survey independently researches a country's level of budgetary transparency, participation and oversight. Deteriorating fiscal transparency has led to a material fall in Turkey's ranking (at the time of writing) and prompted our engagement with the authorities to discuss how the ranking could be improved.

Plan

Concerns around the deterioration in fiscal transparency in recent years led to a decision to engage directly with Turkey's Ministry of Finance. We wanted to highlight the clear benefits of greater transparency in the budget-setting process for investors, the sovereign and Turkish society. Our plan included a letter to the Ministry of Finance setting out our engagement objective and then following up with one-on-one calls.

Engagement goals:

- Targeting five budget focus areas for improved transparency. These broadly cover timeliness, disclosure and public participation.
- A materially improved Open Budget ranking (Top 25).

Engage

We raised issues relating to fiscal transparency in Ankara in December 2019. Research on budget transparency was undertaken. This included the Open Budget Survey methodology and ranking process. We authored a letter to the Ministry of Finance detailing our findings and concerns. We followed up with a one-to-one call with the Ministry of Finance to discuss transparency in more detail. A further 2021 follow-up call has been scheduled to discuss progress. In addition, we discussed Turkish fiscal transparency with the Emerging Market Investors' Alliance. Depending on our engagement progress in 2021, we may look to escalate the engagement in collaboration with the Alliance.

Outcome

We will continue to engage on this material issue for investors and Turkey more broadly. Our objective is to achieve our engagement goal over the medium term (2-3 years).

Engagement escalation

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

We will give management and boards time to adequately respond to our questions before voting on critical issues. Our philosophy regarding voting on certain issues might be well known to us and defensible in general terms, but we believe we should seek to engage to understand the specifics where it matters. Boards respond best when addressed in writing and correspondence clearly communicating our views should precede critical opposing actions. Our intention to oppose on critical issues should not be a surprise to management teams and boards, even if we previously supported or abstained to allow companies the opportunity to implement agreed actions.

We support collaboration with other shareholders on serious breaches of corporate governance, bearing in mind the pitfalls of acting in concert. Our aspiration should be to be aware of these issues prior to being engaged by other shareholders working on similar actions. Our response in these cases should be proportional to our exposure, unless we deem them so important that we expend more resources. These types of matter should be well understood and communicated by the Engagement & Voting team and governed and ratified by the Sustainability Committee.

Although the press is potentially an ally of last resort, we will not seek to involve the media until direct engagement with the board and management team has failed. Comments to the press will be through nominated spokespeople, recognising that we won't always have the opportunity to ensure that our viewpoint is communicated correctly and within context.

Case studies: escalation

As noted above, we engaged with Sasol on a number of issues, including encouraging the company to disclose its strategy to deal with the transition to a global low-carbon economy, encompassing effective TCFD reporting. We achieved most of our engagement goals but we were not comfortable with the critical climate-risk and disclosure objective. After considering our engagement options, we decided to escalate this element of the engagement by participating in the Sasol Climate Action 100+ collaborative engagement, as set out in our case studies.

Our fixed income case study, focusing on Turkey's fiscal transparency, sets out action we have taken to identify a partner to work with if engagement escalation is necessary. The current professional relationship suggests that this will not be necessary, but we have built in flexibility to the engagement to escalate quickly if required.

Engagement conflicts of interest

The Sustainability Committee, in cooperation with the Global Conflicts Committee, deals with any conflicts of interest that may arise between Ninety One's business interests and the fiduciary duty it has in relation to clients' assets.

We have extracted the main engagement issues covered by our Conflicts of Interest Policy.

— In theory, Ninety One may favour some companies in the engagement process where Ninety One has a prior relationship and so would be failing in its duty to treat all clients equally. Accordingly, Ninety One has established the governance structure to ensure that these situations are appropriately identified and managed.
— From time to time, it is possible that Ninety One and its clients are party to both sides of a fundamental transaction. In such cases, Ninety One will seek to ensure that all appropriate aspects are considered prior to any transaction or recommendation taking place, and if necessary engage directly with its clients to determine an appropriate course of action. The Sustainability Committee, in cooperation with the Global Conflicts Committee, will deal with these and other such issues. Where a client needs to be treated individually (e.g., where we own shares in our client and they have specified how to deal with engagement) then this will not affect the decision for other clients. Ninety One has to consider in detail the various areas of possible conflict of interests. This is set out in the Ninety One Conflict of Interests Policy and Code of Ethics.

For further information, please refer to the 'Conflicts of interest' section in our stewardship policy.

Impact and sustainable solutions

Our approach to impact and sustainable solutions

Our commitment to sustainability extends beyond integrating it into the way we invest. While ESG considerations are integrated into all of our mainstream investment strategies, our sustainability and impact strategies focus on positive inclusion and they all have a defined impact objective. This involves assessment of the externalities associated with a country or industry in the context of best practice for managing or minimising negative externalities, as well as promoting positive externalities. We also engage actively on these issues with our stakeholder communities through knowledge exchange and advocacy. We define sustainability and impact strategies using three axes that can be applied to all investments:

Financial sustainability

Investments in companies with long-term thematic structural drivers, durable competitive moats and a disciplined approach to capital allocation

Internal sustainability

Investments with business models, policies and targets in place to minimise negative externalities, that are positively aligned with a range of key stakeholders and can clearly link these actions to governance culture and value creation

Impact

Investments in companies or sovereigns that finance products and services that have an intended and quantifiable positive impact on the environment and/or society, directly contributing to a more sustainable future

Our sustainability and impact strategies will blend all three axes to achieve their goals, focusing allocations on countries that are turning wealth into sustainable development, on companies whose businesses are internally sustainable, and on opportunities with a clear impact.

Sustainable solutions – a year in review

Ninety One currently offers three sustainability focused investment strategies, all of which have a high proportion of investments allocated to achieving a positive impact. We review each of them below.

Global Environment

The Global Environment strategy invests in companies that offer environmental products and solutions, are leaders in sustainable decarbonisation, and have quantifiable carbon avoided. We follow a fundamental, bottom-up process, selecting companies for their structural-growth dynamics, sustainable-return potential and competitive advantages. The portfolio invests globally and is high conviction and benchmark agnostic, with positions held with a multi-year time horizon. We provide what we call 'sustainability attribution' – detailed company-level impact measurement and reporting for every position within the portfolio.

Even amid the COVID-19 pandemic, which at times brought trade and travel almost to a standstill, global decarbonisation efforts gathered pace throughout 2020. The drivers of the transition to a lower-carbon economy – including regulation, technology and consumer preferences – strengthened further, providing a material tailwind for the shares of companies that are enabling or are set to benefit from decarbonisation.

Highlights over the reporting period include:

- Idea generation remained strong. The investment team found attractive and exciting new opportunities spanning electric vehicle technologies, biochemical production and resource-efficiency software solutions, among others.
- They used the extreme market movements during the onset of the pandemic to add to high-quality underperforming cyclical names, funded from utilities over the first half of 2020, and added to China exposure following analysis of the September 2020 announcement of China's net-zero policy.
- There was never a more important time for keeping close to portfolio companies. The investment team engaged with all of the companies in the portfolio and made progress against the annual engagement goals for each company, as set out in the first Annual Impact Report 2019. The team was especially active over the first half of 2020, meeting with every management team to assess the impact of the pandemic on their businesses.
- In 2020, the investment team led collaborative engagements on carbon emissions disclosures with three companies: NextEra Energy, Xinyi Solar and Longi Green Energy. Of the three companies, Xinyi Solar and Longi Green Energy reported their emissions data to CDP, and NextEra Energy is likely to report to CDP this year.

- The favourable backdrop of positive market and performance tailwinds from Q2 2020 onwards, along with evolving investor sustainability needs have meant that attention on the strategy has increased significantly. This increased attention has had two related benefits. Firstly, some investors have introduced the investment team to industry frameworks, working groups and initiatives considered important to them, such as the Impact Management Project and the IIGCC Net Zero Investment Framework. As well as being useful for information sharing, these frameworks have encouraged the team to think about different ways to communicate what they do. Secondly, on the subject of communication, the variety and magnitude of investor queries from topics as diverse as sector valuations, the opportunity set, the EU taxonomy and performance, among others, have resulted in the production of an array of multi-media communications designed to help investors better understand what the team does. This is in addition to regular communications, which included the second Annual Impact Report in June 2020.

UK Sustainable Equity

The UK Sustainable Equity Strategy seeks to allocate clients' capital to companies that the investment team believes are not only good investments, but are helping to make the way the world produces and consumes more sustainable. As an active manager, it also sees the Strategy as a means, on clients' behalf, to engage in constructive dialogue with the business community on issues that matter for the wellbeing of society and future generations. Through its sustainability framework, the Strategy aims to contribute positively to a more sustainable future while delivering strong financial returns. Highlights over the reporting period include:

- The OEIC Fund achieved a 3D four-star rating, illustrating its differentiation and focus on investing in - and measuring the impact from - companies held by the Fund.
- The Fund achieved a 'Responsible A rating' from Square Mile.
- The Strategy's first annual impact report was published.
  - This report details the investment process and illustrates the transparency surrounding analysis of a company's internal sustainability, and why it can have a positive impact through its products and services.
  - The report highlights how the investment team has engaged and the areas on which it intends to engage with each company going forward.
  - The report has been well received by clients and by investee companies. This has driven multiple opportunities to engage more deeply on material sustainability opportunities. Companies are typically open to improving and minimising their own footprints and the team has been encouraged to see broader and deeper sustainability reports being published by companies, clearly setting out areas for improvement and using clearer goals and roadmaps on how to achieve them.
- The period in question has been one of incredible change for many people and companies, and the investment team has been encouraged by the responsible approach taken by so many businesses. It has engaged on a wide range of topics, from supporting workforces during lockdowns, to returning to work in safe and secure environments, to managing furlough payments and returning furlough money.

Emerging Africa Infrastructure Fund

The Emerging Africa Infrastructure Fund (EAIF) provides a variety of debt products to infrastructure projects promoted mainly by private-sector businesses in Africa and parts of the Levant. EAIF helps create the infrastructure framework that is essential to sustained economic stability, business confidence, job creation and poverty reduction. It has to date supported over 80 infrastructure projects across nine sectors in over 20 African countries. As of the end of 2020, EAIF had committed US$1.9 billion to projects (over the life of the Fund). EAIF was established and substantially funded by the governments of the UK, the Netherlands, Switzerland and Sweden. It raises its debt capital from public and private sources, including: Allianz, the global insurance and financial services company; Standard Chartered Bank; the African Development Bank; the German development finance institution, KFW; and FMO, the Dutch development bank.

In 2020, EAIF signed eight new transactions with a combined total loan commitment value of US$243 million. These new transactions were made in the following sectors: power/energy; manufacturing; digital communications infrastructure; transportation (border crossing); bulk logistics/special economic zone; and gas storage/processing. Highlights over the reporting period include:

- Eight projects signed with an EAIF loan commitment value of US$ 243 million
- 19% year-on-year committed loan portfolio growth
- Local capital markets strengthened with EAIF anchor support for two local-currency bond issues
- Zimbabwe became the eighteenth African country in the current portfolio

Zimbabwe became the eighteenth African country in the Fund's current loan portfolio to benefit from EAIF support. EAIF loaned US$43.7 million to Zimborders, the company that won the Zimbabwean government's concession to modernise one of the nation's most important border posts. The US$296 million project is at Beitbridge on the border between Zimbabwe and South Africa. The development includes substantial ancillary infrastructure eventually being transferred to community ownership.

The Zimbabwe transaction saw EAIF take a significant role in structuring the economics of the project. In the two digital and telecommunications bond issues it supported, EAIF was an anchor investor. In the local bond market issue by Senegal's Sonatel, XOF100 billion was raised for investment in extending Sonatel's 4G+ network and into new activities including energy, banking and multimedia content. With the transaction, EAIF supported a key regional infrastructure business and the development of Senegal's capital markets.

In another digital and telecommunications deal, EAIF worked with the French development finance institution, Proparco, providing up to US$40 million to a total loan of US$100 million to the West Indian Ocean Cable Company (WIOCC). The loan is part of a significant planned investment programme by WIOCC across Eastern and Southern Africa.

A core element of the PIDG strategy is supporting the creation and growth of Special Enterprise Zones (SEZ). EAIF was the anchor investor in the local currency bond issue by the Port Authority of Dakar (PAD) that raised over XOF60 billion. The proceeds of the PAD bond will help fund the move of the port of Dakar from the centre of Senegal's capital city to a new deep-water location. The port will be part of the new special economic zone's interconnected transport nodes. In Nigeria, EAIF backed a project by Indorama Eleme to improve productivity and energy conservation at its Port Harcourt fertiliser plant. In the energy sector, the Fund loaned to projects in Côte d'Ivoire and Ghana.

5

Advocate

Highlights over the year:

- Joined the CDP's Forest Champion programme
- Became one of the earliest listed asset managers to publicly commit to the 'Say on Climate' initiative
- Signed the Business for Nature's Call to Action
- Signed the 2021 Global Investor Statement to Governments on the Climate Crisis, coordinated by The Investor Agenda
- Hendrik du Toit, Chief Executive Officer, became an Ambassador of the World Benchmarking Alliance
- Contributed to the first-ever Net Zero Investment Framework, with 70+ other investors, via the Institutional Investors Group on Climate Change (IIGCC)
- Launched the Climate & Nature Sovereign Index in partnership with WWF
- John Green, Chief Commercial Officer, was a main-platform speaker at the City of London Green Horizon Summit
- Responded to the European Supervisory Authorities (ESA) consultation on the proposed Regulatory Technical Standards on ESG disclosures

Our approach to 'Advocate'

We believe our role as active investors requires a holistic approach to sustainability. This includes a commitment to advocacy where we can influence clients, stakeholders and policymakers. It also includes a commitment to continually improve our own sustainability credentials.

As a substantial investor of client capital, Ninety One has a voice in the markets. We have the human capital to analyse and articulate the urgency of the sustainability challenge. We believe it is important to not only manage our clients' assets in a responsible manner but also to proactively engage our clients and stakeholders on sustainability and encourage our clients on their journey towards more sustainable long-term investing. Advocacy takes many forms and includes policy, education and thought-leadership.

Through our advocacy efforts with relevant bodies, we seek to play our part in accelerating the transition to a more sustainable way of thinking and acting. We are active members and supporters of several global sustainability initiatives. We select these carefully based on a track record of advocacy effectiveness as well as opportunities to play an active role ourselves. We strive to contribute meaningfully to the development of frameworks for investment and ownership in the jurisdictions in which we invest. Where appropriate, we seek to influence policy, regulation and laws, aiming to facilitate efficient capital markets and favourable environments for shareholder rights and interests. We monitor and guide our advocacy activities through the Sustainability Committee on an ongoing basis.

> Our approach to advocacy, regardless of topic or organisation, is anchored around our principle of investing for change and inclusive capital allocation, rather than avoiding and divesting. A priority for the coming year will be the global climate transition and how Ninety One can contribute positively to it.

Thought leadership

Ninety One's Investment Institute is an engagement platform that delivers strategic investing insights and analysis to its 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. With this collaboration, central themes of the 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.

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.

Among recent highlights of the Institute's research, the firm-wide 'Road to 2030' project explored the key trends expected to influence market outcomes in the present decade. They include climate change, and the world's response to it, which are set to profoundly alter the economy and society. 'Road to 2030' examines the multi-faceted impact on investments of these trends and is accessible via the Ninety One website.

Industry organisations and initiatives

Ninety One carefully selects organisations and initiatives where the purpose and advocacy goals are aligned with those of our investment teams and underlying clients.

Figure 13: Organisations and initiatives

Organisation	Date joined	Our role and contribution
The Asian Corporate Governance Association (ACGA)	2013	We are an active participant and hold seats on the Chinese, Korean and Japanese working groups.
Asia Research and Engagement (ARE)	2020	We support the working groups that ARE is coordinating on key issues such as climate change and the energy transition in Asia.
Association for Savings and Investment (ASISA)	2008	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	We are an active signatory involved in engagement with companies regarding their disclosure to the project.
Climate Action 100+	2018	We are involved in collaborative engagements with companies to ensure that they are minimising and disclosing the risks presented by climate change.
Council of Institutional Investors (CII)	2018	We are a member of the International Governance Committee, providing our views of governance best practice.
Crisis Group	2014	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	We are a supporter and involved in its workstream relating to fiscal transparency.
FAIRR	2019	We actively participate in collaborative conversations to identify and engage on material ESG risks and opportunities in global protein supply chains.
Institute of Directors in Southern Africa (IoDSA)	2015	We serve on the Remuneration Committee Forum where we contribute to position papers. From time to time, we take part in panel discussions to build awareness of new Remuneration Committee guidance.

Figure 13: Organisations and initiatives (continued)

Organisation	Date joined	Our role and contribution
Institutional Investors Group on Climate Change (IIGCC)	2018	We are an active participant, which includes participating in engagements and contributing to thought papers.
The Investment Association (UK)	2002	We are full members and take part in various working groups. Kim McFarland, Ninety One's Finance Director, serves on the Board. Tom Nelson, Co-Head of Thematic Equity, sits on the Sustainability and Responsible Investment Committee.
The Investor Forum	2017	We regularly meet with the forum and participate in targeted strategic governance engagements.
International Corporate Governance Network (ICGN)	2015	We attend, contribute to various conferences/forums.
Impact Investing Institute	2019	We are a founding supporter of the initiative and sit on its advisory council.
PRI	2008	We are an active signatory and participate in workstreams and collaborative efforts, and present at events hosted by the PRI. We attend the annual PRI in-person event and have taken part in various collaborative engagements.
Say on Climate	2020	We advocate for the uptake of an advisory resolution on transition plans at AGMs.
Task Force on Climate-related Financial Disclosures (TCFD)	2018	We are a supporter of the recommendations and have applied the guide to produce our TCFD report.
Thinking Ahead Institute	2019	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	We support the initiative and use TPI data to support our efforts to better understand climate-change risks and opportunities.
World Benchmarking Alliance (WBA)	2017	Our CEO Hendrik du Toit is a Champion, and we participate in working groups contributing to the benchmark work.
WWF	2019	We work with WWF on topics relating to sovereign debt and natural capital, including developing an environmental index.

Examples of advocacy

Climate & Nature Sovereign Index (CNSI)

In 2020, Ninety One collaborated with WWF to develop a pilot CNSI. The index is based on an innovative framework, using real-time and forward-looking indicators to assess long-term risks relating to climate change and nature loss at a country level. Such a framework should not only help achieve a more robust integration of environmental risk in the sovereign debt asset class, but also help countries to design appropriate policy and institutional mechanisms that can make their borrowing more attractive and sustainable in the long term.

Employing the index in combination with new financing mechanisms would help private and public sovereign debt investors to engage with countries in the post-COVID-19 recovery phase and help them transition to a sustainable trajectory that will make their investments more resilient to climate- and nature-related risks and other risks.

EU Sustainable Finance consultation on Regulatory Technical Standards

Together with a wide group of market participants, industry organisations and advocacy groups, we submitted an independent response to the ESA consultation on the proposed Regulatory Technical Standards on ESG disclosures for financial-market participants, advisers and products. While we welcomed many aspects of the regulations, we had reservations about the disclosure requirements and whether they would represent a realistic expectation of market participants.

Say on Climate

In December 2020 we became the first listed asset manager to publicly commit to the 'Say on Climate' initiative. The initiative seeks to facilitate deeper engagement between companies and their investors on their climate transition plans. The initiative encourages listed companies to submit a Climate Transition Action Plan to a shareholder vote at their annual general meeting. The non-binding resolution would be a crucial step to put greater structure around how shareholders can assess the strength of companies' plans to address climate risk in their businesses. We will be incorporating 'Say on Climate' into our voting policies and engagement strategy. Initially, we will engage with a selection of portfolio companies to encourage boards to voluntarily publish a Climate Transition Action Plan and propose a resolution from management.

Carbon Disclosure Campaign

We are active supporters of CDP (formerly the Carbon Disclosure Project) and believe that advocating for greater commitment to and uptake of carbon reporting is critical. This year our commitment involved engagements with 36 companies, of which seven companies reported emissions. We will continue contributing to this campaign in 2021.

6 Inhabit

Highlights over the year:

- Entered long-term agreement with BioCarbon Partners to mitigate our Scope 1, Scope 2 and Scope 3 (category 6) carbon emissions
- Moved to our new office in London, which has achieved building sustainability ratings
- Launched a COVID-19 charity-matching programme available to employees
- Launched ChangeBlazers, our new bursary scheme in South Africa
- Contributed approximately £240,000 towards a Namibian COVID-19 vaccination programme
- Supported the building of a school in the Nyae Nyae Conservancy in Namibia through a donation of approximately £240,000

Our approach to 'Inhabit'

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.

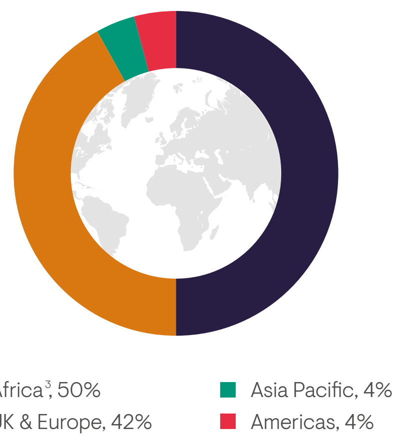
As a long-term investor on behalf of our clients, we are aware of our responsibility to society. We seek to give back, not only by providing financial support to charities and community projects, but by also by giving our time through volunteering. We strive to make a positive impact via our corporate social investment initiatives, which support local communities and the environments they inhabit. Our main charitable work is directed primarily towards conservation, education and community development. Our charity-matching programme is aimed at amplifying the contribution made by the team at Ninety One to a wide range of worthwhile initiatives.

People

We are a people business and our culture is a vital element of our long-term success. We want our people to be proud of Ninety One, enjoy the work they do and have the freedom to be themselves within a team-oriented culture.

Our people around the world

Figure 14: Our people



3. Africa figure excludes 510 Silica employees.

Supporting our staff through COVID-19

Over the past year, our main focus was to keep our staff safe, supported and motivated. As government-enforced lockdowns were imposed all over the world in March and April 2020, we advised our employees in line with local guidance. We enabled our people to work from home and provided various webinars and forums to encourage interaction.

Throughout the 2021 financial year, we've continued to support our employees by providing:

- Comprehensive healthcare in all jurisdictions.
- An Employee Assistance Programme with an in-house clinical psychologist available to all staff.
- Virtual communities on Microsoft Teams to support our various groups: Ninety One Family (our family support), Ninety One Together (our community support), Ninety One Active (our physical wellbeing support), Ninety One Wellbeing (our overall wellbeing support).
- Subscriptions to a mindfulness app and a bi-weekly virtual mindfulness group, with more than a third of our staff participating in at least one of these initiatives over the past year.
- Virtual wellbeing webinars covering various topics during the year, including nutrition and how to manage stress in a virtual world.
- Bespoke support to individuals, as well as providing mental-health workshops by our in-house clinical psychologist focusing on the impact of the pandemic.
- Our Chief Executive conducted 35 virtual check-ins with staff over five weeks at the beginning of the pandemic and wrote 16 weekly letters to employees to ensure that our people were aware of the factors affecting Ninety One and providing clarity on any strategic areas of focus.
- Various physical wellbeing initiatives and activities for staff, including two virtual challenges, which raised more than £91,000 for charity.

As a business, we strive to do the right thing for our people, clients and communities. We are proud of our people, who collectively raised c.£300,000 for charities worldwide, with Ninety One matching their donations. This is in addition to the donation of £2.9 million to COVID-19 relief efforts made in March 2020.

Workforce Engagement and Organisation Development

Our Organisation Development (OD) team is focused on the evaluation, assessment and maintenance of our culture. This team is responsible for leadership development, team development, coaching, offsites and bespoke interventions. We use various methods to evaluate how engaged and motivated our workforce is. While we periodically engage in staff surveys to assess specific initiatives, the OD team is methodical and systematic in the mechanisms that are used to assess our culture. Some of these include:

Team Health Checks

On how a team is functioning on the dimensions of leadership strength, team stability, performance and alignment to firm priorities.

Culture Conversations

To identify how our employees experience the culture.

Listening Forums

For employees to share experiences and provide support where needed. Specific topics over the past year have included parenting, mental health, and diversity and inclusion.

Our OD and wider Human Capital team facilitate and support these and other methods, working with teams to continually ensure that Ninety One's culture is lived and shared. Our belief is that this delivers rich outcomes for our people and our business.

Talent development

Our talent development programmes are designed to enable individuals to express themselves. We seek extraordinary performance and require talented people to achieve this. Therefore, as an organisation, we encourage personal and professional growth through qualifications, training and internal collaboration. We have an annual talent process supported by the Human Capital team, which allows team leaders to assess the talent within the organisation. This ensures that we have appropriate talent through Ninety One to deliver performance for our clients, shareholders and other stakeholders.

Professional qualifications

We believe continued professional development opportunities are key to attracting and retaining high-quality employees. Our high retention rates are a testament to this, and result in an average tenure of over 14 years for our senior-leadership group. We expect our employees to drive their individual development journeys and encourage them to grow in the areas they're passionate about, and which will also ultimately benefit our clients.

All our permanent employees and long-term contractors are eligible to apply for assistance in their learning and development journeys. Employees can attain a range of professional qualifications as well other professional role-related qualifications. We offer a generous study leave allocation and continue to expand the qualifications available at the request of employees themselves. During the course of the year up until 31 March 2021, we facilitated 36 CFA exams and 17 IMC exams, as well 33 other professional qualifications.

Skills training

Our OD team is dedicated to providing bespoke training to both teams and individuals. In the last year, this has included subjects such as 'leadership in a digital world', specific communication training for virtual meetings and navigating the pandemic from a team-dynamics perspective. We support employees who want to gain skills externally via seminars and conferences relevant to their roles in order to gain more exposure to the wider industry.

Annual performance review

All employees have an annual performance review during which they reflect on the past year with their managers, and jointly identify training, learning and development needs for the forthcoming year.

Graduate support

We aim to develop talent at all levels of our organisation and our various graduate-recruitment programmes have been designed with that in mind. We've partnered with various universities and organisations across the globe - including Stellenbosch University and the University of Cape Town in South Africa, Investment20/20 and STEM Women in the UK, and Girls Who Invest in the US - to help build our pipeline of new talent. Over the past year, globally we have been joined by 15 full-time graduates globally, five summer interns in the UK and US, and 12 Winter School participants in South Africa.

Leadership development

Leadership development at Ninety One is a key input to the long-term success of the business. We are focusing on developing people at all levels.

Our leadership development programme is structured over three modules:

Emerge
Focused on the concept of leading yourself, this programme teaches high-potential future leaders to learn more about leadership, their impact on others and how to continue developing themselves

Connect
Focused on the concept of leading others, this programme invites more-established leaders to explore the concepts that allow teams and individuals to perform.

Lead
Focused on the concept of leading the organisation, this programme is a more bespoke intervention that sees functional leadership teams in the business strengthen the dynamics within their units and also work on solving tangible problems they face on a day-to-day basis.

In addition to our structured leadership-development programmes, we believe on-the-job experience and exposure allows our leaders to grow into their roles. We also believe 'learning through doing' is the primary mode of development. Our OD team provides structured support to the next generation of leaders through developmental conversations, direct feedback, facilitation at team and leadership offsites, coaching sessions and assistance with feedback conversations.

Diversity and inclusion

Our core value to 'do the right thing' is part of our cultural identity and underpins everything we do. Diversity and inclusion not only make business sense, but is about doing the right thing for all our stakeholders.

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 and responsible 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 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.
10. We will work towards achieving our targets through concrete actions rather than employing quotas.

We are committed to attracting, developing and retaining a diverse team of people, and creating an inclusive culture across all our offices. This includes combating all forms of discrimination and approaching our decision-making with a diverse set of perspectives. We give fair consideration to all applications for employment and, for the purposes of career progression and development, all employees are treated equally.

We want everyone to have the opportunity to build a successful career and feel proud to work at Ninety One regardless of their background, gender, age, race ethnicity, disability or sexual orientation. Alongside our Diversity Principles, we have created a framework for our ongoing journey, which translates into four key areas of focus:

1

Commitment and accountability

The leaders of our business are committed to creating a more balanced organisation and are held accountable for making progress.

2

Enabling change

We have made diversity and inclusion a central consideration in all our decision-making.

3

Measuring progress

We monitor diversity statistics so we can measure our progress and use this data to devise plans and address problems. We share this data with our business leaders to empower them to bring about change.

4

Promoting an inclusive work environment

Our employee networks are essential to create an environment where everyone can be themselves.

Encouraging diversity and inclusion forms an integral part of our firm's recruitment, development and retention programmes.

Inspire

Ninety One Inspire, enables the exchange of knowledge and experiences in order to improve the opportunities and career success of Ninety One's female employees.

Proud

Ninety One Proud is our LGBT+ network which is designed to create an internal community for our LGBT+ colleagues and their allies.

Belong

Ninety One Belong is a grassroots employee-led network focused on the recruitment, retention and representation of black talent.

Ethnic diversity

Since our establishment in 1991, our focus on growth, active approach and underlying philosophy of investing for a world of change and sustainability has contributed to Ninety One playing its part in the transformation of South Africa. We believe that this commitment and our stability as an employer, wealth generator and skills developer has contributed to the successful transition to a democratic South Africa.

We work hard to ensure that people of different backgrounds, cultures, beliefs and perspectives feel comfortable and welcome at Ninety One. We do not tolerate racism in our business and believe diversity is essential to our firm's ability to compete, adapt and remain relevant. We are taking concrete steps to ensure that we are proactively combating racism - conscious and unconscious.

With regard to Black Economic Empowerment in South Africa, we are determined to play our part in building a country in which the majority of South Africans have a fair chance to succeed, and we are building a firm that is representative of the national population. Internally, we have substantially transformed the employee profile of our organisation and while we do not have racial employee statistics dating back to 1991, our black staff representation in South Africa has increased from 50% in 2014 to 61% in 2021.

Our newly established Employment Equity Forum in South Africa is a consultative body constituted through nominations and represents all designated groups within the business. The main role of the forum is to ensure that Ninety One is meeting its Employment Equity requirements through the drafting of the Employment Equity plan and ensuring its effective implementation.

The Financial Sector Code in South Africa provides a benchmark against which we determine our Broad- Based Black Economic Empowerment (B-BBEE) rating. We are a B-BBEE level-2 contributor. Ninety One remains committed to black economic empowerment (BEE) and the Financial Sector Code, which commits its participants to actively promoting a transformed, vibrant and globally competitive financial sector that reflects the demographics of South Africa.

Gender diversity

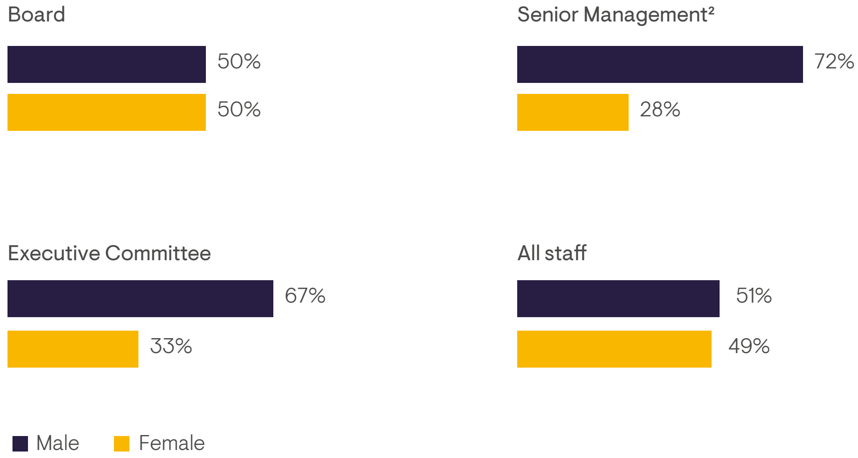
We are working to create a more balanced organisation and are pleased to report a positive trend of women progressing through the firm.

Ninety One is a signatory of the Women in Finance Charter and we have committed to achieving a global target of 30% of women in senior management by 2023. For the 2020 reporting period, we are pleased to report we have increased our female senior management representation from 26% to 28% globally. Our senior executives pay is linked to the delivery of this target.

We report our UK Gender Pay Gap (GPG) annually and the latest GPG report is available on our website.

Alongside our target to have 30% of women in senior management by 2023, we strive for diverse representation on our boards. Ninety One's Board of Directors is comprised of 50% women.

Figure 15: Our key figures on gender diversity[1]



1. Figures for Ninety One employees, excluding Silica.
2. Senior management as reflected in the Women in Finance submission.

Ninety One Wellbeing

Focused on developing an inclusive and supportive work environment that encourages growth for the long term by tending to the mental, financial and physical wellbeing of all staff.

Mental Wellbeing

We proactively promote mental wellbeing by reducing stigmas associated with mental health. We held various mental health workshops throughout the year and all staff have access to our Employee Assistance Programme along with our on-site clinical psychologist.

Financial Wellbeing

At Ninety One, we want to equip our employees with the knowledge to retire with dignity. We offer various financial workshops covering a range of relevant topics throughout the year and provide access to a financial wellbeing tool for our employees in the UK.

Physical Wellbeing

We aim to promote work/life integration to make it easier for our employees to look after their physical wellbeing. Our Ninety One Active team regularly organises events, discounts and offerings to promote physical activity. Over the year, the team has facilitated various events, including a popular weekly hike in Cape Town and a running club in London in line with local restrictions.

In addition to our wellbeing programmes, we have a range of firm-wide policies to ensure that our employees work in a safe and healthy environment. These include:

- Our global Health & Safety Policy: we provide and maintain a safe working environment across all our offices to promote welfare and mental wellbeing.
- Our Equality and Dignity at Work policy: we are an equal opportunities employer and have policies in place to ensure equal and respectful treatment for all our employees. This includes additional support for employees with disabilities and their needs.
- Our Whistleblowing policy: we encourage employees to speak up if they become aware of malpractice, either within Ninety One or at any of its counterparties or clients via a third-party hotline.

Energy consumption

Our carbon footprint was calculated in accordance with the international Greenhouse Gas (GHG) Protocol's Corporate Accounting and Reporting Standard (revised edition).

We continue in our endeavours to decouple our company growth from our environmental impact by expanding our corporate sustainability strategy and finding new ways to reduce our direct carbon impact, while encouraging behaviour that results in sustainable and positive outcomes. We aim to reduce our carbon emissions on a Scope 1 and Scope 2 emissions basis and are pleased to report that our new London headquarters at 55 Gresham Street achieved a Building Research Establishment Environmental Assessment Method (BREEAM) 'Excellent' rating for the fit-out. BREEAM is one of the world's leading sustainability assessment methods for buildings and with an Excellent rating we are in the top 10% for commercial buildings globally from a sustainability perspective. Heating and cooling are delivered by energy efficient low-carbon technology, and in selecting materials used in the fit-out we prioritised zero/low volatile organic compounds, good data transparency and accredited responsible sourcing. Our environmental footprint will be an integral part of the project plan when we upgrade our buildings or look for new offices across the world.

Our environmental data-collection system allows us to track and manage our direct operational impacts. Over the year, we have improved the accuracy and thoroughness of our data. We review and update our data based on updated carbon emissions factors, improvements in our data quality and updates to estimates previously applied. Where our carbon emissions data has changed meaningfully, we restate our figures. For example, the Scope 2 emissions factors for calendar year 2019 were restated in 2020. This reflected updates to our shared spaces in the Investec Group's offices, specifically in South Africa, a more carbon-heavy location for electricity, along with the move to calendar-year reporting.

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 Scope 3 emissions for paper and waste and are implementing measures to mitigate our Scope 3 emissions. We continue to enhance our carbon emissions disclosures, this year adding hotel stays to our carbon footprint.

Key carbon numbers (calendar year 2020)

- Total Scope 1 and 2 GHG emissions reduced by 20% to 3,007 tCO_2e.
- Total Scope 3 GHG emissions (paper, waste and business travel) reduced by 86% to 1,107 tCO_2e.
- Total tCO_2 per £million of adjusted operating revenue, our intensity metric, reduced by 67%.
- Our Scope 1 emissions, which relate to fuel and refrigerant use, reduced 54% to 105 tCO_2e. Most of this improvement was as a result of our move to a fully electric building in London.
- Global Scope 2 electricity emissions reduced by 18% to 2,902 tCO_2e. This was amid the COVID-19 pandemic and decreased occupation of our offices. Some 78% of our Scope 2 emissions relate to our Southern Africa offices, a more carbon-heavy location for electricity due to the use of fossil fuels in power generation.
- Our global Scope 3 emissions, which include paper, waste and business travel, reduced by 86% to 1,107 tCO_2e. Most of this was due to reduced business travel (specifically commercial air) as a result of the pandemic. In prior years, air travel was a significant proportion of our operational carbon footprint, given the client-facing, global nature of our business. Going forward, we will continue to use virtual communications to engage with our people and clients, which should help to partially reduce our air travel from pre-COVID levels and thus our Scope 3 carbon emissions.

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.

We recently entered into a long-term partnership with BioCarbon Partners (BCP) to mitigate 100% of our Scope 1 and 2 emissions and our Scope 3 business-travel carbon emissions. BCP is a for-profit social enterprise founded in 2011, working to make forests and wildlife valuable to rural communities in Southern Africa. BCP does this primarily through the development and sale of carbon offsets, working in partnership with local communities and landowners. The sale of carbon offsets provides the revenue to protect and conserve natural forests in some of the continent's most important ecosystems.

Figure 16: Improved CO_2 emissions

Total CO_2e emissions (tonnes)	2020	2019	% change
Scope 1 (Fuel)	105	227	(54)%
Scope 2 (Electricity)	2,902	3,546	(18)%
Paper	7	31	(78)%
Waste	19	22	(14)%
Business travel	1,081	7,957	(86)%
Scope 3	1,107	8,010	(86)%
Total GHG emissions	4,114	11,783	(65)%
Tonnes CO_2e/£m adjusted operating revenue[1]	**7.0**	**21.0**	**(67)%**

1. Adjusted operating revenue for the 12 months to 30 September 2020 and 2019, respectively. Carbon footprint data is calendar year data.

Working with communities

We focus on making a positive impact via our corporate social investment initiatives, which support local communities and the environments they inhabit. Our main charitable work is directed towards conservation, education and community development. Our charity-matching programme is aimed at amplifying the contribution made by the people at Ninety One to a wide range of worthwhile initiatives. Over the year to 31 March 2021, we were able to match over £300,000 to projects supported by our staff.

We believe in creating a lasting positive impact in the societies in which we live and work. Our work with communities is arranged under four pillars.

Conservation

Ninety One proudly partners with the Tusk Trust on the annual Tusk Conservation Awards. We, together with Tusk, created these awards in 2013 to celebrate the extraordinary people who work with wildlife and communities in Africa to protect the continent's irreplaceable natural asset – work that otherwise might go unnoticed outside their respective fields. The Awards have become an accolade in the truest sense, and recognise the unsung heroes of conservation, who are nominated by their peers without their prior knowledge, in recognition of their outstanding and inspirational efforts to conserve Africa's natural heritage. In 2020 the awards ceremony was virtual due to the COVID-19 pandemic.

As discussed above, we have also worked to mitigate our operational carbon footprint with BCP. BCP is a not-for-profit social enterprise that develops and sells carbon offsets, working in partnership with local communities and landowners to address deforestation in wildlife-rich areas of Zambia and sub-Saharan Africa. This is a long-term partnership and another way in which we aim to preserve our natural heritage and live our value of 'Do the Right Thing' and our purpose of 'Investing for a Better Tomorrow'.

Education

We launched our undergraduate bursary scheme, ChangeBlazers, in South Africa over the financial year. The programme offers undergraduate and postgraduate research bursaries. The bursaries are for those intent on pursuing careers in either education (teaching), healthcare (including psychology) or scarce skills (such as commerce, engineering, technology and mathematical sciences).

Our partnership with Songo.info, a sports and education charity, enables its development programme to be provided to more children in the township of Kayamandi in the Western Cape. Songo.info's objective is that every child that comes through the songo.info programme goes on to be a confident, well-rounded individual who is gainfully employed and a contributing member of the community. It currently has 50 children from ages 6 to 24 years within the songo.info family.

Songo.info has humble beginnings: from a dream of providing a safe space for children to play on bikes, it has evolved into a sports and academic support programme focused on creating a long-term impact for the children in Kayamandi.

We were privileged to be able to support the construction of a school in the Nyae Nyae Conservancy. The school will assist with the preservation of the Ju/’hoansi language and culture. This community is one of the few remaining integrated hunter-gatherer communities on the planet. We donated approximately £240,000 to this project. Further information on the Ju/’hoansi Development Fund and he Ju/’hoansi Bushmen and their cultural environment in the Nyae Nyae Conservancy is available on their website.

Community

We continue our partnership with JL Zwane Community Centre in Gugulethu, an impoverished township in Cape Town. This facility serves the needs of the community, providing services including education, adult literacy and HIV/Aids counselling and care. Our commitment to JL Zwane includes partnering with the Living Maths initiative, providing maths lessons to over 140 learners every year.

Black Economic Empowerment (BEE) spending and initiatives are overseen and approved by our African Management Committee. A significant portion of our BEE spending goes towards education and skills development within South Africa. We have continued our support of Promaths, a programme aimed at improving Maths, Science and English for disadvantaged communities. To date over 8,000 school children have been through the Promaths programme and in 2019, a staggering 224 distinctions in maths and 459 distinctions in science were achieved. We have also continued to support the Ikasuasa Student Financial Aid Programme and Fundisa (a unit trust with a special tertiary educational focus). As part of our spend on socio-economic development in South Africa for the 2021 financial year, we have supported the construction of boreholes and a solarpowered water pump system in Thembisa, a rural village in Mpumalanga. The project will provide access to clean water to a community of 3,800 residents.

Charity matching and support

We have continued to conduct our business and operations as responsible citizens. We have contributed £2.9 million to COVID-19 relief efforts and initiated a staff-donation matching scheme which has continued into 2021. We have continued to support our suppliers, while demanding they act in the spirit of solidarity towards their people. We also supported the Namibian government’s appeal to help fund the procurement and rollout of COVID-19 vaccines. We donated approximately £240,000, which is 5% of the targeted private sector amount.

Acting responsibly as a corporate citizen

At Ninety One, we are committed to acting responsibly, and we have policies in place to ensure we continue to operate in a socially responsible and compliant manner.

Our approach to anti-bribery and anti-corruption

At Ninety One, we are committed to the highest standards of integrity and ethical behaviour. This is reflected in our culture and our value focused on doing the right thing. We demand integrity in all internal and external dealings, consistently displaying the moral strength of the firm and our employees, and behaviour which promotes trust. We have a zero-tolerance approach to bribery and corruption. Our employees undertake training to ensure they understand their responsibilities and are aware of the consequences of failure to comply with anti-bribery and anti-corruption policies and standards in all the relevant jurisdictions in which we operate.

Ninety One has regional compliance teams responsible for reviewing and updating internal policies to enable our business and our employees to manage the legal and reputational risks associated with bribery and corruption.

The primary Ninety One policies established to mitigate bribery and corruption risks are the Anti-Bribery and Corruption Policy, the Anti-Money Laundering Policy, the Whistleblowing Policy, the Third Party Benefits Policy, the Prevention of Tax Evasion Policy and the Conflicts of Interest Policy. The key elements of these policies are codified in the firm's Global Code of Ethics, which all staff members attest to annually, and in respect of which they receive training.

Our approach to human rights

Support for, and protection of, human rights are embedded in our core values. Ninety One is committed to ensuring that our supply chain is free of slavery and/or human trafficking. We evaluate third-party relationships with these issues in mind and further expect that all organisations that we deal with, who fall within the ambit of the UK's Modern Slavery Act, are fully committed to the principles embodied therein. We will not knowingly support and/or do business with any third party involved in slavery and/or human trafficking.

Our Modern Slavery Act Statement is published on our website and includes details on the due diligence and procedures we take to mitigate modern slavery and human-rights risks in our business dealings.

Data Protection and Privacy Policy

Our Data Protection and Privacy Policy promotes sound practices for the collection and processing of personal data to ensure that Ninety One acts in accordance with global data protection and privacy regulations, in addition to our fiduciary responsibilities towards our clients and employees. Our policy was further enhanced over the year and our people are aware of their data protection responsibilities and receive the appropriate training.

The appetite statements and limits in respect to data privacy and security are included in our Risk Appetite Policy, which is approved by the Board. Adherence to risk appetite is monitored by the risk management teams and reported to the DLC Audit & Risk Committee.

Our relationships with regulators and peers

Ninety One is a dual-listed company, with listings on the LSE and the JSE, and with regulatory obligations in the many jurisdictions in which we operate. We maintain constructive and proactive working relationships with our regulators around the world, as this enables us to conduct our business to the standards expected by our clients, our shareholders, our employees, our regulators and the communities in which we operate.

We participate actively in industry forums, alongside our peers, in the markets in which we operate, with the intention of constructive development of policy and regulation.

Our Board and our Audit and Risk Committee are comprehensively engaged in the material regulatory matters and policy initiatives that Ninety One deals with.

Working with our suppliers

We rely on external service providers to provide goods and services globally to supplement our own infrastructure. We value the relationships we have built with our suppliers over the years and recognise the value they provide to our business.

To ensure that the suppliers who provide us with critical services adhere to the same high standards and behaviours we uphold across Ninety One, we have a high level of oversight in place, focused on selection, onboarding, monitoring and reporting across our supply chain. We review their compliance with human-rights legislation, ethical sourcing, bribery and corruption, living wages, and diversity and inclusion. Our procedures are reviewed bi-annually, to ensure that our approach remains appropriate and that the existing relationships continue to add value to our own infrastructure.

This year has been particularly hard for some of our suppliers, so we continued to provide our support. In keeping with our principle of doing the right thing, we not only ensured that our suppliers were paid promptly, we continued to pay them even when they weren't able to supply their services due to COVID-19 restrictions. Our cleaning staff have worked extremely hard over the year to keep our offices open and safe, in line with local COVID-19 protocols.

Our global approach to tax

We are committed to complying with all our tax obligations wherever we operate. We seek to do this in a manner consistent with the spirit and letter of the law. In practice, this means we seek to ensure that we comply with our tax reporting and payment obligations in a timely manner and keep tax authorities up to date on major changes within our business. Where a tax authority has questions, or we disagree about a tax treatment, we engage in a cooperative and transparent way.

Our Group Tax Strategy sets out the framework for managing taxes, including information on our tax risk-management and governance. This is reviewed and approved by the Board annually and is published on our website.

7

Appendix A

Assurance of stewardship policies and processes

Appendix B

Principles for Responsible Investment

Appendix C

Alignment with UK Stewardship and CRISA Code

Appendix D

Engagements

Appendix E

Ninety One's most significant votes

Appendix A

Assurance of stewardship policies and processes

We have largely taken internal assurance of our stewardship activities. Our stewardship-related policy documents are reviewed by our Sustainability team on an annual (Ownership and Proxy Voting Guidelines) or biennial (Stewardship Policy) basis, and are tabled for review and approval by the Global Policies Committee, which comprises senior members of the business from Executive Management, Legal, Compliance, Company Secretarial and Operations (oversight and risk). Any material changes to the policies are also reviewed and approved by the Sustainability Committee, a senior and experienced committee that is the custodian of Ninety One's approach to stewardship and that meets quarterly. Its remit covers the continued enhancement and management of Ninety One's stewardship position and oversees the implementation and effectiveness of the related policies. This includes tracking active ownership activity (voting and engagement) and assessing any disputes, outcomes and learning experiences that may enrich the stewardship policy.

In addition, we have received external assurance of the controls covering our proxy voting process, which are reviewed annually by KPMG as part of the internal controls report (AAF 01/06). As outlined in the ESG integration and investments section of this report, the Sustainability Committee and Investment Risk team challenge and regularly review the progress that investment teams are making in terms of ESG integration and highlight areas for improvement.

In such a changing space, the continuous review of stewardship and ESG-related activity and the accountability to various senior committees have led to the improvement of policies and processes over time. We understand that higher levels of assurance provide greater confidence that reported information and data is reliable, and so we will continue to discuss how we can better assure our processes.

Our marketing-compliance team has reviewed this report to make sure that it is clear, fair and balanced. Ninety One's Chief Executive Officer, Hendrik du Toit, has reviewed the 2021 Sustainability Report ensuring alignment with the outcomes reported to the Sustainability Committee, while ensuring fair, balanced and clear reporting.

Appendix B

Principles for Responsible Investment

The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate, and ultimately of the environment and society as a whole.

The PRI is independent. It encourages investors to use responsible investment to enhance returns and better manage risks, but does not operate for its own profit. It engages with global policymakers but is not associated with any government.

It is supported by, but not part of, the United Nations.

Principle for Responsible Investment Assessment ratings

Ninety One (previously Investec Asset Management) has been a signatory to the PRI since 2008. As such, we are required to report annually on our responsible investment practices through the PRI Transparency report.

The assessment of the Transparency report aims to fulfil three main objectives:

- Facilitate learning and development, outlining how signatories' implementation of responsible investment compares year-on-year, across asset classes, and with peers at the local and global level.
- Identify how signatories can improve their responsible investing practices.
- Allow asset owners to focus their discussions with investment managers on responsible investment activities and capabilities.

A summary of our results for our directly managed assets over the last three years is shown in figure 17. In 2020, we achieved an A+ rating for Strategy & Governance and our listed asset classes.

Figure 17: PRI assessment of our directly managed assets

PRI Assessment module	2018	2019	2020	2020 Median score
Strategy and Governance	A+	A+	A+	A
Listed Equity – Incorporation	A	A+	A+	A
Listed Equity – Active Ownership	A	A+	A+	B
Fixed Income – SSA (sovereign)	A	A+	A+	B
Fixed Income – Corporate Financial	B	A+	A+	B
Fixed income – Corporate Non-Financial	B	A+	A+	B
Private Equity	A	A	A	A
Infrastructure	A	A	A+	A

Source: PRI Assessment report. The PRI Assessment scores are based on our response within the PRI Transparency report, which is available on the PRI website via the following link:
https://www.unpri.org/signatories/investec-asset-management/1342.article
Please see the following link which provides further information around the scoring methodology:
https://www.unpri.org/signatories/about-pri-assessment/3066.article

Past performance is not a guide to future performance.

Appendix C

Alignment with UK Stewardship & CRISA Code

UK Stewardship Code

The UK Stewardship Code aims to set high stewardship standards for asset managers, asset owners and the service providers that support them. First published in July 2010, the Code was revised in September 2012 and again in October 2019. The UK Stewardship Code 2020 is a substantial and ambitious revision to the 2012 edition of the Code which took effect from 1 January 2020.

The new Code consists of 12 principles for asset managers and asset owners and sets high expectations of those investing money on behalf of UK savers and pensioners. Please note that to align with our existing reporting period we will apply to become a signatory at the second application deadline.

We have outlined in the following table where we have responded to each principle within the report:

UK Stewardship principles	Reporting section	Page
1. Purpose, strategy and culture	Our approach to sustainability: Our purpose, culture and investment beliefs	8-9
2. Governance, resources and incentives	Our approach to sustainability: Our governance structure	10
3. Conflicts of interest	Invest: Active ownership	30 & 40
4. Promoting well-functioning markets	Our approach to sustainability: Our responses to the big issues	11-16
	Advocate: Sustainability industry organisations	48-50
5. Review and assurance	Appendix A: Assurance of stewardship policies and processes	69
6. Client and beneficiary needs	About Ninety One Our approach to sustainability: Our purpose, culture and investment beliefs	8-9
7. Stewardship, investment and ESG integration	Invest: ESG integration and investments	20-24
8. Monitoring managers and service providers	Invest: ESG integration and investments	20
9. Engagement	Invest: Active ownership	31-40
10. Collaboration	Invest: Active ownership	31-40
11. Escalation	Invest: Active ownership	39
12. Exercising rights and responsibilities	Invest: Active ownership	25-30

CRISA Code

The Code for Responsible Investing in South Africa (CRISA) was launched in 2011 to encourage institutional investors and service providers to integrate environmental, social and governance (ESG) issues into their investment decisions.

CRISA principles	
1. An institutional investor should incorporate sustainability considerations, including environmental, social and governance, into its investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries.	Our Stewardship Policy outlines our commitment to stewardship and how we incorporate sustainability or ESG considerations into our investment activities. We also offer a range of dedicated sustainability focused investment solutions, which include a high proportion of investments allocated to achieving a positive impact on sustainability issues.
2. An institutional investor should demonstrate its acceptance of ownership responsibilities in its investment arrangements and investment activities.	Our Ownership Policy and Proxy Guidelines outline our acceptance of ownership responsibilities.
3. Where appropriate, institutional investors should consider a collaborative approach to promote acceptance and implementation of the principles of CRISA and other codes and standards applicable to institutional investors.	We serve on the following governance organisations and working committees to promote CRISA: — the CRISA Committee, — the ASISA Responsible Investment, Standing Committee, and — the IoDSA Remuneration Forum.
4. An institutional investor should recognise the circumstances and relationships that hold a potential for conflicts of interest and should proactively manage these when they occur.	Our Stewardship Policy sets out our approach to managing conflicts of interest on page 17 (7.8).
5. Institutional investors should be transparent about the content of their policies, how the policies are implemented and how CRISA is applied to enable stakeholders to make informed assessments.	We have several policies that govern our stewardship activities: — Stewardship Policy — Ownership Policy and Proxy Guidelines

Note that we are also a supporter of several other global stewardship codes, as outlined below, and our compliance statements can be found on our website.

— Singapore Stewardship Principles
— Hong Kong Principles of Responsible Ownership
— Japanese Stewardship Code
— Korea Stewardship Code
— ISG US Stewardship Principles

Appendix D

Engagements

The following list shows the companies that we engaged with over the reporting period. This includes strategic, communication and advocacy engagements as described in our Active Ownership section.

Company	E	S	G
ABSA Botswana			Yes
African Rainbow Minerals Ltd.	Yes	Yes	Yes
Aggreko PLC			Yes
Agricultural Bank of China Ltd.	Yes		
Amazon.com Inc.		Yes	
Anglo American PLC	Yes	Yes	Yes
AngloGold Ashanti Holdings PLC	Yes	Yes	Yes
Anglogold Ashanti Ltd.	Yes	Yes	Yes
Anhui Conch Cement Co Ltd.			Yes
Apple		Yes	
ArcelorMittal South Africa	Yes		
ARM Holdings PLC	Yes	Yes	Yes
Arrowhead Properties Ltd.			Yes
Astral Ltd.			Yes
Baidu Inc.			Yes
Bank of China Ltd.	Yes		
Barco NV			Yes
Barrick Gold Corp.	Yes	Yes	Yes
Becton Dickinson & Co.			Yes
BHP Billiton Ltd.	Yes	Yes	Yes
BHP Billiton PLC	Yes	Yes	Yes
boohoo.com PLC	Yes	Yes	Yes
Booking Holdings	Yes		Yes
BP PLC	Yes		
Breedon Aggregates	Yes		
British American Tobacco PLC	Yes	Yes	Yes
Broadcom Inc.			Yes
Capita PLC			Yes
China Construction Bank Corp.	Yes		
China Resources Sanjiu			Yes
CK Hutchinson Holdings			Yes
Clicks Group Ltd.	Yes		Yes
CNOOC Ltd.	Yes		Yes
Coca-Cola European Partners			Yes
Coface SA			Yes
ConvaTec Group PLC	Yes	Yes	
Coronation Fund Managers	Yes	Yes	Yes
Countrywide PLC			Yes
Cranswick			Yes

Company	E	S	G
Dart Group PLC			Yes
Delphi Automotive PLC			Yes
Delphi Technologies			Yes
Distell Group Holdings		Yes	Yes
Domino’s Pizza Enterprises		Yes	
Eastman Chemical Co.	Yes		Yes
Easyjet PLC			Yes
ELB Group Ltd.			Yes
Essentra PLC			Yes
Exxaro Resources Ltd.			Yes
Facebook Inc.		Yes	
FDM Group Holdings PLC			Yes
Fidelity National Information Services Inc.			Yes
Fila Korea Ltd.		Yes	Yes
Financiere Richemont			Yes
FirstRand Ltd.	Yes		Yes
Freeport-McMoRan Copper & Gold Inc.	Yes	Yes	
G4S Security Services			Yes
Geely Automobile Holdings Ltd.		Yes	Yes
Glencore PLC	Yes	Yes	Yes
Glencore Xstrata PLC	Yes	Yes	Yes
Gold Fields	Yes	Yes	Yes
GSH SJ			Yes
Hana Financial Group Inc.			Yes
Hengan International Group Co. Ltd.	Yes		Yes
Hengli Petroc-A Equity			Yes
Hess Corp.	Yes		Yes
Hospitality Property Fund A			Yes
Hudaco Industries Ltd.	Yes		Yes
Hyprop investments Ltd.	Yes		Yes
Impala Platinum		Yes	
Imperial Logistics Ltd.			Yes
Industrial & Commercial Bank of China Ltd.	Yes		
IPG Photonics			Yes
Italtile Ltd.			Yes
Itron Inc.			Yes
JSE Ltd.			Yes
Just Eat			Yes
Kazakhmys PLC			Yes

Company	E	S	G
Kia Motors Corp.	Yes		
Letshego Holdings Ltd.			Yes
Li Ning Company Ltd.		Yes	
Libstar			Yes
Livzon Pharmaceutical Group			Yes
Marks & Spencer Group PLC		Yes	
McKesson Corp.			Yes
Mediclinic International Ltd.			Yes
Melrose Industries PLC			Yes
Metair Investments Ltd.			Yes
Microsoft Corp.		Yes	
Midea Group Co Ltd.	Yes		
Mining Tailings Safety	Yes	Yes	Yes
Moncler SpA			Yes
Mondelez International Inc. Cl A			Yes
MTN Group	Yes	Yes	Yes
Multichoice Naspers			Yes
Newcrest Mining Ltd.	Yes		Yes
Newmont Mining Corp.	Yes	Yes	Yes
Nike Inc. Cl B		Yes	
Nintendo Co. Ltd.		Yes	
Nippon Ceramic Co. Ltd.	Yes		Yes
Nomad Foods Ltd.			Yes
Oceana Group Ltd.	Yes		Yes
Olympia Capital Corp/Botswana			Yes
OMV AG			Yes
Orion Corporation			Yes
Orsted A/S			Yes
Pepkor Holdings			Yes
Pick 'n Pay Stores Ltd.			Yes
PrimeTime Property Holding Limited			Yes
Procter & Gamble Co.	Yes		Yes
Prosus NV			Yes
RCL Foods			Yes
Redefine Properties Ltd.			Yes
Rio Tinto Ltd.	Yes	Yes	Yes
Rio Tinto PLC	Yes	Yes	Yes
Rolls-Royce Holdings PLC			Yes
Ryanair Holdings PLC			Yes

Company	E	S	G
SA Corporate Real Estate Fund			Yes
Sabre Insurance Group PLC			Yes
Samsung Electronics Co Ltd.	Yes	Yes	Yes
Sanlam Ltd.		Yes	Yes
Santos Ltd.	Yes		Yes
Sasol Ltd.	Yes		Yes
SBN Holdings			Yes
Seplat			Yes
Sibanye Gold Ltd.	Yes	Yes	Yes
Sinch AB			Yes
SKFB			Yes
South 32	Yes	Yes	Yes
Sprouts Farmers Market			Yes
Spur Corp Ltd.			Yes
SSW Sibanye Stillwater	Yes	Yes	Yes
Stanbic IBTC Holding Co.			Yes
Standard Bank Group	Yes		Yes
Standard Chartered PLC			Yes
State Street Bank & Trust Co.			Yes
Sun International Ltd.			Yes
Suofeiya Home Collection			Yes
Tapestry			Yes
Taylor Wimpey PLC			Yes
TE Connectivity Ltd.			Yes
Telkom Sa Soc Ltd.			Yes
Ternium SA	Yes	Yes	Yes
The Foschini Group Ltd.			Yes
Thermo Fisher Scientific Inc.		Yes	
Trane Technologies			Yes
Transaction Capital			Yes
Truworths Int Ltd.			Yes
Tsogo Sun Holdings Ltd.			Yes
Twenty-First Century Fox Inc. Class B	Yes	Yes	Yes
Valmet Corp.			Yes
VeriSign Inc.			Yes
Waste Management Inc.			Yes
Woolworths Holdings Ltd.	Yes		Yes
Xinjiang Goldwind	Yes		Yes
Yangzijiang Shipbuilding Holdings Ltd.			Yes

Appendix E

Ninety One’s most significant votes

Company	Meeting date	Meeting type	Qualification
Iberdrola SA	02-Apr-20	Annual	Thematic Vote - Social
Santos Ltd.	03-Apr-20	Annual	Thematic Vote - Environment
Citigroup Inc.	21-Apr-20	Annual	Thematic Vote - Social
Bank of America Corporation	22-Apr-20	Annual	Thematic shareholder resolution - Social
Meggitt PLC	23-Apr-20	Annual	Thematic management resolution - Social
Abbott Laboratories	24-Apr-20	Annual	Thematic Vote - Social
Honeywell International Inc.	27-Apr-20	Annual	Thematic Vote - Social
AbbVie Inc.	08-May-20	Annual	Several shareholder proposals (higher than previous years)
Avast PLC	21-May-20	Annual	Thematic Vote - Social
easyJet PLC	22-May-20	Annual	Media Interest
Amazon.com, Inc.	27-May-20	Annual	There were 11 shareholder resolutions on the ballot
Facebook, Inc.	27-May-20	Annual	Thematic Vote - Social
Alphabet Inc.	03-Jun-20	Annual	Thematic Vote - Social
Tongaat-Hulett Ltd.	28-Sep-20	Special	Materiality
Unilever PLC	12-Oct-20	Annual	Merger-related resolution
BHP Group PLC	15-Oct-20	Annual	Thematic - Environment
Sefalana Holdings Co.	30-Oct-20	Annual	Materiality

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The information in this report may cover general market activity or industry trends and is not intended to be relied upon as a forecast, research or investment advice. The economic and market views presented herein reflect Ninety One's judgment as at the date shown and are subject to change without notice.

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