

Protea Fund – Core Equity with Fixed Income Climate Report 2024



Your investments and climate change

We invest in high-quality, resilient businesses with strong financial characteristics and want them to be successful for years to come. It's important that our companies know how, and to what extent, climate change affects them and are taking action.

We have not changed our approach to climate change, despite recent heated debate – especially in the US. We continue to focus on material issues for each individual company in the fund. These may include encouraging them to reduce their emissions, increase energy efficiency and improve their resilience to extreme weather.

We are pleased to report that:

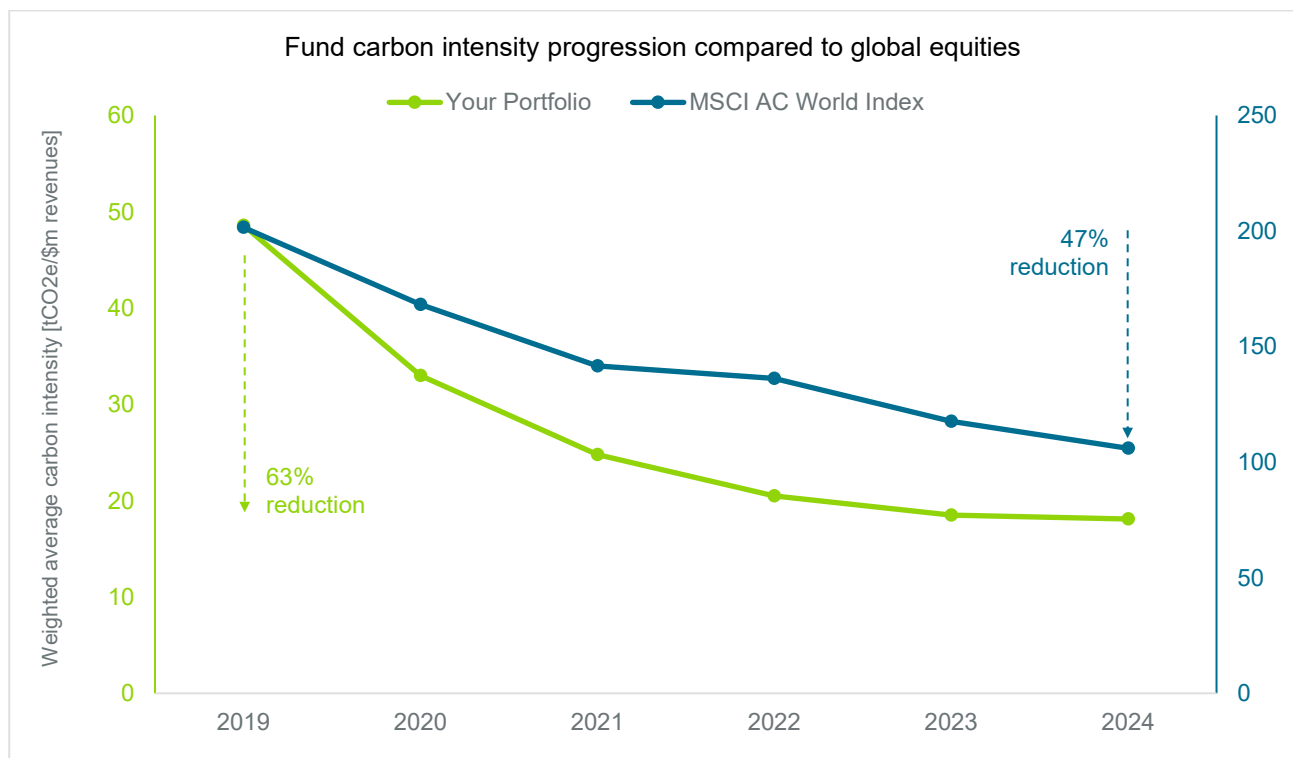
- **For the first time, all our current equity holdings are disclosing their operational emissions.**
- **We have already hit our 2030 targets for reducing emissions across our clients' portfolios.**

We will focus on maintaining this progress and improving on it where we can.

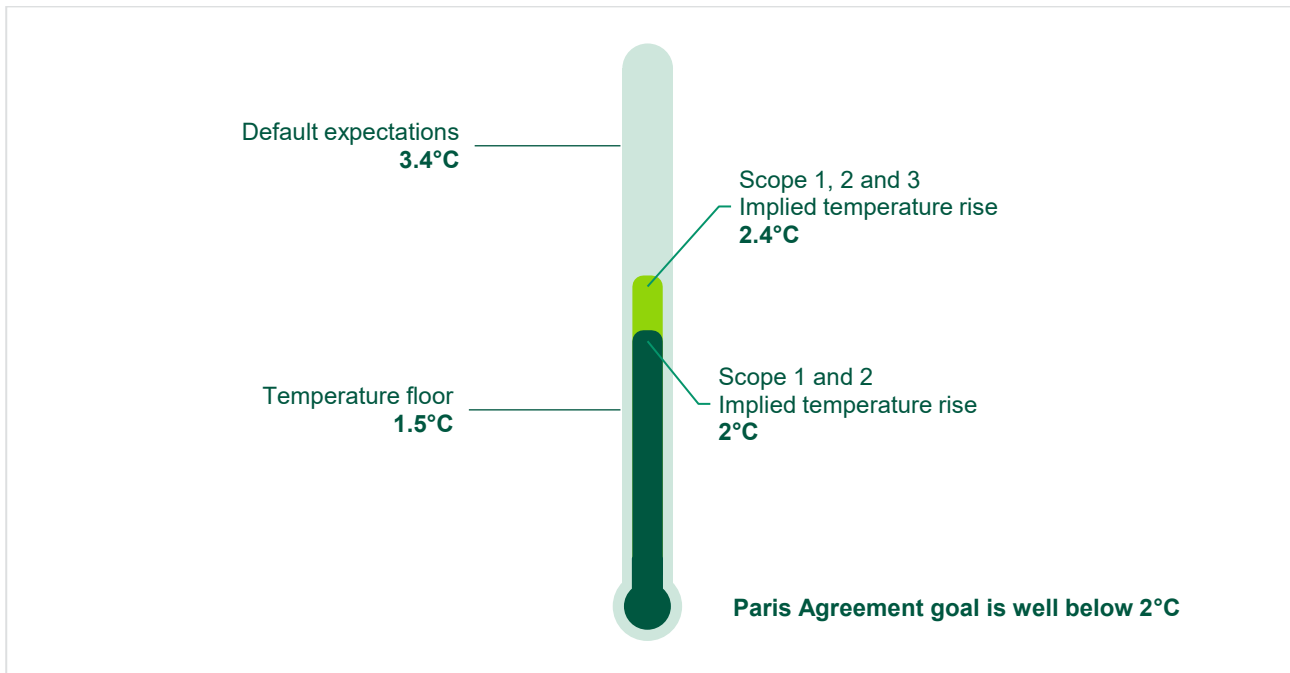
You can't manage what you can't measure, so collecting and disclosing relevant data such as greenhouse gas emissions is essential. This has been a focus of our engagements with companies for several years.

2024 was the first year that global temperatures rose more than 1.5°C above pre-industrial temperatures, and extreme weather events continued to cause substantial damage that has lasting economic effects. We have therefore expanded our conversations with companies to improve their resilience to the effects of climate change. Examples of these dialogues and further details of our strategy in managing the long-term risks of climate change are available in our full [Climate report](#).

The fund has achieved a carbon footprint reduction of 57% and weighted average carbon intensity reduction of 63% from the baseline year of 2019.



Implied temperature rise of the fund



Source: Bloomberg, Navera Investment Management

The implied temperature rise (ITR) metric gives investors and asset owners a standardised, forward-looking metric. It is an estimate that aims to translate diverse corporate targets, in terms of time frame and specific KPIs or scopes used, into long-term temperature trajectories, linked to the ambition of the target. For companies with ambitious and robust targets, the best possible score is 1.5 °C, the 'temperature floor'. For companies with no forward-looking targets that meet the criteria, a default score of 3.4°C¹ is used.

¹ CDP-WWF Temperature Scoring Methodology

Appendix: Fund data

Intensity	2019	2020	2021	2022*	2023*	2024*	Reduction from 2019
Carbon footprint** [tCO ₂ e/\$m Invested]	15.6	10.6	7.5	9.2	6.0	6.7	57%
Weighted average carbon intensity** [tCO ₂ e/\$m Revenue]	48.6	33.0	24.8	20.5	18.5	18.1	63%

Absolute GHG emissions [tCO ₂ e]	2019	2020	2021	2022*	2023*	2024*
Scope 1 and 2	1,622	2,298	2,861	2,893	2,673	4,319
Scope 3	20,275	23,486	62,278	67,167	54,205	73,889

*As stated in our entity report, these years have been restated to represent updated carbon emissions data from our investee companies. ** Calculated using scope 1 and 2 emissions (operational emissions)

	2019	2020	2021	2022	2023	2024
Fund AUM [£m]	102.6	206.1	338.0	332.4	444.6	647.1
AUM coverage [%]	77	79	84	79	78	79

The fund's equity holdings and corporate fixed income are included in the metrics above. AUM coverage is not 100% because cash, gold, supranational debt and sovereign debt are not included in our analysis. Supranational debt, cash and gold are all considered to have zero emissions under the PCAF² methodology we follow.

For our transition Climate Value at Risk (CvaR) analysis we have used Morningstar Sustainalytics Low Carbon Transition – Value at Risk metrics. Please refer to our full [Climate Report](#) (page 21) for more details on these.

Transition CVar	IPR Forecast Policy Scenario (% of EVIC)	IPR Required Policy Scenario (% of EVIC)	IEA Net Zero Emissions (% of EVIC)	Coverage (%)
Fund	5.8	2.6	4.6	79
MSCI ACWI	4.8	3.7	6.2	89

The fund has no exposure to fossil fuel extraction or production.

Unless otherwise stated, all calculations and aggregations in this report are performed by Navera Investment Management based on underlying carbon emissions data sourced from Sustainalytics.

² Partnership for Carbon Accounting Financials: <https://carbonaccountingfinancials.com/>



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