

Protea Fund - High Equity 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:

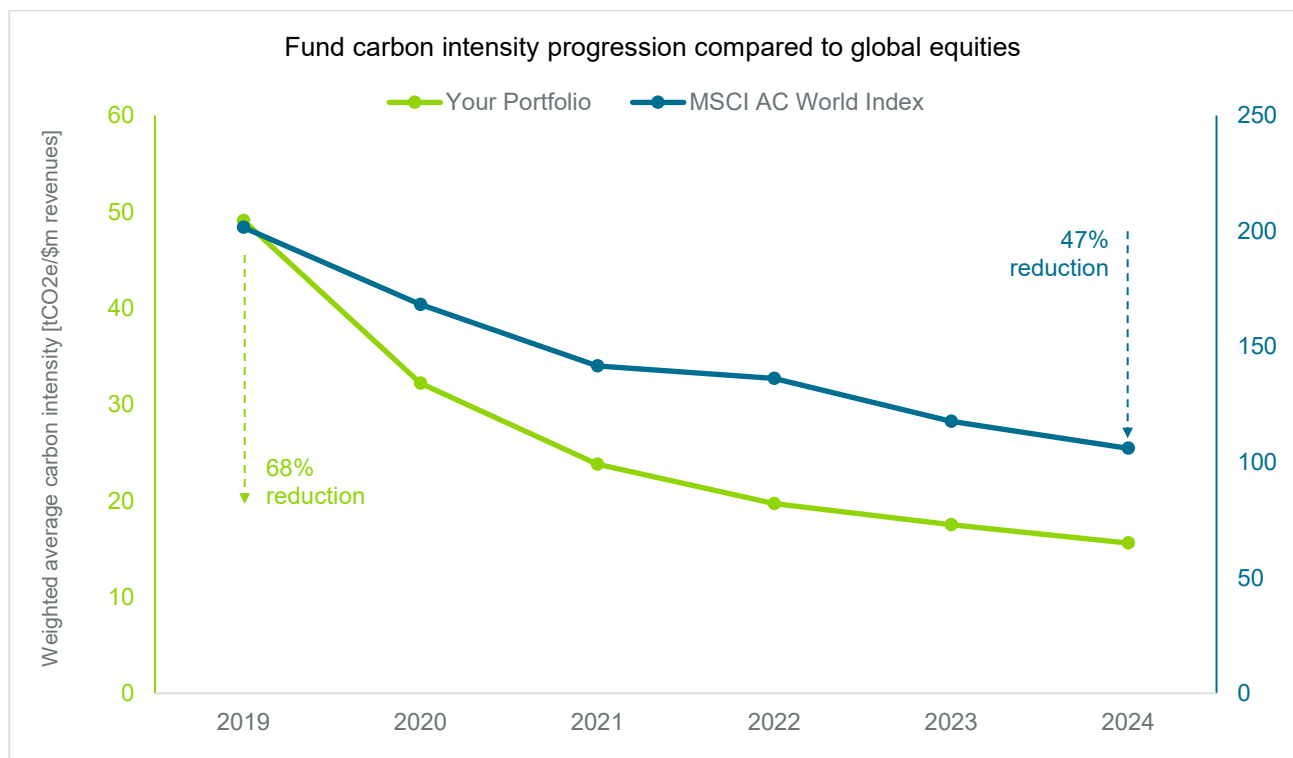
- **For the first time, all our current equity holdings are disclosing their operational emissions.**
- **We have already hit our 2030 targets for reducing emissions across our clients' portfolios.**

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

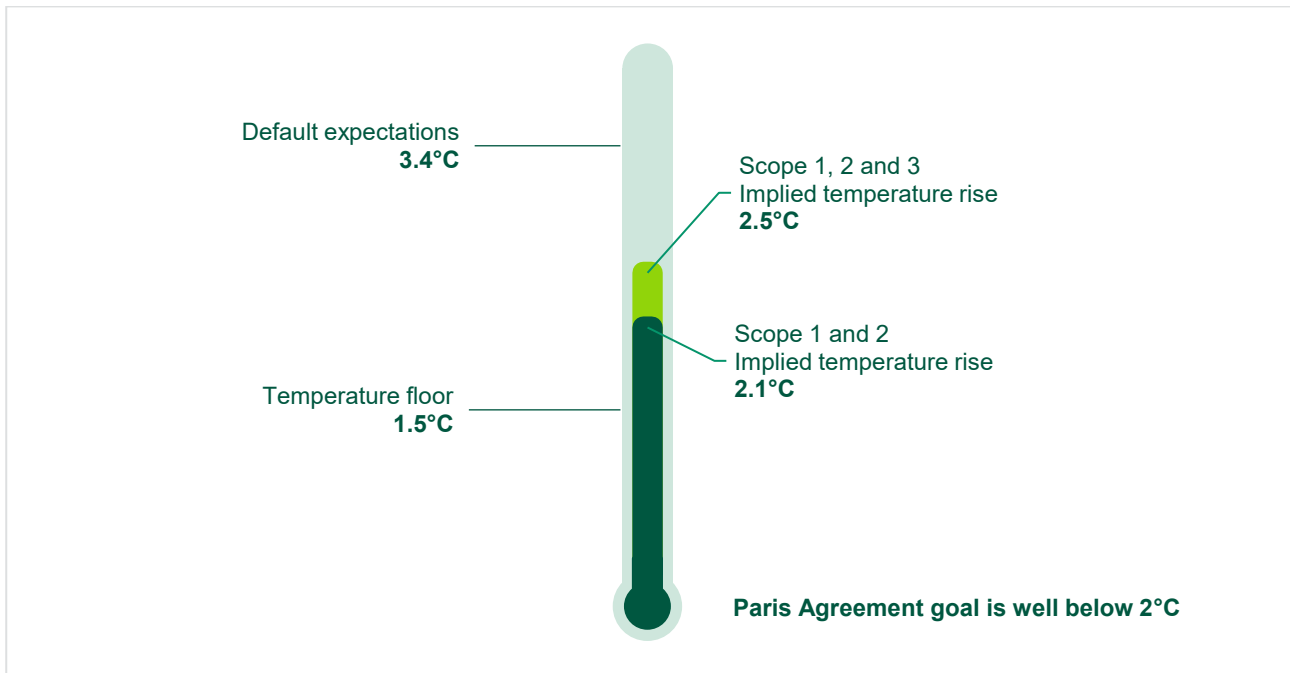
You can't manage what you can't measure, so collecting and disclosing relevant data such as greenhouse gas emissions is essential. This has been a focus of our engagements with companies for several years.

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 67% and weighted average carbon intensity reduction of 68% 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]	12.9	8.2	5.8	8.0	5.4	4.3	67%
Weighted average carbon intensity** [tCO ₂ e/\$m Revenue]	49.1	32.2	23.8	19.7	17.5	15.6	68%

Absolute GHG emissions [tCO ₂ e]	2019	2020	2021	2022*	2023*	2024*
Scope 1 and 2	1,123	1,946	2,601	3,064	3,046	3,326
Scope 3	16,303	19,391	55,929	65,386	52,078	61,188

*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]	75.4	195.9	359.8	360.0	512.5	700.9
AUM coverage [%]	87	91	93	88	86	87

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	4.3	1.8	3.4	87
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/>



Navera Investment Management Limited, Riverside House, 2A Southwark Bridge Road, London, SE1 9HA

Registered in England & Wales. Reg. No: 12516583

Switchboard: + 44 20 3740 8350

The above review has been issued by Navera Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority. It is registered under number 923827. This is not a financial promotion, this document is for information only. The opinions expressed above are solely those of Navera Investment Management Limited and do not constitute an offer or solicitation to invest. The value of investments and the income from them may fluctuate and are not guaranteed, and investors may not get back the whole amount they have invested. Navera Investment Management Limited does not have a sustainability investment objective.

For information about how we process and secure Personal Information, please read our Privacy Notice in the Regulatory Information section of our website www.naverainvestment.com

Past performance should not be seen as an indication of future performance. The value of investments and the income from them may fluctuate and are not guaranteed. Investors may not get back the whole amount they have invested. Changes in rates of exchange between currencies may cause the value of investments to diminish or to increase.

Reliance should not be placed on the views and information in this document when taking individual investment and/or strategic decisions. Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met. Investors should consult the KIID and fund prospectus before making any purchase. They can be downloaded from www.naverainvestment.com/fund-library/. According to ESMA guidelines information in this pack regarding Protea is a marketing communication. The Protea Veritas funds do not have a sustainability investment objective. The Protea Veritas funds and FundPartner Solutions (Europe) S.A are authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

Sustainalytics provides company-level analysis used in the calculation of Morningstar's Historical ESG Risk Score. Morningstar®. All rights reserved. The information contained herein: 1) is proprietary to Morningstar and/ or its content providers; 2) may not be copied or attributed; and 3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

MSCI: The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.