CARMIGNAC
INVESTING IN YOUR INTEREST

SUSTAINABILITY INFORMATION
CARMIGNAC PORTFOLIO EMERGENTS

IN ACCORDANCE WITH ARTICLE 10 OF REGULATION (EU) 2019/2088 ON THE DISCLOSURE OF SUSTAINABILITY INFORMATION IN THE FINANCIAL SERVICES SECTOR (SFDR)

Summary

This sub-fund invests in sustainable investments in accordance with Article 9 of the Sustainable Finance Disclosure Regulation (“SFDR”).

The sub-fund's sustainable investment objective is to invest at least 80% of its net assets in companies that are aligned, in terms of their revenue, investments, or operations, with the United Nations Sustainable Development Goals (hereinafter the "Sustainable Development Goals" or "SDGs") selected for this sub-fund.

As part of this objective, the sub-funds ensure that at least 5% of its sustainable investments have an environmental objective and 35% have a social objective. Net assets that are not invested in sustainable investments (maximum 20%) are allocated to cash and derivatives, which may be used for hedging purposes.

The investment universe is assessed based on ESG risks and opportunities recorded in "START" (System for Tracking and Analysis of a Responsible Trajectory), Carmignac's proprietary ESG platform. Non-financial analysis is implemented in the investment strategy through negative screening and the exclusion of unsustainable activities and practices, as evidenced by low ESG scores from START, MSCI, and/or ISS and research, based on the following indicators: (a) controversies against the OECD Guidelines for Multinational Enterprises and the principles of the United Nations Global Compact, (b) controversial weapons, (c) coal mining, (d) electricity companies that do not pursue any objectives aligned with the Paris Agreement, (e) companies involved in tobacco production, (f) companies involved in adult entertainment. Other broader exclusions, as described below, apply.

The application of this negative screening and exclusions, on the one hand, and the selection of issuers aligned with the Sustainable Development Goals, on the other, actively reduce the sub-fund's investment universe by at least 30%.

In addition, the sub-funds have a climate target of reducing greenhouse gas (GHG) emissions by 50% in 2030, 70% in 2040, and to net zero in 2050. To monitor this objective, the sub-funds use an aggregation of the emissions financed by each individual company. The sub-funds also aim to achieve carbon emissions that are 50% lower than those of the reference indicator (MSCI EM index), measured by carbon intensity (tCO2/mUSD of revenue converted into euros; aggregated at portfolio level; scopes 1 and 2 of the GHG protocol).

With regard to active stewardship, commitments to companies on environmental and social issues aim to improve their sustainability policies (level of active engagement and voting policies, number of commitments, attendance rate at shareholder and debt holder meetings compared to the 100% target).

All of the sub-funds' investments are screened against controversy filters to ensure they comply with global standards on environmental protection, human rights, labor, and anti-corruption. In addition, the sub-funds undertake to take into account the Principal Adverse Indicators in relation to 14 mandatory and 2 optional environmental and social indicators, as well as, where applicable, 2 indicators specific to sovereign issuers, as indicated in Annex 1 of Delegated Regulation (EU) 2022/1288 supplementing the SFDR.

The sub-funds use the following sustainability indicators to assess the extent to which the sustainability objective has been achieved:

- alignment with the Sustainable Development Goals;

- the scope of the ESG analysis;
- the proportion by which the Equity universe, if applicable, is reduced (minimum 30%);
- the objective of reducing carbon intensity;
- indicators relating to the Principal Adverse Indicators;
- Active stewardship voting participation rate.

Further information on the methodology used to monitor the above indicators is provided below.

Ultimate responsibility for the exclusive ESG assessment lies with the investment team. The START score is calculated automatically using an exclusive formula that compares companies within 90 peer groups based on market capitalization, sectors, and region. This score may be revised upward or downward as part of the analysis and comments made by the financial or ESG analyst. The Sustainable Investment team monitors the frequency and consistency of statistics relating to the START score and ensures that they are not biased.

The achievement of the sustainable investment objective is subject to ongoing monitoring and controls, which will be reported on a monthly basis on the sub-fund's webpage.

The sub-funds have not designated a benchmark index to reflect the achievement of the sustainable investment objective.

No significant harm to the sustainable investment objectives

All of the sub-funds' investments are screened against controversy filters to ensure they comply with global standards on environmental protection, human rights, labor, and anti-corruption. More specifically, investments are screened based on minimum criteria to ensure that their economic activities are aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. In addition, the sub-funds ensure that these activities do not significantly harm environmental objectives.

The commitment related to controversial behavior aims to put an end to the company's non-compliance with the UNGP principles and/or the OECD Guidelines for Multinational Enterprises and to put in place appropriate management systems to prevent such a situation from recurring. If the commitment is not fulfilled, the company will be subject to a proposal for exclusion. Each quarter, enhanced commitment files are reviewed based on the need for follow-up. The degree of commitment may vary depending on exposure to investments.

In addition, the sub-funds apply the regulatory technical standards referred to in Annex 1 of Delegated Regulation (EU) 2019/2088 supplementing the SFDR, dedicated to Principal Adverse Indicators, which qualify 14 mandatory and 2 optional environmental and social indicators, as well as 2 indicators specific to sovereign issuers, applicable where relevant, for the purpose of measuring the impact of sustainable investments in relation to these indicators: greenhouse gas emissions, carbon footprint, GHG intensity of companies benefiting from investments, exposure to companies active in the fossil fuel sector, consumption and production of non-renewable energy, energy consumption intensity by sector with a high climate impact, activities with a negative impact on biodiversity-sensitive areas, water discharges, hazardous and radioactive waste ratio, water use and recycling (optional), violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, lack of compliance processes and mechanisms to monitor adherence to the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises, unaddressed gender pay gap, gender diversity in governance bodies, exposure to controversial weapons, excessive remuneration ratio (optional).

Negative impacts are identified according to their degree of severity. After discussion with the relevant investment team, an action plan is drawn up with a schedule for implementation. Dialogue with a company is generally the preferred course of action to try to mitigate its negative impacts, in which case engagement with the company concerned is included in Carmignac's quarterly engagement plan as set out in its Shareholder Engagement Policy. The liquidation of a position may be considered in accordance with a predefined exit strategy in compliance with the aforementioned policy.

Sustainable investment objective of the financial product

The sub-fund's sustainability objective is to invest at least 80% of its net assets in companies considered to be aligned with the United Nations Sustainable Development Goals. The minimum levels of sustainable investments with environmental and social objectives are 5% and 35% of the sub-fund's net assets, respectively. They do not meet the minimum sustainable investment ratio of 80%, as the portfolio manager may choose to invest more in sustainable investments with an environmental or social objective, and therefore less in the other, giving them the flexibility to build the portfolio based on market conditions and their current convictions.

An investment/issuer is aligned when at least one of the following three thresholds is met:

a. **Products and services:** At least 50% of revenue comes from goods and services related to at least one of the following nine United Nations Sustainable Development Goals (out of 17): (1) No Poverty, (2) Zero Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean and Sanitation, (7) Affordable and clean energy, (9) Industry, innovation, and infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or

b. **Capital expenditures ("CapEx" for *capital expenditures*):** At least 30% of capital investment expenditures are in commercial activities related to at least one of the following nine United Nations Sustainable Development Goals (out of 17): (1) No poverty, (2) Zero Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean and Sanitation, (7) Affordable and clean energy, (9) Industry, innovation, and infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or

c. **Operations:**

   i. The issuer obtains "aligned" status for operational alignment for at least 3 of the 17 United Nations Sustainable Development Goals, determined on the basis of evidence provided by the issuer regarding its policies, practices, and objectives in relation to these Sustainable Development Goals. The "aligned" status corresponds to an operational alignment score greater than or equal to 2 (on a scale ranging from -10 to +10), as determined by the external rating provider selected by the management company; and

   ii. The issuer has not been assigned "non-aligned" status for operational alignment with any of the 17 United Nations Sustainable Development Goals. The "non-aligned" status corresponds to an operational alignment score of -2 or lower (on a scale ranging from -

10 to +10), as determined by the external rating provider selected by the management company.

These thresholds represent a significant intention on the part of the issuer with regard to the contributory activity. In rare cases, an operational alignment score assigned to the beneficiary company by the external evaluator for an SDG may be incorrect due to outdated or incorrect information. When the management company identifies such an irregularity, it may decide to correct the score and, subject to correct recording of this decision, apply the corrected score until the external scorer corrects or updates the score. For more information on the United Nations Sustainable Development Goals, please visit https://sdgs.un.org/goals.

The sub-funds have not designated a benchmark index to reflect the achievement of the sustainable investment objective. The sub-fund's absolute objective is to continuously invest 80% of its net assets in companies aligned with the SDGs, in accordance with predefined thresholds for revenue, capital expenditures, and operations.

Investment strategy

The sub-fund invests at least 60% of its net assets in equities, with no restrictions in terms of region or market capitalization. At least two-thirds of the issuers of Equities and Bonds held by the sub-fund must have their registered office, conduct a significant portion of their business, or have prospects for commercial development in emerging countries (including frontier markets). The sub-fund adopts a socially responsible approach using a "best-in-universe" selection process as well as positive and negative screening to identify companies that meet long-term sustainable growth criteria.

In addition to the aforementioned sustainable investment objective, ESG integration is ensured through the following procedures described below.

Reduction in the investment universe.
The sub-funds' investment universe for the purpose of reducing the universe consists of listed equities or issuers from Emerging markets with a market capitalization of more than €1 billion. This investment universe is reduced by at least 30% through the application of the exclusions described below.

i. **Exclusions at the management company level:** unsustainable activities and practices are identified using an approach based on international standards and rules in the following areas: (a) controversies concerning the OECD Guidelines, the International Labor Organization (ILO) Declaration on sub-fundamental Principles and Rights at Work, and the principles of the United Nations Global Compact, (b) controversial weapons, (c) thermal coal production, (d) energy producers, (e) tobacco, (f) adult entertainment.
ii. **Funds-specific exclusions:** Extended or stricter exclusions include the oil and gas sectors, conventional weapons, gambling, alcohol, energy production, thermal coal production (strict exclusion), palm oil, airlines, companies involved in factory farming, and companies listed by *People for the Ethical Treatment of Animals* ("PETA") as testing their products on animals, as well as those that have not implemented a permanent policy prohibiting animal testing. The investment universe is further reduced by the number of companies rated "E" or "D" in START. The investment universe is further reduced by the number of companies that are not aligned with the United Nations Sustainable Development Goals, as determined using the method detailed below.

Prior to reducing the investment universe as described above, the equities and corporate bonds universes are reweighted to eliminate any bias that could lead to significant differences between the composition of the indices comprising these universes and that of the sub-fund's portfolio. Each issuer is reweighted using the sub-fund's historical weightings by sector, geographical region (emerging markets/developed markets) and capitalisation (small/mid/large), with authorised deviation of +/-5% for each of these characteristics. The weightings used are calculated annually whereas the universe components and the ESG data used to reduce the universe are updated quarterly. The reweighting is performed using the average of the sub-fund's historical weightings over a period corresponding to the recommended investment horizon.

Active stewardship:
With regard to active management, environmental and social engagement with companies aims to improve their sustainability policies (level of active engagement and voting policies, number of engagements, attendance rate at shareholders' and debt holders' meetings compared with the 100% target).

Low carbon intensity target: The sub-funds also aim to achieve carbon emissions that are 50% lower than those of their reference indicator (MSCI EMNR), measured monthly by carbon intensity (tCO2/USD million of revenue converted into euros; aggregated at portfolio level; (Scopes 1 and 2 of the GHG Protocol)).

Portfolio climate targets:
The sub-funds aim to reduce greenhouse gas (GHG) emissions by 50% in 2030, 70% in 2040, and to achieve net zero by 2050. To monitor this target, the sub-funds use an aggregate of the emissions financed by each individual company, calculated using the following formula:
(market value of the investment / enterprise value, including cash) x (scope 1 GHG emissions + scope 2 GHG emissions).
The reference year for the portfolio's climate targets is 2018. The methodology adopted by the sub-funds may depend on governments putting in place appropriate regulatory incentives, consumer behavior ((i.e. preference for cleaner options), and technological innovation in order to provide affordable and scalable solutions for reducing greenhouse gas emissions.

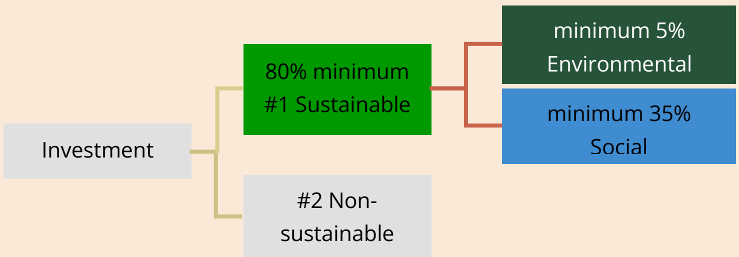
Governance:
In order to assess good governance practices, the sub-fund uses START, Carmignac's proprietary ESG research system, which automatically collects key governance indicators for more than 7,000 companies, including 1) the independence of audit committee members, the average length of terms of office and gender diversity on the board of directors, the size of the board of directors, and the independence of the compensation committee in terms of sound management structures, and 2) executive compensation, executive incentives linked to sustainability, and the highest compensation levels in terms of employee compensation. Relations with staff are covered by the social indicators taken into account under START (regarding employee satisfaction, the gender pay gap, and staff turnover).

With regard to tax issues, the sub-funds identify companies within its investment universe that adhere to the OECD Guidelines for Multinational Enterprises on Tax Matters and encourages them, where appropriate, to publish ad hoc information.

Furthermore, as a signatory to the PRI, Carmignac expects the companies in which it invests to publish:
- a comprehensive tax policy outlining their approach to responsible taxation;
- a report on fiscal governance and risk management processes; and
- a country-by-country report (CBCR).

This is a consideration that Carmignac is increasingly incorporating into its engagement with companies and its voting in favor of greater transparency, for example by supporting certain shareholder resolutions.

Proportion of investments



Category **#1 Sustainable** covers sustainable investments with environmental or social objectives.
Category **#2 Non-sustainable** includes investments that are not considered sustainable investments.

At least 80% of the sub-fund's net assets are intended to achieve its sustainability objective.

The minimum levels of sustainable investments with environmental and social objectives are 5% and 35%, respectively, of the sub-fund's net assets. The minimum thresholds for environmental (5%) and social (35%) investments do not correspond to the minimum proportion of sustainable investments of 80%, as the portfolio manager may choose to invest more in sustainable investments with an environmental or social objective, and therefore less in the other, giving them the flexibility to build the portfolio based on market conditions and their current convictions.

The category "#2 Non-durable" includes cash and derivatives, which can be used for hedging purposes.

Monitoring the sustainable investment objective

The sub-funds use the following sustainability indicators to assess the extent to which the sustainability objective is being achieved:

Alignment with Sustainable Development Goals: The sub-fund makes sustainable investments in that at least 80% of its net assets are invested in companies aligned with the United Nations Sustainable Development Goals. For more information on the United Nations Sustainable Development Goals, please visit https://sdgs.un.org/goals. To be considered aligned with the SDGs under Carmignac's analysis framework, a company must (i) derive at least 50% of its revenue or devote at least 30% of its capital expenditure to activities that contribute positively to at least one of the nine SDGs mentioned above, or (ii) obtain "aligned" status for its operations for at least three of the 17 United Nations Sustainable Development Goals (i.e., have obtained a score greater than or equal to 2 on a scale ranging from -10 to +10) and must not be "misaligned" with any of these 17 SDGs (i.e., have obtained a score less than or equal to -2). With regard to investment income and expenses specifically, as soon as a company exceeds the threshold of 50% or 30% respectively, the sub-fund's entire economic exposure to the company in question is considered "aligned" when determining the sub-fund's overall alignment.

The minimum levels of sustainable investments with environmental and social objectives are 5% and 35%, respectively, of the sub-fund's net assets.

Scope of ESG analysis: At least 90% of issuers are assessed using ESG scores via Carmignac's proprietary ESG platform, known as "START" (System for Tracking and Analysis of a Responsible Trajectory).

Low		START rating		High
8	≤	A	≤	10
6	≤	B	<	8
4	≤	C	<	6
2	≤	D	<	4
0	≤	E	<	2

Proportion by which the universe is reduced (minimum 30% of equities, where applicable): Negative screening and exclusion of unsustainable activities and practices, as evidenced by low ESG scores from START, MSCI, and/or ISS and research, are based on the following indicators: (a) controversies concerning the OECD Guidelines for Multinational Enterprises, the International Labor Organization (ILO) Declaration on sub-fundamental Principles and Rights at Work, and the principles of the United Nations Global Compact, (b) controversial weapons, (c) coal mining, (d) electricity generation that does not pursue any objectives aligned with the Paris Agreement, (e) companies involved in tobacco production, (f) companies involved in adult entertainment. Extensive exclusions apply and concern the oil and gas sectors, conventional weapons, gambling, alcohol, thermal coal production, airlines, companies involved in factory farming, and companies listed by *People for the Ethical Treatment of Animals* ("PETA") as testing their products on animals, as well as those that have not implemented a permanent policy prohibiting animal testing.Companies considered non-aligned with our SDG alignment assessment are also excluded from the universe.

Low carbon intensity objective: the sub-fund aims to achieve carbon emissions that are 50% lower than those of the MSCI EM (EUR) reference indicator (net dividends reinvested), as indicated above.

Monitoring of indicators relating to the Principal Adverse Indicators, consisting of 14 mandatory environmental and social indicators and 2 (two) optional indicators (selected by the Responsible Investment team based on their relevance and scope), used to measure the impact of sustainable investments, as indicated above.

Active stewardship: The following indicators are used to measure companies' environmental and social commitments that contribute to improving their sustainability policies: (a) level of active engagement and voting policies, (b) number of commitments, (c) voting percentage, and (d) participation in shareholders' and debt holders' meetings.

Methods

Methodology for alignment with the Sustainable Development Goals. A company is considered "aligned" and defined as a sustainable investment when more than 50% of its revenues or more than 30% of its capital expenditures (CapEx) relate to activities deemed to contribute to one of the nine SDGs mentioned above. These thresholds of 50% and 30% respectively reflect the strong commitment of the company in question to activities contributing to the SDGs, as well as to its growth objectives.

In order to identify companies aligned **with for products and services, as well as for CapEx investments**, the management company has implemented a system for classifying companies and has listed 1,700 different activities. In addition, the management company uses the SDG Compass, a resource created jointly by the Global Reporting Initiative (GRI), the United Nations Global Compact, and the World Business Council for Sustainable Development to identify economic activities that contribute to each SDG. In addition, Carmignac has defined internally "investable" themes related to these different activities, on the basis of which the management company filters each activity in the classification system, aligning the appropriate activities with the "investable" themes " and checking their suitability in relation to the SDG targets, under the supervision of members of the Responsible Investment team and the relevant investment team.

Next, in order to determine which issuers are aligned **for Operations**, the management company uses an external rating methodology to create an indicative filter for operational alignment. Each issuer is assessed on each of the 17 United Nations Sustainable Development Goals and its performance is rated on a scale of -10 to +10 for each of these sustainable development goals. To calculate this score, for each sustainable development goal (1) there are positive indicators linked to policies, initiatives, and objectives with specific key performance indicators that result in positive additions to the score, (2) negative indicators, linked to controversies or negative impacts that result in subtractions from the score, and (3) Performance indicators that assess the issuer's performance trajectory and can increase or decrease the score. The three assessments mentioned above are combined into a final score for each sustainable development goal within the range of -10 to +10 mentioned above. This means that each issuer receives 17 scores, one for each sustainable development goal, ranging from -10 to +10.

The above-mentioned rating scale is divided into five result categories:

- Score above 5.0: highly aligned;
- Score between 2.0 and 5.0 (inclusive): aligned;
- Grade below 2.0 and above (-2.0): neutral;
- Score less than or equal to (-2.0) and greater than (-10): not aligned;
- Score equal to (-10): significantly misaligned.

These thresholds represent a significant intention on the part of the beneficiary company with regard to the activity that contributes to the achievement of the SDGs. In rare cases, an operational alignment score assigned to the beneficiary company by the external evaluator for an SDG may be incorrect due to outdated or incorrect information. When the management company identifies such an irregularity, it may decide to correct the score and, subject to correct recording of this decision, apply the corrected score until the external scorer corrects or updates the score. For more information on the United Nations Sustainable Development Goals, please visit https://sdgs.un.org/goals.

Once the alignment threshold has been reached for products and services, CapEx investments, and/or operations, the total weight of the investment is considered aligned.

ESG analysis methodology. Carmignac's proprietary ESG platform, called "START" (System for Tracking and Analysis of a Responsible Trajectory), aggregates raw ESG data from 90 ESG indicators (where available) covering environmental, social, and governance pillars. Overall ESG scores are calculated for

companies grouped by sectors, market capitalization, and region. Members of the investment team are responsible for conducting proprietary ESG analysis of companies, validating START scores and analyses with commentary on ESG risks, and incorporating these analyses into investment decisions. The START platform is available via the internal Verity RMS database, accessible to all members of the investment teams for investment research purposes.
The START rating is determined as a customized weighted average of the environmental, social, and governance scores. Each issuer is assigned to a peer group defined according to its industry, geographic location, and market capitalization. The weighting of each ESG pillar in the rating reflects the relative importance of that pillar for the peer group concerned, subject to a minimum weighting of 20% for each pillar.

Negative screening and exclusion methodology. Carmignac applies ESG-related exclusions and sub-fund-specific extended exclusions, as mentioned above. All are objective exclusions, implemented via the CMGR compliance control tool, in conjunction with the BBG Aim Portfolio Management Order system. Each quarter, the Sustainable Investment team updates the exclusion lists to reflect new index weightings, revised data and revenue thresholds, and new investments. The updated lists are downloaded and checked by the Risk Management team. For further information, please refer to the exclusion policy, available in the "Sustainable Investment" section of the website www.carmignac.com.

Methodology for carbon emission targets. Carbon emission targets are monitored in real time using the Global Portfolio Monitoring system, the portfolio dashboard. Data provided by MSCI is used to measure carbon intensity (tCO2/mUSD of revenue converted to euros; aggregated at portfolio level; scopes 1 and 2 of the GHG Protocol). For further information, please refer to the monthly sub-funds fact sheet.

Methodology for indicators relating to the principal adverse indicators (PAIs). For all sub-funds falling under Article 8 or 9 of the SFDR, Carmignac obtains indicators relating to the principal adverse indicators from the data provider MSCI. Once the data point for each indicator has been obtained, an average over four quarters is calculated before an annual report is published. The definitions used for each of the 14 mandatory indicators and the two optional indicators relating to PAI in connection with equities, as well as, where applicable, for the two indicators specific to sovereign issuers, are those set out in Annex 1 of Delegated Regulation SFDR 2019/2088. Information and the complete methodology will be published in the "Sustainable Investment" section of the website www.carmignac.com, in accordance with the aforementioned disclosure requirements.

Active stewardship The sub-funds exercise their voting rights through the proxy voting service provider ISS with the aim of achieving a voting percentage of 100%. The portfolio manager is free to vote as he sees fit, in light of the recommendations of the Sustainable Investment team. ESG and controversy-related engagements led by the Sustainable Investment team are planned each quarter and the results are documented in the Engagement tool integrated into the Verity RMS database. For further information, please refer to the Active Management Report, available on the "Policy and Reports" webpage in the "Sustainable Investment" section of the website www.carmignac.com.

Data sources and processing

(a) **Sources of data used to achieve the sustainable investment objective of the financial product:** The sub-funds use data from multiple sources, which are aggregated in Carmignac's proprietary ESG system, START. These sources are FactSet for revenue data, company legal documents for capital expenditure data, MSCI for data on corporate operations (and their alignment with the SDGs) and carbon emissions, TR Refinitiv for raw ESG data, and MSCI and ISS ESG for controversial behaviors and screening based on the standards established by the United Nations Global Compact and the OECD in terms of governance and human rights.

(b) **Measures taken to ensure data quality:** The Sustainable Investment team is made up of ESG data experts who are responsible for performing automated checks, particularly to identify outliers in data sets, as well as checking data from alternative sources.

(c) **Data processing method:** As described in the "Methods" section above. Revenue data (one of the three criteria used to measure the achievement of the sustainable investment objective) is verified by FactSet and linked to "investable" themes aligned with the nine United Nations Sustainable Development Goals mentioned above (out of a total of 17).

(d) **Proportion of estimated data:** ESG START scores and revenue data are not estimated. On average, 30% of the data relating to the principal adverse indicators are estimates. Data on carbon emissions (scopes 1 and 2) are derived from companies' detailed emissions reports and include few estimates.

Limitations of methodologies and data

The sustainability risk of the sub-funds may differ from that of the reference indicator.

In terms of methodology, the SDG-based framework is just one of several that can be used to define responsible investments; others may yield different results. The approach in this area uses publicly available income data and is based on SDG targets and related published reports. However, since we identify activities that can be considered "aligned" according to our own criteria, our approach may differ from others.

Due diligence

More than 90% of the sub-funds' assets (listed equities, corporate and sovereign bonds, as applicable) are assessed in terms of their ESG score and the risks they present in this area. To do this, an exclusive analysis is combined with the ESG rating process of Carmignac's exclusive START system and, where applicable, with exclusive models for sovereign bonds (Global and Impact models).

Ultimate responsibility for the exclusive ESG assessment lies with the investment team. The START score is calculated automatically using an exclusive formula that compares companies within 90 peer groups based on market capitalization, sectors, and region. This score may be revised upward or downward as part of the analysis and comments made by the financial or ESG analyst. The Sustainable Investment team monitors the frequency and consistency of statistics relating to the START score and ensures that they are not biased. Periodically, ESG START's proprietary rating models applied to sovereign issuers and companies are subject to ex post review to identify potential improvements.

With regard to exclusions, Carmignac's company exclusion list and sub-fund-specific exclusion lists, where applicable, are updated quarterly to reflect new index weightings, revised revenue data and their impact on revenue thresholds, as well as new sub-fund positions. These exclusions are enforced via the compliance control tool. All sector exclusions and exclusions relating to controversies are objective exclusions. The Sustainable Investment team reports separately to the Managing Director of Carmignac UK LTD.

Engagement policies

Carmignac implements voting and engagement policies that reflect relevant environmental, social, and governance themes. The goal in terms of voting is to participate in 100% of possible votes. An engagement plan is defined in order to implement the necessary commitments with companies in which we invest that demonstrate poor management of ESG-related risks, within which Carmignac has identified a specific theme, or with regard to which it is necessary to produce a specific impact or analyze a controversy.

For further information, please refer to the engagement and voting policy available under "Policies and Reports" in the "Sustainable Investment" section of the website www.carmignac.com.

Achieving the sustainable investment objective

The achievement of the sustainable investment objective is subject to ongoing monitoring and controls, which will be reported on a monthly basis on the sub-fund's webpage. The sub-funds have not designated a benchmark index to reflect the achievement of the sustainable investment objective. The sub-fund's absolute objective is to invest at least 80% of its net assets at all times in companies aligned with the above-mentioned SDGs, in accordance with predefined thresholds for revenues (>50%), capital expenditures (>30%), or operations ratings (rating greater than or equal to +2 on at least 3 SDGs, and no rating less than or equal to -2 on any of the 17 SDGs).

In addition, the sub-fund's carbon emissions target of achieving carbon intensity 50% lower than its reference indicator is monitored in real time as part of the overall portfolio management system.

Scope of ESG analysis: ESG integration is carried out by assigning ESG scores to at least 90% of issuers via START, Carmignac's proprietary ESG platform, and is monitored and reported on a monthly basis.

At least a 30% reduction in the universe: Negative screening and exclusion of unsustainable activities and practices are evidenced by MSCI ESG scores and/or low controversy and carbon emissions scores. Companies considered non-aligned with respect to our SDG alignment assessment are also excluded from the universe, which is reviewed on a quarterly basis.

Active management and shareholder engagement: The following indicators are used to measure companies' environmental and social commitments that contribute to improving their sustainability policies: (a) level of active engagement and voting policies, (b) number of commitments, (c) voting percentage, and (d) participation in shareholder and debt holder meetings.

- **Funds : Carmignac Emergents**
- **Management: Equity strategies**
- **Legal form: french mutual sub-fund (Collective Investment sub-fund) under French law**
- **ISIN code (share class A EUR acc): FR0010149302**
- **Recommended minimum investment horizon: 5 Years**
- **Funds launch date: February 3, 1997**

LEGAL NOTICE

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