

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: CARMIGNAC PORTFOLIO GRANDE EUROPE **Legal entity identifier:** 549300PB34J11FU0KE75

Sustainable investment objective

1. Did this financial product have a sustainable investment objective?



Yes



No



It made **sustainable investments with an environmental objective: 29.9 %**



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It made **sustainable investments with a social objective: 65.1 %**



2. It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promoted E/S characteristics, but **did not make any sustainable investments**

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

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



To what extent was the sustainable investment objective of this financial product met ?

The Sub-Fund's sustainable objective was to invest at least 80% of its net assets in shares of companies that are considered aligned with relevant United Nations Sustainable Development Goals ("the SDGs"). The minimum levels of sustainable investments with environmental and social objectives were respectively 10% and 30% of the Sub-Fund's net assets

Alignment is defined for each investment / (investee) company by meeting at least one of the following three thresholds:

- Products and services:** the company derives at least 50% of its revenue from goods and services that are related to one of the following nine SDGs: (1) No Poverty, (2) No Hunger, (3) Good Health and Well Being, (4) Quality Education, (6) Clean Water, (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production; or
- Capital expenditure:** the company invests at least 30% of its capital expenditure in business activities that are related to one of the following nine SDGs (1) No Poverty, (2) No Hunger, (3)

Good Health and Well Being, (4) Quality Education, (6) Clean Water, (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 company achieves an “aligned” status for operational alignment for at least three (3) out of all seventeen (17) of the SDGs, based on the evidence provided by the investee company of available policies, practices and targets addressing such SDGs. An “aligned” status represents an operational alignment score of ≥ 2 (on a scale of -10 to +10) as determined by the external scoring provider; and
- ii. the company does not achieve a “misaligned” status for operational alignment for any SDG. A company is considered “misaligned” when its score is ≤ -2 (on a scale of -10 to +10), as determined by the external scoring provider.

No breach of the attainment of the sustainable objective have been identified during the year.

In 2024, 95% of the Sub-Fund’s net assets were invested in sustainable investments as defined above, on average, based on 4 quarters ends data. The levels of sustainable investments with environmental and social objectives were respectively 29.9% and 65.1% of the Sub-Fund’s net assets,

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

● **How did the sustainability indicators perform?**

This Sub-Fund has used the following sustainability indicators to measure the attainment of the sustainable objective :

1) The coverage rate of ESG analysis: ESG integration through ESG scoring using Carmignac’s proprietary ESG platform “START” (System for Tracking and Analysis of a Responsible Trajectory) is applied to at least 90% of issuers. In 2023, the coverage rate of ESG analysis was 100% of issuers, on average, based on 4 quarters ends data.

2) The amount the equity universe was reduced by (minimum 25%):

i) Firm-wide exclusion: Negative screening and exclusions of unsustainable activities and practices were identified using an international norms and rules-based approach on the following: (a) controversies against the OECD business guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and UN Global compact principles, (b) controversial weapons, (c) thermal coal mining, (d) power generation companies, € tobacco, (f) adult entertainment.

ii) Fund-specific negative screening: Extended activity or stricter exclusion criteria cover oil and gas, weapons, gambling, alcohol, power generation and thermal coal mining. Companies having an overall START rating of “D” or “E” (rating from “E” to “A”) are excluded of the Sub-Fund’s investment universe. Companies having an overall MSCI rating of “CCC” (rating from “C” to “AAA”) are excluded of the Sub-Fund’s investment universe. Companies with a Co2 intensity greater than 500 tCO2/mEUR revenue are excluded. The universe is further reduced by the number of companies deemed not aligned according to our SDG alignment assessment, as described above

In 2024, the universe was reduced by 28.7% of the portfolio, on average, based on 4 quarters ends data.

3) Alignment with Sustainable Development Goals: the Sub-Fund made sustainable investments whereby a minimum of 80% of the Sub-Fund’s net assets, which align positively with relevant United Nations SDGs. In 2024, 95.0 % of the Sub-Fund’s net assets were invested according to this positive screening, on average, based on 4 quarters ends data. The levels of sustainable investments with environmental and social objectives were respectively 29.9% and 65.1 of the Sub-Fund’s net assets, on average, based on 4 quarters ends data.

4) Active stewardship: Environmental and social related company engagements leading to improvement in companies sustainability policies are measured by following indicators: (a) level of active engagement and voting policies, (b) number of engagements, (c) rate of voting and (d)

participation at shareholder and bondholder meetings. In 2024, we conducted 70 engagements with 54 companies and 1 sovereign entity at Carmignac level, and 11 companies at Carmignac Portfolio Grande Europe level. At Sub-Fund level, we voted for 100% of the meetings where we have shareholder or bondholder rights to exercise

5) Low-carbon intensity target: the Sub-Fund aimed to achieve carbon emissions 50% lower than its reference indicator (STOXX 600 Europe NR), measured monthly by carbon intensity (tCO₂/mEUR revenue); aggregated at portfolio level (Scope 1 and 2 of GHG Protocol). As of 31/12/2024, the carbon dioxide emissions of the Carmignac Portfolio Grande Europe portfolio (measured tCO₂/mUSD revenue converted to Euros; aggregated at portfolio level (Scope 1 and 2 of GHG Protocol) were 76.5% lower than those of its reference indicator. From 01/01/25, the reference indicator will change to MSCI Europe NR.

6) Principal adverse impacts: Furthermore, this Sub-Fund committed to applying the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 related to Principal Adverse Impacts whereby 14 mandatory and 2 optional environmental and social indicators (selected by the Sustainable Investment team for pertinence and coverage) will be monitored to show the impact of such sustainable investments against these indicators: Greenhouse gas emissions, Carbon footprint, GHG intensity (investee companies), Exposure to companies in fossil fuel sector, Non-renewable energy consumption and production, Energy consumption intensity per high-impact climate sector, sustainable water usage and recycling (optional choice), Violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises, Unadjusted gender pay gap, Board gender diversity, Exposure to controversial weapons, Excessive CEO pay ratio (optional choice).

Please find below the performance of the principal adverse impacts indicators for the year 2024, based on average quarter-end data, for the equity and corporate bond portions of the portfolio:

PAI Indicators	Based on company reported	Fund	Coverage
GHG Scope 1	Scope 1 GHG emissions	1339.24	99.23%
GHG Scope 2	Scope 2 GHG emissions	1562.86	99.23%
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions	60460.33	99.23%
Total GHG	Total GHG emissions	62791.98	99.23%
Carbon footprint	Carbon footprint	74.10	99.23%
GHG intensity	GHG intensity of investee companies	423.54	100.00%
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector	0.00	100.00%
Non-renewable energy consumption and production	Share of non-renewable energy consumption and production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	0.48	90.02%
Energy consumption intensity - Total	Energy consumption in GWh per million EUR of revenue of investee companies - Total	0.26	98.59%
Energy consumption intensity - NACE Sector A	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector A (Agriculture, forestry and fishing)	0.00	98.59%
Energy consumption intensity - NACE Sector B	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector B (Mining and quarrying)	0.00	98.59%
Energy consumption intensity - NACE Sector C	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)	0.06	98.59%
Energy consumption intensity - NACE Sector D	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector D (Electricity, gas, steam and air conditioning supply)	0.04	98.59%
Energy consumption intensity - NACE Sector E	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector E (Water supply; sewerage; waste management and remediation activities)	0.00	98.59%
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)	0.00	98.59%
Energy consumption intensity - NACE Sector G	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	0.00	98.59%
Energy consumption	Energy consumption in GWh per million EUR of revenue of investee	0.00	98.59%

intensity - NACE Sector H	companies - NACE Sector H (Transporting and storage)		
Energy consumption intensity - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector L (Real estate activities)	0.00	98.59%
Biodiversity	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.07	99.23%
Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00	0.00%
Hazardous waste	Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0.18	87.27%
Water usage and recycling	Average amount of water consumed and reclaimed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	0.00	3.85%
Violations of UNGC/OECD	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00	100.00%
Processes to monitor UNGC / OECD compliance	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00	99.23%
Gender pay gap	Average unadjusted gender pay gap of investee companies	0.11	58.03%
Board gender diversity	Average ratio of female to male board members in investee companies	0.41	100.00%
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00	100.00%
Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	100.29	82.52%

● ...and compared to previous periods?

This Sub-Fund has used the following sustainability indicators to measure the attainment of the sustainable objective :

1) **The coverage rate of ESG analysis:** ESG integration through ESG scoring using Carmignac's proprietary ESG platform "START" (System for Tracking and Analysis of a Responsible Trajectory) is applied to at least 90% of issuers. In 2023, the coverage rate of ESG analysis was 96.3% of issuers, on average, based on 4 quarters ends data.

2) **The amount the equity universe was reduced by (minimum 20%):**

i) Firm-wide: Negative screening and exclusions of unsustainable activities and practices were identified using an international norms and rules-based approach on the following: (a) controversies against the OECD business guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and UN Global compact principles, (b) controversial weapons, (c) thermal coal mining, (d) power generation companies, (e) tobacco, (f) adult entertainment.

ii) Fund-specific: Extended activity or stricter exclusion criteria cover oil and gas, weapons, gambling, alcohol, power generation and thermal coal mining. In addition, the companies with a MSCI ESG rating of CCC were excluded. Companies with a Co2 intensity greater than 500 tCO2/mEUR revenue were excluded. The universe was further reduced by the number of companies deemed not aligned according to our SDG alignment assessment, as described above.

In 2023, the universe was reduced by 51.5% of the portfolio, on average, based on 4 quarters ends data. Our sustainable investment definition changed in July 2023 to incorporate the SDG alignment to operations and the capex alignment threshold to 50% from 30%. Therefore, the average percentage of universe reduction given above reflects the sustainable investment definition in place at the time: using the previous SDG framework in Q1 and Q2 and the current SDG framework in Q3 and Q4.

3) Alignment with Sustainable Development Goals: the Sub-Fund made sustainable investments whereby a minimum of 80% of the Sub-Fund's net assets, which align positively with relevant United Nations SDGs. In 2023, 95.9% of the Sub-Fund's net assets were invested according to this positive screening, on average, based on 4 quarters ends data. The levels of sustainable investments with environmental and social objectives were respectively 25.5% and 70.1% of the Sub-Fund's net assets, on average, based on 4 quarters ends data. Our sustainable investment definition changed in July 2023 to incorporate the SDG alignment to operations and a change to the capex alignment threshold to 50% from 30%. Therefore, the average percentage of sustainable investments given the above, reflects the sustainable investment definition in place at the time: using the previous SDG framework in Q1 and Q2 and the current SDG framework in Q3 and Q4 2023 respectively.

4) Active stewardship: Environmental and social related company engagements leading to improvement in companies sustainability policies are measured by following indicators: (a) level of active engagement and voting policies, (b) number of engagements, (c) rate of voting and (d) participation at shareholder and bondholder meetings. In 2023, we engaged with 60 companies at Carmignac level, and 6 companies at Carmignac Portfolio Grande Europe level. At Sub-Fund level, we voted for 97.3% of the meetings where we have shareholder or bondholder rights to exercise.

5) Low-carbon intensity target: the Sub-Fund aimed to achieve carbon emissions 50% lower than its reference indicator (STOXX 600 Europe), measured monthly by carbon intensity (tCO₂/mEUR revenue); aggregated at portfolio level (Scope 1 and 2 of GHG Protocol). As of 29/12/2023, the carbon dioxide emissions of the Carmignac Portfolio Grande Europe portfolio (measured tCO₂/ mUSD revenue converted to Euros; aggregated at portfolio level (Scope 1 and 2 of GHG Protocol) were 78.2% lower than those of its reference indicator (Stoxx 600 (Reinvested net dividends)).

6) Principal adverse impacts: Furthermore, this Sub-Fund committed to applying the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 related to Principal Adverse Impacts whereby 14 mandatory and 2 optional environmental and social indicators (selected by the Sustainable Investment team for pertinence and coverage) will be monitored to show the impact of such sustainable investments against these indicators: Greenhouse gas emissions, Carbon footprint, GHG intensity (investee companies), Exposure to companies in fossil fuel sector, Non-renewable energy consumption and production, Energy consumption intensity per high-impact climate sector, sustainable water usage and recycling (optional choice), Violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises, Unadjusted gender pay gap, Board gender diversity, Exposure to controversial weapons, Excessive CEO pay ratio (optional choice).

In 2023, we switched to MSCI as our data provider to monitor the PAIs from Impact Cubed in 2022 because it offered more transparency and greater flexibility to build our own tools using the raw data provided by MSCI. Please find below the performance of the principal adverse impacts indicators for the year 2023, based on average quarter-end data, for the equity and corporate bond portions of the portfolio:

PAI Indicators	Based on company reported	Fund	Coverage
GHG Scope 1	Scope 1 GHG emissions	1463.52	100%
GHG Scope 2	Scope 2 GHG emissions	1185.07	100%
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions	54675.60	99%
Total GHG	Total GHG emissions	57335.35	99%
Carbon footprint	Carbon footprint	94.53	99%
GHG intensity	GHG intensity of investee companies	416.65	99%
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector	2%	99%
Non-renewable energy consumption and production	Share of non-renewable energy consumption and production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	56%	78%
Energy consumption intensity - Total	Energy consumption in GWh per million EUR of revenue of investee companies - Total	0.11	87%
Energy consumption	Energy consumption in GWh per million EUR of revenue of investee	0.00	87%

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

intensity - NACE Sector A	companies - NACE Sector A(Agriculture, forestry and fishing)		
Energy consumption intensity - NACE Sector B	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector B (Mining and quarrying)	0.00	87%
Energy consumption intensity - NACE Sector C	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)	0.10	87%
Energy consumption intensity - NACE Sector D	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector D (Electricity, gas, steam and air conditioning supply)	0.92	87%
Energy consumption intensity - NACE Sector E	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector E (Water supply; sewerage; waste management and remediation activities)	0.00	87%
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)	0.00	87%
Energy consumption intensity - NACE Sector G	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	0.00	87%
Energy consumption intensity - NACE Sector H	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector H (Transporting and storage)	0.00	87%
Energy consumption intensity - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector L (Real estate activities)	0.00	87%
Biodiversity	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	100%
Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00	0%
Hazardous waste	Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0.36	40%
Water usage and recycling	Average amount of water consumed and reclaimed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	0.00	3%
Violations of UNGC/OECD	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00	100%
Processes to monitor UNGC / OECD compliance	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.37	100%
Gender pay gap	Average unadjusted gender pay gap of investee companies	15%	23%
Board gender diversity	Average ratio of female to male board members in investee companies	42%	100%
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00	100%
Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	732.39	72%

● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

We used the following mechanisms to ensure our sustainable investments do not cause significant harm to any environmental or social sustainable investment objective:

1) Universe reduction process:

i) Firm-wide: Negative screening and exclusions of unsustainable activities and practices were identified using an international norms and rules-based approach on the following: (a) controversies against the OECD business guidelines, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and UN Global compact principles, (b) controversial weapons, (c) thermal coal mining, (d) power generation companies, (e) tobacco, (f) adult entertainment.

ii) Fund-specific: Extended activity or stricter exclusion criteria cover oil and gas, weapons, gambling, alcohol, power generation and thermal coal mining. In addition, Companies having an overall START rating of "D" or "E" (rating from "E" to "A") are excluded of the Sub-Fund's investment universe. Companies having an overall MSCI rating of "CCC" (rating from "C" to "AAA") are excluded of the Sub-Fund's investment universe. Companies with a Co2 intensity greater than 500 tCO2/mEUR revenue are excluded. The universe is further reduced by the number of companies deemed not aligned according to our SDG alignment assessment, as described above.

2) Active stewardship: ESG-related company engagements contributing to better awareness or improvement in companies' sustainability policies are measured by following indicators: (a) level of active engagement and voting policies, (b) number of engagements, (c) rate of voting and (d) participation at shareholder and bondholder meetings.

How were the indicators for adverse impacts on sustainability factors taken into account?

According to Carmignac's defined approach, the Principal Adverse indicators are monitored on a quarterly basis. Adverse impacts are identified for degree of severity. After internal discussion an action plan is established including a timeline for execution. Company dialogue is usually the preferred course of action to influence the company's mitigation of adverse impacts, in which case the company engagement is included in the quarterly Carmignac Engagement plan according to the Carmignac Shareholder Engagement policy. Disinvestment may be considered with a predetermined exit strategy within the confines of this aforementioned policy.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Carmignac applies a controversy screening process on OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights for all its investments across all Sub-funds.

Carmignac acts in accordance with the United Nations Global Compact (UNGC) principles, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises to assess companies' norms, including but not limited to human rights abuses, labour laws and standard climate related practices.

This Sub-Fund applies a controversy screening process for all of its investments. Companies that have committed significant controversies against the environment, human rights and international labour laws to name the key infractions are excluded. This screening process bases the identification of controversies on the OECD Business Guidelines and UN Global compact principles and is commonly called norms-based screening, integrating a restrictive screening monitored and measured through Carmignac's proprietary ESG system START. A company controversy scoring and research is applied using data extracted from ISS ESG as the research data base.



How did this financial product consider principal adverse impacts on sustainability factors?

Carmignac has committed to apply the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 whereby 14 mandatory and 2 optional environmental and social indicators will be monitored to show the impact of such sustainable investments against these indicators: Greenhouse gas emissions, Carbon footprint, GHG intensity (investee companies), Exposure to companies in fossil fuel sector, Non-renewable energy consumption and production, Energy consumption intensity per high-

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:

impact climate sector, Activities negatively affecting biodiversity-sensitive areas, Emissions to water, Hazardous waste ratio, Water usage and recycling, Violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises, Unadjusted gender pay gap, Board gender diversity, Exposure to controversial weapons, Excessive CEO pay ratio.

As part of its PAI strategy Carmignac identifies companies that underperform the benchmark in terms of PAI Indicators. Our third party data provider MSCI enables us to monitor the impact of our funds for each PAI.

Identifying outliers for each PAI indicator enables us to engage with companies in order to ensure they are committed to reducing their impact. We identified that ExxilorLuxottica was one of the main contributors to the underperformance of Carmignac Portfolio Grande Europe for Excessive CEO Pay ratio in 2023. As a result, we engaged with Essilor Luxottica in 2024. During this engagement, with the chair of the nomination and remuneration committee we provided feedback on the new remuneration policy and we informed them of our expectation on setting challenging targets under the variable pay component of the package including on ESG metrics. We were pleased to note the introduction of pro-rata principle in case of forced departure or retirement rate principle in case of forced departure or retirement, in line with our previous engagement with the company. Other topics discussed included succession planning and board composition.

What were the top investments of this financial product?

Please find below the average top investments based on 12 month end data for 2024 for the equity section of the portfolio:

Asset allocation describes the share of investments in specific assets.

Largest investments	Sector	% Assets	Country
NOVO NORDISK A/S	Health Care	8.24%	Denmark
SAP AG	Information Technology	7.63%	Germany
L'OREAL SA	Consumer Staples	5.84%	France
ASML HOLDING NV	Information Technology	5.43%	Netherlands
SCHNEIDER ELECTRIC SE	Industrials	4.77%	France
ARGENX SE	Health Care	4.61%	Netherlands
DEUTSCHE BOERSE AG	Financials	4.57%	Germany
BEIERSDORF AG	Consumer Staples	4.08%	Germany
LONZA GROUP AG	Health Care	3.84%	Switzerland
HERMES INTERNATIONAL	Consumer Discretionary	3.65%	France
ESSILOR INTERNATIONAL	Health Care	3.63%	France
ALCON	Health Care	3.49%	Switzerland
STRAUMANN HOLDING AG	Health Care	2.81%	Switzerland
EXPERIAN PLC	Industrials	2.78%	Ireland
WILLIAM DEMANT	Health Care	2.50%	Denmark

Source: Carmignac, 31.12.2024

What was the proportion of sustainability-related investments?

In 2024, 95.0% of the Sub-Fund’s net assets were invested in sustainable investments, based on average quarter-end data.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

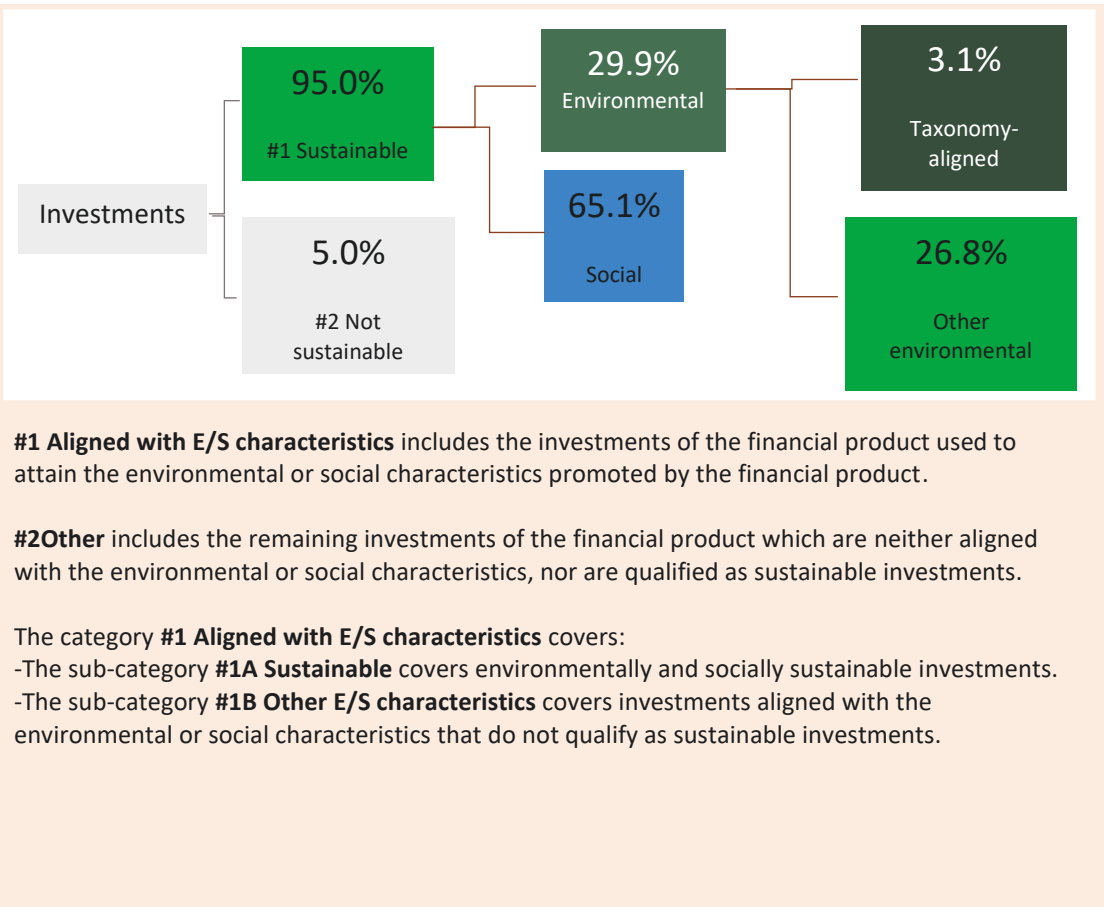
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the asset allocation?

In 2024, 95.0% of the Sub-Fund’s net assets were invested in shares of companies that were positively aligned with relevant United Nations SDGs Sustainable Development Goals aforementioned.

In addition, in 2024, 29.9% of the Sub-Fund’s net assets were invested in sustainable investments with environmental objectives, and 65.1% in sustainable investment with social objectives, based on average quarter-end data.

The “#2 Not sustainable investments” include cash and derivative instruments, which may be used for hedging, if applicable. These instruments are not used to achieve the sustainable objective of the Sub-Fund. In 2024, 5.0% of the Sub-Fund’s net assets were invested in non sustainable investments. These were investments made strictly in accordance with the Sub-Fund's investment strategy. All such investments are subject to ESG analysis and to a screening of minimum safeguards to ensure that their business activities are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.



● **In which economic sectors were the investments made?**

Please find below the average top sectors based on 12 month end data for 2024:

Largest economic sectors	% Assets
--------------------------	----------

Taxonomy-aligned activities are expressed as a share of:

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

Health Care	37.01%
Information Technology	19.95%
Industrials	13.10%
Consumer Staples	10.45%
Financials	9.21%
Consumer Discretionary	7.36%
Materials	2.29%
Utilities	0.64%

Source: Carmignac, 31.12.2024

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

As of 31/12/2024, 3.1% of the sustainable investments with an environmental objective were aligned with the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐ Yes:

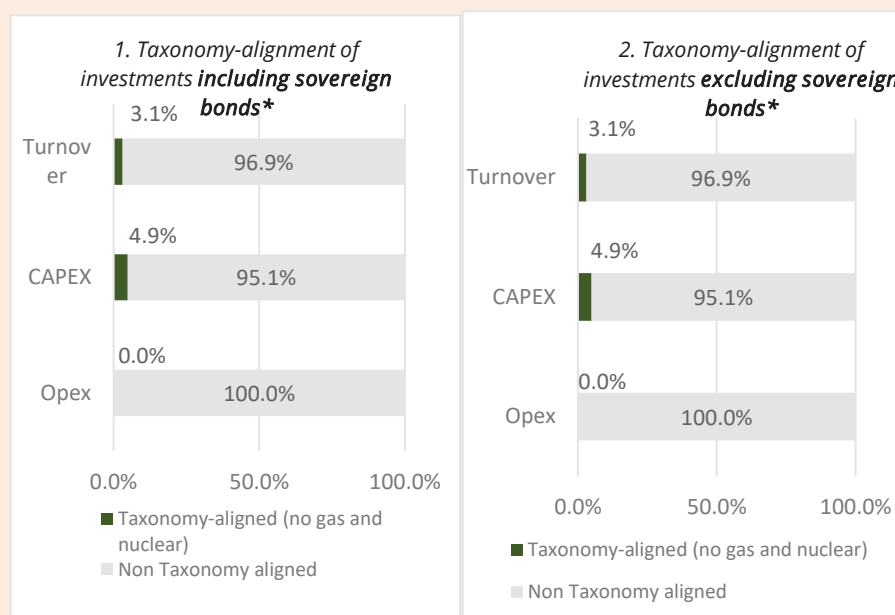
☐ In fossil gas

☐ In nuclear energy

☒ No:

¹ Fossil gas and / or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and de not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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



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

● **What was the share of investments made in transitional and enabling activities?**

Not applicable.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

In 2023, the percentage of investments aligned with the EU Taxonomy was 0.95%.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The minimum levels of sustainable investments with environmental objective not aligned with the EU Taxonomy is 10% of the Sub-Fund's net assets. In 2024, 26.8% of the Sub-Fund's net assets were invested in sustainable investments with environmental objectives not aligned with the EU Taxonomy, based on average quarter-end data.



What was the share of socially sustainable investments?

The minimum level of sustainable investments with social objectives is 30% of the Sub-Fund's net assets. In 2024, the level of sustainable investments with social objectives was 65.1% of the Sub-Fund's net assets, based on average quarter-end data.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

In addition to sustainable investments, the Sub-Fund may invest in cash for liquidity management purposes and derivatives for hedging purposes. Environmental, social and governance considerations into synthetic exposure have been integrated through the derivatives framework detailed below. The approach will depend on the type of derivatives instrument used by the Sub-Fund: single name derivative or index derivatives.

Single name derivatives

The Sub-Fund may enter into derivatives with a short exposure to a single underlying stock (“single name”) only for hedging purposes, i.e. covering the long exposure on that same issuer. Net short positions, i.e. situations where the short exposure on the underlying issuer is greater than the long exposure of the Sub-Fund on that same issuer, are prohibited.

The use of short derivatives for purposes other than hedging is prohibited.

Index derivatives Index derivatives purchased for hedging purposes are not analysed for ESG purposes. The reference indicator of the Sub-Fund remains out of scope of this index derivatives framework, and is not considered for ESG purposes.

The investments included under “#2 Not sustainable” abide by our firm-wide negative screening framework for minimum safeguards.

In 2024, no derivatives were used to attain the sustainable investment objective of the Sub-Fund.

What actions have been taken to meet the sustainable investment objective during the reference period?

The below listed actions were conducted at Carmignac in 2024 in order to support our overall investment process in meeting environmental /social characteristics :

ESG Integration

In 2024, we introduced a new framework, for selected funds only, to meet the objectives of the Paris Agreement. Portfolio climate targets have been set to reduce greenhouse gas emissions by 50% in 2030, 70% by 2040 and achieve net zero by 2050. The baseline year for the portfolio climate targets is 2018.

In 2024, we also improved our universe reduction process by reweighting each issuer in the initial universe of the fund. The investment universe is reweighted to eliminate market capitalisation, geographical and sectoral biases which could lead to significant differences between the composition of these indices and that of the Sub-Fund’s portfolio.

In 2024, we also formalised our ESG integration process for CLO (“collateralised loan obligation”) instruments. ESG analysis is performed for a significant portion of new CLO instruments. Adhoc analysis of the environmental and/or social characteristics of the eligible securitisation vehicles is carried out by the portfolio manager. Funds using this framework cannot invest in the worst scoring instruments.

We have developed and launched a holistic approach to evaluating sustainable bonds which include Use-of Proceeds (green, social, sustainability) and sustainability-linked bonds. These bonds are no longer considered sustainable investments by default, but must rather be analysed on a look through basis using specific criteria.

We established a new framework to integrate ESG analysis into derivative exposures across all our funds. The underlying issuers of single name derivatives as well as index derivatives which are held for



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

exposure purposes are now subject to ESG analysis. Single name derivatives held for exposure purposes are now being held to the same ESG integration criteria as long positions. Additionally, ESG integration criteria have been developed as described in the above document for index derivatives. Derivatives held for hedging or efficient portfolio management purposes can still be held in the portfolio without undergoing ESG analysis. The policy has been developed and implemented by the Sustainable Investment Specialists team, and is overseen by the firm's Risk function.

Throughout 2024 we enhanced our ESG sovereign model to incorporate additional E/S/G KPIs into our analysis. This new model is expected to be launched by Q1 2025.

Transparency

We have continued to provide comprehensive information as to our ESG approach, policies and reports on the Carmignac website: https://www.carmignac.fr/en_GB/sustainable-investment/overview

In our 2024 TCFD report, we introduced a climate Value at Risk (VAR) disclosure to our reporting. The climate VAR disclosure quantifies the economic value that would potentially be at risk under different climate scenarios. The climate VAR disclosure is available as part of our more comprehensive TCFD report and can be accessed at https://carmidoc.carmignac.com/SRICA_FR_en.pdf

Carmignac recognises that it is as important to 'walk the talk' as it is to 'talk the talk'; which is why we published our Corporate Social Responsibility (CSR) policy in 2024. Our CSR approach is based upon 5 key pillars: our operational environmental footprint, fostering an engaged workforce and inclusive environment, our societal commitment, our commitment to the arts via the Carmignac Foundation and our responsible business conduct. Our CSR policy can be accessed at https://carmidoc.carmignac.com/CSR_FR_en.pdf

In 2024, we also revamped our exclusion policy to further increase transparency for our investors. The policy now includes the rationale behind each exclusion, the revenue threshold used for these exclusions as well as a table detailing the funds in scope per exclusion criteria. In addition, we have enhanced the policy to further clarify our integration of UN Guiding Principles on Business and Human Rights into our controversies monitoring processes. Our exclusion policy can be accessed at https://carmidoc.carmignac.com/SRIEXP_FR_en.pdf.

Stewardship

100% Voting Target: In 2024 we have succeeded in participating in 98.15% (95% in 2023) 2of all possible annual general meeting votes at Carmignac level.

Stewardship code: We were once again approved by the FRC as a signatory of the Stewardship Code by complying with all principles, as formalised in our annual Stewardship Report: https://carmidoc.carmignac.com/SWR_FR_en.pdf

Regulatory Consultations: We have taken part in industry roundtables on ESG issues facing our industry, products and the sector as a whole, and additionally contributed to consultations and discussions prompted by our regulators, including at EU level, the UK's FCA and France's AMF either directly, or through our fund associations working groups such as AI UK, Alfi Luxembourg and AFG, France.

Carmignac sees value in both direct and collaborative engagement, and it is the combination of both which leads to the most influential and effective stewardship. It is by joining forces that investors can most effectively influence investee companies on material ESG issues, including market-wide and systemic risks, and ultimately help improve the functioning of markets. With this in mind, we have increased our involvement with Climate 100+, in particular for the collective engagement with Pemex as bondholder of the company. In 2024, we joined collaborative engagements initiative with Nature 100+, on biodiversity topics. We also joined the WBA collective impact coalition on ethical AI.

More specifically regarding engagements, our fiduciary responsibility involves the full exercise of our rights as shareholders and engagement with the companies in which we are invested. Dialogue is maintained by financial analysts, portfolio managers and ESG team. We believe that our engagement leads to a better understanding of how companies manage their extra-financial risks and significantly improve their ESG profile while delivering long-term value creation for our clients, society and the environment. Our engagement may concern one of five considerations: 1) ESG risks, 2) an ESG theme, 3) a desired impact, 4) controversial behaviour, or 5) a voting decision at a General Meeting. Carmignac may collaborate with other shareholders and bondholders when doing so would help influence the actions and governance of companies held in the portfolio. In order to ensure that the company correctly identifies, foresees and manages any potential or confirmed conflict of interest situation, Carmignac has put in place and maintains policies and guidelines. For more information on our engagement policies, please visit the website.

In 2024, we conducted 70 engagements with 54 companies and 1 sovereign entity on ESG specific topics at Carmignac level, and with 11 companies in this particular fund.

In 2024 we engaged with Edenred SE in response to anti-trust and auction rigging controversies which had emerged. The controversies related to events in the period of 2019-2022. Edenred SE confirmed that a switch from paper-based solutions to digital solutions was expected to ensure that the issues would not recur. In addition, their tender process was to be improved with the help of an external third-party, but this project had not yet concluded. Carmignac welcomed the company's commitment to addressing this issue, but considered changes may be difficult to implement given their decentralized business model.

Following the engagement with the company, we modified our ESG START rating under the governance pillar from B to C to reflect the controversies the company has faced, and the fact that the redesign of the tender process has not been finalised yet. We will continue to monitor the company and engage where necessary. We did note, however, that on its social supply chain living wage target commitments, the work has just started and therefore, we will continue to observe this topic for further developments.



How did this financial product perform compared to the reference sustainable benchmark?

Not Applicable.

● How did the reference benchmark differ from a broad market index?

Not Applicable

● How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

Not Applicable

● How did this financial product perform compared with the reference benchmark?

Not Applicable

● How did this financial product perform compared with the broad market index?

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

Not Applicable