LUX IM – CARMIGNAC EMERGING FLEXIBLE BOND

Sustainability-related disclosures required for Article 8 financial products under the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR")

Preamble

LUX IM – CARMIGNAC EMERGING FLEXIBLE BOND ("the Sub-fund") invests in securities of issuers that contribute to the Sub-fund's promoted environmental and social characteristics, in line with the Sub-fund's defined environmental, social and governance (hereinafter "ESG") investment strategy, applying a best-efforts approach to invest in a sustainable manner: 1) ESG integration, 2) Negative screening, 3) Positive screening, 4) Active Stewardship to promote Environment and Social characteristics; 5) Monitoring of Principal Adverse Impacts.

The Sub-fund further invests at least 10% of the net asset value in issuers that qualify as sustainable investment in accordance with Article 2 (17) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") supporting environmental and social objectives.

The Sub-fund is not considering the EU criteria for environmentally sustainable economic activities as defined under the EU Taxonomy Regulation to determine the attainment of the sustainable environmental or social characteristics that it promotes.

The Sub-fund invests a minimum of 90% of its net assets to investments that are aligned to the promoted environmental and social characteristics.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

Sustainable Finance Disclosure Regulation Level 2 – Website Disclosure

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Summary **Article 25 – SFDR II**	In the website section 'Summary' referred to in Article 24, point (a), financial market participants shall summarise all the information contained in the different sections referred to in that Article about the financial products that promote environmental or social characteristics. The summary section shall have a maximum length of two sides of A4-sized paper when printed.	Please refer to the standardized 2 pager summary https://www.bgfml.lu/site/en/home/sustainable.html
	The website section 'Summary' referred to in Article 24, point (a), shall be provided in at least the following languages: (a) one of the official languages of the home Member State and, where different and where the financial product is made available in more than one Member State, in an additional language customary in the sphere of international finance; (b) where the financial product is made available in a host Member State, one of the official languages of that host Member State.	
No sustainable investment objective **Article 26 – SFDR L2**	In the website section 'No sustainable investment objective' referred to in Article 24, point (b), financial market participants shall insert the following statement: "This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment."	This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.
	Where the financial product commits to making one or more sustainable investments, financial market participants shall in the website section 'No sustainable investment objective' referred to in Article 24, point (b), explain how the sustainable investment does not significantly harm any of the sustainable investment objectives, including all of the following:	The Sub-fund invests at least 10% of its holdings in sustainable investments in pursuit of its investment objective. The Sub-fund makes sustainable investments whereby a minimum of 10% of the Sub-Fund's net assets are invested either: 1) in emerging market sovereign or quasi-sovereign debt issuers that reflect strong or improving ESG-related characteristics within the top quartile of the sustainability score distribution (≥ 3.4/5) using our proprietary ESG scoring system, OR 2) in green, social, sustainable and sustainability-linked corporate, sovereign or quasi-sovereign bonds. The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 1% of the Sub-Fund's net assets. The following mechanisms are used to ensure 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 are 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: Fixed income portfolio positions with a rating provided by an external provider below 1.4 (rating from "0" to "10") on environmental or social pillars, or having an overall rating of "CCC" or "B" (rating from "CCC" to "AAA") are a priori excluded of

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		the Sub-Fund's investment universe. Companies rated "C" and above on the START (rating from "E" to "A") are reintegrated into the Sub-fund's investment universe after an ad-hoc analysis which may invovle an engagement with the company. 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 the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex I, are taken into account;	The Principal Adverse Indicators are monitored on a quarterly basis. Outlier adverse impacts are identified for degree of severity. After discussion with the investment team 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 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.
	▪ whether the sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.	The Investment Manager 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 managed by the Investment Manager. The Investment Manager acts in accordance with the United Nations Global Compact (UNGC) principles, 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. The Sub-fund applies a controversy screening process for all of its investments. This process aims to exclude from the investment universe companies that have committed significant controversies against the environment, human rights and international labour laws. The 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 reputable data providers.
Environmental or social characteristics of the financial product	In the website section 'Environmental or social characteristics of the financial product' referred to in Article 24, point (c), financial market participants shall describe the environmental or social characteristics that the financial products promote.	The Sub-fund invests in securities of issuers that contribute to the Sub-fund's promoted environmental and social characteristics, in line with the Sub-fund's defined environmental, social and governance (hereinafter "ESG") investment strategy, applying a best-efforts approach to invest in a sustainable manner: 1) ESG integration, 2) Negative screening, 3) Positive screening, 4) Active Stewardship to promote Environment and Social characteristics; 5) Monitoring of Principal Adverse Impacts.

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Article 27 – SFDR L2		Importantly, the positive screening pillar composes a minimum of 10% of net assets which are deemed sustainable investments in accordance with Article 2 (17) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") supporting environmental and social objectives, defined as: 1) Investments in emerging market sovereign debt issuers that reflect strong or improving ESG-related characteristics within the top quartile of the sustainability score distribution (≥ 3.4/5) according to a proprietary ESG scoring system. For this calculation, the Sub-fund uses a proprietary ESG scoring system which uses specific ESG-related factors and which is applied primarily to emerging market countries to evaluate the ESG characteristics of the sovereign and quasi-sovereign issuers in the Sub-fund's investment universe. The aggregated score takes into consideration multiple sustainable objectives at a sovereign state policy implementation level i.e. share of renewables, Gini index, education level. These are rated from 1 to 5 whereby 1 is the lowest score, 5 is the highest score and 3 is the neutral point; OR 2) Investments in use of proceeds bonds such as green, social or sustainable corporate, sovereign, quasi-sovereign and agency bonds and investments in sustainability-linked bonds.
Investment strategy **Article 28 – SFDR L2**	In the website section 'Investment strategy' referred to in Article 24, point (d), financial market participants shall describe all of the following:	
	▪ the investment strategy used to meet the environmental or social characteristics promoted by the financial product;	The investment objective of the Sub-fund is to generate sustainable positive return over the medium term by adopting a total return approach taking advantage of the rising target markets opportunities while keeping a conservative approach through an hedging implementation in case of market's downside. This objective will be effected through a diversified and flexible portfolio of emerging markets debt securities which comply with Environmental, Social and Governance ("ESG") criteria. The Sub-fund adopts a sustainable investment approach using best in universe and best efforts selection process and both positive and negative screening to identify companies with long term sustainable growth criteria. The Sub-fund makes sustainable investments whereby a minimum of 10% of the Sub-fund's net assets, are invested 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 are respectively 1% and 1% of the Sub-fund's net assets. Importantly, the positive screening pillar composes a minimum of 10% of net assets which are deemed sustainable investments, defined as: 1) Investments in emerging market sovereign or quasi sovereign debt issuers that reflect strong or improving ESG-related characteristics within the top quartile of the sustainability score distribution (≥ 3.4/5) according to a proprietary ESG scoring system. For this calculation, the Sub-fund uses a proprietary ESG scoring system

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		which uses specific ESG-related factors and which is applied primarily to emerging market countries to evaluate the ESG characteristics of the sovereign and quasi-sovereign issuers in the Sub-Fund's investment universe. The aggregated score takes into consideration multiple sustainable objectives at a sovereign state policy implementation level i.e. share of renewables, Gini index, education level. These are rated from 1 to 5 whereby 1 is the lowest score, 5 is the highest score and 3 is the neutral point; OR 2) Investments in use of proceeds bonds such as green, social or sustainable corporate, sovereign, quasi-sovereign and agency bonds and investments in sustainability-linked bonds. At least 60% of the Sub-fund's net assets are invested in emerging market sovereign bonds and quasi-sovereign debt in accordance with the following sustainable portfolio composition rules: o 60% have a sustainability score of 3/5 or higher in the proprietary scoring system o 90% have a sustainability score of 2.6/5 or higher in the proprietary scoring system o The average exposure weighted sustainability score is above 3/5 the combined contribution of all types of the aforementioned sustainable bonds o In addition, to maintain the minimum 10% of net assets the Sub-fund will invest in either or both of the aforementioned two types of sustainable investments In terms of ESG integration, the investment universe is assessed for ESG risks and opportunities recorded in Carmignac proprietary ESG platform "START" (System for Tracking and Analysis of a Responsible Trajectory). This applies to equities, corporate bonds, and sovereign bonds issuers. The Environmental, Social and Governance analysis ("Integrated ESG Analysis") is incorporated in the investment process performed by the investment team using proprietary research and external research. The extra-financial analysis is implemented in the investment strategy by undertaking activities described below whereby the Sub-fund's investment universe is actively reduced by at least 20%. The full process of the reduction of the investment universe is found in the corresponding Transparency Code on the Carmignac website. The investment universe and the Sub-fund is reviewed periodically to maintain alignment for universe reduction purposes. Universe reduction process: i) Firm-wide: Negative screening and exclusions of unsustainable activities and practices are identified using an international norms and rules-based approach on the following: (a) controversies against the OECD business guidelines, the International

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		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: Fixed income portfolio positions with a rating provided by an external provider below 1.4 (rating from “0” to “10”) on environmental or social pillars, or having an overall rating of “CCC” or “B” (rating from "CCC" to "AAA") are a priori excluded of the Sub-Fund’s investment universe. Companies rated “C” and above on the START (rating from "E" to "A") are reintegrated into the Sub-fund’s investment universe after an ad-hoc analysis which may invovle an engagement with the company. 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.
	▪ the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.	In order to assess good governance practices, the Sub-fund applies Carmignac proprietary ESG research system START, which gathers key governance indicators automated for over 7000 companies, including 1) the percentage of Audit Committee Independence, Average Board Tenure, Board Gender Diversity, Board Size, Compensation Committee Independence as it relates to sound management structures, 2) Executive Compensation, Executive Sustainability Incentive, Highest Remuneration Package as it relates to remuneration of staff. Employee relations are covered within Carmignac indicators (namely through employee satisfaction, gender pay gap, turnover of employees) within START. As for taxation, the Sub-fund recognize companies in it investment universe which adhere to the OECD Guidelines for multinational enterprises on taxation and push for disclosure where necessary. In addition, as signatory of the PRI, the Investment Manager would expect from the companies it invests in to: o Publish a global tax policy that outlines the company’s approach to responsible tax; o Report on tax governance and risk management processes; and o Report on a country-by-country basis (CBCR) This is a consideration the Investment Manager increasingly integrates into engagements with corporates in support for more transparency via for example support for shareholder resolutions. - For sovereign issuers, the following governance criteria are assessed: ease of doing business, fiscal positioning, debt ratio as years of revenue position, current account position.
Proportion of investments **Article 29 – SFDR L2**	In the website section ‘Proportion of investments’ referred to in Article 24, point (e), financial market participants shall insert the information referred to in Article 14 and shall distinguish between direct exposures in investee entities and all other types of exposures to those entities.	A minimum proportion of 90% of the Sub-fund’s net assets is used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy. The minimum of 10% of net assets which are deemed sustainable investments is defined as: 1) Investments in emerging market sovereign or quasi sovereign debt issuers that reflect strong or improving ESG-related characteristics within the top quartile of the

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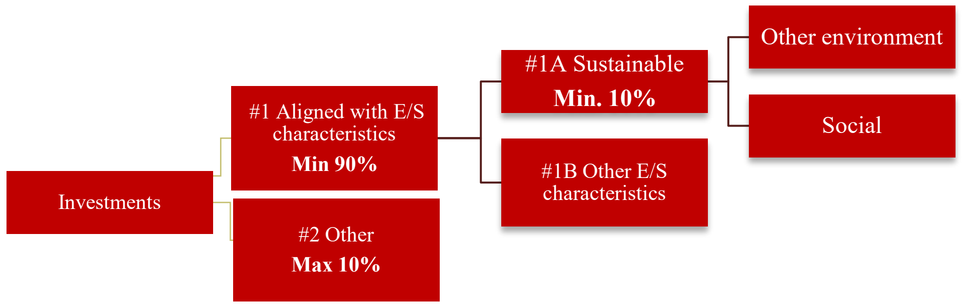
		sustainability score distribution (≥3.4/5) according to the proprietary ESG scoring system; OR 2) Investments in use of proceeds bonds such as green, social or sustainable corporate, sovereign, quasi-sovereign and agency bonds and investments in sustianability-linked bonds. The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 1% of the Sub-fund's net assets.  *#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.* *#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.* *The category #1 Aligned with E/S characteristics covers:* *- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.* *- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.* The #2 Other investment (in addition to cash and derivatives which may be used hedging purposes, if applicable) are corporate bonds or sovereign bonds investments which are not classified as sustainable investment. They are investments made strictly in accordance with the Sub-fund's investment strategy and have the purpose of implementing the Sub-fund's investment strategy. All such investments are made subject to ESG analysis (including through our ESG proprietary sovereign model for sovereign bonds) and for equity and corporate bonds are subject 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. These instruments are not used to achieve the environmental or social characteristics promoted by the Sub-fund.

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Monitoring of environmental or social characteristics **Article 30 – SFDR L2**	In the website section 'Monitoring of environmental or social characteristics' referred to in Article 24, point (f), financial market participants shall describe how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.	The Sub-fund uses the following sustainability indicators of its four-pillar approach to measure the attainment of each of the environmental or social characteristics promoted by the Sub-fund : 1) 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), which includes internal and external ESG ratings, for corporate and sovereign issuers is applied to at least 90% of issuers. 2) Amount the corporate bond universe is reduced by (minimum 20%): i) Firm-wide: Negative screening and exclusions of unsustainable activities and practices are 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: Fixed income portfolio positions with a rating provided by a an external provider below 1.4 (rating from "0" to "10") on environmental or social pillars, or having an overall rating of "CCC" or "B" (rating from "CCC" to "AAA") are a priori excluded of the Sub-fund's investment universe. Companies rated "C" and above on the START (rating from "E" to "A") are reintegrated into the Sub-fund's investment universe after an ad-hoc analysis which may invovle an engagement with the company. 3) Positive screening: at least 60% of the Sub-fund's net assets are invested in emerging market sovereign bonds and quasi-sovereign debt in accordance with the following sustainable portfolio composition rules: o 60% have a sustainability score of 3/5 or higher in the proprietary scoring system o 90% have a sustainability score of 2.6/5 or higher in the proprietary scoring system o The average exposure weighted sustainability score is above 3/5 the combined contribution of all types of the aforementioned sustainable bonds o In addition, to maintain the minimum 10% of net assets the Sub-fund will invest in either or both of the aforementioned two types of sustainable investments The minimum levels of sustainable investments with environmental and social objectives are respectively 1% and 1% of the Sub-Fund's net assets. 4) 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. 5) Principal adverse impacts: Furthermore, this Sub-fund is committed to applying the SFDR level II 2022/1288 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

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		climate sector, Activities negatively affecting biodiversity-sensitive areas, Emissions to water, Hazardous waste ratio, 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). Sovereign bond issuers are monitored for social violations and GHG intensity indicators. Internal controls are in place in respect of investment decision making for the Sub-fund. These include, but are not limited to, pre-trade and post-trade controls to ensure all binding elements are observed at all times. The Sub-fund's Management Company will oversee the information provided by the Investment Manager and ensures that the ESG compliance of the Sub-fund is met.
Methodologies for environmental or social characteristics **Article 31 – SFDR L2**	In the website section 'Methodologies for environmental or social characteristics' referred to in Article 24, point (g), financial market participants shall describe the methodologies to measure how the social or environmental characteristics promoted by the financial product are met.	The Sub-fund's Investment Manager uses the following methodologies in assessing the ESG investment strategy: 1) Sovereign bond proprietary methodology: the Impact model focuses on impact investment in emerging markets. It covers some 70 developing countries for all sovereign and quasi-sovereign instruments (for 100% state-owned companies). The model uses over 10 ESG criteria selected according to the UNPRI guidelines and material for developing markets. There is a strong focus on the trajectory that the country is taking. Therefore, the model puts a lot of emphasis on the dynamic aspects. Also, to make sure that all countries' positive trajectory can be reflected in their score's absolute values, as long as they are progressing on ESG, they are ranked based on thresholds for each criterion. Countries are ranked between 1 (bad) & 5 (good). For most criteria, Static and Dynamic data is used, with some criteria using only one (for example: Life Expectancy only being assessed on the Dynamic score). For any E, S & G pillar, criteria rankings are then averaged to get a pillar scoring. This score is then adjusted either positively or negatively, where appropriate, from the qualitative analysis. The overall ESG score is composed of the equally weighted average of the three components E, S, and G. The fund's score is then aggregated as the weighted average of the country score and the exposure of the positions with a sub-portfolio consisting of EM Sovereign and Quasi Sovereign Bonds. Scores are updated on a semi-annual basis. 2) Corporate or sovereign sustainable debt methodology: corporate and sovereign debt are first classified under the recognised market standards (ICMA or CBI) for green, social, sustainable and sustainable linked bonds, through sustainable debt indicators developed by an external ESG data provider, which are used for screening and then analysed. 3) ESG analysis methodology through the START platform. 4) Negative screening and exclusion methodology: every quarter the exclusion lists are reviewed by the sustainable investment team including the following updates: index reweighting, revised revenue data and revenue thresholds and new investments. The updated list is uploaded and monitored by the risk management team.

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		5) Principal Adverse Indicators methodology: each indicator data point is sourced and averaged over 4 quarters before a yearly publication is made. 6) Stewardship and engagement methodology: the Sub-fund exercises it votes to seek a 100% voting participation target through a proxy voting provider. The Investment Manager has control of the voting choice and exercises that right with the recommendation of the sustainable investment team. ESG and controversy related engagements led by the sustainable investment team are programmed each quarter, the outcomes of which, are documented in the engagement tool.
Data sources and processing **Article 32 – SFDR L2**	In the website section 'Data sources and processing' referred to in Article 24, point (h), financial market participants shall describe all of the following:	
	▪ the data sources used to attain each of the environmental or social characteristics promoted by the financial product;	The Sub-fund uses several data sources that are aggregated into the Carmignac proprietary ESG System START. The sources are recognized third-party data providers for revenue data, corporate filings for CAPEX data, carbon emissions data, for raw company ESG data, controversial behaviours, UNGC and OECD Business and Human Rights Norms screening. The Global sovereign scoring model obtains public information from, amongst others, the World Bank, the IMF, The Heritage Foundation, Oxford University… For a full overview please view the ESG Integration policy document on the Carmignac Sustainable Investment website.
	▪ the measures taken to ensure data quality;	The Sustainable investment team includes ESG data experts who are in charge of automated checks such as identifying outliers in a data set, as well as verifying alternative data sources.
	▪ how data are processed;	Data are processed according to the "Methodologies" and "Monitoring of environmental and social characteristics" above.
	▪ the proportion of data that are estimated.	ESG START scoring and company revenue data is not estimated. PAIs data, contain an average of 46% estimations whereby all reported PAIs are aggregated for all Carmignac eligible funds as of 30/09/2022. Carbon emissions data (Scope 1 and 2) are mainly based on fully disclosed company emissions declarations with few estimations.
Limitations to methodologies and data **Article 33 – SFDR L2**	In the website section 'Limitations to methodologies and data' referred to in Article 24, point (i), financial market participants shall describe all of the following:	
	▪ any limitations to the methodologies referred to in Article 24, point (g), and to the data sources referred to in Article 24, point (h);	The Sub-fund's sustainability risk may differ from the sustainability risk of the Reference indicator. The 20% universe reduction of the corporate bonds universe uses a third-party data provider and START scoring systems to assess ESG risks but other methodologies and data sources could have been used. The proprietary ESG sovereign models uses both quantitative and qualitative elements in order to capture both current risks and opportunities, as well as forward-looking dynamic trends but may not systematically reflect the most recent events or ESG progress. The objective however is to limit these qualitative adjustments to exceptional situations such as an impactful policy change, in order to maintain the impartiality of the model.

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	▪ how such limitations do not affect how the environmental or social characteristics promoted by the financial product are met.	Based on the details above, there is no material effect on the attainment of the environmental or social characteristics promoted by the Sub-fund.
Due Diligence **Article 34 – SFDR L2**	In the website section 'Due diligence' referred to in Article 24, point (j), financial market participants shall describe the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.	In order to qualify for initial investment, the investments must comply with the binding elements applied by the Sub-fund. This compliance has to be ensured by the Investment Manager through pre-trade compliance mechanism in place. The investment team are ultimately responsible for the proprietary ESG assessment. The auto populated START score is determined by a proprietary formula comparing companies within 90 peer groups aggregated by capitalization, sector and region. An upgrade or downgrade of this score can be made during the proprietary analysis and commentary by the financial or ESG analyst. The START score statistics are monitored for bias, frequency, and coherence by the Sustainable Investment team. Periodically, both the sovereign and corporate START ESG proprietary scoring systems are back tested for potential improvement.
Engagement policies **Article 35 – SFDR L2**	In the website section 'Engagement policies' referred to in Article 24, point (k), financial market participants shall describe the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies.	Carmignac establishes an engagement plan to identify engagements with companies in which the Sub-fund is invested that show poor management of ESG related risks, where Carmignac has identified a specific theme, or where a specific impact or investigation of a controversy is required.
Designated reference benchmark – Optional **Article 36 – SFDR L2**	In the website section 'Designated reference benchmark' referred to in Article 24, point (l), financial market participants shall describe whether an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product, and how that index is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated.	No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.