ANNEX

Pre-contractual disclosure for the financial products referred to in Article 8(1), (2) and (2a), of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: CARMIGNAC COURT TERME **Legal entity identifier:** 969500GBDAX5I1RMTC89

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.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%** ☐ 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 **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% 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 will make a minimum of **sustainable investments with a social objective: __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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.

The financial product promotes environmental and social characteristics by assessing the underlying investments, taking environmental, social and governance (ESG) criteria into account using a proprietary ESG methodology and investing in issuers that can demonstrate sound environmental, social and governance practices.

- Issuers

The investment strategy entails selecting issuers with the best ESG practices in their sector, through:
Positive screening based on the “selectivity” principle. This involves assessing an issuer’s ESG performance using a set of environmental, social and governance factors, including:

- Environmental: global warming and combating greenhouse gas emissions, energy efficiency, conservation of natural resources, carbon emissions and energy intensity
- Social: management of jobs and restructuring, workplace accidents, training policy, remuneration, staff turnover rate and PISA (Programme for International Student Assessment) score
- Corporate governance: the independence of the board of directors from the general management, respecting the rights of minority shareholders, separating the management and control functions, fighting corruption, respecting the freedom of the press

Negative screening through the application of exclusion criteria in relation to issuers that contravene international standards and conventions or operate in sensitive sectors as defined in the responsible business conduct policy (“RBC Policy”).

- Sovereign issuers

The investment strategy entails selecting sovereign issuers based on their performance on environmental, social and governance pillars. The ESG performance of each country is assessed using proprietary sovereign ESG methodology focused on assessing the government’s efforts to produce and protect assets, goods and services that are highly valuable from an ESG perspective, depending on the country’s level of economic development. In this context, countries are assessed using a set of environmental, social and governance factors, including:

- Environmental: climate change mitigation, biodiversity, energy efficiency, natural resources, pollution
- Social: living standards, economic inequality, education, employment, healthcare infrastructure, human capital
- Governance: corporate law, corruption, democracy, political stability, security

The sustainable development strategy of BNP Paribas Asset Management (the investment manager) is centred on the fight against climate change. Sovereign issuers have an important role to play in combating climate change, which is why the internal ESG methodology for governments includes an additional rating component that reflects the country’s contribution to achieving the carbon neutrality goals set out in the Paris Agreement. This additional rating component reflects countries’ commitment to achieving future goals and considers their current policies as well as their potential exposure to physical climate risk. It combines the temperature alignment methodology used to determine countries’ contributions to climate change with an assessment of legislation and policies enacted to combat it.

The investment manager also applies the BNP Paribas Group's framework for sensitive countries, which includes restrictions on certain countries and/or activities considered to have particularly high exposure to the risks associated with money laundering and the financing of terrorism.

Furthermore, the investment manager seeks to promote best practices by implementing a policy of active engagement with companies in relation to responsible practices (individual and collective engagement with companies, general meeting voting policy).

No reference benchmark has been selected to attain the environmental or social characteristics promoted by the financial product.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio that complies with the RBC Policy
- The percentage of the financial product's portfolio (excluding cash held on an ancillary basis) covered by ESG analysis using the proprietary ESG methodology
- The percentage by which the financial product's investment universe is reduced through the exclusion of securities with low ESG scores and/or sector exclusions in accordance with the RBC Policy
- The average weighted ESG score of the financial product's portfolio compared with the average weighted ESG score of the reference investment universe
- The percentage of the financial product's portfolio that is invested in "sustainable investments" as defined in article 2 (17) of the SFDR.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The purpose of the financial product's sustainable investments is to finance companies that contribute to environmental and/or social objectives through their products and services, as well as through sustainable practices. The definition of "sustainable investment" in the proprietary methodology includes various essential criteria for determining whether a company qualifies as "sustainable". These criteria complement one another. In practice, an issuer must meet at least one of the criteria below to be considered to contribute to an environmental or social objective:

1. A company whose economic activity is aligned with the EU Taxonomy
2. A company whose economic activity contributes to one or more of the United Nations Sustainable Development Goals (UN SDG)
3. A company operating in a sector with high GHG emissions that is adapting its business model to achieve the objective of keeping the global temperature rise below 1.5°C
4. A company applying "best-in-class" environmental or social practices in relation to its peers in the relevant sector and region.

Green bonds, social bonds and sustainable bonds issued to support specific environmental and/or social projects also qualify as sustainable investments provided that such debt securities receive a "POSITIVE" or "NEUTRAL" investment recommendation from the Sustainability Center following an assessment of the issuer and underlying project based on a proprietary methodology for assessing green/social/sustainable bonds.

Companies identified as sustainable investments must not cause significant harm to any other environmental or social objectives (the "do no significant harm" principle) and must apply good governance practices. BNP Paribas Asset Management (BNPP AM) uses its internal methodology to assess all companies with respect to these requirements.

The website of the fund's investment manager provides more detailed information on the internal methodology: https://www.bnpparibas-am.com/sustainability-documents/

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments that the product partially intends to make must not cause significant harm to any environmental or social objective (the "do no significant harm" principle). In this regard, the investment manager undertakes to analyse the principal adverse impacts on sustainability factors by considering the indicators of adverse impacts defined in the SFDR. It also undertakes not to invest in issuers in breach of the standards established by the OECD guidelines and the United Nations guidelines on companies and human rights.

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

Throughout the investment process, the investment manager ensures the financial product takes into account the principal indicators for adverse impacts that are relevant to its investment strategy. It does so in order to select sustainable investments for the financial product by systematically implementing, as part of its investment process, the sustainable investment pillars defined in the BNP Paribas Asset Management Global Sustainability Strategy (GSS): RBC Policy, ESG Integration; Voting, dialogue and engagement policy, Forward-looking perspective: the "3Es" (Energy transition, Environmental sustainability, Equality & inclusive growth).

The RBC Policy establishes a common framework for all investments and economic activities that helps to identify sectors and behaviours presenting a high risk of adverse impacts in contravention of international standards. As part of the RBC Policy, sector-specific policies establish a tailored approach to identifying and prioritising principal adverse impacts based on the nature of the economic activity and, in many cases, the geographic region in which it takes place.

The ESG Integration Guidelines include a series of commitments that are important for mitigating the principal adverse impacts on sustainability factors and guiding the internal ESG integration process. The proprietary ESG rating methodology includes an assessment of a number of adverse impacts on sustainability factors caused by the companies in which we invest. The results of this assessment may have an impact on valuation models and the portfolio construction process, depending on the severity and scale of the adverse impacts identified.

The management company therefore takes principal adverse impacts on sustainability factors into account throughout the investment process by using proprietary ESG scores and building a portfolio with a better ESG profile than that of its reference investment universe.

As part of its forward-looking perspective, the management company has defined a set of performance targets and indicators that can be used to measure the extent to which its research, portfolios and engagement efforts align with the three key themes identified (the "3Es": Energy transition, Environmental sustainability, Equality & inclusive growth) in order to support all investment processes.

Furthermore, the team responsible for the stewardship policy regularly identifies adverse impacts through ongoing research, collaboration with other investors and dialogue with NGOs and other experts.

The indicators of adverse impacts on sustainability factors used in this regard are listed below.

Mandatory indicators applicable to companies:

1. Greenhouse gas emissions (GHG)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Voluntary indicators applicable to companies:

Environmental indicators

4. Investments in companies with no initiatives to reduce carbon emissions

Social

4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Mandatory indicators applicable to sovereign assets:

15. GHG intensity
16. Investee countries subject to social violations

The BNPP AM "SFDR Disclosure Statement: Sustainability Risk Integration and PASI Considerations" contains detailed information on the consideration of principal adverse impacts on sustainability factors.
https://docfinder.bnpparibas-am.com/api/files/874ADAE2-3EE7-4AD4-B0ED-84FC06E090BF
Furthermore, the financial product's annual report explains how principal adverse impacts on sustainability factors are taken into account during the year.

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

The sustainable investments are analysed on a regular basis to identify issuers that are potentially in breach of the United Nations Global Compact principles, 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. This assessment is conducted within the BNPP AM Sustainability Center based on internal analysis and information provided by external experts, and in consultation with the BNP Paribas Group CSR team. Issuers associated with serious and repeated breaches of these principles are placed on an "exclusion list" and no longer eligible for investment. Existing investments must be withdrawn from the portfolio in accordance with an internal procedure. If an issuer is considered at risk of non-compliance with one of these principles, it is placed on a "watchlist",

if applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✖ **Yes** The product takes principal adverse impacts on sustainability factors into account by systematically implementing the responsible investment pillars defined in the GSS as part of its investment process. These pillars are governed by company-level policies that define identification, assessment and prioritisation criteria and describe how adverse impacts on sustainability factors caused by issuers are to be managed or mitigated.

The RBC Policy establishes a common framework for all investments and economic activities that helps to identify sectors and behaviours presenting a high risk of adverse impacts in contravention of international standards. As part of the RBC Policy, sector-specific policies establish a tailored approach to identifying and prioritising principal adverse impacts based on the nature of the economic activity and, in many cases, the geographic region in which it takes place.

The ESG Integration Guidelines include a series of commitments that are important for mitigating the principal adverse impacts on sustainability factors and guiding the internal ESG integration process. The proprietary ESG rating methodology includes an assessment of a number of adverse impacts on sustainability factors caused by the companies in which we invest. The results of this assessment may have an impact on valuation models and the portfolio construction process, depending on the severity and scale of the adverse impacts identified.

The investment manager therefore takes principal adverse impacts on sustainability factors into account throughout the investment process by using proprietary ESG scores and building a portfolio with a better ESG profile than that of its reference investment universe.

As part of its forward-looking perspective, the investment manager has defined a set of performance targets and indicators that can be used to measure the extent to which its research, portfolios and engagement efforts align with the three key themes identified (the “3Es”: Energy transition, Environmental sustainability, Equality & inclusive growth) in order to support all investment processes.

Furthermore, the team responsible for the stewardship policy regularly identifies adverse impacts through ongoing research, collaboration with other investors and dialogue with NGOs and other experts.

The measures aimed at managing or mitigating principal adverse impacts on sustainability factors depend on the severity and scale of these impacts. These measures are based on the RBC Policy, the ESG Integration Guidelines and the Engagement and Voting Policy, which include the following provisions:

- Exclusion of issuers in breach of international standards and conventions and issuers involved in activities posing an unacceptable risk to society and/or the environment
- Dialogue with issuers in order to encourage them to improve their environmental, social and governance practices and, in so doing, mitigate potential adverse impacts
- Voting at the annual general meetings of portfolio companies to promote good governance and progress on environmental and social matters
- Ensuring that all portfolio securities are backed up by conclusive ESG research
- Managing the portfolios by ensuring that their overall ESG score is higher than that of the index or reference universe

Based on the above approach and depending on the underlying assets, the financial product takes into account and manages or mitigates the principal adverse impacts on sustainability factors listed below.

<u>Mandatory indicators applicable to companies:</u>

1. Greenhouse gas emissions (GHG)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
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Voluntary indicators applicable to companies:

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4. Investments in companies with no initiatives to reduce carbon emissions

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Mandatory indicators applicable to sovereign assets:

15. GHG intensity
16. Investee countries subject to social violations

The BNPP AM “SFDR Disclosure Statement: Sustainability Risk Integration and PASI Considerations” contains detailed information on the consideration of principal adverse impacts on sustainability factors. https://docfinder.bnpparibas-am.com/api/files/874ADAE2-3EE7-4AD4-B0ED-84FC06E090BF

Furthermore, the financial product’s annual report explains how principal adverse impacts on sustainability factors are taken into account during the year.

☐ **No**

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Investment objective: The objective of the FCP, classified as a standard money market variable net asset value (VNAV) fund, over a minimum investment period of one month, is to obtain performance equal to or above that of the Eurozone money market reference indicator (compounded €STR), after ongoing charges are taken into account, by investing in securities that take good governance and/or sustainable development criteria into account, on the basis of analysis conducted by the investment manager. In an environment of very low money market interest rates, the return achieved by the FCP may not be sufficient to cover management costs, and the net asset value of the FCP may experience a structural decline. The FCP’s investment policy is based on active management. Its reference indicator is used solely for comparison purposes. The portfolio manager is therefore free to choose the securities that make up the portfolio in accordance with the management strategy and investment restrictions.

Key features of the FCP: The investment process can be divided into four stages: macroeconomic analysis and market forecasts, tactical asset allocation by instrument type, selection of issuers and sectors, and selection of securities and yield curve positioning. The FCP is made up of investments in directly held securities and undertakings for collective investment (funds), selected using an assessment model that combines quantitative and qualitative analysis. The FCP has obtained the socially responsible investment (SRI) label. It follows an SRI strategy for directly held securities that entails selecting and assessing securities on the basis of non-financial criteria, and covers environmental (E), social (S) and governance (G) factors. These criteria are defined on the basis of the investment manager’s non-financial research, which is conducted in advance of the financial analysis. The FCP’s SRI strategy is based on a best-in-class approach aimed at identifying leading issuers in each sector (for corporate issuers) or geographical area (for governments) based on the ESG criteria identified. This analysis is tailored to the key issues in each issuer category. As part of its investment strategy, the FCP invests at least 90% of its net assets (excluding cash held on an ancillary basis in a sight account) in securities and funds whose ESG criteria have undergone analysis. It follows a “selective” approach whereby the non-financial investment universe is reduced by at least 20%. The non-financial investment universe is defined as comprising short-dated corporate bonds denominated in euro.

a) Regarding investments in directly held securities: The analysis criteria for selected issuers comply with the following ESG standards: compliance with sector-wide policies on controversial activities; exclusion of issuers that repeatedly breach one or more of the 10 principles of the United Nations Global Compact and/or the OECD Guidelines for Multinational Enterprises; exclusion of issuers deriving over 10% of turnover from controversial activities such as alcohol, tobacco, weapons, gambling and pornography; and exclusion of issuers with the worst ESG practices in each business sector. The dedicated team of ESG analysts assess both corporate issuers and governments using the ESG criteria defined by the investment manager. For example, environmental analysis may cover energy efficiency, social analysis may cover management of diversity, and governance analysis may cover the fight against corruption.

b) Regarding indirect investments via funds: The management team selects funds via ESG screening or a best-in-class approach for the purposes of investing in the companies with the best ESG practices in their sector.

c) Key methodological limits to the non-financial strategy: Certain companies held in the portfolio may have imperfect ESG practices and/or exposure to sectors facing major environmental, social or governance challenges. In terms of interest rate risk, the weighted average maturity (WAM) of the portfolio is limited to 60 days. In terms of credit risk, the weighted average life (WAL) of the portfolio is limited to 120 days. No securities have a lifecycle longer than two years, meaning that the time remaining until the next update of the interest rate is always 397 days or fewer. The FCP may invest more than 5% and up to 100% of its assets (20% for issuers in emerging countries) in different money market instruments issued or guaranteed separately or jointly by issuers authorised in the context of the derogating provisions of Article 17(7) of Regulation (EU) 2017/1131.

The FCP may invest 100% of its net assets in money market instruments, including negotiable debt securities or bonds, denominated in euro and/or other currencies (in which case systematic currency hedging through derivatives is used) issued by corporate, public or supranational issuers from any country. The FCP may invest up to 20% of the net assets in securities issued by companies headquartered in an emerging country.
The portfolio is made up of investment-grade securities. The investment manager uses an internal credit quality assessment process to ensure that the money market instruments in which the FCP invests qualify as investment grade. The investment manager uses internal resources to assess credit risk for the purposes of selecting the FCP's securities; ratings issued by rating agencies are used neither exclusively nor systematically. External ratings are used as part of the overall assessment of the credit quality of an issue or issuer, which the investment manager uses as a basis when determining its own convictions regarding security selection. Corporate debt may represent up to 100% of the net assets.
The portfolio manager may invest in derivatives traded on regulated and/or over-the-counter, French and/or foreign futures markets in order to hedge the portfolio against interest rate and/or currency risk. Securities in foreign currencies are systematically hedged via derivatives. Investors residing in France or another Eurozone country have no exposure to currency risk.
Elements of the investment strategy aimed at attaining the environmental or social characteristics promoted by this financial product, described below, are systematically incorporated throughout the investment process.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

- The financial product must comply with the RBC Policy by excluding companies implicated in controversies relating to poor practices on human rights, employment rights, the environment and corruption, as well as issuers operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.) on the grounds that such companies are considered in breach of international standards or the cause of unacceptable damage to society and/or the environment. Further information on the RBC Policy, and in particular on the criteria for sector exclusions, are accessible on the management company's website: Sustainability documents - BNPP AM Corporate English (https://www.bnpparibas-am.com/sustainability-documents/)
- The financial product will systematically integrate relevant ESG criteria into its investment analysis and decision-making processes
- ESG analysis based on proprietary ESG methodology must cover at least 90% of the financial product's assets (excluding cash held on an ancillary basis)
- The financial product's investment universe will be reduced by at least 20% through the exclusion of securities with low ESG scores and/or sector exclusions in accordance with the RBC Policy
- The average weighted ESG score of the financial product's portfolio must be higher than the average weighted ESG score of its investment universe

- The financial product will invest at least 15% of the assets in "sustainable investments" as defined in Article 2 (17) of the SFDR. The criteria used to classify an investment as a "sustainable investment" are set out above in answer to the question "What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?". The quantitative and qualitative thresholds can be found in the methodology available on the investment manager's website.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product's investment universe will be reduced by at least 20% through the exclusion of securities with low ESG scores and/or sector exclusions in accordance with the RBC Policy

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The ESG rating methodology involves assessing corporate governance using a set of standard key performance indicators for all sectors, coupled with sector-specific indicators.

Indicators relating to good governance practices, in particular as regards sound management structures, employee relations, remuneration of competent staff and compliance with tax obligations, include:

- Separation of powers (e.g. between the managing director and the chair)
- Diversity on the Board of Directors
- Director remuneration (remuneration policy)
- Independence of the Board of Directors and key committees
- Accountability of directors
- Financial expertise of the Audit Committee
- Respect for shareholders' rights and absence of anti-takeover mechanisms
- Existence of suitable policies (e.g. the fight against corruption, whistleblowing)
- Tax transparency
- Assessment of past governance incidents

The ESG analysis goes further than this framework to achieve a more qualitative assessment of the way in which the information in our ESG model is reflected in investee companies' culture and activities.

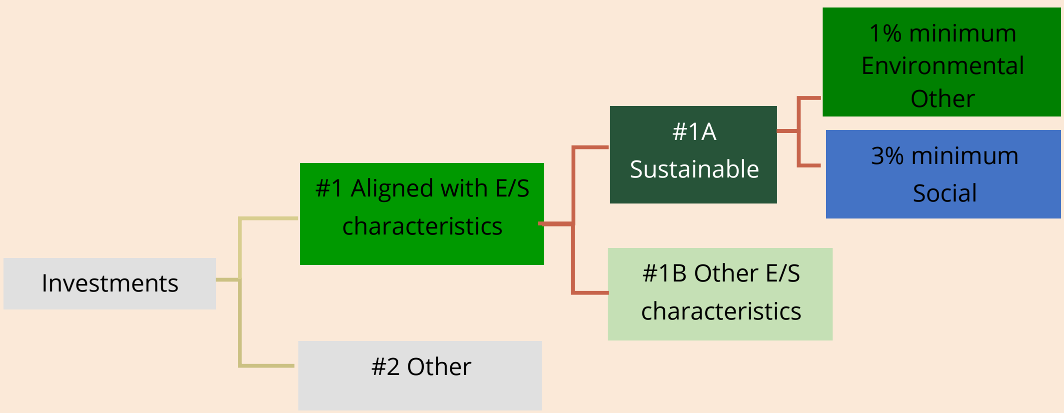
In certain cases, ESG analysts will attend due diligence meetings (dialogue) to better understand a company's approach to corporate governance.

Asset allocation describes the share of investments in specific 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.

What is the asset allocation planned for this financial product?

The investments used to meet the environmental or social criteria promoted by the financial product, taking into account the binding elements of its investment strategy, represent the proportion of assets with a positive ESG score coupled with a positive E or S score, and the proportion of assets that qualify as sustainable investments under BNPP AM’s internal ESG methodology. The minimum proportion of investments used to meet the environmental or social criteria promoted by the financial product is 50% The percentage stated represents a minimum commitment; the actual percentage of the financial product’s investments achieving the environmental or social characteristics promoted will be indicated in the annual report. The minimum proportion of sustainable investments is 15%.



#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 remainder of the investments may include:
- The proportion of assets not achieving the standards set by the management company, i.e. assets that do not have a positive ESG score coupled with a positive E or S score and assets that do not qualify as sustainable investments. These assets are used for investment purposes. Or
- Instruments used mainly for the purposes of liquidity, efficient portfolio management and/or hedging, such as cash, deposits and derivatives.

The management company will ensure that such investments do not adversely affect the financial product’s ESG profile. Furthermore, these investments are conducted in accordance with our internal processes, and with the following minimum environmental or social safeguards:

- The risk management policy. The risk management policy sets out mandatory procedures allowing the management company to assess the exposure of each of the financial products it manages to market, liquidity, sustainability and counterparty risk

- The RBC Policy, if applicable, by excluding companies implicated in controversies relating to poor practices on human rights, employment rights, the environment and corruption, as well as issuers operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.) on the grounds that such companies are considered in breach of international standards or the cause of unacceptable damage to society and/or the environment

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives can be used for the purposes of efficient portfolio management and/or hedging and/or investment, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.

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

N/A.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

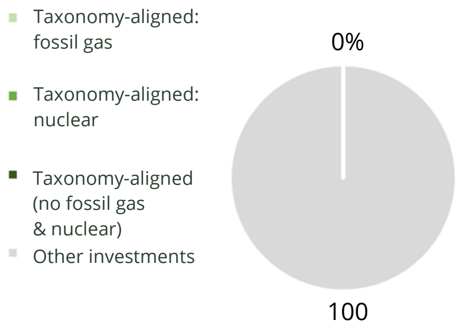
☐ Yes

☐ In fossil gas ☐ In nuclear energy

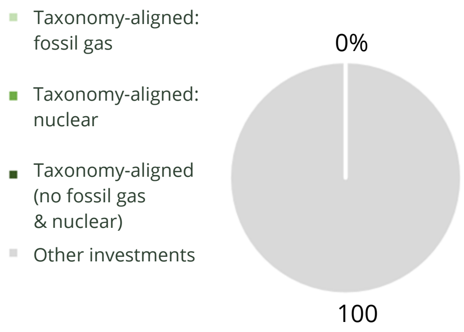
☒ No

The two graphs below show in green the minimum percentage of investments that are 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.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments

What is the minimum share of investments in transitional and enabling activities?

N/A.

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

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 1%.

This minimum share is deliberately low because the investment manager does not wish to prevent the product from investing in activities aligned with the EU Taxonomy Regulation as part of the product's investment strategy.

Accordingly, the investment manager is currently improving its systems for collecting data on alignment with the EU Taxonomy in order to guarantee that the information it publishes in relation to sustainability under the EU Taxonomy is accurate and sufficient. In the meantime, the financial product will invest in sustainable investments whose environmental objectives are not aligned with the EU Taxonomy Regulation.

What is the minimum share of socially sustainable investments?

Socially sustainable investments must represent at least 1% of the financial product.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The remainder of the investments may include:

- The proportion of assets not achieving the standards set by the investment manager, i.e. assets that do not have a positive ESG score coupled with a positive E or S score and assets that do not qualify as sustainable investments. These assets are used for investment purposes
-
- Instruments used mainly for the purposes of liquidity, efficient portfolio management and/or hedging, such as cash, deposits and derivatives.

The management company will ensure that such investments do not adversely affect the financial product's ESG profile. Furthermore, these investments are, where applicable, conducted in accordance with our internal processes, including the following minimum environmental or social safeguards:

- The risk management policy. The risk management policy sets out mandatory procedures allowing the management company to assess the exposure of each of the financial products it manages to market, liquidity, sustainability and counterparty risk
-
- The RBC Policy, if applicable, by excluding companies implicated in controversies relating to poor practices on human rights, employment rights, the environment and corruption, as well as issuers operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.) on the grounds that such companies are considered in breach of international standards or the cause of unacceptable damage to society and/or the environment

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

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been selected to attain the environmental or social characteristics promoted by the financial product.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  N/A.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A.

- ***How does the designated index differ from a relevant broad market index?***

  N/A.

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A.

Where can I find more product specific information online?

Users can find further information on the product at www.carmignac.com by selecting the relevant country, or by going straight to the "Sustainability information" section for the product.