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

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.

Product name: CARMIGNAC PORTFOLIO EMERGENTS **Legal entity identifier:** 969500VVKKCHDLC43L73

Sustainable investment objective

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

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective:** 5 %	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It made **sustainable investments with a social objective:** 35 %	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

During the 2022 period, the minimum proportion of sustainable investments was 50% of eligible assets and has been increased to 80%, a limit which will be applied from 1 January 2023. The minimum levels of sustainable investments with environmental and social objectives (as described above) will be 5% and 35% respectively of the net assets of the Fund, a limit which will also be applied from 1 January 2023. The carbon emissions reduction target has been increased from 30% to 50% below the reference indicator.

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

The Sub-Fund's sustainable objective in 2022 was to invest 50% of the Sub-Fund's net assets in shares of companies that derive at least 50% of their revenue from goods and services which align positively with one of the following 9 out of 17 United Nations Sustainable Development Goals ("the Sustainable Development Goals") selected for this Sub-Fund: (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. For more information on these UN Sustainable Development Goals, please visit https://sdgs.un.org/goals.

A company is considered 'aligned' when over 50% of their revenues come from activities which are deemed to contribute to one of the aforementioned nine UN SDGs. These 50% thresholds represent a significant intentionality of the company in regards to the contributing activity and its plans for growth.

In order to determine which companies are aligned, we have identified a robust business classification system and mapped 1700 different business activities. In addition, we have used the SDG Compass, a resource created by GRI, the UN Global Compact and the World Business Council for Sustainable Development to identify business activities which contributed to each SDG. In addition, we created Carmignac 'investable themes' based upon the business activities. Based on these themes, we have filtered through each business activity in the classification system, aligning the appropriate business activities with Carmignac's 'investable themes' and using the SDG targets to verify suitability. This was reviewed by members of the Responsible Investment (RI) and Investment team. Once the the 50% revenue threshold is met, the full weight of the holding is considered aligned.

The Sub-Fund contributes through its investments to the following environmental objectives: climate change mitigation and climate change adaptation. The Sub-Fund does not have as its objective a carbon footprint reduction aligned with the Paris Agreement but aims to achieve carbon intensity (tCO2/ mUSD revenue converted to Euros; aggregated at portfolio level (Scope 1 and 2 of GHG Protocol) 50% lower than its reference indicator MSCI EM index.

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

How did the sustainability indicators perform?

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

This Sub-Fund has used 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 as well as the attainment of its 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 more than 90% of issuers. As of 30/12/2022, the coverage rate of ESG analysis was 100% of issuers (excluding cash and derivatives).

2) The amount the equity universe is reduced by (minimum 20%): Negative screening and exclusions of unsustainable activities and practices reflected in low ESG scores from START, MSCI and or ISS scores and reserach have been performed based on following indicators : (a) practices that are harmful to society and the environment, (b) controversies against the OECD business guidelines and UN Global compact principles, (c) controversial weapons, (d) coal mining activity, (d) power companies that have not Paris alignment objectives in place, (e) carbon intensity limits, (f) companies involved in tobacco production, (g) companies involved in adult entertainment. Extended exclusions include the oil and gas sector, conventional weapons, gambling and animal protein processing companies. The universe is further reduced by the number of companies deemed not aligned according to our SDG alignment assessment. As of 30/12/2022, the universe was reduced by 67.61% of the portfolio.

3) Alignment with Sustainable Development Goals: the Sub-Fund makes sustainable investments whereby a minimum of 50% of the Sub-Fund's net assets are invested in shares of companies that derive at least 50% of their revenue from goods and services in relation to business activities which align positively with one of the 9 out of 17 United Nations Sustainable Development Goals selected by Carmignac. As of 30/12/2022, 93.3% of the Sub-Fund's net assets were invested in sustainable investments as defined above.

4) Active stewardship: Environmental and social related company engagements leading to improvement in companies sustainability policies are measured by folloiwng 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 2022, we engaged with 81 companies at Carmignac level, and 4 companies at Sub-Fund level. Thus, we exercised almost 100% of the votes for the companies in which we had holdings (98.28%).

The Sub-Fund aimed to have a carbon footprint (measured by carbon intensity) at least 30% lower than its reference indicator. As of 30th December 2022, the carbon dioxide emissions of the Sub-Fund (measured tCO2/ mUSD revenue converted to Euros; aggregated at portfolio level (Scope 1 and 2 of GHG Protocol) were 71 % lower than those of its reference indicator (MSCI EM NR (USD), dividends reinvested converted into EUR).
In addition, regarding the Principal Adverse Impact (PAI) monitoring, the Sub-Fund has applied the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 whereby 14 mandatory and 2 optional environmental and social indicators have been 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, 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 issuers are monitored for social norm violations of their GHG intensity.

Please find below the performance of the principal adverse impacts indicators for the year 2022, based on average quarter-end data, for the equity and corporate bond portions of the portfolio:

PAI Indicators	Based on company reported	Sub-Fund	Coverage
GHG Scope 1	Scope 1 GHG emissions	**4372,5**	99%
GHG Scope 2	Scope 2 GHG emissions	**5322,5**	99%
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions	**83330**	99%
Total GHG	Total GHG emissions	**93027,5**	99%
Carbon footprint	Carbon footprint	**321,5275**	99%
GHG intensity	GHG intensity of investee companies	**520,295**	99%
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector	**8%**	99%
Non-renewable energy consumption	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	**70%**	99%
Non-renewable energy production	Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	**100%**	99%
Energy consumptionintensity - Total	Energy consumption in GWh per million EUR of revenue of investee companies - Total	**0,345**	99%
Energy consumption intensity - NACE SectorA	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector A(Agriculture, forestry and fishing)	**N/A**	99%
Energy consumption intensity - NACE SectorB	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector B (Mining and quarrying)	**N/A**	99%
Energy consumption intensity - NACE SectorC	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)	**0,8375**	99%
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)	**1,705**	99%
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)	**N/A**	99%
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)	**N/A**	99%
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)	**0,0275**	99%
Energy consumption intensity - NACE SectorH	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector H (Transporting and storage)	**0,1975**	99%
Energy consumption intensity - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector L (Real estate activities)	**0,03**	99%
Biodiversity	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee	**16%**	99%

	companies negatively affect those areas		
Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	**2459,69**	99%
Hazardous waste	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	**0,48**	99%
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	**8940,01**	99%
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	**1%**	99%
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	**68%**	99%
Gender pay gap	Average unadjusted gender pay gap of investee companies	**82%**	99%
Board gender diversity	Average ratio of female to male board members in investee companies	**15%**	99%
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	**0%**	99%
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)	**55,2**	99%

...and compared to previous periods?

Not applicable as no previous periodic report has been provided.

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

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.

All of the the Sub-Fund’s investments (not only the sustainable investments) are examined for adherence to global norms on environmental protection, human rights, labor standards and anti-corruption, through controversy screening. More precisely, the investments 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.

Additionally, the Sub-Fund ensures that such activities do not significantly harm the environmental objectives.

Controversial behaviours engagement is aimed at eliminating a company’s breach of the UNGC and/ or OECD Guidelines for Multinational Enterprises and installing proper management systems to prevent such a breach from recurring. If engagement is unsuccessful, the company is considered for exclusion. Enhanced engagement cases are selected quarterly depending on the need for a follow-up. Engagement focus can differ between various investment exposures.

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

According to Carmignac approach defined, te Principal Adverse Impact indicators have been 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?

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 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 its investments. This process has for objective the exclusion from its investment universe companies that have committed significant controversies against the environment, human rights and international labour laws to name a few. This screening process bases its controversy identification on the OECD Business Guidelines and UN Global compact principles and is commonly called Norms-based screening, integrating a strict flagging system 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-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 Impact Cubed 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 Hyundai Motors as one of the main contributors to the Sub-Fund's underperformance in the UNGC/OECD compliance monitoring process. We engaged with Hyundai Motors in 2022. This engagement focused primarily on its progress in the areas of environment and governance. This engagement also addressed the environmental and social (production chain) controversies in which the company is involved. Given the commitments made by the company, we asked for more clarity on how the company intends to exercise sufficient oversight and ensure that it is acting in accordance with its long-term commitments, while informing investors of compliance with these commitments.

We will follow up with Hyndai Motors on the processes for monitoring the PAI UNGC/OECD compliance indicator and ensure that appropriate measures are implemented.

What were the top investments of this financial product?

Please find below the average top investments based on 12 month end data for 2022 for the equity section of the portfolio :

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

Larger investments	Sector	% Assets	Country
SAMSUNG ELECTRONICS	Information Technology	8.76%	South Korea
TAIWAN SEMICONDUCTOR	Information Technology	4.72%	Taiwan
GRUPO BANORTE	Financials	4.43%	Mexico
H.K EXCHANGES AND CLEARING LTD	Financials	3.31%	Hong Kong
B3 BOLSA BALCAO	Financials	3.15%	Brazil
NEW ORIENTAL EDUCATION & TEC	Consumer Discretionary	2.89%	China
LG CHEM	Materials	2.84%	South Korea
ANTA SPORTS PRODUCTS	Consumer Discretionary	2.83%	China
HYUNDAI MOTOR	Consumer Discretionary	2.76%	South Korea
DABUR INDIA	Consumer Staples	2.73%	India
ICICI LOMBARD GENERAL INSURA	Financials	2.61%	India
ENN ENERGY HOLDINGS	Service to Local Authorities	2.56%	China
MERCADOLIBRE INC	Consumer Discretionary	2.32%	Argentina
LENOVO GROUP LTD	Information Technology	2.29%	China
HAIER SMART HOME CO LTD	Consumer Discretionary	2.27%	China

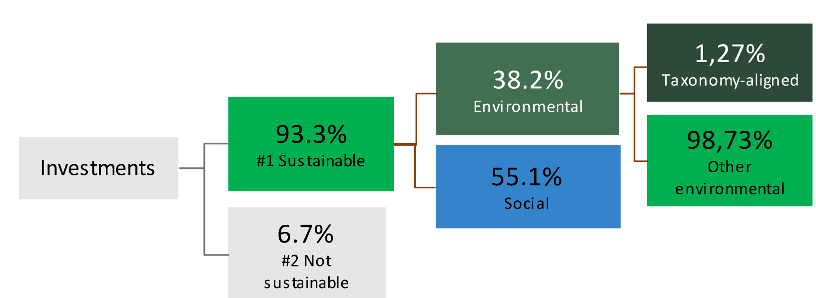
What was the proportion of sustainability-related investments?

As of 30/12/2022, 93.3% of the Sub-Fund's net assets were invested in sustainable investments.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

A minimum proportion of 50% of the investments of this Sub-Fund's equity assets is used to meet the environmental or social characteristics promoted by the financial product. As of 30/12/2022, 93.3% have been used to achieve the sustainable objective of the Sub-Fund.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

In which economic sectors were the investments made?

Please find below the average top sectors based on 12 month end data for 2022:

Larger economic sectors	% Assets
Consumer Discretionary	26.4%
Information Technology	21.2%
Finance	17.3%
Services to Local authorities	7.6%
Health Care	6.8%
Materials	4.2%
Consumer Staples	3.9%
Communication Services	3.8%
Industry	3.3%
Real Estate	2.7%

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

The Sub-Fund has an environmental objective linked to the Sustainable Development Goals and not to the European Taxonomy. As at 30/12/2022, its alignment with the EU taxonomy was 1.27%.

Did the financial product invest in fossil gas and/or nuclear energy related activties complying with the EU Taxonomy[6]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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.

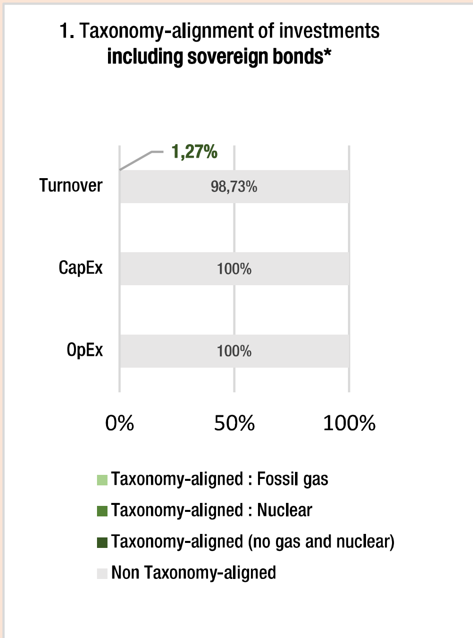
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

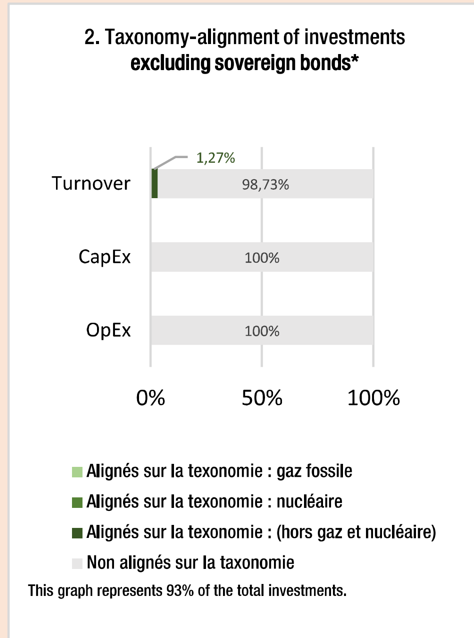
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[6] 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.

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.

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?

The share of investments made in transitional and enabling activities are :

- 1,25% of enabling activities investments : portion of companies' aligned revenue from activities that enable other activities to reduce their CO2 emissions.
- 0,00% of transition activities investments : portion of companies' aligned revenue from activities that contribute to the transition towards a net zero carbon economy by 2050.

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

Not Applicable

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

As of 30/12/2022, 38.2% of the Sub-Fund's net assets were invested in sustainable investments with environmental objectives not aligned with the EU Taxonomy.

What was the share of socially sustainable investments?

As of 30/12/2022, 55.1% of the Sub-Fund's net assets were invested in sustainable investments with social objectives.

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, and cash equivalent instruments, for liquidity management purposes. The Sub-Fund may also invest in derivatives instruments for hedging purposes.

To the extent that the Sub-Fund enters into short positions by using single issuer derivative instruments, the firm-wide exclusions are applied. The derivatives on single issuers are examined for adherence to global norms on environmental protection, human rights, labor standards and anti-corruption, through controversy (“norms-based”) screening. More precisely, the investments 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.

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

The below listed actions were conducted at Carmignac in 2022 in order to support the investment process in meeting environnemental /social characteristics :

Pillar 1: ESG Integration

- Addition of supplementary Social indicators (employee and consumer satisfaction data) in the proprietary START ESG scoring process informing analysts of material aspects that can affect the investment rational.
- Improved tracking capacity of Green, Social, Sustainability, and Sustainability linked bonds to help monitor and produce future reporting in the Global Portfolio Monitoring system, a portfolio managers dashboard of the funds positions.
- The addition of the proprietary sovereign ESG scoring models (Impact and Global) into the START interface enhancing the efficiency and knowledge base for the portfolio management team.
- Integration of Principal Adverse Impacts monitoring and initiation of a policy to integrate this information of Environmental, Social and Human rights indicators into the investment rational.
- Increased automated monitoring of the universe reduction process.
- Addition into the START proprietary ESG system of UN Sustainable Development Goals alignment mapping measured in % revenues for each company where there are ties of business activities directly related to the nine SDGs we chose and being investable.
- Weekly monitoring of the minimum % of Sustainable Investments shared by Investment Teams

Pillar 2: Exclusions

- Automation of the quarterly review process of the list to identify companies that would be subject to the sector or controversy hard exclusions and the universe reduction process if relevant.

Pillar 3: Voting and Engagement

- Introduction of a ‘key vote’ approach to prioritise companies that are identified for more focused voting recommendations and potential engagements related to vote decision, in particular “Say on climate” votes.
- Launch of quarterly Stewardship newsletters to showcase to clients publicly how we promote active ownership.
- Continuation of our quarterly corporate engagement plan for which close to 58% were related to either Environmental or Social or Governance thematic-related issues.

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 2022, we engaged with 81 companies on ESG specific topics at Carmignac level, and with 4 companies in this particular Sub-Fund.

For example, we engaged with Dabur India in August 2022, prior to casting our vote at its annual general meeting. We contacted the company for clarification on its executive remuneration plan. The company's explanation led to a vote of support for both remuneration resolutions on the agenda. However, we voted against having a family representative on the company's board, to signal our concerns about the low level of independence of the board. Following our vote, we have engaged with the company in September 2022 to provide a response on both issues.

On executive remuneration, we asked for more transparency on long-term incentive awards and more clarity on the different elements of their salary package. We stressed to the company our expectation that there should be a clear link between pay levels and performance. On board independence, the slow turnover of the board meant that only 29% of the board was considered independent at the time of the AGM. The company acknowledged our comments and explained that they were in the process of renewing the board, but that these changes were taking time. Finally, while welcoming their ambitious target of carbon neutrality by 2040, we asked for a roadmap in next year's report.
Following this commitment, and after reviewing the case with the Chief Investment Analyst, we decided to downgrade the company's governance rating as well as its overall rating in our internal proprietary ESG rating tool, START. We will continue to monitor the company's practices, including transparency and reporting.

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

Not Applicable

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

- ***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?***

Not Applicable