CARMIGNAC
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STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

CARMIGNAC GESTION LUXEMBOURG

April 2023

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1. PRINCIPLE ADVERSE IMPACTS (PAI) INTEGRATION STATEMENT

SUMMARY

Carmignac Gestion Luxembourg (LEI number 222100590PZVW6FA2J28), as financial market participant, confirms that it considers principal adverse impacts on sustainability factors (PAIs) in the investment decision as part of the conduct of its activity and as part of the management of financial products. We have incorporated this information in the Due Diligence process on underlying investments.

At entity level, Carmignac Gestion Luxembourg (LEI number 222100590PZVW6FA2J28) has started to take into account PAIs in January 2022 and will report annually year-end numbers by the 30th of June 2023.

At product level, as of January 2022, Carmignac has committed to apply the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 whereby 14 mandatory (16 for funds that include sovereign bond investments) and 2 optional environmental and social indicators (selected by Carmignac's Sustainable Investment (SI) team for pertinence and coverage under the supervision of Carmignac ESG Governance Committee composed of Senior Management representatives), will be monitored (please find this list of indicators in section 2) for all Article 8 and 9 funds.

DESCRIPTION OF THE PRINCIPLE ADVERSE IMPACTS OF INVESTMENT DECISION ON SUSTAINABILITY FACTORS (PAI) INTEGRATION POLICY

The European Union's Sustainable Finance Disclosure Regulation (SFDR) aims to ensure that investors have the disclosures they need to make investment choices in line with their sustainability goals. In order to achieve this, financial market participants are required to state whether principal adverse impacts on sustainability factors are considered in their investment decision making process.

As responsible investors, we consider part of our fiduciary duty to mitigate environmental, social and governance (ESG) impacts across all financial products when investing on behalf of our clients. We believe that all investments have impacts on society and the environment. By integrating ESG analysis into our investment process, we are able to seek for long-term performance through risk mitigation, identifying growth opportunities and recognizing the financial value of intangible assets, while striving to achieve positive outcomes for society and the environment.

Our approach to integrate ESG impacts into our investment process funds can be divided into 4 steps:

AVOID – We avoid companies whose negative impacts conflict with our principles and values. Due to their activity, standards or behaviour, we exclude them from our investment universe. We choose to only invest in companies with sustainable business models that exhibit long-term growth perspectives.

ANALYSE – We analyse the firm's ESG impacts alongside conventional financials. Our proprietary ESG research system helps us to assess the impact of a company's business on the world – and the world's impact on its business – to capture as many risks and opportunities as possible.

ENGAGE – We engage with companies on ESG-related issues, considering data points on principal adverse impact indicators. This includes helping instill best practices, clarifying our views or holding senior management accountable when issues arise.

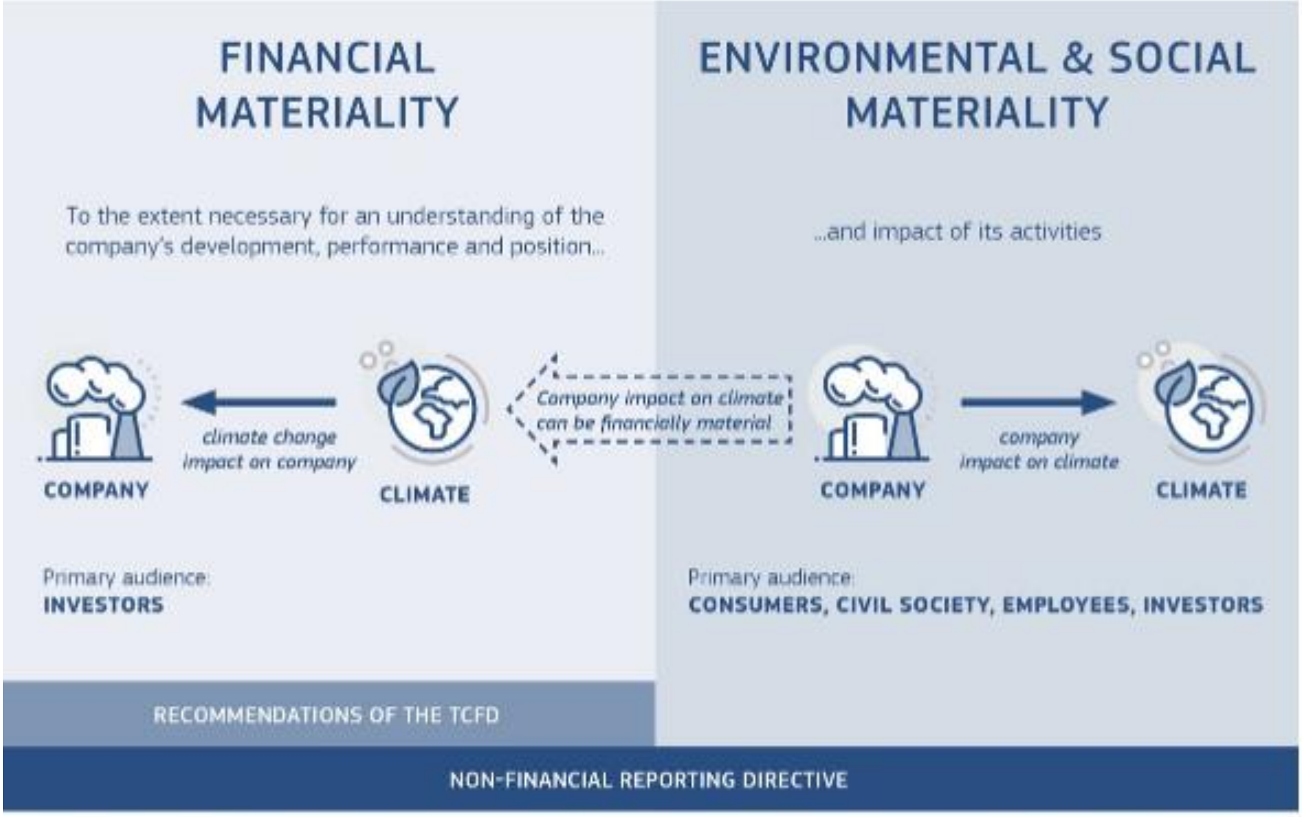
COMMUNICATE – We communicate our actions and achievements with our clients. We will provide full transparency related to PAIs at fund level primarily through our website, where we publish fund documentation, reports, policies and insights from our experts.

Carmignac will employ PAI at a legal entity level (article 4 of SFDR 2019/2088) once the adequate disclosures are made in the relevant funds under perimeter in their precontractual and periodic disclosures in the first half of 2023.

DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITIZE PRINCIPLE ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Carmignac Gestion Luxembourg believes that monitoring and prioritising both the impacts of environmental and social issues on investments decisions and the impact of those investments on environmental and social issues is part of our objectives and duty as a responsible investor.

This interconnectivity is called "Double Materiality" and is best described by this simple graphic below as noted in the **Guidelines on non-financial reporting: Supplement on reporting climate-related information written by the European Commission** **(**20/06/2019):



* *Financial materiality is used here in the broad sense of affecting the value of the company, not just in the sense of affecting financial measures recognised in the financial statements.*

Impacts on climate are only part of the necessary consideration of sustainability indicators. Carmignac believes Social and Human Rights related indicators are useful in assessing material impact by a company or a sovereign entity on its communities.

Measuring negative impacts of a company's operations or its goods and services (and subsequently Carmignac's investments in that company) is a complex task, particularly knowing where to stop in a company's supply chain and what level of transparency and accuracy can be achieved in this measurement. On the 30th of March 2023, the ESG Governance Group from Carmignac which is composed of Senior Management representatives from all legal entities of the Group formally approved the below statements and underlying policies. Carmignac Gestion Luxembourg has committed to applying the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 whereby 14 mandatory (16 for funds that include sovereign bond investments) and 2 optional environmental and social indicators (selected by Carmignac's Sustainable Investment (SI) team for pertinence and coverage under the supervision of Carmignac ESG Governance Committee composed of Senior Management representatives), will be monitored (please find this list of indicators in section 2).

As part of our investment process and under the supervision of the Sustainable Investment team, we prioritise certain indicators depending on the company's industry and geography. Most PAIs are already integrated into our proprietary research platform START which ranks companies according to the ESG indicators that are the most material in their peer group.

Sourcing the data

Impact Cubed offers environmental social and governance (ESG) impact integrated investment solutions and has been appointed by Carmignac for the initial PAI reports' generation to provide the indicators under the RTS rules and definitions based on their methodology and mix of company source data and estimations for the year 2022. Through this service, Carmignac also has access to an online reporting tool to be able to monitor the evolution of PAIs during the year.

As of today, Carmignac Gestion Luxembourg considers that the company will be able to gather at the entity level information related to the 16 PAI mentioned in by June 30th, 2023.

Data gathering

At each end of quarter, portfolios' holdings of all securities are uploaded into the Impact Cubed web tool for PAI calculation. Corporate debt, sovereign debt and equity holdings are in the scope of this report, excluding derivatives and cash.

There is no best effort required to consolidate information on the mandatory and optional PAIs.

Identification of outliers

Excel format reports are downloaded for internal use including the relevant fund benchmark PAI, to identify potential negative impacts compared to a general market allocation.

Consistency verifications

Taking into account margin of errors due to: 1. the evolving nature of company reported data, 2. evolving estimation and calculation methodologies from third party data providers and, 3. third party data coverage, the Sustainable Investment team scrutinises the consistency of reports and data and discusses the results with the relevant Portfolio Managers in order to define and prioritize action plans (including potential engagements with the company).

Materiality analysis

The objective is to identify the most material risks. Reflections that are made and questions that are asked in relation to the PAI results:

- Do we consider that the PAI results stated in the report are close to reality (estimation, adequate metric, comparison to peers and benchmarks)?
- Are the risks material for the company, the environment, society?
- Are the risks avoidable?
- Can we influence the company's actions?
- Are these risks inherent in the business activities of the company i.e. Oil and gas and fossil fuel involvement?

Once PAIs are identified and prioritize in coordination with relevant portfolio manager, the Sustainable Investment implement defined action plan.

ENGAGEMENT POLICY

Key actions resulting from the analysis PAI will be conducted in line with Carmignac engagement Policy.

Carmignac has identified the following three themes as being material to all portfolios and investee companies: Climate, Empowerment and Leadership. These themes happen to be linked with principal adverse impacts and cannot be addressed in silos. Our Sustainable Investment teams leverages engagements on these themes with negative impacts identified through the PAI monitoring process.
More information can be found in our ESG expectations document.

After the analysis of PAIs, if an investee company is already included in the quarterly Engagement plan, the Sustainable Investment team will confirm the accuracy of actions already defined and monitor the engagement.

After the analysis of PAIs, if it is identified that the company needs to be added to the Engagement plan, the Sustainable Investment team will determine the engagement objectives with the relevant member of the portfolio management team and conduct accordingly.

For some investee companies, if some underperforming PAIs are deemed minor in terms of materiality, then the company is not added to the engagement plan. Nevertheless, the Sustainable Investment team in coordination of the portfolio management team will use the quarterly monitoring to assess any deterioration or the need for further action.

The Sustainable Investment team will monitor PAIs on a historical basis in order to identify trends and assess the consistency of actions taken. The results of the monitoring will be shared with relevant Portfolio Managers in order to ensure the continuity as well as the awareness of the evolution of the negative impacts, while making sure that adequate actions are taken.

An engagement may lead to divestment as per the principle our engagement policy, if no appropriate reduction of the principal adverse impact is identified over more than one period. The engagement is duly reported in the Engagement tool in START[1], the proprietary ESG scoring platform at Carmignac.

[1] START (System for Tracking and Analysing a Responsible Trajectory): The proprietary ESG system START combines and aggregates market leading data providers ESG indicators. Given the lack of standardization and reporting of some ESG indicators by public companies, not all relevant indicators can be taken into consideration. ESG scores attributed in START are between A and E with A being the highest ESG score START provides a centralized system whereby Carmignac's proprietary analysis and insights related to each company are expressed, irrespective of the aggregated external data should it be incomplete. For more information, please refer to our website: https://www.carmignac.co.uk/en_GB/responsible-investment/in-practice-4744

The analysis and the actions conducted will be reported on an annual basis to the ESG Governance Group in order to ensure adequate supervision for Senior Management.

REFERENCES TO INTERNATIONAL STANDARDS

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. We evaluate the breaches through proprietary analysis and with the support of external providers to assess their severity. An enhanced engagement process is applied to companies with severe breaches of these principles. If this enhanced engagement process, which may take up to three years, does not result in the desired change, Carmignac will exclude the company from its investment universe.

The following two PAIs are monitored on a quarterly basis and enable to identify potential violations of international standards and can trigger engagements with companies:

1. Violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises
2. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises

Regarding our approach to the integration of climate risks, we have taken a broader approach incorporating Paris alignment as an international standard through the monitoring of Physical and Transition risks for all our portfolios and scenario analysis.

Physical risks involve risks to infrastructures, impact on operations, water and raw material availability and supply chain disruptions (IPCC, 2020[2]). The frequency and intensity of physical risks vary considerably and is difficult to predict. The financial consequences of such events can be very important. In fact, climate-related hazards have resulted in losses of around $5.2 trillion between 1980 and 2018. We implement three Climate Change Scenarios for 2030 and 2050.

These future climate change scenarios are based on IPCC Representative Concentration Pathways and Shared Socioeconomic Pathways and informed by the TCFD technical guidelines[3]. The Sustainable dataset from S&P Trucost evaluates climate change physical risks for decadal averages from the 2020s to the 2090s[4].

[2] For more information, please follow this link: https://www.ipcc.ch/site/assets/uploads/2021/02/Risk-guidance-FINAL_15Feb2021.pdf

[3] For more information, please follow this link: https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-2017-TCFD-Report-11052018.pdf

[4] For more information, please follow this link: https://www.support.marketplace.spglobal.com/en/datasets/alternative/trucost_climate_change/physical_risk_scores_and_financial_impact_ methodology_220901.pdf

- High Climate Change Scenario (SSP5-8.5): Low mitigation scenario in which total greenhouse gas emissions triple by 2075 and global average temperatures rise by 3.3-5.7C by 2100.
- Medium Climate Change Scenario (SSP2-4.5): Strong mitigation scenario in which total greenhouse gas emissions stabilize at current levels until 2050 and then decline to 2100. This scenario is expected to result in global average temperatures rising by 1.3-2.4C by 2100.
- Low Climate Change Scenario (SSP1-2.6): Aggressive mitigation scenario in which total greenhouse gas emission reduce to net zero by 2050, resulting in global average temperatures rising by 1.3-2.4C by 2100, consistent with the goals of the Paris Agreement.

Transition risks refer to the risks associated with the transition to a low carbon economy. Transitioning to a lower-carbon economy can result in extensive policy, legal, technology and market changes related to climate change (IPCC, 2020).

Although transition risks may pose varying levels of financial risks, the magnitude of risks can be reduced by developing awareness and flexibility. Quantifying transition risk can be understood as analysing a full range of outcomes. To assess portfolio alignment under the various warming scenarios, Trucost use a transition pathway approach.

The Alignment data adopts the following two key methodologies highlighted by the SBTi:

- The Sectoral Decarbonisation Approach (SDA)
- The Greenhouse gas Emissions per unit of Value Added (GEVA)

2. LIST OF INDICATORS AND METHODOLOGY NOTE

You will find below more information on the Indicators and calculation methods:

3. Greenhouse gas emissions

Calculation method: For all scopes, Impact Cubed takes data as disclosed by the company and quality-assures it before approval. Total GHG emissions are taken as the sum of Scope 1, 2 and 3 emissions. The values are then used in accordance with the following formula (tonnes GHG):

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company'Scope\ (x) GHG\ emissions_i\right)$$

Estimation method for undisclosed data: When data is not disclosed, Impact Cubed employs a bottom-up analysis using our industry classification system, which divides the economy into 2,300 industry subsectors to categorise the products of every individual listed company. This is further enhanced by an in-house geographic revenue model so we can stratify the economy into region-subsectors. Every region-subsector is analysed to identify the relevant industry averages. If Scope 1, 2 or 3 emissions are estimated for a company, total emissions are flagged as an estimated value.

Data source: Company reports
Frequency of data updates: Annually.

4. Carbon footprint

Calculation method: Carbon footprint is calculated according to the following formula (tonnes GHG emissions/ €m enterprise value).

$$\frac{\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company's\ Scope\ 1, 2\ and\ 3\ GHG\ emissions_i\right)}{current\ value\ of\ all\ investments\ (€m)}$$

Estimation method for undisclosed data: When data is not disclosed, Impact Cubed employs a bottom-up analysis using our industry classification system, which divides the economy into 2,300 industry subsectors to categorise the products of every individual listed company. This is further enhanced by an in-house geographic revenue model so we can stratify the economy into region-subsectors. Every region-subsector is analysed to identify the relevant industry averages. If total emissions are estimated for a company, carbon footprint will also be flagged as an estimated value.

Data source: Company reports
Frequency of data updates: Enterprise value is updated quarterly. Emissions and the book value of debt are updated annually.

5. GHG intensity (investee companies)

Calculation method: GHG intensity of an investee company is calculated in accordance with the following formula (tonnes GHG/ €m revenue):

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€m)} \times \frac{investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €m\ revenue_i}\right)$$

Estimation method for undisclosed data: When data is not disclosed, Impact Cubed employs a bottom-up analysis using our industry classification system, which divides the economy into 2,300 industry subsectors to categorise the products of every individual listed company. This is further enhanced by an in-house geographic revenue model so we can stratify the economy into region-subsectors. Every region-subsector is analysed to identify the relevant industry averages. If total emissions are estimated for a company, greenhouse gas intensity will also be flagged as an estimated value.

Data source: Company reports
Frequency of data updates: Revenue is updated quarterly, and emissions are updated annually.

6. Exposure to companies in fossil fuel sector

Calculation method: Impact Cubed sources the percentage of company revenue derived from fossil fuel sources. If 5% or more of revenue is derived from fossil fuels, companies are assigned a value of 1 to indicate exposure. Otherwise, a company is assigned a value of 0 and is considered not exposed.

Estimation method for undisclosed data: Estimation is not required for this indicator, as companies' product exposure is not estimated. Companies are classed as either having fossil fuel-derived revenue or not.

Data source: Company reports
Frequency of data updates: Quarterly.

7. Non-renewable energy consumption and production

Calculation method: Impact Cubed utilises values as reported by the company (% of total energy from non-renewable sources).

Estimation method for undisclosed data: When data is not disclosed, Impact Cubed applies a country grid average to the geographic breakdown of company activities. Grid average is sourced from Our World in Data's "Share of electricity production from renewables" dataset based on the BP Statistical Review of World Energy & Ember (2021).

Data source: Company reports
Frequency of data updates: Annually.

8. Energy consumption intensity per high-impact climate sector

Calculation method: Impact Cubed utilises values as reported by the company and reports values for all sectors, not just high-impact climate sectors (GWh/ €m revenue).

Estimation method for undisclosed data: When data is not disclosed, Impact Cubed employs a bottom-up analysis using our industry classification system, which divides the economy into 2,300 industry subsectors to categorise the products of every individual listed company. This is further enhanced by an in-house geographic revenue model so we can stratify the economy into region-subsectors. Every region-subsector is analysed to identify the relevant industry averages.

Data source: Company reports
Frequency of data updates: Revenue is updated quarterly, and energy consumption is updated annually. Changes to revenue explain quarterly movements.

9. Activities negatively affecting biodiversity-sensitive areas

Impact Cubed's proxy definition: Share of investments in investee companies with sites/operations or revenue in biodiversity-sensitive countries defined by the IUCN Red List Index.

Calculation method: Impact Cubed utilises a proxy indicator by applying the IUCN Red List Index to the geographic breakdown of company activities. The Red List Index, also used for the UN SDGs, captures the level of aggregate extinction risk across groups of species. At a country level, a weighted average is calculated from the proportion of each species' (in the index) global range based in that particular country. This is a value between 0 and 1, where lower values indicate higher extinction risk. Based upon peer reviewed science reports such as Newbold et al's (2016) "Has land use pushed terrestrial biodiversity beyond the planetary boundary? A global assessment", Impact Cubed has set a threshold of 0.72 to classify a country as biodiversity sensitive or not. If a country falls below 0.72, they are assigned a value of 1 to indicate they are biodiversity sensitive and are assigned 0 otherwise. Companies then receive a weighted average value based upon their geographic exposure to biodiversity sensitive countries.

Estimation method for undisclosed data: No data is disclosed for this proxy. Proxy values are estimated based upon a company's disclosed geographic breakdown data and transformed via the above method.

Data source: Company reports for geographic breakdown of activities.
Frequency of data updates: Company-specific data is updated quarterly, and the IUCN Red List Index is updated annually. Company-specific data updates explain quarterly movement.

10. Emissions to water

Impact Cubed's proxy definition: Tonnes of emissions to water generated by investee companies per million euros invested. For emissions, country average untreated waste water is used instead of priority substances.
Unit: tonnes/€m revenue

Calculation method: Impact Cubed applies the total water reported by the company (or estimated by Impact Cubed) to country average untreated to treated waste water (tonnes/ €m revenue).

Estimation method for undisclosed data: When company water usage is not disclosed, Impact Cubed employs a bottom-up analysis using our industry classification system, which divides the economy into 2,300 industry subsectors to categorise the products of every individual listed company.
This is further enhanced by an in-house geographic revenue model so we can stratify the economy into region-subsectors. Every region-subsector is analysed to identify the relevant industry averages. Country average waste water levels are then applied to the estimated water use. Both reported and estimated water use data are then transformed to estimate the proxy.

Frequency of data updates: Annually.

11. Hazardous waste ratio

Calculation method: Impact Cubed utilises values as reported by the company (tonnes/ €m revenue).

Estimation method for undisclosed data: When companies do not report the breakdown of waste into hazardous and non-hazardous, Impact Cubed uses the total waste and disaggregates it using sector averages. If no waste data is disclosed, we calculate in-house estimate for total waste based on country-sector averages and break it down as before.

Data source: Company reports for waste (hazardous and non-hazardous).
Frequency of data updates: Annually.

12. Water usage and recycling (optional)

Impact Cubed's proxy definition: The average amount of water used by the investee companies (in cubic metres) per million euros of their revenue.

Calculation method: Impact Cubed utilises data on fresh water use or withdrawal depending on disclosure by companies (cubic metres of fresh water/ €m revenue).

Estimation method for undisclosed data: When data is not disclosed, Impact Cubed employs a bottom-up analysis using our industry classification system, which divides the economy into 2,300 industry subsectors to categorise the products of every individual listed company. This is further enhanced by an in-house geographic revenue model so we can stratify the economy into region-subsectors. Every region-subsector is analysed to identify the relevant industry averages.

Data source: Company reports
Frequency of data updates: Annually.

13. Violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises

Calculation method: Impact Cubed utilises information reported by the company and other publicly available vetted sources to assess whether a violation has taken place. This is then amended using publicly available information on "norms"-violating companies published by selected European investors.

Estimation method for undisclosed data: Estimation is not required for this indicator, as all violations are explicitly identified from publicly available vetted news sources and documented accordingly.

Data source: Company reports and vetted sources
Frequency of data updates: Annually.

14. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises

Calculation method: Impact Cubed utilises information as reported by the company. If there is no publicly available information indicating that a company has implemented processes to monitor compliance, it is assumed to have none.

Estimation method for undisclosed data: Estimation is not required for this indicator, as companies are assigned a binary value based on disclosure.

Data source: Company reports
Frequency of data updates: Annually.

15. Unadjusted gender pay gap

Calculation method: Impact Cubed takes values as reported by the company.

Estimation method for undisclosed data: When data is not disclosed by companies, Impact Cubed uses a web scraping algorithm to collect sector level gender pay gap information from employee sites, such as Payscale, on a yearly basis. This is combined with country-level gender pay gap data disclosed by most governments in the world to produce a country-sector weighted average. Every region-subsector is analysed to identify the relevant industry averages.

Data source: Company reports, government websites and employee survey sites
Frequency of data updates: Annually.

16. Board gender diversity

Calculation method: Impact Cubed utilises values as reported by the company.

Estimation method for undisclosed data: Board gender diversity is well disclosed and little estimation is needed. When required, estimation is based on company revenue(s) and business activity/ies mapped to a country-sector industry average.

Data source: Company reports
Frequency of data updates: Annually.

17. Exposure to controversial weapons

Calculation method: Impact Cubed utilises information reported by the company and other publicly available vetted sources, such as news articles and NGO reports, to assess whether a company is exposed to controversial weapons. This is then amended using publicly available information published by selected European investors.

Estimation method for undisclosed data: Estimation is not required for this indicator, as companies are assigned a binary value based on disclosure and publicly available information. If companies do not state their product exposure and there are no indications in the public domain that a company is involved with controversial weapons, it is assumed not to be.

Data source: Company reports and other publicly available vetted sources
Frequency of data updates: Annually.

18. Excessive CEO pay ratio (optional)

Impact Cubed's proxy definition: Average ratio within investee companies of the annual total compensation for the CEO (or the average of C-level management team members in the absence of CEO pay) to the average annual total compensation for all employees.

Calculation method: Impact Cubed takes the CEO's total compensation or other top management compensation depending on company disclosure. All compensation includes short-term and long-term variable pay components, such as performance bonuses and stock options. Average employee compensation is calculated by taking total personnel expense and dividing by the number of employees.

Estimation method for undisclosed data: When total personnel expense data is not available, Impact Cubed uses alternative means to estimate average employee compensation, such as country-level average salaries for employees in a particular industry combined with employee count. Impact Cubed also uses country-sector averages to estimate CEO pay when not available.

Data source: Company reports
Frequency of data updates: Annually.

19. Greenhouse Gas intensity (sovereigns and supranationals)

EU definition:
GHG intensity of investee countries.
Unit: tonnes/€m GDP
Polarity: ↓, lower value is better
Data source: Global Carbon Project and Global Carbon Budget
Calculation method: Impact Cubed uses data from the Global Carbon Project and calculates the GHG intensity of sovereigns according to the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€m)} \times \frac{investee\ company's\ Scope\ 1, 2\ and\ 3\ GHG\ emissions_i}{gross\ domestic\ product_i\ (€m)}\right)$$

Estimation method for undisclosed data: Estimation is not required, as data is available for all debt-issuing countries.
Frequency of data updates: Annually.
Fund level aggregation: Scale weights to one.

20. Social violations

EU definition: Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.
Impact Cubed's proxy definition: Number of investee countries subject to sanctions by the UN, or by the US, the EU, the UK, and Japan.

Unit: Binary indicator; 1 if country has sanctions imposed on it, 0 otherwise
Polarity: ↓, lower value is better
Data source: Sanctions lists by UN, US, EU, UK, and Japan
Calculation method: Impact Cubed utilises government sanctions lists published by the US, the EU, the UN, the UK, and Japan. A portfolio weighted average is used to calculate the fund level value.

Estimation method for undisclosed data:
Estimation is not required for this indicator, as countries are assigned a binary value based upon whether they appear on sanctions list.
Frequency of data updates: Annually.
Fund level aggregation: Do not scale weights to one.

3. PAI INDICATORS SAMPLE REPORT

	Based on company reported	Fund	% Fund disclosed
GHG Scope 1	Scope 1 GHG emissions		
GHG Scope 2	Scope 2 GHG emissions		
GHG Scope 3	From 1 January 2023, Scope 3 GHG emissions		
Total GHG	Total GHG emissions		
Carbon footprint	Carbon footprint		
GHG intensity	GHG intensity of investee companies		
Exposure to fossil fuels	Share of investments in companies active in the fossil fuel sector		
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		
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		
Energy consumption intensity – Total	Energy consumption in GWh per million EUR of revenue of investee companies – Total		
Energy consumption intensity – NACE Sector A	Energy consumption in GWh per million EUR of revenue of investee companies – NACE Sector A (Agriculture, forestry, and fishing)		
Energy consumption intensity - NACE Sector B	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector B (Mining and quarrying)		
Energy consumption intensity - NACE Sector C	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector C (Manufacturing)		
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)		
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)		
Energy consumption intensity - NACE Sector F	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector F (Construction)		
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)		

Energy consumption intensity - NACE Sector H	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector H (Transporting and storage)		
Energy consumption intensity - NACE Sector L	Energy consumption in GWh per million EUR of revenue of investee companies - NACE Sector L (Real estate activities)		
Biodiversity	Share of investments in investee companies with sites/operations located in or near to biodiversity -sensitive areas where activities of those investee companies negatively affect those areas		
Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average		
Hazardous waste	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average		
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		
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		
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		
Gender pay gap	Average unadjusted gender pay gap of investee companies		
Board gender diversity	Average ratio of female to male board members in investee companies		
Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons		
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)		

DISCLAIMER