NN

Website Disclosure - SFDR

Product name : NN Carmignac Emergents Fund
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a) Summary

This Fund invests in sustainable investments in accordance with Article 9 of the Sustainable Finance Disclosure Regulation ("SFDR").

The Fund's sustainable objective is to invest a minimum of 80% of its net assets in shares of companies that derive at least 50% of their revenue from goods and services or invest at least 50% of their CAPEX in relation to business activities which align positively with one of the following 9 out of 17 United Nations Sustainable Development Goals ("the Sustainable Development Goals") selected for this 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.

As part of its objective, this Fund seeks to make at least 5% of sustainable investments with an environmental objective and 35% with a social objective in accordance with Article 9 of the Sustainable Finance Disclosure Regulation ("SFDR").

Not sustainable investments of aforementioned net assets (Maximum 20%) are cash and derivative instruments, which may be used for hedging purposes.

The Fund also aims to achieve carbon emissions 50% lower than its reference indicator (MSCI EM index) measured monthly by carbon intensity (tCO2/ mUSD revenue converted to Euros; aggregated at portfolio level (Scope 1 and 2 of GHG Protocol).

The investment universe is assessed for ESG risks and opportunities recorded in Carmignac proprietary ESG platform "START" (System for Tracking and Analysis of a Responsible Trajectory). The extra-financial analysis is implemented in the investment strategy by undertaking activities described below whereby the Fund's investment universe is actively reduced by at least 20%.

Negative screening and exclusions of unsustainable activities and practices reflected in low ESG scores from START, MSCI and or ISS scores and research are performed based on the 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, (e) power companies that have not Paris alignment objectives in place, (f) companies involved in tobacco production, (g) companies involved in adult entertainment. Other extended exclusions may apply and can be consulted further below in this document.

From an active stewardship perspective, environmental and social related company engagements are performed with an objective leading to improvement in companies' sustainability policies (active engagement and voting policies - number of engagements - level of attainment versus the 100% objective of participation at shareholder and bondholder meetings).

All the investments of the Fund are examined for adherence to global norms on environmental protection, human rights, labour standards and anti-corruption, through controversy screening. Furthermore, this Fund is committed to considering Principal Adverse Impacts whereby 14 mandatory and 2 optional environmental and social indicators and if relevant 2 Sovereign-related PAIs, are as indicated in the Annex 1 of the SFDR Level II 2019/2088.

This Fund uses the following sustainability indicators to measure the attainment of the sustainable objective:

- Alignment with Sustainable Development Goals,
- The coverage rate of ESG analysis,
- The amount the equity and bonds, where applicable, universe is reduced by (minimum 20%),
- Low carbon intensity target,
- Principal Adverse Impacts indicators,
- Active stewardship voting participation rate.

Further information regarding the methodology of monitoring the aforementioned indicators can be found in the document below.

The investment team are ultimately responsible for the proprietary ESG assessment. The auto populated START score is determined by a proprietary formula comparing companies within 90 peer groups aggregated by capitalization, sector and region. An upgrade or downgrade of this score can be made during the proprietary analysis and commentary by the financial or ESG analyst. The START score statistics are monitored for bias, frequency, and coherence by the Sustainable Investment team.

All sectorial and controversy exclusions are hard exclusions. The Sustainable investment team have a separate reporting line to the Managing Director of Carmignac UK branch.

The Fund uses several data sources that are aggregated into the Carmignac proprietary ESG System START. The sources are FactSet for revenue data, corporate filings for CAPEX data, S&P Trucost for carbon emissions data, TR Refinitiv for raw company ESG data, MSCI and ISS ESG for controversial behaviours, UNGC and OECD Business and Human Rights Norms screening.

The Fund's sustainability risk may differ from the sustainability risk of the Reference indicator.
In terms of methodology, our SDG Framework is just one framework that can be used to illustrate positive outcomes; there are others that may yield different results

The attainment of the sustainable objective is ensured on a continuous basis through monitoring and controls and will be published monthly on the Fund's webpage

The Fund has not designated a reference benchmark for the purposes of showing the attainment of the sustainable investment objective.

b) No sustainable investment objective

All the investments of the Fund 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 United Nations Guiding Principles on Business and Human Rights. Additionally, the 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.

Furthermore, this Fund is committed to applying the SFDR level II 2019/2088 Regulatory Technical Standards (RTS) annex 1 related to Principal Adverse Impacts whereby 14 mandatory and 2 optional

environmental and social indicators and if relevant 2 Sovereign-related PAIs, are as indicated in the Annex 1 of the SFDR Level II 2019/2088. 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 (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).

Adverse impacts are identified for degree of severity. After discussion with the investment team concerned 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.

c) Environmental or social characteristics of the financial product

The Fund's sustainable objective is to invest a minimum of 80% of its net assets in shares of companies that derive at least 50% of their revenue from goods and services or invest at least 50% of their CAPEX in relation to business activities which align positively with one of the following 9 out of 17 United Nations Sustainable Development Goals ("the Sustainable Development Goals") selected for this 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.

The Fund also contributes through its investments to the following environmental objectives: climate change mitigation and climate change adaptation. The Fund aims to achieve carbon intensity 50% lower than its reference indicator (MSCI EM index), measured monthly by carbon intensity (tCO2/ mUSD revenue converted to Euros; aggregated at portfolio level (Scope 1 and 2 of GHG Protocol).

The Fund has not designated a reference benchmark for the purposes of showing the attainment of the sustainable investment objective. The objective is an absolute target to invest 80% of net assets into companies on a continuous basis that are aligned to one of the aforementioned nine SDGs according to the predefined revenue or CAPEX thresholds (>50%).

d) Investment strategy

At least 60% of the Fund's net assets are exposed to equity markets, with no restriction on regions or types of capitalisation. At least two thirds of the issuers of equities and bonds held by the Fund have their registered office, conduct the majority of their business, or have business development prospects in emerging, including frontier, countries. The Fund adopts a socially responsible approach using best-in- universe selection process and both positive and negative screening to identify companies with long term sustainable growth criteria.

In addition to the aforementioned sustainable investment objectives, ESG integration is performed through the following procedures:

The investment universe is assessed for ESG risks and opportunities recorded in Carmignac proprietary ESG platform "START" (System for Tracking and Analysis of a Responsible Trajectory). The extra-financial analysis is implemented in the investment strategy by undertaking activities described below whereby the Fund's investment universe is actively reduced by at least 20%. The full process of the reduction of the investment universe is found in the corresponding Transparency Code on the Carmignac website. The initial universe for universe reduction purposes is the MSCI EM index and is composed of 1300 listed emerging markets stocks.

Negative screening and exclusions of unsustainable activities and practices reflected in low ESG scores from START, MSCI and or ISS scores and research are performed based on the 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, (e) power companies that have not Paris alignment objectives in place, (f) companies involved in tobacco production, (g) companies involved in adult entertainment. Extended exclusions include the oil and gas sector, conventional weapons, gambling and meat processing companies .

The universe is further reduced by the number of companies deemed not aligned according to our SDG alignment assessment.

From an active stewardship perspective, environmental and social related company engagements are performed with an objective leading to improvement in companies' sustainability policies (active engagement and voting policies - number of engagements - level of attainment versus the 100% objective of participation at shareholder and bondholder meetings).

In order to assess good governance practices, the Fund applies Carmignac proprietary ESG research system START, which gathers key governance indicators automated for over 7000 companies, including
1) the percentage of Audit Committee Independence, Average Board Tenure, Board Gender Diversity, Board Size, Compensation Committee Independence as it relates to sound management structures, 2) Executive Compensation, Executive Sustainability Incentive, Highest Remuneration Package as it relates to remuneration of staff. Employee relations are covered within Carmignac Social indicators (namely through employee satisfaction, gender pay gap, turnover of employees) within START.

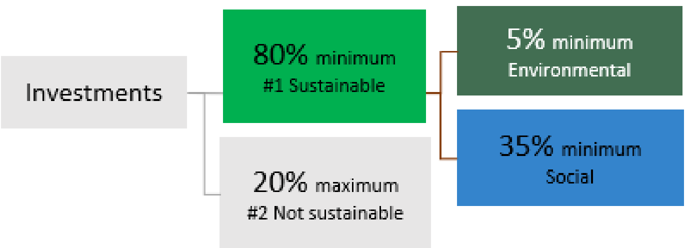
As for taxation, the Fund recognize companies in it investment universe which adhere to the OECD Guidelines for multinational enterprises on taxation and push for disclosure where necessary.

In addition, as signatory of the PRI, we Carmignac would expect from the companies it invests in to:

- o Publish a global tax policy that outlines the company's approach to responsible tax,
- o Report on tax governance and risk management processes; and
- o Report on a country-by-country basis (CBCR)

This is a consideration Carmignac increasingly integrates into its engagements with corporates and votes in support for more transparency via for example support for shareholder resolutions.

e) Proportion of investments



A proportion of 80% at a minimum of this Fund's net assets is used to meet the sustainable objective.

The minimum levels of sustainable investments with environmental and social objectives are respectively 5% and 35% of the Fund's net assets.

The "#2 Not sustainable investments" include cash and derivative instruments, which may be used for hedging purposes.

f) Monitoring of environmental or social characteristics

This Fund uses the following sustainability indicators to measure the attainment of the sustainable objective :

Alignment with Sustainable Development Goals: the Fund makes sustainable investments whereby a minimum of 80% of the Fund's net assets, which align positively with one of the 9 out of 17 United Nations Sustainable Development Goals. For further information on the United Nations Sustainable Development Goals, please refer to https://sdgs.un.org/goals. Our proprietary Outcomes Framework maps business activities to nine of the 17 United Nations Sustainable Development Goals

(SDGs), and deem them as 'investable' (i.e. companies are able to support progress towards these goals, through their products and services). The investable SDGs identified by Carmignac are listed above. In order to be considered SDG-aligned according to our Framework, a company must derive at least 50% of its revenues or invest at least 50% of their CAPEX related to business activities that have a positive contribution to at least one of the nine SDGs aforementioned. Once a company exceeds this 50% threshold, we consider the company to be 'aligned' for the Fund's entire economic exposure to that company as such when calculating Fund-level alignment.

The minimum levels of sustainable investments with environmental and social objectives are respectively 5% and 35% of the Fund's net assets.

The coverage rate of ESG analysis: ESG integration through ESG scoring using Carmignac's proprietary ESG platform "START" (System for Tracking and Analysis of a Responsible Trajectory) is applied to at least 90% of issuers.

The amount the universe is reduced by (minimum 20% of equities and bonds where applicable): Negative screening and exclusions of unsustainable activities and practices reflected in low ESG scores from START, MSCI and or ISS scores and reserach are 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, (e) power

companies that have not Paris alignment objectives in place, (f) carbon intensity limits, (g) companies involved in tobacco production, (h) companies involved in adult entertainment. Extended exclusions include the oil and gas sector, conventional weapons, gambling, and meat processing companies .The universe is further reduced by the number of companies deemed not aligned according to our SDG alignment assessment.

Low carbon intensity target: the Fund aims to achieve carbon emissions 50% lower than its reference indicator MSCI EM (EUR) (Reinvested net dividends), as mentioned above.

Principal Adverse Impacts indicator monitoring whereby 14 mandatory and 2 optional environmental and social indicators (selected by the Responsible Investment team for pertinence and coverage) will be monitored to show the impact of such sustainable investments against these indicators as mentioned above.

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.

g) Methodologies

SDG alignment methodology. A company is considered 'aligned' and defined as a sustainable investment when over 50% of their revenues or over 50% of their CAPEX invested are related to 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 50% revenue or CAPEX threshold is met, the full weight of the holding is considered aligned.

ESG analysis methodology. The Carmignac's proprietary ESG platform "START" (System for Tracking and Analysis of a Responsible Trajectory) provides a platform that aggregates raw company ESG data of 31 ESG indicators, if available, across Environmental, Social and Governance pillars. Overall ESG scores for companies grouped by sector, capitalisation and region are computed. The investment team members are responsible for company proprietary ESG analysis and confirms the START score and analysis by a commentary of ESG risks and integrates these analyses into the investment decisions. The START platform is available on the Verity RMS internal database for investment research accessible to all investment staff.

ESG Sovereign debt scoring methodology. Carmignac's proprietary Global Sovereign debt scoring model (Global Model) screens and scores 100 countries which are ranked between 1 (bad) & 5 (good), with dispersion across the full range of scores. For any criteria, countries' ESG rankings are based both on 1) spot data and 2) recent evolution/trends. These two rankings are then converted into an overall rating between 1 (bottom) & 5 (top) . The dynamic rating is overweighed for emerging countries (75%) and underweighted for developed countries (25%) in order to reward recent ESG-positive trends and to mitigate structural under-investment of developing countries in ESG projects. For any E, S & G pillar, criteria rankings are then averaged to get a pillar scoring. This score is then adjusted either positively or negatively, where appropriate, as a result of forward-looking qualitative analysis. The overall ESG score is composed of the equally weighted average of the three components E, S, and G.
Negative screening and exclusions methodology. Carmignac employs ESG related exclusions and specific extended Fund exclusions, as mentioned above, which are hard exclusions implemented into the compliance tool CMGR linked to the BBG Aim Portfolio Management Order system. Every quarter the Exclusion lists are reviewed by the Sustainable Investment team including the following updates: index reweighting, revised revenue data and revenue thresholds and new investments. The updated list is uploaded and monitored by the Risk Management team. For further information please refer to the Exclusion policy on the Carmignac Sustainable Policy and Reports web page.

Principal Adverse Indicator (PAI) Impact methodology. Carmignac sources the Principle Adverse Impact indicators for all funds classified as Article 8 or 9 under the EU SFDR from the data provider Impact Cubed. Each indicator data point is sourced and averaged over 4 quarters before a yearly publication is made. The definitions for each of the 14 mandatory equity-related PAIs plus two optional, and if relevant 2 Sovereign-related PAIs, are as indicated in the Annex 1 of the SFDR Level II 2019/2088. Publication and full methodology will be published on the Carmignac Sustainable Investment website in 2023 in line with the aforementioned Disclosure requirements.

Stewardship and engagement methodology. The Fund exercises it votes to seek a 100% voting participation target through the proxy voting provider ISS. The Portfolio Manager has control of the voting choice and exercises that right with the recommendation of the Sustainable Investment team. ESG and controversy related Engagements led by the Sustainable investment team are programmed each quarter, the outcomes of which, are documented in the Engagement tool within the Investment team Verity RMS database. For further information please refer to the Stewardship Report on the Carmignac Sustainable Policy and Reports web page.

h) Data sources and processing

(a) The data sources used to attain the environmental and social characteristics of the financial product: The Fund uses several data sources that are aggregated into the Carmignac proprietary ESG System START. The sources are FactSet for revenue data, corporate filings for CAPEX data, S&P Trucost for carbon emissions data, TR Refinitiv for raw company ESG data, MSCI and ISS ESG for controversial behaviours, UNGC and OECD Business and Human Rights Norms screening. The Global sovereign scoring model obtains public information from, amongst others, the World Bank, the IMF, The Heritage Foundation, the Oxford University…

(b) The measures taken to ensure data quality: The Sustainable investment team includes ESG data experts who are in charge of automated checks such as identifying outliers in a data set, as well as verifying alternative data sources.

(c) How data are processed: as explained in the Methodologies section above. The revenue data (main criteria to monitor the sustainable objective) is monitored through FactSet and mapped through investable themes that are aligned with the aforementioned 9 of the 17 UN Sustainable Development Goals.

(d) The proportion of data that are estimated: ESG START scoring and company revenue data is not estimated. PAIs data, contain an average of 46% estimations whereby all reported PAIs are aggregated for all Carmignac eligible funds as of 30/09/2022. Carbon emissions data (Scope 1 and 2) are mainly based on fully disclosed company emissions declarations with few estimations.

i) Limitations to methodologies and data

The Fund's sustainability risk may differ from the sustainability risk of the Reference indicator.

In terms of methodology, our SDG Framework is just one framework that can be used to illustrate positive outcomes; there are others that may yield different results. The approach uses public revenue data and is based upon the UN SDGs' targets and literature. However, as the mapping of the specific business activities that are to be considered 'aligned' is proprietary, there may be variations between our approach and others.

j) Due diligence

Over 90% of the Funds' assets (listed equities, corporate and sovereign bonds where applicable) are assessed for ESG score and risks. Proprietary analysis is combined with the ESG scoring process of Carmignac's proprietary system START and the sovereign bond proprietary models (Global and Impact models) where applicable.

The investment team are ultimately responsible for the proprietary ESG assessment. The auto populated START score is determined by a proprietary formula comparing companies within 90 peer groups aggregated by capitalization, sector and region. An upgrade or downgrade of this score can be made during the proprietary analysis and commentary by the financial or ESG analyst. The START score statistics are monitored for bias, frequency, and coherence by the Sustainable Investment team. Periodically, both the sovereign and corporate START ESG proprietary scoring systems are back tested for potential improvement.

Regarding exclusions, on a quarterly basis the Carmignac company exclusion list and the fund specific exclusion lists if relevant are reviewed including the following updates: index reweighting, revised revenue data and impact on revenue thresholds, fund new holdings. These exclusions are entered via the compliance tool. All sectorial and controversy exclusions are hard exclusions. The Sustainable investment team have a separate reporting line to the Managing Director of Carmignac UK branch.

Regarding the sovereign ESG scoring, automation of both, the data gathering, and composition of the country scores, has removed most possibility of human error in its calculation.

k) Engagement policies

Carmignac operates active voting and engagement policies that reflect their environmental, social and governance themes. The voting participation target is 100% of all possible votes. An Engagement plan is established to identify engagements with companies in which we are invested that show poor management of ESG related risks, where Carmignac has identified a specific theme, or where a specific impact or investigation of a controversy is required.

l) Designated reference benchmark

The attainment of the sustainable objective is ensured on a continuous basis through monitoring and controls and will be published monthly on the Fund's webpage. The Fund has not designated a reference benchmark for the purposes of showing the attainment of the sustainable investment objective. The objective is an absolute target to invest a minimum of 80% of net assets into companies on a continuous

basis that are aligned to one of the aforementioned nine SDGs according to the predefined revenue or CAPEX thresholds (>50%).

In addition, the Fund’s Carbon emissions target is to achieve carbon intensity 50% lower than its reference indicator is monitored in real time basis through the global portfolio management system

The coverage rate of ESG analysis: ESG integration through ESG scoring using Carmignac’s proprietary ESG platform “START” is applied to at least 90% of issuers and is monitored and reported on a monthly basis.

Minimum universe reduction of 20%: Negative screening and exclusions of unsustainable activities and practices reflected in low ESG scores from, MSCI and or Controversy scores as well as Carbon emissions. The universe is further reduced by the number of companies deemed not aligned according to our SDG alignment assessment. This is monitored on a quarterly basis

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

Sustainability information contained in this product document has been compiled by NN Insurance Belgium SA/NV to the best of its ability. However, NN is dependent on the information on the various sustainability aspects made available by the asset managers. However, the legislation requiring this information to be made available only came into force on 1 January 2023. The information in this document has therefore been compiled on the basis of the information made available to date and may be modified and/or supplemented in line with the information that will be provided by asset managers in the coming years.