

East Capital Global Emerging Markets ex China H2 2025 Impact Report

This report outlines the Principal Adverse Impact (“PAI”) indicators according to the EU’s Sustainable Finance Disclosure Regulation (SFDR) and highlights the key metrics used to assess the fund’s investee companies’ impact on the surrounding world.

Principal adverse impact indicators	Units	Metric		% Coverage	
		Fund	Benchmark ¹	Fund	Benchmark ¹
Climate and other environment-related indicators					
Scope 1	Tonnes	129	n/a ²	92%	97%
Scope 2	Tonnes	315	n/a ²	92%	97%
Scope 3	Tonnes	2,491	n/a ²	91%	92%
Carbon footprint	Tonnes / EURm invested	14	121	92%	97%
GHG intensity (Scope 1 + 2)	Tonnes / USDm revenue	83	403	95%	95%
Exposure to fossil fuel sector	%	0	8	92%	98%
Non-renewable energy consumption	%	84	81	70%	79%
Non-renewable energy production	%	0	8	48%	49%
Negative biodiversity impact	%	0	5	92%	98%
Emissions to water	Tonnes / EURm invested	0.00	0.00	0%	0%
Hazardous waste	Tonnes / EURm invested	0.2	12.4	92%	98%
Social and employee indicators					
Violation of UNGC or OECD guidelines	%	0 ³	2	92%	98%
Lack of compliance mechanisms	%	57	53	92%	98%
Gender pay gap	%	32	27	2%	1%
Female board members	%	21	20	95%	98%
Controversial weapons	%	0 ³	0	92%	98%
Voluntary indicators					
Lack of deforestation policy	%	62	66	92%	98%
Lack of human rights policy	%	5	5	92%	98%

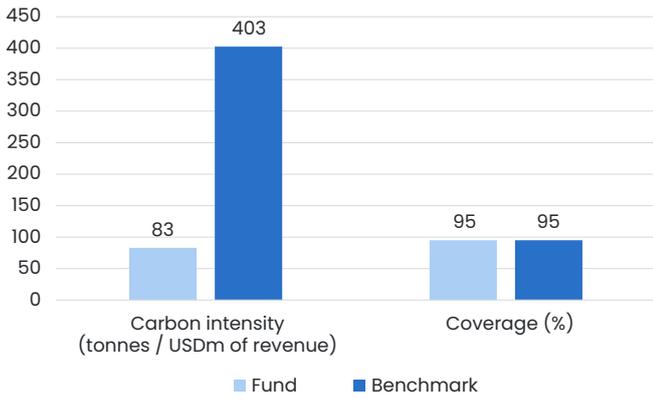
- Our fund’s **GHG intensity is 79% below the benchmark**. We do not invest in fossil fuel companies and would typically not invest in companies with a considerably higher GHG intensity than their peers.
- **Our funds have no, or very low, exposure to negative biodiversity impact / hazardous waste**, and we would not invest in high-risk companies as this would be misaligned with the SDGs. We are early adopters of the TFND and actively engage with portfolio holdings within Nature Action 100 initiative.
- Due to the lack of data on the gender pay gap (only 2% coverage) in our universe, we focus on **board gender diversity**. This remains a topic on which we often engage with our holdings. [Read more here](#).
- As a member of the Deforestation Investor Group (DIG, formerly Financial Sector Deforestation Action), we map **deforestation risks** in our portfolio and engage with high-risk companies on deforestation issues.

¹ MSCI Emerging Markets ex-China Index. While we note the benchmark for fund is a 10-40 version, due to data availability we use the standard version. We do not expect the differences in metrics to be material. No specific index has been designated as a reference benchmark for the purpose of attaining environmental or social objectives.

² We do not report data for the benchmark because this is an absolute measure that is related to the size of the fund, i.e. owning 1% of a company with 100 tonnes of Scope 1 emissions would result in 1 tonne of Scope 1 emissions attributable to the fund.

³ While coverage by the data provider is below 100%, our investment and screening processes imply full portfolio coverage on this parameter.

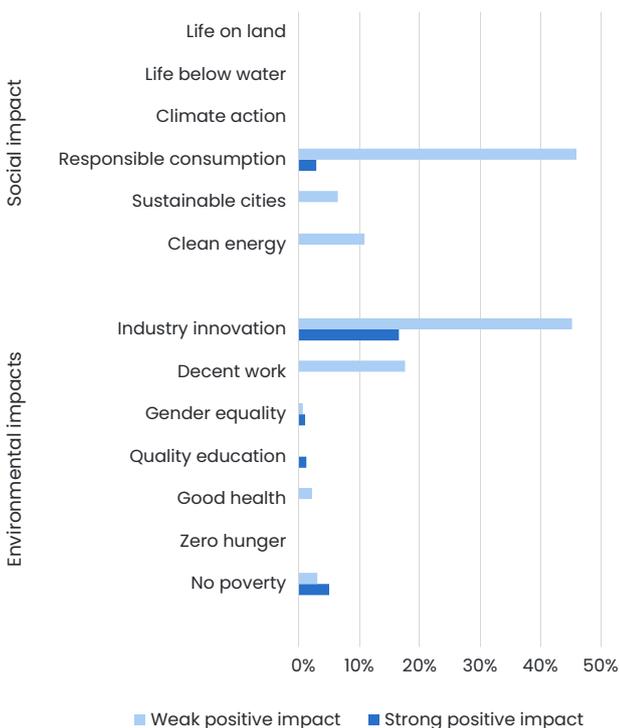
Carbon intensity versus benchmark



- While the data in the above table is largely sourced from an external provider, we calculate fund carbon intensity ourselves based on reported Scope 1 and 2 emissions in our internal database (i.e. we include emissions of companies that may not be picked up by data providers).
- Data coverage has increased dramatically in recent years, to the extent that only a handful of companies (around 5%) that have not yet reported emissions, largely because they have recently been listed and have not yet implemented reporting systems. This is partly due to regulation (particularly in India), but also to engagement efforts from investors like ourselves.

SDG impact

- We assess SDG impact using a proprietary tool, the details of which are explained in this [PRI case study](#).
- East Capital SDG VCA (value chain analysis): This tool looks across the value chain of each company to identify the two most material SDGs for that company’s value chain. The tool gives a score ranging from -100 to 100, based on current impact and a 3–5 year outlook. Impact is assessed based on **materiality, intentionality, additionality** and **criticality**.
- We currently estimate that 25% of the fund has a strong positive impact on one or more SDGs. As we require a score of above 25 (“weak positive impact”) for inclusion in the portfolio, all of our companies have a positive impact on at least one SDG.



Case studies

SDG 1: No Poverty

Genera is the leading microfinance institution in Mexico and Peru, providing financial services to underserved segments in the region. They have been the gateway, providing more than 13 million people with access to the financial system.



SDG 4: Quality Education

Laureate Education is the largest provider of private universities in Mexico, with 47% of its 470,000 annual students being first-generation. In 2024, the company provided USD 485 million in scholarships and discounts.



SDG 7: Affordable and Clean Energy

Cenergy is a Greek company which controls 60% of the inter-array market (cables that connect offshore wind projects), as well as manufacturing a wide range of other cables. The company has SBTi targets for all its subsidiaries and strong ESG metrics.



SDG 11: Sustainable Cities and Communities

Aldar Properties is one of the UAE’s largest real estate developers, with SBTi-approved near-term emissions-reduction targets covering Scope 1, 2 and 3. On a like-for-like basis, before the expansion of reporting boundaries in 2024, Aldar achieved a **7% reduction in Scope 3 emissions between 2021 and 2023**. The company continues to advance its energy transition and maintained a share of over **30% renewable-energy** in its latest reporting cycle.



SDG 12: Responsible Consumption and Production

Converge, the **Philippines** largest broadband provider, reduced its network GHG intensity by 39% between 2022 and 2024 (from 2.3 to 1.4 tCO₂e per petabyte) while sourcing 35% of its power from renewable energy in 2024. The company is targeting a 75% reduction in Scope 2 emissions by 2030.



Stewardship

- During 2025, we voted at **14 out of the total 15 shareholder meetings** (93%) for our Global Emerging Markets Sustainable Fund (the Ex-China fund launched in August 2025). In **22** (31%) meetings, we voted against some items.
- We voted against items that are not aligned with our voting policy, part of our [ESG policy](#), such as insufficient gender diversity at the board level or overly long auditor tenure.

Voting is an important part of our active ownership effort, and we typically follow up with management when we vote against items to ensure they understand the rationale for our actions.

Case study Sustainability themes driving alpha

In H2 2025, we invested in the Indian recycling company Jain Resources, which generated a 54% return for the fund in EUR in Q4 25. We also visited the company's operating facilities in Chennai to assess the management of its operations, particularly given the limited ESG disclosure following its recent IPO.

Business model and sustainability impact

The company is a diversified recycling business focussing on metals such as copper, lead and aluminium. Recycling copper uses up to 85% less energy than mining it, **while recycling aluminium uses up to 95% less energy**.

Regulatory tailwinds and industry formalisation

Recycling can have a harmful environmental and occupational impact, which is why the Indian government has moved to formalise the industry. Jain is benefiting from this trend. For example, the Extended Producer Responsibility (EPR) Act requires battery original equipment manufacturers (OEMs), to use an increasing proportion of certified recycled lead. Jain is one of the few companies able to provide this.

Site visit: E&S management

During our site visit, we inspected the lead recycling units, which use automated battery breakers. These fully enclosed machines crush batteries and automatically separate lead, plastic and acid, thereby removing workers' exposure to hazardous materials. The company also operates a zero-discharge policy, meaning that even the plastic is recycled rather than stored. In addition, the use of scrubbers ensures that any air leaving the smelting unit passes through a series of treated filters that trap lead dust and neutralise acidic gases (SO_x) before they reach the atmosphere. We therefore left satisfied that the company was adequately managing its environmental and social footprint.



Visiting Jain Resources in November 2025 — Ritish Rangwalla, Senior Analyst (Independent), and David Nicholls, CFA, Portfolio Manager.

Definition of sustainable investment

At East Capital, ESG analysis is carried out by the Portfolio Managers and Analysts covering the companies, using robust proprietary tools, such as the [East Capital ESG scorecard](#) and the [East Capital SDG VCA](#). The analysis is then reviewed by the ESG team.

- We classify “sustainable investment” using three binding elements that leverage the results of these proprietary tools. These elements are outlined to the right.
- As of 30 December 2025, we assessed that **98.0%** of the fund was classified as sustainable.
- The remaining 2% of the fund was cash, which we maintain for liquidity reasons.

1. Sector based and norms-based screening

- I. Companies with >5% of their revenues from fossil fuels, weapons, tobacco, gambling, pornography and alcohol.
- II. We also use a third-party provider to check for breaches of the UN Global Compact.

2. SDG VCA tool with at least 25

- I. This ensures companies have a net positive impact on the SDGs

3. Companies are classified as sustainable according to our “three-step test”.

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|-----------------------------------|---|
| I. Contribution to E and/or S | >60% score in E&S section of the ESG scorecard. |
| II. No significant harm to E or S | No red flags related to E&S issues and compliance in screening. |
| III. Good governance practices | >60% in G section of the ESG scorecard and no more than 2 red flags related to G. |

Important information: Investment in funds always involves some kind of risk. Past performance is no guarantee for future performance. Fund units may go up or down in value up and investors may not get back the amount invested. Full information on East Capital’s funds, such as the prospectus, key information document in English and financial reports can be obtained free of charge from East Capital, from our local representatives and are available on East Capital’s website. The availability of East Capital’s funds may be limited or restricted in some countries. The information about East Capital’s funds is only directed at those investors located where East Capital is authorised to make this information available and is not intended for any use which would be contrary to local law or regulation. Every effort has been made to ensure the accuracy of the information herein, but it may be based on unaudited or unverified figures and sources, for which under no circumstances East Capital shall be answerable.