GMO Funds plc
GMO Investment Management Company (Ireland) Limited
Grantham, Mayo, Van Otterloo & Co. LLC

(each a "Company", and the Companies and the sub-funds within the Companies (as applicable), the "Funds")

Framework adopted in relation to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR")

1. Introduction

This document describes the framework (the "Framework") which each Company has adopted in relation to the SFDR. This Framework is without prejudice to the rules on risk integration under the UCITS Directive and/or the AIFMD, as applicable. This Framework is adopted by GMO only with respect to the AIFs that it manages.

References herein to the "Company" or "we", "us" or "our" shall where appropriate, be deemed to include references to the Company itself and/or any one or more delegate portfolio managers appointed by the Company to carry out investment decision making as a delegate of the Company including, without limitation, the Investment Manager.

It is the responsibility of the board of directors of each Company (the "Board"), as applicable, to ensure that the design of the Framework is appropriate for the Company, given the nature, scale and complexity of the Company and its Funds under management. The designated persons of each Company that is a UCITS or UCITS management company, where relevant to their respective managerial functions and as appropriate, provide assistance and advice to the Board in relation to the design, implementation, compliance and periodic review of this Framework.

2. Definitions

"**Alternative Investment Funds**" or "**AIFs**" means AIFs as defined in point (a) of Article 4(1) of Directive 2011/61/EU;

"**Alternative Investment Fund Manager**" or "**AIFM**" means an AIFM as defined in point (b) of Article 4(1) of Directive 2011/61/EU;

"**Alternative Investment Fund Managers Directive**" or "**AIFMD**" means Directive 2011/61/EU, as amended, supplemented or replaced from time to time;

"**ESG**" means environmental, social and governance;

"**Financial Market Participant**" means:

(a) an AIFM; or

(b) a UCITS Management Company;

"**Fund**" means:

(a) a sub-fund within a Company;

(b) where a Company has no sub-funds, the Company itself, which may be an AIF or a UCITS; or

(c) a fund or sub-fund managed by the Company, which may be an AIF or a UCITS;

"**Investment Manager**" or "**GMO**" means Grantham, Mayo, Van Otterloo & Co. LLC;

"**Pre-Contractual Disclosures**" means:

(a) for AIFMs, the disclosures to investors referred to in Article 23(1) of the AIFMD;

(b) for UCITS Management Companies, the prospectus referred to in Article 69 of the UCITS Directive;

"**SRD II Shareholder Engagement Policy**" means the Shareholder Engagement Policy adopted by the Company from time to time;

"**Sustainability Factors**" mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters;

"**Sustainable Investment**" means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;

"**Sustainability Risk**" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;

"**Taxonomy Regulation**" means Regulation (EU) 2020/852 of the European Parliament and of the Council, as amended, supplemented or replaced from time to time;

"**UCITS Directive**" means Directive 2009/65/EC, as amended, supplemented or replaced from time to time;

"**UCITS Management Company**" means:

(a) a management company as defined in point (b) of Article 2(1) of the UCITS Directive; or

(b) an investment company authorised in accordance with the UCITS Directive which has not designated a management company authorised under that Directive for its management;

"**Undertaking For Collective Investment In Transferable Securities**" or "**UCITS**" means an undertaking authorised in accordance with Article 5 of the UCITS Directive.

3. Disclosure on integration of sustainability risk into investment decision making process[1]

The Company integrates relevant Sustainability Risks, whether material or likely to be material, in its investment decision making processes, including the organisational, risk management and governance aspects of such processes as set out below and, specifically for each Fund, as provided in the Pre-Contractual Disclosures in Appendix A to this Framework.

[1] Article 3 of SFDR

3.1 GMO's Commitment to ESG

A core component of successful security analysis is the evaluation and incorporation of information beyond that reflected solely in company-reported financial information. Since the firm's founding in 1977, GMO has sought to reflect the insight gained from systematic evaluation of formerly non-traditional financial measures (such as asset class valuation and company quality) and non-financial measures (such as corporate behaviour and default risk) into our investment strategies.

The Company believes that ESG factors can have a meaningful impact on the long-term success of companies and countries. It is our policy to incorporate ESG factors into the investment decision-making and issuer engagement activities, where doing so will improve risk-adjusted returns and furtherance of the investment objectives of our Funds.

We are committed to continuously improving our understanding of how the integration of ESG factors can improve our Funds' investment results. We expect that our use of ESG factors and the role they play in the Funds will continue to evolve and expand as both our internal research and analysis of market-based ESG information expand. In addition, we are also committed to improving the transparency regarding how ESG information is considered in our investment strategies.

3.2 GMO's Firm-wide Oversight Commitment

The integration of ESG factors into GMO's investment processes is overseen by our ESG Oversight Committee, which consists of our Head of Investment Teams and select senior investment and business professionals. While the importance of ESG factors varies across our investment teams and strategies, we have established a firm-wide ESG risk monitoring process, which includes regular discussion and review of ESG factors. By including both investment and business professionals in our oversight processes, we ensure that representatives of all stakeholders are included in our conversations. Our ESG Practice Lead brings subject-matter expertise to the forefront of discussions.

3.3 GMO's Investment Research Commitment

While there is a plethora of data becoming available on ESG metrics, we look to differentiate our approach by limiting our focus to those considerations which can improve a strategy's risk-adjusted return potential. We evaluate such measures on an equal-footing with other areas of investment research, looking to identify factors whose inclusion can provide forward-looking information for differentiating expected investment returns, within an investment strategy's targeted investment horizon.

While not historically categorized as stand-alone ESG factors, our equity and fixed income teams all include qualitative or quantitative assessments of corporate and sovereign governance. Additionally, our research suggests that a number of the investment characteristics we consider today are highly correlated with traditional ESG factors and have served as an effective ESG proxy.

We subscribe to a variety of ESG-related data sources such as MSCI, Sustainalytics and CDP. In addition to company-level ESG analysis, we believe, that country-level ESG risks also have a potential to significantly impact returns. Therefore, we have built a proprietary country-level ESG assessment framework sourcing data from a variety of public sources combined with our internal resources. Ongoing projects include building a proprietary company-level ESG database by identifying material ESG signals from the aforementioned external sources, as well as leveraging internal resources and alternative data sets. As the available ESG information expands across asset classes, we will continue to enhance our ability to differentiate across asset classes based on existing and new measures.

3.4 GMO's Stewardship Commitment

For all companies in which we invest, we look to identify key drivers for the creation or destruction of shareholder value, and understand the actions taken by company management that may influence these drivers. Aggressive accounting, management behaviour and shareholder friendliness are examples of factors which can influence our assessment.

For investment teams that engage directly with company management, the degree to which they do so varies. In some cases, the team may meet with company management to confirm impressions gleaned from in-depth research, or to encourage the systematic reporting of non-financial information to improve transparency on ESG metrics. In other cases, the team may utilize conversations with management and on-site visits as an integral part of the investment process. In general, the teams that use company engagement as a key part of their process, carefully consider situations in which they believe (1) management is undertaking positive change and there is an opportunity to capture the upside potential associated with the change, or (2) the value of strong management has been recognized and is already priced into the stock. Ultimately, the process centres upon assessing whether management's decisions and corporate resources are sufficient to execute in a manner that will have a positive or negative impact on a company's value. The Investment Manager is also a participant in the Climate Action 100+, a multi-year initiative to engage systematically important greenhouse gas emitters and other companies across the global economy that have significant opportunities to drive clean energy transition.

GMO views proxy voting as an integral aspect of security ownership and the function is conducted with the same degree of prudence and loyalty accorded any fiduciary or other obligation of an investment manager. We believe the alignment of company management's goals with those of its shareholders and other stakeholders is the strongest route to protect our clients' investments as minority stakeholders. We seek to vote proxies in a manner that encourages and rewards behaviour that supports the creation of sustainable long-term growth, and in a way consistent with the investment mandate of the assets we manage for our clients. For further details please refer to the SRD II Shareholder Engagement Policy which can be found at www.gmo.com.

While each investment team may utilize a different approach to fulfil its stewardship responsibilities, in all cases we believe that strong corporate governance can be identified and rewarded.

3.5 GMO's Collaboration Commitment

We believe transparency in how we integrate ESG in our investment process will help develop meaningful dialogue amongst stakeholders, including asset owners, investment managers and companies. As a signatory to the UN-sponsored Principles for Responsible Investment ("PRI"), the Investment Manager completes the PRI reporting process on an annual basis and the Investment Manager's PRI Transparency and Assessment Reports are available upon request. These reports highlight GMO's activities and progress made towards implementing the six principles of the PRI.

In addition to the PRI, the Investment Manager has added its voice as a member, supporter, or signatory to other groups that share our views regarding the importance of ESG factors, including: the CDP (formerly Carbon Disclosure Project), the CDP

Science-Based Targets Campaign, the Transition Pathway Initiative, Investors Against Slavery and Trafficking, the ACT Accelerator, Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD), the Japan Stewardship Code, the Singapore Stewardship Principles, and the U.K. Stewardship Code.

3.6 GMO's Commitment to Climate-Related Risk Management

GMO believes that climate-related risks have the potential to become an existential threat to the world over the coming years. GMO is therefore committed to identifying, monitoring, managing and reporting climate-related risks and opportunities in the Fund's portfolios. Climate risks include both transition risks i.e. impact resulting from the de-carbonization of the world economy, as well as physical risks i.e. damage caused by hurricanes, typhoons, droughts, wildfires, and other extreme weather events. GMO supports the TCFD recommendations and are working towards developing climate scenario analysis for each of the GMO's key portfolios, which will support disclosures in line with the recommendations of the TCFD. In addition, we believe significant growth opportunities exist for companies focused on mitigating greenhouse gas emissions or helping the world adapt to the consequences of climate change and therefore, since 2017, have been managing a standalone climate change strategy to identify and support these opportunities.

4. Transparency of Adverse Sustainability Impacts

The Companies do not consider the adverse impacts of their investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Companies do not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Companies' position on this matter will be reviewed at least annually.

5. Transparency of Remuneration Policies in Relation to the Integration of Sustainability Risks

Each of GMO Funds plc and GMO Investment Management Company (Ireland) Limited has established and maintains a remuneration policy in accordance with the UCITS Directive, and has incorporated information on how that policy is consistent with the integration of Sustainability Risks, and has published that information on its website. For further details see www.gmo.com.

6. Transparency of the Integration of Sustainability Risks

In addition, the Company includes descriptions of the following in Pre-Contractual Disclosures for its Funds (to the extent applicable):

(a) the manner in which Sustainability Risks are integrated into its investment decisions; and

(b) the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Funds it makes available.

Where the Company deems Sustainability Risks not to be relevant, the descriptions referred to in the first subparagraph shall include a clear and concise explanation of the reasons therefor.

For each of the Funds, further information is set out in the Pre-Contractual Disclosures in Appendix A to this Framework which may be set out in the relevant prospectus for each of the Funds or a supplement or addendum thereto.

7. Transparency of the Promotion of Environmental or Social Characteristics in Pre-Contractual Disclosures (so-called "Article 8" Funds)

Where a Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, the information to be disclosed in the Pre-Contractual Disclosures shall include the following:

(a) information on how the promotion of those characteristics is met;

(b) if an index has been designated as a reference benchmark, information on whether and how this index is consistent with the promotion of those characteristics. The Company shall include in the Pre-Contractual Disclosures an indication of where the methodology used for the calculation of the index referred is to be found.

Where the Company makes available a Fund as referred to in Article 6 of the Taxonomy Regulation, the Company shall include in the Pre-Contractual Information the information required under Article 6 of the Taxonomy Regulation. The requirements under the Taxonomy Regulation are not yet effective in this respect and are expected to apply from 1 January 2022.

For each of the Funds, further information is set out in the Pre-Contractual Disclosures in Appendix A to this Framework which may be set out in the relevant prospectus for such a Fund or a supplement or addendum thereto.

8. Transparency of Sustainable Investments in Pre-Contractual Disclosures (so-called "Article 9" Funds)

Where a Fund has Sustainable Investment as its objective and an index has been designated as a reference benchmark, the information to be disclosed in the Pre-Contractual Disclosures shall be accompanied by the following:

(a) information on how the designated index is aligned with that objective;

(b) an explanation as to why and how the designated index aligned with that objective differs from a broad market index.

Where a Fund has Sustainable Investment as its objective and no index has been designated as a reference benchmark, the information to be disclosed in the Pre-Contractual Disclosures shall include an explanation on how that objective is to be attained.

Where a Fund has a reduction in carbon emissions as its objective, the information to be disclosed in the Pre-Contractual Disclosures shall include the objective of low carbon emission exposure in view of achieving the long- term global warming objectives of the Paris Agreement.

Where no EU Climate Transition Benchmark or EU Paris-aligned Benchmark in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council is available, the information referred to in the Pre-Contractual Disclosures shall include a detailed explanation of how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the long-term global warming objectives of the Paris Agreement.

The Company shall include in the information to be disclosed in the Pre-Contractual Disclosures an indication of where the methodology used for the calculation of the indices or benchmarks referred to above are to be found.

The Company shall include in the information to be disclosed in the Pre-Contractual Disclosures of this Regulation the information required under Article 5 of the Taxonomy Regulation. The requirements under the Taxonomy Regulation are not yet effective in this respect and are expected to apply from 1 January 2022.

For each of the Funds, further information is set out in the Pre-Contractual Disclosures in Appendix A to this Framework which may be set out in the relevant prospectus for such a Fund or a supplement or addendum thereto.

9. Transparency of the Promotion of Environmental or Social Characteristics and of Sustainable Investments on Websites

The Company shall publish and maintain on its website the following information for each Fund referred to in Article 8(1) and Article 9(1), (2) and (3) of the SFDR:

(a) a description of the environmental or social characteristics or the Sustainable Investment objective;

(b) information on the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the Sustainable Investments selected for the Fund, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the Fund;

(c) the information referred to in Articles 8 and 9 of the SFDR;

(d) the information referred to in Article 11 of the SFDR.

The information to be disclosed pursuant to the first subparagraph shall be clear, succinct and understandable to investors. It shall be published in a way that is accurate, fair, clear, not misleading, simple and concise and in a prominent easily accessible area of the website.

10. Review of disclosures

The Company shall ensure that any information published in accordance with Article 3, 5 or 10 of SFDR is kept up to date. Where the Company amends such information, a clear explanation of such amendment shall be published on the same website.

11. Marketing Communications

Without prejudice to stricter sectoral legislation, in particular Directives 2009/65/EC, 2014/65/EU and (EU) 2016/97 and Regulation (EU) No 1286/2014, the Company shall ensure that its marketing communications do not contradict the information disclosed pursuant to the SFDR.

12. Review of Framework

The Board, and the relevant designated person(s) of the Company, as applicable, will review this Framework, as appropriate and on at least an annual basis.

APPENDIX 1

PROSPECTUS DISCLOSURES

ALL FUNDS

THE FOLLOWING TO BE INCLUDED IN THE SECTION ENTITLED "RISK FACTORS"

Sustainability Risks

The SFDR defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment. The [ICAV/Company], the Manager, the Investment Manager, the Fund's issuers or investee companies and other parties, such as service providers of the Fund or of counterparties of the Fund's issuers or investee companies, may be negatively affected by sustainability risks. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment; however, there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment. The [ICAV/Company], the Manager, the Investment Manager, the Fund's issuers or investee companies and other parties may maintain insurance to protect against certain sustainability risks, where available on reasonable commercial terms, although such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all losses. Any of the foregoing may therefore adversely affect the performance of the Fund and its investments.

GMO INVESTMENTS ICAV

SFDR PROSPECTUS DISCLOSURES

SUSTAINABLE FINANCE DISCLOSURES REGULATION

GMO SGM Major Markets Investment Fund

A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The investment decisions of the Investment Adviser in relation to the Fund are driven by investment selection models of value-based strategies and sentiment-based strategies which do not integrate sustainability risks. Further, the Fund uses derivatives on index baskets that do not filter individual stocks on sustainability ratings. Accordingly, sustainability risks are not deemed relevant to the investment decision-making process for the Fund and the Investment Adviser does not carry out an assessment of the likely impact of sustainability risks on the returns of the Fund.

The Investment Adviser does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Investment Adviser's position on this matter will be reviewed at least annually.

GMO Climate Change Investment Fund

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Investment Adviser seeks to identify companies whose businesses contribute to combatting climate change. It uses both fundamental and quantitative models in constructing the Fund's portfolio. For investments selected through its fundamental methods, ESG factors are assessed in the course of a deep analysis of a potential investment's characteristics and integrated holistically into the Investment Adviser's decision-making process. Investments selected using quantitative models rely more generally on the use of third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Adviser (including the Fund, other funds or accounts), company reports and publicly available information. Its quantitative analysis includes assessments of information at both industry and issuer levels. The Fund's investments may include companies whose own activities may present material sustainability risks, but whose businesses are essential for combatting climate change (e.g., copper mining). The Investment Adviser actively engages with these companies, among others, on material ESG issues with an aim of promoting more sustainable corporate behaviour. It is expected that the Fund's portfolio will be aligned with U.N. Sustainable Development Goals with respect to Affordable and Clean Energy, Climate Action, Sustainable Cities and Communities, Industry Innovation and Zero Hunger. In addition, the Investment Adviser will exclude companies that are part of the Carbon Underground 200 list, which is a list of the top 100 coal and the top 100 oil and gas publicly-traded reserve holders globally, ranked by the potential carbon emissions content of their reported reserves.

In addition, when considering an investment through its fundamental methods, the Investment Adviser will consider whether the issuer meets good governance practices, for example, sound management structures, employee relations, and remuneration of staff. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and, critically, management's actions to manage such risks. Good governance standards include board balance, independence, transparency, disclosure and the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Manager does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Manager's position on this matter will be reviewed at least annually.

Further information on the Manager's and the Investment Adviser's approach to sustainability risks is available at www.gmo.com.

GMO Equity Market Neutral Investment Fund

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Manager does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Manager's position on this matter will be reviewed at least annually.

Further information on the Manager's and the Investment Adviser's approach to sustainability risks is available at www.gmo.com.

GMO Emerging Country Debt UCITS Fund

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Adviser generally measures any relevant ESG matters using third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Adviser (including the Fund, other funds or accounts), company reports and publicly available information, as the Investment Adviser deems relevant from time to time.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

One of the ways it does so is to estimate, via a quantitative process, the creditworthiness (that is, the risk of default) of sovereign emerging countries in comparison to those countries' bond yields, towards decisions on how much of the portfolio to allocate to each country and/or sector. In addition to traditional economic and financial inputs into this process, the Investment Adviser curates ESG-related data from various public sources towards creating its own ESG scores, which are then included as inputs into the process. The Investment Adviser also considers qualitative ESG-related criteria that are not easily quantifiable in its decision-making process. All things being equal, this means that countries / issuers with better ESG quality, according to the Investment Adviser's methodology, will tend to appear more creditworthy under this approach and, assuming similar yields to those of their lower ESG quality counterparts, attract a larger share of the portfolio's assets than would be the case had ESG-related considerations not been taken into account. The Investment Adviser does not seek to exclude holdings deemed inconsistent with its ESG criteria.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, cash management). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Manager does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Manager's position on this matter will be reviewed at least annually.

Further information on the Manager's and the Investment Adviser's approach to sustainability risks is available at www.gmo.com.

GMO Usonian Japan Value Fund

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

As part of its decision-making process, the Investment Adviser identifies drivers for potential enhancement or reduction of shareholder value while analysing and monitoring ESG issues that may impact long-term financial performance. The Investment Adviser assesses companies on a systematic and ongoing basis through daily monitoring of news, public statements, governance events, along with third-party ESG ratings. Where an investment candidate has a low ESG rating from a third-party provider, the Investment Adviser will make two investment case determinations: (i) if it believes that the vendor's low ESG assessment is unfair, it will consider engaging the rating agency to educate and potentially revise the company's ESG score; and (ii) if it believes that the candidate company's low ESG rating is justified, it will assess the possibility of remedying the ESG shortcoming(s) through a management engagement strategy. The Investment Adviser engages with corporate management to increase value, including in the context of ESG and encourages best-practices and transparency on ESG and other non-financial matters as a means to enhance long-term performance.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Manager does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Manager's position on this matter will be reviewed at least annually.

Further information on the Manager's and the Investment Adviser's approach to sustainability risks is available at www.gmo.com.

GMO Resources UCITS Fund

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Manager does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Manager's position on this matter will be reviewed at least annually.

Further information on the Manager's and the Investment Adviser's approach to sustainability risks is available at www.gmo.com.

GMO FUNDS PLC

SFDR PROSPECTUS DISCLOSURES

SUSTAINABLE FINANCE DISCLOSURES REGULATION

GMO Global Equity Allocation Investment Fund

The Company has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Manager is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company's and the Investment Manager's approach to sustainability risks is available at www.gmo.com.

GMO Quality Investment Fund

The Company has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Manager has integrated sustainability risks and opportunities as a sub-set of investment considerations that could cause an actual or potential material impact on the value of an investment as part of its investment decision-making process for the Fund. If appropriate for an investment, the

Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company's and the Investment Manager's approach to sustainability risks is available at www.gmo.com.

GMO Emerging Markets Equity Fund

The Company has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Manager generally measures any relevant ESG matters using third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Manager (including the Fund, other funds or accounts), company reports and publicly available information, as the Investment Manager deems relevant from time to time.

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Manager is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund incorporates ESG at both the country and issuer levels. The Investment Manager's assessment of the macro quality of a country includes signals used to identify the vulnerability of a country from an ESG perspective. The proprietary assessment framework sources a variety of ESG preparedness and performance signals across six categories: natural resources, climate change, standard of living, social empowerment, political governance and economic governance. At the issuer level, among the signals used in the Fund's stock quality model are ones that evaluate a company from an ESG perspective. To determine the materiality of an ESG issue for a company, the Investment Manager looks at the type of business lines in which a company operates, its geographical footprint, the severity of the financial impact that the ESG issue itself may cause if not sufficiently managed, as well as the likelihood of and the time horizon over which, the financial impact is expected to occur. These issues cover areas such as product carbon emissions, packaging material and waste, privacy and data security, supply chain labor standards, ownership and control, and business ethics. The ESG scores of companies can materially impact the size of the investment in them. The environmental, social and governance investment guidelines and exclusions apply at the time of acquisition of the equity securities and in the event of any subsequent inadvertent holding of an equity security in breach of these investment guidelines, the Investment Manager shall dispose of any such securities as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

In addition, the Investment Manager's process favours companies that have lower carbon intensity in order to achieve its goal of delivering a Fund carbon intensity that's at or below the level of its Benchmark. To measure itself against the Benchmark, the Investment Adviser uses a metric applied to each company based on the ratio of a company's carbon dioxide emissions (in tonnes) per million dollars of sales. The carbon intensity metric uses a company's most recently reported or estimated greenhouse gas emissions normalised by sales in U.S. Dollars, which allows for comparison between companies of different sizes. The carbon intensity number for each of the Fund's portfolio and the Benchmark is a weighted average of the numbers for the underlying companies. Although there is not data coverage for all companies, there is typically coverage for more than 90 per cent. of the companies owned by the Fund and the weighted average of the covered companies is used to extrapolate the Fund's overall carbon intensity number. The Benchmark is not constructed specifically to incorporate ESG considerations. Further details on the methodology used for the calculation of the Benchmark can be found at: https://www.msci.com.

Subject to the ESG framework described above, the Investment Manager does not seek to exclude holdings deemed inconsistent with its ESG criteria. However, when considering an investment, the Investment Manager will consider whether the issuer meets good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and, critically, management's actions to manage such risks. Good governance standards include board balance, independence, transparency, disclosure and the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company's and the Investment Manager's approach to sustainability risks is available at www.gmo.com.

GMO Emerging Domestic Opportunities Equity Fund

The Company has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Manager generally measures any relevant ESG matters using third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Manager (including the Fund, other funds or accounts), company reports and publicly available information, as the Investment Manager deems relevant from time to time.

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Manager is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund incorporates ESG at both the country and issuer levels. The assessment of the macro quality of a country includes signals used to identify the vulnerability of a country from an ESG perspective. The proprietary assessment framework sources a variety of ESG preparedness and performance signals across six categories: natural resources, climate change, standard of living, social empowerment, political governance and economic governance. As a threshold step, the Fund excludes companies which are inconsistent with the United Nations Global Compact Principles for Business. Assuming a company is consistent with these principles, the Investment Manager assesses the materiality of any ESG issues related to the company by looking at the type of business lines in which it operates, its geographical footprint, the severity of financial impact that the ESG issue itself may cause if not sufficiently managed, as well as the likelihood of and the time horizon over which, the financial impact is expected to occur. Once a set of ESG risks are identified for a company, a combination of qualitative and quantitative data points is assessed to determine whether or not a company manages its risk exposure sufficiently well and this assessment will be factored into the Investment Manager's evaluation of the company. Depending on the nature and degree of any unmanaged material risks identified, the Investment Manager may change is estimates related to margins, compliance-related capital expenditure, and cost of capital. These changes can materially impact the size of a potential investment. The environmental, social and governance investment guidelines and exclusions apply at the time of acquisition of the equity securities and in the event of any subsequent inadvertent holding of an equity security in breach of these investment guidelines, the Investment Manager shall dispose of any such securities as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

In addition, when considering an investment, the Investment Manager will consider whether the issuer meets good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and, critically, management's actions to manage such risks. Good governance standards include board balance, independence, transparency, disclosure and the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company's and the Investment Manager's approach to sustainability risks is available at www.gmo.com.

GMO Global Real Return (UCITS) Fund

The Company has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Manager is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company's and the Investment Manager's approach to sustainability risks is available at www.gmo.com.

GMO QUALIFYING INVESTOR FUNDS PLC

SFDR PROSPECTUS DISCLOSURES

SUSTAINABLE FINANCE DISCLOSURES REGULATION

GMO Systematic Global Macro Fund

A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The investment decisions of the Investment Manager in relation to the Fund are driven by investment selection models of value-based strategies and sentiment-based strategies which do not integrate sustainability risks. Further, the Fund uses derivatives on index baskets that do not filter individual stocks on sustainability ratings. Accordingly, sustainability risks are not deemed relevant to the investment decision-making process for the Fund and the Investment Manager does not carry out an assessment of the likely impact of sustainability risks on the returns of the Fund.

The Investment Manager does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Investment Manager's position on this matter will be reviewed at least annually.

GMO Emerging Country Local Debt Investment Fund

The Company has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Manager generally measures any relevant ESG matters using third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Manager (including the Fund, other funds or accounts), company reports and publicly available information, as the Investment Manager deems relevant from time to time.

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Manager is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

One of the ways it does so is to estimate, via a quantitative process, the creditworthiness (that is, the risk of default) of sovereign emerging countries in comparison to those countries' bond yields, towards decisions on how much of the portfolio to allocate to each country and/or sector. In addition to traditional economic and financial inputs into this process, the Investment Manager curates ESG-related data from various public sources towards creating its own ESG scores, which are then included as inputs into the process. The Investment Manager also considers qualitative ESG-related criteria that are not easily quantifiable in its decision-making process. All things being equal, this means that countries / issuers with better ESG quality, according to the Investment Manager's methodology, will tend to appear more creditworthy under this approach and, assuming similar yields to those of their lower ESG quality counterparts, attract a larger share of the portfolio's assets than would be the case had ESG-related considerations not been taken into account. The Investment Manager does not seek to exclude holdings deemed inconsistent with its ESG criteria.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, cash management). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company's and the Investment Manager's approach to sustainability risks is available at www.gmo.com.

GMO GLOBAL INVESTMENT FUNDS PLC

SFDR PROSPECTUS DISCLOSURES

SUSTAINABLE FINANCE DISCLOSURES REGULATION

A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Company invests in Government Securities, in investment grade bonds (including convertible bonds) denominated in various currencies or in multi-currency units and in derivative securities relating thereto. Due to the nature and size of the investments of the Fund, the investment decisions of the Investment Manager in relation to the Fund do not integrate sustainability risks. Accordingly, sustainability risks are not deemed relevant to the investment decision-making process for the Fund and the Investment Manager does not carry out an assessment of the likely impact of sustainability risks on the returns of the Fund.

The Investment Manager does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Investment Manager's position on this matter will be reviewed at least annually.

GMO EMERGING COUNTRY DEBT INVESTMENT FUND PLC

SFDR PROSPECTUS DISCLOSURES

SUSTAINABLE FINANCE DISCLOSURES REGULATION

The Fund has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Manager generally measures any relevant ESG matters using third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Manager (including the Fund, other funds or accounts), company reports and publicly available information, as the Investment Manager deems relevant from time to time.

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Manager is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

One of the ways it does so is to estimate, via a quantitative process, the creditworthiness (that is, the risk of default) of sovereign emerging countries in comparison to those countries' bond yields, towards decisions on how much of the portfolio to allocate to each country and/or sector. In addition to traditional economic and financial inputs into this process, the Investment Manager curates ESG-related data from various public sources towards creating its own ESG scores, which are then included as inputs into the process. The Investment Manager also considers qualitative ESG-related criteria that are not easily quantifiable in its decision-making process. All things being equal, this means that countries / issuers with better ESG quality, according to the Investment Manager's methodology, will tend to appear more creditworthy under this approach and, assuming similar yields to those of their lower ESG quality counterparts, attract a larger share of the portfolio's assets than would be the case had ESG-related considerations not been taken into account. The Investment Manager does not seek to exclude holdings deemed inconsistent with its ESG criteria.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, cash management). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Fund does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Fund does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Fund's position on this matter will be reviewed at least annually.

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