



CARMIGNAC
INVESTING IN YOUR INTEREST

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND HUMAN RIGHTS INDICATORS

CARMIGNAC PORTFOLIO PATRIMOINE EUROPE

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND HUMAN RIGHTS INDICATORS

In addition to 30+ ESG indicators of company data that can be monitored on the Carmignac proprietary ESG system START, the Carmignac Portfolio Patrimoine Europe fund tracks the progress of 5 specific E, S, G and Human Rights indicators* for the fund, a set of quantifiable data points established as performance measures. They seek to compare and manage the evolution of these indicators against the reference index and across companies. They also serve to drive further research and corporate engagement. Following the evolution of the requirements from the French SRI Label, we are committed to maintain a coverage above 70% for the carbon intensity and 90% for the Human Rights Controversies, while outperforming the benchmark on these two particularly relevant indicators, in line with our investment philosophy.

Carbon Intensity is monitored monthly. Carbon Footprint is monitored at the end of each quarter. The other S, G and HR indicators are monitored yearly.

(31st of May 2024)

		E – Carbon Emissions Carbon footprint	E – Carbon Emissions Carbon intensity (tCO ₂ / Revenue MEUR)	S – Number of Product Safety Controversies	G – Board Independence
Fund Coverage		88.17%	88.17%	89.71%	89.71%
Reference Indicator Coverage		99.77%	99.77%	99.74%	99.95%
Carmignac Portfolio Patrimoine Europe	May-2024	87.67 (as of March 2024)	29.70 tCO ₂ e/M€ revenue	1 (0.015**)	82.80%
STOXX 600	May-2024	567.41 (as of March 2024)	101.14 tCO ₂ e/M€ revenue	22 (0.037**)	83.56%

		Human Rights – Number of Supply Chain Controversies	Human Rights – Number of Controversies (UN GC)
Fund Coverage		89.71%	91.34%
Reference Indicator Coverage		98.92%	100%
Carmignac Portfolio Patrimoine Europe	May-2024	2 (0.029**)	0 (0.00**)
STOXX 600	May-2024	37 (0.063**)	1 (0.002**)

ESG-related issues are not static and no single ESG indicator is enough to judge all ESG-related risks, as their relative materiality varies between companies and across all regions, this measurement is a manner to monitor key indicators across our funds and investee companies

*Only the equity book is measured for absolute carbon emission, all fixed income assets are out of scope

**Ratio of controversies to number of companies within the fund or reference indicator

For comparison, last year's data were as follows (31st of May 2023)

		E – Carbon Emissions Carbon footprint	E – Carbon Emissions Carbon intensity (tCO ₂ / Revenue MEUR)	S – Number of Product Safety Controversies	G – Board Independence
Fund Coverage		86.51%	90.79%	92.93%	92.93%
Reference Indicator Coverage			98.61%	99.74%	99.68%
Carmignac Portfolio Patrimoine Europe	May-2023	93.04	34.98 tCO ₂ e/M€ revenue	3 (0.051 ^{**})	85.42%
STOXX 600	May-2023		104.84 tCO ₂ e/M€ revenue	28 (0.047 ^{**})	83.37%

		Human Rights – Number of Supply Chain Controversies	Human Rights – Number of Controversies (UN GC)
Fund Coverage		92.93%	94.15%
Reference Indicator Coverage		99.74%	100%
Carmignac Portfolio Patrimoine Europe	May-2023	2 (0.034 ^{**})	0 (0.00 ^{**})
STOXX 600	May-2023	14 (0.023 ^{**})	1 (0.002 ^{**})

ESG-related issues are not static and no single ESG indicator is enough to judge all ESG-related risks, as their relative materiality varies between companies and across all regions, this measurement is a manner to monitor key indicators across our funds and investee companies

*Only the equity book is measured for absolute carbon emission, all fixed income assets are out of scope

**Ratio of controversies to number of companies within the fund or reference indicator

Objectives

- ▶ E – Carbon Emissions
 - 30% less than the Reference Indicator's Carbon Emissions.
 - Fund's coverage above 70%
- ▶ S – Number of Product Safety Controversies
 - Less controversies than the reference indicator
- ▶ G – Board Independence
 - A proportion by weight of at least 75% of companies in portfolio with a board independence of more than 50%
- ▶ Human Rights – Number of Human Right supply chain controversies
 - Less controversies than the reference indicator
- ▶ Human Rights – Number of UNGC Human Right controversies
 - Less controversies than the reference indicator
 - Fund's coverage above 90%

Definition & Calculation Methodology

- ▶ E - Carbon Emissions:
 - Source: MSCI
 - Definition: Portfolio carbon footprint as the tons of CO₂e per million Euros of revenues (t CO₂e/ €M revenue). ** In 2019, the sub funds CO₂ emissions target was to have a tCO₂/M€ invested level below the reference indicator and close to the MSCI Low Carbon target index.
 - Calculation: The companies' carbon intensities (tonnes of CO₂e /M USD revenues converted to Euros, (Scope 1 and 2 GHG Protocol), S&P Trucost) are weighted according to their portfolio weightings (adjusted for holdings for which carbon emissions are not available), and then summed.

- ▶ S – Number of product safety controversies:
 - Source: MSCI ESG
 - Definition: This figure represents the number of controversies related to product safety & quality in which the company has been involved in the past three years for which the ESG Controversies severity as identified by MSCI assessment is 'Severe' & 'Very Severe'. The severity scale runs None-Minor-Moderate-Severe-Very Severe
 - Calculation: The total number of controversies for the portfolio and reference indicator over past 3 years

- ▶ G – Board Independence:
 - Source: MSCI ESG
 - Definition: The percentage of board members that meet MSCI designated criteria for independence ie non-executive and independent of management. For companies with a two-tier board, the calculation is based on members of the Supervisory Board only.
 - Calculation: The proportion by weight of the companies held by the fund or reference indicator covered by MSCI ESG which more than 50% of the board is independent. The reported data is based on the most recent assessment by MSCI ESG.

- ▶ Human Rights – Number of supply chain controversies:
 - Source: MSCI ESG
 - Definition: This figure represents the number of controversies related to supply chain labour standards as identified by MSCI in which the company has been involved in the past three years (if any) for which the ESG Controversies severity assessment is 'Severe' and 'Very Severe'. The severity scale runs None-Minor-Moderate-Severe-Very Severe
 - Calculation: The total number of controversies for the portfolio and reference indicator over 3 years.

- ▶ Human Rights – Number of Controversies (UN Global Compact):
 - Source: ISS ESG
 - Definition: Companies that severely violate the Human Right Principles of UN GC
 - Calculation: The number of companies that violate the Human Right Principles of UN GC

DISCLAIMER

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