



# **ENVIRONMENTAL, SOCIAL, GOVERNANCE AND HUMAN RIGHTS INDICATORS**

## **CARMIGNAC PORTFOLIO EMERGENTS**

In addition to 30+ ESG indicators of company data that can be monitored on the Carmignac proprietary ESG system START, the Carmignac Portfolio Emergents 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.**

**(31<sup>st</sup> of May 2024)**

		<b>E – Carbon Emissions Carbon footprint</b>	<b>E – Carbon Emissions Carbon intensity (tCO2 / Revenue MEUR)</b>	<b>S – Number of Product Safety Controversies</b>	<b>G – Board Independence</b>
<b>Fund Coverage</b>		<b>99.77%</b>	<b>99.77%</b>	<b>93.07%</b>	<b>93.07%</b>
<b>Reference Indicator Coverage</b>		<b>99.53%</b>	<b>99.53%</b>	<b>99.64%</b>	<b>99.64%</b>
<b>Carmignac Portfolio Emergents</b>	<b>May-2024</b>	215.76 (as of March 2024)	100.88 tCO2e/M€ revenue	1 (0.042**)	63.49%
<b>MSCI Emerging Markets</b>	<b>May-2024</b>	754.24 (as of March 2024)	444.92 tCO2e/M€ revenue	9 (0.007**)	62.19%

		<b>Human Rights – Number of Supply Chain Controversies</b>	<b>Human Rights – Number of Controversies (UN GC)</b>
<b>Fund Coverage</b>		<b>93.07%</b>	<b>100%</b>
<b>Reference Indicator Coverage</b>		<b>99.64%</b>	<b>100%</b>
<b>Carmignac Portfolio Emergents</b>	<b>May-2024</b>	2 (0.083**)	0 (0.00**)
<b>MSCI Emerging Markets</b>	<b>May-2024</b>	19 (0.014**)	2 (0.0015**)

\*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.

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

		E – Carbon Emissions Carbon footprint	E – Carbon Emissions Carbon intensity (tCO <sub>2</sub> / Revenue MEUR)	S – Number of Product Safety Controversies	G – Board Independence
<b>Fund Coverage</b>		<b>100%</b>	<b>97.97%</b>	<b>100%</b>	<b>100%</b>
<b>Reference Indicator Coverage</b>		<b>99.36%</b>	<b>99.06%</b>	<b>100%</b>	<b>100%</b>
<b>Carmignac Portfolio Emergents</b>	<b>May-2023</b>	327.83	122.71 tCO <sub>2</sub> e/M€ revenue	1 (0.023**)	60.28%
<b>MSCI Emerging Markets</b>	<b>May-2023</b>	746.27	327.36 tCO <sub>2</sub> e/M€ revenue	8 (0.006**)	62.23%

		Human Rights – Number of Supply Chain Controversies	Human Rights – Number of Controversies (UN GC)
<b>Fund Coverage</b>		<b>100%</b>	<b>100%</b>
<b>Reference Indicator Coverage</b>		<b>100%</b>	<b>100%</b>
<b>Carmignac Portfolio Emergents</b>	<b>May-2023</b>	0 (0.00**)	0 (0.00**)
<b>MSCI Emerging Markets</b>	<b>May-2023</b>	9 (0.007**)	0 (0.00**)

\*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.

## Objectives

- ▶ E – Carbon Emissions
  - 50% less than the Reference Indicator's Carbon Emissions
- ▶ S – Number of Product Safety Controversies
  - Less controversies than the reference indicator
- ▶ G – Board Independence
  - A proportion by weight of at least 50% 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 CO<sub>2</sub>e per million Euros of revenues (t CO<sub>2</sub>e/ €M revenue). The sub fund's CO<sub>2</sub> emissions target was to have a tCO<sub>2</sub>/M€ invested level below the reference indicator and close to the MSCI Low Carbon target index.
  - Calculation: The companies' carbon intensities (tonnes of CO<sub>2</sub>e /USD mn 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 i.e. 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

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