



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

## **CARMIGNAC PORTFOLIO GRANDE EUROPE**

In addition to 30+ ESG indicators of company data that can be monitored on the Carmignac proprietary ESG system START, the Carmignac Portfolio Grande Europe fund tracks the progress of 5 specific E, S, G and Human Rights indicators\*, 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 90% for the carbon intensity and 70% for the Human Rights Controversies, while outperforming the benchmark on these two particularly relevant indicators, in line with our investment philosophy.

**Carbon data is monitored monthly. The other S, G and HR indicators are monitored yearly.**  
(29<sup>th</sup> of December 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
<i>Fund Coverage</i>		99.36%	100%	100%	100%
<i>Reference Indicator Coverage</i>		99.17%	99.90%	99.36%	99.36%
Carmignac Portfolio Grande Europe	Dec-2023	94.53 (TCO <sub>2</sub> )	19.82 tCO <sub>2</sub> e/M€ revenue	3 (0.086**)	84.34%
STOXX 600	Dec-2023	631.55 (TCO <sub>2</sub> )	94.34 tCO <sub>2</sub> e/M€ revenue	21 (0.035**)	83.61%

		Human Rights – Number of Supply Chain Controversies	Human Rights – Number of Controversies (UN GC)
<i>Fund Coverage</i>		100%	100%
<i>Reference Indicator Coverage</i>		99.36%	99.93%
Carmignac Portfolio Grande Europe	Dec-2023	3 (0.086**)	0
STOXX 600	Dec-2023	15 (0.025**)	1 (0.0017**)

\*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.

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

For comparison, last year's data is as follows (31<sup>st</sup> of December 2022)

		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>		97.69%	100.00%	100.00%	100.00%
<b>Reference Indicator Coverage</b>		97.50%	98.63%	99.82%	99.76%
<b>Carmignac Portfolio Grande Europe</b>	<b>Dec-2022</b>	104.56 (TCO <sub>2</sub> )	28.48 tCO <sub>2</sub> e/ME revenue	3 (0.086**)	86.42%
<b>STOXX 600</b>	<b>Dec-2022</b>	654.04 (TCO <sub>2</sub> )	136.52 tCO <sub>2</sub> e/ME revenue	25 (0.042**)	83.40%

		Human Rights – Number of Supply Chain Controversies	Human Rights – Number of Controversies (UN GC)
<b>Fund Coverage</b>		100.00%	100.00%
<b>Reference Indicator Coverage</b>		99.82%	99.12%
<b>Carmignac Portfolio Grande Europe</b>	<b>Dec-2022</b>	2 (0.057**)	0 (0.00**)
<b>STOXX 600</b>	<b>Dec-2022</b>	15 (0.025**)	1 (0.017**)

\*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.

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

## 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 weighted average Board Independence figure higher than the reference indicator
- ▶ 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

## Definition & Calculation Methodology

- ▶ E - Carbon Emissions-Carbon Footprint:
  - Source: MSCI ESG
  - Definition: Portfolio Carbon Footprint as the tons of CO<sub>2</sub>e per unit EVIC (t CO<sub>2</sub>).
  - Calculation: Sum of portfolio companies' Total GHG Emissions (Scopes 1, 2) weighted by the portfolio's value of investment in a company and by the company's most recently



available enterprise value including cash (EVIC EUR), associated with 1 million EUR invested in the portfolio.

▶ **E - Carbon Emissions- Carbon Intensity**

- Source: Trucost
- 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), aggregated at portfolio level GreenHouse Gas Protocol Scope 1 and 2).
- Calculation: The companies' carbon intensities (tons of CO<sub>2</sub>e /MUSD 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 companies affected by ongoing controversies for the portfolio and reference indicator as published by MSCI ESG.

▶ **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 weighted average between the Board Independence of companies and their respective weight in the portfolio. 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 companies affected by ongoing controversies for the portfolio and reference indicator as published by MSCI ESG.

▶ **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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**CARMIGNAC GESTION** 24, place Vendôme - F-75001 Paris - Tél : (+33) 01 42 86 53 35. Investment management company approved by the AMF Public limited company with share capital of € 13,500,000 - RCS Paris B 349 501 676. **CARMIGNAC GESTION Luxembourg** - City Link - 7, rue de la Chapelle - L-1325 Luxembourg - Tel : (+352) 46 70 60 1 Subsidiary of Carmignac Gestion - Investment fund management company approved by the CSSF Public limited company with share capital of € 23,000,000 - RCS Luxembourg B 67 549