

TRANSPARENCY CODE

Carmignac Portfolio Grande Europe, Carmignac Euro-Entrepreneurs and Carmignac Portfolio Patrimoine Europe adopt a
Socially Responsible Investment (SRI) approach
and are categorised as Article 8 funds according to the SFDR
EU 2019/2088

July 2021

The information contained in this document is confidential and proprietary material of Carmignac. Please refer to legal disclaimer included in the document.

Statement of Commitment

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of **Carmignac**. We have been involved in SRI since 2012 and welcome the Transparency Code.

This is our fourth statement of commitment and covers the period 30/06/2021- 30/06/2022. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the retail funds and on our website.

Mark Denham, Malte Heiningner and Keith Ney are committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. **Carmignac** meets the full recommendations of the European SRI Transparency Code.

30/06/2021

Name of the fund(s): Carmignac Portfolio Grande Europe, Carmignac Euro-Entrepreneurs, Carmignac Portfolio Patrimoine Europe					
Dominant / preferred SRI strategy	Asset class	Exclusions standards and norms ¹	Fund capital as 30/06/2021	Other labels	Links to relevant documents
<input type="checkbox"/> Best-in-Class Investment section <input checked="" type="checkbox"/> Engagement & Voting <input checked="" type="checkbox"/> ESG Integration <input checked="" type="checkbox"/> Exclusions <input type="checkbox"/> Impact Investing <input checked="" type="checkbox"/> Norms-Based Screening <input checked="" type="checkbox"/> Leading to exclusions <input checked="" type="checkbox"/> Leading to risk management analysis / engagement <input checked="" type="checkbox"/> Sustainability-Themed	Passively managed <input type="checkbox"/> Passive investing – core benchmark: specify the index tracking <input type="checkbox"/> Passive investing – ESG/SRI benchmark: specify the index tracking Actively managed <input checked="" type="checkbox"/> Shares in a euro area country <input checked="" type="checkbox"/> Shares in an EU country <input type="checkbox"/> International shares <input type="checkbox"/> Bonds and other debt securities denominated in euro <input type="checkbox"/> International bonds and other debt securities <input type="checkbox"/> Monetary assets <input type="checkbox"/> Short-term monetary assets <input type="checkbox"/> Structured funds	<input checked="" type="checkbox"/> Controversial weapons <input type="checkbox"/> Alcohol <input checked="" type="checkbox"/> Tobacco <input checked="" type="checkbox"/> Arms <input checked="" type="checkbox"/> Nuclear power <input checked="" type="checkbox"/> Human rights <input checked="" type="checkbox"/> Labour rights <input checked="" type="checkbox"/> Gambling <input checked="" type="checkbox"/> Pornography <input type="checkbox"/> Animal testing <input type="checkbox"/> Conflict minerals <input type="checkbox"/> Biodiversity <input type="checkbox"/> Deforestation <input checked="" type="checkbox"/> CO2 intensive (including coal) <input type="checkbox"/> Genetic engineering <input checked="" type="checkbox"/> Other (please specify) Non-conventional and conventional energy <input checked="" type="checkbox"/> Global Compact <input checked="" type="checkbox"/> OECD Guidelines for MNCs <input checked="" type="checkbox"/> ILO Conventions <input type="checkbox"/> Other (please specify)	Carmignac Portfolio Grande Europe: €845.38 millions Carmignac Euro-Entrepreneurs : €191.5 millions Carmignac Portfolio Patrimoine Europe : €603.98 millions	<input checked="" type="checkbox"/> French SRI label <input type="checkbox"/> French TEEC label <input type="checkbox"/> French CIES label <input type="checkbox"/> Lux flag Label <input type="checkbox"/> FNG Label <input type="checkbox"/> Austrian Ecolabel <input checked="" type="checkbox"/> Other (please specify) Belgian Quality Standards label	- KIID, Prospectus - Weekly, quarterly and annual reports - Monthly factsheet (including ESG data) Can be found at : Carmignac Portfolio Grande Europe: https://www.carmignac.fr/PL_CGE_3_FR_en.pdf?source=websitef Carmignac Euro-Entrepreneurs : https://www.carmignac.lu/en_GB/funds/carmignac-euro-entrepreneurs/a-eur-acc/documents-and-reports Carmignac Portfolio Patrimoine Europe: https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-patrimoine-europe/a-eur-acc/documents-and-reports

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1. General information about the fund management company

1.1. Name of the fund management company that manages the applicant fund(s)

For the sub-funds of the Luxembourg SICAV Carmignac Portfolio, thus Carmignac Portfolio Grande Europe, Carmignac Portfolio Patrimoine Europe the management company is:

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 - RC Luxembourg B 67 549

For the French Mutual Funds (i.e. Fonds Commun de Placement), Carmignac Euro-Entrepreneurs, the management company is:

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 € 15,000,000 - RCS Paris B 349 501 676

1.2. What are the company's track record and principles when it comes to integrating SRI into its processes?

Carmignac, empowered through its independence and transparency since 1989, has maintained a long-held practice of investing responsibly, aware of its corporate duty to its investors and stewardship as a leader in the European fund management industry. Its ethical values in respect to society and environment, can be seen in the company wide scrutiny of tobacco producers and the coal industry.

As Risk Managers, Carmignac seeks to mitigate as many risk factors as it can identify, this very resolutely includes risks associated with poor governance and shareholder underrepresentation, irreverence to social issues such as health and safety, and environmental challenges particularly in respect of fossil fuel reserves.

Since 2012, Carmignac, as a UNPRI signatory (United Nations Principles of Responsible Investment) and a French investment firm (under the French government's directive Grenelle II Law, art 224-238, 2010), has raised the level of its transparency regarding the application of Environment, Social and Governance (ESG) criteria in its investment process. Each UNPRI principle has been implemented across most of its Fund range.

https://www.carmignac.lu/en_GB/responsible-investment/snapshot-4742

1.3. How does the company formalise its sustainable investment process?

Carmignac formalises its Sustainable investment process through several policies.

- ESG integration policy
- Exclusion Policy
- Voting and Engagement Policies
- Climate and Carbon report Policies

Which can be found at https://www.carmignac.lu/en_GB/responsible-investment/policy

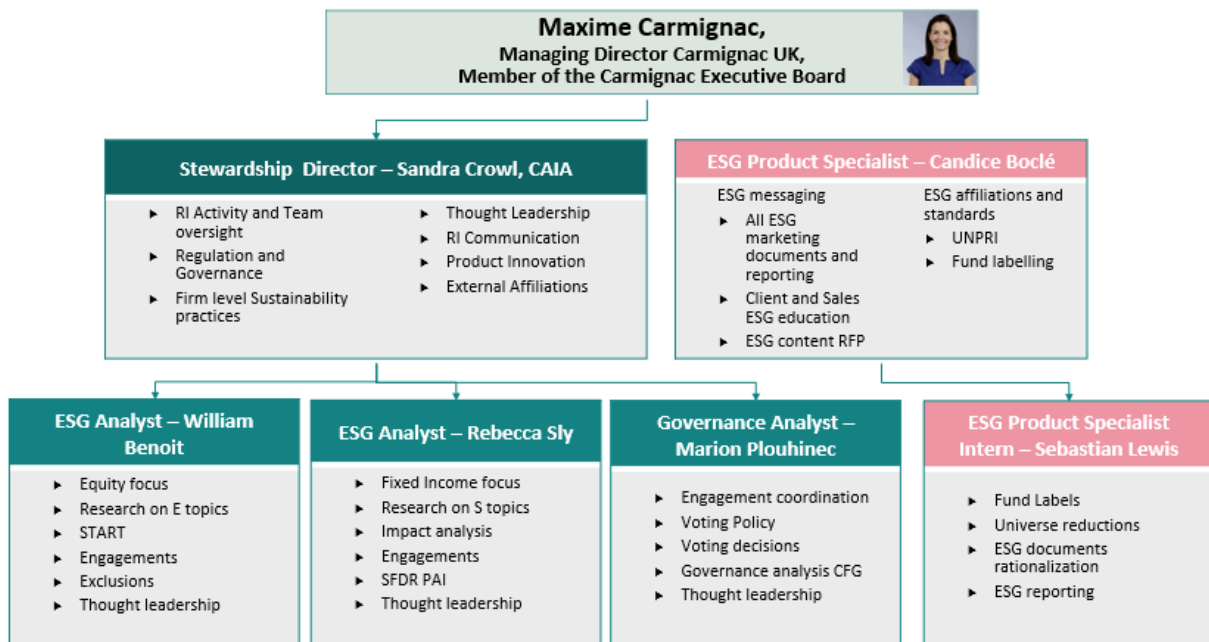
These policies are implemented across the whole fund range.

Our Responsible Investment resources

Carmignac has a dedicated Responsible Investment team to support the investment team headed by Sandra Crowl as Stewardship Director. She reports to Maxime Carmignac, Managing Director of Carmignac UK, member of the executive board of Carmignac, who leads the responsible investment philosophy and strategy at the corporate level and fund level innovation and ESG solutions. The role of the Stewardship Director is to oversee the implementation of the responsible investment process and practices, investor communication, fund labelling process, affiliations, industry thought leadership and new product innovation. The ESG analyst is responsible for the ESG framework, fund specific research, ESG thematic and targeted research, active investee company engagements, voting practices and leads industry thought leadership. The Responsible Investment team have 2 full time ESG interns and is also supported by an experienced, dedicated ESG product specialist employed within our Product team.

https://www.carmignac.lu/en_GB/our-funds/management-team-417

Our RI Team:



1.4. How are ESG risks and opportunities – including those linked to climate change – understood/considered by company?²

Mainstream ESG approach

As of 30/06/2021 close to 100 % of our assets under management take into account ESG criteria.

In July 2020, Carmignac launched a firm-wide proprietary ESG research system called START* that enables us to systematically integrate ESG research into the investment process.

This system aggregates information: carbon emissions data, raw company ESG data, external ratings, impact statistics and a controversies data sources. The portfolio managers and analysts' proprietary analysis offer human insight and a forward-looking approach to the automated ESG scoring system START. ESG scores are calculated according to a proprietary algorithm of reported raw company ESG indicators that are sorted for our predefined peer group (capitalization, region and 90 sub-industry groups). START sits inside our MackeyRMS front-office portal. These quantitative assessments are augmented by a written investment rationale composed by the investment team or the ESG Analysts in the START system, as well as any granular commentary of ongoing ESG risks. Our ESG research system is built on a framework based on past academic research and the work of various industry bodies such as the Sustainable Accounting Standards Board (SASB), Global Reporting Initiative (GRI), in order to conduct comprehensive ESG analysis. We believe that this integration reduces the potential negative financial impact on companies' valuations, and we hope to capture rising momentum when companies are improving ESG related risks.

Climate emissions are monitored and measured for each equity fund annually. Since October 2020, our funds carbon emissions are measured through the START platform and reported monthly for our SRI and ESG thematic funds. Individual carbon reports can be found in the annual reports of each fund as well as on our specific SRI website. Through our energy-related exclusions, seen below, the firm limits exposure to potential stranded assets and transition risks due to climate change.

A negative screening is applied, according to the following parameters. These exclusions are updated quarterly and are hard-wired into our portfolio management system. In this manner we exclude sectors, activities or countries that we believe embed ESG risks.

- Controversial weapon manufacturers that produce products that do not comply with treaties or legal bans
- Tobacco producers: wholesale distributors and suppliers with revenues over 5% from such products
- Thermal coal miners with over 10% revenues or 20 million tonnes from extraction
- Power generators that produce more CO₂/kWh than the defined thresholds aligned with the Paris Agreement and that can be found in our exclusion policy

*The proprietary ESG system START combines and aggregates market leading data providers ESG indicators . Given the lack of standardisation and reporting of some ESG indicators by public companies, not all relevant indicators can be taken into consideration. START provides a centralised system whereby Carmignac's proprietary analysis and insights related to each company are expressed, irrespective of the aggregated external data should it be incomplete. ESG scores attributed in START are between A and E with A being the highest ESG score.

- Adult entertainment and pornography producers and distributors with over 2% revenues from such product
- International Global Norms violations including OECD Business Principle, ILO Principles and UNGC Principles.

Treatment of controversies - A controversy does not necessarily trigger a sell of the given position. Environmental accidents are never easy to predict but lessons can be learned, and companies can improve. That is why we believe that an ESG approach solely based on favouring ESG best-in-class, green sectors, etc., shows a good sign to corporates to behave better, but is not necessarily the only way. We, as investors, should not systematically leave the bad student behind. As shareholders, we can influence and interact with companies, starting simply with participating in all shareholder votes, with a sustainability objective and maintaining a strong focus on looking beyond short-term performance or dividend payment

Carmignac has committed to an active voting and engagement policy that has been integrated into the Investment Management Team's internal guidelines. Engagements may occur with the Management of the companies in which we invest and often include engagement on environmental issues and carbon emission transparency:

Carmignac has committed to a quarterly engagement program targeting specific actions within the possibility of 5 different types of engagements:

1. ESG risk related engagement
2. Thematic engagement
3. Impact engagement
4. Controversial behaviour engagement
5. Proxy voting decision engagement

These engagements are registered internally. Important engagements are documented in the funds' annual report. In addition, a summary Engagement Report is published on our website denoting type, region, and sector of Engagement.

https://www.carmignac.lu/en_GB/responsible-investment/template-hub-policies-reports-4528

Funds with a Socially Responsible approach

Carmignac also offers a range of funds that adopt a Socially Responsible approach noted in the funds' prospectuses. Negative screening, through Norms based, ethical and climate related exclusions, and positive social and environmental screening, active voting policy and low carbon emissions policies have been adopted within the strategies. There are also an increased range of ESG thematic funds.

The fund information can be found in the following links or through our dedicated Responsible Investment (RI) web page.

https://www.carmignac.lu/en_GB/responsible-investment/template-hub-sri-thematic-funds-4526

SRI Funds Article 8 Funds in accordance with SFDR 2019/2088

- **Carmignac Portfolio Grande Europe (European Markets – Equities)**
<https://www.carmignac.fr/en/carmignac-portfolio-grande-europe-a-eur-acc>
- **Carmignac Emergents (Emerging Markets – Equities)**
<https://www.carmignac.fr/en/carmignac-emergents-a-eur-acc>
- **Carmignac Portfolio Emergents (Emerging Markets – Equities)**
<https://www.carmignac.fr/en/carmignac-portfolio-emergents-f-eur-acc>
- **Carmignac Portfolio Emerging Patrimoine (Emerging Markets – Mixed)**
<https://www.carmignac.fr/en/carmignac-portfolio-emerging-patrimoine-a-eur-acc>
- **Carmignac Portfolio Family Grandchildren**
https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-grandchildren/a-eur-acc/fund-overview-and-characteristics
- **Carmignac Portfolio Patrimoine Europe**
https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-patrimoine-europe/a-eur-acc/fund-overview-and-characteristics
- **Carmignac Investissement**
https://www.carmignac.fr/en_GB/funds/carmignac-investissement/a-eur-acc/fund-overview-and-characteristics
- **Carmignac Portfolio Investissement**
https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-investissement/a-eur-acc/fund-overview-and-characteristics
- **Carmignac Investissement Latitude**
https://www.carmignac.fr/en_GB/funds/carmignac-investissement-latitude/a-eur-acc/fund-overview-and-characteristics
- **Carmignac Sécurité**
https://www.carmignac.fr/en_GB/funds/carmignac-securite/a-eur-acc/fund-overview-and-characteristics
- **Carmignac Patrimoine**
https://www.carmignac.fr/en_GB/funds/carmignac-patrimoine/a-eur-acc/fund-overview-and-characteristics
- **Carmignac Portfolio Flexible Bond**
https://www.carmignac.fr/en_GB/funds/carmignac-portfolio-flexible-bond/a-eur-acc/fund-overview-and-characteristics

ESG Thematic Funds

Article 8 Fund in accordance with SFDR 2019/2088

- **Carmignac Portfolio Family Governed**

https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-family-governed/a-eur-acc/fund-overview-and-characteristics

Article 9 Funds in accordance with SFDR 2019/2088

- **Carmignac Portfolio Green Gold**

https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-green-gold/a-eur-acc/fund-overview-and-characteristics

- **Carmignac Portfolio EM debt**

https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-em-debt/a-eur-acc/fund-overview-and-characteristics

The International Equity Funds Carmignac Investissement Carmignac Portfolio Investissement, Carmignac Investissement Latitude, Carmignac Portfolio Grandchildren and Carmignac Portfolio Family Governed are under the scope of this Transparency Code.

The ESG analysis follows the same principles as for the mainstream funds. ESG analysis allows the investment team to mitigate ESG related risks and to engage with companies should risks be identified. For the SRI funds, a further commitment is made to apply ESG ratings minimum requirements of portfolio construction and a broader range of negative screening and exclusions depending on the fund. Each company is analysed for ESG risks, comments of practices are made on outset of investments and are updated usually annually or when controversies occur. A dialogue with the company directly enables any questions regarding ESG related risks to be answered.

In addition to the carbon monitoring described for the mainstream funds, these socially responsible funds offer a low carbon portfolio monitored through our ESG system START and our carbon data source portal. The funds seeks to achieve a carbon emissions target of 30% below their reference indicator measured in carbon intensity (tCO₂/ M USD, converted in Euros, Scope 1 and 2, GHG Protocol).

A full description of the ESG integration process and positive screening , depending on the fund, can be found in Question 2.1.

1.5. Is the company involved in any RI initiatives?

General Initiatives	Environmental/Climate Initiatives	Social Initiatives	Governance Initiatives
<input type="checkbox"/> ECCR – Ecumenical Council for Corporate Responsibility <input checked="" type="checkbox"/> EFAMA RI WG <input type="checkbox"/> European Commission's High-Level Expert Group on Sustainable Finance <input type="checkbox"/> ICCR – Interfaith Center on Corporate Responsibility <input checked="" type="checkbox"/> National Asset Manager Association (RI Group) <input checked="" type="checkbox"/> PRI - Principles For Responsible Investment <input type="checkbox"/> SIFs - Sustainable Investment Fora <input checked="" type="checkbox"/> Other <ul style="list-style-type: none"> ▪ AFG, France SRI working group ▪ IA, UK SRI working group ▪ ALFI, Luxembourg SRI Working group 	<input type="checkbox"/> CDP – Carbon Disclosure Project (please specify carbon, forest, water etc.) <input type="checkbox"/> Climate Bond Initiative <input type="checkbox"/> Green Bond Principles <input type="checkbox"/> IIGCC – Institutional Investors Group on Climate Change <input type="checkbox"/> Montreal Carbon pledge <input type="checkbox"/> Paris Pledge for Action <input type="checkbox"/> Portfolio Decarbonization Coalition <input type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> Climate Action 100 + <input checked="" type="checkbox"/> TCFD	<input type="checkbox"/> Access to Medicine Foundation <input type="checkbox"/> Access to Nutrition Foundation <input type="checkbox"/> Accord on Fire and Building Safety in Bangladesh <input type="checkbox"/> Other (please specify) UN Women's Empowerment Initiative <input checked="" type="checkbox"/> Tobacco Finance Free pledge	<input type="checkbox"/> ICGN – International Corporate Governance Network <input type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> Share Action

1.6. What is the total number of SRI assets under the company's management?

As a group, the assets under management implementing ESG criteria: 41.31 billion Euro *

The assets under management offering a Socially Responsible approach: 34.41 billion Euro *

*Source: Carmignac, as of July 2021

2. General information about the SRI fund(s) that come under the scope of the Code

2.1. What is (are) the fund(s) aiming to achieve by integrating ESG factors?

At Carmignac, we believe that ESG incorporation is not only a "green tag", or a "nice to have". Indeed, we believe that an asset manager's number one fiduciary duty to its investors is to mitigate as much risk as it can identify. This very resolutely includes risks associated with poor governance, shareholder underrepresentation, irreverence to social issues such as health and safety, and environmental challenges. ESG implementation can be, and often has been, a driver of long-term performance as it goes hand in hand with sustainability. Asset managers, like us at Carmignac, managing the savings of investors, often their future pension, have to see long term and not short term. As such, companies that decide to favour short term success at the cost of higher ESG risks (or any other higher risk) may encounter difficulties in making profitable investments over the long term.

2.2. What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

The Portfolio Managers and Analysts are responsible for ESG analysis. In addition, the ESG analyst takes an active role in ESG assessment as well as in the engagements necessary following on from ESG risk identification, controversies or affiliation related collective engagements. During the due diligence directly with Corporations as part of the investment rationale, ESG risk and opportunities are identified and discussed. External ESG data sources are aggregated as discussed on our START platform from the following data providers: Trucost, TR Refinitiv, MSCI and ISS.

2.3. What ESG criteria are taken into account by the fund(s)?

Depending on the geographic region and sector, ESG criteria may vary. The START System incorporates 31 ESG indicators that compose the companies scoring sorted in percentiles within the same peer groups. However here are the most common elements that the Portfolio Managers and Analysts assess in the investment rationale:

- Environment: The scope of Carmignac's interest includes the impact of companies on the environment and their ability to propose services and products which adapt to environmental challenges and particularly climate change. Environmental issues the investment team considers and renders transparent could include companies' treatment of carbon emissions, pollution, waste, and water usage.
- Social: Carmignac focuses on monitoring the impact of companies with all their stakeholders (suppliers, employees, consumers) across the value chain and the increasing public expectations of social responsibility. Social issues the firm considers could include all types of employment abuses, staff turnover metrics, diversity, workplace health and safety, income distribution, and product safety.

- Governance: Carmignac focuses on the enhanced value created by companies that encourage governance ethics. Governance issues the firm considers could include any tendency towards uses of bribery and corruption, government's involvement and impact on management, board independence, executive compensation, and anticompetitive practices.

2.4. What principles and criteria linked to climate change are taken into account in the fund(s)?³

Carmignac has made climate awareness a formal component of its investment process, joining the efforts undertaken as part of the Cop21 initiatives and adhering to Energy Transition Rule No 173 of the Monetary and Financial Code of the French government (L533-22-1 du Code Monétaire et Financier). Through a diversified investment policy that is not constrained by its benchmarks, our Funds underweight sectors with high carbon emissions, particularly coal industry and utilities. Besides, investing in sustainable technologies is also key priority for our Funds.

Carmignac Portfolio Grande Europe, Carmignac Euro-Entrepreneurs and Carmignac Portfolio Patrimoine Europe have committed to target 30% minimum lower carbon intensity than their reference benchmark as measured by tCO₂/ M USD (Scope 1 and 2, GHG Protocol). Secondly, the portfolio manager of Carmignac Portfolio Grande Europe and Carmignac Portfolio Patrimoine Europe screens companies that are providing a positive solution to climate change and natural capital (water, land etc resources) as will be described later.

2.5. What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?

ESG analysis and criteria are directly considered in the definition of the Fund's investable universe. The investment universe of Carmignac Portfolio Grande Europe and the equity universe of Carmignac Portfolio Patrimoine Europe in scope comprises mainly equities of the European Union but also OECD countries outside of it. This represents a list of ~1640 names.

This list of stocks is then reduced by excluding companies with a market value below €1 billion and a financial score inferior to the median score of the universe. The financial score is calculated based on our selection of financial ratios such as cash flow return on investment, operating margins and reinvestment rate. This financial screen aims at identifying companies with the most attractive long-term growth prospects. The investable universe is thereby reduced to a list of approximately 580 names.

In parallel to this financial screen, an ESG assessment is undertaken to help identifying companies with most attractive long-term growth prospects. Indeed, we believe that substantial risks pertaining to ESG undermine the "most attractive long-term prospects" analysis. Hence, we use our START system and MSCI ESG ratings* to assess companies' ESG risk profiles relative to their sector and systematically exclude CCC rated companies. MSCI rates companies on a AAA-CCC basis (AAA being the best). In addition, companies with a BB rating or below will be excluded unless they can justify having a positive impact on society or the environment according to the United Nations sustainable development goals (SDGs). Indeed, we believe that satisfying the specific categories we identified from the SDGs is consistent with "most attractive long-term prospects".

³Reference to Article 173 of the French TECV Act see paragraphs 3 and 4 of Article D.533-16-1 of Chapter III of the French Legal Code): <https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072026&idArticle=LEGIARTI000031793697>

Therefore, independent of the relative screen implemented through MSCI ESG rating, we also use an absolute approach in assessing companies impact with regards to SDGs. The specific categories derived from the SDGs that we have chosen to focus on are the following:

Category	Areas to consider	Examples
Basic needs	Nutrition	Sustenance, sustainable nutrition, health and wellness
	Treating illness	Drugs/treatments, information provision
	Preventing illness	Exercise, diagnostics, drugs/treatments, information, responsible advertising
	Happiness	Satisfying non-destructive wants as well as needs, mental wellbeing, human rights
Empowerment	Availability of infrastructure	Buildings, civil infrastructure, telecom, internet
	Affordability of product/service	Food, travel, transportation, finance
	Education	Information provision to customers (ingredients, safety, responsible marketing)
	Safety and security	Security/protection real and cyber, product safety, health and safety
Climate change	Energy efficiency	Measured use of energy and saving energy
	Alternative energy	Activity in non-fossil fuel energy
	Fossil fuel	Minimal/reduced activity in fossil fuel
Natural capital	Usage of all-natural resources	Water, land, natural resources, food security, consumption, animal welfare
	Waste management	Production, usage, waste products, clean up
	Efficiency of production/consumption	Productivity, IT, digitisation, cyber security

** MSCI ESG Ratings is a proprietary methodology from MSCI. To arrive at a final rating (from AAA the best to CCC the worst) the weighted averages of the 37 Key Issue Scores covering 10 different themes (4 for Environment / 4 for Social / 2 for Governance) are aggregated and companies' scores are normalized relatively to their industries. These assessments of company performance are not absolute but are explicitly intended to be relative to the standards and performance of a company's industry peers. Carmignac is conscious that by monitoring 37 Key Issue Score the methodology cannot follow all the sustainable aspects from the development of companies but Carmignac ensures that this is the most appropriate one. Moreover, by defining a rating relatively to industry peers, the rating cannot be taken as the objective / inherent assessment of the Company approach in regards of sustainability. ²The limit defined is rebased in % of the portfolio that has a MSCI ESG rating. For issuers, for which MSCI ESG does not issue any rating, the MSCI ESG Rating from the group the issuer belongs to is used.*

Companies are rated neutral, positive or negative based on this SDGs criteria assessment. Companies with a negative rating are excluded from the investable universe.

Moreover, we exclude from the investable universe the 2 levels of exclusions lists: The first exclusion list is adopted across all our fund range for equities and corporate credit.

Carmignac exclusion list:

- Controversial weapon manufacturers that produce products that do not comply with treaties or legal bans*
- Tobacco producers. Wholesale distributors and suppliers with revenues over 5% from such products
- Thermal coal miners with over 10% revenues or 20 million tonnes from extraction

- Power generators that produce more CO₂/kWh than the defined threshold** or do not publish their CO₂ emissions despite having coal power plants
- Adult entertainment and pornography producers and distributors with over 2% revenues from such product
- International Global Norms violations including OECD Business Principle, ILO Principles and UNGC Principles.

Carmignac Portfolio Grande Europe, Carmignac Euro-Entrepreneurs and Carmignac Portfolio Patrimoine Europe exclusion list:

Energy Exclusions

- Thermal coal producing companies with more than 10% sales directly derived from coal extraction
- Unconventional energy (1) companies deriving more than 1% of total production from unconventional energy sources
- Conventional oil energy production (2) companies are excluded
- Power generation companies must not exceed 408 gCO₂/kWh carbon intensity or if data is not available cannot exceed:
 - Gas-fired – 30% production or revenue
 - Coal-fired – 10% production or revenue
 - Nuclear-fired – 30% production or revenue

Ethical Exclusions

- All Controversial weapon companies
- Conventional Weapons including components companies (10% revenue hurdles)
- All Tobacco producers. Wholesale distributors and suppliers 5% revenue threshold
- Adult Entertainment companies (2% revenue hurdle)
- Gambling companies (2% revenue hurdle)
- Norms based (3) exclusion including UN Global Compact violations human rights, labour rights, environment, and corruption

Our Energy and Ethical policies are aligned with the Quality Standards of the Belgian SRI label
 (1) Unconventional energy extraction sources: Tar/oil sands, shale oil, shale gas and Arctic drilling.

(2) Conventional energy extraction sources: oil and gas

(3) Companies that do not comply with: 1. The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines; 2. The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions; 3. The Belgian Loi Mahoux, the ban on uranium weapons; 4. The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons; 5. The Treaty on the Non-Proliferation of Nuclear Weapons (1968), which limits the spread of nuclear weapons to the group of so-called nuclear weapons states (USA, Russia, UK, France and China); 6) Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons.

Exclusion lists are updated on a quarterly basis
 Source Carmignac, July 2021

The exclusions derived from ESG criteria further reduce the investable universe from approximately 580 stocks after the financial screening to approximately 430 names after screening on ESG criteria in the Carmignac Portfolio Grande Europe fund and the identical equity portfolio of the Carmignac Portfolio Patrimoine Europe fund.

The Exclusion list called the CMGR watchlist is reviewed quarterly. The equity portfolio manager is responsible for a detailed ESG analysis and can consult the MSCI ESG company research database or other sources as a complement to his proprietary research. The European equity analyst and the ESG Analyst also undertake ESG analysis. For each analysis, an investable status is determined and documented in the Mackey RMS. Next to the ESG analysis, the relative MSCI ESG rating assessment and the Absolute sustainability assessment of the Sustainable Development Goals objectives are noted. The Portfolio Manager or analyst updates the progress the company is making towards the Environmental or Social goals identified by the portfolio manager. For example, 30/09/2020 for the company Schneider:

Company	Schneider
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MSCI rating	AAA
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SRI Contribution	Score	Rationale	Quantifiable Metrics / Measures
Basic needs	1	Schneider's energy management products help provide access to electricity within buildings & also ensure it can be used safely w/o hazards	- Company estimate up to 50% fewer reliability & safety incidents for customers using its products
Empowerment	0		
Climate change	0	Company is also committed to sustainability within its own operations & has led the industry on this	- 2020 goals incl: 80% renewable electricity use & 10% CO2 efficiency in transportation
Natural capital	1	Schneider develops products/solutions/software that provides buildings w/ significant energy efficiency & sustainability benefits and is the market leader in this type of offering	- Estimated energy efficiency improvement for customers = 30% on avg. (can be up to 65%) - 2020 goals incl. 120m metric tons of CO2 avoided by customers through their offers (FY19 = ~90m)
Total	2		
Absolute rating	Positive		

Investable	Y
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For illustration purposes only

Carmignac Portfolio Patrimoine Europe

Corporate bond investable universe reduction

The investable universe is constructed using a composite of several corporate bond indexes which reflect the possible investment universe of the fund as follows:

Investment Universe (around 3500 single issuers): ICE BofA Global Corporate Index – BBG ticker GOBC Index, ICE BofA Global Non-Financial High Yield Index BBG ticker- HN00Index, JPM CEMBI Index- BBG ticker JCBBCOMP index, ICE BofA Euro Financial Index (extract Senior) - BBG ticker EB00 Index, Sub Financial IG Index - BBG ticker EB00 Index (extract sub), CS Contingent Convertible Euro – BBG ticker CCEUTOTR Index. All non-rated issuers are excluded from the investable universe unless our proprietary analysis confirms sufficient enough transparency for the companies to be ESG assessed and reincluded. The starting investable universe of the composite benchmarks is thus around 2500 issuers. We apply the firm and fund level exclusions as stated above reducing the universe by around 2400 issuers. The next step of exclusion poor ESG scored issuers is in two parts:

- 1) All CCC and B MSCI rated companies are excluded unless the proprietary analysis score in START* is A, B or C for the issuer which reduces the universe to around 2040 issuers.
- 2) All issuers with MSCI E and S scores below 1.4/10 are excluded unless the proprietary analysis score in START is A, B or C for the issuer which reduces the investment universe to around 1990 issuers.

*START scoring system rating A-E, where A is the highest ESG score.

Sovereign bond ESG integration

With the aid of a proprietary Sovereign Sustainability rating the management team seek to identify Environmental, Social and Governance risks and opportunities. The following indicators are examined through the use of globally recognised impact monitors such as the IMFs fiscal monitor, the World Justices' Project Rule of law, Reporters Without Borders World Press Freedom index.

Environment
CO2 Per Capita
Renewables
Coal
Pollution
Waste
Sanitation
Water
Paris Accords Malus
Social
Life Expectancy
GINI Coefficient
Education
GDP Per Capita
HDI
Governance
Ease of Doing Business
Fiscal Position
Debt Position
Current Account Position
Economic Freedom

Methodology

- a. Universe of 105 countries across DM and EM covering all our sovereign investments
- b. 18 E, S & G criteria selected according to UNPRI guidelines, market relevancy, firm's values and industry standards
- c. Quantitative model based on both spot levels and historic data to capture current ESG risks as well as dynamic trends
- d. Scoring between 1 (bad) & 5 (good), with a fully used range to get the highest dispersion
 1. For any criteria, countries are ranked all together both on spot data and recent evolution/trends. These two ranking are then converted into a rating between 1 (bottom) & 5 (top)

2. The dynamic rating is overweighted for EM countries (75%), and underweighted for DM countries (25%)
3. For any E, S & G pillar, sub-criteria ratings are then averaged to get a pillar scoring
4. While the management team is aiming at having a transparent and thus relatively simple index, a qualitative bonus/malus can be added to capture risks/improvement that are not reflected within the data (recent event, new policy...)
5. The overall ESG score is then composed of the equally weighted average of the three components E, S, and G
6. Fund's score is then aggregated as the weighted average of the country score and the exposure of the positions

Countries with a score of 2.5 or below are omitted from the investment universe. The portfolio seeks to have an overall portfolio sovereign ESG country score for each ESG pillar at least on average at or above the reference indicator ECAS BBG ticker, BoA All maturity all Euro government bond index (ECAS BBG ticker). The ESG sovereign scoring system is maintained and developed by the Fixed income analysts and is updated 6 monthly.

Carmignac Euro-Entrepreneurs

Carmignac Euro-Entrepreneurs invests explicitly in companies with strong corporate governance as is explained in the fund prospectus and applies the same fundamental and proprietary analysis aided by the ESG platform START and compares the portfolio ESG performance using MSCI ESG ratings, as the other funds in this Transparency Code. It also shares the same exclusion list as stated above.

The fund universe of around 1500 stocks is filtered first for Carmignac firm and fund exclusions reducing the universe to around 1450 stocks. The universe is then screened using MSCI Governance ratings , excluding companies that are not showing strong governance scores. This could be due to a combination of poor results such as low board independence, a large pay gap, or other more qualitative assessments of accounting practices and anti-fraud measures. This screening is backed up by the proprietary analysis that is done by the investment team which identifies companies with high standard corporate governance and entrepreneurship as strong drivers to value creation and sustainability . Secondly, the universe of companies is screened for carbon emissions measured in carbon intensity (tCO2/ % MUSD revenues) , which can be monitored in the portfolio management interface GPM and is also available through START as well as S&P Trucost portal. Companies with higher carbon emissions than the average of the fund's larger universe of 1500 companies are excluded. Only companies that prove to have environmental policies that are noted in our ESG analysis in START can be reintroduced into the investable universe. We envisage that this would only affect 1-5 companies per year. After this screening the investment universe is reduced to around 1200 companies, after which the proprietary analysis identifies for companies in non-macro related sectors, tangible value drivers creating an investment universe of around 300 companies for a portfolio of around 30-50 stocks.

2.6. How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

The investment team allocates a rating through the proprietary START system at outset of investment and are updated on an annual basis or when necessary as new data or information needs to be complemented. MSCI ESG Ratings are our public and portfolio guidelines reference for the portfolio. Ratings by MSCI are updated annually or as these ratings updates occur. The overall ESG rating both proprietary and MSCI are monitored through the GPM front office portfolio interface real time as well as in the START system.

Controversies

Controversies are managed through or formal engagement framework. From January 2021, by adopting a new and comprehensive engagement policy, Carmignac has committed to a quarterly engagement program targeting specific actions within the possibility of 5 different types of engagements including controversy management:

1. ESG risk related engagement
2. Thematic engagement
3. Impact engagement
4. Controversial behaviour engagement
5. Proxy voting decision engagement

1. ESG Risk-related engagement

The proprietary rating and research framework START combines aggregated raw ESG data from companies which allows the analyst to systematically identify poor E, S or G related scores and risks. A good starting point for engagement would be if the score of E S or G is below average ie D or E rating. A company dialogue would be initiated concerning the issues which have contributed to the low score(s) and the objective of the engagement would be to understand the specific ESG risk and engage to drive material improvement in the companies' ESG profile.

2. Thematic Engagement

This is a proactive approach centred on material sustainability themes that have the most potential to create value for shareholders, taking into consideration the views and concerns of our clients. We breakdown a selection of themes within the three pillars of 'ESG', depending on what is most material within the company's business sector. The materiality or relevance of the E, S or G issue is determined by our investment team members given their specialist knowledge of the sector and company. Thematic Engagement can take place over up to three years

3. Impact Engagement

We seek to understand and work with companies on their business model progression to identify their intentionality, how they intend to create additionality and lastly measure their outcome to create overall societal and environmental value.

When relevant, we align our impact engagement themes to the United Nations 17 Sustainable Development Goals (SDGs). Impact Engagement can extend to a five-year period.

4. Controversial Behaviours Engagement

Enhanced engagement which focuses on companies that severely and structurally breach principles of the United National Global Compact (UNGC) and/or OECD Guidelines for Multinational Enterprises. Controversial Behaviours engagement is aimed at eliminating a company's breach of the UNGC and/ or OECD Guidelines for Multinational Enterprises and installing proper management systems to prevent such a breach from recurring.

If engagement is unsuccessful, the company is considered for exclusion. Enhanced engagement cases are selected quarterly. Engagement focus can differ between various investment exposures. For example, engagements for credit portfolios are likely to focus on downside ESG risks, whereas engagements for equity portfolios are more likely to focus on both ESG risks and opportunities, as well as minority shareholders' rights. We allow for a maximum of three years of engagement with a company in this program.

5. Proxy Voting Decisions Engagement

This refers to conference calls or in-person meetings conducted before and/or after an AGM. The purpose of such engagement is to inform and discuss proxy voting decisions with the company. While many voting decisions are taken based on internal and external research without the need for dialogue with management, in some circumstances it is important to interact with the Board to gain a more detailed understanding of the rationale behind the items included for votes. These conversations can help shed light on Board member candidates, remuneration policies, Board effectiveness and the company's reaction to specific ESG resolutions. Cases for proxy voting engagements are usually identified based on financial exposure, seriousness of the concern and complexity of the item up for vote.

Escalation

For each company identified for engagement, we define a challenging but realistic threshold of objectives that we expect to be met at the end of the engagement timeframe. If the expected outcome set has been met, we close the engagement case successfully. We record our engagement outcome on 3 levels of progress: Positive, Neutral & Negative. We escalate the intensity of an engagement activity over time depending on the nature of the challenges each company faces and the attitude of the board towards our dialogue. Generally, our engagement activity becomes more active where we believe engagement will lead to an increase in or prevent/limit a decrease in the value of a company over the long term.

Reporting

Transparency to our clients and society is a key priority of Carmignac. We share our engagement outcomes and progress publicly including our voting records and rationale.

The outcomes of our thematic engagements are updated annually on our website and in our annual reports as well as being reflected in the UNPRI reporting. Lastly particular case studies will be communicated throughout the year on an adhoc basis. This helps our clients understand the activities that Carmignac has taken on their behalf as part of our fiduciary duty.

For further information please refer to Carmignac's Shareholder Engagement policy on the Responsible Investment website.

3. Investment process

3.1. How are the results of the ESG research integrated into portfolio construction?

ESG research has a direct impact in portfolio construction. As discussed in the answer to question 2.5, we use ESG criteria along with the financial criteria in order to identify companies with the most attractive long-term prospects. In addition to further reducing the list of companies in the investable universe in both the equity portfolios and the corporate bond portfolios, the companies ESG assessment will also influence the weighting of holdings in the portfolio.

Corporate bond holdings are analysed primarily using the START platform of aggregated data with the proprietary analysis most significantly done by the ESG analysts. It is the portfolio managers responsibility to invest in the holdings after review of the ESG analysis.

Both relative ratings from MSCI ESG* and Absolute sustainability assessment on Sustainable Development Goals (SDGs) criteria can have a positive or negative impact on the sizing of equity positions. In addition, for Carmignac Portfolio Grande Europe and the equity portion of Carmignac Portfolio Patrimoine Europe, a minimum 40% of the Fund is invested in companies rated A or above by MSCI ESG and a maximum 30% of the Fund is invested in companies rated below BB by MSCI ESG. There are no CCC companies in the Fund unless there is a significant rerating of the company or issuer by the financial or ESG analyst in the START system.

The negative and positive screening including significant Environmental and Social sector related exclusions of companies with negative impact ensures that the funds under scope in this Transparency Code exhibit Environmental and Social characteristics in accordance with Article 8 of the SFDR EU regulation 2019/2088.

The monitoring of both MSCI ESG ratings and our active use of the proprietary ESG system START allows the best possible coverage and analysis for ESG risks in our European market investment universe for both equities and bonds. This ensures that a satisfactory level of ESG ratings are monitored regularly and are maintained in the fund as is reported on a monthly basis (published ESG Monthly summary factsheets and quarterly Sustainable Reporting).

For Carmignac Euro-Entrepreneurs, as previously stated, carbon emissions screening using S&P Trucost data, and best in universe Governance screening using MSCI ratings form the investment universe and contribute to the decision making of portfolio construction.

3.2. How are criteria specific to climate change integrated into portfolio construction?⁴

All funds under the scope of this Transparency Code have proven to have very low level of fossil fuel involvement and specifically target a carbon intensity of 30% below their reference indicator as measured by tCO₂/ M USD (Scope 1 and 2, GHG Protocol).

The funds do not replicate any low carbon index members or sectors given their very non-benchmarked nature. In the portfolios, Energy and Materials' sector companies usually don't pass our financial criteria assessment which focuses on companies' capacity to high sustainable profitability coupled with reinvestment in their future growth. Secondly, the portfolio management team also applies additional screening in order to minimise exposure to fossil fuels. Coal producers' companies with more than 10% sales directly derived from coal extraction are excluded from the investment universe. Non-conventional oil companies deriving more than 1% of total production are also excluded. All oil-based conventional energy companies are also excluded.

Power generators that produce more CO₂/kWh than the defined Paris Alignment threshold as mentioned in 1.4, or do not publish their CO₂ emissions despite having coal power plants, are excluded as well. These rules cover both equity and corporate bond asset classes for the funds under the scope in this Transparency Code.

As mentioned in Question 2.5, the Carmignac Euro-Entrepreneurs fund screens out companies with higher carbon emissions than the average of the fund's larger universe of 1500 companies (around 160-170 tCO2/ mUSD) . Only companies that prove to have environmental policies and targets in place within a short time frame documented by ESG analysis in our proprietary START platform can be reintroduced into the investable universe.

Carbon footprints as of 31/12/2020

	Weighted Average Carbon Intensity ¹	Total Carbon Emissions ²	Availability of Carbon Data ³	Fossil Fuel % Revenues
Carmignac Portfolio Grande Europe	39.06	5314.5	97.7%	0.06%
Stoxx 600	186.7	53027.9	99.0%	1.22%
Fund % difference vs. reference indicator	-79.1%	-90.0%	N/A	-95.1%

1. Tonnes of CO2 equivalent per million euros of revenues

2. Total tonnes of CO2 equivalent

3. Excluding cash and securities not in scope: government bonds and derivative instruments

	Weighted Average Carbon Intensity ¹	Total Carbon Emissions ²	Availability of Carbon Data ³	Fossil Fuel % Revenues
Carmignac Portfolio Patrimoine Europe	48.28	5524.5	82.0%	0.02%
MSCI EM	382.6	247085.4	99.8%	2.36%
Fund % difference vs. reference indicator	-87.4%	-97.7%	N/A	-99.2%

1. Tonnes of CO2 equivalent per million euros of revenues

2. Total tonnes of CO2 equivalent

3. Excluding cash and securities not in scope: government bonds and derivative instruments

	Weighted Average Carbon Intensity ¹	Total Carbon Emissions ²	Availability of Carbon Data ³	Fossil Fuel % Revenues
Carmignac Euro-Entrepreneurs	65.7	27568.5	91.6%	0.0%
Stoxx200 Small	158.6	28820.7	96.1%	1.17%
Fund % difference vs. reference indicator	-58.6%	-4.3%	N/A	-100%

1. Tonnes of CO2 equivalent per million euros of revenues

2. Total tonnes of CO2 equivalent

3. Excluding cash and securities not in scope: government bonds and derivative instruments

Source: Trucost* as of 31/12/2020

*To calculate the portfolio carbon emissions, the companies' carbon intensities (tonnes of CO2e /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&P Trucost methodology: Trucost uses company disclosed emissions where available. In the instance it is not available, they use their proprietary EEIO model. The model uses the revenue breakdown of the company by industry sector to estimate the carbon emissions. For further information, please visit: www.spglobal.com/spdji/en/documents/additional-material/faq-trucost.pdf. Although S&P Trucost does report Scope 3 emissions where available, such emissions are commonly considered to be poorly defined and inconsistently calculated by companies. As a result, we have chosen not to include them in our portfolio emission calculations.

3.3. How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?⁵

All equity holdings or corporate issuers are subject to ESG analysis using the START platform, and as for portfolio guidelines, MSCI ratings are used. The START platform has the capacity to aggregate raw company scores for over 8000 issuers. Should there be no coverage which can happen on rare occasions in newly listed companies or non-listed corporate issuers, a START proprietary rating is given.

All sovereign issuers are rated through the proprietary sovereign rating system which assesses 105 countries across DM and EM covering all our sovereign investments using 18 E, S & G criteria selected according to UNPRI guidelines, market relevancy, firm's values, and industry standards. Please see the section on ESG methodology.

3.4. Has the ESG evaluation or investment process changed in the last 12 months?

There is now a proprietary rating system START that allows a comparative to MSCI ratings, with a broad coverage and aggregated data set and what we believe to be a superior peer group comparing: by capitalisation, region - EM or DM, and 90 industry groups with 31 ESG indicators if there is coverage.

⁵ Reference to Article 173 of the French TECV Act and the TCFD recommendations (delivering on investor and stakeholder demands for climate-related information)

Secondly the proprietary sovereign ESG scoring system has been upgraded to include 18 ESG indicators and be used across the DM universe as well as the EM universe for where it was originally created.

3.5. Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

In Carmignac Portfolio Grande Europe and the equity portion of the Carmignac Portfolio Patrimoine Europe fund, equity investments are also screened in view of the company's capacity to positively contribute to society. These positive contributions are assessed against criteria adapted from the SDGs and specific to each company as described in the answer to question 2.5. While investment opportunities vary and the component of companies having an impact on society is not subject to a specific quantitative target, these criteria will remain an important investment goal, is noted in each investment rationale and updated annually.

3.6. Does (do) the fund(s) engage in securities lending activities?

Our Socially Responsible funds rarely offer securities lending. The holdings are recalled so as to exercise voting rights.

3.7. Does (do) the fund(s) use derivative instruments?

The funds only use equity derivatives for efficient portfolio management. The derivatives are subject to UCITS leverage limits and internal risk controls. Short selling of single stocks is not practiced in the funds. The balanced fund Carmignac Portfolio Patrimoine Europe is a flexible fund with a minimum of 50% fixed income instruments. Equity investments can be hedged through sector or general market index futures hedging. Fixed income general indices can also be used. These index futures are not assessed for ESG risk.

3.8. Does (do) the fund(s) invest in mutual funds?

The Socially Responsible funds do not normally invest in other mutual funds other than the Carmignac Court Term money market fund for liquidity purposes. This fund's management is delegated to the money market fund, BNP ISR Mois, which is a SRI labelled fund and categorised Article 8 in accordance with the SFDR EU Regulation 2019/2088.

4. ESG controls

4.1. What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?⁶

There are 2 levels of control:

- **First level control:** The Responsible Investment team ensures the daily support to the Investment team and includes such responsibilities as oversight on appropriate screening and documentation for controversies, external ESG research provider accountability, active voting and engagement framework adherence, maintenance and control of controversial sector exclusion lists, ESG consultant services assessment, investor and statutory communication.
- **Second level control:** As the ESG thematic is fully integrated into the Annual Compliance Monitoring Program, the Compliance and Internal Control Department operates a second level of control and perform yearly reviews on the ESG activity to ensure our statutory, regulatory and commitments as UNPRI signatories are met. Moreover, the Compliance department takes an active role in ensuring company exclusions are adhered to. Excluded companies, sectors, and countries are predefined in our order management system to prevent transactions which compose part of our filtering process. Thanks to the compliance module in Bloomberg (CMGR), lists are set at a pre-trade level in Bloomberg AIM, the trading tool and any transaction is automatically blocked.

The exclusions list exhaustiveness is reviewed quarterly by the ESG analysts, the Investment team and the Compliance department. Ad-hoc reviews are also done at the discretion of the Responsible investment team.

5. Impact measures and ESG reporting

5.1. How is the ESG quality of the fund(s) assessed?

Carmignac assess the ESG ratings of its SRI funds on a monthly basis. The ratings of the portfolio drawn from MSCI ESG ratings are compared against the Fund's benchmark. The distribution of weightings, the top holdings ratings and the holdings active weights are also given. This report is automated and published inside the financial factsheet, in all languages.

Frequent reviews are made by the ESG analysts of the portfolio ratings compared to the proprietary START and MSCI ESG ratings. This enables discussion and discrepancies to be discussed. Since October 2020, the yearly carbon reports have been reported monthly, showing tCO₂/M USD revenue against the benchmark.

⁶ Reference to Article 173 of the French TECV Act

Since March 2021, a quarterly Sustainability report is available and compares ESG indicator performance versus the reference indicator, Environmental and Social harm and good and the alignment with the UN Sustainable Development Goals as measured by business activity percentage revenue involvement.

5.2. What ESG indicators are used by the fund(s)?

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

The ESG and HR indicators are also published on a yearly basis, this enables a monitoring of specific ESG, and Human rights indicators compared to the fund benchmark. This report is established by the Responsible investment team, who sources the ESG data from MSCI and S&P Trucost.

These reports are available here:

For Carmignac Portfolio Grande Europe: https://www.carmignac.co.uk/en_GB/funds/carmignac-portfolio-grande-europe/w-gbp-acc/documents-and-reports

For Carmignac Portfolio Patrimoine Europe: https://www.carmignac.co.uk/en_GB/funds/carmignac-portfolio-patrimoine-europe/a-eur-acc/documents-and-reports

For Carmignac Euro Entrepreneurs: https://www.carmignac.lu/en_GB/funds/carmignac-euro-entrepreneurs/a-eur-acc/documents-and-reports

5.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

Carmignac's mainstream ESG approach and the SRI Funds are identified on Carmignac's SRI web page: https://www.carmignac.lu/en_GB/responsible-investment/snapshot-4742

Carmignac's mainstream ESG approach and the SRI Funds plus ESG thematic funds are identified on Carmignac's Responsible Investment web page: https://www.carmignac.lu/en_GB/responsible-investment/template-hub-sri-thematic-funds-4526

Moreover, on each of these Funds' web page, you will find the following documents related to RI:

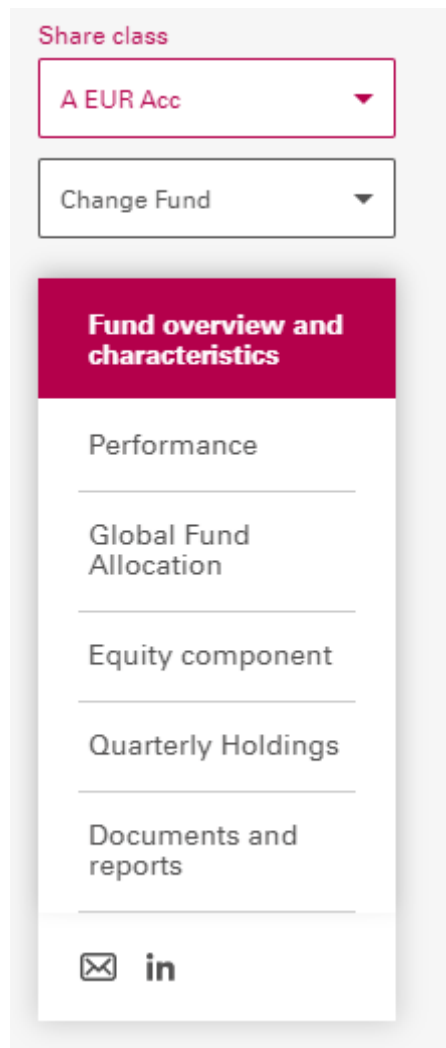
- The Monthly ESG summary factsheet
- The Quarterly Sustainability Report
- The Sustainability Disclosure document (RTS recommended 2 pager)
- The Annual ESG and HR indicator report

These documents are oriented for retail investors.

The annual reports of the Fund contain a full commentary on ESG issues and its ESG assessment. In the annual report of 2020, the Fund carbon emission reference will be Carbon intensity to allow comparison across asset classes together with fossil fuel revenues.

5.4 Please list all public media and documents used to inform investors about the SRI approach to the fund and include URLs. This should include a link to the detailed, no more than 6 months old, list of holdings of the fund(s).

- Prospectus available on the Fund's web page
- Semi-annual and annual reports available on the Fund's web page
- KIID available on the Fund's web page
- Detailed positions composing the Fund available in the quarterly reports



Fund's web page for all other reports :

Carmignac Portfolio Grande Europe

https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-grande-europe/a-eur-acc/documents-and-reports

Carmignac Euro-Entrepreneurs















https://www.carmignac.lu/en_GB/funds/carmignac-euro-entrepreneurs/a-eur-acc/documents-and-reports

Carmignac Portfolio Patrimoine Europe

https://www.carmignac.lu/en_GB/funds/carmignac-portfolio-patrimoine-europe/a-eur-acc/documents-and-reports

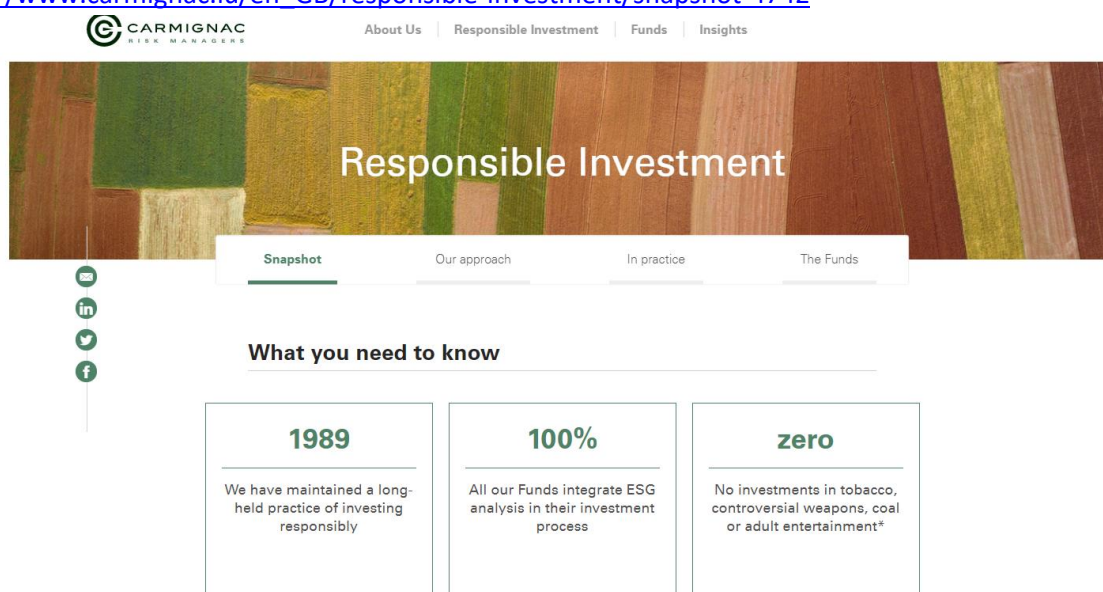
Latest documents and reports

Please use the menu below to select which reports you want to view / download

Weekly Report PRO PDF - Carmignac Portfolio Grande Europe		Monthly Factsheet (including ESG data) PDF - Carmignac Portfolio Grande Europe	
Product Sheet PDF - Carmignac Portfolio Grande Europe		KIID PDF - Carmignac Portfolio Grande Europe	
Prospectus PDF - Carmignac Portfolio Grande Europe		Semi-annual report PDF - Carmignac Portfolio Grande Europe	
Annual Report PDF - Carmignac Portfolio Grande Europe		SICAV articles PDF - Carmignac Portfolio Grande Europe	
Notice to shareholders PDF - Carmignac Portfolio Grande Europe		SRI Flyer PDF - Carmignac Portfolio Grande Europe	
ESG and HR indicators PDF - Carmignac Portfolio Grande Europe		Sustainability Quarterly Report PDF - Carmignac Portfolio Grande Europe	
SRI Guidelines PDF - Carmignac Portfolio Grande Europe		Fund Sustainability-related disclosure PDF - Carmignac Portfolio Grande Europe	

Responsible Investment Website

https://www.carmignac.lu/en_GB/responsible-investment/snapshot-4742



CARMIGNAC
RISK MANAGERS

About Us | Responsible Investment | Funds | Insights

Responsible Investment

Snapshot | Our approach | In practice | The Funds

What you need to know

- 1989**
We have maintained a long-held practice of investing responsibly
- 100%**
All our Funds integrate ESG analysis in their investment process
- zero**
No investments in tobacco, controversial weapons, coal or adult entertainment*

GLOSSARY

ESG integration	Assess E, S and G risks and document them as part of investment rationale, engage with companies on ESG topics
Norms based screening	Respect globally recognised exclusions from EU or UN sanction lists
Exclusions	Key hard exclusions are controversial weapons, tobacco, coal (10% revenue limit) mining companies, and adult entertainment
Active voting policy	High level of voting participation (target 100%)
Carbon emissions analytics	Full report on carbon footprint, carbon intensity, % fossil fuel revenues, vs benchmark
ESG analytics	Full assessment on E, S and G factors, scoring vs benchmark
Targeted voting policy 100%	Funds voting participation is close to 100%,
Full SFDR disclosure in prospectus	Fund category in accordance with the Sustainable Finance Disclosure Regulation 2019/2088, Article 8 or 9.
SRI label	Recognised SRI label certification and yearly audit by a government approved auditor
Low carbon approach	Carbon Intensity (CO2/ % M Eur revenues at minimum 30% below reference indicator), S&P Trucost data, GHG Protocol , Scope 1&2
Extended exclusions	Additional exclusion lists such as for example, conventional weapons, high carbon emitting sectors
Best in universe	Best ESG practice irrespective of sector
Best efforts	Companies with improving ESG policies
Best in class	Best ESG practice within each sector
Green bond	Participate in sovereign or corporate Green bond issues
Positive impact	intention to generate a measurable social and environmental impact alongside a financial return
Thematic approach	Funds with environment or social sustainability themes often i.e. environmental n Positive Impact funds

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