



SRI Guidelines

Carmignac Portfolio Climate Transition

August 2022



Carmignac's Overarching Sustainable Framework



Firm

- Our operations are Carbon neutral 2019¹
- Office Environmental practices
- UNPRI signatory 2012

3 key engagement themes

- Climate Change
- Empowerment
- Leadership

Firm-wide exclusions

- Tobacco Free supporter
- Coal exclusions and total coal exit 2030
- Energy investments aligned to Paris Agreement

100% ESG integration

- All portfolio managers and analysts are responsible for ESG integration

100% voting

- Fulfil our fiduciary duty
- Represent our shareholders rights

19 RI fund labels

- Rigorous 3rd party audit
- French ISR²
- Belgian Towards Sustainability³

ESG Platform START⁴

- Multiple source ESG indicators
- Proprietary scoring and analysis
- Smart interface for all PM ESG requirements

90% Article 8 and 9 (SFDR⁵)

- 17% Article 9 funds
- Over 70% Article 8 funds

¹ Scope 1, 2 and Scope 3 (business travel and IT services). For more information please consult https://www.carmignac.lu/en_GB/responsible-investment/snapshot-4742

² French Label ISR. For further information, please visit <https://www.lelabelisr.fr/en/>

³ Belgian Label Towards Sustainability. For further information, please visit: <https://www.towardsustainability.be>

⁴ 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

⁵ SFDR: Sustainable Finance Disclosure Regulation (EU) 2019/2088, assets under management as of January 2022, Source: Carmignac

Our Sustainability Guidelines



PORTFOLIO CONSTRUCTION OBJECTIVE

- ▶ Sustainable objective in accordance with article 9 of the Sustainable Finance Disclosure Regulation (“SFDR”) **to invest at least 60% of assets in companies whose activity contribute to climate change mitigation and positive environmental change.**
- ▶ The investment universe to measure the sustainable objective has been composed using proprietary analysis to identify companies with revenues from economic activities that qualify as environmentally sustainable according to EU Taxonomy standards (Regulation EU 2020/852).
- ▶ The Fund does not have a specific carbon emissions target but seeks to invest in companies that 1/offer low carbon or 2/ enable the green supply chain or 3/those that are transitioning their energy production



INTEGRATION OF ESG CRITERIA

- ▶ Minimum 90% of portfolio holdings are analysed for ESG risks and opportunities
- ▶ ESG research system START* used to centralise raw ESG Data, proprietary scoring and revenue impact



VOTING & ENGAGEMENT

- ▶ An objective of participation rate of 100%
- ▶ We commit to a strengthened dialogue with companies to improve their approach to ESG issues aligned with our corporate themes**

*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.

Source: Carmignac, <https://eur-lex.europa.eu/eli/reg/2019/2088/oj> March 2021

OUR COMMITMENT TO INVESTORS

GENERATING ATTRACTIVE RISK-ADJUSTED RETURNS

- ▶ **Outperform our reference indicator (MSCI AC WORLD NR (USD)) over a recommended investment horizon of five years.**

WHILE HAVING A POSITIVE ENVIRONMENTAL CONTRIBUTION

Invest in companies that

- ▶ participate towards climate change mitigation & decarbonization efforts through reduced CO₂ emissions
- ▶ help transition to EU Zero emissions by 2050 Target

Invest at least 60% of assets in companies whose activity contribute to climate change mitigation and positive environmental change (Sustainable objective in accordance with article 9 of the Sustainable Finance Disclosure Regulation (“SFDR”))



Carmignac Portfolio Climate Transition's Sustainable Objective

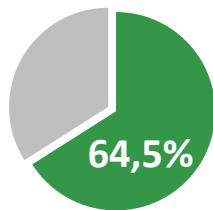
Our Sustainable Objective Explained

Carmignac P. Climate Transition Strategy seeks:

- ▶ to invest sustainably for long-term growth and pursues a thematic approach for a positive environmental contribution
- ▶ to invest at least 60% of assets in companies whose activity contribute to climate change mitigation and positive environmental change
- ▶ The investment universe to measure the sustainable objective has been composed using proprietary analysis to identify companies with revenues from economic activities that qualify as environmentally sustainable according to EU Taxonomy standards (Regulation EU 2020/852)

Carmignac Portfolio Climate Transition SICAV Subfund Prospectus March 2021

Carmignac P. Climate Transition exposure to environmentally sustainable activities as defined in Taxonomy sector framework² as of 31/12/2021



Taxonomy sector framework & Methodology explanation*

- ▶ **Step 1:** Verify company business activities are identified within the Taxonomy standards thanks to our Green Universe screening. A company is considered to be contributing positively to climate change mitigation or adaptation and therefore is eligible to the counting if it generates revenues (>0%) from activities that are identified as Taxonomy compliant in the Technical Expert Group (TEG) report published on 09/03/2020.
- ▶ **Step 2:** Confirm the reported % revenues per company stated through proprietary analysis
- ▶ **Step 3:** Identify companies risk mitigation of potential environmental controversies that may harm other climate goals of the Taxonomy activities referred to as Do No Significant Harm (DNSH)⁴ through controversy screens and proprietary analysis
- ▶ **Step 4:** Safeguard companies' adequate social policies and practices in place through Norms based screening which includes International Labour Organization's work principles

Source: 1. For more information regarding the EU Taxonomy standards

https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/190618-sustainable-finance-teg-report-taxonomy_en.pdf
https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/190618-sustainable-finance-teg-report-taxonomy_en.pdf

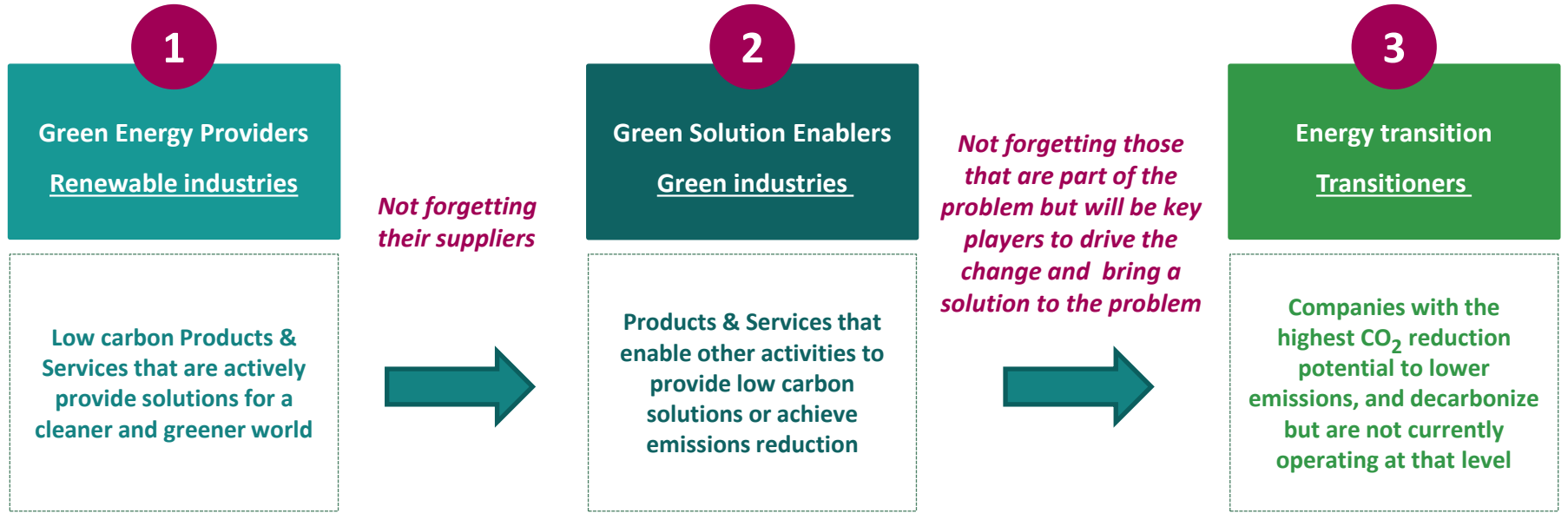
2. In number of issuers. European Commission, Carmignac, Bloomberg Portfolio and Watchlist Analytics NACE, 31/12/2020

3. For more information on NACE methodology : https://ec.europa.eu/eurostat/statistics-explained/index.php/NACE_background

4. For more information regarding Do No Significant Harm

https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf Page 29-35

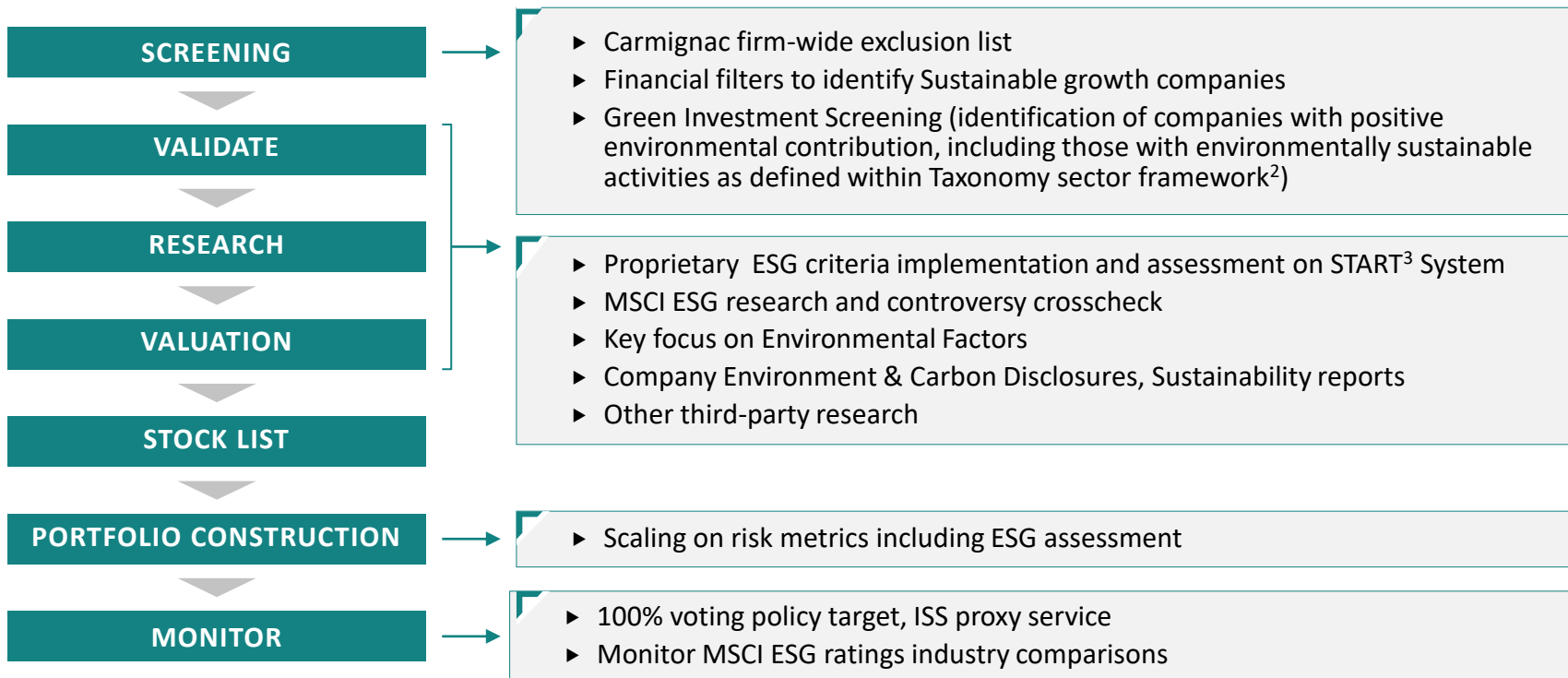
3 possible ways to contribute to energy transition through investments



ESG criteria are an integral part of the investment process*

*Minimum 90% of portfolio holdings are analysed for ESG risks and opportunities
Portfolio composition may vary over time
Source: Carmignac, 2020 Source: Carmignac December 2020

ESG is Integrated into the Investment Management Process¹



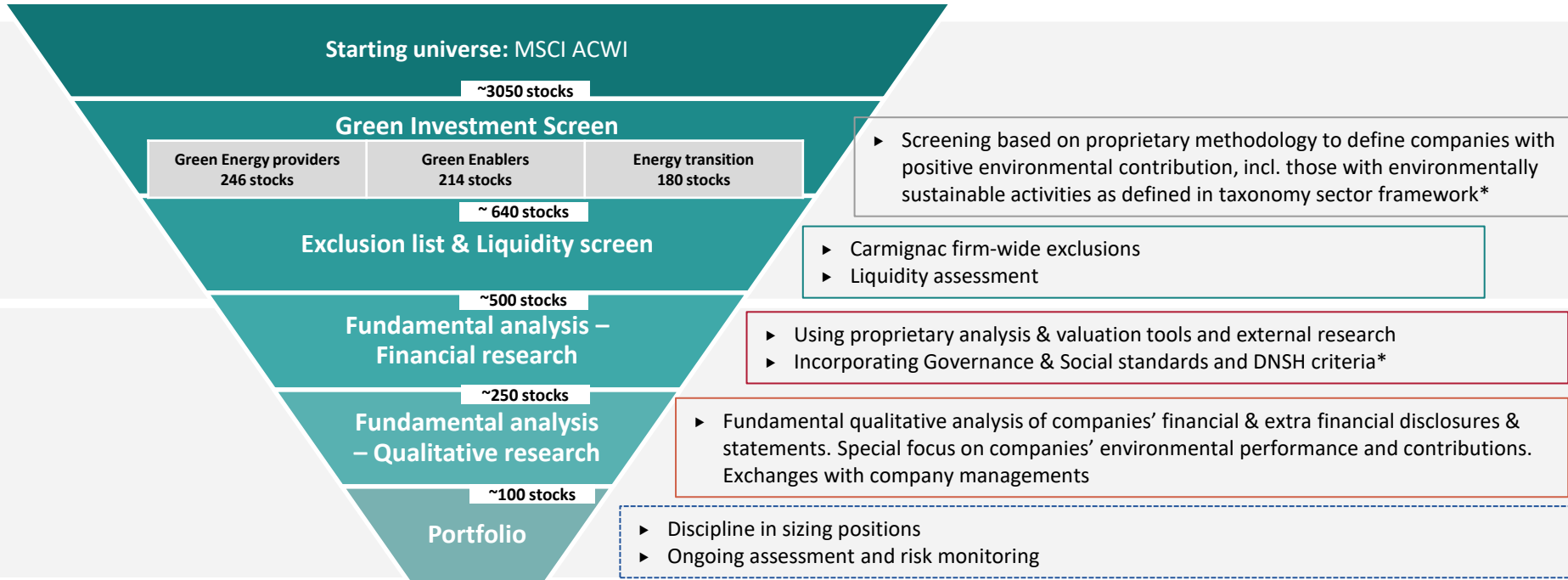
¹ All the funds and underlying issuers are not concerned by this statement. For more details, please refer to: https://www.carmignac.lu/en_GB/responsible-investment/in-practice-4744

² For more information please refer to related slide. https://ec.europa.eu/knowledge4policy/publication/sustainable-finance-teg-final-report-eu-taxonomy_en
https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-feedback-and-workshops_en.pdf

³ 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

Source: Carmignac, European Commission, January 2022

The Investment Process: A Combination of Proprietary, Fundamental and Environmental Contribution Analysis



© Carmignac Portfolio
Green Gold

* For more information on Taxonomy Framework & and Do No Significant Harm criteria please refer to related slide.
https://ec.europa.eu/knowledge4policy/publication/sustainable-finance-teg-final-report-eu-taxonomy_en

https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-feedback-and-workshops_en.pdf

*DNSH criteria

Source: Carmignac, 2022

Exclusions Across All Funds



Exclusions

Our exclusions policy

Our exclusion list contains companies and sectors that are excluded due to their **activities** or their **business norms**

This policy applies to **all funds** where Carmignac acts as an investment manager

Firm-wide hard restrictions

(transactions are prohibited and blocked on trading tools)

- ✘ **Controversial weapon manufacturers** that produce products that do not comply with treaties or legal bans¹
- ✘ **Tobacco producers, wholesale distributors and suppliers** with revenues over 5% from such products
- ✘ **Thermal coal miners** with over 10% revenues from extraction or 20 million tonnes from extraction
- ✘ **Power generators** that produce more CO₂/kWh than the defined threshold²
- ✘ **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.

¹ 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

² In line with the 2 ° C scenario suggested by the IEA or new coal/nuclear build or Gas>30%, Coal >10%, Nuclear >30% revenues if CO₂ data not available
Please refer to Carmignac's exclusion policy for further detail

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

Exclusion lists are updated on a quarterly basis

<h2>Taxonomy</h2>	<p>The Taxonomy Regulation (TR), (Dec 2019) creates a legal basis for the EU Taxonomy. The TR sets out the framework and environmental objectives for the Taxonomy, as well as new legal obligations for financial market participants, large companies, the EU and Member States. The EU Taxonomy is a tool to help investors, companies, issuers and project promoters navigate the transition to a low-carbon, resilient and resource-efficient economy. The Taxonomy sets performance thresholds (referred to as 'technical screening criteria') for economic activities which:</p> <ul style="list-style-type: none"> • make a substantive contribution to one of six environmental objectives • do no significant harm (DNSH) to the other five, where relevant; • meet minimum safeguards (e.g., OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights). <p>The performance thresholds will help companies, project promoters and issuers access green financing to improve their environmental performance, as well as helping to identify which activities are already environmentally friendly.</p> <p>https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf</p>
<h2>NACE</h2>	<p>NACE is the acronym used to designate the various statistical classifications of economic activities developed since 1970 in the European Union (EU). NACE provides the framework for collecting and presenting a large range of statistical data according to economic activity in the fields of economic statistics (e.g. production, employment, national accounts) and in other statistical domains. Statistics produced on the basis of NACE are comparable at European and, in general, at world level. The use of NACE is mandatory within the European statistical system.</p> <p>For more information on NACE methodology: https://ec.europa.eu/eurostat/statistics-explained/index.php/NACE_background https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-feedback-and-workshops_en.pdf</p>
<h2>Do No Significant Harm (DNSH)</h2>	<p>An activity contributing to climate change mitigation must avoid significant harm to climate change adaptation and the other four environmental objectives: 3. Sustainable use and protection of water and marine resources 4. Transition to a circular economy, waste prevention and recycling 5. Pollution prevention and control 6. Protection of healthy ecosystems</p> <p>https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf Page 29-35</p>
<h2>Climate change mitigation</h2>	<p>Climate change mitigation' means the process of holding the increase in the global average temperature to well below 2 °C and pursuing efforts to limit it to 1,5 °C above pre-industrial levels, as laid down in the Paris Agreement;</p> <p>https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852&from=EN Article 2</p>
<h2>Decarbonisation</h2>	<p>Decarbonisation is the term used for the process of lowering the amount of greenhouse gas emissions produced by the burning of fossil fuels. Generally, this involves decreasing CO2 output per unit of electricity generated. Reducing the amount of carbon dioxide occurring as a result of transport and power generation is essential to meet global temperature standards set by the Paris Agreement</p>
<h2>UN SDGs</h2>	<p>The Sustainable Development Goals are a collection of 17 interlinked goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.</p> <p>https://sdgs.un.org/goals</p>

This is a marketing communication. This document is intended for professional clients.

This material may not be reproduced, in whole or in part, without prior authorisation from the Management Company. This material does not constitute a subscription offer, nor does it constitute investment advice. This material is not intended to provide, and should not be relied on for, accounting, legal or tax advice. This material has been provided to you for informational purposes only and may not be relied upon by you in evaluating the merits of investing in any securities or interests referred to herein or for any other purposes. The information contained in this material may be partial information and may be modified without prior notice. They are expressed as of the date of writing and are derived from proprietary and non-proprietary sources deemed by Carmignac to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy. As such, no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors and omissions (including responsibility to any person by reason of negligence) is accepted by Carmignac, its officers, employees or agents.

Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor).

The return may increase or decrease as a result of currency fluctuations, for the shares which are not currency-hedged.

Reference to certain securities and financial instruments is for illustrative purposes to highlight stocks that are or have been included in the portfolios of funds in the Carmignac range. This is not intended to promote direct investment in those instruments, nor does it constitute investment advice. The Management Company is not subject to prohibition on trading in these instruments prior to issuing any communication. The portfolios of Carmignac funds may change without previous notice.

The reference to a ranking or prize, is no guarantee of the future results of the UCIS or the manager.

Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time.

The recommended investment horizon is a minimum and not a recommendation to sell at the end of that period.

Morningstar Rating™ : © 2021 Morningstar, Inc. All Rights Reserved. The information contained herein: is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Access to the Funds may be subject to restrictions regarding certain persons or countries. This material is not directed to any person in any jurisdiction where (by reason of that person's nationality, residence or otherwise) the material or availability of this material is prohibited. Persons in respect of whom such prohibitions apply must not access this material. Taxation depends on the situation of the individual. The Funds are not registered for retail distribution in Asia, in Japan, in North America, nor are they registered in South America. Carmignac Funds are registered in Singapore as restricted foreign scheme (for professional clients only). The Funds have not been registered under the US Securities Act of 1933. The Funds may not be offered or sold, directly or indirectly, for the benefit or on behalf of a «U.S. person», according to the definition of the US Regulation S and FATCA. Company. The risks, fees and ongoing charges are described in the KIID (Key Investor Information Material). The KIID must be made available to the subscriber prior to subscription. The subscriber must read the KIID. Investors may lose some or all their capital, as the capital in the funds are not guaranteed. The Funds present a risk of loss of capital.

The Funds' prospectus, KIIDs, NAV and annual reports are available at www.carmignac.com, or upon request to the Management. Investors have access to a summary of their rights in French, English, German, Dutch, Spanish, Italian at section 6 of "regulatory information page" on the following link :https://www.carmignac.com/en_US

Carmignac Portfolio refers to the sub-funds of Carmignac Portfolio SICAV, an investment company under Luxembourg law, conforming to the UCITS Directive. The French investment funds (fonds communs de placement or FCP) are common funds in contractual form conforming to the UCITS or AIFM Directive under French law. The Management Company can cease promotion in your country anytime.

UK: This document was prepared by Carmignac Gestion and/or Carmignac Gestion Luxembourg and is being distributed in the UK by Carmignac Gestion Luxembourg UK Branch (Registered in England and Wales with number FC031103, CSSF agreement of 10/06/2013).

In Switzerland: the prospectus, KIIDs and annual report are available at www.carmignac.ch, or through our representative in Switzerland, CACEIS (Switzerland), S.A., Route de Signy 35, CH-1260 Nyon. The paying agent is CACEIS Bank, Paris, succursale de Nyon/Suisse, Route de Signy 35, 1260 Nyon.

Copyright: The data published in this presentation are the exclusive property of their owners, as mentioned on each page.

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

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