



RI TRANSPARENCY REPORT

2020

Carmignac Gestion

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	✓	Private		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Private		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Private		✓					
LEA 21	Examples of (proxy) voting activities	-	n/a		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Private	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	🔒	n/a	✓						
FI 08	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 09	Thematic investing - assessing impact	🔒	n/a	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	✓	Private		✓					
FI 15	Engagement method	✓	Private	✓	✓					
FI 16	Engagement policy disclosure	✓	Private	✓	✓					
FI 17	Financial/ESG performance	✓	Private							✓
FI 18	Examples - ESG incorporation or engagement	-	n/a	✓	✓					
FI End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	✓	Public							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

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Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
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OO 01.1 Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- ☐ Hedge funds
- ☐ Fund of hedge funds

OO 02	Mandatory	Public	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

France

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- ☐ 1
- ☐ 2-5
- ☒ 6-10
- ☐ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

282

OO 03 **Mandatory** **Public** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

☐ Yes

☒ No

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2019

OO 04.2 Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		35	059	840	000
Currency	EUR				
Assets in USD		38	646	507	113

☐ Not applicable as we are in the fund-raising process

OO 04.4 Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

	trillions	billions	millions	thousands	hundreds
Total AUM		1	339	000	000
Currency	EUR				
Assets in USD		1	475	981	437

☐ Not applicable as we do not have any assets under execution and/or advisory approach

OO 06	Mandatory	Public	Descriptive	General
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OO 06.1	Select how you would like to disclose your asset class mix.
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☒ as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	36	0
Fixed income	51	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0

Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	13	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

☐ as broad ranges

OO 06.2

Publish asset class mix as per attached image [Optional].

OO 06.3

Indicate whether your organisation has any off-balance sheet assets [Optional].

☐ Yes

☒ No

OO 06.5

Indicate whether your organisation uses fiduciary managers.

☐ Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.

☒ No, we do not use fiduciary managers.

OO 09

Mandatory

Public

Peering

General

OO 09.1

Indicate the breakdown of your organisation's AUM by market.

Developed Markets

76

Emerging Markets

24

Frontier Markets

0



Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
---------	---

Listed equity – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- ☒ We cast our (proxy) votes directly or via dedicated voting providers
- ☐ We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- ☒ We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

	Fixed income Corporate (securitised) – engagement
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- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Public	Gateway	General
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OO 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
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	Listed equity
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Fixed income - SSA
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Fixed income - corporate (financial)
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Fixed income - corporate (non-financial)
--	--

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Fixed income - securitised
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Cash
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- ☐ We address ESG incorporation.
- ☒ We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
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OO 12.1	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.
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Core modules	
<input checked="" type="checkbox"/>	Organisational Overview
<input checked="" type="checkbox"/>	Strategy and Governance
RI implementation directly or via service providers	
Direct - Listed Equity incorporation	
<input checked="" type="checkbox"/>	Listed Equity incorporation
Direct - Listed Equity active ownership	
<input checked="" type="checkbox"/>	Engagements
<input checked="" type="checkbox"/>	(Proxy) voting
Direct - Fixed Income	
<input checked="" type="checkbox"/>	Fixed income - SSA
<input checked="" type="checkbox"/>	Fixed income - Corporate (financial)
<input checked="" type="checkbox"/>	Fixed income - Corporate (non-financial)
<input type="checkbox"/>	Fixed income - Securitised
Closing module	
<input checked="" type="checkbox"/>	Closing module

Peering questions

OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
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Percentage of internally managed listed equities

Passive	
0	
Active - quantitative (quant)	
0	
Active - fundamental and active - other	
100	

	Total
--	-------



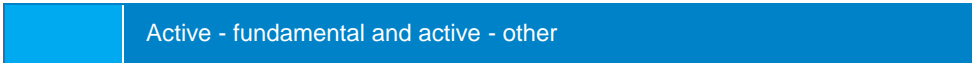





100%

OO LE 01.2	Additional information. [Optional]
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Carmignac pursues a conviction-based management approach. Decorrelated from market indices, this approach gives us maximum flexibility in our investment decisions. Truly international, our management style focuses on long term, sustainable growth themes identified through global economic and financial analysis. Our success is built on the benefits from our highly active management.

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
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SSA	 Passive
	0
	 Active - quantitative (quant)
	0
	 Active - fundamental and active - other
Corporate (financial)	100
	 Total
	100%
Corporate (non-financial)	 Passive
	0
	 Active - quantitative (quant)
	00
	 Active - fundamental and active - other
	100
	 Total
	100%

Securitised		Passive
	0	
		Active - quantitative (quant)
	0	
		Active - fundamental and active - other
	100	
		Total
	100%	

OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "*Mandatory to report, voluntary to disclose*" to "*Mandatory*". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.
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SSA		Developed markets
	60	
		Emerging markets
	40	
		Total
	100%	

OO FI 03.2	Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.
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Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

☐ OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

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Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

☒ Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- ☒ Your investment objectives that take ESG factors/real economy influence into account
- ☒ Time horizon of your investment
- ☒ Governance structure of organisational ESG responsibilities
- ☒ ESG incorporation approaches
- ☒ Active ownership approaches
- ☒ Reporting
- ☒ Climate change
- ☒ Understanding and incorporating client / beneficiary sustainability preferences
- ☒ Other RI considerations, specify (1)

Other description (1)

Clearly defined ESG Strategies suitable for retail clients (with glossary) in addition to our published transparency codes on our SRI web-page.

☐ Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

In continuation of 30 successful years of representing long-term savers investment needs, our strategy is developing to meet evolving needs. Our previous ethical focus had already been broadened to a mainstream approach to ESG integration a few years ago given our investment philosophy as Risk Managers. We are now putting our expertise to work to provide a broader, more committed Socially Responsible Investment range. SRI is part of Carmignac's core 3-part growth area for next 30 years. We have achieved French SRI label accreditation for 5 of our funds. Real economy impacts that the portfolio managers endeavour to invest towards are as follows. Grande Europe and Grandchildren funds follow 4 specific themes that encapsulates several SDGs: Basic Needs, Empowerment, Climate Change, and Natural Capital. Impact metrics have been identified for each company to monitor the progress of these impacts. The Family Governed fund follows a specific governance theme with stringent selection criteria and in-depth engagements concerning governance. The 2 emerging funds are aimed towards identifying specific themes that have direct economic impact: Financing for the Future, Sustainable Technologies, Innovative Technologies, Improving Standards of Living. These points are included in our marketing and investment process documents, available from the above links.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Carmignac maintains an overarching mainstream socially responsible process.

The responsibility of ESG criteria implementation is given to the Analysts and Portfolio Managers of the whole investment team. The investment teams form their own proprietary views, as well as use external research sources to understand the E, S and G risks and challenges associated with their investment universe. External research sources include independent industry analysts' investigations, and discussions with customers and suppliers of a given company. Carmignac has subscribed to a global MSCI ESG company ratings research service to complement its own ESG research. MSCI ESG Research offers the capacity for pre-screening of companies for ESG scores and assessments prior to our analysts and Portfolio Managers company research meetings. The team also subscribes to the MSCI business involvement screening (BISR) tool which enables them to screen for particular controversies and check involvement by revenue. In 2019 we have also subscribed to ISS Ethix to complement our coverage of controversy screening, particularly for the UN Global compact principles including human rights and labour law abuses.

Our mainstream SRI approach to our investment process is based on four stages:

1. Understanding the investment universe. Incorporating and selecting best socially responsible practices. Portfolio managers can make use of an ex ante screening tool, MSCI Business Involvement Screening Research and ISS Ethix.
2. Integration of ESG criteria. Identifying risk factors and adopting responsible behaviour. Comply with a list of excluded companies and identify potential controversies in our investments.
3. Committing to the long term. Promoting ESG criteria within our investment professional peers and corporations and as of 2020 we are undertaking a 100% Voting policy target to endorse our investors as active owners and recognising their rights as shareholders.
4. Communicating to our investors. Publishing our funds' annual reports and our voting policy report. Provide our funds' annual MSCI ESG analytics reports when requested. In 2019, we have also initiated communicating monthly to our investors in the form of monthly ESG Summary of our SRI funds ESG scores.

The Portfolio Managers and Analysts complete a rationale for investment case which includes comments on E, S and G issues, and engage with companies on relevant ESG topics and controversies. These exchanges, along with the investment rationale, are documented in the front office database MackeyRMS. When a controversy occurs during the investment, Analysts and Portfolio Managers engage directly with companies to determine, either, a resolution to the controversy or an exit from the investment.

Corporate bond analysts also respect the requirement for ESG assessment for each issuer. Relevant ESG risks and opportunities are evaluated and documented within the investment rationale. MSCI ESG research

can be used as an addition to proprietary research if necessary. Corporate bond selection respects the firm-wide exclusions across the mainstream funds and also more wider exclusions within the Socially Responsible funds where applicable. When a controversy occurs during the investment, Analysts and Portfolio Managers engage directly with companies to determine, either, a resolution to the controversy or an exit from the investment.

All Carmignac funds respect a list of harmful sector and global norms exclusions which reflects our Mainstream approach to ESG. Companies involved in controversial weapons such as anti-personnel mines and cluster bombs are systematically excluded and other restriction lists are taken into account when selecting securities such as the USA Patriot Act or the list of firms violating human rights. All global tobacco producing companies are excluded from the investment universe. Coal mining companies that earn more than 25% of revenues from Coal extraction are also excluded. Companies involved in nuclear energy are subject to a soft alert.

Our ESG restrictions are configured within our internal risk management system CMGR to avoid investments in stocks, sectors or countries that do not comply with our internal ESG policy. The exclusion list is defined by the ESG committee and reviewed by the Compliance & Internal Control department in the conduct of the annual compliance monitoring programme.

As an exception the Fund Carmignac Portfolio Commodities limits coal producers to a maximum of 5% of its assets under management.

Carmignac also manages six socially responsible Funds that implement a broader set of SRI processes such as expanded negative screening (all conventional arms, non-conventional energy, adult entertainment, coal companies with revenues above 5%, target 100% voting participation, positive impact investment) and are resolutely low carbon in their approach.

Our responsible investing approach and SRI Guidelines and Flyers, detailed Voting policy and report, UNPRI Transparency report and Assessment results as well as the Transparency Codes for our Socially Responsible Funds (SR) are available on our company website dedicated section on ESG:
https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☐ No

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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☒ Policy setting out your overall approach

	URL/Attachment
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☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☐ Attachment (will be made public)

☒ Formalised guidelines on environmental factors

	URL/Attachment
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☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

- ☐ Attachment (will be made public)
- ☒ Formalised guidelines on social factors

	URL/Attachment
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- ☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

- ☐ Attachment (will be made public)
- ☒ Formalised guidelines on corporate governance factors

	URL/Attachment
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- ☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

- ☐ Attachment (will be made public)
- ☒ Fiduciary (or equivalent) duties

	URL/Attachment
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- ☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

- ☐ Attachment (will be made public)
- ☐ Asset class-specific RI guidelines
- ☒ Sector specific RI guidelines

	URL/Attachment
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- ☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☐ Attachment (will be made public)

☒ Screening / exclusions policy

	URL/Attachment
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☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☐ Attachment (will be made public)

☒ Engagement policy

	URL/Attachment
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☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☒ Attachment (will be made public)

	Attachment
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[File 1:Engagement Policy.pdf](#)

☒ (Proxy) voting policy

	URL/Attachment
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☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☒ Attachment (will be made public)

	Attachment
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[File 1: Voting Policy.pdf](#)

☐ We do not publicly disclose our investment policy documents

SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
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☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

	URL/Attachment
--	----------------

☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☐ Attachment

☒ Your investment objectives that take ESG factors/real economy influence into account

	URL/Attachment
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☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☐ Attachment

☐ Time horizon of your investment

☒ Governance structure of organisational ESG responsibilities

	URL/Attachment
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☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☐ Attachment

☒ ESG incorporation approaches

	URL/Attachment
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☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☐ Attachment

☒ Active ownership approaches

	URL/Attachment
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☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☐ Attachment

☒ Reporting

	URL/Attachment
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☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☐ Attachment

☒ Climate change

	URL/Attachment
--	----------------

☒ URL

	URL
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https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

☒ Attachment

	File Attachment
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[Climate Policy and Carbon Report.pdf \[305KB\]](#)

☐ Understanding and incorporating client / beneficiary sustainability preferences

☐ Other RI considerations, specify (1)

☐ We do not publicly disclose any investment policy components

SG 02.3	Additional information [Optional].
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Emerging funds Transparency Code

<https://www.carmignac.fr/uploads/pdf/0001/10/325dcca17bd3e7f9b43b1f7982aa1832efd98ed2.pdf>

European Fund Transparency Code

<https://www.carmignac.fr/uploads/pdf/0001/10/0b8820e019bb22901ac81d202efc04f5d99d4360.pdf>

Global Equities Transparency Code

<https://www.carmignac.fr/uploads/pdf/0001/11/cc23fc1c64d2b4c7309c71ada02b3bb7d072488e.pdf>

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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Carmignac makes every effort to identify conflicts of interest that may arise in the course of providing investment or related services or fund management services.

Carmignac has a conflict of interest management policy in accordance with current regulations. This policy is commensurate with the size, structure, nature, importance and complexity of Carmignac's business. It includes procedures to follow and measures to take in order to manage conflicts of interest, the aim being to ensure the primacy of clients' interests and respect for market integrity.

This policy is available on request from the management company.

In accordance with current regulations, Carmignac also holds and updates a register that lists situations in which a conflict of interest has arisen whenever applicable.

When the organisational or administrative measures taken by Carmignac to manage conflicts of interest are not sufficient to avoid the risk of damaging investors' interests with a reasonable degree of certainty, the company will clearly inform investors of the nature and/or source of these conflicts of interest.

A mapping of conflicts of interests has been drawn up. The mapping identifies circumstances that give rise or may give rise to a conflict of interest.

Please see our website for further information:

https://www.carmignac.co.uk/en_GB/article-page/regulatory-information-1788

☐ No

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc basis
- ☐ It is not set/reviewed

SG 05.2	Additional information. [Optional]
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Monthly SRI label portfolio monitoring and audit and biannual ESG committee meetings encompassing all aspects of sustainable policies: voting, engagements, disclosures, label requirements, regulatory changes...

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
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	Roles
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- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Internal Roles (triggers other options)

Select from the below internal roles

- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☒ Portfolio managers
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Investor relations
- ☐ Other role, specify (1)
- ☐ Other role, specify (2)
- ☐ External managers or service providers

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The CIO implements oversight and enforces mainstream ESG integration

The Board member, Head of UK branch leads the SR policies, launches oversight

The Portfolio Managers and analysts are fully responsible for ESG integration

The SR fund portfolio managers implement SR investment processes and French SRI label requirements

The ESG Committee headed by the Stewardship manager interfaces with investment management team.

She is responsible for adherence to ESG integration and oversight of the ESG processes for the SR funds

Specialised resources have been dedicated to ESG within the ESG committee with different responsibilities for voting policy and reporting guidelines of sustainability votes, ESG compliance and exclusions monitoring, disclosure requirements and SRI label and portfolio monitoring.

A new hire, Sustainability Manager, has been appointed to the portfolio management team to broaden ESG implementation, automate portfolio monitoring, engineer proprietary screening, aid in corporate engagement, specialise in thought leadership research

A full time role ESG Equity intern has been hired to support the Sustainability Manager in ESG assessment, thematic research and ESG reporting

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

5

SG 07.4	Additional information. [Optional]
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Carmignac has 3 RI dedicated employees who have a full-time responsibility on ESG and 2 PMs who oversee SRI funds. These ESG employees act as centre of excellence for the entire organisations where they provide consultation and input to both the investment team and distribution partners. Taking non-financial or known as ESG factors into the investment decision making process is the responsibilities of everyone in investment team. The portfolio managers and analysts are directly responsible for the implementation and oversight of ESG criteria in their portfolio. One emerging market Fund manager and one European fund manager have annual ESG objectives.

Carmignac has been educating all investment teams on responsible investing. All Funds are reviewed bi-annually with discussions on the E, S and G problematics with the fund managers and analysts. Regular trainings on the internal and external ESG tools are provided. ESG factors and their importance are now part of the portfolio manager induction process that is maintained by Compliance.

There are also other functions that supports the ESG integration effort. First-level controls are performed by the support functions (ie. Middle Office, Sustainability team). Furthermore, restrictions lists with hard and soft exclusions are implemented directly in the company's trading tools, making it impossible for example to invest in securities part of a fund's hard exclusion list, or opening a pop-up alert on the soft exclusion which the fund manager has to close manually.

The Compliance and Internal Control team perform annual audit on the SRI activity and obligations followed by Fund Managers, in the course of the conduct of the annual compliance monitoring program. A compliance program has been established to monitor the requirements of the French Government SRI label.

Carmignac has chosen a world leader in research-based indexes and analytics, MSCI ESG, to enhance its understanding of ESG-related risks and opportunities in equity and bond selection. Carmignac performs comprehensive fund analytics and carbon emission analysis using MSCI ESG Portfolio Analytics reports, enabling an external benchmarking of its SRI process with recognized SRI targeted indexes.

Carmignac has partnered with the most experienced governance advisor with global reach, benefiting from their comprehensive governance research and recommendations, while maintaining total control of its voting choices. ISS supports Carmignac's efforts for specific responsible investing engagement and reporting. Two members of the middle office team are responsible of the oversight of the monitoring and right implementation of the responsible investing voting policy.

Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
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SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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Select all that apply

☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)
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- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Heightened initiatives in communication and application of ESG policies and engagement

Accreditation of 5 of our funds of French Government SRI label representing many of the UNPRI principles adherence

- ☐ Asian Corporate Governance Association
- ☐ Australian Council of Superannuation Investors
- ☐ AVCA: Sustainability Committee
- ☐ France Invest – La Commission ESG
- ☐ BVCA – Responsible Investment Advisory Board
- ☐ CDP Climate Change
- ☐ CDP Forests
- ☐ CDP Water
- ☐ CFA Institute Centre for Financial Market Integrity
- ☒ Climate Action 100+

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☒ Moderate
☐ Advanced
- ☐ Code for Responsible Investment in SA (CRISA)
☐ Council of Institutional Investors (CII)
☐ Eumedion
☐ Extractive Industries Transparency Initiative (EITI)
☐ ESG Research Australia
☐ Invest Europe Responsible Investment Roundtable
☐ Global Investors Governance Network (GIGN)
☐ Global Impact Investing Network (GIIN)
☐ Global Real Estate Sustainability Benchmark (GRESB)
☐ Green Bond Principles
☐ HKVCA: ESG Committee
☐ Institutional Investors Group on Climate Change (IIGCC)
☐ Interfaith Center on Corporate Responsibility (ICCR)
☐ International Corporate Governance Network (ICGN)
☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
☐ International Integrated Reporting Council (IIRC)
☐ Investor Network on Climate Risk (INCR)/CERES
☐ Local Authority Pension Fund Forum
☐ Principles for Financial Action in the 21st Century
☐ Principles for Sustainable Insurance
☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
 Febelfin Quality Standard consultations
 AFG, SRI Committee
 IA, UK S&RI Committee
 Alfi Carbon disclosure and SR committees
 EFAMA

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☐ Moderate
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

French/Luxembourg government sponsored SRI Forums.

Stewardship Manager participated to the responses of the following for all 3 fund association groups AFG, Alfi and IA

AFG, France SRI Committee member and member of Carbon and Impact disclosure working group.

IA, UK S&RI Committee and member of Disclosure working group

ALFI, Luxembourg SRI Committee and Chair of Climate Disclosure working group

- Ecolabel consultation Paper
- Non-Financial Reporting Directive Guidelines NFRD Carbon disclosures
- MIFID II Amendment draft proposal: ESG preferences and product governance
- Taxonomy draft proposals
- Disclosure draft proposals
- Disclosure revised text
- Carbon index draft proposals
- ESMA Consultation Paper Disclosures
- ESMA Consultation Paper MIFID II amendment

- ☐ Responsible Finance Principles in Inclusive Finance
- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☐ United Nations Global Compact
- ☒ Other collaborative organisation/initiative, specify

ShareAction
Climate Action 100+
Tobacco Free pledge

Your organisation's role in the initiative during the reporting year (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

☒ Yes

SG 10.2

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- ☒ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Client presentations explaining ESG analysis implementation, scoring pitfalls and benefits active management with case studies in UK and Spain
Client presentations describing EU Sustainable Finance rules and implications for investors in Germany

and Italy.
 New recruitment induction with dedicated ESG section
 Ad Hoc training for fund managers, analysts and support teams
 PensionPlus Belgium seminar dedicated to external ESG research methodologies and dedicated ESG ratings, 18/01/2019

Other speaking engagements throughout the year.

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad hoc
- ☐ Other

- ☐ Provided financial support for academic or industry research on responsible investment
- ☒ Provided input and/or collaborated with academia on RI related work

Description

Provided review and input to paper published by Planet Tracker – Sovereign Transition to Sustainability
<https://planet-tracker.org/tracker-programmes/food-and-land-use/sovereign-bonds/#sovereign-transition>

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad hoc
- ☐ Other

- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

We proactively disclose the SRI evolution of our funds. Proactively increase voting participation in owned companies. Ongoing discussion with clients on ways to improve transparency and disclosure on responsible investment.

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Spoke publicly at events and conferences to promote responsible investment

Description

Speaker and moderator at SRI industry events. Participate in industry seminars and conferences. Either the Stewardship Manager or the Sustainability Manager spoke at these following events on sustainability and responsible investing

- Alfi SRI conference, London, 08/05/19
- CFA ESG seminar, London, 29/10/19
- DDQ Sustainability conference, Geneva, 09/10/19
- Advisor Sustainability conference, London, 15/10/19
- Value Labs Conference, London, 05/11/19
- Deloitte Sustainability conference, Luxembourg, 06/11/19
- Fund Forum, Amsterdam, 12/11/19

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad hoc
- ☐ Other

☒ Wrote and published in-house research papers on responsible investment

Description

Published research on renewable energy opportunities in Europe.

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad hoc
- ☐ Other

☒ Encouraged the adoption of the PRI

Description

- Systematic inclusion of PRI section in client due diligences. Systematic communication with fund managers and analysts to take into account PRI principles.
- Publication of the UNPRI Transparency report on our website.
- Client education to help investors integrate ESG into their portfolio and investment planning.

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad hoc
- ☐ Other

☒ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

Major role at Fund association and EFAMA level SR working groups and committees responding to consultation Papers and draft Delegated Acts revisions Taxonomy, Disclosures, MIFID II amendment A well as NFNBDR for investee companies, climate policies and Label policies

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Wrote and published articles on responsible investment in the media

Description

Publications across various media outlets written by the SR portfolio managers, Sustainability Manager, and the Stewardship Manager

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☐ A member of PRI advisory committees/ working groups, specify
- ☐ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- ☒ Other, specify

specify description

European Working Group EWG on the ESG data dictionary templates • BSI ESG standards initiative
•Febelfin Quality Standards Label investor feedback

Description

We have been solicited to participate in the above initiatives. 4 members of the ESG committee have attended or given feedback in the above

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad hoc
- ☐ Other
- ☐ No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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We continue to enhance and improve our ESG integration. For example, early this year, two additional funds were granted the French SRI label, totalling now 5 funds which have obtained this label.

The company, at the initiative of the Founder, the head of Carmignac Gestion Luxembourg, UK Branch, has mandated the Sustainability team, notably the Sustainability Manager to initiate a Responsible Investment Roadmap which spans over a 12 month period involving a large number of Stakeholders within the firm. We have also recently employed a Project manager to coordinate this large initiative.

Outsourcing to fiduciary managers and investment consultants				
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SG 12	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1	Indicate whether your organisation uses investment consultants.
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☒ Yes, we use investment consultants

SG 12.4	Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.
----------------	---

- ☐ Custodial services
- ☐ Investment policy development
- ☐ Strategic asset allocation
- ☒ Investment research

	Describe how responsible investment is incorporated
--	---

Incorporating and selecting best socially responsible practices. Portfolio managers can make use of an ex ante screening tool, MSCI Business Involvement Screening Research and of dedicated ESG research provided by MSCI ESG Research on individual companies, sectors or specific ESG topics. Incorporating and selecting best socially responsible practices. Portfolio managers can make use of an ex ante screening tool, MSCI Business Involvement Screening Research and of dedicated ESG research provided by MSCI ESG Research on individual companies, sectors or specific ESG topics.

Carmignac engaged ISS as partner in proxy voting from 2015. The portfolio management team have access to their governance research of investee companies.

We have also engaged ISS Ethix in 2019 to enhance our ability to screen for controversies particularly for human rights and labour law abuses.

- ☐ Other, specify (1)
 - ☐ Other, specify (2)
 - ☐ Other, specify (3)
 - ☐ None of the above
- ☐ No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
----------------	--

☒ Yes, in order to assess future ESG factors

	Describe
--	----------

Scenario analysis is performed to map out the entire value chain of our investments, and to understand how well a company is managing their stakeholders along the value chain incorporating ESG risks and opportunities throughout. (EV value chain, fossil fuel transitioning)

- ☐ Yes, in order to assess future climate-related risks and opportunities
- ☐ No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
----------------	---

	We do the following
--	---------------------

- ☐ Allocation between asset classes
- ☐ Determining fixed income duration
- ☐ Allocation of assets between geographic markets
- ☒ Sector weightings
- ☐ Other, specify
- ☐ We do not consider ESG issues in strategic asset allocation

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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SG 16.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
----------------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - Securitised	ESG issues are addressed in the same manner as Carmignac's Fixed Income coverage.

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
----------------	---

	Listed equity - Incorporation
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	Do you disclose?
--	------------------

- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose it publicly

	The information disclosed to clients/beneficiaries is the same
--	--

- ☒ Yes
☐ No

Disclosure to public and URL	
	Disclosure to public and URL <input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used
	Frequency <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
	URL https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

	Listed equity - Engagement
--	----------------------------

	Do you disclose?
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- ☐ We do not disclose to either clients/beneficiaries or the public.
☐ We disclose to clients/beneficiaries only.
☒ We disclose to the public

	The information disclosed to clients/beneficiaries is the same
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- ☒ Yes
☐ No

Disclosure to public and URL	
	<div>Disclosure to public and URL</div> <div> <input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input checked="" type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information </div>
	<div>Frequency</div> <div> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested </div>
	<div>URL</div> <div> https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245 </div>

Listed equity – (Proxy) Voting	
	<div>Do you disclose?</div> <div> <input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public </div>
	<div>The information disclosed to clients/beneficiaries is the same</div> <div> <input checked="" type="radio"/> Yes <input type="radio"/> No </div>

Disclosure to public and URL	
	<p>Disclosure to public and URL</p> <p><input checked="" type="radio"/> Disclose all voting decisions</p> <p><input type="radio"/> Disclose some voting decisions</p> <p><input type="radio"/> Only disclose abstentions and votes against management</p>
	<p>Frequency</p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad hoc/when requested</p>
	<p>URL</p> <p>https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245</p>

	Fixed income
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	Do you disclose?
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- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose to the public

	The information disclosed to clients/beneficiaries is the same
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- ☒ Yes
- ☐ No

Disclosure to public and URL	
	<div>Disclosure to public and URL</div> <div> <input type="radio"/> Broad approach to RI incorporation <input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used </div>
	<div>Frequency</div> <div> <input type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested </div>
	<div>URL</div> <div> https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245 </div>

SG 19.2	Additional information [Optional]
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Our responsible investing approach and SRI Guidelines and Flyers, detailed Voting policy and report, UNPRI Transparency report and Assessment results as well as the Transparency Codes for our Socially responsible Funds are available on our company website dedicated section on ESG: https://www.carmignac.fr/en_GB/about-us/socially-responsible-investment-sri-1245

As is mentioned throughout the questionnaire, we perform complete ESG analysis externally by MSCI ESG each year. the results of these analyses and the ESG related activity including specify engagements are written within the annual report of each fund. This also includes the carbon report.

We have republished the carbon reports of our funds on the front page of our SR website from 2018, so it is more visible to investors. In 2020, we will also republish a specific engagement report on the front page as well as within the fund pages of each funds' annual report.

Carmignac Gestion

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 01	Mandatory	Public	Gateway	PRI 1
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LEI 01.1

Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e., not combined with any other strategies)
- ☐ Thematic alone (i.e., not combined with any other strategies)
- ☐ Integration alone (i.e., not combined with any other strategies)
- ☒ Screening and integration strategies

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	<div> <div></div> <div>%</div> </div> <div>90</div>
---	---

- ☐ Thematic and integration strategies
- ☐ Screening and thematic strategies
- ☐ All three strategies combined
- ☒ We do not apply incorporation strategies

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	<div> <div></div> <div>%</div> </div> <div>10</div>
---	---

Total actively managed listed equities

100%

At Carmignac, ESG incorporation is an essential part of our business model. 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 can be a driver of long term performance as ESG goes 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) will be neither successful, neither a profitable investment over the years.

Within Carmignac, Portfolio managers and analyst are each responsible for Environment, Social and Governance (ESG) aspects in selecting equity investments on behalf of their clients. Each fund may respect a different investment process with differing universes and risk profiles and ESG risks and implementation will vary. But a common thread on how ESG is incorporated exists.

Funds investing in very different regions, sectors, asset classes, all share the same first layer of ESG consideration: a Negative Screening is applied, excluding controversial sectors, such as controversial arms, global norms based restrictions, UN or EU company or country sanction lists, tobacco and coal producers.

This is complemented by more specific analysis, where the whole investment team, equity and bond selectors alike, are responsible for assessing ESG risks within an investment case. Asset manager's proprietary, external ESG specialized research but also interactions with companies are used to assess Environment, Social or Governance aspects.

Finally, ESG risks have to be continuously monitored and challenged. Should controversies occur, investments teams have to review their investment case and explain their decision (whether it is to reduce/exit a position, or to keep it). The ESG Committee is systematically asking analysts and fund managers to engage and influence the concerned corporations, when relevant.

As mentioned above, 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 best way. We as investors should of course reward the good student, but 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, more than a short term performance or dividend payment focus.

Even within challenging regions and sectors in terms of ESG risks, such as emerging markets, we see an ESG approach even more as a support to mitigate short as well as long term risks. Consequently, for our emerging market funds Carmignac Emergents, Carmignac Portfolio Emergents and Carmignac Portfolio Emerging Patrimoine, the whole investment process is emphasizing sustainability - not only in terms of ESG but also financially, looking at countries, sectors growth prospects, at companies' debt levels, countries' balance of payments, etc. Once a country has been selected for its positive fundamentals, sectors are picked based on under-penetration, which ensures investments are viable long term in terms of growth. This naturally favors sustainable themes, such as improving living standards, innovation, clean technologies, financing the future, etc. On a company level, the financial criteria of low net debt and sustainable free cash flow generation, tends to mechanically weight the portfolio away from highly polluting or controverted industries. The fund adopts a low carbon approach. In addition to Tobacco, coal (5% threshold), oil sands (1% threshold) and adult entertainment (2% threshold), meat processing companies, all weapons manufacturers are also excluded from the investment universe

Carmignac Portfolio Grande Europe invests in European equities using a fundamentally driven investment approach. The bottom-up analysis, implemented through a financial filter and scoring process, identify companies with the best long-term growth prospects, as demonstrated by their high, sustainable profitability, ideally combined with internal or external reinvestment. This investment process is complimented by in-house and third party ESG research, negative screening, carbon footprint and emissions data analysis, plus a high frequency of company and stakeholder meetings. Each step in the process supports the Fund Manager in filtering down to find the most attractive companies and building a portfolio that targets very low carbon emissions and offers a transparent SRI approach for investors. Tobacco, coal (5% threshold), oil sands (1% threshold), gambling (2% threshold) and adult entertainment (2% threshold) and all weapons manufacturers and as well as most investment in oil and gas companies, are excluded from the investment universe.

Sustainable investing does not stop at the security selection process. Regular meetings with managers of the companies in which we invest in and visits to production sites around the world allow us to assess on an ongoing basis how much weight companies attach to ESG criteria and of promoting sustainable development. Our voting policy is also part of our engagement to promote best practices in all companies. We see here also an opportunity to address and highlight some short, medium as well as long term ESG related risk. For this purpose, we have a company goal of rising year by year our voting participation and have a sustainable voting policy in place with our voting proxy service provider. In this context, for example we tend to systematically vote

"for" sustainability or pro-environment, social or governance improvements and against environment, social or governance practices.

Should there be a reason to vote against a Sustainability recommendation identified as such by ISS, the judgement is backed up by documentation from Portfolio Manager / Analyst and/or a direct company dialogue.

LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

In addition to the above negative screening the SR funds adopt a positive screening.

For the Grande Europe and Grandchildren strategies, a filter is applied to assess if a company have a positive impact in regards to the SDGs inspired impacts: Basic Needs, Empowerment, Climate Change, Natural Capital. A company that has a negative impact is excluded from the investment universe.

For the Family Governed fund, a positive screen is in place to select family owned companies based on strong governance metrics.

For the Emergents and Emerging Patrimoine strategies, investments are sought that have a positive impact by Finacing the Future, Improving Living Standards, or offer Sustainable and Innovative Technologies.

(A) Implementation: Screening

LEI 04

Mandatory

Public

Descriptive

PRI 1

LEI 04.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☒ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

Description

All funds/assets managed:

- Hard exclusion policy for controversial weapons and global Norms based screening and sanctions for all our funds/assets
- Hard exclusions for all tobacco producers
- Hard exclusions all thermal coal extractors (25% revenue threshold)

Our SR funds:

Carmignac Emergents, Carmignac Portfolio Emergents, Carmignac Portfolio Emerging Patrimoine:

- Hard exclusions: Tobacco, Power generators with emissions higher than those stipulated by a 2degree scenario suggested by the IEA, unconventional oil& gas, and adult entertainment (5% threshold), meat processing companies and weapons manufacturers are excluded from the investment universe

Carmignac Portfolio Grande Europe, Carmignac Portfolio Grandchildren, Carmignac Portfolio Family Governed:

- Hard exclusions: Tobacco, Power generators with emissions higher than those stipulated by a 2degree scenario suggested by the IEA, unconventional oil& gas, gambling (5% threshold), and adult entertainment (5% threshold) and weapons manufacturers are excluded from the investment universe.

All screenings are based on the independent and transparent involvement tools, such as the MSCI involvement tool.

All hard exclusions are implemented in the company's trading system, blocking automatically all transactions. Soft exclusions/screening are in most cases implemented in the trading tool, generating a pop-up alert before any transaction which has to be manually ticked to go on with the given transaction.

☒ Positive/best-in-class screening

Screened by

- ☒ Product
- ☐ Activity
- ☒ Sector
- ☒ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
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We use the external and independent MSCI ESG ratings and fund analytics tool for peer group comparisons.

In addition, all investment teams practice best in universe selection from their own research and evaluation given our non benchmarked, active management approach.

There are possibilities to invest on a best efforts basis if a company is improving or mitigating ES or G related risk.

☒ Norms-based screening

Screened by

- ☒ UN Global Compact Principles
- ☒ The UN Guiding Principles on Business and Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

	Description
	Norms-based screening are implemented through our ISS voting policy and in our trading system, blocking automatically all transactions.

LEI 04.2	Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.
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- Excluded companies, sectors, and countries are predefined in our order management system to prevent transactions which compose part of our filtering process.
- Analysts and portfolio managers will screen companies for controversies within ESG criteria among other financial criteria.
- The analysts and portfolio managers may use the MSCI ESG Business Involvement tool to screen for controversies within a sector or a country.

When changes to ESG procedure are undertaken, these will be communicated on the dedicated ESG / Responsible Investment page of our internet website.

Screening criteria are automatically reviewed annually, and ad-hoc, as events occur such as lifting of sanctions for Iran, or at the request of Carmignac's ESG Committee.

LEI 05	Mandatory	Public	Core Assessed	PRI 1
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LEI 05.1	Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.
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- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- ☒ Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- ☒ Trading platforms blocking / restricting flagged securities on the black list.
- ☒ A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- ☒ A periodic review of internal research is carried out.
- ☒ Review and evaluation of external research providers.
- ☐ Other; specify
- ☐ None of the above

LEI 05.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- ☐ <10%
- ☐ 10-50%
- ☐ 51-90%
- ☒ >90%

LEI 05.3

Indicate how frequently third party ESG ratings are updated for screening purposes.

- ☐ Quarterly or more frequently
- ☐ Bi-Annually
- ☒ Annually
- ☐ Less frequently than annually

LEI 05.4

Indicate how frequently you review internal research that builds your ESG screens.

- ☐ Quarterly or more frequently
- ☐ Bi-Annually
- ☒ Annually
- ☐ Less frequently than annually

(C) Implementation: Integration of ESG factors

LEI 08**Mandatory****Public****Core Assessed****PRI 1****LEI 08.1**

Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.

ESG issues	Proportion impacted by analysis
Environmental	<div> <div></div> <div>Environmental</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </p>
Social	<div> <div></div> <div>Social</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </p>
Corporate Governance	<div> <div></div> <div>Corporate Governance</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </p>

LEI 08.2 Additional information. [Optional]

All analysts and portfolio managers are required and are responsible for integrating ESG analysis in stock and bond selection

LEI 09	Mandatory	Public	Core Assessed	PRI 1
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LEI 09.1

Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Third-party ESG ratings are updated regularly
- ☒ A periodic review of the internal research is carried out
- ☒ Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ☒ ESG risk profile of a portfolio against benchmark
- ☒ Analysis of the impact of ESG factors on investment risk and return performance
- ☐ Other; specify
- ☐ None of the above

LEI 09.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- ☐ <10%
- ☐ 10-50%
- ☒ 51-90%
- ☐ >90%

LEI 09.3

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- ☐ Quarterly or more frequently
- ☐ Bi-Annually
- ☒ Annually
- ☐ Less frequently than annually

LEI 09.4

Indicate how frequently you review internal research that builds your ESG integration strategy.

- ☐ Quarterly or more frequently
- ☐ Bi-Annually
- ☒ Annually
- ☐ Less frequently than annually

LEI 09.5

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- ☐ Other; specify
- ☐ None of the above

Carmignac Gestion

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Overview

LEA 01	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

☒ Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

☒ Attachment provided:

[File 1: Voting Policy.pdf](#)

☐ URL provided:

LEA 01.3

Indicate what your active engagement policy covers:

General approach to Active Ownership

- ☒ Conflicts of interest
- ☐ Alignment with national stewardship code requirements
- ☒ Assets/funds covered by active ownership policy
- ☒ Expectations and objectives
- ☒ Engagement approach

Engagement

- ☒ ESG issues
- ☐ Prioritisation of engagement
- ☒ Methods of engagement
- ☒ Transparency of engagement activities
- ☒ Due diligence and monitoring process
- ☐ Insider information
- ☐ Escalation strategies
- ☐ Service Provider specific criteria
- ☐ Other; (specify)
- ☒ (Proxy) voting approach

Voting

- ☒ ESG issues
- ☒ Prioritisation and scope of voting activities
- ☒ Methods of voting
- ☒ Transparency of voting activities
- ☒ Regional voting practice approaches
- ☐ Filing or co-filing resolutions
- ☒ Company dialogue pre/post-vote
- ☒ Decision-making processes
- ☐ Securities lending processes
- ☐ Other; (specify)
- ☐ Other
- ☐ None of the above
- ☐ No

LEA 01.4	Do you outsource any of your active ownership activities to service providers?
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☒ Yes

LEA 01.5	Where active ownership activities are conducted by service providers, indicate whether your active ownership policy covers any of the following:
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- ☒ Outline of service provider's role in implementing your organisation's active ownership policy
- ☒ Description of considerations included in service provider selection and agreements
- ☒ Identification of key ESG frameworks which service providers must follow
- ☒ Outline of information sharing requirements of service providers
- ☒ Description of service provider monitoring processes
- ☐ Other; (specify)
- ☐ None of the above
- ☐ No

Engagement

LEA 02	Mandatory	Public	Core Assessed	PRI 1,2,3
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LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.
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Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagements.
----------	---

☒ Yes

LEA 03.2	Indicate the criteria used to identify and prioritise engagements for each type of engagement.
----------	--

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	<div>Individual / Internal staff engagements</div> <ul style="list-style-type: none"> <input type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input checked="" type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our individual engagements
Collaborative engagements	<div>Collaborative engagements</div> <ul style="list-style-type: none"> <input type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers

☐ No

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1

Indicate whether you define specific objectives for your organisation's engagement activities.

Individual / Internal staff engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 05**Mandatory****Public****Core Assessed****PRI 2****LEA 05.1**

Indicate whether you monitor and/or review engagement outcomes.

Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.

LEA 05.2

Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

LEA 06	Mandatory	Public	Additional Assessed	PRI 2,4
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LEA 06.1	Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.
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☒ Yes

LEA 06.2	Indicate the escalation strategies used at your organisation following unsuccessful engagements.
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- ☐ Collaborating with other investors
- ☐ Issuing a public statement
- ☐ Filing/submitting a shareholder resolution
- ☒ Voting against the re-election of the relevant directors
- ☒ Voting against the board of directors or the annual financial report
- ☐ Submitting nominations for election to the board
- ☐ Seeking legal remedy / litigation
- ☒ Reducing exposure (size of holdings)
- ☒ Divestment
- ☐ Other; specify

☐ No

LEA 07	Voluntary	Public	Additional Assessed	PRI 1,2
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LEA 07.1	Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.
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Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2

Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- ☒ Involving investment decision-makers when developing an engagement programme
- ☒ Holding investment team meetings and/or presentations
- ☒ Using IT platforms/systems that enable data sharing
- ☐ Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- ☐ Other; specify
- ☐ None

LEA 07.3

Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 08
Mandatory
Public
Gateway
PRI 2
LEA 08.1

Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track

(Proxy) voting and shareholder resolutions

LEA 12	Mandatory	Public	Descriptive	PRI 2
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LEA 12.1 Indicate how you typically make your (proxy) voting decisions.

Approach

- ☐ We use our own research or voting team and make voting decisions without the use of service providers.
- ☒ We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.

Based on

- ☐ The service-provider voting policy we sign off on
- ☐ Our own voting policy
- ☐ Our clients' requests or policies
- ☒ Other (explain)

Based on our own voting policy from which our Service Provider Voting guidelines is a material component.

- ☐ We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- ☐ We hire service providers who make voting decisions on our behalf.

LEA 12.2

Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

The voting practice articulates around 4 departments at Carmignac: The portfolio managers, ESG team, Middle office and the Compliance & Internal Control team. However most of the administration is performed through our service provider ISS, our custodians and our middle office. Carmignac Gestion receives the ballots for voting meetings on ProxyExchange platform from Broadridge (as the service provider from our portfolio's custodian, BP2S) ISS post the appropriate analysis for the meetings which is generally available 15 days before meeting via ProxyExchange platform. Alerts are in place to be informed when there is a meeting to be voted. Carmignac's portfolio management view is expressed at each vote and not all ISS's recommendations are followed. The ISS research concerning the voting choices are consulted but most importantly direct contact is taken with the company IR or Direction on specific issues. These exchanges are documented and voting choices are manually instructed for any meeting or ballot on ProxyExchange. Statuses of ballots are updated with the information received from Broadridge relating to successful or unsuccessful vote processing. Shares on loan are recalled to enable voting.

LEA 15**Mandatory****Public****Descriptive****PRI 2****LEA 15.1**

Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.

- ☐ 100%
- ☐ 99-75%
- ☐ 74-50%
- ☐ 49-25%
- ☒ 24-1%
- ☐ Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2

Indicate the reasons for raising your concerns with these companies ahead of voting.

- ☐ Vote(s) concerned selected markets
- ☐ Vote(s) concerned selected sectors
- ☒ Vote(s) concerned certain ESG issues
- ☐ Vote(s) concerned companies exposed to controversy on specific ESG issues
- ☐ Vote(s) concerned significant shareholdings
- ☐ Client request
- ☐ Other

LEA 16**Mandatory****Public****Core Assessed****PRI 2**

LEA 16.1	Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.
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- ☐ 100%
- ☐ 99-75%
- ☐ 74-50%
- ☐ 49-25%
- ☒ 24-1%
- ☐ We do not communicate the rationale to companies
- ☐ Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 16.2	Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.
-----------------	---

- ☐ Vote(s) concern selected markets
- ☐ Vote(s) concern selected sectors
- ☒ Vote(s) concern certain ESG issues
- ☐ Vote(s) concern companies exposed to controversy on specific ESG issues
- ☐ Vote(s) concern significant shareholdings
- ☐ Client request
- ☐ Other

LEA 16.3	In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.
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- ☐ Yes
- ☒ No

LEA 17	Mandatory	Public	Core Assessed	PRI 2
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LEA 17.1	For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- ☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

52

Specify the basis on which this percentage is calculated

- ☐ Of the total number of ballot items on which you could have issued instructions
☒ Of the total number of company meetings at which you could have voted
☐ Of the total value of your listed equity holdings on which you could have voted
☐ We do not track or collect this information

LEA 17.2

Explain your reason(s) for not voting on certain holdings

- ☐ Shares were blocked
☒ Notice, ballots or materials not received on time
☐ Missed deadline
☐ Geographical restrictions (non-home market)
☐ Cost
☐ Conflicts of interest
☐ Holdings deemed too small
☒ Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
☐ Client request
☐ Other (explain)

LEA 18

Voluntary

Public

Additional Assessed

PRI 2

LEA 18.1

Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.

- ☒ Yes, we track this information

LEA 18.2

Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	<div> <div></div> <div>%</div> </div> <div>87</div>
Against (opposing) management recommendations	<div> <div></div> <div>%</div> </div> <div>13</div>
Abstentions	<div> <div></div> <div>%</div> </div> <div>0</div>

100%

☐ No, we do not track this information

LEA 18.3	In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.
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LEA 19	Mandatory	Public	Core Assessed	PRI 2
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LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
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☒ Yes

☐ No

LEA 19.2	Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.
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- ☐ Contacting the company's board
- ☐ Contacting the company's senior management
- ☐ Issuing a public statement explaining the rationale
- ☒ Initiating individual/collaborative engagement
- ☐ Directing service providers to engage
- ☐ Reducing exposure (holdings) / divestment
- ☐ Other

Carmignac Gestion

Reported Information

Public version

Direct - Fixed Income









PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	 Screening alone
	0
	 Thematic alone
	0
	 Integration alone
	0
	 Screening + integration strategies
	100
Corporate (financial)	 Thematic + integration strategies
	0
	 Screening + thematic strategies
	0
	 All three strategies combined
	0
	 No incorporation strategies applied
	0
	100%

	<div> <div></div> <div>Thematic + integration strategies</div> </div> <div>0</div>
	<div> <div></div> <div>Screening + thematic strategies</div> </div> <div>0</div>
	<div> <div></div> <div>All three strategies combined</div> </div> <div>0</div>
	<div> <div></div> <div>No incorporation strategies applied</div> </div> <div>0</div>
	100%

Corporate (non-financial)		Screening alone	0
		Thematic alone	0
		Integration alone	0
		Screening + integration strategies	100
		Thematic + integration strategies	0
		Screening + thematic strategies	0
		All three strategies combined	0
		No incorporation strategies applied	0
			100%

FI 01.2

Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

ESG integration is mainstream across 90% of funds at Carmignac. Our Fixed income strategies can be classified in two groups :

ESG integration: with negative/norms based screening in addition to

- Carmignac Sécurité
- Carmignac Portfolio Unconstrained Global Bond
- Carmignac Patrimoine (balanced)
- Carmignac Portfolio Unconstrained Euro Fixed Income
- Carmignac Portfolio Unconstrained Credit

SRI strategy: ESG integration with negative/norms-based screening, sector exclusions, prospectus SRI objectives, qualitative country G and S assessment, green bond investing

- Carmignac Portfolio Emerging Patrimoine (balanced)

FI 01.3	Additional information [Optional].
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For our ESG integration funds, credit analysts assess ESG risk and document these in the investment rationales. Negative screening of controversial arms, soft exclusion of companies involved in nuclear activities and tobacco are excluded.

For supranationals and sovereigns, we apply a top down macroeconomic approach to country selection avoiding those countries on poor macro-economic grounds and where we deem Governance and Social factors are detrimental and represent a systemic risk. However, there is no numerical or index approach, to maintain some flexibility in considering the positive evolution of countries and political changes that could give a "benefit of doubt".

For our SRI fund Carmignac Portfolio Emerging Patrimoine fund, we have developed a proprietary tool to qualitatively assess emerging sovereigns for Governance and Social risk. Environmental factors have not yet been added to the screen which is still under development. The qualitative inputs are:

- Level of Corruption
- Fair Elections
- Free Press
- Institutional Strength
- Political Stability
- Current Account Balance
- Inflation and Monetary Policy mix
- Fiscal Deficit and Debt to GDP
- Economic Orthodoxy

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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FI 03.1	Indicate how you ensure that your ESG research process is robust:
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- ☒ Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- ☐ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- ☐ Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- ☒ A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- ☒ Other, specify

	specify description
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Combination of Internally / Externally-sourced data and analysis is used to formulate an ESG opinion about a specific issuer to ensure impartiality.

- ☐ None of the above

FI 03.2

Describe how your ESG information or analysis is shared among your investment team.

- ☒ ESG information is held within a centralised database and is accessible to all investment staff
- ☒ ESG information is displayed on front office research platforms
- ☐ ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- ☒ Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- ☒ Records capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

(A) Implementation: Screening**FI 04****Mandatory****Public****Gateway****PRI 1****FI 04.1**

Indicate the type of screening you conduct.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

FI 04.2

Describe your approach to screening for internally managed active fixed income

At a corporate level, Carmignac Gestion has engaged a specialized ESG consultant, MSCI ESG Research for pre-screening of companies for ESG controversies through the BIRS tool, prior to our analysts and Portfolio Managers company research meetings. Across all Fixed Income funds Carmignac operate Negative screening policy hard exclusions and soft exclusions that are discussed in FI 5.2.

As previously explained, as a non benchmarked investor we seek opportunities in companies that are improving their ESG risks. Also, there are many industries within a benchmarked best-in-class approach that we would not invest in. That is why in all our investor communication we state a best in universe and best efforts basis.

https://www.carmignac.co.uk/en_GB/about-us/socially-responsible-investment-sri-3452

FI 06**Mandatory****Public****Core Assessed****PRI 1****FI 06.1**

Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
Negative/exclusionary screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Norms-based screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

(C) Implementation: Integration

FI 10	Mandatory	Public	Descriptive	PRI 1
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FI 10.1	Describe your approach to integrating ESG into traditional financial analysis.
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For our Mainstream ESG integration funds, our approach integrating financial analysis and ESG factors encompasses best in universe as well as best efforts approach.

Our investment universe is first determined by macro-economic considerations. Secondly countries with poor governance are excluded from the universe or can be subject to non-buying / sell convictions. We might invest in sovereign debt whose countries governance is below best in class but improving.

For our SRI fund we have developed a proprietary qualitative sovereign Sustainability assessment. The SRI guidelines for the Carmignac Portfolio Emerging Patrimoine fund can be found on the fund's webpage.

https://www.carmignac.co.uk/en_GB/funds/carmignac-portfolio-emerging-patrimoine/f-gbp-acc/

In regards to corporate bonds the credit team operates a financial and extra financial due diligence on each issuer before investment. Governance risk can have the biggest impact on the financial state of a company's balance sheet and is prioritised by the Credit team. For issuers in materials or energy sectors, Environmental risks can be more important.

As ever, our goal is to maximise returns, net of the cost of risk, through a rigorous selection of issuers. For every investment, we estimate the cost of risk, which we define as the likelihood of a default occurring multiplied by the consequence of that default. In addition to the obvious financial risks, cost of risk so defined encompasses the risks arising from low-quality governance, under-representation of shareholders and a company's failure to uphold occupational health, safety and similar standards, along with environmental risks. An issuer's net risk premium is thus equal to the difference between its credit spread and cost of risk. We seek to maximise risk premia, while keeping market and volatility risk under control. That means our investments are not inherently tilted towards companies with high ESG scores, but rather towards those whose risk premia offset the financial and non-financial risks of holding them in our portfolio. Those risks have always been calculated by our analysts, but today they receive greater emphasis than ever before.

For our SRI fund Carmignac Portfolio Emerging Patrimoine fund, there are usually only 5-10 issues invested in this fund each year but they are subject to a full ESG ISR label requirements. The corporate credit positions like

the equity portion of the fund, are subject to ESG analysis, ESG scoring, and a reduction of the whole investment universe by 20% based on exclusions, controversies or low ESG rating (if they exist). The MSCI research can be used as backup or comparative to the proprietary screening that the credit analysts and portfolio managers perform in the majority of cases. MSCI ratings are used to allocate ratings to the corporate bonds within the portfolio if they exist. If not the equity team would attribute the rating to the corporate credit issuer.

FI 10.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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	SSA
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A key concern for our sovereign credit team is the long-term sustainability of a country's economic and political situation and therefore addressing ESG issues logically aligns with their country analysis. Our fixed income team will consider ESG factors when they are material to both the creditworthiness and investment performance of the country being analysed. Our sovereign analysts also undertake a large amount of quantitative macro research which is shared with our equity and solutions team. All relevant ESG information is shared internally in our front office database tool.

	Corporate (financial)
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Our dedicated Financials analysts are responsible for analysing financial companies in order to develop a deep understanding of their business, their outlook and, above all, their creditworthiness. This helps us to identify investment opportunities and avoid those companies where poor fundamentals, which have not been recognised by the market, could weaken performance and potentially lead to downgrade or default. Engagement with companies is also part of our credit analysts' fundamental approach and we engage with bond issuers communicating to them any specific concerns we may have in respect of ESG issues. All relevant ESG information is shared internally in our front office database tool.

	Corporate (non-financial)
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Our credit analysts are responsible for analysing companies in order to develop a deep understanding of their business, their outlook and, above all, their creditworthiness. This helps us to identify investment opportunities and avoid those companies where poor fundamentals, which have not been recognised by the market, could weaken performance and potentially lead to downgrade or default. Engagement with companies is also part of our credit analysts' fundamental approach and we engage with bond issuers communicating to them any specific concerns we may have in respect of ESG issues. All relevant ESG information is shared internally in our front office database tool.

FI 11	Mandatory	Public	Core Assessed	PRI 1
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FI 11.1	Indicate how ESG information is typically used as part of your investment process.
----------------	--

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is used to adjust the internal credit assessments of issuers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, specify in Additional Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 12	Mandatory	Public	Additional Assessed	PRI 1
FI 12.1	Indicate the extent to which ESG issues are reviewed in your integration process.			

	Environment	Social	Governance
SSA	<div>Environmental</div> <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<div>Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<div>Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 12.2

Please provide more detail on how you review E, S and/or G factors in your integration process.

SSA

Sovereign risks are discussed formally on a weekly basis and ad-hoc when required. Should there be a change in any important factor (for example factors related to government's governance for sovereign bonds: fiscal discipline, corruption, fairness of elections, etc.), these risks are discussed, and positions adjusted.

Our portfolio managers make very frequent visits to countries where we have or could have investments. Public offices such as treasury departments, supra national bodies such as the IMF and local politicians and independent Think Tanks are met. This allows us to assess and update on an ongoing basis potential E, S and G risks.

Country reviews are systematically made in the form of emails and archived held within a centralised database and is accessible to all investment staff: The Country risk analyst and PMs meet formally to discuss sovereign risk and Sovereign debt on a Monday and Thursday.

Corporate (financial)

Issuer ESG risks are assessed prior to investment during road shows by issuers or one on one meetings with the issuer. ESG risks are followed on an ongoing base and are potentially updated after quarterly results following which both financial and extra financial comments are written. Changes in credit risk which can involve discussions of ESG issues is discussed formally every Thursday. For the mainstream funds as previously discussed issuers are not allocated an ESG score

For our SRI fund Carmignac Portfolio Emerging Patrimoine fund, there are usually only 5-10 issues invested in this fund each year but they are subject to a full ESG ISR label requirements. The corporate credit positions like the equity portion of the fund, are subject to ESG analysis, ESG scoring, and a reduction of the whole investment universe by 20% based on exclusions, controversies or low ESG rating (if they exist). The MSCI research can be used as backup or comparative to the proprietary screening that the credit analysts and portfolio managers perform in the majority of cases. MSCI ratings are used to allocate ratings to the corporate bonds within the portfolio if they exist. If not the equity team would attribute the rating to the corporate credit issuer.

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Carmignac Gestion

Reported Information

Public version

Confidence building measures

PRI disclaimer

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Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- ☐ Third party assurance over selected responses from this year's PRI Transparency Report
- ☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- ☐ Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- ☒ Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- ☒ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - ☒ Whole PRI Transparency Report has been internally verified
 - ☐ Selected data has been internally verified
- ☐ Other, specify
- ☐ None of the above

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- ☐ Whole PRI Transparency Report was assured last year
- ☐ Selected data was assured in last year's PRI Transparency Report
- ☒ We did not assure last year's PRI Transparency report
- ☐ None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- ☒ We adhere to an RI certification or labelling scheme

CM1 03.2 Which scheme?

- ☒ National SRI label based on the EUROSIF Transparency guidelines

	% of total AUM the scheme applies
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- ☒ < 25%
- ☐ 25-50 %
- ☐ 50-70 %
- ☐ >75 %

- ☐ B-corporation
- ☐ UK Stewardship code
- ☐ GRESB
- ☐ Commodity type label (e.g. BCI)
- ☐ Social label
- ☐ Climate label
- ☐ RIAA
- ☐ Other

☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report

☒ ESG audit of holdings

CM1 03.4

Describe the process of external/third party ESG audit of holdings, including which data has been assured.

5 of our funds are certified and accredited with the French Government sponsored SRI label. Independent auditors are designated by the French Government: AFNOR and E&Y. 3 of our funds have been audited by AFNOR and 2 by E&Y.

The label framework consists of 6 pillars which are verified on-site and through extensive documentation with Portfolio managers, Sustainability staff, Marketing, Middle Office, Sales and Compliance departments.

Any minor non-conformities must be verified before the next audit, any major non-conformities leads to a suspensions of the label.

Pillar I

- Objectives in prospectus

Pillar II

- Issuer analysis and rating methodology used by the fund management company
- 90% of fund holdings must have ESG investment risks and opportunities commentaries plus an investable recommendation

Pillar III

- Inclusion of ESG criteria in the portfolio's construction and operation
- 20% of the investible universe must be excluded on ESG related grounds

Pillar IV

- The policy on ESG engagement (dialogue and voting) with issuers
- Includes objective, outcomes and actions

Pillar V

- Compliance and Internal Control programme
- Enhanced transparency
- Transparency codes , due diligence, marketing documents

Pillar VI

- Demonstration of positive impacts objectives on the development of a sustainable economy, with impact monitoring of ESG factors

☐ Other, specify

☐ None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- ☐ Whole PRI Transparency Report will be assured
- ☐ Selected data will be assured
- ☒ We do not plan to assure this year's PRI Transparency report

CM1 06	Mandatory	Public	Descriptive	General
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CM1 06.1	Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)
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	What RI processes have been assured
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- ☒ Data related to RI activities
- ☒ RI policies

	Specify
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Members of our ESG committee

- ☒ RI related governance
- ☒ Engagement processes
- ☒ Proxy voting process
- ☒ Integration process in listed assets
- ☒ Screening process in listed assets
- ☐ Thematic process in listed assets
- ☐ Other

	When was the process assurance completed(dd/ mm/yy)
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31/12/2019

	Assurance standard used
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- ☐ IIA's International Standards for the Professional Practice of Internal Auditing
- ☐ ISAE 3402
- ☐ ISO standard
- ☐ AAF 01/06
- ☐ SSE18
- ☐ AT 101 (excluding financial data)
- ☒ Other

	Specify
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Compliance & Internal Control Programme for the SRI funds

CM1 07	Mandatory	Public	Descriptive	General
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CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed
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Who has conducted the verification

- ☐ CEO or other Chief-Level staff
- ☐ The Board
- ☐ Investment Committee
- ☒ Compliance Function
- ☒ RI/ESG Team
- ☐ Investment Teams
- ☐ Legal Department
- ☒ Other (specify)

	specify
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Product Specialist Team