



A deeper insight into our sustainable approach



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We are pleased to present our 2022 Stewardship Report introduced by a foreword from our Chairman and CIO, Edouard Carmignac, which you can read below.

2022 was a challenging year for the world economy and the financial markets. It was marked by Russia's war, increased geopolitical tension between the East and West, alongside Europe's energy crisis and inflation. In this context, the consideration of Environmental, Social and Governance (ESG) factors and sustainable investing was inevitably put to the test, notably through increased scrutiny of definitions and a politicisation of the debate, particularly in the US.

Despite this backdrop, we remain convinced that our commitment to sustainability considerations is fundamental for the appropriate management of investment risks and opportunities. It is also aligned with our commitment to creating positive outcomes for the environment and society, in our investors' interests. Indeed, 2022 showed the importance of taking a sophisticated approach to ESG analysis of portfolio companies. This includes considering employee satisfaction given the need to retaining talent during an inflationary period, climate change and energy security in the context of a war and social supply chain risks during a period of geopolitical tension between the US and China.

While the above context hindered some sustainable development outcomes, such as the increased use of coal power in Europe, this also encouraged the development of sustainability-aligned, government-led policies designed to incentivise the integration of ESG in companies' business strategies. For example, US President, Joe Biden's Inflation Reduction Act sent a strong signal of the US ambition for leadership in green technology. In addition, tools to finance sustainable growth have been further developed, such as the progress made by the European Union on the development of a European Green Bond Standard (EU GBS) during the year.

Asset managers have worked to navigate the evolutions linked to the EU's Sustainable Finance Disclosure Requirements (SFDR), which categorises funds on their degree of usage of ESG information ("Article 6, 8 and 9" funds), under the scrutiny of national regulators. This year again, more than 90% of Carmignac's eligible assets under management are composed of Article 8 and 9 funds, respectively promoting environmental and social characteristics or targeting sustainable investments.

As we explain in this report, in 2022 we continued to reinforce our approach to sustainable investing and stewardship.

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With our investors in mind, taking into account their growing interest for ESG and sustainable investment, we promoted our most recently launched 'S' fund, [Carmignac Portfolio Human Xperience](#), which completed our thematic range alongside our existing [Carmignac Portfolio Climate Transition](#) (our 'E' fund) and [Carmignac Portfolio Family Governed](#) (our 'G' fund).

Transparency standards are at the very core of our approach. We built an ESG Outcome calculator, an educational tool to help our clients get a clearer view of the impact of their investments on the environment and society. We also published our first report aligned with the Taskforce on Climate-related Financial Disclosures (TCFD).

Our actions in the interests of our investors do not stop at the investment decision level. We are also active owners of the companies we invest in, an essential part of our fiduciary responsibility.

In 2022, we undertook 81 company engagements and actively exercised our voting rights by opposing the management of our investee companies at least once at 55% of the shareholder meetings we voted at.

We established our first Carmignac Voting Guidelines and published our ESG Expectations guide to help our investee companies, as well as our investors, understand our expectations on Carmignac's three ESG themes of focus: Climate, Empowerment and Leadership.

We now look forward to reinforcing our approach to sustainable investing in 2023 and beyond under the leadership of Lloyd McAllister, our new Head of Sustainable Investment.

It is the second year that we have published our Stewardship Report. I encourage you to read it to see what we have achieved in 2022 as a testimony of our strong conviction in sustainable investing.

2022 Stewardship Report

Our mission is to create value for our clients and positive outcomes for society and the environment

[Download the report](#)

Marketing communication. Please refer to the KID/KIID, prospectus of the fund before making any final investment decisions. This document is intended for professional clients.

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