



Green technologies and their impact on the climate and on natural capital

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All around us, the severely urgent need to mitigate and adapt to climate change is increasingly evident. The 2020s is the decade that requires drastic action to keep the global temperature increase below 1.5 degrees.

We can't achieve our green ambitions without mining. Copper, nickel, cobalt, silver, aluminium, lithium, neodymium and other minerals will have to be extracted in greater quantities for PV cells, wind turbines, battery storage and conductive cabling for connectivity if we want to make this transition possible.

Mining companies have been criticised for poor environmental practices, but few people realise there's a large and growing set of companies around the world developing new technologies to help make mining more efficient, better for the planet and safer for workers and local communities.

From green energy to green mobility technologies, this paper provides insights into how the materials and minerals needed for the transition to a lower carbon world affect the climate and our natural capital. Taking a more holistic view of green technologies and the potential challenges of ESG-related factors involved with supply chains will enable us to weigh environmental benefits against damages and help ensure that our green technologies are truly green.

As investors it is important that we look below the surface in order to understand issues such as these because we have a fiduciary duty to our clients. We must invest in companies that will be critical to the green transition, but not just those that appear the most obvious. This is of particular relevance for organisations like Carmignac, as we strive to invest our clients' money for both financial return and environmental and societal good, for current and future generations. It is therefore our duty to understand and support the industries that enable green technologies to prosper, but **we consider it irresponsible to invest solely in pure-play green companies and exclude enabling companies** such as mining companies, despite higher CO₂ or past controversies. Furthermore, **we believe that engaging with mining companies on these issues is the way to bring about heightened awareness and remediation of environmental or societal concerns.**



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