




Ensure that our green technologies are truly green

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Management companies have a critical role to play in helping mining groups make the transition to sustainable development when it comes to energy transition" say [Sandra Crowl](#), Stewardship Director at Carmignac.

Why are mining groups important for energy transition when they are often criticized for their practices, which are deemed to be environmentally unfriendly?

Sandra Crowl: What people need to understand is that without the mining groups, we will not be able to achieve the environmental objectives of the Paris agreement¹. We need their metals for a successful energy transition since they are used in the technologies needed for renewable energy production and green mobility. Copper, nickel, cobalt, silver, aluminium, lithium and neodymium are minerals that are used in batteries for electric cars and bicycles, photovoltaic cells and wind turbines. Demand for these metals is expected to increase sharply in the coming years, and to be two to six times higher than today's demand by 2030, and even more so by 2050.

If you are a long-term investor, you should be investing in companies that are working towards energy transition, and not just in companies that are perfectly virtuous. You cannot automatically exclude companies that also facilitate energy transition purely because they have higher CO2 emission levels or were involved in past controversies. That would be irresponsible. It is precisely these companies that are most in need of support and assistance. The mining sector is already innovating significantly to extend the life of products by developing recycling techniques and the reuse of rare minerals, for example. Despite this, we must continue to support these companies and monitor these resources closely.

What role can an asset management company play for the environment?

SC: It is the duty of investors to understand and support the industries that enable green technologies to thrive. It is by engaging with mining companies that we can help them to become more aware of sustainable development issues and to respond to environmental and societal challenges.

As an investor, you can't just take a superficial view if you want to understand these issues. You need to take a more holistic view. In the case of green technologies, this will allow us to better assess their positive and negative impacts on the environment and to ensure that our green technologies are truly ecological. This is particularly important for asset management companies such as Carmignac, which strive to manage their clients' money by investing as effectively as possible in terms of financial profitability, but also for the future of the planet and future generations.

So, what is Carmignac doing as a long-term investor?

SC: All the funds managed by Carmignac integrate environmental, societal and governance (ESG) analysis. Last year, we have developed an ESG platform called [START](#) with multiple company data sources, providing accuracy and efficiency, and by combining our human insight we have greater visibility for our investments. It is a development made for the long term for our investors.

The company was founded in 1989, and we have been investing responsibly for over 30 years. Companies that are not mitigating their ESG-related risks will not have a long-term future. Risk management has always been at the heart of Carmignac's approach, ESG risks are no different. In terms of the environment, for example, we do not invest in companies that derive 10% or more of their turnover from thermal coal mining. We have a 100% voting target in the general meetings of the companies in which we invest, and as shareholders we vote in a manner that encourages companies to improve their carbon footprint.

¹ Keeping global warming below 2°C between now and the end of the century by endeavouring to limit the rise in temperature to 1.5°C, reduce polluting emissions and achieve carbon neutrality.

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