



RI TRANSPARENCY REPORT

2017

Mirova

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

- Fund of funds, manager of managers, sub-advised products
- Other, specify
- Execution and advisory services

OO 01.2 Additional information. [Optional]

Mirova is a Core RI asset manager, fully owned by Natixis Asset Management. With €6.6 billion assets under management, Mirova is a leader in the European RI market. Its team of 69 multidisciplinary experts includes specialists in thematic investment management, engineers, financial and environmental, social and governance analysts, project financing specialists and experts in solidarity-based finance.

Thanks to its pro-active and pragmatic RI approach, that aims at reconciling wealth creation and sustainable development, Mirova offers a full array of investment solutions: listed equities, bonds, infrastructure funds, impact investing as well as engagement and voting services (fully described in PRI modules "Listed Equities Incorporation", "Fixed Income", "Infrastructures" and "Listed Equities Active Ownership").

Several key strengths distinguish Mirova from other asset managers:

- Strong firm commitment to sustainable investment supported by a large in-house Responsible Investment Research team made up of 14 ESG specialists, and several academic partnerships to fuel internal knowledge
- Conviction-based investment management: security selection is at the heart of investment processes, and sustainability is incorporated as part of idea generation, not only as a screening
- Performance-driven approach across all asset classes
- Coverage of all risks: financial and ESG

OO 02	Mandatory	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).

69

OO 02.4 Additional information. [Optional]

As regards Mirova's staff:

The company has been growing rapidly since its creation: Mirova now employs **69 multi-disciplinary SRI experts with complementary backgrounds:** specialists in thematic investment management, engineers, financial and ESG analysts, specialists and experts in socially-conscious finance and project financing.

Headed up by the CEO Philippe Zaouati, Mirova is organized around 6 teams:

- Development and operations
- Compliance, Internal Control and Risks
- Equity, fixed-income & impact investing
- Responsible Investment Research
- Infrastructure / public-private partnerships
- Infrastructure / Renewable Energy

Additional support functions are provided by Natixis Asset Management, Mirova's parent company.

As regards Mirova's offices:

In addition to its headquarters based in Paris, **Mirova has created a new investment division within NAM US* in Boston on September 1st, 2016.**

**Natixis Asset Management US (NAM US) is a joint venture between Mirova and Natixis Asset Management*

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 03.3 Additional information. [Optional]

Mirova does not have any PRI signatory subsidiary

However, **its parent-company Natixis Asset Management is a signatory since 2008**, and takes part in the annual reporting and assessment cycle on its own scope.

OO 04 Mandatory Gateway/Peering General

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

31/12/2016

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

Total AUM
6,598,420,206EUR

OO 05 Mandatory to Report, Voluntary to Disclose Gateway General

OO 05.1 Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes:

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income	10-50%	0
Private equity	0	0
Property	0	0
Infrastructure	10-50%	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	<10%	0
Other (2), specify	0	0

If you respond 'Other (1)', specify

Non-listed solidarity-based funds

OO 06 Mandatory Descriptive General

OO 06.1 How you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

'Other (1)' specified

Non-listed solidarity-based funds

OO 07 Mandatory to Report, Voluntary to Disclose Gateway General

OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Private

OO 09 Mandatory to Report, Voluntary to Disclose Peering General

OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Private

OO 09.2 Additional information. [Optional]

Private

OO 10 Mandatory Gateway General

OO 10.1 Select the direct or indirect ESG incorporation activities your organisation implemented for listed equities in the reporting year.

- We incorporate ESG in our investment decisions on our internally managed assets
- We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

OO 10.2 Select the direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.

- 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.

OO 10.3 Select the direct or indirect voting activities your organisation implemented for listed equity in the reporting year

- 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

OO 11 Mandatory Gateway General

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).

- Fixed income - SSA
- Fixed income - corporate (financial)
- Fixed income - corporate (non-financial)
- Fixed income - securitised
- Infrastructure
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]
Non-listed solidarity based funds

OO 12 Mandatory Gateway General

OO 12.1 Select from below any additional applicable modules or sections you would like to report on voluntarily. You are only required to report on asset classes that represent 10% or more of your AUM.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

Direct - Other asset classes with dedicated modules

- Infrastructure

Closing module

- Closing module

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.

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach	<input checked="" type="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> Applicable policies cover a minority of AUM
<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"/> 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)	

SG 01.4 Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
 UN Guiding Principles on Business and Human Rights
 Universal Declaration of Human Rights
 International Bill of Human Rights
 International Labour Organization Conventions
 United Nations Convention Against Corruption
 OECD Guidelines for Multinational Enterprises
 Other, specify (1)

other (1) description

The United Nations Sustainable Development Goals (SDGs)

- Other, specify (2)

other (2) description

International Climate Summits & Agreements (Kyoto Protocol, Copenhagen Accord, COP 21, COP 22)

- Other, specify (3)

other (3) description

Nagoya Biodiversity Summit

- None of the above

No

SG 01.6 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Mirova is a pure player, strongly positioned on responsible investment. Given this positioning, ESG matters are deeply embedded in its DNA. **Its RI policy therefore:**

- relies on the most advanced standards in the industry
- has been defined according to the main ESG-related international norms mentioned in SG.01.4.
- includes all the RI components mentioned in SG.01.1
- covers all its assets under management

Mirova's investment philosophy is described on its website and is summarized in a public document entitled "Mirova's research philosophy" (the URL is provided in SG.02). **This document describes not only Mirova's convictions and overall approach, but also how this is implemented concretely in the various asset classes.**

Mirova was born of a key acknowledgement: The global economic environment is facing 4 major transitions – environmental, social, technological and governance- which are accelerating a paradigm shift towards a more sustainable development model. Climate change, rising inequality, technological disruption and governance crisis are examples of the challenges that the economic leaders have to face, and which are calling for a broader response from the business world to achieve a sustainable growth as defined by the UN Sustainable Development Goals. In this context, innovation and sustainability are becoming the main levers for economic, environmental and social value creation. The companies that will be able to provide sustainable and or innovative solutions, while appropriately managing their ESG, will benefit from a real competitive advantage. Our investment approach is primarily based on that conviction and combines the sustainability and financial dimensions of investing with the objective to allocate financial capital with a net positive impact on society and benefit from returns of companies that should deliver better than average performance.

All Mirova's investment processes rely on the expertise of its in-house RI analysts, who perform state-of-the-art RI research to:

- Deepen understanding of ESG-related long-term issues: fighting climate change, pollution control, preservation of resources, protecting biodiversity, fundamental freedoms, right to health, right to development and responsible governance.
- transpose them into sustainable investment themes: sustainable energy, sustainable mobility, sustainable resources, sustainable consumption, sustainable buildings and cities, sustainable health, sustainable finance, and sustainable information and communication technologies

These ESG and sector-specific guidelines take the form of synthetic factsheets for each ESG issue and investment theme (URLs are provided in SG.02).

The RI Research team is also in charge of assessing issuers (ESG practices and business models of corporate issuers, ESG assessment of green bonds following a proprietary methodology, ESG profile of sovereign issuers, etc.). The RI analysis stimulates idea generation through thematic input, and helps screen the investment universe on the basis of transparently disclosed criteria.

As regards screening/exclusion policy, Mirova applies an upstream compliance filter that excludes the "Worst offenders", i.e. issuers exposed to severe and repeated controversies (major violations of the UN Global Compact and OECD principles, controversial weapons) and non-eligible countries. **In terms of sector, Mirova does not exclude any sector as a matter of principle, but applies an "absolute" ESG analysis. As a consequence, an entire industry might be rated "Risk"** (and therefore be non-eligible) if its level of progress is deemed insufficient with regard to the sustainability challenges it faces (e.g. Mirova does not invest in tobacco, the military industry, coal or oil exploration and production).

Furthermore, Mirova has also developed **an advanced proxy voting and engagement approach**, with a view to encouraging them to improve their practices. In addition to the active ownership initiatives carried out on its own assets under management, Mirova also offers advisory services that aim to support institutional investors and other asset managers in exercising their voting rights and implementing engagement actions, the goal being to create long-term value for all stakeholders.

The URLs of all documents mentioned above are provided in SG.02.

SG 02	Mandatory	Core Assessed	PRI 6
SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.		
<input checked="" type="checkbox"/> Policy setting out your overall approach			
		URL/Attachment	
<input checked="" type="checkbox"/> URL http://www.mirova.com/Content/Files/Mirova%20Research%20Philosophy.pdf			
<input type="checkbox"/> Attachment (will be made public)			
<input checked="" type="checkbox"/> Formalised guidelines on environmental factors			
		URL/Attachment	
<input checked="" type="checkbox"/> URL http://www.mirova.com/Content/Documents/Mirova/publications/va/ESGissues/MIROVA_ESG%20issues.pdf			
<input type="checkbox"/> Attachment (will be made public)			
<input checked="" type="checkbox"/> Formalised guidelines on social factors			
		URL/Attachment	
<input checked="" type="checkbox"/> URL http://www.mirova.com/Content/Documents/Mirova/publications/va/ESGissues/MIROVA_ESG%20issues.pdf			
<input type="checkbox"/> Attachment (will be made public)			
<input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors			
		URL/Attachment	
<input checked="" type="checkbox"/> URL http://www.mirova.com/Content/Documents/Mirova/publications/va/ESGissues/MIROVA_ESG%20issues.pdf			
<input type="checkbox"/> Attachment (will be made public)			
<input checked="" type="checkbox"/> Asset class-specific RI guidelines			
		URL/Attachment	
<input checked="" type="checkbox"/> URL http://www.mirova.com/Content/Documents/Mirova/publications/VF/plaquetteExpertise/Plaquette%20Mirova_EN_092014.pdf			
<input type="checkbox"/> Attachment (will be made public)			
<input checked="" type="checkbox"/> Sector specific RI guidelines			
		URL/Attachment	
<input checked="" type="checkbox"/> URL http://www.mirova.com/Content/Documents/Mirova/publications/va/8themes/MIROVA_8%20sustainable%20themes.pdf			
<input type="checkbox"/> Attachment (will be made public)			
<input checked="" type="checkbox"/> Screening / exclusions policy			
		URL/Attachment	
<input checked="" type="checkbox"/> URL http://www.mirova.com/Content/Files/Mirova%20Research%20Philosophy.pdf			
<input type="checkbox"/> Attachment (will be made public)			
<input checked="" type="checkbox"/> Engagement policy			
		URL/Attachment	
<input checked="" type="checkbox"/> URL http://www.mirova.com/en-UK/p/voting-and-engagement			
<input type="checkbox"/> Attachment (will be made public)			

(Proxy) voting policy

URL/Attachment
<input checked="" type="checkbox"/> URL http://www.mirova.com/en-UK/p/voting-and-engagement
<input type="checkbox"/> Attachment (will be made public)
<input type="checkbox"/> We do not publicly disclose our investment policy documents

SG 02.4 Additional information [Optional].

Mirova is fully committed to transparency and therefore discloses all relevant information that may help stakeholders, among which its clients, to understand its RI beliefs, approach and investment processes.

This information:

- takes the form of several documents publicly available (URLs are provided above in SG.02.1)
- is summarized on its website (www.mirova.com)
- is detailed in its PRI Transparency Report on a yearly basis, available on the PRI website.

DETAILED URLs ARE PROVIDED HEREAFTER:

Mirova's overall approach is described in 3 main documents:

- A corporate statement "Why we created Mirova": http://www.mirova.com/Content/Documents/Mirova/publications/va/MIROVA_Why%20we%20created%20Mirova.pdf
- A brochure "Mirova expertise: Creating sustainable value": http://www.mirova.com/Content/Documents/Mirova/publications/VF/plaquetteExpertise/Plaquette%20Mirova_EN_092014.pdf
- The "RI Research Philosophy": <http://www.mirova.com/Content/Files/Mirova%20Research%20Philosophy.pdf>

Mirova's guidelines on environmental, social and governance factors are explained in its "ESG issues factsheets": http://www.mirova.com/Content/Documents/Mirova/publications/va/ESGissues/MIROVA_ESG%20issues.pdf

Mirova's asset class specific guidelines are explained in its brochure "Mirova expertise: Creating sustainable value": http://www.mirova.com/Content/Documents/Mirova/publications/VF/plaquetteExpertise/Plaquette%20Mirova_EN_092014.pdf

Mirova's sector specific guidelines are explained in its "Sustainable themes factsheets": http://www.mirova.com/Content/Documents/Mirova/publications/va/8themes/MIROVA_8%20sustainable%20themes.pdf

Mirova's screening / exclusions policy is described in its "RI Research Philosophy": <http://www.mirova.com/Content/Files/Mirova%20Research%20Philosophy.pdf>

Mirova's engagement and voting policies are available on its website, in the section dedicated to "voting and engagement": <http://www.mirova.com/en-UK/p/voting-and-engagement>

SG 03 Mandatory Core Assessed General

SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2 Describe your policy on managing potential conflicts of interest in the investment process.

As regards investment activities, Mirova has established a conflict of interest prevention and management policy, which centres on three main points:

- **The mapping of conflicts of interest, updated at least once per year**
- **A system for preventing conflicts of interest** that is implemented at two levels: among actors and at the structural level:
 - **among actors:** outreach action, information barriers, employee statements, blacklists, remuneration, monitoring/review of service providers and voting policy.
 - **at a structural level:** this focus covers the compliance points identified by the regulations, i.e., conflicts of interest, operations between UCITS and portfolios managed by Mirova, operation of bank accounts, etc.
- **Implementation of the conflict resolution system**, which depends on information provided by relevant Compliance Department employees, and on the clarity and transparency of the information communicated by Mirova to its clients.

In addition, the activities of corporate/investment banking and asset management are housed in distinct entities within Natixis. This regulatory Chinese Wall between third-party asset management and corporate and investment banking ensures the independence of our investment decisions, as well as independence regarding ESG engagement and in the voting decisions of our RI research team.

No

SG 03.3 Additional information. [Optional]

As regards the exercise of voting rights, Mirova excludes from its investment universe securities regarding which its impartiality could be contested, i.e., a significant client representing a huge proportion of assets under management, and all entities of its parent company, Natixis. A procedure for preventing, identifying and managing conflicts of interests is also stipulated in Mirova's voting policy:

"In general, the asset management company exercises voting rights solely in the general interest of its unitholders, irrespective of its own interests, and in compliance with its guiding principles. Mirova has introduced a procedure to prevent, identify, and manage potential conflicts of interest. Thus:

- if a conflict of interest should arise between Mirova and one of its clients, the Head of Compliance and Internal Control, in coordination with the other members of the team responsible for the 'exercise of voting rights', would decide on the appropriate response.

- if a member of the team responsible for the 'exercise of voting right' should find him or herself in a conflict of interest regarding a vote, he or she should immediately notify the Head of Compliance and Internal Control and take no part in the exercise of the vote concerned.

If exercising its voting rights for a given company exposes Mirova to a significant conflict of interest, the Governance Research analyst will refer the matter to the Head of Compliance and Internal Control, who will decide on the appropriate measures to take, including the decision to participate or not in said company's general meeting.."

SG 04	Voluntary	Descriptive	General
SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.		
<input checked="" type="radio"/> Yes <input type="radio"/> No			
SG 05	Mandatory	Gateway/Core Assessed	General
SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.		
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad-hoc basis <input type="radio"/> It is not reviewed			
SG 05.2	Additional information. [Optional]		
<p>As explained previously, Mirova is a Core SRI player. Its Responsible Investment objectives are therefore directly linked to the Long Term Business Development Plan. The latter defines both annual objectives and budget, and the executive committee closely monitors the achievements and performances, at least biannually, and refines the targets regularly if necessary.</p>			
SG 06	Voluntary	Descriptive	General
SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.		
Private			
SG 06.2	Additional information.		
Private			
SG 07	Mandatory	Core Assessed	General
SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.		
Roles present in your organisation			
<input checked="" type="checkbox"/> Board members or trustees <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment <input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment <input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify The Executive Committee Members <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment <input checked="" type="checkbox"/> Portfolio managers <input type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment <input checked="" type="checkbox"/> Investment analysts <input type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment <input checked="" type="checkbox"/> Dedicated responsible investment staff <input type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment <input checked="" type="checkbox"/> External managers or service providers <input type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment <input checked="" type="checkbox"/> Investor relations			

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)

SG 07.2 For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Mirova is a key player on the RI market. Given this positioning, **the incorporation of ESG in its investment processes is an integral part of its business model and is a daily priority for the board, the top management and the operational teams.**

- **Oversight:** Responsible Investment objectives are directly linked to the Long-Term Business Development Plan. The latter is defined by the CEO (Philippe Zaouati) and the Deputy CEO (Anne-Laurence Roucher). It includes both annual objectives and budget, and the executive committee closely monitors achievements and performances, at least biannually. The board also plays an oversight role by monitoring RI activities while reviewing the Long-Term Business Development Plan.
- **Implementation:** Mirova employs 69 multidisciplinary SRI experts who share a common mission: to seize opportunities arising from sustainability issues. Mirova's teams are therefore all involved in the implementation of the RI strategy, whether they are investments teams (PMs, ESG analysts) or support functions (business development, operations, compliance/internal control/risks, etc.). It is also worth noting that Mirova works in partnership with a specialized consulting firm, Efires, for the implementation of its RI strategy, and notably on PRI reporting and assessment.

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

69

SG 07.4 Additional information. [Optional]

The company has been growing rapidly since its creation: Mirova now employs **69 multi-disciplinary SRI experts with complementary backgrounds:** specialists in thematic investment management, engineers, financial and ESG analysts, specialists and experts in socially-conscious finance and project financing.

Headed up by the CEO Philippe Zaouati, Mirova is organized around **6 teams:**

- Development and operations
- Compliance, Internal Control and Risks
- Equity, fixed-income & impact investing
- Responsible Investment Research
- Infrastructure / public-private partnerships
- Infrastructure / Renewable Energy

Additional support functions are provided by Natixis Asset Management, Mirova's parent company.

SG 08	Voluntary	Additional Assessed	General
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SG 08.1 Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Private

SG 08.3 Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

Private

SG 09	Mandatory	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.

- Principles for Responsible Investment

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

Moderate

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

Mirova is a signatory and member of several steering committees:

- E&S steering committee
- Fracking steering committee
- Human Rights steering committee
- Nominations steering committee

Mirova also took part in collaborative engagement initiatives led by the PRI (please refer to LEA section for further details), and is a signatory of the PRI Montreal Carbon Pledge.

- AFIC – La Commission ESG

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

Basic

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

Mirova is a member of the Association Française des Investisseurs pour la Croissance, which is a group that connects French asset managers. Members of the AFIC are actively engaged in financing local growth in France through investing in SMEs.

- Asian Corporate Governance Association

- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

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

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

Mirova is a signatory to the initiative, through its parent-Group, Natixis

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)

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

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

Mirova is a member of the network, takes part in some collaborative works or discussions.

- Global Real Estate Sustainability Benchmark (GRESB)

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

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

Mirova is a member of GRESB and a founding member of GRESB Infrastructure, a global sustainability benchmark for infrastructure assets. This new investor-led initiative has partnered with GRESB, the global standard for portfolio-level sustainability assessment in real estate, to develop and establish a consistent global sustainability framework for the infrastructure sector.

- Green Bond Principles

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

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

Mirova participates in ICMA's Green Bond Principles, which seeks to create unifying standards for the green bond market through transparency and disclosure.

Mirova also participates in the Board and executive committee of the group, as well as the working groups "Defining Green", "Impact Investing" and a working group on social bonds.

- Institutional Investors Group on Climate Change (IIGCC)

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

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

Mirova is a member

- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

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

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

Mirova is an active member of the Business Ethics Committee.

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)

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

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>Mirova is a member of the initiative.</p> <p>Formerly in 2015, Philippe Zaouati, Mirova's CEO, and Hervé Guez, Director of RI Research, were actively involved in the IIRC's governance in 2015.</p> <p><input checked="" type="checkbox"/> Investor Network on Climate Risk (INCR)/CERES</p>
Your organisation's role in the initiative during the reporting period (see definitions)
Basic
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>Mirova is a member of CERES and the Investor Network on Climate Risk. CERES is global organization that acts to motivate businesses to act on climate change. The Investor Network on Climate Risk is a grouping of over 120 institutional investors that address climate change while investing in low-carbon opportunities.</p> <p><input type="checkbox"/> Local Authority Pension Fund Forum</p> <p><input type="checkbox"/> Principles for Sustainable Insurance</p> <p><input checked="" type="checkbox"/> Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify Eurosif, French SIF (FIR), Italian SIF, Spanish SIF, UK SIF, US SIF</p>
Your organisation's role in the initiative during the reporting period (see definitions)
Advanced
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>Hervé Guez, Mirova's Director of RI Research, is:</p> <ul style="list-style-type: none"> • Vice President of the French-SIF Board. • He represents the French SIF at Eurosif's board, • He chaired the working group dedicated to the Article 173 of the French law on energy transition and green growth • He was a member of the French SIR-AFG committees dedicated the French SRI label <p>Mirova is also a member of the Research Commission and is involved in the collaborative engagement initiatives conducted within the French SIF's "Cordial" working group.</p> <p>Mirova also financially supports the FIR's award of European Research "Finance and Sustainable Development".</p> <p>In addition to this deep involvement within the FIR, Mirova is also a member of :</p> <ul style="list-style-type: none"> • Italian SIF • Spanish SIF • UK SIF • US SIF <p><input type="checkbox"/> Responsible Finance Principles in Inclusive Finance</p> <p><input type="checkbox"/> Shareholder Association for Research and Education (Share)</p> <p><input checked="" type="checkbox"/> United Nations Environmental Program Finance Initiative (UNEP FI)</p>
Your organisation's role in the initiative during the reporting period (see definitions)
Advanced
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>Hervé Guez, Head of RI Research, is a board member of the investment commission. Mirova is also a member of :</p> <ul style="list-style-type: none"> • the Sustainable Stock Exchange steering committee • the positive impact working group <p><input type="checkbox"/> United Nations Global Compact</p> <p><input checked="" type="checkbox"/> Other collaborative organisation/initiative, specify AFG and EFAMA</p>
Your organisation's role in the initiative during the reporting year (see definitions)
Moderate
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>Mirova is a member of the Association Française de la Gestion Financière (AFG), which groups together and promotes the interests of the French asset management industry. The association promotes ESG issues through the works of a dedicated committees, of which Mirova is a member :</p> <ul style="list-style-type: none"> - the RI Commission - the Corporate Governance commission <p>Mirova is also a member of EFAMA, the main association of the European investment management industry, and participates in the working group on responsible investment and corporate governance.</p> <p><input checked="" type="checkbox"/> Other collaborative organisation/initiative, specify The CISL (Cambridge Institute for Sustainability Group)</p>
Your organisation's role in the initiative during the reporting year (see definitions)
Moderate
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>Mirova was very actively involved in CISL works in 2015, and notably chaired the Investment Leaders Group (ILG) led the "impact framework" that</p>

resulted in a publication, which includes a foreword drafted by Hervé Guez, Mirova's Head of RI Research.

Since 2016, Mirova remains a contributor in CISL's working groups.

Other collaborative organisation/initiative, specify

Paris Europlace's CSR & RI Commission

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

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
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Mirova is member of Paris Europlace (through its parent company Natixis AM), and chairs the Paris Green and sustainable finance initiative (PGSFI). Philippe Zaouati, Mirova's CEO, coordinated the drafting of Paris Europlace's report "Green and Sustainable Finance Initiative".

Mirova also took part in two working groups focused on green bonds and infrastructures.

Other collaborative organisation/initiative, specify

The High-Level Group on sustainable finance (HLEG)

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

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
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The High-Level Group on sustainable finance is a European Commission supported assembly of 20 experts in the field of sustainable finance. Mirova's CEO, Philippe Zaouati, was selected as a member in December 2016. The group will formulate a series of proposals to the European Commission on how to better integrate sustainability into the financial system.

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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Yes

SG 10.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
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- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

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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Considering its positioning as a front-line player in the RI market, Mirova is committed to spreading responsible investment practices, and actively promotes RI through multiple initiatives. A list (albeit not comprehensive) of detailed examples is provided hereafter for illustration purposes:

"Education or training programmes for clients, investment managers, brokers/dealers, investment consultants, legal advisers or other investment organizations"

- **Informative presentations on ESG issues, regularly held for clients** (primarily institutional and employee savings fund clients), particularly during portfolio management committees or FCPE supervisory boards meetings for employee savings funds
- **Regular meetings and dialogue with brokers about sustainability issues:** Mirova explicitly encourages sell-side analysts to develop and improve their ESG research as part of its engagement process. Mirova has formalized its requirements and takes them into account while assessing sell-side research during the biannual "broker review".

"Financial support for academic or industry research on responsible investment"

- **Financial support provided to several ESG-related Chairs** (the French SIR/PRI award for European Research on Sustainable Finance; Mines ParisTech Chair focused on Responsible Corporate Governance; the Energy and Prosperity Chair backed by Ecole Polytechnique, Paris Sorbonne University and Louis Bachelier's Institute, etc.)
- **A close-knit partnership with the Cambridge Programme for Sustainability Leadership (CPSL)**, which aims to help enhance knowledge of particular sustainability issues. This partnership includes active research-based collaboration involving nine joint publications over a three-year period.

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

And "encouraged the adoption of the PRI"

- **Strong involvement in many RI professional bodies**, as part of its engagement approach. In addition to its dialogue with issuers, Mirova seeks to regularly share views and ideas with peers to collaboratively enhance transparency, harmonization and professionalization of the RI industry. Mirova gives high priority to white papers and contributes to structural discussions on Responsible Investment, particularly through an active presence in the main dedicated professional RI bodies. Over the last three years, Mirova has significantly expanded its initiatives in this respect and is today represented in the primary organizations that promote Responsible Investment and the adoption of the PRI, to come up with a common extra-financial approach, and therefore to enhance transparency and disclosure of responsible investment practices across the investment industry (for further details, please refer to question SG.09).
- **An active public policy engagement** (please, refer to question SG.11 for a full description)

"Spoke publicly at events and conferences to promote responsible investment"

- **Active participation in RI conferences:** our RI experts regularly present their vision of responsible investment at conferences and roundtables.

Altogether, they took part in more than 60 events in 2016 covering a wide range of topics: climate issues as part of the COP 22 programmes, green bonds, impact investing, general ESG/RI themes, etc.

- **The regular organization of conferences on sustainability issues:** several times a year, Mirova co-organizes the *Diners à Livre Ouvert*, in partnership with the publisher Rue de L'échiquier. For example, on October 2016, Alain Grandjean, an expert in the field of carbon issues, gave a talk on the financing of the ecological transition.

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

- **Mirova's RI specialists regularly produce research papers, gathered in a semi-annual book, "Mirova insights", and publicly available on Mirova's website:** <http://www.mirova.com/en-UK/p/Library/Publications>.

For example, in 2016 the topics covered included:

- *"Divestment or reinvestment, what role for institutional investors?"*, a focus-paper about the role played by investors in the transition towards a low-carbon economy.
- *"Unlocking the market for LDN"*, a study that sheds light on the main characteristics and dynamics of the emerging market related to Land Degradation Neutrality.
- *"When renewable energy met sustainable growth"*, a focus-paper about the regulation, cost reductions, and the rise of renewable energy in the United States
- *"Implementing and financing the UN Sustainable Development Goals (SDGs)"*, a focus-paper in which Mirova outlines levers allowing investors and regulators to facilitate the achievement of the SDGs.
- *"The promising message of Theresa May on corporate governance"*, a focus-paper analysing the Prime Minister's statements on corporate governance and announced reform on executive compensation.
- *"What do Trump's policies mean for energy and climate?"*, a research paper analysing Donald Trump's energy policies and their potential impacts
- *"Focus on green bonds"*, an interview with Marc Briand, Head of Fixed income at Mirova & Chris Wigley, Fund Manager at Mirova.

It is also worth recalling that in 2015, Philippe Zaouati and Hervé Guez, respectively CEO and Director of RI Research of Mirova co-authored and published "Positive Finance". In this book, the authors explain their thoughts on reinventing finance by presenting a new economic model whereby finance can support and incorporate the core issues of sustainable development.

"Wrote and published articles on responsible investment in the media"

- **Philippe Zaouati, Mirova's CEO, has been writing a blog dedicated to responsible investing for more than three years.** This blog is a useful tool for sharing vision on sustainability issues and promoting RI practices: <http://philippezaouati.com/>
- **Philippe Zaouati also writes and regularly publishes articles,** notably on the major key social networks such as LinkedIn. For example, in March 2016, he published "What does success mean for the Capital Market Union project?" an article highlighting that the CMU is a unique chance to provide the means and tools that will help investors and governments to convert the COP21 try into sustainable growth.
- Thanks to its renowned RI expertise, Mirova has been featured in **248 press articles in 2016, at both local and international levels.** This extensive media coverage is a way of promoting Mirova's approach, but also more broadly responsible investment practices.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.		
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Yes, individually <input checked="" type="checkbox"/> Yes, in collaboration with others			
SG 11.2	Select the methods you have used.		
<input checked="" type="checkbox"/> Endorsed written submissions to governments, regulators or public policy-makers developed by others <input checked="" type="checkbox"/> Drafted your own written submissions to governments, regulators or public-policy markers <input checked="" type="checkbox"/> Participated in face-to-face meetings with government members or officials to discuss policy <input type="checkbox"/> Other, specify			
SG 11.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.		
<input checked="" type="checkbox"/> Yes, publicly available http://www.paris-europlace.com/sites/default/files/public/rapport_parisgreensustainablefi_2016_2.pdf http://www.cisl.cam.ac.uk/publications/publication-pdfs/business-compedium.pdf <input type="checkbox"/> No <input type="checkbox"/> No			
SG 11.4	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.		
<p>As a front line player in the RI industry, Mirova is committed to engage in favour of responsible and sustainable finance through its advocacy/public policy engagement. Mirova's engagement approach towards public policy-makers results from its business model and investment philosophy, which actively promote conviction-based investment approaches seeking value creation from economic, environmental and social perspectives.</p> <p>The public policy engagement does not primarily seeks to improve ESG practices* of issuers or projects held in portfolio. The purpose is rather to target and achieve higher standards for the asset management industry, so as to collectively build a finance with positive environmental and social impacts.</p> <p>Since 2016, Mirova has been strengthening its advocacy activities, which are fully based on the objectives and principles of its responsible investment policy. Mirova's advocacy strategy, which promotes responsible investment towards public policy makers, is achieved in several ways (drafting of position papers and other publications, direct dialogue with public authorities, contribution to public consultations, participation in working groups, involvement in RI professional bodies, participation in conferences/events, sponsorship of academic research, etc.).</p> <p>Mirova's advocacy strategy aims to achieve four main objectives (2016-2019)</p> <ul style="list-style-type: none"> • Implementing a market environment fostering the development of a sustainable finance, with positive environmental and social impacts. • Giving investors the means to identify needs and opportunities for sustainable investment. • Removing barriers and structuring tools to support the development of a sustainable investment market. • Strengthening the role of sustainable investment in finance. <p>In 2016, Mirova continued to contribute to the reflection of regulators and market players on the development of appropriate tools and frameworks to help develop sustainable finance, with specific contributions at the EU level and to improve ESG disclosure for companies and for the financial sector:</p>			

As regards the development of sustainable finance:

- **Mirova answered to the EU Commission public consultation on long-term and sustainable investment.** This public consultation was launched by the European Commission in March 2016, in order to gather information on how investors factor ESG information and performance of issuers and/or assets into their investment decisions. Another objective of the consultation was to gather information about potential obstacles to long-term, sustainable investment. Mirova engaged in order to help support the development of long-term oriented sustainable finance, on which its business model relies.
- **Philippe Zaouati, CEO of Mirova, was selected as one of the experts of the European Commission's HLEG, confirming Mirova's and Natixis Asset Management's leading role in sustainable finance.** In December 2016, the European Commission unveiled the composition of a High-Level Expert Group on sustainable finance (HLEG), which will be working during one year to deliver recommendations to draft a comprehensive EU strategy on sustainable finance. The recommendations of this group will play a key role in the buildup to the EU's 2030 sustainable development agenda. The group consists of 20 leaders across civil society groups, the financial sector and academia.

As regards the improvement of ESG disclosure:

- **Mirova answered to the EU Commission public consultation on ESG disclosure.** In 2016, the European Commission launched a public consultation on the release of the "non-binding guidelines on methodology for reporting non-financial information", in the framework of the implementation of a 2014 directive on non-financial and diversity information. In the framework of its objective to understand which companies have a positive or negative impact on sustainability through improved corporates' ESG disclosure, Mirova answered to the consultation. Further EU-wide guidelines could improve the efficiency of Mirova's ESG research and investment process through the publication of extra-financial data and information by companies.
- **Mirova answered to Task Force on Climate-related Financial Disclosures (TCFD) consultations.** In 2016, the Financial Stability Board established a Task Force on Climate-related Financial Disclosures (TCFD). Its objective is to define what climate-related disclosures should be included in the annual reporting of issuers. Two public consultations were launched on the works of the TCFD. The objective of the first consultation was for the TCFD to receive advice on the scope of its recommendations. The objective of the second consultation was to seek advice on the actual recommendations on climate-related disclosures put forth by the TCFD in December 2016. Mirova answered to both consultations to contribute to the reflexion on global climate disclosure guidelines.

Mirova also took part in the following initiatives

- **Philippe Zaouati, Mirova's CEO, coordinated the drafting of Paris Europlace's report on the Paris Marketplace's "Green and Sustainable Finance Initiative".** This report is the work of a collective involving the main financial industry players active in the field (companies, investors, bank and financial companies, insurers, professional associations and public authorities). It was launched in May 2016 by Paris EUROPLACE to promote the leading role of the Paris Marketplace in the area of green and sustainable finance as international initiatives gather steam. The report is publicly available: http://www.paris-europlace.com/sites/default/files/public/rapport_parisgreensustainablefi_2016_2.pdf
- **The CISL Compendium drafted for the Green Growth Group made of EU environment ministries and Members of Parliament.** The purpose of this compendium was to explain how the private sector can contribute to building Europe's climate ambition. **Mirova's contribution notably took the form of a business case, publicly available (p. 94 of the Compendium):** <http://www.cisl.cam.ac.uk/publications/publication-pdfs/business-compendium.pdf>
- **Mirova drafted a position paper about ESG Disclosure and submitted it to the French Administration.**

The above-mentioned advocacy initiatives are described in Mirova's annual engagement report, available on its website: <http://www.mirova.com/en-INT/voting-and-engagement>.

Furthermore, it should be reminded that in 2015, Mirova carried out active advocacy activities to support:

- **further ESG disclosure requirements for investors in France**
- **the definition and development of SRI and green labels.**

Mirova's contributions provided to this end are described in detail in its PRI Transparency Report 2015 (SG.10), and resulted in two main outcomes in 2016:
 - the implementation of the Article 173 of the French law on energy transition and green growth
 - the launch of two labels: the French Government-backed SRI label and the French government (green) TEEC label.

Since then, Mirova is pursuing efforts to promote ESG disclosure and SRI/green labelling at the European level.

SG 12	Mandatory	Descriptive	PRI 1
SG 12.1	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.		
<input checked="" type="checkbox"/> We execute scenario analysis which includes factors representing the investment impacts of future environmental trends <input type="checkbox"/> We execute scenario analysis which includes factors representing the investment impacts of future social trends <input type="checkbox"/> We execute scenario analysis which includes factors representing the investment impacts of future governance trends <input checked="" type="checkbox"/> We execute other scenario analysis, specify Qualitative analysis of ESG-related scenarios in order to identify LT sustainability issues and ultimately define sustainable investment themes <input type="checkbox"/> We do not execute such scenario analysis and/or modelling			
SG 12.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.		
<input checked="" type="checkbox"/> We do the following <input checked="" type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input checked="" type="checkbox"/> Allocation of assets between geographic markets <input checked="" type="checkbox"/> Sector weightings <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not consider ESG issues in strategic asset allocation			
SG 12.3	Additional information. [OPTIONAL]		
<p>By nature, Mirova's approach includes scenario analysis. Its objective is to further understanding of sustainability issues and transpose them to an investment context by determining to what extent business industries are exposed to risks and/or opportunities related to sustainability.</p> <p>Macro-scenarios are therefore analysed upstream, taking a qualitative and thematic approach to identify long-term trends and establish sustainability-investment themes. For example, IEA's* scenarios enable our RI Research team to study and monitor the evolution of the global energy mix, and to select the investment themes that will benefit from strong drivers (e.g. renewable energies, energy-efficient technologies, etc.). However, the purpose of this scenario</p>			

analysis is not to pre-define the weightings in portfolios, but rather to identify relevant investment themes and underlying business industries that PMS can include in portfolios. We believe that a quantitative replication through predefined weightings could be interpreted as an indirect prescription of the scenario. Instead, our approach consists in using scenarios as qualitative input.

*International Energy Agency (IEA)

SG 13	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
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SG 13.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.
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- Changing demographics
- Climate change

SG 13.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
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- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 13.3	Indicate which of the following tools you use to manage emissions risks and opportunities
---------	---

- Carbon footprinting
- Scenario testing
- Disclosure on emissions risk to clients/trustees/management/beneficiaries

SG 13.4	If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.
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Today, high expectations surround the measurement of carbon impact. Voluntary initiatives and – little by little – legislation push institutional investors to consider the impact that financial portfolios have on the climate and energy transition. However, current methods (of carbon footprint measurement) are not adequate to determine an investment portfolio's contribution to these issues. Current approaches, which do not take a life-cycle vision of carbon footprinting, have the particular flaw of not accounting for emissions related to companies' products and services. The impact of these products and services on the climate is, however, crucial in many sectors – whether positively in the case of renewable energy and energy efficiency solutions, or negatively in the case of fossil fuels. Following this observation, **Mirova and Carbone 4 decided to create a partnership dedicated to developing a new methodology* capable of providing a carbon measurement that is aligned with the issues of energy transition: Carbon Impact Analytics (CIA).**

The CIA methodology focuses primarily on three indicators:

- A measure of emissions 'induced' by an issuer's activity from a life-cycle approach, taking into account direct emissions as well as emissions from product suppliers;
- A measure of the emissions which are 'avoided' due to efficiency efforts or deployment of 'low-carbon' solutions;
- An overall evaluation that takes into account, in addition to carbon measurement, further information on the issuer's evolution and the type of capital or R&D expenditures.

For these evaluations, the methodology employs a bottom-up approach in which each issuer is examined individually according to an evaluation framework adapted to each sector.

Particular scrutiny is devoted to companies with a significant climate impact: energy producers, carbon-intensive sectors (industry, construction, transport), and providers of low carbon equipment and solutions. Evaluations are then aggregated at the portfolio level while addressing instances of double-counting.

By adopting a life-cycle vision that accounts for both induced and avoided emissions, the CIA methodology is a reliable tool for measuring the contribution of investments to the issues surrounding the energy transition. Once the diagnostics are made public, financial players will face increasing pressure to improve their carbon performance. Accordingly, in the long term this measure can influence greater action in low-carbon investment strategies. **Portfolio carbon footprints are therefore a relevant tool in informing stakeholders, among which asset owners, on climate and carbon emissions risks.**

In addition, **Mirova is committed to actively communicating towards clients and beneficiaries to raise their awareness on the emissions risk and the need to tackle climate change issues. Its ESG specialists regularly publish research papers**, gathered in a semi-annual book, "Mirova Insights", and publicly available on Mirova's website**. Some of these publications are related to climate issues. For instance, in 2016, Mirova's head of RI Research Hervé Guez wrote "Divestment or reinvestment, what role for institutional investors?", a focus-paper about the role played by investors in the transition towards a low-carbon economy.

*More detailed information is available in the methodology published by Carbone 4 and in Mirova's research note describing the issues at stake.

<http://www.carbone4.com/sites/default/files/CarbonImpactAnalytics.pdf>

http://www.mirova.com/Content/Documents/Mirova/publications/va/studies/MIR_OVA_Study_Measure_Carbon_Impact_Methodology_EN.pdf.

** <http://www.mirova.com/en-UK/p/Library/Publications>

- Target setting for emissions risk reduction
- Encourage internal and/or external portfolio managers to monitor emissions risk
- Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- Other, specify
- None of the above
- Resource scarcity
- Technology developments
- Other, specify(1)

other description (1)
All long term issues taken into account by Mirova arise from sustainable development goals
<input type="checkbox"/> Other, specify(2)
<input type="checkbox"/> None of the above

SG 13.5	Additional information [Optional]
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Climate change is one of the major sustainability issues identified by Mirova, and is therefore at the heart of its approach:

- Macro-scenarios (among which climate-related ones) are qualitatively analysed and influence its investments themes. **Mirova's asset allocation is therefore impacted by climate change issues**, albeit the fact that it is a result of ESG analysis (sector and geographical biases) rather than a pre-defined asset allocation strictly speaking (please refer to SG.12 for further explanations). Furthermore, Mirova has developed an original approach which consists in providing investors with **a cross-asset-class offering on the energy transition theme**. The purpose is to build their asset allocation around this theme by investing in several asset classes focused on it (Global Equity Transition Energy, Green Bonds and Renewable Energy Infrastructures), in line with the proportions suggested by Mirova's RI experts.
- **By nature, low carbon or climate resilient investments are overrepresented in Mirova's portfolios, whereas high-carbon ones are under-weighted or even excluded** from its investment universe (e.g. oil and coal). The only exception is the case of industries that are carbon intensive in the production phase (scopes 1 and 2) but that make it possible to avoid significant emissions during the use phase (scope 3), for example some insulating construction materials. Mirova's reasoning with regard to carbon issues applies to the whole life cycle.
- **Emissions data are incorporated in the issuers' Sustainability Opinions (particularly when carbon is a sectorial key issue), which are systematically used to inform investment decision-making.**
- **Mirova actively seeks climate change integration by companies, as well as climate-supportive policies from governments**, through its individual/collaborative engagement initiatives and its public policy engagement activities (respectively described in detail in sections "Listed Equity Active Ownership", questions LEA.01 to LEA.15, and "Strategy and Governance", question SG.11)
- **Portfolio carbon footprints are measured and publicly disclosed** (please refer to SG.13.4 above for a full description)
- As explained in SG.12, **qualitative scenario testing is undertaken to identify relevant sustainability-related investment themes**. Scenarios are also used as an input while assessing issuers from a sustainability perspective. For example, the RI research takes into account to what extent business models are well positioned to comply with the 2 Degrees Celsius (2DS) climate scenario.
- **Mirova's in-house investment teams are encouraged to monitor the emissions risks of their portfolios through raw data** (e.g. issuers' carbon footprint) provided in the proprietary database "OCTAVE", in addition to the overall sustainability opinion.
- **Mirova has not defined quantified targets in terms of carbon reduction**, but it is to be highlighted that **its portfolios present induced emissions that are far lower than their indicative benchmarks**. This performance owes its strength mainly to the absence of very high-carbon companies (coal or oil) in all of Mirova's portfolios.

SG 14	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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SG 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 14.2	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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Area

Clean technology (including renewable energy)

Infrastructure
28% of AUM

Brief description and measures of investment
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In addition to the natural inclusion of clean technology and renewable energy in its equity thematic / multi-thematic approach*, as well as in its green bond strategy**, **Mirova invests directly in renewable energy infrastructures (wind, solar, biomass, etc.) through its funds FIDEME / EUROFIDEME 2 and EUROFIDEME 3.**

Renewable Energy represents 28% of Mirova's Infrastructure AuM (as at year-end 2016).

*Please refer to the section "Listed Equity Incorporation" for further details

**Please refer to the section "Fixed Income Incorporation" for further details

Green buildings

Brief description and measures of investment
--

Green buildings are by nature included in Mirova's equity thematic / multi-thematic approach*, as well as in its green bond strategy**.

We cannot quantify the percentage of our AUM in the asset class invested in this area because:

- it is not classified this way in our in-house methodology
- for listed assets, a company can address the theme only in part

*Please refer to the section "Listed Equity Incorporation" for further details

**Please refer to the section "Fixed Income Incorporation" for further details

Sustainable forestry

Brief description and measures of investment

Sustainable forestry is by nature included in Mirova's equity thematic / multi-thematic approach*, as well as in its green bond strategy**.

We cannot quantify the percentage of our AUM in the asset class invested in this area because:

- it is not classified this way in our in-house methodology
- for listed assets, a company can address the theme only partly.

**Please refer to the section "Listed Equity Incorporation" for further details*

***Please refer to the section "Fixed Income Incorporation" for further details*

Sustainable agriculture

Brief description and measures of investment

Sustainable agriculture is by nature included in Mirova's equity thematic / multi-thematic approach*, as well as in its green bond strategy**.

We cannot quantify the percentage of our AUM in the asset class invested in this area because:

- it is not classified this way in our in-house methodology
- for listed assets, a company can address the theme only partly.

**Please refer to the section "Listed Equity Incorporation" for further details*

***Please refer to the section "Fixed Income Incorporation" for further details*

Microfinance

SME financing

Brief description and measures of investment

Natixis Solidaire, Mirova's FCPR dedicated to the management of solidarity part of employee saving funds, finances a range of solidarity projects and structures, notably SMEs.

We cannot quantify the percentage of our AUM in the asset class invested in this area because it is not classified this way in our in-house methodology.

Social enterprise / community investing

Brief description and measures of investment

Natixis Solidaire, Mirova's FCPR dedicated to the management of solidarity part of employee saving funds, finances a range of solidarity projects and structures, notably social enterprise/community investing.

We cannot quantify the percentage of our AUM in the asset class invested in this area because it is not classified this way in our in-house methodology.

Affordable housing

Brief description and measures of investment

Affordable housing is by nature included in Mirova's equity thematic / multi-thematic approach*, as well as in its green bond strategy**.

We cannot quantify the percentage of our AUM in the asset class invested in this area because:

- it is not classified this way in our in-house methodology
- for listed assets, a company can address the theme only partly.

**Please refer to the section "Listed Equity Incorporation" for further details*

***Please refer to the section "Fixed Income Incorporation" for further details*

Education

Brief description and measures of investment

Education is by nature included in Mirova's equity thematic / multi-thematic approach*, as well as in its green bond strategy**.

We cannot quantify the percentage of our AUM in the asset class invested in this area because:

- it is not classified this way in our in-house methodology
- for listed assets, a company can address the theme only partly.

**Please refer to the section "Listed Equity Incorporation" for further details*

***Please refer to the section "Fixed Income Incorporation" for further details*

Global health

Brief description and measures of investment

Global health is by nature included in Mirova's equity thematic / multi-thematic approach*, as well as in its green bond strategy**.

We cannot quantify the percentage of our AUM in the asset class invested in this area because:

- it is not classified this way in our in-house methodology
- for listed assets, a company can address the theme only partly.

**Please refer to the section "Listed Equity Incorporation" for further details*

***Please refer to the section "Fixed Income Incorporation" for further details*

Water

Listed equity

Brief description and measures of investment
<p>Water is by nature included in Mirova's equity thematic / multi-thematic approach*, as well as in its green bond strategy**.</p> <p>We cannot quantify the percentage of our AUM in the asset class invested in this area because:</p> <ul style="list-style-type: none"> - it is not classified this way in our in-house methodology - for listed assets, a company can address the theme only partly. <p>*Please refer to the section "Listed Equity Incorporation" for further details</p> <p>**Please refer to the section "Fixed Income Incorporation" for further details</p>

Other area, specify
Climate Change

Brief description and measures of investment
<p>Climate change is by nature included in Mirova's equity thematic / multi-thematic approach*, as well as in its green bond strategy**.</p> <p>We cannot quantify the percentage of our AUM in the asset class invested in this area because:</p> <ul style="list-style-type: none"> - it is not classified this way in our in-house methodology - for listed assets, a company can address the theme only partly. <p>*Please refer to the section "Listed Equity Incorporation" for further details</p> <p>**Please refer to the section "Fixed Income Incorporation" for further details</p>

No

SG 15	Mandatory	Descriptive	General
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SG 15.1	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	Mirova's RI approach covers all the categories of bonds, including securitizations (the latter however represent a small portion of its assets, we therefore do not report on this category). Please refer to the module "Fixed Income Incorporation" for further details about our RI approach to this asset class.
Other (1) [as defined in Organisational Overview module]	<p>Solidarity-based assets:</p> <p>Through its Impact Investing approach, Mirova Invests a portion of the managed assets in unlisted companies with a strong social and/or environmental impact. This approach seeks to achieve a social and/or environmental return by funding needs that are inadequately met by traditional financial channels. This objective is achieved notably through our "FCPR Natixis Solidaire" dedicated to the management of solidarity part of employee saving funds. Besides, within our Impact Investing product range, the 3 "Insertion Emplois" funds include a solidarity-based component: 5 to 10% of the funds' assets are dedicated to funding (non-listed) social impact projects allowing the creation or consolidation of jobs, particularly for people experiencing difficulties.</p>

SG 17	Voluntary	Descriptive	General
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SG 17.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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Yes

SG 17.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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Mirova has one major ambition: creating sustainable value for its clients.

Concretely, consists in identifying sustainable assets, compatible with the Sustainable Development Goals (SDGs) and capable of generating long-term performance. **Its dual objective is therefore to maximize the financial performance of portfolios while generating positive environmental and social impacts.**

This can only be achieved with strong ESG analysis capabilities, experienced portfolio management teams and "RI value-added" investment processes.

Mirova's expertise combines these three keys to success.

The investment teams are made up of senior portfolio managers, headed by Jens Peers, Mirova's CIO. Jens is a thematic investment expert with 15 years' experience (mainly in water, agribusiness and clean tech) and has an excellent track record.

RI Research is carried out by an in-house team made up of 14 ESG analysts, with complementary backgrounds (engineers, CSR experts, specialists in corporate governance, etc.). This highly qualified team has developed proprietary methodologies to assess the sustainability profiles of the various categories of issuer:

- corporate and the like, supra agencies and local authorities, as long as their governance is distinct from that of their country
- green and social bonds
- sovereign issuers
- infrastructure projects.

This **custom RI analysis approach, suited to each asset class**, makes it possible: a) to focus on the most relevant ESG issues; b) to seize the opportunities arising from sustainability issues (sustainable business models addressing SDGs goals, green/social bonds, etc.) and c) to identify the most negative externalities that may also represent material risks.

Sustainability/ESG analysis is seen as a valuable additional input that enriches the investment process, rather than a simple filter that would merely reduce the investment universe. Sustainability forms an integral part of idea generation, and ESG inputs are therefore incorporated at every stage of the investment process: from the definition of eligible universe to stock-selection and portfolio construction. There is constant interaction between portfolio managers and ESG analysts. Not only do they share the same offices, they work hand in hand on a daily basis, share opinions at several internal committees and hold open meetings where anyone can attend (issuers' management, external strategists/analysts, etc.). This collegial modus operandi maintains a high and consistent level of ESG skills. It also fosters cross-team exchanges and enables them to challenge each other's opinions.

This conviction-based and results-driven RI approach has earned much recognition from outside the company. In 2016, Mirova was ranked n°1 for

"Asset Manager Contribution to sustainable investment" in the IRRRI survey organized by Extel and SRI connect, and named **"most impressive green/SRI investment firm"** at the first Euromoney/Global Capital Sustainable & Responsible Capital Markets Forum. **Twenty-one of its mutual funds have obtained the French SRI State Label, and three of its thematic funds have been awarded the Energy and Ecological Transition for Climate (TEEC) label**, following an audit by Ernst & Young.

- On the Infrastructure side, Mirova won the **"2016 Energy Investor of the Year, Europe"** award at the Infrastructure Investor Awards. The award process drew thousands of votes from the global infrastructure investment community who, from a shortlist of four nominees, selected the firm that best represented the energy asset class in Europe for 2016.
- On the Fixed Income side, Mirova received the award for the **"Most Impressive Green/SRI Investor"** for Christopher Wigley, portfolio manager of the Global Green Bonds strategy, at the first Euromoney/Global Capital Sustainable & Responsible Capital Markets Forum. The SICAV Impact ES Obli Euro also obtained the **Actifs d'or de la performance** award from L'Agefi Actifs, in the 3-year bonds category. Furthermore, Mirova was selected by Desjardins Global Asset Management in 2016 to provide delegated management of an international green bond fund, the "Desjardins SocieTerra Environmental Bond Fund", for a total of 100 million Canadian dollars.
- **On the Equity side, Mirova has been recognized for the quality of its expertise at the Corbeilles Mieux Vivre Votre Argent 2016 awards** (the thematic, conviction-based Écureuil Bénéfices Environnement fund and the Impact ISR range respectively contributed to the Corbeille d'or received by its Caisse d'Épargne retail network and to the Corbeille Épargne salariale, awarded to its employee saving partner Natixis Interépargne).

Another notable form of recognition from outside the company: Mirova has been selected by Global Mechanism (GM) of the United Nations Convention to Combat Desertification (UNCCD) to get involved in a large-scale project aimed at tackling the major issue of Land Degradation Neutrality in a tangible way. During the United Nations Climate Change Conference held in December 2015 in Paris (COP21), the UNCCD GM announced a partnership to structure the LDN Fund with Mirova. Caisse des Dépôts et Consignations (CDC) and European Investment Bank (EIB) also expressed support. Now, the design phase of the LDN Fund is almost complete, and a the first closing is expected in the first half of 2017.

No

LEI 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
LEI 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.		
Private			
LEI 01.2	Additional information. [Optional]		
Private			
LEI 03	Mandatory	Gateway	PRI 1
LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)		
<input type="checkbox"/> Screening alone (i.e. not combined with any other strategies) <input type="checkbox"/> Thematic alone (i.e. not combined with any other strategies) <input type="checkbox"/> Integration alone (i.e. not combined with any other strategies) <input type="checkbox"/> Screening and Integration strategies <input type="checkbox"/> Thematic and integration strategies <input type="checkbox"/> Screening and thematic strategies <input checked="" type="checkbox"/> All three strategies combined			
Percentage of active listed equity to which the strategy is applied		100%	
<input type="checkbox"/> We do not apply incorporation strategies			
LEI 03.2	Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.		
<p>The global economic environment is facing 4 major transitions – environmental, social, technological and governance- which are accelerating a paradigm shift towards a more sustainable development model. Climate change, rising inequality, technological disruption and governance crisis are examples of the challenges that the economic leaders have to face, and which are calling for a broader response from the business world to achieve a sustainable growth as defined by the UN Sustainable Development Goals.</p> <p>In this context, innovation and sustainability are becoming the main levers for economic, environmental and social value creation. The companies that will be able to provide sustainable and or innovative solutions, while appropriately managing their ESG, will benefit from a real competitive advantage. Our investment approach is primarily based on that conviction and combines the sustainability and financial dimensions of investing with the objective to allocate financial capital with a net positive impact on society and benefit from returns of companies that should deliver better than average performance.</p> <p>The in-house RI research team therefore focuses both on opportunities (idea generation) and risks. They ask themselves two questions: what does a company do (i.e. does it provide solutions for the long-term sustainable development of our economy) and how does a company do its business (with enough respect for ESG criteria)?</p> <p>To answer the first question (what?), ESG research helps to identify opportunities across all aspects of the economy. Mirova has broken down these opportunities into eight themes: Energy; Resources; Consumption; Information and Communication Technologies; Health; Buildings & Cities; Mobility and Finance. ESG research therefore makes it possible to identify the companies offering solutions to sustainability issues, and to target groups that are likely to outperform the broader market over the next decade.</p> <p>The answer to the second question (how?) helps improve risk management. Firstly, it is a way of avoiding black swan events. Non-compliance with ESG criteria, can lead to rapid and sharp underperformance (e.g. BP, Tepco or Volkswagen). Secondly, it helps avoid exposure to long-term underperforming or even dying business models. Lastly, ESG research leads to better management of reputational and image risks.</p> <p>To apply this philosophy, Mirova is set up to incorporate these inputs efficiently throughout its entire equity investment process. In concrete terms, Mirova combines:</p> <ul style="list-style-type: none"> • a thematic (or multi-thematic) approach to seize the opportunities arising from sustainability issues; • ESG screenings: controversy and ESG filters are applied to exclude companies potentially exposed to ESG risks; • ESG integration: fundamental analysis notably incorporates ESG analysis. 			
LEI 03.3	Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]		
<p>ESG analysis is incorporated at every stage of the investment process. The in-house equity investment & RI Research teams have developed a proprietary approach that includes a thematic bias as part of idea generation, screenings and ESG integration.</p> <ul style="list-style-type: none"> • Screening focused on controversies: In a first step, a compliance filter is applied. It consists in reducing the initial universe to an investment universe that excludes the "Worst offenders", i.e. the companies exposed to severe and repeated controversies (major violations of the UN Global Compact and OECD principles, controversial weapons) and non-eligible countries. • Thematic approach: In a second step, an ESG positive thematic filter is applied to this universe so as to identify the companies which provide solutions for sustainable, long-term economic development, taking into account the impact (challenges and opportunities) of the long-term megatrends on Mirova's eight themes. • Screening focused on ESG corporate profile: In a third step, the universe is further reduced by using a combination of an ESG filter (corporate behaviour) and a financial filter. This restricted universe is then analysed in greater depth. • ESG Integration: The fourth step consists in an in-depth fundamental analysis of the company that notably includes a detailed ESG analysis. 			
LEI 04	Voluntary	Additional Assessed	PRI 1
LEI 04.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.		
<input checked="" type="checkbox"/> Raw ESG company data <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input type="checkbox"/> In-house – analyst or portfolio manager			

- Company-related analysis or ratings
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

LEI 04.2 Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Mirova's Research is a collaborative endeavour and covers both financial and extra-financial areas. Interactions between portfolio managers and ESG analysts are constant. Not only do they share the same offices, they take part in several common internal committees (Conviction meetings, Thematic clusters) and hold open meetings where anyone can attend. Together, they perform combined financial & extra-financial stock-notes, and also share a common internal tool "OCTAVE".

As regards RI Research strictly speaking, the analysis conducted by a team comprised of 14 analysts fully dedicated to ESG issues, among which 7 focused on corporate issuers. They draw on the following sources of information:

- Publicly available data: corporate annual / sustainable development reports, academic research, NGO reports, press, etc.
- Regular exchanges with different stakeholders: companies, trade unions, NGOs, scientific community (notably through the partnership with Cambridge University), National Contact Points for the OECD Guidelines for Multinational Enterprises.
- External research: sell-side analysts (such as BofAML, Kepler Cheuvreux, Deutsche Bank, etc.), ESG rating agencies (Oekom, Ethix, Carbone 4, GRESB, Beyond Ratings, etc.)

These various sources are aggregated based on a proprietary methodology that enables different levels of in-house monitoring depending on the issuer's weight in Mirova's portfolios (Core and standard universes).

LEI 04.3 Indicate if you incentivise brokers to provide ESG research.

Yes

LEI 04.4 Describe how you incentivise brokers.

Mirova explicitly encourages sell-side analysts to develop and improve their ESG research, as part of its engagement process. Mirova has formalized its requirements, and takes them into account while assessing sell-side research during biannual "broker-review":

- developing research to enhance its understanding of sustainability and governance issues
- closely monitoring ESG newsfeed (at issuers' level, but also the changes in regulatory framework, new drivers, etc.)
- undertaking ESG issues-related studies (exposure of industries to sustainability matters, impacts on companies' valuation, identification of specific risks, etc.).
- establishing relevant stock lists that fit with sustainability themes
- organizing events to foster a better understanding of a) companies' strategies / business models ; b) the development of new technologies towards sustainability
- being able to provide in-house RI teams with flexible and ad hoc support in case of ESG-related specific request.

Brokers are therefore selected based on their capability to integrate long term sustainability issues into their financial research, according to the 6 requirements mentioned above. In this context, **ESG and financial research remuneration are now fully combined.**

No

LEI 04.5 Additional information.[Optional]

LEI.04.1:

As explained above in LEI.04.2, most of ESG information is provided by the in-house RI Research team, who draw on various sources, among which ESG research providers and sell-side research. The investment team uses ESG information while managing portfolios, but is also involved in the production of some research outputs:

- **Sector-related analysis and ratings:** as Mirova is a Core RI player, all its analysts and PMs are specialists of ESG issues. They closely work together

and share views with regard to risks and opportunities arising from ESG sectorial issues, notably during the Thematic Committees.

- **Company-related analysis or ratings and screened stock list:** PMs and RI analysts closely work together on a daily-basis (combined stock-notes, thematic committees, etc.) to analyze companies and find efficient investment ideas from both financial and sustainability viewpoints.
- **ESG issue-specific analysis or ratings:** The investment teams are also sometimes called upon to contribute to RI research papers. For example, Léa Dunand-Chalelet (Head of Equities) and Clothilde Basslier (RI Portfolio Manager) performed together a study entitled "Listed Equities: Thematic investing for impact", publicly available. The purpose of this study was to examine the potential of the equity markets for contributing to financing a low carbon economy.

LEI 05	Voluntary	Additional Assessed	PRI 1
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LEI 05.1 Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.

- Engagement
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.
- (Proxy) voting
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.

LEI 05.2 Additional information. [Optional]

Mirova's portfolio managers (PMs) systematically take all relevant ESG inputs into consideration in their investment decisions, including those arising from the exercise of voting rights and from the engagement actions conducted by the RI Research team. **This sharing of information is made through several ways:**

- **A report of each engagement action is logged in "OCTAVE"*, a proprietary centralized database available to all Mirova's teams, including PMs.**
- **A platform discloses all voting decisions for each security of the voting universe**
- **The most important voting and engagement activities are summarized in combined stock-notes performed by PMs and ESG analysts.**
- **Portfolio managers and ESG analysts interact constantly:**
 - They share the same offices. Informal cross-teams exchanges are therefore fostered, including about active ownership matters.
 - They take part in several common internal meetings (Conviction meetings, Thematic clusters, etc.) during which strategic voting decisions and results of key engagement actions are disclosed.

PMs can attend meetings with companies dedicated to the topics of voting and/or engagement; and conversely RI analysts have the opportunity to take part in meetings with companies' management, during which questions about engagements and vote can be addressed.

*Online Collaborative Tool for Analysis, Voting and Engagement

LEI 06	Mandatory	Descriptive	PRI 1
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LEI 06.1 Indicate and describe the type of screening you apply to your internally managed active listed equities.

- Negative/exclusionary screening
 - Product
 - Activity
 - Sector
 - Country/geographic region
 - Environmental and social practices and performance
 - Corporate governance

Description

Mirova's equity investment process includes a compliance filter applied upstream. It consists in excluding from the eligible universe all the **"Worst offenders"**, i.e. the companies exposed to severe controversies, including those involved in **antipersonnel mines and cluster bombs**, as well as those based in **non-eligible countries**.

Furthermore, Mirova applies an "absolute" ESG analysis. Hence, Mirova does not exclude any sector as a matter of principle, but an entire industry might be rated "Risk" if industry practices as a whole are not sufficient or if their current business model does not fit into a sustainable world. **(e.g. Mirova does not invest in tobacco, in military industry, in coal nor in Oil Exploration and Production).**

Besides, in addition to the thematic selection of companies (please refer to the section "positive screening" hereafter for further details), **an ESG filter is applied to ensure that all risks are reviewed.**

The companies are assessed on a 6-level scale: "Worst Offender (WO)", "Negative", "Risk", "Neutral", "Positive" and "Committed". **Companies negatively assessed (i.e. below "neutral") are excluded from Mirova's investment universe.**

- Positive/best-in-class screening
 - Product
 - Activity
 - Sector
 - Country/geographic region
 - Environmental and social practices and performance
 - Corporate governance

Description

Mirova's RI equity portfolios are managed following **a thematic or multi-thematic approach** that consists in identifying and investing in sustainable business models, that is to say companies that:

- **fit with its sustainable investment themes*** i.e. that provide solutions for the long term sustainable development of our economy. ("Sustainability Opportunities Exposure").

- **Correctly manage their impacts** by re-internalizing their social and environmental externalities, thanks to good ESG practices ("Sustainability risk review"), and those that correctly take into sustainability issues at board and executive level ("Sustainability Governance opinion").

The "Sustainability Opportunities Exposure" is merged with the "sustainability Risk Review" Opinion to form the overall "Sustainability Opinion" assessed on a 6-level scale: "Worst Offender (WO)", "Negative", "Risk", "Neutral", "Positive" and "Committed". **Only issuers rated "Neutral", "Positive" or "Committed" are eligible for investment at Mirova. When relevant, the investment team overweighs "positive contributors, i.e. issuers rated "Committed" and "Positive".**

* Sustainable energy, sustainable mobility, sustainable resources, sustainable consumption, sustainable buildings and cities, sustainable health, sustainable finance, sustainable information and communication technologies

- Norms-based screening
- 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

RThe UN Sustainable Development Goals (SDGs), Ruggie Guiding Principles, International Climate Summits & Agreements (Kyoto Protocol, Copenhagen Accord, COP 21, COP 22), Nagoya Biodiversity Summit, etc.

Description
<p>As mentioned previously, Mirova's equity investment process includes a compliance filter applied upstream. It consists in excluding from the eligible universe all the "Worst offenders", among which companies exposed to severe and repeated violations of the UN Global Compact and OECD Guidelines for Multinational Enterprises.</p> <p>Furthermore, Mirova's RI research methodology takes into consideration the tenets of the main international guidelines and agreements related to sustainability issues. Should a severe breach of these international guidelines be identified, an alert system would be activated and the involved company could be downgraded, or even classified as a "Worst Offender" and therefore automatically be excluded from Mirova's investment universe (after a check and engagement actions undertaken by the in-house RI research team).</p>

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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How the screening criteria are established and combined

Screening criteria, whether positive (thematic filter) or negative (ESG filter, exclusion of "worst offenders"), are established by Mirova's in-house RI research department. In order to further explore sustainable development issues and analyse their impacts on sectors and companies, Mirova has built up a robust in-house extra-financial research capacity. **A dedicated team of 14 specialists in ESG issues, among which 7 dedicated to corporate issuers,** undertakes analysis according to a proprietary methodology that is both demanding and practical.

In concrete terms, **for each company, the RI research team produces a Sustainability Opinion, which assesses whether the investment is compatible with the UN Sustainable Development Goals.** The team's guiding philosophy is publicly available on Mirova's website*. The formation of this Sustainability Opinion relies on two main assessments.

- The Sustainability Opportunities Exposure which assesses the compatibility of the company's business model with sustainable development themes. The level of exposure is calculated in terms of the environmental or social benefits presented by an activity in comparison to a business-as-usual scenario.
- The Sustainability Risks Review, which evaluates how a company addresses environmental and social challenges, regardless of the quality of its business model.

The "Sustainability Opportunities Exposure" is merged with the "Sustainability Risk Review Opinion" to form the overall "Sustainability Opinion", defined on a 6-level scale: "Worst Offender (WO)", "Negative", "Risk", "Neutral", "Positive" and "Committed". Only issuers rated "Neutral", "Positive" or "Committed" are eligible for investment at Mirova.

Furthermore, **a compliance filter applied upstream to ensure that Mirova does not invest in any company with very negative externalities and/or exposed to major and unmanaged ESG risks.** It consists in excluding from the eligible universe all the "Worst offenders", i.e. the companies exposed to severe and repeated controversies (major violations of the UN Global Compact and OECD principles, controversial weapons) and non-eligible countries.

As regards the analysis, the RI research team has implemented two types of coverage regarding sustainability analysis:

- Core scope, mostly made up of companies held in portfolio: good knowledge of the company (or event extensive for the main holdings), regular monitoring/updates and validation/review of Oekom's analyses on a quarterly basis (Oekom is Mirova's main external research partner), meetings with companies, etc.
- Standard scope, i.e. all other companies: the analysis is fully delegated to Oekom.

How often the criteria are reviewed

There is no pre-defined frequency to review the RI criteria. The idea generation process and screening criteria, and generally speaking the entire process of extra-financial research, undergo **constant improvement and refinement** (strengthening sources, constant monitoring of sustainability issues, etc.), while offering continuity.

How Mirova notifies clients and/or beneficiaries when changes are made

Should **a significant change of RI approach** or criteria occur that might affect the investment process, **the fund's prospectus would be updated.** In such a case, changes would be notified to AMF, the French securities regulator, and investors would be properly informed, i.e. by press release or by letter to the unitholders.

* <http://www.mirova.com/Content/Files/Mirova%20Research%20Philosophy.pdf>

LEI 07	Mandatory	Core Assessed	PRI 1
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LEI 07.1	Indicate which processes your organisation uses to ensure screening is based on robust analysis.
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Comprehensive ESG research is undertaken or sourced to determine companies' activities and products. <input checked="" type="checkbox"/> 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
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
Thematic Research Partnership with the University of Cambridge (please refer to Additional Information below for a description of this partnership)
- None of the above

LEI 07.2 Additional information. [Optional]

For each company, Mirova's RI research team produces a "Sustainability Opinion", which assesses to what extent the investment is compatible with the UN Sustainable Development Goals. The formation of this "Sustainability Opinion" relies on two main assessments.

- The "Sustainability Opportunities Exposure", which evaluates the compatibility of the company's business model with sustainable development themes. The level of exposure is calculated in terms of environmental or social benefits presented by an activity, in comparison to a business-as-usual scenario.
- The "Sustainability Risks Review", which evaluates how a company addresses environmental and social challenges, regardless of the quality of its business model.

In order to have a high level of information and a broad coverage of companies related to sustainability, **Mirova relies on various providers regarding sustainability analysis, among which Oekom, its main ESG Research partner.** Oekom, a sustainability rating agency with more than 50 analysts dedicated to sustainability issues, works hand in hand with Mirova to cover an extensive universe. Considering this close partnership:

- Oekom applies Mirova's RI research methodology ;
- Mirova's RI Research team regularly challenges the robustness of the analysis carried out by Oekom's analysts ;
- On Core Universe*, Mirova's RI Research teams reviews and modifies Oekom's analyses on a quarterly basis. Mirova's RI Research teams set up meetings with companies to reach a better understanding of their ESG practices, verify or further investigate specific aspects and make suggestions for improvement if necessary, as part of Mirova's engagement approach. Companies are therefore sometimes given the opportunity to review ESG research on them and to correct potential inaccuracies during the dialogue undertaken.

As regards how often the ESG analyses are updated, for its Core Universe* the RI Research team follows the newsflow on issuers (on a real time basis for top holdings) so as to ensure that the Sustainability Opinion continually corresponds to companies' the actual practices. The RI Research team carries out three main actions:

- A daily review of news feeds and a comment on each relevant news item every week.
- A quarterly review of oekom's updates (Oekom is Mirova's main external research partner)
- A review after each company meeting.

For the Standard scope, oekom's analyses are annually updated** and controversies and other important information (mergers etc.) are integrated in oekom's own tools as soon as their rating update is finalised. Each quarter, newly updated information is integrated in the data delivered to Mirova.

A periodic review of the quality of the research is also carried out by third parties:

- Mirova submits certain thematic or sectorial conclusions to scrutiny by independent experts (e.g. a partnership between Mirova and the University of Cambridge which includes an active research-based collaboration involving nine joint publications on specific themes, over a 3-year period).
- Ernst and Young has conducted an audit on the robustness of Mirova's ESG research processes in June 2014 (with a review in 2015) and a second one has been carried out by the General Inspection Department of BPCE Group in May 2015.

* mostly made up of companies held in portfolio

** All other companies

LEI 08 Voluntary Additional Assessed PRI 1

LEI 08.1 Indicate which processes your organisation uses to ensure fund criteria are not breached

- Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function
- Other, specify
- None of the above

LEI 08.2 If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

Mirova is a Core RI player. As a consequence, ESG criteria are at the heart of its investment processes. The ESG guidelines are formalized and their application is strictly monitored.

To ensure the follow-up of Environmental, Social and Governance criteria in Mirova's RI strategies, two levels of monitoring are in place:

- **At the level of the RI Research team:** the analysts responsible for assessing companies monitor news and alarms so as to continually ensure the consistency of their ratings with companies' actual practices (the monitoring of companies and updates of sustainability opinions are previously explained in question LEI.07)
- **At the level of the Risks Constraints and Operations teams:** they monitor not only the regulatory and financial constraints of portfolios, but also their minimum level of ESG quality. Among their tools, therefore, these teams have access to the ESG ratings of each company and ensure that none rated below "neutral" is present in the portfolio continuously.

For the latter level, Mirova has its own head of compliance, risks and internal control, directly reporting to Mirova's CEO. In addition, Mirova draws on Natixis AM's (its parent-company) strong risk management organisation to ensure that fund screening criteria are not breached, among which ESG constraints. To this end, the process described below is strictly applied.

Considerable attention is paid to monitor compliance with established guidelines. Given the in-depth risk monitoring and the ability to pre-test trades both for consistency with the model portfolio and for guideline compliance, the potential for breaches based on portfolio management activity should be low. Further, any breach that does occur (for example, due to market action) can be quickly discovered and resolved given the systems that actively monitor guideline compliance.

Guardian, dedicated software

Guardian leads both pre-trade and post-trade controls and provides a daily automated audit trail. All portfolio constraints are input into the Guardian dedicated software by the Risk Constraints and Operations Team (RCO) of the Legal, Monitoring (Compliance and Internal Control) and Risk Department. Guardian (Compliance module of CRD) is linked to the Charles River Development order management system and to the Apollo central record keeping system for portfolio positions, which is updated daily.

The RCO Team develops and maintains **pre-trade controls** for the use of portfolio managers before submitting trades. These controls are performed in real time, before a broker or counterparty has been contacted by a dealer. These pre-trade controls concern mainly eligibility and investment constraint calculations, and are intended to prevent breaches. Pre-trade compliance strengthens the asset management process by reducing risk of late corrections and end-of-day non-compliance.

In addition the RCO Team uses Guardian to perform **post-trade controls**. **Any breaches are reviewed daily and brought to the portfolio manager for resolution**. There is a formal escalation procedure if the breach is not resolved in less than 2 days. Reports on breaches are sent twice each month to the heads of investment departments and the heads of Legal, Monitoring (Compliance and Internal Control) and Risk Department.

LEI 08.3	Additional information.[Optional]
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Control mechanisms operate at three distinct levels.

- **First level: controls at front office level – portfolio managers**
Operational business lines are responsible for these front-level controls through self-regulation and the policies stipulated in the written procedures. Risk management is part of the portfolio managers’ investment process. They use an in-house developed tool for pre-trade simulations and controls. These ex-ante controls include regulatory, contractual and internal constraints that portfolio managers take into account while constructing and managing a portfolio. The Middle Officers are in charge of the first analysis. Through standardized consistency checks, Middle Officers make sure the breach is valid and raise it, through Guardian, to the portfolio manager for action
- **Second level: controls at risk management team level**
The second level of controls is led by the RCO Team, who monitors constraints linked to portfolios’ financial management (intelligence and validation, exhaustiveness, effective control, adjustment procedure, audit trails, reporting). Controls cover either the prospectus specifications when relevant for funds, or contractual constraints for mandates including specific investment guidelines, as well as regulatory requirements. It finally implements ex-ante constraint controls on portfolios.
The initial analysis is handled by the middle office. Through standardized consistency checks, this department checks that the breach is valid and raises it, through Guardian, to the portfolio manager for action. If after two alerts, action is not taken, risk managers take over from the middle office until the exception is corrected.
- **Third level of control, called regular controls**
Specific audits can be conducted by NGAM, and the quality and relevance of Mirova’s internal control mechanism is reviewed 3 times a year by the Risk and Compliance Committee

LEI 09	Mandatory	Descriptive	PRI 1
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LEI 09.1	Indicate the type of sustainability thematic funds or mandates your organisation manages.
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- Environmentally themed funds
- Socially themed funds
- Combination of themes

LEI 09.2	Describe your organisation’s processes for sustainability themed funds. [Optional]
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Mirova has a core belief: The global economic environment is facing 4 major transitions – environmental, social, technological and governance- which are accelerating a paradigm shift towards a more sustainable development model. Climate change, rising inequality, technological disruption and governance crisis are examples of the challenges that the economic leaders have to face, and which are calling for a broader response from the business world to achieve a sustainable growth as defined by the UN Sustainable Development Goals.

In this context, innovation and sustainability are becoming the main levers for economic, environmental and social value creation. The companies that will be able to provide sustainable and or innovative solutions, while appropriately managing their ESG, will benefit from a real competitive advantage. Our investment approach is primarily based on that conviction and combines the sustainability and financial dimensions of investing with the objective to allocate financial capital with a net positive impact on society and benefit from returns of companies that should deliver better than average performance.

RI research is therefore at the heart of its investment process. It aims at further understanding sustainability issues* and transpose them to investment-context, and then determine to what extent business industries are exposed to risks and/ or opportunities related to sustainability.

In practical terms, this thematic / multi-thematic approach entails selecting companies that are ‘tomorrow’s winners’, i.e. that have the ability to perform over the long run via business models that fully integrate the challenges of sustainable economic development. **These issues are classified around 8 sustainability themes**, enabling the identification of investment opportunities along the entire value chain and across all sectors of activity. Mirova’s PMs can either :**

- **cover all these themes (or several) in multi-thematic funds**, and therefore combine environmental and social issues: e.g. Mirova Global Sustainable Equity Fund ; Mirova Europe Sustainable Equity Fund, Mirova Euro Sustainable Equity Fund, etc.
- **or focus on 1 or 2 theme(s) in thematic funds:**
 - environmental theme: e.g. Mirova Global Transition Energy Equity Fund, Mirova Europe Environmental Equity Fund, etc.
 - social theme: e.g. Insertion Emplois Dynamique, which targets companies that are the most likely to create employment over 3-year cycles.

For further details about the themes addressed by Mirova’s product range, please refer to the section “Strategy and Governance”, Question SG.14.

** Fighting climate change, Pollution control, Preservation of resources, Protecting biodiversity, Fundamental freedoms, Right to health , Right to development, Responsible governance*

*** Sustainable energy, sustainable mobility, sustainable resources, sustainable consumption, sustainable buildings and cities, sustainable health, sustainable finance, sustainable information and communication technologies*

LEI 10	Mandatory	Core Assessed	PRI 1
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LEI 10.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
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Environmental	Environmental
	<input checked="" type="checkbox"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="checkbox"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="checkbox"/> We do not review environmental issues
Social	Social
	<input checked="" type="checkbox"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="checkbox"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="checkbox"/> We do not review social issues
Corporate Governance	Corporate Governance
	<input checked="" type="checkbox"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="checkbox"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="checkbox"/> We do not review corporate governance issues

LEI 10.2	Additional information. [Optional]
<p>Mirova is a key player in the RI market. Considering this positioning, the incorporation of ESG in its investment processes forms an integral part of its business model.</p> <p>As a consequence, all its funds systematically take into account E, S and G criteria. Its equity approach revolves around 8 environmental & social themes that are integrated in the stock-picking decisions either through a multi-thematic approach or a thematic one (for more details, please refer to LEI.09 or SG.14). In addition to the thematic review performed as part of idea generation to identify sustainable business models, an ESG filter (corporate behaviour) is also applied to ensure that all risks are reviewed (both financial and extra-financial).</p> <p>Furthermore, the in-depth fundamental research applied to the active universe incorporates ESG criteria, in addition to the financial analysis. PMs and RI analysts share views at several common internal meetings, and they perform together combined financial & extra-financial stock-analysis. Such a collaborative modus operandi ensures an optimum ESG integration into investment processes and a systematic consideration of ESG criteria in investment decisions.</p>	

LEI 11	Voluntary	Additional Assessed	PRI 1
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LEI 11.1	Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.
<input checked="" type="checkbox"/> Comprehensive ESG research is undertaken or sourced to determine companies' activities and products <input checked="" type="checkbox"/> Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies <input checked="" type="checkbox"/> Company information and/or ratings on ESG are updated regularly <input checked="" type="checkbox"/> A periodic review of the quality of the research undertaken or provided is carried out <input checked="" type="checkbox"/> Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team <input checked="" type="checkbox"/> ESG risk profile of a portfolio against benchmark <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above	

LEI 11.2	Describe how ESG information is held and used by your portfolio managers.
<input checked="" type="checkbox"/> ESG information is held within centralised databases or tools and it is accessible by all relevant staff <input checked="" type="checkbox"/> ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff <input checked="" type="checkbox"/> Systematic records are kept that capture how ESG information and research was incorporated into investment decisions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above	

LEI 11.3	Additional information.[Optional]
<p>The processes in place to ensure ESG integration is based on robust analysis are the same than those described for the screening (please refer to LEI.07 for further information). In addition, optimum ESG Integration is fostered by constant interactions between the RI Research team and the portfolio managers:</p> <ul style="list-style-type: none"> • not only do they share the same offices, they take part in several common internal meetings (Conviction meetings, Thematic clusters, etc.) • they hold open meetings where anyone can attend (with company management, external strategists/analysts, etc.) • together, they perform combined financial & extra-financial stock-notes, with a standard section dedicated to sustainability opinion. • they share a common, proprietary and internal tool: OCTAVE (Online Collaborative Tool for Analysis, Vote and Engagement). <p>This collaborative modus operand fosters trust and idea sharing.</p> <p>Furthermore, Mirova systematically captures how ESG information and research was incorporated into investment decisions to ensure that all the companies included in its portfolios are compliant with its high standard ESG and thematic requirements. Mirova is fully transparent with regard to this ESG quality commitment and discloses publicly the breakdown of its portfolios in terms of "Sustainability Opinion" in the funds' monthly factsheets, available on its website: http://www.mirova.com/en-UK/p/our-funds.</p>	

LEI 12	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
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LEI 12.1	Indicate which aspects of investment analysis you integrate ESG information into.
<input checked="" type="checkbox"/> Economic analysis <input checked="" type="checkbox"/> Systematically	

- Occasionally
- Industry analysis
- Systematically
- Occasionally
- Quality of management
- Systematically
- Occasionally
- Analysis of company strategy
- Systematically
- Occasionally
- Portfolio construction
- Systematically
- Occasionally

LEI 12.2a	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.
<input checked="" type="checkbox"/> Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows) <input checked="" type="checkbox"/> Adjustments to valuation tools (discount rates, terminal value) <input type="checkbox"/> Other adjustments to fair value projections, specify	

LEI 12.3	Describe how you integrate ESG information into portfolio construction
<p>Mirova is a key player in the RI market, with strong ambitions in terms of sustainability. This commitment takes the form of tangible ESG and sustainability features of its investment processes, with strict and traceable portfolio management guidelines, controlled by the risk management department (For further details, please refer to LEI.08).</p> <p>Mirova's portfolios cannot hold issuers rated less than neutral (in terms of Sustainability Opinion). Besides, the sustainability opinion is incorporated in the fundamental analysis, and therefore impacts the weights of stocks in portfolios. The objective is to maximise the number of issuers rated "positive" or "committed". Whenever possible and relevant, the latter are outweighed. Mirova is fully transparent with regard to this portfolio construction commitment and discloses publicly the breakdown of its portfolios in terms of "Sustainability Opinion" in monthly factsheets, available on its website: http://www.mirova.com/en-UK/p/our-funds</p>	

LEI 12.4a	Describe the methods you have used to adjust the income forecast / valuation tool
<p>ESG criteria are integrated in revenue and earnings forecasts, in the following ways:</p> <ul style="list-style-type: none"> • Positively: Revenue growth potential related to the companies' capacity to offer solutions for sustainability issues; • Negatively: cost impact due to fines related to non-compliance with legal and regulatory framework and cost or remediation. <p>As we also regard companies' ESG profile as a risk factor, and we adjust appropriate valuation metrics (discount rate and multiples) to distinguish between issuers with a more positive or a more negative profile.</p> <input checked="" type="checkbox"/> Fair value/fundamental analysis <input checked="" type="checkbox"/> Systematically <input type="radio"/> Occasionally	

LEI 12.2b	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.
<input checked="" type="checkbox"/> Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows) <input checked="" type="checkbox"/> Adjustments to valuation tools (discount rates, terminal value) <input type="checkbox"/> Other adjustments to fair value projections, specify	

LEI 12.4b	Describe the methods you have used to adjust the income forecast / valuation tool
<p>ESG criteria are integrated in revenue and earnings forecasts, in the following ways:</p> <ul style="list-style-type: none"> • Positively: Revenue growth potential related to the companies' capacity to offer solutions for sustainability issues; • Negatively: cost impact due to fines related to non-compliance with legal and regulatory framework and cost or remediation. <p>As we also regard companies' ESG profile as a risk factor, we also adjust appropriate valuation metrics (discount rate and multiples) to distinguish between issuers with a more positive or a more negative profile.</p> <input type="checkbox"/> Other, specify	

LEI 12.5	Additional information.
<p>The equity investment team has a conviction-driven, stock picking approach based on a bottom-up investment process. ESG issues are therefore mostly taken into account at the stock-selection and portfolio construction levels.</p> <p>But ESG criteria are also taken into account upstream, during the identification of sustainability issues: the global economic environment is facing 4 major transitions – environmental, social, technological and governance- which are accelerating a paradigm shift towards a more sustainable development model. Climate change, rising inequality, technological disruption and governance crisis are examples of the challenges that the economic leaders have to face, and which are calling for a broader response from the business world to achieve a sustainable growth as defined by the UN Sustainable Development Goals. Thematic studies about global sustainable issues are therefore performed by the RI research team, at the macro-level (e.g. Climate change issues, IEA scenarios, etc.). These macro-thematic studies help the RI analysts to categorise business sectors among the 8 sustainability themes, enabling the identification of investment opportunities along the entire value chain. The RI Research and Investment teams refer to these themes to identify sectors, sub-industries and companies that develop solutions or are exposed to sustainable development issues.</p>	

LEI 14	Voluntary	Descriptive	PRI 1
LEI 14.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.		
<input checked="" type="checkbox"/>	Screening		
	Describe any reduction in your starting investment universe or other effects.		
	<p>For each company, the RI research team produces a "Sustainability Opinion", which assesses whether the investment is compatible with the UN Sustainable Development Goals. The team's guiding philosophy is publicly available on Mirova's website*.</p> <p>There are 6 levels of Sustainability Opinions: "Worst Offender (WO)", "Negative", "Risk", "Neutral", "Positive" and "Committed". Only issuers rated "Neutral", "Positive" or "Committed" are eligible for investment at Mirova.</p> <p>* http://www.mirova.com/Content/Files/Mirova%20Research%20Philosophy.pdf</p>		
	Specify the percentage reduction (+/- 5%)		
	59%		
<input checked="" type="checkbox"/>	Thematic		
	Describe any alteration to your investment universe or other effects.		
	<p>Considering its thematic approach (please refer to LEI.03 and LEI.09 for further details), Mirova targets sectors that positively contribute to tackle sustainable development issues by addressing one (or several) of its eight sustainability investment themes, and then automatically avoids those with negative ESG externalities. As a result, some sectors are not eligible to Mirova's investment universe; not on an ex-ante basis as a matter of principle, but rather as a result of the RI Research. Mirova's ESG analysis is "absolute". Hence, an entire industry might be rated "Risk" if industry practices as a whole are not sufficient or if their current business model does not fit into a sustainable world. (e.g. Mirova does not invest in tobacco, in military industry, in coal nor in oil E&P*). Conversely, a low-risk industry or an industry with good practices might see none of its actors rated "Risk".</p> <p><i>*except through green bonds on the fixed income side</i></p>		
<input checked="" type="checkbox"/>	Integration of ESG issues		
	Select which of these effects followed your ESG integration:		
	<input checked="" type="checkbox"/> Reduce or prioritise the investment universe <input checked="" type="checkbox"/> Overweight/underweight at sector level <input checked="" type="checkbox"/> Overweight/underweight at stock level <input checked="" type="checkbox"/> Buy/sell decisions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above		
LEI 14.2	Additional information.[Optional]		
	<p>Mirova is a key player in the RI market. Considering this positioning, the incorporation of ESG in its investment processes forms an integral part of its business model.</p> <p>As a consequence, Mirova's portfolio managers (PMs) systematically take all relevant ESG inputs into consideration in their investment decisions. ESG issues are therefore fully integrated in Mirova's investment processes, and can impact each step (investment universe definition, idea generation, portfolio construction / weight decisions, buy / sell decisions, etc.).</p>		
LEI 15	Voluntary	Additional Assessed	PRI 1
LEI 15.1	Indicate whether your organisation measures how your approach to ESG issues in listed equity investments has affected financial and/or ESG performance.		
	Private		
LEI 15.2	Describe how you are able to determine these outcomes.		
	Private		
LEI 16	Voluntary	Descriptive	PRI 1
LEI 16.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.		
	Private		
LEI 16.2	Additional information.[Optional]		
	Private		
LEI 17	Mandatory	Core Assessed	PRI 2,6
LEI 17.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.		
	<input checked="" type="checkbox"/> We disclose it publicly http://www.mirova.com/en-UK/p/listed-equitieshttps://www.unpri.org/explore/?q=mirova		
LEI 17.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.		
	<input type="radio"/> Yes <input checked="" type="radio"/> No		
LEI 17.3	Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.		
	<input type="radio"/> Broad approach to ESG incorporation		

- ✓ Detailed explanation of ESG incorporation strategy used

LEI 17.4 Indicate how frequently you typically report this information to the public.

- Quarterly or more frequently
- Biannually
- ✓ Annually
- Less frequently than annually
- Ad-hoc/when requested

LEI 17.5 Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- ✓ Detailed explanation of ESG incorporation strategy used

LEI 17.6 Indicate how frequently you typically report this information to clients/beneficiaries.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- ✓ Ad-hoc/when requested

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

LEI 17.7 Additional information. [Optional]

Mirova is committed to transparency and provides investors with full visibility as to how their assets are being managed. As a result, **its responsible investment approach is fully described:**

- **on its website, in the section dedicated to listed equities:** <http://www.mirova.com/en-UK/p/listed-equities>
- in its "FIR-AFG RI Transparency Code": <http://www.mirova.com/en-UK/p/our-funds#>
- **in a document entitled "Mirova's RI research philosophy":** <http://www.mirova.com/Content/Documents/Mirova/publications/va/researchphilo/Mirova%20Research%20Philosophy.pdf>
- **in its PRI transparency report**, which is publicly available online and describes in details how ESG criteria are incorporated within each asset class, among which listed equities: <https://www.unpri.org/explore/?q=mirova>
- **In funds' monthly factsheets** that include ESG KPIs, complementary to the financial data (performance, risk) : <http://www.mirova.com/en-UK/p/our-funds#>

Many thematic studies are publicly made available on its extensive online library: <http://www.mirova.com/en-UK/p/Library/Publications>.

In addition to these public documents, **Mirova also provides its primary institutional clients (on request) with detailed presentations of its investment processes and with a tailor-made report that, among other things, includes:**

- **A RI market review ;**
- **the ESG assessment** of companies held in their portfolios and updated ESG newsflow on these companies ;
- **Engagement actions involving these companies;**
- **A quantitative and qualitative review of voting exercised** on the companies held in their portfolios.

LEA 01	Mandatory	Core Assessed	PRI 2
LEA 01.1	Indicate whether your organisation has a formal engagement policy.		
	<input checked="" type="checkbox"/> Yes		
LEA 01.2	Indicate what your engagement policy covers:		
	<input type="checkbox"/> Conflicts of interest <input checked="" type="checkbox"/> Prioritisation of engagements <input checked="" type="checkbox"/> Transparency <input checked="" type="checkbox"/> Environmental factors <input checked="" type="checkbox"/> Social factors <input checked="" type="checkbox"/> Governance factors <input checked="" type="checkbox"/> Engagements following on from decisions <input type="checkbox"/> Other, describe <input type="checkbox"/> None of the above		
LEA 01.3	Attach or provide a URL to your engagement policy. [Optional]		
	http://www.mirova.com/en-INT/voting-and-engagement		
LEA 01.4	Provide a brief overview of your organization's approach to engagement		
	<p>Mirova considers engagement as a major lever for the implementation of responsible investment strategies.</p> <p>Each investor, whether it be an asset manager or an institutional/individual investor, has a real influence power of influence on companies through dialogue, thanks to its share capital held or its bond holdings. Based on this acknowledgement, many asset management companies have defined and implemented engagement approaches. The purpose of such strategies is to mitigate the risks and to maximize the opportunities related to investments. In this way, the investors meet their fiduciary duty by ensuring that their investment strategy, as well as their clients' interests (i.e. the final beneficiaries) are taken into account by companies.</p> <p>Beyond fiduciary duty, the engagement approach is a major tool for investors committed to responsible investing, who have asserted opinions on E, S and G issues and therefore require from companies an improvement of their ESG practices.</p> <p>Mirova has placed sustainability issues at the heart of its investment strategy, with the aim of achieving sustainable performance over the long run. In this context, engagement is a key component of Mirova's responsible investment policy, in addition to the incorporation of ESG issues into investment decisions.</p>		
	<input type="radio"/> No		
LEA 01.5	Additional information [optional]		
	<p>By promoting better environmental, social and governance practices – either directly or indirectly – Mirova's engagement approach seeks value creation over the long run from financial, environmental and social perspectives.</p> <p>Mirova's engagement strategy has two main objectives:</p> <ul style="list-style-type: none"> On the one hand, to enhance companies' products and practices from environmental, social and governance perspectives. To this end, Mirova draws on the thorough ESG knowledge of its in-house RI Research team made up of 14 ESG analysts. This first objective is achieved through two main forms of engagement: <ul style="list-style-type: none"> - The individual engagement that consists in engaging in dialogue with the most important companies held in Mirova's and its clients' portfolios (i.e. key assets) with the aim of encouraging the improvement of their ESG practices. This dialogue is undertaken by the RI Research team while analysing companies' ESG profile or voting resolutions. Individual engagement is therefore an integral part of Mirova's ESG analysis and exercise of voting right - The collaborative engagement that consists in: a) first, identifying controversial practices applied by several companies or by a whole business sector; b) engaging in dialogue with the latter to require more transparency and, whenever possible, changes in the identified controversial practices. Given the importance of these issues, several investors frequently join their efforts to collectively have more power of influence. For its part, Mirova decided in 2014 to strengthen its role in collective initiatives by launching its own collaborative engagement platform, which was specifically designed to bring together its own RI specialists and institutional investors with a common view of responsible investment. This platform is an essential and efficient tool to significantly influence the companies applying the most controversial practices. Mirova's collaborative engagement is mainly undertaken through this proprietary platform, but also by joining other initiatives led by other investors whenever relevant (i.e. if the theme is compatible with Mirova's vision, objectives and priorities in terms of sustainability). <p><i>While carrying out such engagement initiatives, Mirova primarily targets companies already held in portfolios, but also those that could be (i.e. companies eligible for investment).</i></p> On the other hand, to apply its responsible vision to its own activity, by seeking at the improvement of norms and regulation related to the finance industry, to foster responsible and long term investment practices. This is mainly achieved through Mirova's public policy engagement strategy. <p><i>The first objective is extensively explained within this PRI module (LEA.01 to LEA.16), whereas the second one is addressed in the module "Strategy & Governance" (questions SG.09, SG.10 and SG.11).</i></p>		
LEA 02	Mandatory	Gateway	PRI 1,2,3
LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.		
	Type of engagement	Reason for interaction	

Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify To support investment decision-making (i.e. ESG assessment of companies) and/or voting decisions <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) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify To support investment decision-making through the identification and the monitoring of major ESG risks/issues that impact several companies or a whole business sector <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) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

LEA 02.2 Additional information. [Optional]

Mirova's engagement strategy was born of the conviction that each investor has a real influence power of influence on companies through dialogue, thanks to its share capital held or its bond holdings.

By promoting better environmental, social and governance practices – either directly or indirectly – **Mirova's engagement approach seeks value creation over the long run from financial, environmental and social perspectives.** Mirova has therefore placed sustainability issues at the heart of its investment strategy, **with the aim of achieving sustainable performance over the long run.** In this context, engagement is a key component of Mirova's responsible investment policy, in addition to the incorporation of ESG issues into investment decisions.

Whether for Individual or collaborative engagement, the constructive dialogue carried out with companies **aims at encouraging more transparency and the improvement of companies' ESG practices** (sometimes through collaborative dialogue for the most controversial practices applied by several companies or a whole business sector).

Individual engagement is an integral part of Mirova's ESG analysis and exercise of voting rights, and collaborative engagement enables the identification and the monitoring of significant risks. **Such dialogue therefore also supports investment decision-making.** In particular, collaborative engagement aims at developing sectoral practices that are compatible with responsible investment in order to: a) be able to invest in companies that were previously excluded from the sustainable development investment universe of Mirova and / or its clients due to poor environmental and / or social practices; b) improve the practices and transparency of companies in the investment universe on a controversial subject so that they remain investable. It thus helps to mitigate the risks and to maximize the opportunities related to investments. In this way, Mirova meets its fiduciary duty by ensuring that its investment strategy, as well as its clients' interests are taken into account by companies. Beyond fiduciary duty, Mirova's engagement approach is **a major tool to encourage companies to manage their environmental and social externalities, so as to collectively shape a more sustainable economic system.**

LEA 03 Mandatory Core Assessed PRI 2

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

LEA 03.2 Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.

- Geography/market of the companies targeted
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In reaction to ESG impacts which has already taken place
- As a response to divestment pressure
- As a follow-up from a voting decision
- Client request
- Other, describe

other description
Significant issues and existing levers for improvement

No

LEA 03.3 Additional information. [Optional]

Individual engagement, aims at encouraging companies to improve their ESG practices, through a dialogue carried out by Mirova's in-house RI Research teams in multiple contexts: the ESG assessment of issuers, the exercise of voting rights, important events that bring to light significant short comings in practices, etc.).

Mirova's individual engagement approach is:

- **Continuous:** the dialogue is undertaken all along the investment process. It takes the form of regular exchanges with companies, notable during annual ESG roadshows, ad hoc meetings or annual general meetings.
- **Intensive:** companies primarily targeted are the most important held in Mirova and its clients' portfolios (i.e. key holdings). The geography/market of the companies and their weight in portfolio are therefore taken into account while defining the engagement universe. This enables an in-depth ESG analysis, a close monitoring and the achievement of objectives on a time horizon that varies depending on the complexity of the addressed issue.
- **Global:** it addresses all the areas for improvement identified by the RI Research team while analysing AGMs resolutions or companies' overall ESG profile. While selecting the main engagement topic, the RI Research team takes into account and crosses several factors:

- the sectorial key ESG issues, defined based on the degree of the business activities' ESG impact and the existing levers for improvement;
- the identification of specific risks or opportunities;
- negative impact(s) that have already impacted the issuer (a particular event, controversies);
- the materiality of ESG factors.

In order to identify these issues, and therefore prioritise engagement topics, Mirova's in-house RI Research teams perform a continuous review of companies' ESG practices, based on a broad array of information sources:

- *publicly available data*: annual corporate/sustainable development reports, academic research, NGO reports, press, etc.
- *regular exchanges with different stakeholders*: companies, trade unions, NGOs, scientific community (notably through the partnership with Cambridge University), National Contact Points for the OECD Guidelines for Multinational Enterprises, etc..
- *external research*: sell-side analysts (such as BofAML, Kepler Cheuvreux, Deutsche Bank, etc.), ESG rating agencies (Oekom, Ethix, Carbone 4, GRESB, ISS, Beyond Ratings, etc.).

This monitoring guarantees an up to date view of companies' ESG practices and helps to identify relevant areas for improvement in ESG practices

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- Yes
- Yes, for all engagement activities
- Yes, for the majority of engagement activities
- Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

LEA 04.2 Indicate if you monitor the actions that companies take following your engagements.

- Yes
- Yes, in all cases
- Yes, in the majority of cases
- Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3 Indicate whether your organisation defines milestones and goals for engagement activities carried out by internal staff.

- Yes

LEA 04.4 Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.

- Define timelines for milestones and goals
- Tracking, monitoring progress against defined milestones and goals
- Establish a process for when the goals are not met
- Revisit and, if necessary revise goals on continuous basis
- Other, please specify
- No

LEA 04.5 Additional information. [Optional]

Mirova's individual engagement approach seeks the achievement of objectives in a time horizon that varies depending on the complexity of the engagement topic. To this end, the in-house RI Research team systematically defines specific objectives and monitors the improvements achieved.

When analysing issuers ESG practices of an issuer, Mirova's RI Research teams systematically* contact the companies in order to gain a better understanding of the risks and opportunities to which they are exposed as well as to encourage them to improve their CSR practices, the quality of their corporate governance and their transparency.

Following these discussions and the completion of an ESG assessment, **the RI analysts send a letter or an email to the company highlighting: a) the most important areas for improvement identified during their analysis; b) Mirova's expectations in terms of progress.**

The RI analysts also remain in **constant contact with companies, and regularly meet various interlocutors involved in order to follow up on progress, reaffirm expectations for improvement or adjust initial goals if necessary.** Such discussions can also take place when a specific event or news brings to light shortcomings of a company's ESG practices. Thanks to this constant monitoring, Mirova's RI Research teams have a better chance of anticipating future risks and identifying 'complex' cases that call for the launch of targeted engagement actions (refer to LEA 05 and LEA.06). Furthermore, the analysts' initial ESG assessment may be modified in either a positive or a negative way depending on the results of the engagement. **In case of unsuccessful dialogue on an important issue, despite the explicit changes suggested by the RI research team to the company, the issuer's Sustainability Opinion could be downgraded. Such a situation could ultimately lead to a divestment in some cases (or the non-eligibility of the company).**

When an engagement action is related to the exercise of voting rights, goals are usually well defined insofar as generally correlated with a particular resolution under consideration at the current AGM. If the company presents an appropriate response (for instance, increased transparency on certain components of compensation policy), our vote may reflect this positively at the upcoming general meeting and the engagement process ends. If the objectives have been only partially achieved, a positive voting recommendation is issued and the engagement process is continued after the general meeting. **If the engagement fails, a negative voting recommendation may be expressed, associated with objectives for a more intense engagement and a possible downgrade of the ESG opinion on the stock..**

In terms of monitoring, a report on each engagement action is logged within "OCTAVE", a proprietary centralised database that notably tracks the history of the engagement's goals for each company, the results achieved, and the resulting impact on the ESG analysis or voting decisions.**

* Meetings with Mirova's top holdings are systematic. For the other companies held in portfolios, meetings are set up whenever necessary.

**Online Collaborative Tool for Analysis, Voting and Engagement

LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

Yes

LEA 05.2 Describe the criteria used to identify and prioritise collaborative engagements

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In response to ESG impacts which has already taken place
- In response to divestment pressure
- Client requests
- Other, describe

other description

Significant issues that impact several companies or a whole business sector

No

LEA 05.3 Additional information [Optional]

Mirova's collaborative engagement consists in :

- **identifying controversial practices applied by several companies or by a whole business sector;**
- **engaging in dialogue with the latter to require more transparency and, whenever possible, changes in the identified controversial practices.** Given the importance of these issues, several investors join their efforts to collectively have more power of influence.

In 2014, **Mirova went a step further by launching its own collaborative engagement platform**, which was specifically designed to bring together its own RI specialists and institutional investors with a common view of responsible investment. Thanks to this initiative, Mirova and its client involved in the platform are now able to lead collaborative engagement on major issues that require further attention from investors,

Mirova has a formal process for identifying and prioritising collaborative dialogue. Its engagement activities carried out through its platform are structured around **three distinct phases: planning, dialogue and reporting.** During the planning phase, the RI research team notably identifies the potential engagement themes based on:

- The analysis performed by the RI Research team on sustainability issues and themes, directly related to ESG sectoral issues;
- Discussions with the others investors involved in the engagement platform.

The engagement themes are defined on the basis of the significance of the issue in terms of both sustainability (important negative externalities despite existing levers for improvement) and potential impacts on investments (materiality).

Collaborative engagement thus focuses on the following topics:

- **topics which constitute barriers to potential investments:** the purpose is to help excluded companies to progressively become eligible for investment by Mirova and/or its clients;

- **topics which constitute potential barriers to investment:** for companies which are part of the investment universe but where there is an aspect that poses a level of concern with regard to their environmental and/or social impact, the objective is to improve the companies' practices and transparency on the issue in question so that they remain investable.

Depending on the issues addressed, Mirova can therefore collaboratively engage in dialogue with companies with to aim to obtain:

- **more transparency** from targeted companies' to gain a better understanding of the environmental and/or social impacts of their controversial production processes and/or products;
- **more transparency and improved practices** when negative impacts of production processes and/or products are identified and confirmed;
- **improved environmental and/or social impacts of the products and/or services** offered by the targeted companies.

On this basis, a short list of themes is established, and the final engagement topics are ultimately selected on a case-by-case basis if the engagement can **provide attainable changes** (i.e. no complete change in business model), if the issue is gaining **momentum** from stakeholders and **if no other collaborative engagement exists.**

A potential scope of engagement (i.e. the list of targeted issuers) is then established by combining the significance of the topic of engagement for each company* with its weight within the portfolio constituted by Mirova's main positions and those of its clients. The issuers could be targeted either in reaction if an important event already occurred, or in anticipation if they are identified as exposed to significant risks.

The platform is currently addressing two major themes:

- **The risk management in the supply chain in the information and communication technologies (ICT) sector**, as well as in the textile sector, where price competition can lead to abuses;
- **Offshore exploration in the Arctic**, the environmental and financial risks of which are not sufficiently taken into account in the context of a limited carbon budget.

Mirova's collaborative engagement is mainly undertaken through this proprietary platform, but also by joining other collaborative initiatives led by RI professional bodies or by other investors, whenever relevant (i.e. if the theme is compatible with Mirova's vision, objectives and priorities in terms of sustainability). For example, **Mirova a member of several PRI steering committees and took part in several collaborative engagement initiatives led by other investors**, on various themes, e.g. human rights in extractives, fracking, nomination process, renewable energy in the electricity mix, etc. Mirova also supports many investor statements (please refer to LEA.13 for further details).

Taking part in such collaborative initiatives is a way **to share our vision of sustainability, to provide insights from our in-house RI Research team made up of 14 ESG analysts, but also to learn from other investors** involved in working groups in which Mirova is not represented. Thanks to this collaborative and constructive spirit, we better understand ESG issues that companies have to address, we encourage them to improve their practices and we collectively build higher sectoral standards together with peers.

LEA 06	Mandatory	Core Assessed	PRI 2
LEA 06.1	Indicate if you define specific objectives for your engagement activities carried out collaboratively.		
	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes, for all engagement activities <input type="checkbox"/> Yes, for the majority of engagement activities <input type="checkbox"/> Yes, for a minority of engagement activities <input type="checkbox"/> We do not define specific objectives for engagement activities carried out collaboratively.		
LEA 06.2	Indicate if you monitor the actions companies take following your collaborative engagements.		
	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes, in all cases <input type="checkbox"/> Yes, in the majority of cases <input type="checkbox"/> Yes, in the minority of cases <input type="checkbox"/> We do not monitor the actions that companies take following engagement activities carried out collaboratively		
LEA 06.3	Indicate whether your organisation defines milestones and goals related to engagement activities carried out via collaborations.		
	<input checked="" type="checkbox"/> Yes		
LEA 06.4	Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.		
	<input checked="" type="checkbox"/> Define timelines for milestones and goals <input checked="" type="checkbox"/> Tracking, monitoring progress against defined milestones and goals <input checked="" type="checkbox"/> Establish a process for when the goals are not met <input checked="" type="checkbox"/> Revisit and, if necessary revise the goals on a continuous basis <input type="checkbox"/> Other, please specify <input type="checkbox"/> No		
LEA 06.5	Additional information. [Optional]		
	<p>Each one of Mirova's collaborative engagement initiative includes specific goals and a close monitoring of targeted companies' practices.</p> <p>Collaborative engagement carried out through Mirova's proprietary platform* has 3 key features:</p> <ul style="list-style-type: none"> • Specific: Engagement is limited to a specific ESG topic that a business is exposed to as a result of its sector, its geographical footprint, or its practices. • Measurable: Engagement consists of well-defined actions coordinated with measurable and predetermined objectives. Assessment criteria are defined in the initial action plan prior to implementation. • Attainable: the objectives that the engagement activities aim to achieve are realistic and attainable within the given timeframe. <p>Concretely, for each collaborative initiative, the engagement platform establishes:</p> <ul style="list-style-type: none"> • The topic(s), the objectives and the means for the engagement. The number of objectives is limited to ensure they can be correctly monitored by the platform, and achieved by the targeted companies. • The list of targeted companies. • A blueprint for action • KPIs to measure and assess the results of the engagement and/or assessment of companies' responsiveness <p>At the end of the engagement cycle, a full report on the actions taken and results achieved is compiled, and if the engagement fails at the ultimate step, recommendations are made to investors participating in the engagement. The final decision regarding how to respond to recommendations received from the engagement committee are at the sole discretion of each investor involved within the platform.</p> <p>Collaborative engagement actions undertaken alongside other investors within a RI professional body (PRI, other investor-led initiatives, etc.) are also tracked, both in-house and within the industry organization.</p> <p>All the engagement initiatives in which Mirova is directly involved, and all responses thereto are logged within "OCTAVE",** a proprietary centralized database which notably tracks each engagement and all targeted companies over time. These results can be taken into account in ESG analyses and voting decisions.</p> <p><i>*For further details about this engagement platform, please refer to LEA.05.3</i> <i>**Online Collaborative Tool for Analysis, Voting and Engagement</i></p>		

LEA 09	Voluntary	Additional Assessed	PRI 1,2						
LEA 09.1	Indicate if insights gained from your engagements are shared with your internal or external investment managers.								
	<table border="1"> <thead> <tr> <th>Type of engagement</th> <th>Insights shared</th> </tr> </thead> <tbody> <tr> <td>Individual/Internal staff engagements</td> <td> <input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No </td> </tr> <tr> <td>Collaborative engagements</td> <td> <input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No </td> </tr> </tbody> </table>			Type of engagement	Insights shared	Individual/Internal staff engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No	Collaborative engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No
Type of engagement	Insights shared								
Individual/Internal staff engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No								
Collaborative engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No								

LEA 09.2	Additional information. [Optional]
<p>As a front line player in the RI industry, Mirova makes available to portfolio managers (PMs) a broad array of ESG-related information, among which those related to active ownership practices. The investment teams systematically take all relevant ESG inputs into consideration in their investment decisions, including those arising from the exercise of voting rights and from the engagement actions carried out by the RI research team. This sharing of information is made through several ways:</p> <ul style="list-style-type: none"> • A report of each engagement action is logged in "OCTAVE"*, a proprietary centralized database available to all Mirova's teams, including PMs. OCTAVE notably tracks the history of the engagement's goals for each company, the outcomes achieved, and the resulting impact on ESG analysis or voting decisions. • An online platform which discloses all Mirova votes on resolutions presented at the general meetings of companies held in its voting funds (not including dedicated funds). • Portfolio managers and ESG analysts interact constantly: <ul style="list-style-type: none"> - They share the same offices. Informal cross-teams exchanges are therefore fostered, including about active ownership matters. - They take part in several common internal meetings (Conviction meetings, Thematic clusters, etc.) during which strategic voting decisions and results of key engagement actions are disclosed. - PMs can attend meetings with companies dedicated to the topics of voting and/or engagement; and conversely RI analysts have the opportunity to take part in meetings with companies' management, during which questions about engagements and vote can be addressed. <p><i>*Online Collaborative Tool for Analysis, Voting and Engagement</i></p>	

LEA 10	Mandatory	Gateway	PRI 2
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LEA 10.1	Indicate if you track the number of engagements your organisation participates in.						
<table border="1"> <thead> <tr> <th>Type of engagement</th> <th>Tracking engagements</th> </tr> </thead> <tbody> <tr> <td>Individual / Internal staff engagements</td> <td> <input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track </td> </tr> <tr> <td>Collaborative engagements</td> <td> <input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track and cannot estimate our engagements </td> </tr> </tbody> </table>		Type of engagement	Tracking engagements	Individual / Internal staff engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track	Collaborative engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track and cannot estimate our engagements
Type of engagement	Tracking engagements						
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track						
Collaborative engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track and cannot estimate our engagements						

LEA 10.2	Additional information. [OPTIONAL]
<p>Mirova is committed to transparency and its engagement approach seeks tangible positive impacts.</p> <p>To ensure traceability, efficiency and reliability of their engagement actions, the in-house RI research teams fill out and keep updated "OCTAVE"*, an in-house tracking database. Its purpose is twofold:</p> <ul style="list-style-type: none"> • On the one hand, to track any changes in companies' practices that would result from the dialogue process, and therefore appropriately update the Sustainability Opinion depending on the outcomes. • On the other hand, to provide data: <ul style="list-style-type: none"> - for the engagement report performed on a yearly basis on Mirova's investment scope, - for custom reports provided to clients upon request (<i>please refer to LEA.16 for further details</i>). <p>The database is comprised of the following data: the name of the issuer, the goals of the engagement, details on meetings held and other interactions with the company, the achieved improvements, and the final result of the engagement.</p> <p><i>*Online Collaborative Tool for Analysis, Voting and Engagement</i></p>	

LEA 11	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
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LEA 11.1	Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.												
<table border="1"> <thead> <tr> <th></th> <th>Number of companies engaged (avoid double counting, see explanatory notes)</th> <th>Proportion (to the nearest 5%)</th> <th>Specify the basis on which this percentage is calculated</th> </tr> </thead> <tbody> <tr> <td>Individual / Internal staff engagements</td> <td>196</td> <td>70Proportion (to the nearest 5%)</td> <td> <input type="checkbox"/> of the total number of companies you hold <input checked="" type="checkbox"/> of the total value of your listed equity holdings </td> </tr> <tr> <td>Collaborative engagements</td> <td>199</td> <td>15Proportion (to the nearest 5%)</td> <td> <input type="checkbox"/> of the total number of companies you hold <input checked="" type="checkbox"/> of the total value of your listed equity holdings </td> </tr> </tbody> </table>			Number of companies engaged (avoid double counting, see explanatory notes)	Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated	Individual / Internal staff engagements	196	70Proportion (to the nearest 5%)	<input type="checkbox"/> of the total number of companies you hold <input checked="" type="checkbox"/> of the total value of your listed equity holdings	Collaborative engagements	199	15Proportion (to the nearest 5%)	<input type="checkbox"/> of the total number of companies you hold <input checked="" type="checkbox"/> of the total value of your listed equity holdings
	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated										
Individual / Internal staff engagements	196	70Proportion (to the nearest 5%)	<input type="checkbox"/> of the total number of companies you hold <input checked="" type="checkbox"/> of the total value of your listed equity holdings										
Collaborative engagements	199	15Proportion (to the nearest 5%)	<input type="checkbox"/> of the total number of companies you hold <input checked="" type="checkbox"/> of the total value of your listed equity holdings										

LEA 11.2	Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.				
<table border="1"> <thead> <tr> <th>Type of engagement</th> <th>% Comprehensive engagements</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>		Type of engagement	% Comprehensive engagements		
Type of engagement	% Comprehensive engagements				

Individual / Internal staff engagements	<input checked="" type="checkbox"/> > 50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> None
Collaborative engagements	<input type="checkbox"/> >50% <input checked="" type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> None

LEA 11.3 Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

Type of engagement	% Leading role
Collaborative engagements	<input type="checkbox"/> >50% <input checked="" type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> None

LEA 11.5 Additional information. [Optional]

Thanks to its extensive and ambitious engagement approach, that relies on an in-house RI Research team made up 14 ESG analysts, **Mirova targeted 196 companies through individual dialogue and 199 companies were targeted by Mirova's collaborative engagement in 2016**. While, carrying out engagement initiatives, Mirova primarily engages in dialogue with issuers held in portfolio, but can also targets a wider universe depending on the addressed issue.

As regards individual engagement, the dialogue was undertaken as part of their ESG analysis, or while analysing AGMS resolutions. **319 meetings** (or others kinds of direct contacts) were held to this end.

Individual dialogue carried out by the in-house RI Research team is systematically comprehensive and takes several forms: meetings, roadshows, letters/emails, calls, etc. (please refer to LEA.12 for further details).

Collaborative dialogue carried out by Mirova as lead investor through its engagement platform is also comprehensive and includes a close monitoring of targeted companies (for further details about the modus operandi, please refer to LEA.05 and LEA.06, and the themes addressed are described in LEA.13).

Mirova's also joins other collaborative initiatives led by RI professional bodies or by other investors, whenever relevant, i.e. if the theme is compatible with Mirova's vision, objectives and priorities in terms of sustainability.

Further information about the ESG topics covered by individual and collaborative engagement is provided in LEA.13, and more details are disclosed in Mirova's annual engagement report, publicly available on its website: <http://www.mirova.com/en-INT/voting-and-engagement>

In addition to its above-described dialogue carried out as a shareholder, it should be specified that Mirova has also set up **a specific strategy focused on green bonds, which represent a large part of its Fixed Income portfolios** (for further information, please refer to FI section, Q. FI.18, FI.19 and FI.20).

LEA 12 Voluntary Additional Assessed **PRI 2**

LEA 12.1 Indicate which of the following your engagement involved.

- Letters to outline the engagement and the objectives
 - In some cases
 - In majority cases
 - In all cases
- Meetings and/or calls with the appropriate team
 - In some cases
 - In majority cases
 - In all cases
- Visits to operations
 - In some cases
 - In majority cases
 - In all cases
- Roadshows
 - In some cases
 - In majority cases
 - In all cases
- ESG research
 - In some cases
 - In majority cases
 - In all cases
- Other, specify
Investor statements, participation to industry initiatives

LEA 12.2 Additional information. [Optional]

All Mirova's engagement activities draw on the extensive ESG analysis performed by its in-house RI Research team. Engagement with management of investee companies can take several forms depending on the kind of dialogue (individual/collaborative) and the desired result:

- **Individual engagement activities carried out as part of the analysis:** 100% of our engagement actions resulted in an email sent to the companies. For the vast majority, these emails followed a conference call, a meeting with the company or a site visit.
- **Individual engagement activities carried out as part of the exercise of voting rights:** Most of our engagement actions were conducted through meetings and conference calls. For all companies within the engagement scope, Mirova systematically sent emails to inform the companies of the way it would vote and to remind them of the principal areas of potential improvement on environmental, social, and governance issues.
- **Collaborative engagement carried out through Mirova's proprietary platform:** As part of our engagement strategy within the platform, all engagements initiatives took the form of a letter sent to the Chairman, followed by conference calls and/or company meetings. Actions also includes investors statements and formal participation to industry initiatives (e.g. SAC for the textile industry).

Mirova's RI research team also takes part sometimes in specific roadshows and/or in-situ visits to operations, so as to supplement their insight while assessing companies' ESG practices, as part of the engagement process.

LEA 13	Voluntary	Additional Assessed	PRI 2
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LEA 13.1 Indicate if your engagements in the reporting year covered E, S and/or G issues, providing an estimation of the breakdown.

Individual / Internal staff engagements	
32	
	% Environmental only
25	
	% Social only
43	
	% Corporate Governance only
0	
	% Overlapping ESG issues
Collaborative engagements	
25	
	% Environmental only
50	
	% Social only
6	
	% Corporate Governance only
19	
	% Overlapping ESG issues

LEA 13.2 Additional information. [optional]

As regards individual engagement, Mirova's RI Research team targeted 196 issuers in 2016. This dialogue was carried out as part of the ESG analysis, or while analysing AGMS resolutions. 319 meetings (or others kinds of direct contacts) were held to this end.

In its detailed engagement report, publicly made available online on a yearly basis, Mirova disclosed several kinds of information:

- **The breakdown of companies targeted by investment theme:** in 2016, 21% of companies contacted were classified within the "Consumption" theme, 14% in the "Building & Cities" theme, 13% in "Energy", 5% in "Finance", 5% in "health", 10% in "ICT", 13% in "Resources" and 1% in "Mobility".
- **For each above-mentioned investment theme, the report also discloses an explanation of the ESG sectoral issues, the number of companies targeted, a summary of the main achievements in 2016, a case study and the breakdown of engagement carried out by topics.** For example, for "Building and Cities" investment theme, 24 companies were targeted in 2016 and 94 topics were addressed from both risks and opportunity perspectives: 19 about environmental and social benefits of products, 4 about the development of green and social products, 16 about the supply chain, 15 about climate change, 11 about health & safety, 8 about pollution, 8 about employee relations, 5 about human rights, 4 about resources scarcity, 3 about biodiversity and 1 about consumer protection. A case study, which describes the dialogue carried out with the Irish building materials company Kingspan, is also included in the 2016 report.
- **A focus on cross-investment engagement themes, for example on the G-pillar.** In 2016, 118 companies were targeted about their corporate governance practices and 245 topics were addressed: 90 about sustainability criteria in remuneration, 60 about sustainability reporting & transparency, 49 about sustainability committees, 23 about the integration of all stakeholders at the board level, 18 about the pay equity and 5 about business ethics.

As regards collaborative engagement, Mirova targeted 199 issuers in 2016, and leads its own collaborative platform since 2014, which is specifically designed to bring together its own RI specialists and institutional investors with a common view of responsible investment. Thanks to this initiative, Mirova and its client involved in the platform are now able to lead collaborative engagement on major issues that require further attention from investors.

In 2016, this platform addressed two major themes:

- **The risk management in the supply chain in the information and communication technologies (ICT) sector, as well as in the textile sector,** where price competition can lead to abuses. In 2014, the initiative was launched and the dialogue with companies started, in 2015 the dialogue was pursued and feedback was sent to targeted companies, in 2016 contacted industry initiatives.
- **Offshore exploration in the Arctic,** the environmental and financial risks of which are not sufficiently taken into account in the context of a limited carbon budget. In 2014, the initiative was launched and the dialogue with companies started. In 2015 the dialogue was pursued and feedback was sent to targeted companies. In 2016 Mirova, Natixis AM as well as 17 other international investors representing over €5 trillion in assets under management led an investment group in a statement relating to oil and gas exploration in the Arctic featuring 19 international signatories in total including Actiam, Axa Group, Bank J. Safra-Sarasin, BNP Paribas Investment Partners, Boston Common, Church of Sweden, Danske Capital, EdenTree, Friends Fiduciary Corporation, Nei Investments, Pax, Skandia, Trillium and Zevin. This statement is directed to oil and gas companies that have been involved in oil exploration in the Arctic, as well as Arctic Council members. It is an urgent call to protect the Arctic from future oil exploration activities and align national climate change pledges with the future of the region, which hosts significant hydrocarbon resources.

In 2016, Mirova also joined other collaborative initiatives led by RI professional bodies or by other investors, for example:

- "Access to Nutrition Index (ATNI)"
- "Access to Medicine Index (ATMI)"
- "Antibiotics overuse in livestock" led by FAIRR Network
- "Antimicrobial Resistance in International Policymakers" led by FAIRR Network led by FAIRR Network, ShareAction ICCR and As you Sow
- "Clinical Trial Transparency"
- "Sustainable Protein" led by FAIRR Network & ShareAction
- "Investor statement on Bangladesh" led by ICCR
- "Statement on investor obligations and duties" led by PRI, UNEP Finance Initiative, Generation Foundation
- RE100 shareholder for companies engagement
- "Sustainable seafood & responsible investment" led by Aviva Investors

Mirova also took part in certain initiatives led by the PRI such as "Investor expectations on labour practices in the agricultural supply chain" and joined several collaborative engagement launched by PRI's platform (e.g. those related to human rights in extractives, to fracking-related risks, to board nomination process, etc.)

Further information about the ESG topics covered by individual and collaborative engagement are disclosed in Mirova's annual engagement report, publicly available on its website: <http://www.mirova.com/en-INT/voting-and-engagement>

Mirova has also defined and implemented an advanced public policy engagement approach that notably includes investor statements targeting public policy makers. This approach is addressed in the PRI module "Strategy and Governance" (please refer to questions SG.09 to SG.11).

LEA 14	Voluntary	Descriptive	PRI 2
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LEA 14.1	Indicate whether you track the number of cases during the reporting year where a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.
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Private

LEA 14.3	Additional information [Optional].
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Private

LEA 15	Voluntary	Descriptive	PRI 2
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LEA 15.1	Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.
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Add Example 1

Topic or ESG issue	Pillar: S Issue: The RI Research team engaged with Roche on the Access to Medicine Index (ATMI)
Conducted by	Collaborative
Objectives	The main objective was to encourage Roche's participation to the ATMI's questionnaire and improve disclosure about the company's access to medicine programmes, both through quantitative performance data and penetration targets.
Scope and Process	<p>Scope/targeted company: Roche</p> <p>Business sector: pharmaceutical industry</p> <p>Process: We sent a letter to the company in February 2016 on behalf of 47 additional institutional investors. However, Roche responded they did not intend to participate to the survey because it felt the bulk of its drug portfolio was not adequately represented in the ATMI's methodology. We thus engaged in dialogue with the company via one to one meetings with the Chairman of the Corporate Sustainability Committee to encourage participation to the index. The company is committed to collaborate with the ATM foundation going forward so as to integrate a broader range of medicines within the Index' methodology, which will thus allow it to participating to the questionnaire going forward.</p>
Outcomes	<p>Roche agreed to take into account our feedback and report more extensively their programmes regarding access to medicine and aims at setting measurable targets.</p> <p>We will continue to engage in dialogue with Roche and the broader pharmaceutical sector in order to encourage the adoption of effective programmes aimed at fostering access to medicine to low-income populations and improve disclosure around performance in this area.</p>

Add Example 2

Topic or ESG issue	Pillar: E Issue: Though Enagas' disclosure is relatively advanced, the product end-use portion of scope 3 emissions is not included.
Conducted by	Individual / Internal
Objectives	<p>The main objective was to gain a better understanding of their carbon reporting methods.</p> <p><i>For companies involved primarily in fossil fuel transmission and distribution, we are interested in obtaining a life-cycle view of their carbon footprint. This includes any emissions resulting from product end-use, which can be sizeable for actors in the fossil fuel value chain. Since the company does not sell gas directly but would still be severely affected by any change in climate policy which negatively affected fossil fuels, the emissions arising from the ultimate use the gas it transports are relevant from our standpoint.</i></p>
Scope and Process	<p>Scope/targeted company: Enagas</p> <p>Business sector: energy</p> <p>Process: Both oral and written discussion</p>
Outcomes	The company finally acknowledged the pertinence of their scope 3 emissions, but indicated that they face challenges in estimating it. Several specific initiatives were cited in helping the company to reduce their scope 3 footprint, and they stated that they may consider implementing a more stringent methodology (like Carbon Impact Analytics, developed in partnership between Mirova and Carbone4) in the future. We will continue to emphasize our interest in comprehensive carbon reporting with this company, as well as others with similar activities.

Add Example 3

- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

LEA 16	Mandatory	Core Assessed	PRI 2,6
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LEA 16.1	Indicate whether your organisation proactively discloses information on its engagements.
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We disclose it publicly
<http://www.mirova.com/en-INT/voting-and-engagement>
<https://www.unpri.org/explore/?q=mirova>

LEA 16.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
----------	---

- Yes
 No

LEA 16.3	Indicate what engagement information your organisation proactively discloses to the public.
----------	---

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

LEA 16.4	Indicate how frequently you typically report engagements information to the public.
----------	---

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly or more frequently
- Disclosed biannually
- Disclosed annually
- Disclosed less frequently than annually
- Ad-hoc/when requested

LEA 16.5	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.
----------	--

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

LEA 16.6	Indicate how frequently you typically report engagements information to clients/beneficiaries.
----------	--

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly or more frequently
- Disclosed biannually
- Disclosed annually
- Disclosed less frequently than annually
- Ad hoc/when requested

LEA 16.7	Describe any other differences in the information being disclosed. [Optional]
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Please refer to additional information hereafter

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

LEA 16.8	Additional information. [Optional]
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Mirova is committed to transparency and provides investors with full visibility as to how their assets are being managed. As a result, **its engagement activities are disclosed in an annual extensive engagement report**, which describes Mirova's engagement principles and overall approach, as well as the processes in place to encourage issuers to improve their ESG practices.

This engagement report includes several kinds of information, such as:

- The breakdown of companies targeted by investment theme.

- For each above-mentioned investment theme, the report also discloses an explanation of the ESG sectoral issues, the number of companies targeted, a summary of the main achievements in 2016, a case study and the breakdown of engagement carried out by topics
- A focus on cross-investment engagement themes, for example on the G-pillar.

This document is available online, on Mirova's website: <http://www.mirova.com/en-INT/voting-and-engagement>

Mirova also describes its engagement approach and practices in detail in its annual PRI transparency report (module « Listed Equity Active Ownership »), available on PRI's website: <https://www.unpri.org/explore/?q=mirova>

In addition to these public documents, Mirova provides its primary institutional clients (on request) with a custom report that, among other things, includes:

- A RI market review ;
- The ESG assessment of companies held in their portfolios and updated ESG newsfeed on these companies ;
- Engagement actions involving these companies, and a qualitative focus on the main engagement topics;
- A quantitative and qualitative review of voting exercised on the companies held in their portfolios: evolution of the voting scope, geographical breakdown, thematic breakdown (transparency, compensation policy, etc.), results (percentage of For/ Against/ Abstain, etc.).

LEA 17	Mandatory	Gateway	PRI 1,2,3
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LEA 17.1	Indicate whether your organisation has a formal voting policy.
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✓ Yes

LEA 17.2	Indicate what your voting policy covers:
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- Conflicts of interest
- Prioritisation of voting activities
- Transparency
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Share blocking
- Regional voting practices
- Record keeping
- Company dialogue pre/post vote
- Securities lending process
- Other, describe
- None of the above

LEA 17.3	Attach or provide a URL to your voting policy. [Optional]
----------	---

<http://www.mirova.com/en-INT/voting-and-engagement>

LEA 17.4	Provide a brief overview of your organization's approach to (proxy) voting.
----------	---

Mirova's vision on companies' purpose is based on strong convictions, markedly different from conventional and contract focused conceptions developed since the 1970s (this vision is further in Mirova's voting policy, available online on its website: <http://www.mirova.com/en-INT/voting-and-engagement>)

As a responsible investor, Mirova has decided to define and implement a voting policy that is focused on the crucial sustainable development issues that companies face today. We particularly support:

- the establishment of a Board whose composition reflects a balanced representation of all the company's stakeholders and whose mission is to support CSR issues;
- a fair compensation of the various stakeholders, notably including the integration of environmental and social criteria into executives' compensation
- quality and transparency of both the financial and extra-financial information, through the elaboration of an integrated report that takes into account the sustainable development challenges

These principles constitute the key issues on which engagement will be focused. We are fully aware of the fact that this innovative stance regarding companies' governance evolution will no doubt raise legitimate debates. These debates will help us permanently improve our principles and guidelines.

LEA 17.5	Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).
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Mirova is a front line player in the RI industry, that offers cutting-edge thematic and multi-thematic approaches to sustainability. **ESG issues are therefore at the heart of its investment processes, but also key components of its voting and engagement policy.**

The vision and the objectives described in the overview provided above in LEA.17.4 concretely take the form of voting principles and related engagement themes for a responsible governance according to Mirova.

- Voting principle 1: Long term ownership
Engagement theme: Develop Long-Term and Employee Share Ownership
- Voting principle 2: Accountability and Representativeness of Governance Bodies
Engagement themes: Establishment a CSR Committee and Balanced Composition of the Board and the Committees
- Voting principle 3: Fair Compensation of the Various Stakeholders
Engagement themes: Integration of E&S issues into compensation; Transparency and Equality of the Remunerations

- Voting principle 4: Transparency
Engagement theme: Establish an Audited and Certified CSR Report

Mirova has defined guidelines for the application of these voting principles by markets, detailed in Mirova's voting policy, available online on its website: <http://www.mirova.com/en-INT/voting-and-engagement>. However, the principles defined in its voting policy may not apply, depending on companies' nationality, as shareholders' meetings may exhibit varying prerogatives depending on national legislation. It should also be specified that Mirova does not have any securities lending activity.

The scope of Mirova's voting activities:

Except in certain cases, Mirova exercises voting rights for all the UCITS (Undertakings for Collective Investment in Transferable Securities) and AIF (Alternative Investment Funds) under its management and for which it holds voting rights, as well as for employee investment funds the supervisory boards of which have delegated voting rights to Mirova. Mirova exercises its voting rights for all assets eligible, as of the end of the year preceding the voting campaign, located in portfolios for which it holds voting rights, on the condition that the regulatory and technical constraints imposed by markets and depositories permit that the exercise of voting rights be in the best interests of unitholders. **In 2016, Mirova's voting universe was made up of 215 assets.**

Organization of voting rights:

The organization of 'exercise of voting rights' activities is articulated around two distinct poles of expertise in charge of ensuring the exercise of voting rights in the interests of unitholders.

Resolution analysis is conducted by the Voting and Governance division of Mirova's responsible investment research department, a team of 14 analysts specialising in environmental, social and governance issues. This voting procedure involves the analysis of resolutions presented at general meetings and dialogue with the companies in the context of Mirova's engagement policy. Voting decisions are the responsibility of the voting committee, composed of Mirova's CEO and the Head of Responsible Investment Research. Fund managers and extra-financial analysts may be invited to participate in the committee's deliberations depending on the subject under discussion.

The exercise of voting rights is carried out by the Middle Office department of Natixis AM* according to instructions provided by Mirova in the context of a provision of services.

*Mirova's parent company

No

LEA 18	Mandatory	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 18.1	Indicate how you typically make your (proxy) voting decisions.
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Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

Based on

- the service provider voting policy signed off by us
- our own voting policy
- our clients' requests or policy
- other, explain
- We hire service provider(s) that make voting decisions on our behalf.

LEA 18.2	Additional information.[Optional]
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While exercising voting rights, Mirova has recourse to an independent voting services provider. This proxy agent is responsible for:

- informing Mirova of upcoming general meetings related to securities belonging to its voting universe,
- analysing resolutions according to the principles defined in the present voting policy (i.e., custom service). In some cases, Mirova's in-house Research team reviews resolutions (*further details are provided in LEA.19*),
- providing access to a voting platform for the exercise of voting rights,
- transmitting voting instructions to the issuer.

This proxy is in direct contact with the custodian banks from which it receives, on a daily basis, a list of the positions in all the portfolios belonging to the voting universe.

LEA 19	Mandatory	Descriptive	PRI 2
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LEA 19.1	Of the voting recommendations that your service provider made in the reporting year, indicate the percentage reviewed by your organisation, giving reasons.
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Percentage of voting recommendations your organisation reviewed

- >20%,
- 5-20%,
- 1-5%,
- <1%

Reasons for review	
<input checked="" type="checkbox"/>	Specific ESG issues
<input checked="" type="checkbox"/>	Votes for significant holdings
<input type="checkbox"/>	Votes against management and/or abstentions
<input type="checkbox"/>	Conflicts of interest
<input checked="" type="checkbox"/>	Corporate actions such as M&A, disposal, etc.
<input checked="" type="checkbox"/>	Votes for companies with which we have an active engagement
<input checked="" type="checkbox"/>	Client requests
<input checked="" type="checkbox"/>	Ad-hoc oversight of Service Provider
<input type="checkbox"/>	Shareholder resolutions
<input type="checkbox"/>	Share blocked securities
<input type="checkbox"/>	Other, explain

LEA 19.2	Additional information [Optional]
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In 2016, 31% of the resolutions were reviewed by our in-house RI Research team, among which.

- 87% reviewed as part of Mirova's engagement approach, notably applied to its largest holdings and/or when a specific governance issue is identified (please refer to LEA.22 for further information)
- 13% reviewed because the resolution was about a major financial /strategic transaction (M&A and/or share capital increase) or to provide an ad hoc oversight to the service provider (ISS) on specific resolutions related to executive compensation which were not addressed in Mirova's voting guidelines.

Mirova is committed to transparency and discloses an annual report on votes cast available on its website, and all Mirova votes on resolutions presented at the general meetings of companies held in its voting funds (except for dedicated funds) are disclosed through an online platform:
<https://vds.issgovernance.com/vds/#/OTAYNg==/>

LEA 20	Voluntary	Descriptive	PRI 2
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LEA 20.1	Describe your involvement in any projects to improve the voting trail and/or to obtain vote confirmation .
----------	--

The votes are registered on the voting platform for each account. The procedure then varies depending on whether the securities are French, in which case the vote is cast by post, or foreign, in which case the vote is cast by proxy. - For French securities: Mirova votes by post The Middle Office department of Natixis AM completes the postal voting forms on the platform made available by the proxy, then faxes and posts them to the various custodians. Upon reception of the voting instructions, the custodian checks and adjusts the positions of the securities in each account for which a vote is recorded and sends the voting forms to the issuer or its agent. Mirova may choose to attend general meetings on a case-by-case basis, rather than voting by post. - For foreign securities: Mirova votes by proxy The Middle Office department of Natixis AM enters the voting instructions on the voting platform and transmits them to the local sub-custodians. In certain cases, the proxy is required to vote directly on behalf of Mirova in accordance with the principles defined in the present voting policy. Mirova receives on a regular basis (up to every week during proxy season) a reporting on the number of votes effectively cast by ISS versus the number of potential votes in the voting universe. In addition, regular meeting with ISS representatives ensure a good follow-up of the voting guidelines implementation. On an annual basis, Mirova conduct a formalized audit on the proxy voting activity realized by ISS over the previous year in order to ensure the effective functioning of ISS set up and organization.

LEA 21	Voluntary	Additional Assessed	PRI 2
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LEA 21.1	Indicate if your organisation has a securities lending programme.
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- Yes
- No

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting
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- Yes, in most cases
- Sometimes, in the following cases:
 - Votes for selected markets
 - Votes relating to certain ESG issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients
 - Other
- Neither we nor our service provider raise concerns with companies ahead of voting

LEA 22.2	Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.
----------	---

- Yes, in most cases
- Sometimes, in the following cases.
 - Votes in selected markets
 - Votes on certain issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients

- Other
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 22.3 Additional information. [Optional]

As part of Mirova's engagement approach, we implement a deeper dialogue process in three main cases:

- for Mirova's largest holding positions,
- for companies with governance specific issues
- or at a company's request

This specific engagement process covered 46 companies in 2016, i.e. 33% of Mirova's voting universe. In the context of this dialogue, the RI Research team raised the identified concerns with companies ahead of voting and shared with them the rationale when they abstained or voted against management recommendations.

Mirova's geographic investment universe and its clients' requests are also take into account in the definition of our engagement universe.

The dialogue carried out over the year is disclosed in Mirova's engagement report, which includes a focus on cross-investment engagement themes, notably on governance (number of companies targeted, themes addressed, etc.). This report is available on its website: <http://www.mirova.com/en-INT/voting-and-engagement>

Furthermore, all Mirova's votes on resolutions presented at the general meetings of companies held in its voting funds (except for dedicated funds) are disclosed through an online platform: <https://vds.issgovernance.com/vds/#/OTAyNg==/>

LEA 23 Mandatory Core Assessed PRI 2

LEA 23.1 For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

We do track or collect this information

Votes cast (to the nearest 1%)
99%

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

LEA 23.2 Explain your reason(s) for not voting certain holdings

- Shares were blocked
- Notice, ballots or materials not received in 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)
- We do not vote on environmental resolutions
- We do not vote on social resolutions
- On request by clients
- Other

We do not track or collect this information

LEA 23.3 Additional information. [Optional]

In 2016, Mirova has exercised its voting rights as a shareholder of the UCITS and AIF it manages. The 2016 voting perimeter therefore covered **215 assets** held in 16 UCITS and AIF*, all of which are managed by Mirova. Within this voting perimeter, **232 general meetings (GM) were held in 2016, and Mirova exercised its voting rights at 230 of them, for a participation rate of 99%. Mirova did not exercise its voting rights at 2 general meetings** due to technical problems such as fund migration into proxy systems or administrative systems and validity of power of attorney

Mirova is committed to transparency and discloses an annual report on votes cast available on its website, and all Mirova votes on resolutions presented at the general meetings of companies held in its voting funds (not including dedicated funds) are disclosed through an online platform, accessible through Mirova's website: <https://vds.issgovernance.com/vds/#/OTAyNg==/>

* This perimeter covers 6 dedicated funds and 10 open funds (Impact Es Actions Europe, Insertion Emplois Dynamique, Mirova Euro Sustainable Equity, Mirova Europe Environmental Equity Fund Mirova Europe Real Estate Securities Fund, Mirova Europe Sustainable Equity, Mirova Global Sustainable Equity, Mirova US Global Sustainable Equity Fund, Mirova Global Transition Energy Equity Fund, Mirova Global Water & Agriculture Equity Fund).

LEA 24 Mandatory Additional Assessed PRI 2

LEA 24.1 Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

Yes, we track this information

LEA 24.2 Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast

For (supporting) management recommendations	70%
Against (opposing) management recommendations	23%
Abstentions	7%

No, we do not track this information

LEA 26	Voluntary	Descriptive	PRI 2
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LEA 26.1 Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

Add Example 1

Topic or ESG issue	Governance issues
Decision made by	Internal staff
Objectives	To encourage the integration of CSR performance criteria under variable remuneration mechanisms
Scope and Process	Through a detailed email, we alerted 29 companies that according our voting guidelines, a negative vote will apply on remuneration elements given the absence of CSR performance criteria.
Outcomes	Following our email, we initiated engagement with these companies on this topic (by email, phone or physical meeting). At the end, 7 companies took commitments to integrate such criteria into future remuneration structures, which allowed us to support the remuneration elements submitted to vote.

Add Example 2

Topic or ESG issue	Governance issues
Decision made by	Internal staff
Objectives	To encourage companies to use capital reduction only to compensate the dilutive effect of employee stock plans (and not to use them as an additional way of remunerating shareholders).
Scope and Process	We mentioned our expectation to French 23 companies of our engagement universe for which such a resolution was submitted to the vote at the 2016 AGM.
Outcomes	Following our email, only one took the commitment to strictly limit the use of such mechanism for anti-dilutive purpose. We voted against the proposal at all other 27 companies.

Add Example 3

Topic or ESG issue	Governance issues
Decision made by	Internal staff
Objectives	To encourage the integration of employees' representatives at board-level
Scope and Process	We systematically vote against the nomination committee chairman if there is no employees representative sitting on the board. Companies that are part of our core engagement universe are aware of this guideline as we regularly explain them the voting policy.
Outcomes	5 companies request us to reconsider our voting intention in light of commitments they took on this issue. We consequently reviewed our vote and supported the election of the nomination committee chairman.

Add Example 4

Add Example 5

Add Example 6

Add Example 7

Add Example 8

Add Example 9

Add Example 10

LEA 27	Mandatory	Core Assessed	PRI 2,6
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LEA 27.1 Indicate if your organisation proactively discloses information on your voting activities.

We disclose it publicly

<http://www.mirova.com/en-INT/voting-and-engagementhttps://vds.issgovernance.com/vds/#/OTAYNg==/>

LEA 27.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

No

LEA 27.3 Indicate the voting information your organisation proactively discloses to the public.

	Indicate how much of your voting record you disclose
<input checked="" type="radio"/>	All voting decisions
<input type="radio"/>	Some voting decisions
<input type="radio"/>	Only abstentions and opposing vote decisions
<input type="radio"/>	Summary of votes only

	Indicate what level of explanation you provide
<input type="radio"/>	Explain all voting decisions
<input checked="" type="radio"/>	Explain some voting decisions
<input type="radio"/>	Only explain abstentions and votes against management
<input type="radio"/>	No explanations provided

LEA 27.4	Indicate how frequently you typically report voting information to the public.
<input type="radio"/>	Continuously (primarily before meetings)
<input checked="" type="radio"/>	Continuously (soon after votes are cast)
<input type="radio"/>	Quarterly or more frequently
<input type="radio"/>	Biannually
<input type="radio"/>	Annually
<input type="radio"/>	Less frequently than annually
<input type="radio"/>	Ad hoc/as requested

LEA 27.5	Indicate the voting information your organisation proactively discloses to clients/beneficiaries.
	Indicate how much of your voting record you disclose
<input checked="" type="radio"/>	All voting decisions
<input type="radio"/>	Some voting decisions
<input type="radio"/>	Only abstentions and opposing vote decisions
<input type="radio"/>	Summary of votes only
	Indicate what level of explanation you provide
<input type="radio"/>	Explain all voting decisions
<input checked="" type="radio"/>	Explain some voting decisions
<input type="radio"/>	Only explain abstentions and votes against management
<input type="radio"/>	No explanations provided

LEA 27.6	Indicate how frequently you report voting information to clients/beneficiaries.
<input type="radio"/>	Continuously (primarily before meetings)
<input type="radio"/>	Continuously (soon after votes are cast)
<input type="radio"/>	Quarterly or more frequently
<input type="radio"/>	Between quarterly and annually
<input type="radio"/>	Less frequently than annually
<input checked="" type="radio"/>	Other
	Please specify
	The terms/conditions of the proxy voting services provided by Mirova is always defined according to a service agreement based on the specific clients' request.

LEA 27.7	Describe any other differences in the information being disclosed. [Optional]
	Please refer to additional information hereafter

- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 27.8	Additional information. [Optional]
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Mirova adheres to the highest standards with respect to transparency in order to offer investors total visibility as to how their assets are being managed and how active ownership practices are implemented. **As a result, its proxy voting activity is clearly presented through 3 main channels:**

- **Mirova's proxy voting policy**, which explains Mirova's vision with regard to voting activities, and summarizes the scope of voting rights as well as the methodology and principles governing its analysis of resolutions. <http://www.mirova.com/en-INT/voting-and-engagement>
- **An online platform, accessible through Mirova's website, which discloses all Mirova votes on resolutions** presented at the general meetings of companies held in its voting funds (not including dedicated funds): <https://vds.issgovernance.com/vds/#/OTAyNg==/>
- **Mirova's annual consolidated report on voting activities**: this report provides a quantitative and qualitative account of the voting campaign (overall voting results, geographical breakdown of votes cast, breakdown of opposition by topic and a focus on each of the main theme to explain the reasons of oppositions) <http://www.mirova.com/en-INT/voting-and-engagement>

Mirova also publishes some thematic studies related to corporate governance issues, including voting matters. For example, the Governance-Research team has drafted a "focus paper" entitled "Reflections and principles for a responsible voting policy", publicly available on Mirova's extensive online library. <http://www.mirova.com/en-UK/p/Library/Publications>.

In addition to these public documents, Mirova provides its primary institutional clients, on request, with a custom report that, among other things, includes :

- The ESG assessment of companies held in their portfolios and updated ESG newsflow on these companies ;
- A RI market review ;
- Engagement actions involving those companies, and a qualitative focus on the main engagement topics;
- **A quantitative and qualitative review of voting exercised on the companies held in their portfolios:** evolution of the voting scope, geographical breakdown, thematic breakdown (transparency, compensation policy, etc.), results (percentage of For/ Against/ Abstain,etc.).

A quarterly panorama of votes is also provided to some institutional clients, either through a presentation during their investment committees or through a specific report sent quarterly.

FI 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies		
<i>Private</i>			
FI 01.2	Additional information. [Optional]		
<i>Private</i>			
FI 03	Mandatory to Report, Voluntary to Disclose	Descriptive	General
FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.		
<i>Private</i>			
FI 03.2	Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.		
<i>Private</i>			
FI 03.3	Additional information. [Optional]		
<i>Private</i>			
FI 04	Mandatory	Gateway	PRI 1
FI 04.1	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	0
		Thematic + integration strategies	0
		Screening + thematic strategies	0
		All three strategies combined	100
		No incorporation strategies applied	0
	Corporate (financial)		Screening alone
		Thematic alone	0
		Integration alone	0
		Screening + integration strategies	0
		Thematic + integration strategies	0
		Screening + thematic strategies	0
		All three strategies combined	100
		No incorporation strategies applied	0

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

FI 04.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

Mirova has developed cutting-edge RI expertise that combines a thematic bias, screenings and ESG Integration (*please refer to "additional information" below for further explanations*)

Mirova has chosen this triple-tier approach for three main reasons:

- Mirova believes that today, markets are not fully integrating all ESG-related information, which in turn creates inefficiencies that **can present attractive long-term opportunities** for active investors focusing on these areas (e.g. considerable needs for energy transition that can be met through green bonds). Tomorrow's winners are therefore issuers well positioned on solutions to tackle sustainable development challenges
- Mirova's ESG analysis helps **better avoid black swan events and prevent some default Risks**: major ESG shortcomings could expose issuers to capital destruction and ultimately default risk. This could be due, for example, to high carbon profiles (vulnerable balance sheets), innovation/disruption challenges, low level business ethics (litigation risk), etc.
- By analysing each issuer (and Green/social projects related to sustainability bonds) from an ESG and financial perspective, thanks to its optimum ESG integration approach, Mirova seeks to **deliver both financial performance in the long run and positive ESG impacts**.

FI 04.3 Additional information [Optional].

Additional information about Mirova's RI approaches and how combinations of strategies are used

Mirova has developed a three-fold RI approach fostering both ESG and financial performances, thanks to the incorporation of extra-financial inputs all along the investment process: from idea generation (thematic bias/exposure to green and social bonds) to the security selection process (screening through ESG filter and ESG integration).

Mirova's thematic approach takes two forms, which directly contribute to idea generation:

- **For the same return, a prioritization of Green and Social bonds (issued by corporate issuers, supranational organizations or government agencies)**, i.e. bonds directly linked to a specific project or pool of projects which have a positive impact on the environment or on social issues. Mirova has developed a proprietary methodology to assess the relevance of the projects financed and to perform an ESG risk review, to determine whether or not the security can be categorized as a green or a social bond (for further details, please refer to FI.11 to FI.13).
- **A focus on sustainability leaders and solution providers**. This consists in primarily selecting "companies that contribute to the Sustainable Development Goals", i.e. corporate issuers that have the ability to perform over the long term through business models that fully integrate the challenges of sustainable economic development. These issues are classified into eight sustainability themes enabling the identification of investment opportunities along the entire value chain and across all sectors of activity: sustainable energy, sustainable mobility, sustainable resources, sustainable consumption, sustainable buildings and cities, sustainable health, finance, sustainable information and communication technologies. The RI Research assesses the "Sustainability Opportunity Exposure" of each corporate issuer, after analysing to what extent their business models fit with one or several of the above-mentioned themes.

In addition to this thematic bias, which aims at prioritizing positive ESG contributors, Mirova also applies an **ESG screening**. For example, for each corporate issuer, the RI research team produces a Sustainability Opinion, which assesses whether the investment is compatible with the UN Sustainable Development Goals. This Sustainability Opinion, which is obtained by merging the "Sustainability Opportunity Exposure" (explained above) with a Sustainability Risk Review", is defined on a 6-level scale: "Worst Offender (WO)", "Negative", "Risk", "Neutral", "Positive" and "Committed". **Only issuers rated "Neutral", "Positive" or "Committed" are eligible for investment at Mirova.**

Mirova does not exclude any sector as a matter of principle, but its Sustainability Opinions are obtained by applying an "absolute" ESG analysis that differentiates between sectors. Hence, an entire industry might be rated "Risk" if industry practices as a whole are not sufficient or if their current business model does not fit into a sustainable world (e.g. Mirova does not invest in tobacco, the military industry, coal or oil exploration and production).

Furthermore, a compliance filter is applied to ensure that Mirova does not invest in any company with very negative externalities and/or exposed to major and unmanaged ESG risks.

It consists in **excluding from the eligible universe all the "Worst offenders"**, i.e. the companies exposed to severe and repeated controversies (major violations of the UN Global Compact and OECD principles, controversial weapons) and non-eligible countries.

Finally, Mirova's approach also includes **advanced ESG integration practices, throughout the investment processes**, so as to efficiently combine financial and extra-financial insights. We believe that higher profitability and stronger balance sheets will lead to security spread compression (for credit and government issues). Consequently, strong ESG issuers and thematic solution providers may well see credit rating upgrades in the future. **Beyond filters, ESG criteria are therefore taken into account in the credit analysis and valuation, and at the portfolio construction level:** for equal financial profile, the fixed income portfolio managers prioritize green / social bonds and "positive contributor bonds" as regards sustainability. When relevant, the latter are overweighted in portfolios. (Please refer to FI.15 for further details).

The combination of these three complementary RI approaches covers 100% of Mirova's fixed income AuM.

FI 05.1 Indicate which ESG factors you systematically research as part of your analysis on issuers.

	SSA	Corporate (financial)	Corporate (non-financial)
Environmental data	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Social data	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Governance data	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.

FI 05.2 Indicate what format your ESG information comes in and where you typically source it

- Raw ESG company data
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- ESG factor specific analysis
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify

specify description

Partnership with the University of Cambridge (please refer to FI.05.4 for further information)

- Issuer-level ESG analysis
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Sector-level ESG analysis
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Country-level ESG analysis
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify

specify description

31 ESG indicators public and trustworthy sources (World Bank, OECD, WRO, WRI, BP Energy Statistics, etc.)

FI 05.3 Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.

Mirova's Research is a collaborative endeavour. Interactions between portfolio managers and ESG analysts are constant: they share views and opinions on securities at several common internal committees (e.g. ESG monthly committees, ad hoc meetings for each issuance), and also share a common, proprietary and internal tool "OCTAVE". This collegial modus operandi fosters cross-teams exchanges and enables them to challenge each other's opinions.

As regards RI Research, the analysis is conducted by a team comprised of 14 ESG analysts. They draw on the following sources of information:

- *Publicly available data:* corporate annual / sustainable development reports, academic research, NGO reports, press, etc.
- *Regular exchanges with different stakeholders:* issuers, trade unions, NGOs, scientific community (notably through the partnership with Cambridge University), National Contact Points for the OECD Guidelines for Multinational Enterprises.
- *External research:* sell-side analysts (such as BofAML, Kepler Cheuvreux, Deutsche Bank, etc.), ESG rating agencies (Oekom, Ethix, Carbone 4, GRESB, Beyond Ratings, etc.).
- *Specific meetings with Green and Social bonds issuers*

These various sources are aggregated based on a proprietary methodology that enables different levels of in-house monitoring depending on the issuer's weight in Mirova's portfolio, notably for corporate issuers (Core and standard universes, explained in FI.05.4).

FI 05.4 Additional information. [Optional]

A comment on each type of ESG information mentioned above in 05.2 is set forth below:

- **Raw ESG Company data:** raw ESG data and KPIs are collected by the in-house RI research team, either directly from issuers (sustainable development reports, annual reports, meetings or calls with CSR department or Investor Relations Department, etc.) or by proxy through intermediaries such as sell-side analysts or extra-financial ratings agencies.
- **ESG factor analysis:** One of the primary roles of Mirova's RI research team is to further understand major sustainability issues and transpose them to investment-context, so as to determine to what extent business industries are exposed to risks and/ or opportunities related to sustainability. To this end, the RI analysts regularly perform thematic studies on issues relevant to sustainable development, as well as "Focus papers" that address more specific topics. In order to produce these materials, the RI Research team relies on:
 - => **A broad spectrum of sources** (among which academic research, sell-side analysis and extra-financial ratings agencies, which also produce thematic publications).
 - => **A close-knit partnership built with the University of Cambridge**, via the Cambridge Programme for Sustainability Leadership (CPSL), to cooperate in furthering knowledge of particular issues in sustainability. This partnership includes an active research-based collaboration involving joint publications over a 3-year period.
- **Issuer-level analysis:** the sustainability assessment of corporate issuers is performed by the RI research team on the basis of:
 - Their own investigations, which for the main corporate issuers included in the "Core Universe"* entails meetings with the issuers involved, as well as engagement actions when areas for improvement are identified.
 - Systematic meetings with Green and Social bonds issuers in order to analyse all the Green and Social Bonds in which we are invested
 - Secondary sources such as the ratings of external research providers.
- **Sector-related analysis and ratings:** The RI research team undertakes analysis that cover sector-related ESG risks; these analyses notably draw on sectorial analysis from sell-side analysts as well as from extra-financial ratings agencies.
- **Country-related analysis or ratings:** Mirova's in-house RI Research team has defined and applies its own methodology to assess the ESG profiles of countries. This proprietary approach is based on 31 ESG indicators obtained from public and trustworthy sources (World Bank, OECD, WRO, WRI, BP Energy Statistics, etc.) Mirova chose these indicators based on how well they represent the different pillars under environment, social and governance. Furthermore, Mirova's approach places an emphasis on energy & climate-related issues. In addition to the overall "Sustainable Impact Opinion" assigned to each sovereign issuer based on the 31 ESG indicators mentioned above, the RI Research team draws on the expertise of the specialized rating agency "Beyond Ratings" to perform a specific "Energy & Climate Risk Scoring".

It is worth highlighting that, although ESG analysis is mainly carried out by the in-house research team, **the Fixed Income management team is highly experimented in RI and ESG issues**. Marc Briand, head of fixed income and portfolio manager, and Christopher Wigley (senior and lead PM specialist in corporate credit selection and green bond investment), are frequent speakers on influential green bond seminars and conferences. They also regularly write RI research papers. For example, in September 2016, they co-authored a "Focus on green bonds" that, among other things, highlights the environmental issues and challenges from which the green bond market derives**. **This high level of experience in ESG issues enables an optimum ESG integration in Mirova's fixed income investment processes.**

*As regards corporate issuers specifically, the RI research team has implemented two types of coverage regarding sustainability analysis:
 - Core scope, mostly made up of issuers held in portfolio: good knowledge of the issuer (or event extensive for the main holdings), regular monitoring/updates and validation/review of Oekom's analyses on a quarterly basis (Oekom is Mirova's main external research partner), meetings with companies, etc.
 - Standard scope, i.e. all other corporate issuers: the analysis is fully delegated to Oekom

** This Focus is available on Mirova's website, on its extensive online library: <http://www.mirova.com/en-UK/p/Library/Publications>

FI 06	Mandatory	Additional Assessed	PRI 1
FI 06.1	Indicate how you ensure that your ESG research process is robust:		
<input checked="" type="checkbox"/> Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies <input checked="" type="checkbox"/> Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate <input checked="" type="checkbox"/> Internal audits of ESG research are undertaken in a systematic way <input checked="" type="checkbox"/> ESG analysis is benchmarked for quality against other providers <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			
FI 06.2	Describe how your ESG information or analysis is shared among your investment team.		
<input checked="" type="checkbox"/> ESG information is held within a centralised database and is accessible to all investment staff <input checked="" type="checkbox"/> ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents <input checked="" type="checkbox"/> Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings <input checked="" type="checkbox"/> Records capture how ESG information and research was incorporated into investment decisions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			
FI 06.3	Additional information. [Optional]		
<p>Mirova has built up strong RI Research capacity: its RI Research team, made up of 14 analysts, has developed proprietary Sustainability Assessment methodologies suited to each category of issuers.</p> <p>The RI Research team conducts its own investigations. The issuers included in this "Core Universe" (issuers held in portfolios), as well as sustainability bond issuers, are contacted to better understand their practices and discuss areas for improvement, as part of Mirova's engagement approach.</p> <p>Mirova also relies on various providers carefully selected for the quality of their ESG analysis. Oekom and Beyond ratings are the main research partners, respectively for corporate and sovereigns issuers. The ESG analysis carried out on issuers held in Mirova's portfolio is systematically undertaken or validated internally.</p> <p>The frequency of updates varies depending on the importance of the issuer in Mirova's portfolios (e.g. continuous for top corporate-holdings, quarterly for other corporate-holdings, annual for the rest of the universe, annual updates for sovereign issuers). Each Green and Social bond's analyze is updated on an annual basis.</p> <p>Periodic reviews of the quality of the research are also carried out by third-parties (EY in 2014 and 2015; the General Inspection Department of BPCE Group in 2015).</p>			

FI 07.1	Indicate the type of screening you conduct.
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	SSA	Corporate (financial)	Corporate (non-financial)
Negative/exclusionary screening	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Positive/best-in-class screening	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Norms-based screening	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.

FI 07.2	Describe your approach to screening for internally managed active fixed income
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Mirova has developed a **comprehensive RI approach that combines positive and negative screenings**. The purpose is to primarily focus RI Research on the most appropriate environmental, social and structural innovations so that these may form a basis of investment decisions (thematic and green bond screening), but without disregarding the need to control ESG risks.

To this end, **Mirova has defined proprietary ESG analysis methodologies suited to each category of issuers**, so as to screen the investment universes in a relevant way (for further details, please refer to FI.07.03).

These ESG analysis methodologies are **established and applied by Mirova's in-house RI analysts**, who notably draw on various external providers and resources (detailed in FI.05).

There is no pre-defined frequency to review the RI criteria. The idea generation process and screening criteria, and generally speaking the entire process of extra-financial research, undergo **constant improvement and refinement** while offering continuity.

Should a **significant change of RI approach** or criteria occur that might affect the investment process, **the fund's prospectus would be updated**. In such a case, changes would be notified to AMF, the French securities regulator, and investors would be properly informed, i.e. by press release or by letter to the unitholders.

FI 07.3	Additional information. [Optional]
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Additional information about Mirova's screening approaches, suited to each category of issuers

A/ a positive screenings

- **Corporate issuers and SSA (supranational organizations / agencies / local authorities):**
 - a growing exposure to sustainable bonds, issued by corporate issuers, Supranational organizations or government agencies (a detailed explanation of how Mirova defines the eligible universe is provided in questions FI.11 to FI.13)
 - a selection of well-rated issuers in portfolios: For each corporate issuer, the RI research team produces a Sustainability Opinion, which assesses whether the investment is compatible with the UN Sustainable Development Goals. This Sustainability Opinion, which is obtained by merging a "Sustainability Opportunity exposure" with a "Sustainability Risk Review", is defined on a 6-level scale: "Worst Offender (WO)", "Negative", "Risk", "Neutral", "Positive" and "Committed". Only issuers rated "Neutral", "Positive" or "Committed" are eligible for investment at Mirova.
 - we prioritize Green and Social bonds compared to conventional bonds for an equivalent return

- **Corporate issuers specifically:**

An additional focus on sustainability-leaders and Positive Contributors. It consists in selecting primarily corporate issuers that have the ability to perform over the long term through business models that address Sustainable Development Goals. These issues are classified into 8 sustainability themes* enabling the identification of investment opportunities along the entire value chain and across all sectors of activity. The RI Research assesses the "Sustainability Opportunity exposure" of each corporate issuer, after analysing to what extent their business models fit with one or several of the above-mentioned themes.

B/ negative screening

- **Corporate issuers and SSA (supranational organizations / agencies / local authorities)**:** ssuers badly ESG rated are excluded from Mirova's investment universes, and are therefore not allowed in portfolios (i.e. "sustainability opinions" below neutral: risk, negative or worst offender)
- **Non-financial corporate issuers specifically:** As a result of its absolute ESG analysis that differentiates between sectors in order to favour those with positive environmental and/or social externalities (and not for dogmatic reasons), Mirova does not invest in coal, in tobacco, in military industry nor in oil E&P. Controversial weapons (antipersonnel mines and cluster bombs) are also systematically excluded.
- **SSA (Sovereign Issuers specifically):** based on 31 ESG indicators, the RI Research team assigns to each country a Sustainable Impact Opinion on a 5-level scale: "negative", "risk", "neutral", "positive" and "committed". Countries that have a negative score on Governance Pillar automatically obtain a negative overall Sustainable Impact Opinion and are therefore excluded from the investment universe. Countries that have an Environmental or Social Pillar assessed as negative obtain a "Risk" overall opinion, and are not eligible. Only sovereign issuers with a "neutral", "positive" and "committed" overall Sustainable Impact Opinion can be held in Mirova's portfolios.

C/ norms-based screening

- **Corporate issuers and SSA (supranational organizations / agencies / local authorities)**:** a compliance filter is applied to ensure that Mirova does not invest in any issuer with very negative externalities and / or exposed to major and unmanaged ESG risks. It consists in excluding from the eligible universe all the "Worst offenders", i.e. notably the issuers exposed to severe and repeated violations of the UN Global Compact and OECD principles.

*Sustainable energy, sustainable mobility, sustainable resources, sustainable consumption, sustainable buildings and cities, sustainable health, sustainable finance, sustainable information and communication technologies.

** Supranational organizations, government agencies and local authorities, are assessed as corporate issuers as long as they have a distinct governance from their country

FI 08.1	Indicate why you conduct negative screening.
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SSA
<input checked="" type="checkbox"/> For legal reasons
<input checked="" type="checkbox"/> For non-legal reasons

	Corporate (fin)
<input checked="" type="checkbox"/>	For legal reasons
<input checked="" type="checkbox"/>	For non-legal reasons
	Corporate (non-fin)
<input checked="" type="checkbox"/>	For legal reasons
<input checked="" type="checkbox"/>	For non-legal reasons

FI 08.2 Describe your approach to ESG-based negative screening of issuers from your investable universe.

Legal reasons:

To comply with its legal obligations, Mirova automatically excludes from its investment universe:

a) any corporate issuer involved in the use, production, storage, transport or distribution of cluster bombs or anti-personal landmines,

b) any country subject to international embargoes (EU and US) or identified by Financial Action Task Force (FATF) as exposed to substantial money laundering and terrorist financing (ML/FT) risks.

Non-Legal Reasons:

Mirova's ESG analysis and negative screening help:

- **On the one hand, to address Sustainable Development Goals**, by avoiding investment in issuers with very negative environmental and/or social externalities, and that do not set up management systems to mitigate these externalities.
- **On the other hand, to better avoid black swan events and to prevent some default Risks:** Non-compliance with ESG criteria can lead to rapid and sharp underperformance. Just one bond default may have a significant impact on fund returns. Through its ESG and thematic analysis, Mirova seeks to identify proactively and avoid issuers which may face capital destruction and ultimately default risk. This for example may be due to high carbon profiles (vulnerable balance sheets), innovation/disruption challenges, low level business ethics (litigation risk), etc.

FI 08.3 Additional information. [Optional]

Our commitment, as a core RI player, is to channel investment and debt financing towards issuers that adapt their business models and practices to social and environmental issues that become a new paradigm. To this end, we apply screenings* that favour the most ESG-advanced issuers and conversely exclude those poorly positioned to address sustainability issues. Our approach was born of two key acknowledgements:

- rethink our model of economic development becomes crucial, from a sustainability perspective, and investors have a key role to play in this challenge;
- we strongly believe that issuers that anticipate this shift towards sustainable development are "tomorrow's winners" and therefore represent attractive investment opportunities, whereas those badly positioned are **exposed to possible future consequences of unmanaged risks and reputational damages that could lead to financial impacts.**

**Our screening approaches (thematic and ESG) is explained in detail, for each category of issuers in FI.07, FI.09 and FI.10*

FI 09	Voluntary	Additional Assessed	PRI 1
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FI 09.1 Provide examples of how ESG factors are included in your screening criteria.

Example 1

	Type of fixed income
<input type="checkbox"/>	SSA
<input checked="" type="checkbox"/>	Corporate (financial)
<input checked="" type="checkbox"/>	Corporate (non-financial)
	ESG factors
<input checked="" type="checkbox"/>	Environmental
<input checked="" type="checkbox"/>	Social
<input type="checkbox"/>	Governance
	Screening
<input type="checkbox"/>	Negative/ exclusionary
<input checked="" type="checkbox"/>	Positive/ best-in-class
<input type="checkbox"/>	Norms-based

Description of how ESG factors are used as the screening criteria
<p>Through its positive / thematic screening, Mirova targets 'Positive Contributors, i.e. issuers that have the ability to perform in the long term through business models that fully integrate the challenges of sustainable economic development. These environmental and social issues are classified into 8 sustainability themes enabling the identification of investment opportunities along the entire value chain and across all sectors of activity: sustainable energy, sustainable mobility, sustainable resources, sustainable consumption, sustainable buildings and cities, sustainable health, sustainable finance, sustainable information and communication technologies.</p> <p>The RI Research assesses the "Sustainability Opportunity exposure" of each corporate issuer, after analysing to what extent their business models fit with one or several of the above-mentioned themes.</p> <p>There are four possible exposures:</p> <ul style="list-style-type: none"> - "High" (exposure) - "Significant" - "Low or No" - "Negative" <p>This Sustainability Opportunity Exposure analysis is then merged with a "Sustainability Risk Review" to form an overall "Sustainability Opinion" defined on a 6-level scale: "Worst Offender (WO)", "Negative", "Risk", "Neutral", "Positive" and "Committed". Only issuers rated "Neutral", "Positive" or "Committed" are eligible for investment at Mirova. When relevant, the portfolio managers overweight "positive contributors, i.e. issuers rated "Committed" and "Positive".</p>

Example 2

Type of fixed income
<input type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
<p>For each issuer, the RI research team produces a "Sustainability risk review". It aims at identifying the key challenges specific to the issuer's activities as a function of its sector of activity, its country risk and its position in the value chain. For each of these risks, the performance of the issuer is then assessed. Additionally, the RI Research team provides a "Sustainability Governance opinion" which aims to capture how sustainability issues are taken into account at board and executive levels.</p> <p>These sustainability risk review and sustainability governance opinions are assessed on a 4-level scale: "Worst Offender (WO)", "Negative", "Risk" and "Neutral".</p> <p>The Sustainability Risk Review is merged with a "Sustainability Opportunity exposure" to form an overall "Sustainability Opinion" defined on a 6-level scale: "Worst Offender (WO)", "Negative", "Risk", "Neutral", "Positive" and "Committed". Issuers rated below Neutral" are not eligible for investment at Mirova.</p>

Example 3

Type of fixed income
<input checked="" type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based

Description of how ESG factors are used as the screening criteria
Mirova's thematic approach also entails a growing exposure to sustainability bonds , i.e. bonds directly linked to a specific project or pool of projects which have a positive impact on the environment or on social issues. Mirova has developed a proprietary methodology to assess the relevance of the projects financed and to perform an ESG risk review , so as to determine whether or not the security can be categorized as a green or a social bond (for further details, please refer to FI.11 to FI.13).

Example 4

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
Mirova does not exclude any sector as a matter of principle, but its Sustainability Opinions are obtained by applying an "absolute" ESG analysis that differentiates between sectors. Hence, an entire industry might be rated "Risk" if industry practices as a whole are not sufficient or if their current business model does not fit into a sustainable world. For example, Mirova does not invest in tobacco, in military industry, in coal nor in Oil Exploration & Production.

Example 5

Type of fixed income
<input checked="" type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
Based on 31 ESG indicators, the RI Research team assigns to each country a Sustainable Impact Opinion on a 5-level scale: "negative", "risk", "neutral", "positive" and "committed". Countries that have a negative score on Governance Pillar automatically obtain a negative overall Sustainable Impact Opinion and are therefore excluded from the investment universe. Countries that have an Environmental or Social Pillar assessed as negative obtain a "Risk" overall opinion, and are not eligible. Only sovereign issuers with a "neutral", "positive" and "committed" overall Sustainable Impact Opinion can be held in Mirova's portfolios.

FI 09.2 Additional information.

The way Mirova combines these screening approaches is further explained in FI.04.

FI 10	Mandatory	Core Assessed	PRI 1
FI 10.1	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"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <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 regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <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 regularly 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"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <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 regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

FI 10.2 Additional information. [Optional]

Mirova is a Core RI player. As a consequence, ESG criteria are at the heart of its investment processes. The ESG guidelines are formalized and their application is strictly monitored.

To ensure the follow-up of Environmental, Social and Governance criteria in Mirova's RI strategies, two levels of monitoring are in place:

- **At the level of the RI Research team:** the analysts responsible for assessing issuers monitor news and alarms so as to continually ensure the consistency of their ratings with actual practices (the monitoring of issuers and updates of sustainability opinions are previously explained in questions FI.05 to FI.07)
- **At the level of the Risks Constraints and Operations teams:** they monitor not only the regulatory and financial constraints of portfolios, but also their minimum level of ESG quality. Among their tools, therefore, these teams have access to the ESG ratings of each issuer and ensure that none rated below "neutral" is present in the portfolio continuously.

For the latter level, **Mirova has its own head of compliance, risks and internal control**, directly reporting to Mirova's CEO. **In addition, Mirova draws on Natixis AM's (its parent-company) strong risk management organisation to ensure that fund screening criteria are not breached**, among which ESG constraints. To this end, the process described below is strictly applied.

Considerable attention is paid to monitor compliance with established guidelines. Given the in-depth risk monitoring and the ability to pre-test trades both for consistency with the model portfolio and for guideline compliance, the potential for breaches based on portfolio management activity should be low. Further, any breach that does occur (for example, due to market action) can be quickly discovered and resolved given the systems that actively monitor guideline compliance.

Guardian, dedicated software

Guardian leads both pre-trade and post-trade controls and provides a daily automated audit trail. All portfolio constraints are input into the Guardian dedicated software by the Risk Constraints and Operations Team (RCO) of the Legal, Monitoring (Compliance and Internal Control) and Risk Department. Guardian (Compliance module of CRD) is linked to the Charles River Development order management system and to the Apollo central record keeping system for portfolio positions, which is updated daily.

The RCO Team develops and maintains **pre-trade controls** for the use of portfolio managers before submitting trades. These controls are performed in real time, before a broker or counterparty has been contacted by a dealer. These pre-trade controls concern mainly eligibility and investment constraint calculations, and are intended to prevent breaches. Pre-trade compliance strengthens the asset management process by reducing risk of late corrections and end-of-day non-compliance.

In addition the RCO Team uses Guardian to perform **post-trade controls. Any breaches are reviewed daily and brought to the portfolio manager for resolution.** There is a formal escalation procedure if the breach is not resolved in less than 2 days. Reports on breaches are sent twice each month to the heads of investment departments and the heads of Legal, Monitoring (Compliance and Internal Control) and Risk Department.

Control mechanisms operate at three distinct levels.

- **First level: controls at front office level – portfolio managers**
Operational business lines are responsible for these front-level controls through self-regulation and the policies stipulated in the written procedures. Risk management is part of the portfolio managers' investment process. They use an in-house developed tool for pre-trade simulations and controls. These ex-ante controls include regulatory, contractual and internal constraints that portfolio managers take into account while constructing and managing a portfolio. The Middle Officers are in charge of the first analysis. Through standardized consistency checks, Middle Officers make sure the breach is valid and raise it, through Guardian, to the portfolio manager for action
- **Second level: controls at risk management team level**
The second level of controls is led by the RCO Team, who monitors constraints linked to portfolios' financial management (intelligence and validation, exhaustiveness, effective control, adjustment procedure, audit trails, reporting). Controls cover either the prospectus specifications when relevant for funds, or contractual constraints for mandates including specific investment guidelines, as well as regulatory requirements. It finally implements ex-ante constraint controls on portfolios. The initial analysis is handled by the middle office. Through standardized consistency checks, this department checks that the breach is valid and raises it, through Guardian, to the portfolio manager for action. If after two alerts, action is not taken, risk managers take over from the middle office until the exception is corrected.

- **Third level of control, called regular controls**

Specific audits can be conducted by NGAM, and the quality and relevance of Mirova's internal control mechanism is reviewed 3 times a year by the Risk and Compliance Committee

**Internal audits of fund holdings are undertaken regularly, but it is to be noted that such controls are made by Risk Constraints and Operations Team (RCO), and not by the internal control team which is rather in charge of monitoring the application of internal processes.*

***The in-house RI Research team relies on several kinds of sources described in details in FI.05*

FI 11	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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FI 11.1	Indicate the type of sustainability thematic funds or mandates that your organisation manages.
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- Environmentally themed funds
- Socially themed funds
- Combination of themes

FI 11.2	Indicate whether you invest in 'green' or 'climate' bonds
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- Yes
- No

FI 11.3	Indicate whether you apply criteria (your own or those of a third party) to decide whether a bond can be considered a 'green' bond.
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- Yes
- No

FI 11.4	Describe your organisation's approach to all sustainability-themed fixed income investing and the criteria you apply to determine whether a bond can be considered for a thematic fund, mandate or similar.
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As explained previously, Mirova has developed a cutting-edge RI expertise that combines several RI strategies, including a thematic approach.

In fixed income portfolios, the thematic approach takes two forms, which directly contribute to idea generation:

- **A multi-thematic approach through a focus on sustainability-leaders and Positive Contributors.** It consists in selecting primarily 'tomorrow's winners', i.e. corporate issuers that have the ability to perform in the long term through business models that fully integrate the challenges of sustainable economic development. These issues are classified into 8 sustainability themes enabling the identification of investment opportunities along the entire value chain and across all sectors of activity: sustainable energy, sustainable mobility, sustainable resources, sustainable consumption, sustainable buildings and cities, sustainable health, sustainable finance, sustainable information and communication technologies. The RI Research assesses the "Sustainability Opportunity exposure" of each corporate issuer, after analysing to what extent their business models fit with one or several of the above-mentioned themes.
- **The growing exposure to sustainability bonds (issued by corporate issuers, supranational organisations or government agencies).** To determine whether or not a bond can be considered as green or social, Mirova has developed its own definition, which is based on the Green Bond Principles but goes a step further. Mirova has also developed a proprietary methodology to assess the relevance of the projects financed and to perform an ESG risk review (*for further details please refer to FI.11.5 below*). As at year-end 2016, Mirova Euro Sustainable Corporate Bonds and Mirova Euro Sustainable Aggregate Funds respectively held 42% and 50 % of green and/or social bonds. For its part, Mirova Green Bond Global is made up of 100% of green bonds (as at year-end 2016) and has been awarded the new label "Energy and Ecological Transition for Climate", audited by Ernst & Young.

As a pioneering investor in Green Bonds, Mirova's experience is unique:

- in investment : the management teams **participated in the 1st issuance of liquid bonds as early as 2012**
- and also in ESG analysis thanks to its RI Research team, which has been working on these issues for several years and, with portfolio managers, maintain regular contact with all of the agents on the market as **active members of the most influential industry initiatives**: Green Bond Principles (ICMA), Europlace, etc. Marc Briand, head of fixed Income and portfolio manager, and Christopher Wigley (senior and lead PM specialist in corporate credit selection and green bond investment), are **frequent speakers on influential green bond seminars and conferences**. They also regularly write RI research papers. For example, in September 2016, they co-authored a "Focus on green bonds" that, among other things, highlights the environmental issues and challenges from which the green bond market derives*.

** This Focus is available on Mirova's website, on its extensive online library: <http://www.mirova.com/en-UK/p/Library/Publications>.*

FI 11.5	Additional information [OPTIONAL]
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Additional information about why Mirova's fixed income expertise focuses on green bonds

Climate change and energy transition become crucial and will shape the world in the next decades. Global demand for energy should grow by 43% from now until 2035, driven by emerging markets. In accordance with its 450 scenario, compatible with limiting the rise in global temperatures to 2°C, the International Energy Agency is calling for a massive steering of investments towards solutions that are compatible with the fight against climate change, by encouraging (Source: IEA – 2014):

- Low-carbon energy: \$147 bn per year in additional investments in low-carbon technologies, in particular renewable energy.
- Energy efficiency: an additional \$336 bn per year from now until 2035 in buildings, transport, and industry.

This substantial need for financing requires a powerful mobilization of private investment. From this perspective, **Green Bonds seem an appropriate solution for directly financing projects with a positive environmental impact.**

Mirova believes it is its role to offer solutions that enable investors to take part in this very positive trend while limiting the risk of investing in Green Bonds, thanks to its suited ESG assessment methodology.

FI 12	Mandatory	Core Assessed	PRI 1
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FI 12.1	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles:
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- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are

allocated

- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
- None of the above

FI 12.2 Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.

As described below in the « additional information » section, Mirova has developed a proprietary methodology to assess the relevance of the projects financed and to perform an ESG risk review (for further details, please refer to FI.12.3 hereafter).

In addition to this prior analysis, **a monitoring of the projects is undertaken after the issuance, in order to control the fulfilment of the commitments made by the issuer**, to verify the environmental and/or social impacts, and to discuss potential areas for improvement. If an issuer does not disburse bond proceeds as described in the offering documents, the PMs and RI analysts engage in dialogue him, as part of Mirova's engagement approach. **In case of unsuccessful dialogue, the bond would be automatically excluded from the investment universe or the portfolio(s).**

FI 12.3 Additional information. [Optional]

Additional information about Mirova's proprietary methodology to assess sustainability bonds from an ESG perspective

As a member of the executive committee of Green Bonds Principles (GBP), Mirova naturally endorses the Principles. Its analysis methodology is therefore based on the GBP, and even includes further requirements.

In addition to a full analysis of the issuer, each green or social bond is analyzed independently. The RI Research team scores each issue on a scale from 0 to 10. The bonds are eligible only if they obtain a minimum score of 5 on this assessment, which is based on a qualitative opinion on the following **4 criteria**:

- **Use of Proceeds:** Mirova requires the legal documentation, at the time of issuance, to specify the use of proceeds, financing or refinancing projects with a positive environmental and/or social impact, in one or more of the following categories: Climate Change, Resources, Pollution, Biodiversity, Health and Development.
- **Impact on Sustainable Opportunity:** The quality of the sustainability impact of the project is analyzed. 4 Evaluation levels have been defined with respect to the positive environmental and/or social impact: High, Significant, Low or No, and Negative. Only issues with a High or Significant positive impacts can qualify.
- **ESG Risk review, at both issuer and project levels:** The RI Research team conducts an analysis of the general ESG practices of the issuer, of the management of the environmental and social risks during the life cycle of the projects, and of the bond's governance (second opinion, impacts reporting, traceability of proceeds, third opinion). If any human rights breaches are detected, the issue would automatically be excluded.
- **Reporting:** The issuer has to provide regular reports on the use of proceeds. A lack of reporting would lead to the exclusion of the issue from Mirova's investment universe. The regular reporting is also used to monitor and re-assess all other aspects of the analysis as described above.

FI 13 Mandatory Additional Assessed PRI 1

FI 13.1 Indicate how you assess the environmental or social impact of your thematic investments

- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify
- None of the above

FI 13.2 Additional information. [Optional]

As regards green and social bonds, the issuers must commit to providing regular reports on the use of proceeds. Such reports (at the very least annual) must:

- **Provide information on the projects actually financed by the funds and the amounts allocated**
- **Provide qualitative and quantitative performance indicators** measuring the actual impact of investments with respect to issues of sustainable development (e.g. tonnes of CO2 equivalent avoided)
- **Be certified** by an independent third party.

In the absence of such regular reporting, the bond would not be considered as a green or social bond.

Furthermore, **a monitoring of the projects is undertaken after the issuance, in order to control the fulfilment of the commitments made by the issuer**, to verify the environmental and/or social impacts, and to discuss potential areas for improvement

For its part, **Mirova is committed to disclosing the aggregated environmental impacts of its green bond funds**. For example, **some environmental indicators are measured according a proprietary methodology** and are included in Mirova Green Bond Global Fund's monthly report, e.g. a breakdown of the portfolio by level of positive impact (significant, high) and by kind of projects (renewable energy, energy efficiency, water management, waste management, etc.). **The portfolio carbon footprint is also measured and disclosed for all its funds, including fixed income portfolios.** (further information about the measuring of ESG impacts is provided in FI.21)

FI 14 Mandatory Descriptive PRI 1

FI 14.1 Describe your approach to integrating ESG into traditional financial analysis.

Mirova's fixed income management team has 3 core beliefs:

- Today, markets are not fully integrating all ESG related information, which in turn creates inefficiencies that **can present attractive long-term opportunities** for active investors focusing on these areas (e.g. considerable needs for energy transition that can be met through green bonds). "Positive Contributors" are therefore issuers well positioned on solutions to tackle sustainable development challenges.
- Mirova's ESG analysis helps **better avoid black swan events and prevent some default Risks**: Major ESG shortcomings could expose issuers to capital destruction and ultimately default risk. This could be due, for example, to high carbon profiles (vulnerable balance sheets), innovation / disruption challenges, low level business ethics (litigation risk), etc.
- By analyzing each issuer (and Green/social project related to sustainability bonds) from an ESG and financial perspective, thanks to its optimum ESG integration approach, Mirova seeks to **deliver both financial performance on a long run and positive ESG impacts**

That being said, Mirova's fixed income expertise has a **dual-purpose**:

- **Assisting issuers' transition to become more sustainable;**
- **Creating value for client by targeting sustainable assets, which will appreciate over the long run.**

This ambitious objective cannot be achieved only through screenings: the thematic filter is a valuable input in idea generation, the ESG filter helps in avoiding issuers with poor ESG practices, but **ESG Integration is the third essential component of an efficient and performing RI process.**

That's why **ESG factors are incorporated at each stage of the portfolio management process.** Once the eligible investment universe is defined, after applying Thematic / Sustainability Bonds / ESG filters and financial filters, an in-depth financial analysis that includes ESG factors is applied to the active universe (please refer to FI.15 and FI.16 for further details)

This incorporation on ESG criteria into fundamental analysis helps in gaining a more comprehensive knowledge of opportunities and risks related to each issuers. **ESG criteria are also taken into account at the portfolio construction level:** for equal financial profile, the fixed income portfolio managers prioritize green / social bonds and "positive contributor bonds" as regards sustainability. When relevant, the latter are overweighed in portfolios.

FI 14.2 Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

SSA	Our ESG integration approach is described in details in FI.15 and FI.16 <i>Nota bene: for SSA we only invest in Green and Social bonds</i>
Corporate (financial)	Our ESG integration approach is described in details in FI.15 and FI.16
Corporate (non-financial)	Our ESG integration approach is described in details in FI.15 and FI.16

FI 15 **Mandatory** **Core Assessed** **PRI 1**

FI 15.1 Indicate how ESG information is typically used as part of your investment process.

	SSA	Corporate (financial)	Corporate (non-financial)
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
ESG analysis is integrated into security weighting decisions	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
ESG analysis features in all internal issuer summaries or similar documents	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Other, specify	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.

FI 15.2 Additional information [OPTIONAL]

Mirova is a pure player in the field of responsible investment. As a consequence, ESG criteria are systematically taken into account and form an integral part of all our fixed income investment processes, and for all kind of issuers, whether they be public / para-public (i.e. SSA), or corporate (both financial and non-financial). **The modus operandi to ensure the use of ESG information by the investment teams is the following one:**

- **Interactions between portfolio managers and RI analysts are constant:** in addition to day-to-day informal communications, they share views and opinions on securities at **several common internal committees** (e.g. monthly committees, ad hoc meetings for each issuance), as part of a collaborative process. This collegial modus operandi fosters cross-teams exchanges, trust and idea sharing.
- In addition to the thematic and screenings applied upstream to define the eligible investment universe, **the ESG analysis is incorporated throughout the process, including while conducting fundamental analysis and bond valuation:** the ESG profile is taken into account in addition to financial criteria (credit profile, liquidity).
- The relevance of issuers' business models, as regards Sustainable Development Goals, is also taken into consideration as part of idea generation. **Such sustainability criteria can impact selection, weighting and portfolio construction decisions:** for equal financial profile, the fixed income portfolio managers prioritize "positive contributor bonds" as regards sustainability. When relevant, the latter are overweighed in portfolios. The purpose is to benefit from the strong drivers arising from sustainability issues, while generating the greatest possible positive impacts by overweighing green / social bonds and issuers rated "Committed" and "Positive" (Mirova's highest sustainability ratings).
- **A standard section is systematically incorporated into credit research notes of corporate issuers** provided by Natixis AM's credit research team. Furthermore, **Mirova's fixed income portfolios are composed largely of green or social bonds** which intrinsically combine both financial and extra-financial key features.** As regards Sovereign issuers, PMs are provided with several key Energy & Climate-related information (details are provided in FI.16) that could be taken into account in fundamental analysis, considering: a) the importance of these issues from a sustainability perspective, b) the materiality of these factors from a financial perspective.
- **Given its positioning as a Core RI player, Mirova monitors and controls*** the application of the ESG guidelines of its investment processes,** to ensure that all the issuers included in its portfolios are compliant with its high ESG and thematic requirements. Mirova is fully **transparent with regard to this ESG quality commitment and discloses publicly the breakdown of its portfolios in terms of "Sustainability Opinion"** in monthly factsheets, available on its website: <http://www.mirova.com/en-UK/p/our-funds>. **For fixed income portfolios, this Sustainability Opinion breakdown is also disclosed separately for each category of issuer.** For Mirova Green Bond Global Fund, a breakdown of the portfolio by level of positive environmental impact (significant, high) and by kind of projects (renewable energy, energy efficiency, water management, waste management, etc.) is also disclosed.
- **PMs and RI research teams co-produce internal research notes or even sometimes ESG-related studies.** For instance, Mirova published the study entitled "Green and social bonds: what's at stake for investors?****", which was performed by Hervé Guez (Head of RI Research), Emmanuelle Ostiari (RI analyst), Marc Briand (Head of Fixed Income) and Chris Wigley (senior and lead PM specialist in corporate credit selection and green bond investment). Marc Briand and Chris Wigley also co-authored a "Focus on green bonds" that, among other things, highlights the environmental issues and challenges from which the green bond market derives****.

* Mirova's parent company

** Issued by SSA issues (mostly supranational and government agencies), corporate financial or corporate non-financial

*** Further explanations about the control mechanisms are provided in FI.10

**** These research papers are available on Mirova's extensive online library:
<http://www.mirova.com/en-UK/p/Library/Publications>

FI 16	Mandatory	Additional Assessed	PRI 1
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FI 16.1 Indicate the extent to which ESG issues are reviewed in your integration process.

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

FI 16.2 Please provide more detail on how you review E, S and G factors in your integration process.

SSA

Supranational organizations and government agencies held in portfolio are mostly through green or social bonds. As a consequence, ESG factors intrinsically form a part of the financial / credit profile.

Furthermore, whether for green/social or conventional bonds, **the ESG analysis is incorporated throughout the process, mainly at two levels:**

- Upstream while defining the eligible universe, by determining to what extent the underlying project addresses sustainability issues as defined by Mirova. Furthermore, an ESG risk assessment is carried out at both issuer and project levels.
- While conducting the bond valuation, the ESG profile is also taken into account in addition to financial criteria (credit profile, liquidity).

As regards Sovereign issuers specifically, Mirova's RI Research team has developed its own methodology for assessing countries from a sustainability perspective. This proprietary approach, based on 31 ESG indicators, is used upstream as a screening to define the eligible universe (screening criteria are detailed in FI.09). But it **also includes a specific focus on Climate and Energy matters, for both sustainability and materiality reasons.** The RI Research team therefore drew on the expertise of the specialized rating agency "Beyond Ratings" to set up a "Energy & Climate Risk Scoring framework", which aims to provide an operational tool for the integration of energy and climate risk analysis in sovereign asset management. **For each country, the PMs are provided with several key Energy & Climate-related information that could be taken into account in fundamental analysis, as part of the ESG Integration process:**

- **Performance on each pillar of analysis:** climate physical risk index, energy-climate economic risk index, energy macro-economic risk index and GHG emissions
- **Ranking on each pillar of analysis**
- **Assessment of the level of exposure to three possible major risks:** food, sea level rise and peace
- **List of country strengths and weaknesses**

Corporate (financial)

The sustainability bond market has expanded robustly in recent years. While agencies and supranational issuers were the first to come out with green / social bonds and are the main players on the market, more and more banks and corporate issues are helping expand the market. Total issuance volume on the green bond market has risen from €8bn to more than €100bn in less than three years. This robust expansion now provides access to a market that is diversified in terms of issuers, geographical coverage, currencies and ratings. Considering this widening green/social bond market and the robust drivers towards sustainability, **Mirova continually grows its exposure to green and social bonds, including in the corporate-issuer category. As explained above (in SSA section), ESG factors intrinsically form a part of the financial / credit profile of sustainability bonds.**

Furthermore, whether for green/social or conventional bonds, the ESG analysis is incorporated throughout the process, including **while conducting the bond valuation: the ESG profile is taken into account** in addition to financial criteria (credit profile, liquidity).

As regards the materiality of ESG factors, it is worth highlighting that **Mirova's RI research is focused on key sectorial issues.** On opportunity side, the purpose is to assess the compatibility of the issuer's business model with sustainable development themes (that benefit or will benefit from drivers). The level of exposure is assessed in terms of environmental or social benefits presented by an activity in comparison to a business as usual scenario. On the risk side, the analysis aims at identifying the key challenges specific to the issuer's activities depending on its sector of activity, its country risk and its position in the value chain. **This targeted ESG analysis approach enables a focus on important issues that are:**

- **relevant from a sustainability perspective;**
- **the most prone to be financially material.**

Corporate (non-financial)

The ESG Integration process is the same as the one applied to financial corporate issuers (please refer to the explanation provided above).

FI 18	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
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FI 18.1 Indicate if you engage on your fixed income assets. Please exclude any engagements carried out solely in your capacity as a shareholder.

Private

FI 18.3 Additional information.[OPTIONAL]

Private

FI 19 Mandatory to Report, Voluntary to Disclose Additional Assessed PRI 1,2

FI 19.1 Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)

Type of engagement	SSA	Corporate (financial)	Corporate (non-financial)
Individual/Internal staff engagements	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Collaborative engagements	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Service provider engagements	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.
We do not engage with issuers as a fixed income investor or as both a fixed income and listed equity investor	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.

FI 19.2 Indicate how your organisation prioritises engagements with issuers

	SSA	Corporate (financial)	Corporate (non-financial)
Based on potential materiality of ESG factors	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Based on systemic risks to global portfolios	<input type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Based on our exposure (holdings) to ESG risks	<input type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Other	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.
We do not prioritise engagements with issuers	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.

FI 19.3 Indicate when your organisation conducts engagements with issuers.

	SSA	Corporate (financial)	Corporate (non-financial)
Engagements are conducted pre-investment	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Engagements are conducted post-investment	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Other, describe	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.
We do not conduct engagements with issuers	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.

FI 19.4 Indicate how your organisation conducts engagements with issuers.

	SSA	Corporate (financial)	Corporate (non-financial)
We systematically engage prior to ESG-related divestments	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.
We engage proactively in anticipation of specific ESG risks and/or opportunities	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
We engage in reaction to ESG issues which have already affected the issuer	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Investment and ESG analysts systematically conduct ESG-related engagements together	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.
Other, describe	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.
We do not conduct engagements with issuers	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.

FI 19.5 Indicate what your organisation conducts engagements with issuers on.

	SSA	Corporate (financial)	Corporate (non-financial)
We conduct engagements with individual issuers	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
We conduct engagements across sectors and industries	<input type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
We conduct engagements on specific ESG themes (e.g. human rights)	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
Other, describe	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.
We do not conduct engagements with issuers	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.

FI 19.6 Indicate how your organisation shares the outcomes of the engagements internally.			
	SSA	Corporate (financial)	Corporate (non-financial)
We have a systematic process to ensure the outcomes of engagements are made available	<input checked="" type="checkbox"/> SSA	<input checked="" type="checkbox"/> Fin.	<input checked="" type="checkbox"/> Corp.
We occasionally make the outcomes of engagements available	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.
Other, describe	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.
We do not make this information available	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.
We do not share the outcomes of the engagements internally	<input type="checkbox"/> SSA	<input type="checkbox"/> Fin.	<input type="checkbox"/> Corp.

FI 19.7 Additional information.[OPTIONAL]

As explained in detail the LEA section and in question FI.18 of this report, **Mirova regularly engages in dialogue with issuers as part of its engagement strategy, through individual and collaborative initiatives. A specific engagement strategy notably targets green bond-issuers*.**

Engagement themes are selected based on both sustainability matters (significant externalities or impacts, opportunities to efficiently address E and/or S issues, etc.) **and financial reasons** (potential materiality of ESG factors, systemic risks to global portfolios). Mirova primarily issues that represent Mirova's key assets under management.

Such dialogue can be held either upstream before investing, as part of the ESG due diligence, **or on an ex-post basis** as part of the monitoring of ESG practices and updates of analysis. Issuers are **mostly targeted individually, but sometimes, the RI Research team engages in dialogue with several issuers from a same industry** when a specific sectorial ESG-related issue or risk is identified (collaborative engagement).

Engagement actions are **generally carried out proactively** in anticipation of specific ESG risks and/or opportunities identified, **but the dialogue can sometimes occur in reaction to ESG issues that have already affected the issuer.**

In terms of outcomes, a report of each engagement action is logged in "OCTAVE", a proprietary centralized database** that notably tracks the history of the engagement's goals for each company, the progress achieved, and the resulting impact on ESG analysis. **This database is available to all Mirova's teams, including PMs.**

Besides, in addition to the dialogue related to green and social bonds issuance, **Mirova carries out another kind of engagement towards SSA issuers, particularly governments: individual and/or collaborative dialogue is regularly held with public policy-makers** to support higher standards towards sustainability, CSR and responsible investment. A detailed description of Mirova's approach to public policy engagement is provided in "Strategy & Governance" section, question SG.11.

**Both SSA (supranational organizations and government agencies) and corporate issuers*

***Online Collaborative Tool for Analysis, Voting and Engagement*

FI 20	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
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FI 20.1 Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

Yes

FI 20.2 Please attach or provide a URL to your fixed income engagement policy document. [Optional]

<http://www.mirova.com/en-INT/voting-and-engagement>

No

FI 20.3 Additional information [OPTIONAL]

Mirova's engagement approach explicitly covers fixed income asset class. Beyond the individual and collaborative engagement actions undertaken towards corporate issuers held in fixed income corporate portfolios, Mirova has set up **a specific strategy focused on green bonds theme.**

Mirova's engagement approach to green bonds was born of two core beliefs:

- Responsible Investment plays a crucial role in channelling savings and investments towards companies and projects that address Sustainable Investment Goals
- Integration of extra-financial criteria into investment decisions is key to creating value over the long run.

Through its investment in sustainable bonds, Mirova therefore primarily strives to target issuers or projects that are able to seize the opportunities arising from the need for a transition of our economy towards a more sustainable society, while ensuring that potential environmental, social and governance (ESG) issues are taken into consideration. However, the sustainable bond market is still in its infancy, and practices are still heterogeneous, particularly in terms of transparency. This is why **Mirova decided, three years ago, to initiate a constructive dialogue with sustainable bond issuers, or potential issuers,** to inform them about its expectations and promote the development of a structured and reliable green bond market.

Mirova's commitment towards the issuance of green bonds, as well as its approach, are publicly disclosed within its annual engagement report, available on its website in the section dedicated to voting and engagement (please refer to the URL provided above in FI.20.2).

FI 21	Mandatory to Report, Voluntary to Disclose	Additional Assessed	General
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FI 21.1 Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance.

Private

FI 21.2 Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

Private

FI 21.3 Additional information.[OPTIONAL]

Private

FI 23	Mandatory	Core Assessed	PRI 2,6
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FI 23.1 Indicate if your organisation proactively discloses information on your approach to RI across all of your fixed income investments.

We disclose it publicly

<http://www.mirova.com/en-INT/sri-fixed-income><https://www.unpri.org/explore/?q=mirova>

FI 23.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

No

FI 23.3 Indicate the information your organisation proactively discloses to the public regarding your approach to RI incorporation.

Broad approach to RI incorporation

Detailed explanation of RI incorporation strategy used

FI 23.4 Indicate how frequently you typically report this information to the public.

Quarterly or more frequently

Biannually

Annually

Less frequently than annually

Ad-hoc/when requested

FI 23.5 Indicate the information your organisation proactively discloses to clients/beneficiaries regarding your approach to RI.

Broad approach to RI incorporation

Detailed explanation of RI incorporation strategy used

FI 23.6 Indicate how frequently you typically report this information to clients/beneficiaries.

Quarterly or more frequently

Biannually

Annually

Less frequently than annually

Ad-hoc/when requested

We disclose it to clients and/or beneficiaries only

We do not proactively disclose it to the public and/or clients/beneficiaries

FI 23.7 Additional information. [Optional]

Mirova is committed to transparency and provides investors with full visibility as to how their assets are being managed. As a result, **its responsible investment approach is fully described:**

- **on its website, in the section dedicated to fixed income:** <http://www.mirova.com/en-UK/p/sri-fixed-income>
- **in its "FIR-AFG RI Transparency Code" :** <http://www.mirova.com/en-UK/p/our-funds#>
- **in a document entitled "Mirova's RI research philosophy":**
<http://www.mirova.com/Content/Documents/Mirova/publications/va/researchphilo/Mirova%20Research%20Philosophy.pdf>
- **in its PRI transparency report**, which is publicly available online and describes in details how ESG criteria are incorporated within each asset class, among which fixed income: <https://www.unpri.org/explore/?q=mirova>
- **In funds' monthly factsheets that include ESG KPIs**, in addition to the financial data (performance, risk) : <http://www.mirova.com/en-UK/p/our-funds#>

Many thematic studies are publicly made available on its extensive online library: <http://www.mirova.com/en-UK/p/Library/Publications>.

In addition to these public documents, **Mirova also provides its primary institutional clients (on request) with detailed presentations of its investment processes and with a tailor-made report that, among other things, includes:**

- A RI market review ;
- The ESG assessment of issuers held in their portfolios and updated ESG newsflow on these issuers
- Engagement actions involving these issuers, notably as regards green / social bonds.

INF 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General
INF 01.1	Indicate the level of ownership you typically hold in your infrastructure investments.		
	Private		
INF 01.2	Additional information. [Optional]		
	Private		
INF 02	Mandatory to Report, Voluntary to Disclose	Gateway/Peering	General
INF 02.1	Provide a breakdown of your organisation's infrastructure assets based on who manages the assets.		
	Private		
INF 02.2	Additional information. [Optional]		
	Private		
INF 03	Voluntary	Descriptive	General
INF 03.1	Indicate up to three of your largest infrastructure sectors by AUM.		
	Private		
INF 03.2	Additional information.		
	Private		
INF 04	Voluntary	Descriptive	PRI 1-6
INF 04.1	Provide a brief overview of your organisation's approach to responsible investment in infrastructure where you have equity stakes.		
	<p>Consistent with Mirova's overall philosophy, the main goal of our infrastructure expertise is to finance or invest in responsible projects that contribute to tackling sustainable development issues and generate regular cash flow over the long term.</p> <p>Strictly speaking, in terms of sustainability and responsibility, the purpose is to steer financing towards responsible projects that offer solutions to environmental and social issues.</p> <p>To this end, Mirova has developed a pioneering two-pronged approach to Responsible Investment in infrastructure, that covers a project's entire life-cycle: development, construction, operation and maintenance, end-of-life.</p> <ul style="list-style-type: none"> • Identification of sustainability opportunities <p>This first step consists in determining to what extent the project can offer solutions to sustainability issues (offer of products and services, projects, etc.). To handle this analysis, the in-house RI Research team, made up of 14 ESG analysts, has produced a proprietary mapping that enables a relevant classification of the several types of potential infrastructure projects under the 8 sustainability investment themes* identified by Mirova, depending on their contribution to tackling the main environmental and/ or social issues (i.e. climate change, resources, pollution, biodiversity, health and development).</p> <p>These opportunities are evaluated on a four-level scale: "high exposure", "significant exposure", "low or no exposure", "negative exposure".</p> <ul style="list-style-type: none"> • ESG risk review <p>The purpose of this step is to ensure that infrastructure projects financed by Mirova are responsibly managed. The RI analysts therefore assess to what extent environmental and social risks are correctly mitigated, throughout a project's entire lifecycle. To this end, the RI research team relies on a proprietary "risk review framework" that enables :</p> <ul style="list-style-type: none"> - The identification of potential risks for each project - and an assessment of how those risks are addressed. <p>The analysts perform three risk-assessments: environmental risks, social risks, and global risk; each one on a three-level scale ("Positive", "Neutral", "Risk").</p> <p>Finally, they aggregate the outputs arising from these two steps to also provide investment teams with an overall "Sustainability Opinion" that covers both sustainable opportunities and ESG risk review.</p> <p>This overall opinion is assessed on a five-level scale :</p> <ul style="list-style-type: none"> - Committed: contribution to sustainability issues and risk management greatly exceeding BaU practices - Positive: contribution to sustainability issues and risk management above BaU practices - Neutral: impact on society and CSR practices in line with BaU practices - Risk: contribution to sustainability issues and risk management deficient compared to BaU practices - Negative: contribution to society highly negative and risk management deeply deficient compared to BaU practices. <p>The infrastructure assets are assessed according to the same ESG analysis methodology, independently from the nature of the project, whether they be focused on public private partnership projects (PPP) or on renewable energies. However, criteria taken into account are tailored to the kinds of projects (please refer to INF.10 and 15 for further information)</p> <p><i>* Fighting climate change, Pollution control, Preservation of resources, Protecting biodiversity, Fundamental freedoms, Right to health , Right to development, Responsible governance</i></p>		
INF 05	Mandatory	Core Assessed	PRI 1-6
INF 05.1	Indicate if your organisation has a responsible investment policy for infrastructure.		
	<input checked="" type="checkbox"/> Yes		
INF 05.2	Provide a URL if your policy is publicly available.		
	<input type="text" value="http://urlz.fr/j2R"/>		
	<input type="radio"/> No		
INF 05.3	Additional information. [Optional]		

Through this expertise, and consistently with the purpose of its other asset classes, Mirova aims at direct financing and investing in infrastructures that contribute to addressing present and future social and environmental challenges. **This thematic and sectorial bias in favour of sustainable development is explained in detail on Mirova's website:** <http://www.mirova.com/en-UK/p/real-assets>

Mirova's proprietary methodology for assessing projects according to ESG criteria is also available on its website: <http://urlz.fr/j2R>

Besides, in 2015, **Mirova published a study that aims at examining the potential of the infrastructure markets for contributing to financing a low carbon economy.** This study, entitled "INFRASTRUCTURE: Renewable Energy Funds, A 100% low carbon allocation", is available online: http://www.mirova.com/Content/Documents/Mirova/publications/va/studies/MIROVA_Study_INFRASTRUCTURE_Renewable%20Energy%20Funds_EN.pdf

INF 06	Mandatory	Core Assessed	PRI 1,4,6
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INF 06.1 Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

INF 06.2 Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

INF 06.3 Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]

Since 2012, when Infrastructure became part of Mirova's SRI activity, ESG issues have been systematically taken into account at every step of the investment process, including the decision-making phase and the monitoring of projects.

Marketing materials now include a section devoted to extra-financial aspects, including a description of our SRI commitment, our overall extra-financial approach and the ESG analysis specifically applied to infrastructure assets.

- **Considering Mirova's positioning as a Core SRI player, its overall ESG approach** (philosophy, commitment to sustainability, implementation within infrastructure process) **is systematically disclosed during the fund-raising phase.** Mirova's extra-financial research philosophy is also explained in a public document entitled "INFRASTRUCTURE PROJECTS in an era of SRI", available online on its website: <http://urlz.fr/j2R>
- **The way we incorporate ESG issues in the pre-investment and post-investment phases is described in the document mentioned above, as part of our ESG analysis process.**

No

Not applicable as our organisation does not fundraise

INF 07	Voluntary	Additional Assessed	PRI 4
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INF 07.1 Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in infrastructure when requested by clients.

- We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not request us to do so

INF 07.2 Additional information.

As mentioned previously, **considering Mirova's positioning as a Core RI player, its overall ESG approach** (philosophy, commitment to sustainability, implementation within infrastructure process) **is systematically disclosed during the fund-raising phase.**

Since the definition and implementation of our ESG research methodology tailored to infrastructure projects in 2013, **we have therefore systematically incorporated our commitment to responsible investment into all our fund-raising documents, including in contractual documents for new funds.**

Our commitment includes:

- Taking into account environmental and social criteria during the pre-investment phase,
- Monitoring environmental & social criteria during the post-investment phase.

INF 08	Mandatory	Gateway	PRI 1
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INF 08.1 Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.

Yes

INF 08.2 Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.

Considering Mirova's positioning as a Core SRI player, we systematically analyze ESG factors for each investment project alongside conventional criteria. This analysis relies on a proprietary approach that **covers the whole lifecycle of projects:** development, construction, operation and maintenance, end-of-life.

The in-house RI research team thus provides investment teams with several extra-financial inputs (*for further details about the ESG process, please refer to INF.04*), among which an overall "Sustainability Opinion" that covers both sustainable opportunities and ESG risk review, on a 5-level scale: "Negative", "Risk", "Neutral", "Positive", "Committed". **Mirova's funds are currently invested only in the projects assessed as "Neutral", "Positive" or "Committed".**

The conclusions of ESG analysis are disclosed and discussed during investment committees gathering Mirova's investment teams and the RI analysts. Extra-financial inputs therefore contribute to the final selection of projects and investment decision-making.

No

INF 09	Voluntary	Descriptive	PRI 1,4
INF 09.1	Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the infrastructure investment selection process.		
	<input checked="" type="checkbox"/> Internal staff <input checked="" type="checkbox"/> Specify role Mirova's RI Research Team <input type="checkbox"/> Specify role <input type="checkbox"/> Specify role <input checked="" type="checkbox"/> External resources <input type="checkbox"/> Environmental advisors <input type="checkbox"/> Social advisors <input type="checkbox"/> Corporate governance advisors <input checked="" type="checkbox"/> Regulatory and/or legal advisors <input type="checkbox"/> Other, specify type of advisors/roles <input type="checkbox"/> No use of internal or external advice on ESG issues		
INF 09.2	Additional information.		
	<p>The management teams' investment officers rely on Mirova's RI research analysts to handle ESG analysis of infrastructure projects. This RI Research team, composed of 14 experts in sustainable development issues, has developed a methodology that fits within the overall framework common to all Mirova, but specifically designed for analysing infrastructure assets.</p> <p>Furthermore, for all the funds, the services of engineering, technical advisors (TA) and consulting firms specialized in the sectors are hired, as well as lawyers whose responsibility it is to supervise and verify the legal aspects of transactions (for instance, in the case of renewables: permits, lease, connection contracts, energy buyback contracts, and, of course, applicable regulations).</p>		

INF 10	Mandatory	Core Assessed	PRI 1,3
INF 10.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.		
	<input checked="" type="checkbox"/> Environmental Carbon impact of the project integrating both: - Induced emissions (tCO2eq) - Avoided emissions (tCO2eq) Impacts on biodiversity (wild life and flora), e.g. impacts or not on biodiversity, measures to reduce or compensate impacts. Management of resource and pollution e.g. smart use of resource, mitigation of pollutions generated <input checked="" type="checkbox"/> Social Social contribution related to the project's purpose: access to energy, housing, health, education, information and communication and mobility. Commitment on health & safety of employees at the different project stages (e.g. compliance with labour rights (ILO conventions) Local project integration: disturbances for local population (noise, visual pollution, stenck) during the construction and operation phases, use of conflicts, consultations <input checked="" type="checkbox"/> Governance Balance of the board Handling conflicts of interest Business ethics		
INF 10.2	Additional information. [Optional]		
	<p>The philosophy of our sustainability analysis distinguishes the environmental and social contribution of the project from the practices stemming from its management. Thus, we firstly identify environmental and social opportunities to assess to what extent a project addresses sustainability issues. In a second step, we assess to what extent the companies responsible for the project mitigate environmental and social risks throughout the project's lifecycle.</p> <p>In terms of opportunities, Social criteria measure social impact; this may concern, for example, access to health (hospitals), access to education (universities), local development with resource to SMEs or artisans, job creation over the long-term during operation phase. Regarding risk review, we assess issues such as the respect for human rights, local externalities, working conditions and health and safety practices during the construction and operation phases.</p> <p>Environmental opportunities can include projects allowing a significant reduction of GHG emissions or energy consumption, for example. Concerning environmental risks, all potential risks relative to a project are considered in terms of biodiversity, energy, water consumption, waste, etc. Depending on the projects, some issues can be more important than others.</p> <p>Governance is embedded in the very foundation of contracts in the form of clauses covering conflicts of interest and provisions as to the tenure and composition of the board designed to protect the long-term interests of unit holders. Business ethics are also systematically reviewed to ensure responsible practices.</p> <p>Documents related to both the project itself (such as environmental impact assessment) and companies involved in the project are reviewed to assess all these sustainability and ESG aspects.</p> <p><i>For more information about how these issues are then monitored after investment, as part of our engagement approach, please refer to INF.15.</i></p> <p><i>And for further details about Mirova's RI Research methodology suited to infrastructures, please refer to INF.04.</i></p>		

INF 11	Voluntary	Additional Assessed	PRI 1,3
INF 11.1	Indicate what type of ESG information your organisation typically considers during your infrastructure investment selection process.		
	<input checked="" type="checkbox"/> Raw data from the target infrastructure asset/company <input checked="" type="checkbox"/> Benchmarks/ratings against similar infrastructure asset <input checked="" type="checkbox"/> Sector level data/benchmarks <input checked="" type="checkbox"/> Country level data/benchmarks		

- Reporting standards, infrastructure sector codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. contractors and suppliers)
- Advice from external sources
- Other, specify
- We do not track this information

INF 11.2	Additional information.
	<p>We have developed a proprietary methodology for assessing infrastructure projects with respect to sustainability and ESG criteria. This method draws on both:</p> <ul style="list-style-type: none"> • the major tenets of regional and international standards with regard to ESG and sustainability issues, • thematic or sector-related analysis used by our in-house RI Research teams to identify the key sustainability issues of each project. <p>While assessing a project (<i>please refer to INF.04 for more details about the process</i>), the analysts take into account all information that could impact the opinion, including contextual information (e.g. specific features related to the country where the project is located, its sector, etc.).</p> <p>To assess the project, the analysts use the following sources:</p> <ul style="list-style-type: none"> • During the pre-investment phase (identification of opportunities / sustainability analysis; investment selection): Environmental Impact Assessment (EIA), Existence of an Equator Principles Analysis, Sustainability analysis of the companies involved in the project (e.g. builder, key suppliers, etc.), calls and/or meetings with key stakeholders, review of public information, and if necessary the services of engineering or technical advisors. • During the post-investment phase (participation follow-up until the exit): reports on the projects, calls / meetings with the project's operators in order to confirm or disprove the initial ESG assessment, and to encourage them to improve their ESG practices as part of our engagement approach (for further information about the engagement approach and the kind of KPIs monitored, please refer to INF.19). <p>Furthermore, given that at this stage, investors lack guidance on sustainability performance goals or considerations appropriate for existing brownfield and greenfield infrastructure assets, we are also working with other asset managers and pension funds to develop common standard and assessment tools to measure sustainability across global infrastructure assets. To this end, Mirova is:</p> <ul style="list-style-type: none"> • a founding member of GRESB Infrastructure, together with AIMco, ATP, AMP Capital, Aviva Investors, APG Asset Management, CalPERS, Ontario Teachers' Pension Plan, PensionDanmark and PGGM Investments. GRESB Infrastructure aims to achieve a systematic ESG analysis, an unbiased score and relative analysis that enables comparison with similar projects. The final purpose is to provide institutional asset owners with a relevant and standard report for their investment. The GRESB working group started in 2014 and its output took the form of a first data collection from project companies in 2016. • a board member of the Global Infrastructure Basel (GIB), a Swiss foundation that promotes resilient and sustainable infrastructures. This initiatives aims to define an ESG certification/label standard for infrastructure projects. . <p>Through its involvement in the two above-mentioned initiatives, Mirova actively takes part in building higher standards of ESG transparency in the infrastructure industry.</p>

INF 12	Voluntary	Additional Assessed	PRI 1
INF 12.1	Indicate if ESG issues impacted your infrastructure investment selection processes during the reporting year.		
Private			
INF 12.2	Indicate how ESG issues impacted your infrastructure investment deal structuring processes during the reporting year.		
Private			
INF 12.3	Additional information.		
Private			

INF 13	Mandatory	Core Assessed	PRI 4
INF 13.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.		
<input checked="" type="checkbox"/> Yes			
INF 13.2	Indicate your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.		
<input checked="" type="checkbox"/> Selection process of third-party operators incorporates ESG issues			
<input checked="" type="checkbox"/> For all third-party operators			
<input type="checkbox"/> For a majority of third-party operators			
<input type="checkbox"/> For a minority of third-party operators			
<input checked="" type="checkbox"/> Contractual requirements when appointing third-party operators includes ESG issues			
<input type="checkbox"/> For all third-party operators			
<input checked="" type="checkbox"/> For a majority of third-party operators			
<input type="checkbox"/> For a minority of third-party operators			
<input checked="" type="checkbox"/> Monitoring of third-party operators covers ESG responsibilities and implementation			
<input checked="" type="checkbox"/> For all third-party operators			
<input type="checkbox"/> For a majority of third-party operators			
<input type="checkbox"/> For a minority of third-party operators			
<input type="checkbox"/> No			

INF 14	Mandatory	Gateway	PRI 2
INF 14.1	Indicate if your organisation, and/or operators, consider ESG issues in post-investment activities relating to your infrastructure assets.		

Yes

INF 14.2 Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.

- We consider ESG issues in the monitoring and operation of infrastructure
- We consider ESG issues in infrastructure maintenance
- We consider ESG issues in stakeholder engagements related to our infrastructure
- We consider ESG issues in other post-investment activities, specify

INF 14.3 Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]

Once the partnership contract has been signed, **a monitoring process is set up to measure the project's impact**, by using information gathered from gap analysis and actions undertaken during the project, as well as from annual and punctual reports on the project.

It is also worth noting that **our ESG assessment and monitoring process during the management phase includes meetings or calls with the project's operators** in order to confirm or disprove the initial ESG assessment, and to encourage them to improve their ESG practices as part of our engagement approach.

In this way, the assessment of a project is neither static nor limited to an analysis of the information available when the partnership contract is signed. An ESG / sustainability assessment can change over time depending on actual practices.

No

INF 15	Mandatory	Core Assessed	PRI 2
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INF 15.1 Indicate the proportion of infrastructure assets where your organisation, and/or operators, included ESG performance in investment monitoring during the reporting year.

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

INF 15.2 Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

- Environmental
 - Effective energy consumption (for example, for buildings, kwh/m²/an)
 - Induced and avoided carbon emissions
 - Impacts on biodiversity (wild life and flora)
- Social
 - Number of jobs created, thanks to the project, over the long term
 - Health & safety: accidents on-site (for employees/maintenance staff, for users, for surrounding people)
 - Indoor air quality
- Governance
 - Treatment of conflicts of interest
 - Balance of the board
 - Business ethics (existence or not of controversies, audit procedures, etc.)
- We do not set and/or monitor against targets

INF 15.3 Additional information. [Optional]

Our ESG analysis methodology is tailored to each category of project (solar, wind, rail transport, energy services, etc.) **to better identify risks and opportunities arising from the key sustainability issues.** The criteria disclosed above are only examples that can:

- Be relevant or not, in terms of Sustainability Opportunities, depending on the nature of the project. A mapping of sustainability opportunities, that crosses sectors with sustainability issues has been developed by our in-house RI Research team so as to identify compliant projects.
- Be weighted differently in the ESG risk review, depending on the social / environmental externalities related to the project and existing levers for improvement.

This targeted ESG research approach enables a focus on relevant criteria and KPIs, which are monitored all along the project (some examples are provided in INF.15.2 above).

INF 16	Mandatory	Additional Assessed	PRI 2
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INF 16.1 Indicate if you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

Yes

INF 16.2 Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

- >90% of infrastructure investees
- 51-90% of infrastructure investees
- 10-50% of infrastructure investees
- <10% of infrastructure investees
- 0% of infrastructure investees

INF 16.3 Describe how your organisation, and/or your operators, contribute to the infrastructure investees' management of ESG issues. [Optional]

A majority of assets/project companies currently in our portfolio have an explicit sustainable development policy.

- Within the context of our Renewable Energy undertakings, infrastructure projects mainly defined according to the **CSR policies put in place by the parent companies** of corporate participating in a project (GDF Suez, Valorem, Holmen, etc.).
- In the context of our PPP projects, all of which provide goods or services of public benefit, projects are designed around the **public works requirements** that apply to all European utility companies, in which environmental and social concerns have a central place.

It is also worth noticing that most of the **sectors in which we invest are inherently related to sustainable development issues, and contribute to tackling environmental and/or social challenges** (for further information, please refer to INF.03).

No

INF 17	Voluntary	Descriptive	PRI 2,3												
INF 17.1	Indicate the type and frequency of reports you request and/or receive from infrastructure investees covering ESG issues.														
<input type="checkbox"/> Overarching portfolio asset/company reports or similar where management disclosure, financial and ESG data are integrated <input checked="" type="checkbox"/> Standalone reports highlighting targets and/or KPIs covering ESG issues															
<table border="1"> <tr> <th colspan="2">Typical reporting frequency</th> </tr> <tr> <td><input type="radio"/></td> <td>Quarterly or more frequently</td> </tr> <tr> <td><input type="radio"/></td> <td>Biannually</td> </tr> <tr> <td><input checked="" type="radio"/></td> <td>Annually</td> </tr> <tr> <td><input type="radio"/></td> <td>Less frequently than annually</td> </tr> <tr> <td><input type="radio"/></td> <td>Ad-hoc/when requested, specify</td> </tr> </table>				Typical reporting frequency		<input type="radio"/>	Quarterly or more frequently	<input type="radio"/>	Biannually	<input checked="" type="radio"/>	Annually	<input type="radio"/>	Less frequently than annually	<input type="radio"/>	Ad-hoc/when requested, specify
Typical reporting frequency															
<input type="radio"/>	Quarterly or more frequently														
<input type="radio"/>	Biannually														
<input checked="" type="radio"/>	Annually														
<input type="radio"/>	Less frequently than annually														
<input type="radio"/>	Ad-hoc/when requested, specify														
<input checked="" type="checkbox"/> Other, specify Meetings or calls with projects' operators															
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<input type="radio"/>	Less frequently than annually														
<input checked="" type="radio"/>	Ad-hoc/when requested, specify Upon Mirova's RI analysts' request														
<input type="checkbox"/> No reporting on ESG issues requested and/or provided by infrastructure investees															
INF 17.2	Additional information.														
<p>Once the partnership contract has been signed, a monitoring process is set up to measure the project's impact, by using information gathered from gap analysis and actions undertaken during the project, as well as from annual and punctual reports on the project.</p> <p>It is also worth noting that our ESG assessment and monitoring process during the management phase includes meetings or calls with the projects' operators in order to confirm or disprove the initial ESG assessment, and to encourage them to improve the ESG practices as part of our engagement approach.</p>															

INF 18	Mandatory	Core Assessed	PRI 2
INF 18.1	Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.		
<input checked="" type="radio"/> >90% of active maintenance projects <input type="radio"/> 51-90% of active maintenance projects <input type="radio"/> 10-50% of active maintenance projects <input type="radio"/> <10% of active maintenance projects <input type="radio"/> N/A, no maintenance projects of infrastructure assets are active			
INF 18.2	Describe your approach to ESG considerations for infrastructure maintenance projects. [Optional]		
<p>A first ESG analysis is carried out and drafted before the investment decision is taken. Some areas for improvement are defined during this analysis to favour progress in ESG practices during the construction and operation phases. Maintenance projects are therefore included in potential issues in the operation phase.</p> <p>The project's ESG analysis is updated with the responses provided by the companies responsible for the project throughout the projects' lifecycle.</p>			

INF 19	Voluntary	Additional Assessed	PRI 2														
INF 19.1	Indicate which stakeholders your organisation, and/or operators, engaged with on ESG issues in relation to your infrastructure assets during the reporting year and what proportion of your investments they apply to.																
<table border="1"> <tr> <th colspan="2">Stakeholders engaged</th> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Regulators</td> </tr> <tr> <td colspan="2"> <table border="1"> <tr> <th colspan="2">Percentage of infrastructure assets these apply to</th> </tr> <tr> <td><input checked="" type="radio"/></td> <td>>90% of infrastructure assets</td> </tr> <tr> <td><input type="radio"/></td> <td>51-90% of infrastructure assets</td> </tr> <tr> <td><input type="radio"/></td> <td>10-50% of infrastructure assets</td> </tr> </table> </td> </tr> </table>				Stakeholders engaged		<input checked="" type="checkbox"/>	Regulators	<table border="1"> <tr> <th colspan="2">Percentage of infrastructure assets these apply to</th> </tr> <tr> <td><input checked="" type="radio"/></td> <td>>90% of infrastructure assets</td> </tr> <tr> <td><input type="radio"/></td> <td>51-90% of infrastructure assets</td> </tr> <tr> <td><input type="radio"/></td> <td>10-50% of infrastructure assets</td> </tr> </table>		Percentage of infrastructure assets these apply to		<input checked="" type="radio"/>	>90% of infrastructure assets	<input type="radio"/>	51-90% of infrastructure assets	<input type="radio"/>	10-50% of infrastructure assets
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Percentage of infrastructure assets these apply to																	
<input checked="" type="radio"/>	>90% of infrastructure assets																
<input type="radio"/>	51-90% of infrastructure assets																
<input type="radio"/>	10-50% of infrastructure assets																

<10% of infrastructure assets

Communities

Percentage of infrastructure assets these apply to	
<input checked="" type="checkbox"/>	>90% of infrastructure assets
<input type="radio"/>	51-90% of infrastructure assets
<input type="radio"/>	10-50% of infrastructure assets
<input type="radio"/>	<10% of infrastructure assets

Other stakeholder, specify

Projects' operators

Percentage of infrastructure assets these apply to	
<input checked="" type="checkbox"/>	>90% of infrastructure assets
<input type="radio"/>	51-90% of infrastructure assets
<input type="radio"/>	10-50% of infrastructure assets
<input type="radio"/>	<10% of infrastructure assets

Other stakeholder, specify

INF 19.2 Describe your approach to stakeholder engagements in relation to your infrastructure assets.

Projects are systematically subjected to dialogue with the key stakeholders of each project (i.e. the regulatory agency, communities, civil society, etc.) as part of our procedure for filing permits ; this also includes impact studies and research. Every investment within our portfolio is subject to these procedures.

It is also worth noting that our ESG assessment and monitoring process*, systematically applied by Mirova, includes meetings or calls with project operators in order:

- to refine the analysis and therefore confirm or disprove the initial ESG assessment
- to share with them the areas for improvements identified while carrying out the analysis, and therefore encourage them to improve their ESG practices, as part of our engagement approach to infrastructure projects, described in Mirova's engagement report*

Please refer to INF.04 for further details about our proprietary ESG assessment methodology suited to infrastructure projects.

In 2016, Mirova's engagement approach targeted 26 infrastructure projects, with an emphasis on the following themes:

- **The environmental and social reporting:** engagement is particularly important in the infrastructure industry, because project companies do not supply investors with sufficient environmental and social information. Therefore, one of our most recurring engagements is to request annual reporting on key environmental and social figures during the construction and operation & maintenance phases. The level of disclosure is insufficient for both construction and operation phases. Regarding civil works, some companies have internal management standard for environmental and social risks (energy and water consumption, waste, biodiversity, pollution, nuisance for local populations, health & safety on the site), however, there is no common standard for the sector. Therefore, it remains essential to engage with companies to obtain information on this phase. Concerning operation phases, depending on the project, reporting can for example include on-site accidents (for maintenance staff, for users, for surrounding people), effective energy consumption of buildings (kwh/m²/an) or indoor air quality.
- **The local employment dynamic :** Mirova encourages companies to increase the level of social inclusion, the use of SMEs/middle-market companies and local long-term job creation.
- **The energy performance of buildings:** The first step is transparency. The levels of energy efficiency, both targeted and actual, remain very vague in a context of low regulatory pressure, except for the France where energy efficiency requirements are relatively advanced (a minima for new buildings). Solutions to improve buildings' energy efficiency exist and are, in some cases, easily deployable even in the operation phase and source of significant savings such as LEDs, insulations, etc.
- **The support of transport infrastructure for green mobility:** whatever the infrastructure of transport, Mirova tries to find the potential tools to support the green mobility: spaces and charging for electric vehicles, bikes areas, car sharing, public transportation.

In addition to these individual engagement initiatives, Mirova actively contributes to promote the integration of ESG issues in the infrastructure asset class.

- **We actively took part in the launch in 2015 of GRESB Infrastructure**, a global sustainability benchmark for infrastructure assets.

- **We are sponsors of the Global Infrastructure Basel (GIB)** (for further information about these initiatives, please refer to INF.11).

*The annual engagement report is available on Mirova's website: <http://www.mirova.com/en-INT/voting-and-engagement>

Additional information about Mirova's engagement approach

Mirova's engagement approach to infrastructure projects is based on the conviction that financing for renewable energy projects and public-private partnerships are tangible and efficient tools for addressing sustainability issues in the real economy. However, to highlight the environmental and social benefits afforded by a project and to improve the visibility of the sustainability impact for investors, Mirova needs figures such as long-term job creation for all projects, CO2 emissions avoided for renewable energy projects, percentage of energy consumption reduction for building efficiency projects, number of kilometres of supplementary lines for rail projects, etc. An environmental and social analysis of opportunities and risks is challenging when it comes to companies responsible for the projects (builders, operators, suppliers) that do not provide the necessary environmental and social information.

That is why Mirova has developed a proprietary ESG analysis process tailored to infrastructures specific key features, and including an engagement approach.

INF 20	Voluntary	Additional Assessed	PRI 1,2
INF 20.1	Indicate whether your organisation measures how your approach to responsible investment in Infrastructure investments has affected financial and/or ESG performance.		
Private			
INF 20.2	Describe how you are able to determine these outcomes.		
Private			
INF 21	Voluntary	Descriptive	PRI 1,3

INF 21.1 Provide examples of ESG issues that affected your infrastructure investments during the reporting year.

Add Example 1

ESG issue	S/ Supply chain Management
Types of infrastructure affected	PPP Financing, conception, construction and maintenance of a high speed network ; Project phase : Greenfield – construction
Impact (or potential impact) on investment	While carrying out the ESG risk review of the project as part of the first sustainability analysis, the RI Research team found out that the suppliers of the fibre remained unknown despite significant E&S issues. This was the main weakness of the project, which was positively assessed on the other topics.
Activities undertaken to influence the investment and the outcomes	The RI Research team therefore engaged in dialogue with the project’s companies and requested the setting up of a management system to control and mitigate the risks related to the manufacturing of fibre (health & security of the workers, energy consumption). The RI Research team will control the application of this request and will engage further on this issue, as part of the project’s monitoring.

Add Example 2

ESG issue	S/ Accidents reporting
Types of infrastructure affected	PPP Financing, conception, construction and maintenance of all projects
Impact (or potential impact) on investment	Until today, no regular information was provided regarding accidents. For all projects, this kind of indicator is essential to assess the existence of health & safety risks.
Activities undertaken to influence the investment and the outcomes	The RI research team leads an engagement action to explain to project-companies the importance to regularly disclose this information for severe accidents. Now, this indicators is annually collected.

Add Example 3

ESG issue	E/ Biodiversity impacts
Types of infrastructure affected	PPP/ENR Financing, conception, construction and maintenance of all projects
Impact (or potential impact) on investment	In order to assess the biodiversity impact of all projects, it lacks some basic information such as the ground footprint.
Activities undertaken to influence the investment and the outcomes	The RI research team leads an engagement action to collect this information for all its projects.

Add Example 4

Add Example 5

INF 22 **Mandatory** **Core Assessed** **PRI 6**

INF 22.1 Indicate if your organisation proactively discloses ESG information on your infrastructure investments.

Disclose publicly

<http://urlz.fr/j2Rhttps://www.unpri.org/explore/?q=mirova>

INF 22.2 Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

Yes

No

INF 22.3 Indicate the type of ESG information that your organisation proactively discloses to the public.

ESG information on how you select infrastructure investments

ESG information on how you monitor and manage infrastructure investments

Information on your infrastructure investments’ ESG performance

Other; specify

Mirova’s extra-financial research philosophy is explained in a public document entitled "INFRASTRUCTURE PROJECTS in an era of SRI", available online on its website

INF 22.4 Indicate your organisation’s typical frequency of disclosing ESG information to the public.

Quarterly or more frequently

Biannually

Annually

Less frequently than annually

Ad-hoc/when requested, specify

INF 22.5 Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries.

ESG information on how you select infrastructure investments

ESG information on how you monitor and manage infrastructure investments

Information on your infrastructure investments’ ESG performance

Other; specify

INF 22.6	Indicate your organisation's typical frequency of disclosing ESG information to your clients/beneficiaries.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

INF 22.7	Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]
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Mirova's extra-financial research process (approach, issues, themes etc.) is available on its website: <http://www.mirova.com/en-UK/p/mirova-research/Sustainable-research-philosophy>

This process governs all of Mirova's RI specialties, including infrastructures, and is employed for each in accordance with its specific features.

With regard to infrastructure specifically:

- **Our thematic investment approach**, which aims at direct financing and investing in infrastructure projects that contribute to tackling sustainable development challenges, is described in detail;
 - on Mirova's website: <http://www.mirova.com/en-INT/real-assets>
 - in Mirova's annual PRI Transparency Report: <https://www.unpri.org/explore/?q=mirova>
- **The ESG methodology and principles applied to infrastructure** are described in a publicly available document (see URL on 22.1) and summarised in all commercial material (PPM, etc). Details are sent to clients upon request.
- **An annual ESG report is sent to unit- holders**, providing environmental and social assessment for each of our positions.
- **ESG KPIs are tracked and disclosed to our clients for certain funds**, such as EUROFIDEME funds (e.g. CO2 emissions avoided, new energy production capacities / MW in, etc. Other examples are provided in INF.20.2).

- Disclose to clients/beneficiaries only
- No proactive disclosure to the public or to clients/beneficiaries

INF 22.8	Additional information. [Optional]
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Furthermore, in 2015, Mirova published a study which aims at examining the potential of the infrastructure markets for contributing to financing a low carbon economy. This study, entitled "INFRASTRUCTURE: Renewable Energy Funds, A 100% low carbon allocation", is available online: http://www.mirova.com/Content/Documents/Mirova/publications/va/studies/MIROVA_Study_INFRASTRUCTURE_Renewable%20Energy%20Funds_EN.pdf

INF 23	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 6
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INF 23.1	Describe your organisation's approach to disclosing ESG incidents in infrastructure investments to your investor clients.
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All potential ESG incidents are transparently disclosed to our investor clients through **annual reports**. Moreover, **an alert-system can be activated at clients' request**, so as to keep them informed whenever a significant incidents occurs.