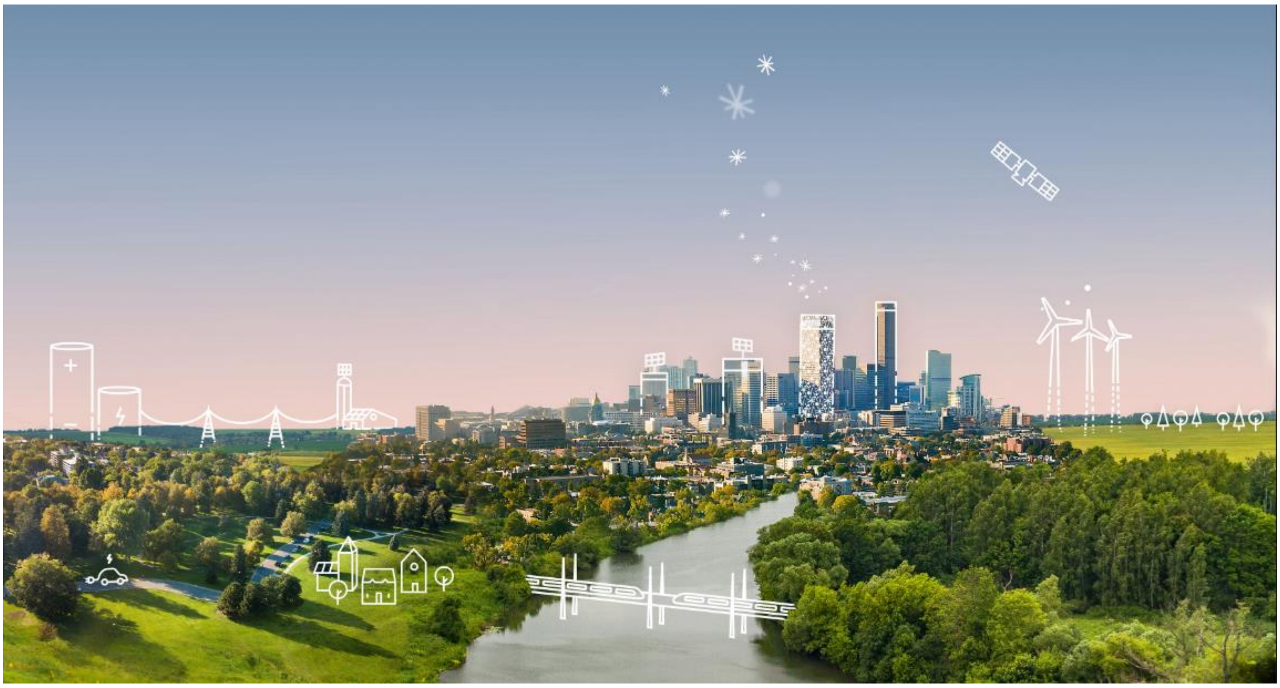
Transparency Code

Energy Transition Infrastructure Funds



The fund(s) shown in this material are not registered or authorized for sale in all jurisdictions and may not be available to all investors in a jurisdiction. Accordingly, if persons who come into possession of this material have any questions about the registration or authorization of the fund(s) referenced in this document, they should contact the provider of this document for further information. Any future investment in or distribution of the fund(s) would only be possible if it was in compliance with all applicable laws and regulations, including, but not limited to obtaining any required registrations.

An affiliate of: NATIXIS INVESTMENT MANAGERS

1 - Scope: Energy Transition Infrastructure Funds

The fight against climate change is a challenge that is widely recognized as critical to preserving the sustainability of today's societies. The goal of limiting the increase in temperatures to +2 °C requires a major transformation of energy production methods, specifically the decarbonization of almost 100% of the global electricity production (IEA, 2017). Therefore, the massive reinforcement of renewable energy production capacities is now urgent and unavoidable.

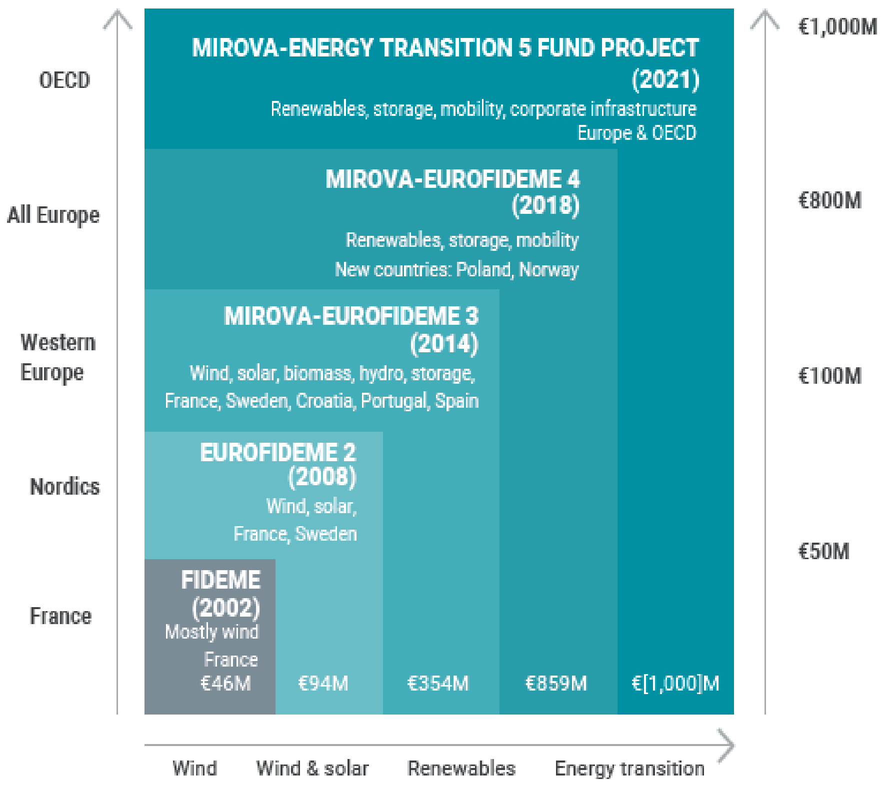
However, the required energy transition also implies many other major transformations such as a change in consumption patterns to optimize and reduce consumption, and energy efficiency improvement in all sectors.

In addition, this theme provides substantial benefits beyond climate impact: in many areas, energy transformation goes hand in hand with significant social improvements. For example, in mobility field air pollution will be reduced thanks to the switch to electric or hydrogen engines; as far as developing countries are concerned, the construction of clean energy production capacities can improve access to electricity for certain populations.

Thus, this global energy issue represents a catalyst for opportunities, allowing the financial sector to contribute to the Sustainable Development Goals by designing dedicated investment strategies fully directed towards thematic solutions.

Mirova has chosen to develop strategies dedicated to the energy transition in order to maximize its potential for direct impact regarding this theme by financing projects and unlisted companies entirely geared towards this transition.

Since 2002[1], Mirova's **Energy Transition Infrastructure Funds – FIDEME, EUROFIDEME 2, MIROVA-EUROFIDEME 3, MIROVA-EUROFIDEME 4** and **MIROVA ENERGY TRANSITION 5** (**fund project**) –have enabled institutional investors to actively contribute to Europe's energy transition by financing infrastructure assets that address the challenges of sustainable development while seeking to generate steady long-term cash flows:



[1] *Please refer to the section "History" section below*

Source Mirova

GreenFin Label

Created in 2015 by the Ministry of Ecological and Solidarity Transition, the Greenfin label guarantees the green quality of investment funds. It is intended for financial actors who act in the service of the common good through transparent and sustainable practices. The Greenfin label has the particularity of excluding funds that invest in companies operating in the nuclear sector and fossil fuels.

All our Energy Transition Infrastructure funds launched after its creation (namely Mirova Eurofideme 3 and Mirova Eurofideme 4) have been GreenFin-certified by an independent body and we plan to enter into the labelling process for Mirova Eurofieme 5 fund project once it’s operational..

References to a ranking, prize or label do not anticipate the future results of the latter, or of any fund, or of the manager.

2 - Mirova

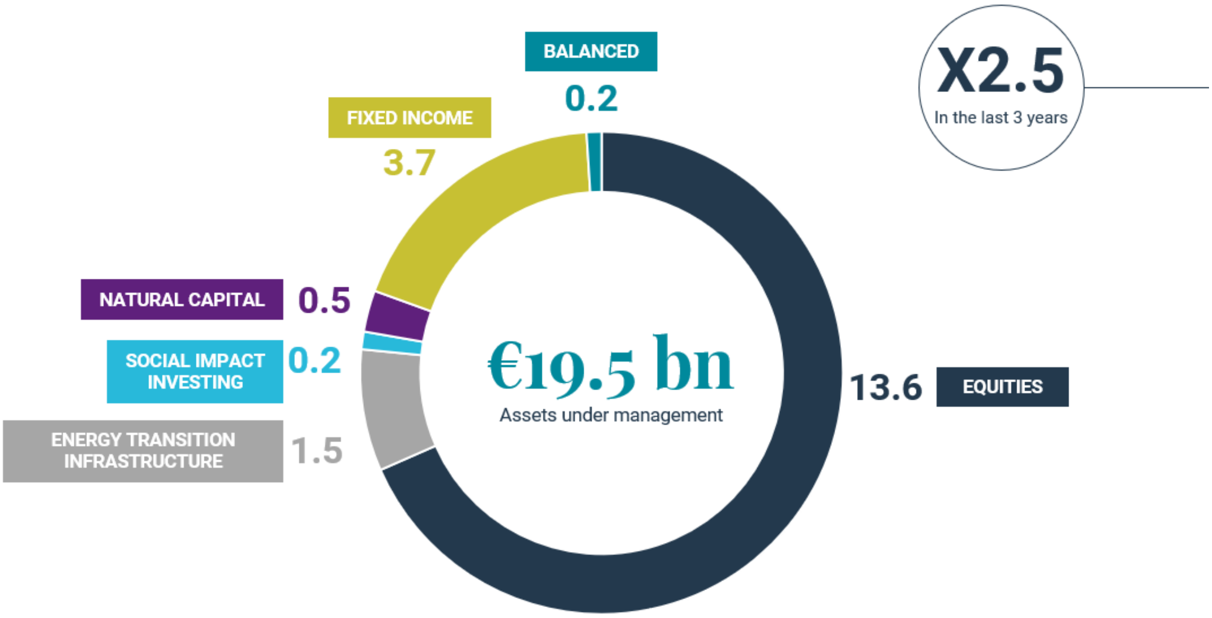
2.a Overview

Mirova is an investment manager dedicated to responsible investment which forms the core of the firm's DNA. Through a conviction-driven investment approach, Mirova's goal is to combine value creation over the long term with sustainable development. Mirova's talents have been pioneers in many areas of sustainable finance. Their ambition is to keep innovating to propose the best-tailored and most impactful solutions to their clients.

Mirova (and its affiliates) has more than EUR 19.5 billion of assets under management (as of 31st December 2020) and brings together more than 100 multi-disciplinary experts, specialists in thematic investment management, engineers, financial and ESG analysts, specialists and experts in socially conscious finance and project financing.

Mirova relies on the unique experience of its research team which is dedicated to only ESG analysis. As a pioneer and leader in SRI with almost 30 years[2] of experience in this field, Mirova is deeply involved in the implementation of ESG investment strategies.

Mirova offers a full array of investment solutions: Listed Equities, Fixed Income, Energy Transition Infrastructure, Natural Capital, Impact Investing as well as engagement and voting services.



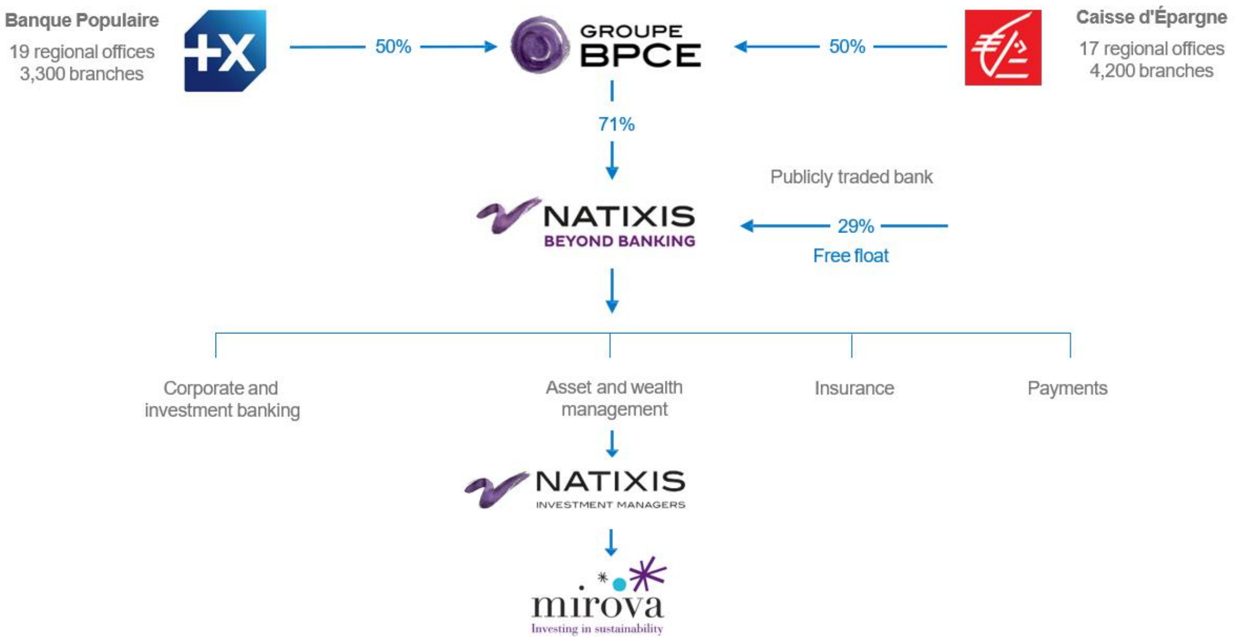
Source Mirova, as of 31 December 2020

2.b Ownership

Mirova is a wholly owned affiliate of Natixis Investment Managers. It is one of the largest asset management groups in the world. Mirova is the dedicated responsible investing affiliate of the group and is completely autonomous and independent in its corporate and investment decision making. Natixis Investment Managers provides corporate and risk oversight as well as access to centralized support functions and a global distribution network.

[2] *Please refer to the "History" section below*

Natixis Investment Managers is 100% owned by Natixis, the publicly listed financial services company (NYSE Euronext - KN). Natixis is 71% owned by the BPCE Groupe, the second largest banking group in France. This ownership structure ensures financial stability without the influence from the banking divisions on the asset management business.



Source Mirova, as of 31 December 2020

2.c History

Mirova is a fully owned subsidiary of Natixis Investment Managers, being part of BPCE Group, the second largest french banking organisation.

Mirova formally started as the responsible investment division of Natixis Asset Management (now Natixis Investment Managers since 2018), with a long history across various investment divisions previously tracing back to 1984. Recognizing the increasingly important role of responsible investing, Natixis Asset Management decided to regroup its SRI capabilities within a single division, Mirova, which was launched in November 2012, by merging with Natixis Environnement & Infrastructures, a fund manager part of Natixis specialized since 2002 in managing investment funds in the environment, energy transition and infrastructure. The energy transition team and activity was brought to Mirova through this merger.

Mirova was further established as a separate entity from this in-house department in January 2014 and became a full and independent affiliate of Natixis Investment Managers in 2019. This places Mirova in the unique position of being able to focus solely on responsible investing with a very distinct identity as the group's dedicated SRI affiliate.

Source: Mirova, as of September 2020

1- Previously Natixis AM 2- Mirova is an affiliate of Natixis Investment Managers based in Paris. 3- Until March 28, 2019, Mirova was operated in the US through Ostrum Asset Management U.S., LLC (Ostrum AM U.S.), an investment advisor based in the US. 4- Since March 29, 2019, Mirova US LLC is a U.S.- based investment advisor that is a wholly *owned affiliate of Mirova. Mirova is operated in the U.S. through Mirova US. Mirova US and Mirova entered into an agreement whereby Mirova provides Mirova US investment and research expertise, which Mirova then combines with its own expertise when providing advice to clients. Mirova US LLC had $4.96 billion assets under management as of 31st December 2020*

2012 – Mirova was launched as a dedicated responsible investment department of Natixis Asset Management, with a history in SRI management within different divisions dating back to 1984. Is was created by incorporating Natixis Environment and Infrastructure, a non-listed fund manager created within Natixis in 2002, and then manager of the renewable energy and other infrastructure funds

2014 – On 01/01/2014 Mirova becomes a separate management company, a subsidiary of Natixis Asset Management.

2016 – Mirova sets up a global coverage of its research by establishing itself in Boston in the United Stated as a department of Natixis AM US.

2017 – Mirova acquires part of the capital of Althelia Ecosphere (now Mirova Natural Capital), a British management company specializing in the financing of the preservation of natural capital, with the ambition of becoming the world leader in investment. This subsidiary offers strategies investing in small sustainable agriculture projects e.g cocoa from organic farming) and carbon credits mainly located in countries outside the OECD, in Africa, Asia and Latin America.

2019

- Mirova becomes a full affiliate of Natixis Investment Managers.
- Mirova US LLS is created in the United States and confirms Mirova's ambition in terms of global coverage.
- The acquisition of 100% of Mirova Natural Capital shared is completed.

2020 – General infrastructure activity of Mirova was spinned-off under a new entity, Vauban Infrastructure Partners, regulated by the AMF since 10/12/2019 and 85% owned by Natixis Investment Managers.

2.d Expertise

Mirova's pro-active approach aims to reconcile wealth creation and sustainable development. The firm has developed a global approach to responsible investing covering:

Equities – A conviction-based fundamental asset management approach on companies they believe are positively exposed to long term trends and/or which provide solutions to address the challenges of sustainable development. More than 14 investment professionals are dedicated to equities managing regional investment strategies (Global, Europe, Euro) and thematic investment strategies (Environmental, Job creation, Climate Ambition, Gender Diversity).

Fixed Income – Specializing in responsible investment by integrating ESG criteria, Mirova fixed income team is focused on Green & Sustainable bonds. The team invests a significant share of its assets in green bonds through a range of three strategies which are invested completely or partly in Green bonds. Full ESG analysis of the issuer as well as analysis of each green bond and the financed projects in order to measure the environmental and social impact of each bond is operated.

Energy Transition Infrastructure – Funding infrastructure projects that address the challenges of energy transition in Europe and may generate regular cash flow over the long term. The team is composed of more than 20 investment professionals. With close to 20 years of history, the Energy Transition Infrastructure team has a long and soundtrack record in managing infrastructure strategies.

Natural Capital – Mirova's Natural Capital investment platform develops innovative investment solutions, through the financing of activities addressing major global environmental challenges, related to natural resources, with the aim to deliver the highest calibre social, environmental, and economic performance.

Social Impact Investing – Seeking to invest in unlisted companies and organizations featuring what Mirova believes to be a strong social and/or environmental impact. Leveraging a long-standing collaboration with partners, together we assess and monitor the effectiveness of these impacts.

To improve financial practices and allow for a better understanding of the technological, political, regulatory and social changes in the world, the team maintains research partnership with the Universities, produces joint publications, and actively participates in international initiatives in the investment industry (PRI, ICGN, etc).

Mirova's fund range is distributed by Natixis Investments Managers' global distribution platform and is designed for all types of investors, both professional and non-professional.

2.e Philosophy

Mirova is fully dedicated to responsible investing. Its philosophy is based on the conviction that the integration of sustainable development makes it possible to offer investors solutions that create long-term value, not only through better risk management, but also to identify investment opportunities in a constantly changing world. Whether it is investments in stocks or bonds, listed or unlisted, in companies or projects, all of Mirova's investments share the same approach: to reconcile the creation of economic, environmental and social value. Mirova is a mission company since November 2020, and is labelled B Corp.

Overall, at the heart of the investment process, Mirova's investable universes focus exclusively on companies and projects with satisfactory ESG performance, with the desire to maximize investments in companies and projects with a positive impact in terms of contribution to the Sustainable Development Goals, either through the products and / or services they offer, or through particularly advanced operational practices.

All of our investment processes, including on energy transition infrastructure assets, benefit from the same approach to ESG selectivity, namely: all assets rated as "Risk" or "Negative" on this extra-financial rating scale will be excluded from the investment universes, because they are deemed to run counter to the achievement of Sustainable Development Objectives. All investment opportunities rated as "Neutral", "Positive" or "Committed" will therefore be eligible for investment. Nevertheless, in a committed management perspective aimed at reconciling value creation and sustainable development, the management teams aim to maximise the proportion of assets assessed as "Positive" and "Committed" in view of their contribution to SDGs, in order to maximise the positive environmental or social impact of the portfolios.

Our responsible investment policies at the level of asset categories and at the more specific level of infrastructures are respectively described in the document: "Acting as a Responsible Investor", June 2020, available at: https://www.mirova.com/sites/default/files/2020-07/AgirEnInvestisseurResponsable2019.pdf

Finally, for all asset classes, Mirova has sector exclusions: https://www.mirova.com/sites/default/files/2020-02/ControversialActivities2020_1.pdf

Mission-oriented company

Mirova decided to become a mission-oriented company[3] to structure its social and environmental approach and make it known, but also to show that the role of a management company shall go far beyond fiduciary responsibility and be part of a desire for a profound transformation of the economy towards a fairer and more sustainable model.

To make its *raison d'être* a reality, Mirova has set 5 objectives:

- To make positive impact a systematic objective of its investment strategies
- Cultivate and deepen its social and environmental expertise
- Constantly innovate on its products and approaches to achieve impact
- Accompany its stakeholders towards a sustainable economy and finance
- Apply the environmental and social standards that Mirova defends.

***RAISON D'ÊTRE* AND OBJECTIVES**

Our mission

Finance must serve as a tool to transform the economy into a model that preserves and restores ecosystems and the climate while fostering social inclusion, health, and well-being.

To lead the way, we innovate throughout the entirety of our activities: investment, research, shareholder engagement, and influencing the financial community.

We seek to combine environmental, social, and financial performance by placing our expertise in sustainable development at the core of all our investment strategies. To do so, we offer our clients solutions designed to develop their savings while contributing to a more sustainable and inclusive economy.

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To enact this raison d'être together, we have set five objectives::

MAKE POSITIVE IMPACT A SYSTEMATIC OBJECTIVE IN OUR INVESTMENT STRATEGIES	CULTIVATE AND DEEPEN OUR EXPERTISE IN SUSTAINABLE DEVELOPMENT	INNOVATE CONTINUOUSLY IN OUR PRODUCTS AND APPROACHES FOR POSITIVE IMPACT CREATION	ENCOURAGE OUR STAKEHOLDERS TO ADOPT SUSTAINABLE FINANCE PRINCIPLES AND PRACTICES	APPLY OUR ENVIRONMENTAL AND SOCIAL STANDARDS WITHIN OUR INTERNAL CORPORATE PRACTICES

Source Mirova

Mirova has also set up a Mission Committee made up of renowned experts, whose mission is to monitor the concrete implementation of its mission. This committee will also guide the company towards avenues of progress to ensure that Mirova achieves the objectives it has set itself. An annual report will be published by this committee.

The BCorp™ Label

Obtaining the BCorp™[4] label, after an evaluation process during which Mirova received an excellent score, is a guarantee of the credibility of the company's entire corporate responsibility approach in the eyes of the public. The label is internationally recognised and is a testimony to our environmental and social commitment.

References to a ranking, prize or label do not anticipate the future results of the latter, or of any fund, or of the manager.

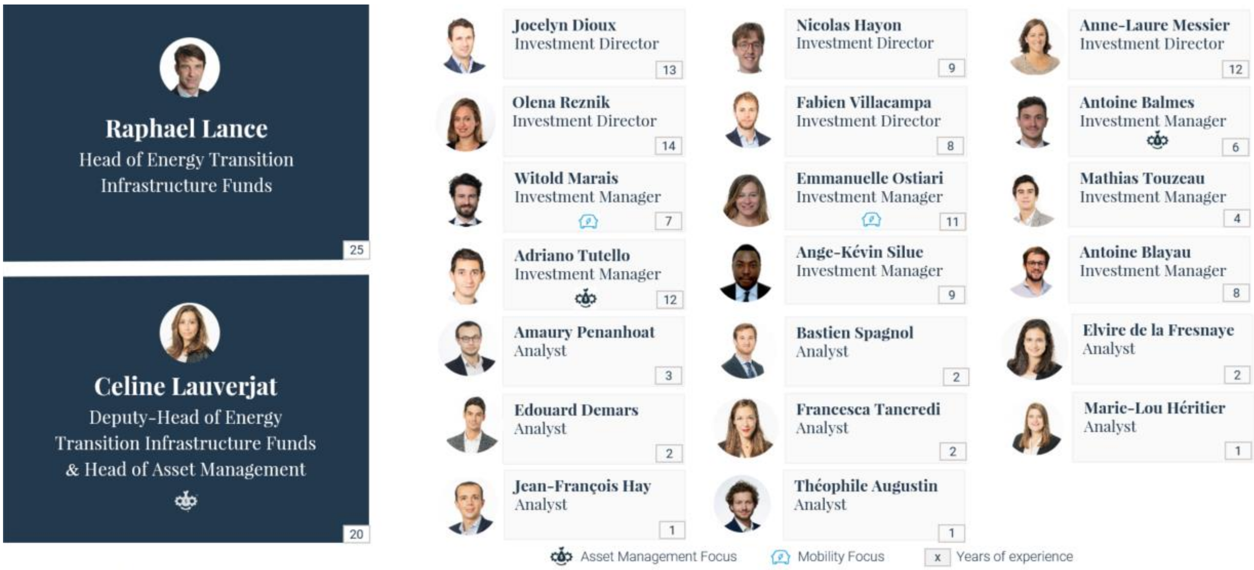
[3] *Article 176 of the law of 22 May 2019 relating to the growth and transformation of companies, known as "Loi Pacte", introduces the quality of a company with a mission. It allows a company to publicly state the quality of a mission company by specifying its "raison d'être" as well as one or more social and environmental objectives that the company sets itself the mission of pursuing as part of its activity. More details here : https://www.entreprisesamission.com/*

[4] *Since 2006, the B Corp movement has been promoting strong values of change throughout the world to make companies "a force for good" and to distinguish between those that reconcile profit and collective interest. B Corp's objective is to certify companies that integrate social, societal and environmental objectives into their business model and operations.*
For more details: https://bcorporation.eu/certification

2.f Teams

Fund management Team

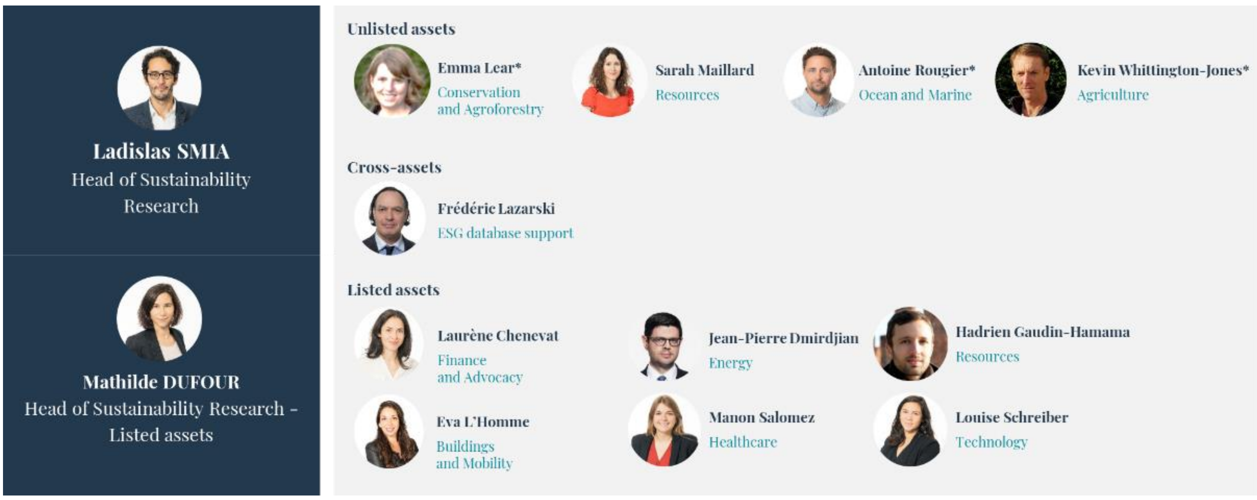
The investment team is currently composed of 20 experts (22 in March 2021 with the arrival of 2 investment managers) with different positions and level of seniority:



Source Mirova, as of 1st March 2021. Mirova personnel is subject to change at any time and without further notice to prospective investors. Nicolas Hayon is expected to leave Mirova and be contracted by Natixis Investment Managers Singapore to provide investment advice to Mirova and Mirova Natural Capital on the Asian markets for the Energy Transition and Natural Capital activities.

Sustainability Research Team

The Sustainable Development analysis is conducted by a team comprised of 13 analysts fully dedicated to ESG issues (identification of sustainable opportunities, assessment of issuers' ESG practices, voting and engagement activities). The team is based in Paris, Boston and London, and is one of the largest dedicated ESG team in Europe. Each analyst is responsible for the analysis and follow-up of a specific thematic sector, and analyses ESG issues of all corresponding assets under management.



*Source Mirova as of 1st March 2021. *Antoine Rougier, Emma Lear and Kevin Whittington-Jones are contracted by Mirova Natural Capital, a wholly owned subsidiary of Mirova. The services of Mirova Natural Capital Limited are only available to professional clients and eligible counterparties. They are not available to retail clients. The information provided reflects the situation as of the date of this document and is subject to change without notice.*

2.g International standards & industry association

Mirova follows the reporting requirements of all the associations/initiatives the company adheres to:

Support at the international level

Mirova is a member of several international initiatives that support the development of responsible investment practices, as well as green and sustainable finance:

- **UNEP FI** – Member of the Investment Committee of the UNEP Finance Initiative, which seeks to bring together the financial sector and the United Nations Environment Program. Mirova participates in the "Positive Impact Finance" workgroup, as well as the "Investment Commission" and "Sustainable Stock Exchange Steering Committee" groups.
- **PRI** – Signatory of the Principles for Responsible Investments, which seeks to promote responsible investment practices internationally. Mirova commits itself to respect and assure its commitment to the 6 principles. Signatory organizations are obliged to respond to an annual questionnaire and to publish a follow-up report. Mirova is also a member of the "E&S Steering Committee", "Fracking Steering Committee", "Human Rights Steering Committee", as well as the "Nominations Steering Committee".
- **IIGCC** – Member of the Institutional Investors Group on Climate Change, a forum for collaboration on climate change, which brings together more than 120 institutional investors.
- GIIN: Member of the Global Impact Investing Network, which seeks to promote impact finance at the internationally.
- **CERES** – 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.
- **US SIF** – Member of the US Forum for Sustainable and Responsible Investment, a group that advocates developing sustainable and responsible investment throughout all asset classes.

Support at the European level

- **HLEG** – The High-Level Expert 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 European financial system.
- **EUROSIF** – Hervé Guez, director of responsible research at Mirova, in his position as the representative of the French Social Investment Forum, is a member of the board of EUROSIF.

Support at the French level

- **Paris Europlace** – Member of the Paris Europlace association, which is the organization in charge of promoting and supporting the development of the financial center of Paris. Mirova is an active participant in the "Paris Green and Sustainable Finance Initiative", an initiative launched in May 2016. Mirova also participated in the Paris Europlace working group on Green Bonds and infrastructure.
- **FIR** – The French Social Investment Forum ("Forum français de l'Investissement Socialement Responsible"). Mirova participates in the CorDial initiative, a platform for dialogue with companies on issues related to Sustainable Development and Corporate Social Responsibility. Mirova also participates on the board of the FIR as well as the research committee.
- **SRI Label Committee** – The SRI Label is a French investment label that provides savers and investors with a greater level of clarity on socially responsible investment funds. A committee was created in order to assure the well-functioning of the label and its development.

- **Plateforme RSE** – The CSR Platform is a permanent working group within France Stratégie, a French government think-tank. The objective of the platform is promoting the development of CSR practices in France.

Support at the European level

- **AFG** – The Association Française de la Gestion Financière groups together and promotes the interests of the French asset management industry. The association is also dedicated to the promotion of ESG issues through the works of a dedicated committee, of which Mirova is a member.
- **EFAMA** – Mirova is a member of EFAMA, the main association of the European investment management industry. Mirova participates in the working group on responsible investment and corporate governance.
- **ICMA-Green Bond Principles** – 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.
- **Climate Bonds Initiative** – Member of the Climate Bonds Initiative, an organization that seeks to develop the green bond market in order to reduce the cost of capital for projects fighting climate change.

The information provided reflects the situation as of the date of this document and is subject to change without notice

3 - Sustainable Development Policy

3.a Supporting the Sustainable Development Goals

General presentation

Acting as a "responsible investor" implies a deep understanding of the economic world, and more broadly of the society and the environment in which it is part, which cannot be limited to a study of the short / medium term profitability of each asset taken individually. This approach requires to understand the interactions between the different private vs public actors, small-medium-large enterprises, developed economies & developing economies, in order to ensure that the growth of each actor is compatible with the balance of the rest of the system. It must also be projected on a "long time" scale, making it possible to ensure that the choices of today do not weigh negatively on future generations. Understanding this complexity requires having a clear understanding of the sustainable development issues facing our societies, evaluating the possible interactions between the assets of our investment strategies and these issues.

Since September 2015, all the nations of the world have adopted a sustainable development program proposed by the United Nations, following on from the millennium goals initiated in 2000. This agenda sets 17 Sustainable Development Goals (SDGs) to be reached by 2030 and broken down into 169 targets intended to address the main social and environmental issues. In addition to the fact that they have been adopted by all members of the United Nations, the SDGs have several advantages. First, they set a comprehensive framework on environmental and social issues, and applicable to all economies, regardless of their level of development. Thus, even if certain issues such as the elimination of hunger (SDG 1) or access to water for all (SDG 6) are often more relevant for low-income or middle-income countries, other objectives such as the fight against climate change (SDG 13) or the need to make cities safe, resilient and sustainable (SDG 11) are applicable at all levels of development. In addition, the SDGs can be considered as a reference framework on sustainable development issues, not only by States but also by companies and investors. This growing consideration of environmental and social issues in the private sphere illustrates the new forms of governance taking place today, where questions of "general interest" are no longer solely the prerogative of the public sphere. These approaches therefore question the purpose of the company's role in creating economic, environmental and social value. Finally, for investors, the SDGs are of interest to question the resilience of their assets to the transformations underway. But they go even further by asking the question of the exposure of investments to the development of new solutions and new economic models to respond to these transformations.

The SDGs as a guide

End poverty in all its forms everywhere	Reduce income inequalities within and among countries
End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Make cities and human settlements inclusive, safe, resilient and sustainable.
Ensure healthy lives and promote well-being for all at all ages	Ensure sustainable consumption and production patterns
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Take urgent measures to combat climate change and its impacts
Achieve gender equality and empower all women and girls	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
Ensure availability and sustainable management of water and sanitation for all	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
Ensure access to affordable, reliable, sustainable and modern energy for all	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Strengthen the means of implementation and revitalize the global partnership for sustainable development
Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	

Source: United Nations

In addition, our analysis of risks and opportunities seeks to focus on the points most likely to have a concrete impact on the assets under study and on society as a whole. However, the challenges facing the various economic agents are very different from one sector to another and may even differ significantly within the same sector. For example, if in the electrical equipment production sector, a significant focus is placed on working conditions among suppliers, among renewable energy producers, the emphasis will be on issues of biodiversity preservation. Therefore, our analysis approaches focus on a limited number of issues adapted to the specificities of each asset studied.

For each of these sectors, Mirova publishes a sector analysis framework defining key ESG issues by sector. It is a methodological document aimed at explaining how Mirova takes into account the challenges of sustainable development in the context of the environmental, social and governance analysis of each activity’s sub-sector.

3.b ESG methodology

The Sustainability Research team has developed an internal research methodology. This methodology is used to rate issues on a qualitative sustainability scale that is used to define the investment universe of the strategy and assess the level of contribution to the SDGs and principal adverse sustainability impacts of all investments in all portfolios, in line with the Sustainable Finance Disclosure Regulation (SFDR).

Our analysis of sustainable development issues is based on the following principles

A sustainability risk / opportunity approach

Achieving the SDGs requires taking two different dimensions into account that often go together.

- Taking advantage of sustainability opportunities: being positioned on technological and societal innovation when it is embedded in their business strategy allows companies to take advantage of the opportunities provided by the transitions we are currently experiencing.
- Managing sustainability risks: re-internalizing social and environmental externalities, which often takes the form of general management of sustainable development issues, limits risks introduced by these transitions.

This analysis structure gives equal importance to opportunities and risks. It is the primary prism through which we analyse sustainable development issues.

Targeted issues

Our sustainability risk/opportunity analysis focuses on the elements most likely to have a tangible impact on the assets studied and on society in general. Additionally, the issues that economic agents face are very different depending on the sector and can even vary within the same sector[5]. So, our analysis focuses on a limited number of issues adapted to the specificities of each asset.

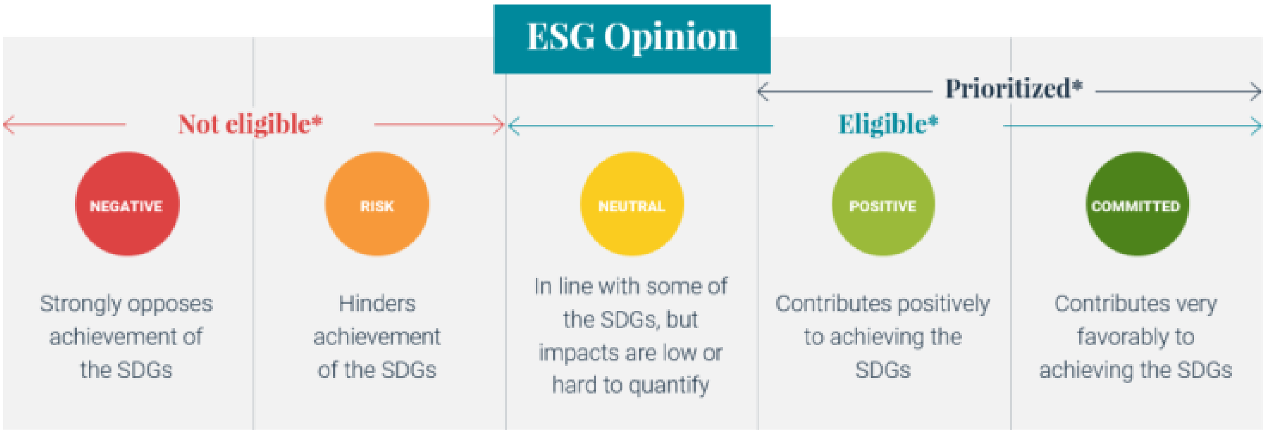
As an example, Mirova is particularly vigilant about the impact of infrastructure projects on biodiversity, the use of technological products coming from companies or countries with satisfying ESG practices, as well as working conditions of our counterparties.

A life cycle analysis

In order to identify the issues that could impact an asset, the analysis of environmental and social issues must consider the entire life cycle of products and services, from raw material extraction to end-of-life. For example, it is important to focus on work conditions for suppliers in the textile industry, whereas for automobile manufacturers, the focus should be more on energy consumption during product use.

A qualitative and absolute assessment

The primary result of these analyses is an overall qualitative opinion on a five-tier scale. This score demonstrates how the asset performs in terms of sustainable development goals.
Illustration of Mirova's rating process:



[5] *For each sector, the definition of « key » challenges are subject to specific studies. This information is available on Mirova's website www.mirova.com*

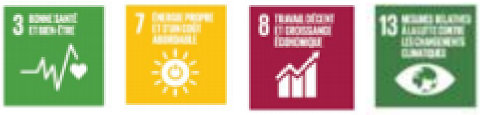
*Source Mirova *For Mirova's investments. For more Information on our methodologies, please refer to our Mirova website: https://www.mirova.com/en/research. The information provided reflects MIROVA's opinion / the situation as of the date of this document and is subject to change without notice.*

This rating scale reflects the degree of achievement of the SDGs. Hence, no distribution of score is presupposed, neither overall nor per sector. Only assets with a rating of at least Neutral are eligible for Mirova's investments, and we prioritise top-rated assets.

3.c Specifics to our Energy Transition Infrastructure Funds

Mirova has chosen to develop strategies dedicated to the energy transition in order to maximize its potential for direct impact regarding this theme by financing projects and unlisted companies entirely geared towards this transition.

Through its Energy Transition Infrastructure Funds, Mirova targets more particularly projects and companies that are expected to contribute significantly to a few SDGs, through their activities dedicated to producing renewable energy, providing access to energy, developing green mobility, or other energy-efficiency activities:



With respect to the Energy Transition Infrastructure Funds, a project or company should be assessed as having "significant" or "high" exposure to environmental sustainability opportunities, and more specifically be directly linked to energy transition issues.

Consequently, projects and companies in the following sectors are typical examples of activities integrated into the Energy Transition investment universe:

› Production of renewable energies (wind, solar, hydropower)
› Green mobility (charging stations, development of electric motors, etc.)
› Energy efficiency

Beyond these strong systematic environmental impacts, it should be noted that strategies aimed at the energy transition are usually well exposed to social issues as well, via

› the intrinsic social mission of the project, which can be the access to energy or mobility, that are part of sustainable and inclusive development;
› local social benefits, i.e. job creation, outsourcing to local SMEs and craftsmen, and social inclusion policy. In the context of projects for the transition to green mobility, air pollution reduction made possible by electric or hydrogen vehicles also represents a great potential for social and health benefits.

This risk analysis is based on the following principles:

- The analysis aims to identify the key issues relating to each asset under consideration, according to its operations, location, position in the value chain, etc.
- The objective is to assess the quality of risk management put in place, not the quality of the company's or project's communication on the subject: a lack of communication on a marginal risk will not result in a "Risk" opinion.
- The analysis integrates not only the current state of risk management but also, to some extent, the prospective elements deemed reliable and convincing to assess the future trend.

As part of the project review, the risk analysis includes an analysis of the risk management implemented by the company developing the project.

In the majority of cases, as part of the analysis of projects or unlisted companies, direct interaction processes with the developer or company are established to ask questions going beyond the information available to the public or the documentation available to investors.

4 - Investment process

Summary of the full investment process (from screening to divestment)

After origination and first stage of selection of the investment opportunity, which concludes with a positive opinion from the Clearance Committee, the dedicated investment team is entering into the transaction by sending a non-binding offer. This letter of intent allows to enter a next step in the transactional process set up by the seller and to pursue more detailed negotiations towards a commercial agreement.

In parallel, a note summarizing the project investment opportunity and related risks is redacted for the Investment Committee, for which cross-functional teams (Risks, Legal and Compliance) shall carry out a dedicated risk analysis, each time in the form of a note concluding with an opinion on the transaction. An environmental and social analysis is also prepared, jointly with Mirova's ESG research teams, based on a methodology established with a specialized consultant.

The Investment Committee, internal to the Management Company, will meet to take an official decision regarding the transaction, on the basis of the Investment Committee's note and after having taken note of the opinion of the Expert Committee opinion, as well as the risks analyses and the environmental and social analysis. The Investment Committee validates the possibility to issue a binding offer and to engage transaction costs.

In parallel with the Due Diligence procedures, the legal documentation is finalized. Depending on the progress of the project, the management team may proceed, jointly with the seller and, where applicable, the co-shareholder, to negotiate current contracts (e.g. credit agreement, maintenance contract, technical supervision contract).

The Investment Committee must be consulted iteratively if the results of the Due Diligences or if the negotiation of the project documentation modify the terms of the transaction initially validated by the Committee.

In order to allow the closing of the transaction and the transfer of funds, a Conformity Note shall be sent to the Investment Committee to validate that the transaction complies with the Investment Committee's agreements or to highlight any shortcomings. The internal legal department validates this compliance note after reviewing the legal documents.

If the discrepancy is considered material, the Investment Committee will have to make a new decision.

Once in portfolio, asset is being managed by the initial investment team members but also supervised by a dedicated asset management team. A close and continuous follow-up is made on the technical risks (construction / operation), the execution of the contracted terms and the financial performance of the asset. Every six month, an exhaustive review of asset performance and budget is made during the valuation process. The active asset management strategy aims for a reduction of downside risks and an enhancement of the optimisation opportunities.

In order to maximise the buy-out leverage, disposals are made once assets have been derisked, i.e once they have operated several years and have proven their reliability. Depending on the situation, the Management team can either decide to organise a tender process managed by a specialized M&A counsel or proceed to bilateral process with a buyer that has shown interest and provided better terms than the market. At the end of the divestment process, the operation has to be validated by a Divestment Committee.

ESG within the investment process and Sustainability risks

Our Energy Transition Infrastructure Funds are subject to sustainability risks as defined by material negative impacts that could be generated by the project.

ESG analysis prior to investing

Typical risks in the sectors targeted by the Energy Transition Funds along the value chain include:

- **Consultation with local stakeholders** prior to the start of a renewable energy capacity building project is essential to improve the acceptance of a new project. The question here is, for instance, whether the project developer has conducted a successful consultation process, involved local people in the project, integrated divergent opinions and taken into account the risks of conflict of use.
- **Analysis of the area where a project is located** to check that the site location does not hinder economic activity (agriculture, etc.), is not in conflict with informal uses of ecosystems (cultural, recreational value, etc.), does not destroy critical natural ecosystems or archaeological heritage and is not in the immediate vicinity of national heritage such as historical monuments, protected sites, area of protection of architectural, urban or landscape heritage ("ZPPAUP" in Legifrance, 2004), etc. The team notably ensures that the project does not affect any site protected by environmental legislation: Natural zone of ecological interest, fauna and flora in France – "ZNIEFF" (National Inventory of Natural Heritage, INPN, 1982), Natura 2000 (INPN), prefectural decree for the protection of the biotope (Legifrance, 2006), or equivalent measures in other countries.
- Given the large share of renewable energy projects in Energy Transition investments, the risks of **negative impacts of projects on local biodiversity** are often at the heart of the analysis: compliance with national regulatory frameworks and the conclusions of impact studies are among the first building blocks of the analysis; impact mitigation or compensation plans are also reviewed to assess whether the project is in line with sector best practices. Where appropriate, agreement on an action plan may be considered, notably including monitoring of wildlife during the project to ensure that activities do not harm wildlife.
- **Risks upstream** of the activities financed: when the project is based on key equipment or material (e.g. turbines in a wind farm, photovoltaic panels in a solar farm, hydrogen in recharging infrastructure for fuel cell electric vehicles, etc.), the environmental and social practices of the supplier are integrated into the risk analysis of the asset. Depending on the risks identified, priorities for analysis may concern the working conditions in the supply chain, the use of hazardous substances in the production process, energy consumption due to the production of the material or the optimization of the resources used, as well as the management of waste and end-of-life products.
- **Construction phase** of projects: for investments in projects that include a construction phase, specific risks related to the health and safety of workers on the site and the nuisances of the construction sites are also included in the analysis.

Follow-up of the investments

During the asset holding and management phase, ESG aspects are monitored to control the performance of risk management (accidentology, environmental incidents, etc.) and the effective realization of expected positive impacts (installed capacity, renewable energy production, induced and avoided emissions, support for local employment, etc.).

For some investments, an action plan defined together with the project developer or the company prior to the investment is also subject to specific monitoring.

This monitoring takes several forms:

- **Direct interaction between the ESG analyst and the project developer or company**, at least annually.
- The presence of Mirova representatives (investment team) in the governance bodies of the projects or companies financed – typically **boards of directors**: any significant event relating to

ESG issues is discussed at these meetings and is then forwarded to the ESG analyst for possible action.

- **Annual reporting** on ESG indicators (see section **Erreur ! Source du renvoi introuvable.**) is also an opportunity to assess the environmental and social performance of the project.
- An **ESG action plan** is defined whenever possible and relevant with the project developer or company prior to the investment. This plan may have different objectives: improving positive impacts or monitoring the effectiveness of risk management. The actions included in such a plan can thus be of a remarkably diverse nature (company's commitment to calculate its carbon footprint; project developer's agreement to have an audit conducted on the construction site; implementation of a program and tools for on-site monitoring of avifauna, etc.). This action plan is then subject to a specific follow-up to ensure it has been successfully deployed, to analyze it and, if necessary, draw consequences from its conclusions.

5 - Impact Assessment and ESG KPIs Reporting

Monitoring and measuring impact

An annual reporting is set up with each company and project invested in as part of the Energy Transition strategies. The required information includes key impact indicators, which are then consolidated at portfolio and communication levels, as well as qualitative or quantitative information defined in light of the specific nature of each asset. Among the indicators systematically monitored are:

Carbon footprint

We measure the carbon footprint of each project financed, according to a methodology co-developed with the consulting firm Carbone4, "Carbon Impact Analytics"[6], integrating the entire value chain (life cycle approach) and evaluating the emissions generated but also the emissions avoided thanks to a project or a company, compared to a reference scenario.

The "Carbon Impact Analytics" method is thus innovative on these two essential principles:

- An assessment of induced emissions (tCO2eq) on a **broader scope** by taking into account the supply chain and product use (scope 3), and direct emissions (scopes 1 and 2). This life cycle approach (procurement, construction, operation/maintenance, use and end of life) makes it possible to assess the "carbon" performance of projects where the main impact lies in the use of the infrastructure financed (which is particularly true for energy production units).
- An evaluation of **avoided CO2 emissions (tCO2eq)** aimed to increase the value of projects which implement low-carbon solutions or technologies.

During the operation phase, renewable energy production infrastructure does not directly emit CO2 and is therefore directly compared with the reference energy mix. Nevertheless, in order to have a global vision of the "carbon" impact of a renewable energy project, it is necessary to consider the emissions generated during the production of project equipment (turbines, panels, etc.) and those associated with the construction of the site itself.

Besides measuring the emissions induced and avoided by the investment, our methodology defines two ratios: the sector allocation ratio and the capital ratio.

- To establish the former, the emissions to be allocated to the infrastructure are calculated, i.e., the induced emissions accounted for on a broader scope of the infrastructure. For example, gas transportation infrastructure is not totally responsible for the emissions linked to the combustion of gas by downstream consumers: only part of the emissions will therefore be allocated to the transporter. It is a question of assessing the responsibility of each infrastructure in the emissions induced by the system to which it belongs in order to avoid double counting.
- The capital ratio is based on investment-related issues, i.e., emissions induced by the infrastructure in proportion to the investor's ownership share. This percentage is calculated as follows: % ownership = investment (in capital)/asset value (= capital + debt).

The combination of these two ratios produces **the induced carbon intensity, in tCO2eq/M€**, i.e., the ratio of induced emissions to investment in M€. Emissions are calculated for one year taking into account the progress of the project.

Climate alignment

Beyond the evaluation of induced and avoided greenhouse gas emissions, Mirova has developed a methodology to measure the alignment of each portfolio with climate scenarios.

Within the framework of the Energy Transition strategies, due to dedicated thematic strategies which mainly consist in investing into renewable energy capacities and due to the lack of investment in projects

[6] *http://www.carbone4.com/wp-content/uploads/2016/08/CarbonImpactAnalytics.pdf*

that emit significant greenhouse gases, all portfolios have a carbon impact in line with the most ambitious climate scenario aimed to maintain the temperature increase below 2 °C[7].

Supporting job creation

All investments in projects and unlisted companies also contribute to local employment.

Consequently, all invested assets are subject to monitoring of the jobs created or supported. In addition, in order to report on the overall impact of infrastructure projects on employment, Mirova has developed a methodology for estimating the number of jobs supported by an investment project within a scope that includes both its direct and indirect operations. This methodology integrates the equipment production phase, as well as construction and installation phases, which contribute to the development of employment in the sectors within the upstream industry of renewable energy production, but also the operation and maintenance phases, which also generate employment in service provider companies external to the project.

These impacts on the overall scope of the project are estimated using sectoral and geographical statistical ratios produced by the Directorate General for Energy and Climate (DGEC)[8], and thus make it possible to quantify the contribution of a project in terms of employment.

Reporting

Annual report

Mirova publishes an annual impact report on its Energy Transition investments to inform on the environmental and social benefits of these strategies. These reports include qualitative information and quantitative indicators. The thematic distribution of the investment portfolios by level of their contribution to the SDGs (climate stability, healthy ecosystems, resource security, basic needs, well-being, decent work) represents a first indication of the impact level and impact themes for these thematic strategies. All the quantitative indicators mentioned in the paragraph *Monitoring and measuring impact* are integrated and commented on in these publications.

GRESB

In 2015, Mirova took part in the creation of the GRESB (Global ESG Benchmark for Real Assets)9 and since then, it has been annually responding to this benchmark sector reporting covering both issues linked to the environmental performance of the invested assets and the environmental performance of the management company.

[7] *For further information see: https://www.mirova.com/sites/default/files/2020-05/2019AlignerPortefeuillesAveclAccordDeParis.pdf*

[8] *https://www.ecologie.gouv.fr/direction-generale-lenergie-et-du-climat-dgec*
[9] *https://gresb.com/*

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