

Report on the exercise of voting rights

2021



In accordance with Articles 319-22 and 321-133 of the AMF General Regulation, Mirova has drawn up the document "Report on the exercise of voting rights" in order to report on the exercise of the voting rights attached to the shares held in the UCITS/ISPs it manages.

In the same context, the exercise of voting rights is an integral part of Mirova's responsible investment strategy.

The alignment of the principles of its voting policy with its investment strategy is therefore an imperative to promote the creation of value for its customers.

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Cover photo by Edwin Andrade

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General framework

Mirova has developed a voting policy¹ in line with its responsible investment strategy.

A responsible and committed investor, Mirova encourages the emergence of a vision of the company focused on the creation of collective value over the long term. This vision differs from the traditional conception of the company as it has developed in recent decades. Two notions structure our approach.

Taking into account the different stakeholders. It is no longer possible to view the company solely through the prism of the shareholder. The company is above all a project, supported by a few constituent parties: investors (shareholders, creditors, etc.), whose fundamental role is to provide capital, employees, whose involvement is crucial in a competitive world driven by innovation, and public authorities, which guarantee the infrastructure and attractiveness of a territory. Executives are therefore much more than executors at the service of shareholders and corporate governance must be designed in such a way as to integrate the interests of its key stakeholders.

A long-term approach. The wealth created by the company must be part of a long-time horizon, taking into account in particular the issues of sustainable development. Mirova encourages companies to adopt a mission that integrates environmental and social issues and to formalize it in their statutes.

We are convinced that shareholders have a role to play in disseminating this conception of the company. With this in mind, our voting policy encourages, in particular:

- the development of a sustainable shareholder base,
- the establishment of governance bodies that integrate stakeholders in a balanced way and resolutely address CSR² issues,
- the implementation of a policy of distributing value that is both fair to stakeholders and promotes sustainable growth,
- the quality of financial and non-financial information, through the implementation of audited reporting integrating sustainable development issues.

This approach is based on the work of the Mines ParisTech academic chair "*Business Theory. Governance models and collective creation*" supported by Mirova since 2015.

¹ Mirova's voting policy is available on our website: <https://www.mirova.com/en/research/voting-and-engagement>

² Corporate Social Responsibility

Organization for the Exercise of Voting Rights

Voting principles are defined by Mirova's Sustainable Investment Research Team, which is composed of analysts who are experts in environmental, social and governance issues. Our voting policy is updated annually. It is validated by Mirova's Executive Committee, and by the Compliance and Internal Control Department. It is presented to the Board of Directors each year.

Proxies are voted in accordance with the Mirova Voting Policy. Voting decisions and resolutions are analyzed by Mirova's Sustainable Investment Research team. Mirova utilizes a variety of materials and information when analyzing proxy matters, including, but not limited to, the issuer's proxy statement and other proxy solicitation materials (including supplemental materials), our own internal research and research provided by other third parties (including research of the external service provider and other proxy advisory services). Analyses and voting decisions also take into consideration the information we glean during engagement discussions.

Voting decisions are ultimately the responsibility of the **Mirova Voting Committee**, which is composed of Mirova's CIOs, its Head of Sustainability Research and its Head of Sustainability Research Listed Assets. Portfolio managers and extra-financial analysts may be invited to participate in the committee's deliberations depending on the subject under discussion. A report on the exercise of Mirova's voting rights is presented to the Board of Directors annually.

Mirova partners with Ostrum AM Middle Office, according to instructions provided by Mirova as part of a service agreement, to perform account setup, ballot reconciliation and vote monitoring. Members of the Sustainable Investment Research Team monitor upcoming votes and related voting activity daily, both independently, and with communication from Ostrum AM Middle Office.

Mirova's **external voting service provider** is subject to due diligence and an annual audit of their performance. These reviews are conducted under the supervision of Mirova's Compliance and Internal Control team. In addition, each year, Mirova US Compliance will review the SOC 1 report published by Mirova's external voting service provider.

Voting perimeter 2021

Pursuant to the AMF regulations on the exercise of voting rights by management companies (Articles 319-22 and 321-133 of the AMF General Regulation) and in accordance with the principles defined in its voting policy, Mirova exercised the voting rights attached to the securities held in the UCITS³ and AIF⁴ which it manages and for which it held the voting rights.

The voting perimeter includes Mirova and its affiliates (Mirova US). The funds covered by this report are as follows⁵:

| List of funds within Mirova's voting perimeter |
|--|
| Mirova Europe Climate Ambition Equity Fund |
| Mirova International Sustainable Equity Fund |
| Mirova US Sustainable Equity Fund |
| Mirova Global Sustainable Equity Fund |
| Natixis Sustainable Future 2015 Fund* |
| Natixis Sustainable Future 2020 Fund* |

³ Undertakings for Collective Investment in Transferable Securities (Organisme de Placement Collectif en Valeurs Mobilières)

⁴ Alternative Investment Fund (Fonds d'investissement alternatif)

⁵ Dedicated funds under confidentiality contract are not included

| |
|--|
| Natixis Sustainable Future 2025 Fund* |
| Natixis Sustainable Future 2030* |
| Natixis Sustainable Future 2035 Fund* |
| Natixis Sustainable Future 2040 Fund* |
| Natixis Sustainable Future 2055 Fund* |
| Natixis Sustainable Future 2060 Fund* |
| Natixis Sustainable Future 2065 Fund* |
| |
| |
| Suez SRI Employee Global Actions |
| Orano Diversifié Obligataire |
| ISR Aviva La Fabrique Impact ISR |
| Carrefour Equilibre Solidaire |
| Insertion Emplois Dynamique |
| Mirova Europe Sustainable Equity Fund |
| Mirova Euro Sustainable Equity Fund |
| Impact Es Actions Europe |
| Mirova Europe Environmental Equity Fund |
| Mirova Europe Climate Ambition Equity Fund |
| Mirova Europe Sustainable Economy Fund |
| Mirova Women Leaders Equity Fund |
| Mirova US Climate Ambition Equity Fund |
| Mirova Global Sustainable Equity Mother Fund |
| Mirova Global Environmental Equity Fund |
| Mirova Equity Europe Climate opportunity |
| Mirova Global Sustainable EquityFund Canada |
| *Each a series thereof Climate Ambition U.S. Equity Strategy |

In 2021, the voting perimeter consisted of 453 securities held in 37 UCITS and AIFs managed by Mirova.

Within this voting perimeter, 492 Annual General Meetings (AGM) were held in 2021. Mirova has exercised its voting rights over 450 companies. This represented 489 general meetings, for a turnout of 99.4%.

Mirova did not exercise its voting rights at 3 general meetings due to operational constraints (change of the date, limit of vote by custodians, validity of power of attorney, etc.).

| | Number of enterprises | In % |
|--------------|-----------------------|------|
| Europe | 242 | 54% |
| America | 175 | 39% |
| Asia | 28 | 6% |
| Oceania | 5 | 1% |
| | 0% | |
| Total | 450 | |

In Europe, the general meetings of French companies accounted for about 30% of the companies in the voting universe, while the United Kingdom and Germany both accounted for 14%. The United States constitutes 95% of the America aggregate and Japan 75% of the Asian continent.

Cases where Mirova voted contrary to our

voting policy

Mirova exercises voting rights in the exclusive interest of unitholders and in this context respects the principles set out in its voting policy.

Situations of conflict of interest

In accordance with its voting policy, Mirova, belonging to the BPCE group, exercises the voting rights in the exclusive interest of the unitholders, and therefore does not take part in the general meetings held by the entities of the BPCE group whose securities are traded on the market.

During the exercise of the 2021 voting rights, no conflict of interest situation was encountered.

Distribution of votes cast

Mirova chooses to report on its votes cast in terms of the number of companies (and not the number of resolutions). This method makes it possible to more clearly report on the proportion of companies with good practices, without the number of resolutions voted on individually influencing the data.⁶

Thus, it will be indicated the number of companies that have collected, by theme:

- approval of all its resolutions put to the vote;
- an opposition on some of the resolutions on the agenda;
- an opposition to all of its resolutions.

It should be noted that an opposition to a resolution is an "Against " vote or an abstention vote (including the so-called "Withhold " votes on the Anglo-Saxon markets).

Overall, 96% of the companies in our voting perimeter received at least one opposition vote, an increase compared to the 2020 financial year. In terms of the number of resolutions, the opposition rate stands at 37%, a rate also up from last year.

This rate of contestation is mainly explained by greater opposition to resolutions relating to the theme "Balance of power", specifically opposition to board nominees. In 2021, Mirova expanded our voting guidelines to cast an opposition vote against the entire relevant board committee responsible, as opposed to strictly the chair of the committee, as we had done in the past. For example, where we have concerns with board composition, rather than cast a vote against the chair of the nomination/governance committee, in 2021 we began to cast a vote against each member of that committee. We made this adjustment to signal our expectation that the entire committee should be held accountable for improving governance practices.

Distribution of votes by theme

Companies almost systematically solicit shareholders at general meetings on four themes.

- **Balance of power.** Resolutions concerning the appointment of directors to the board as well as the functioning of the board, the

⁶ Depending on the year and company, the number of resolutions submitted in a meeting can vary from less than 5 resolutions to more than 20.

appointment of executives or employee representatives.

- **Value distribution.** Resolutions on the distribution of value among the various stakeholders of the company: approval of dividends, vote on executive remuneration, employee savings plan, remuneration of directors.
- **Transparency of information.** Resolutions dealing mainly with the approval of accounts or the appointment of auditors.
- **Financial structure.** Resolutions dealing primarily with capital increases or reductions and debt issuances.

Beyond these four structuring themes of general meetings, shareholders are sometimes required to vote on resolutions relating to amendments to **the articles of association** or to the **functioning and formalities of the AGM**. Finally, **shareholder resolutions** may be filed.

Figure 1: Distribution of themes within the voting perimeter of Mirova

| | Companies that have submitted resolutions on the theme | |
|-------------------------------------|--|------------------|
| | Nb of enterprises | % of enterprises |
| Transparency of information | 428 | 94% |
| Distribution of value | 431 | 95% |
| Balance of power | 418 | 92% |
| Financial structure | 227 | 50% |
| Operation and formalities of the GA | 135 | 30% |
| Amendment of statutes | 155 | 34% |
| Shareholder Resolutions | 96 | 21% |
| Other | 4 | 1% |

BREAKDOWN OF VOTES BY THEME

Mirova's voting policy pays particular attention to the distribution of value created by the company among its various stakeholders, as well as to the quality of the information communicated, whether financial, environmental or social. As Mirova's voting policy differs significantly from traditional governance principles, these themes are the ones that concentrated the highest proportion of opposition votes.

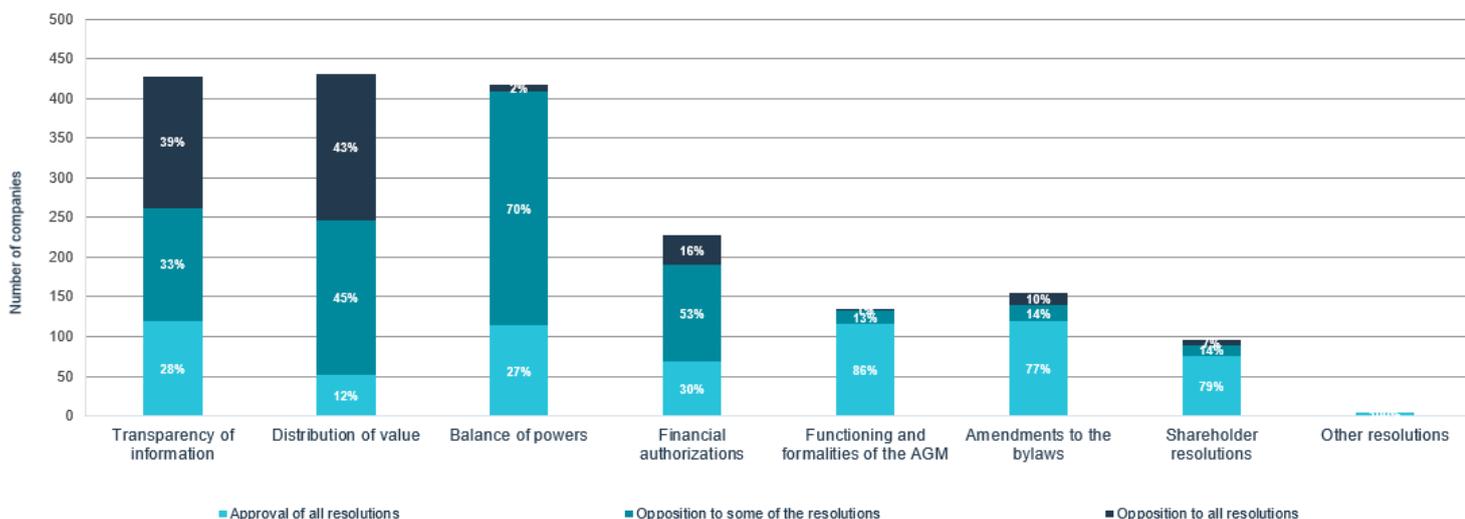
Our policy is demanding and requires both fair distribution for all stakeholders and alignment with the operational and sustainable performance of the company. Since 2020, faced with the socio-economic uncertainties linked to the health context, this subject has taken on an even greater scope. Mirova launched an appeal to all the companies present in our portfolios to review their distribution policy, more particularly in terms of shareholder returns, in order to preserve their sustainability and that of their key stakeholders (employees and suppliers).

In 2021, the challenge rate of the "Distribution of value" theme increased significantly: 88% of companies received at least one negative vote on at least one resolution related to this theme, up from 80% in 2020 and 71% in 2019. Thus, 111 companies were awarded a negative vote in the vast majority (in 97% of cases) because their payout rate was higher than that of the previous year.

Compared to 2020, the general contestation relating to the theme "Balance of Power" increased significantly from 55% to 72%. Indeed, the choice to vote not only against the chairman of the committee, but also to vote against its members when an ESG criterion is not met (e.g., a minimum of 40% of women on the board, presence of an employee representative, lack of CSR criteria in the executive remuneration, etc.) makes our voting policy highly demanding with respect to the election or renewal of directors to the board. In fact, 76 companies received an opposition vote on the election or re-election of at

least one of their directors because they do not have an independently audited CSR report.

Figure 2: Distribution of votes by theme



DETAILS BY THEME

Distribution of value

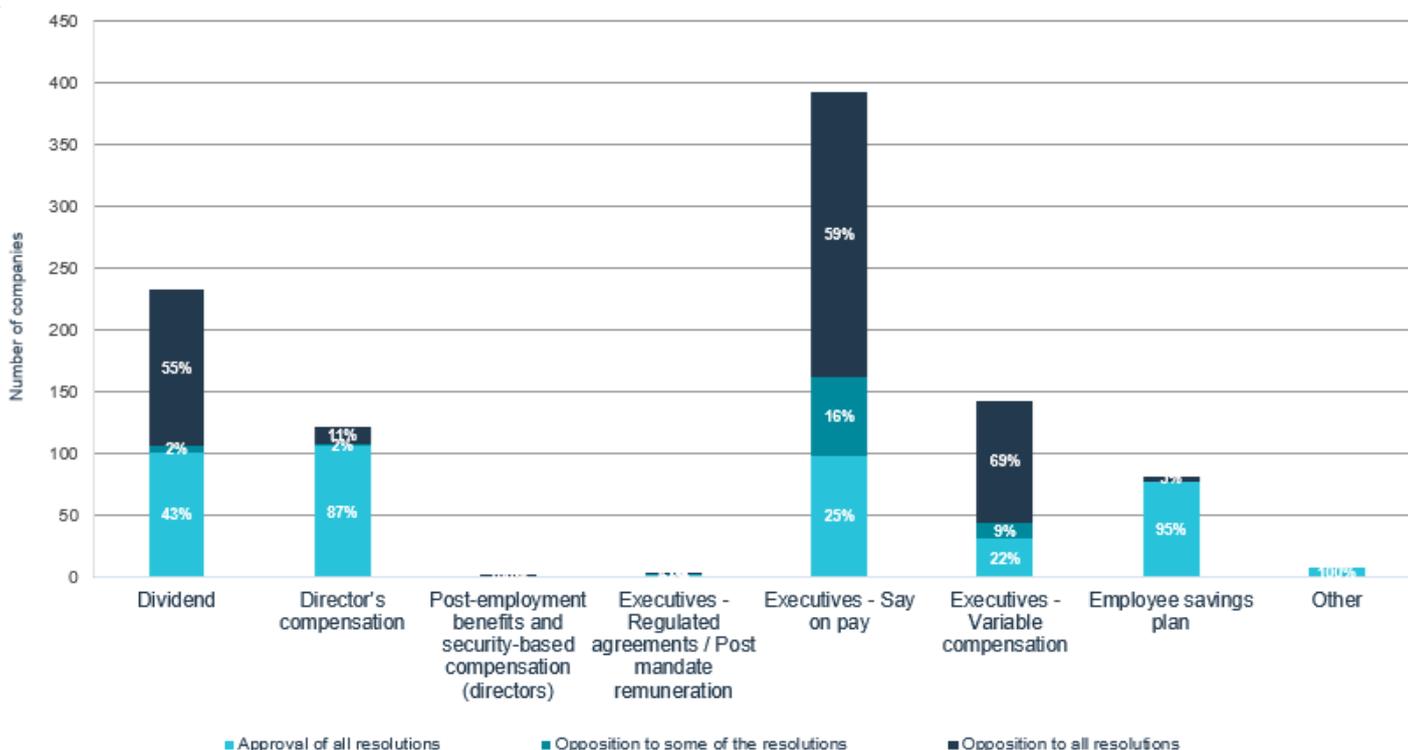
The "Distribution of value" category covers all resolutions related to the remuneration of the various stakeholders who contribute to the creation of value within the company: shareholders (dividends), employees (share ownership and savings plans) and executives (policy and report on the remuneration). This also includes the remuneration paid to directors to the extent that the terms of their remuneration may impact the proper performance of their duties.

Items related to executive compensation policy or report and dividends represented the strongest points of dispute.

In order to advocate for the principle of fair distribution of value between the main stakeholders of the company (employees, executives, shareholders), we support companies that have put in place mechanisms allowing a positive correlation between the remuneration of these different stakeholders. It also implies fair remuneration to the public authorities. Therefore, Mirova is particularly attentive to the tax practices of companies.

In the absence of sufficient information to assess these practices, lack of correlation between the evolution of the remuneration of these stakeholders or in the event of excessive tax practices, Mirova will vote against the applicable voting items.

Figure 3: Distribution of votes in the theme "Distribution of value"



The 2020 financial year marked the revision of Mirova's requirement to increase accountability for value distribution policies. Faced with economic and social uncertainties, companies have been called upon to be moderate with regard to shareholder value return policies.

In the continuity of this approach, and in the face of the uncertainties implied by the health crisis, Mirova has maintained this approach when analyzing proposals related to capital allocation in 2021. In order to preserve the sustainability of companies and their most vulnerable key stakeholders (i.e., employees and suppliers), Mirova would only support resolutions proposing a dividend when the payout ratio was not significantly higher than that of the previous year, or which was at the same level as the pre-covid period, except in exceptional cases. This approach is meant to encourage financial soundness, preservation of investment capacity and protection of employees without recourse to public aid.

In line with Mirova's on-going focus on the distribution of value, particularly dividends, the number of companies that received an opposition vote regarding their dividend remained stable compared to the 2020 financial year: with 29% of companies receiving an opposition vote this year.

During this 2021 financial year, 128 companies were the subject of an opposition vote due to the lack of information concerning the correlation of employee remuneration to executives - in the United States in particular, where the employee remuneration is not a required indicator, which prohibits the analysis of the value distribution policy.

We identified 23 companies to be the subject of an engagement dedicated to the fair remuneration of their stakeholders. 35 companies required a specific internal analysis concerning the adequacy of their dividend policy in the face of the pandemic.

Regarding executive remuneration, Mirova's policy requires the incorporation of CSR metrics into executive compensation plans. The available information must highlight a correlation with the company's long-term operational and CSR ambitions, measured by relevant and stable indicators over time. Mirova

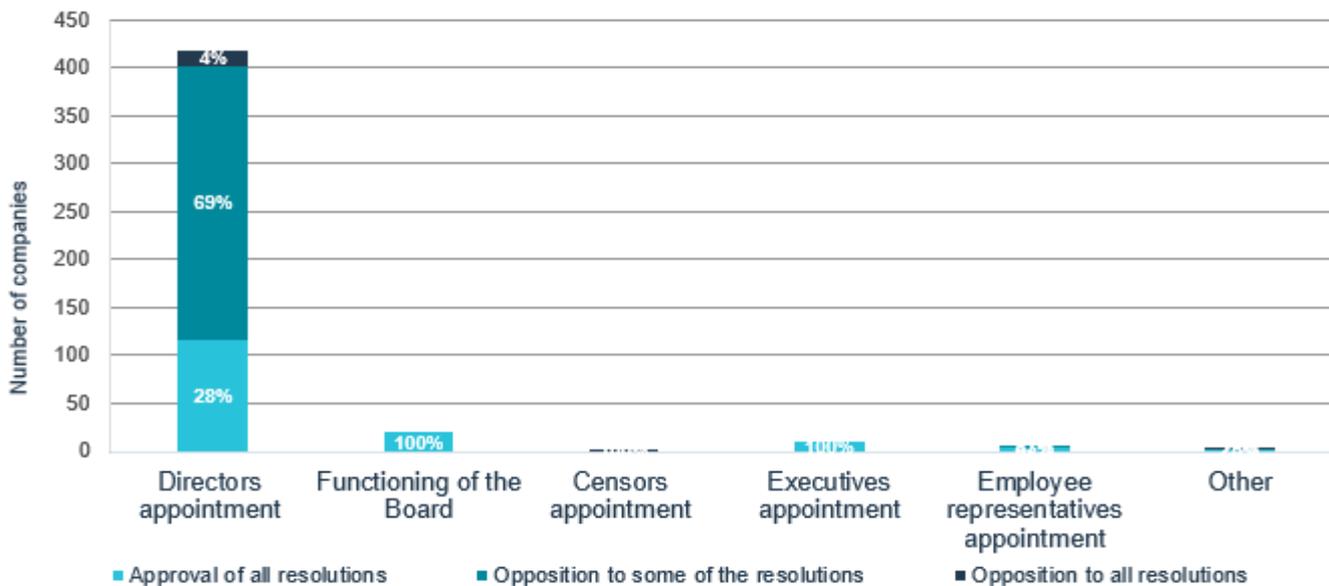
opposes resolutions on remuneration policies and their implementation (report on remuneration and long-term incentive plans) when they do not include performance criteria related to environmental and social issues.

In this respect, the protest rate remains roughly equivalent to last year, with a rather high level exceeding 70%. This opposition is mainly related to the fact that the integration of CSR metrics into performance criteria remains an uncommon practice in North America and Asia. However, room for improvement also exists in Europe, particularly in terms of the quality and weight of the criteria. Mirova has established a positive dialogue with many companies in order to support them in structuring their CSR approach, integrating and improving these criteria.

Balance of power

The theme "Balance of powers" concerns resolutions relating to the composition of the board of directors or supervisory board. It should be noted that the election of censors is a French specificity.

Figure 4 : Distribution of votes in the theme "Balance of power"



Mirova supports the appointment of competent, complementary directors who can perform their duties in the long-term interest of the company and its stakeholders. For this, Mirova decides on the different candidates according to several criteria, considered essential to guarantee a good balance in the representation of the different stakeholders. Thus, Mirova is particularly committed to the presence of employee representatives on the board and female representation on governance bodies.

Mirova also considers the number of mandates held by candidates. Indeed, the ability of directors to address strategic issues, enrich the debate on corporate issues and oversee the implementation of the strategy by the executive is essential, and should not be called into question by their lack of availability.

The number of resolutions related to the appointment of directors receiving an opposition vote has increased significantly, from 12% in 2020 to 38% in 2021. As discussed previously, this development is the result of a change in Mirova's voting policy, now voting against committee members (and no longer only against the committee chair) when certain required criteria are not put in place by the company (a minimum of 40% of women on the board, presence of an

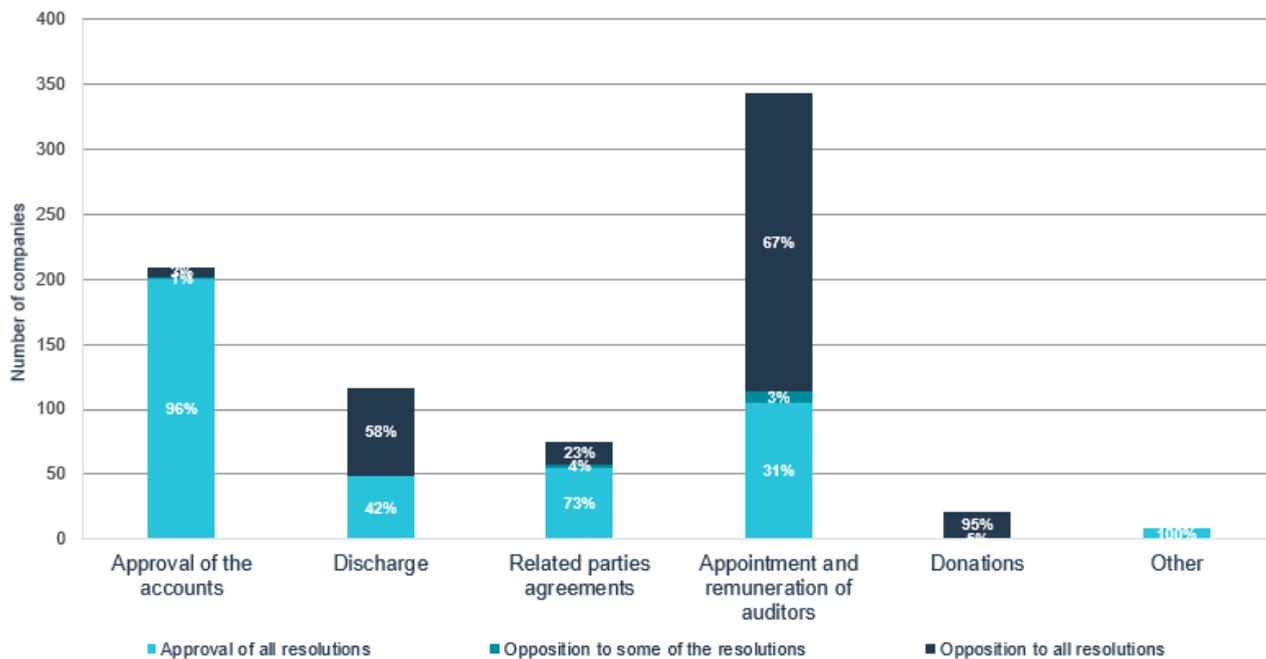
employee representative, integration of environmental and social criteria into executive remuneration etc.). While an increasing number of boards are reaching 40% female representation, the appointment of employee directors remains an essentially European practice. Similarly, the accumulation of mandates remains problematic.

Finally, it should be recalled that Mirova is in favour of the presence of censors on the board only when it is an exceptional and temporary case, and that the presence of the censor brings a high added value to the board. Mirova therefore rejected the resolutions on permanent censors.

Transparency and quality of information

Resolutions related to "Transparency and quality of information" are among the points of attention of the Mirova voting policy. As quality information is an essential prerequisite for investment decision-making, companies are encouraged to be transparent, relevant and reliable in their communication.

Figure 5: Distribution of votes in the theme "Transparency and quality of information"



On this theme, the appointments and remuneration of auditors have an important weight. Indeed, in order to promote the transparency of information, Mirova opposes the appointment or re-election of auditors when their seniority and/or the structure of their remuneration represent a risk of conflict interest. Despite strong opposition, overall, the approval rate for these resolutions improved again, with 31% of companies receiving full approval, up from 29% in 2020.

For regulated agreements, the opposition rate has decreased slightly from 30% in 2020 to 27% this year. The most common grounds for contestation are related to the existence of an agreement between the company and a financial holding company linked to one of the company's shareholders, or to an agreement relating to services provided by a member of the board (or company affiliated with the company).

Regarding the discharge, the opposition rate has drastically increased from about 10% in 2020 to 58% this year. Indeed, Mirova now opposes the discharge when the company has not set up a CSR committee, the rate of contestation of this subject is thus particularly affected.

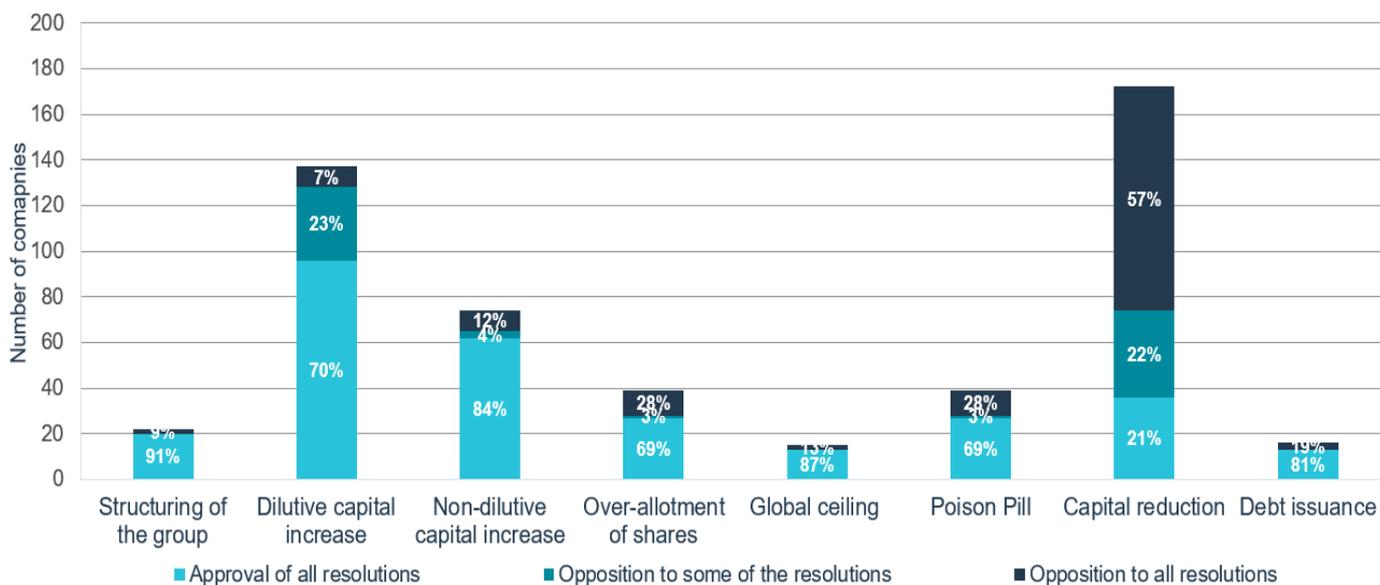
In addition, the subject of donations continues to be the subject of strong dispute. Apart from charitable donations, Mirova opposes resolutions allowing companies to finance political parties, because of the potential risks of conflict of interest.

Finally, concerning the theme "Approval of accounts", no company has submitted accounts containing problematic elements.

Financial structure

To drive capital allocation oriented towards the long-term development of the company, Mirova pays particular attention to the reasons justifying the share buyback and capital reduction operations.

Figure 6: Distribution of votes in the theme "Financial structure "



In order to ensure a fair distribution of value among stakeholders, Mirova is not in favour of accretive capital reduction operations.

Mirova therefore only supported the resolutions relating to capital reduction operations in the following two cases:

- when the capital reduction operations make it possible to offset any dilution resulting from a capital increase linked to the elements of remuneration in employees' securities;
- during employee share ownership operations.

In a difficult health context, this approach has been further strengthened in order to encourage companies to preserve and direct their financial capacities towards the preservation of their investment capacities, their employees and their suppliers. This explains a higher opposition rate than last year, with 79% of companies recording at least one opposition vote compared to 63% in 2020.

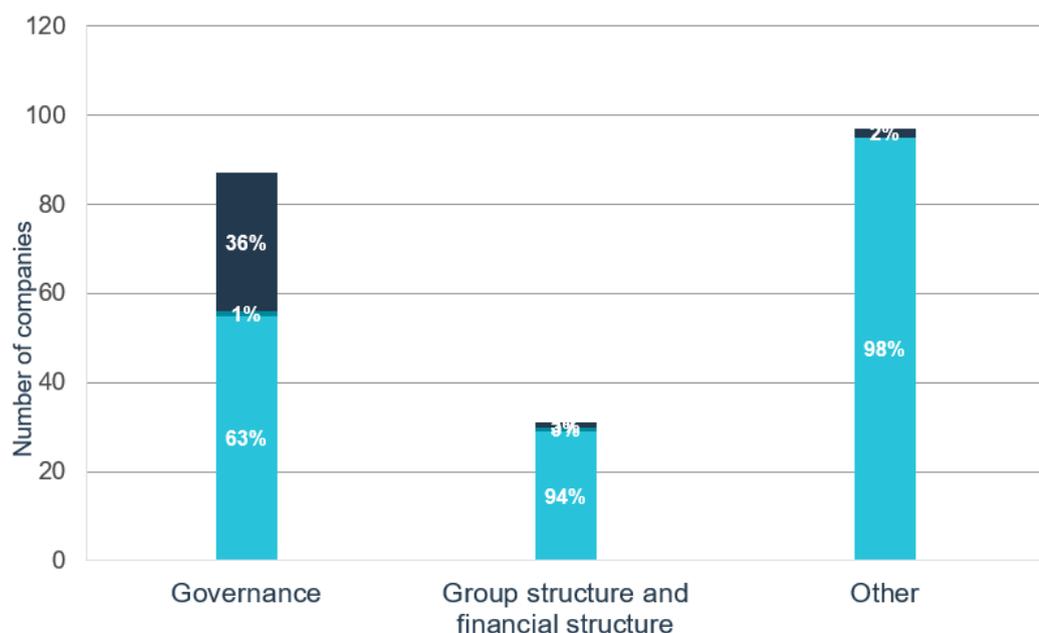
The existence of anti-takeover mechanisms is also a subject of attention. Mirova always analyzes these mechanisms taking into account the risks they could pose to the company and its long-term strategy. In addition, Mirova requires that the governance bodies be sufficiently representative of the main stakeholders, and that they be equipped with adequate competences, so as to guarantee, in the event of a takeover situation, decision-making in the long-term interest of the company. Although these conditions are restrictive, the approval rate for resolutions on these topics is clearly increasing, due to the evolution of Mirova's voting policy. Indeed, we no longer systematically oppose private placements, which are often used to cover financial commitments (securities remuneration plans, issues of convertible securities, etc.), but only private placement authorizations that can be used during takeover periods.

69% of the companies that proposed an anti-takeover mechanism obtained the approval of all the proposed resolutions. The majority of our opposition votes were for capital increases without DPS and without a priority period exceeding the acceptable threshold of 10% of the capital.

Finally, with regard to the other resolutions of capital increases, dilutive and non-dilutive, Mirova's voting direction was oriented according to the dilution ceilings recommended in its voting policy. Opposition to dilutive resolutions focused on companies that proposed a level of dilution above 50%, while opposition on non-dilutive transactions was due to companies, particularly French ones, which proposed a dilution level greater than 10%.

Amendments to the statutes

Figure 7: Distribution of votes in the theme "Amendments to statutes"



■ Approval of all resolutions ■ Opposition to some of the resolutions ■ Opposition to all resolutions

Opposition to the statutory amendments has focused almost exclusively on governance issues. Opposition has stabilized for the past 2 years at around 35%. A large number of amendments are intended to bring the articles of association of companies in line with recent regulatory developments in the Americas and Europe, aimed at strengthening the rights of minority shareholders and liability of businesses. As these regulations are in line with Mirova's voting policy, approval rates are therefore high.

Shareholder Resolutions

Mirova has adopted a case-by-case approach to shareholder proposals of a social, political or environmental nature. The challenge of the in-depth analysis thus conducted is to verify:

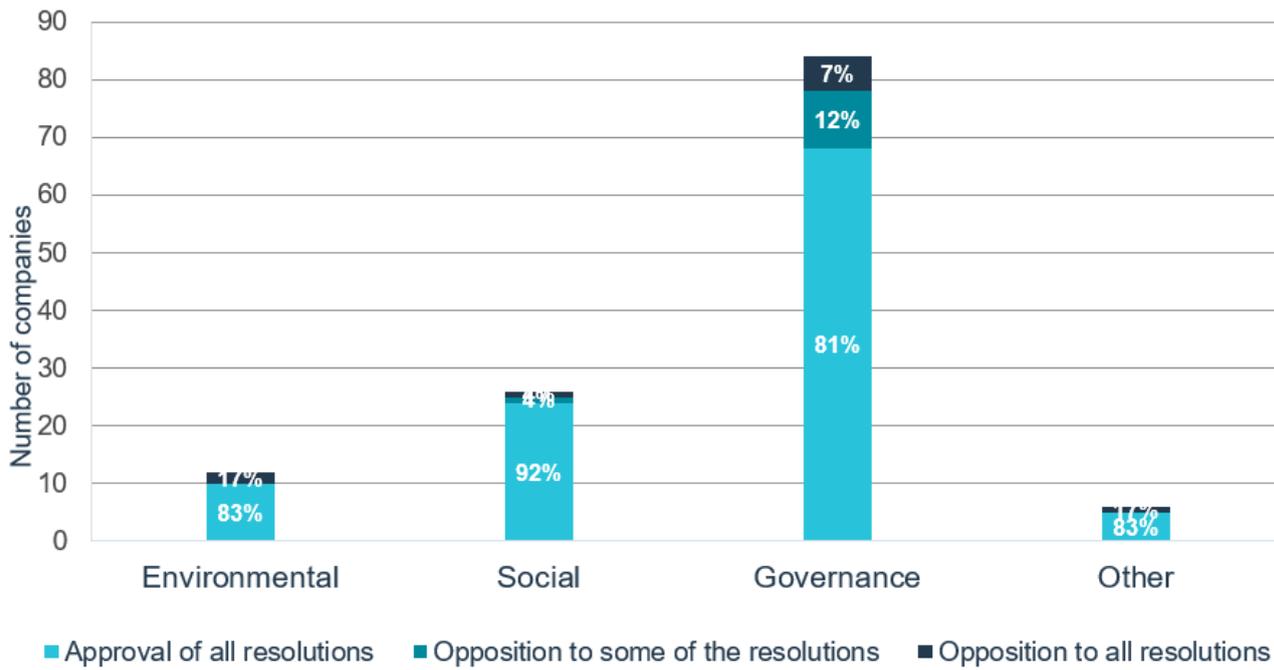
- the reasonableness of the proposal and the merits of the justification provided;
- the impact on the company's short/long-term strategy;
- the company's exposure to these issues (impact on reputation, operational risk, etc.);
- the ability and legitimacy of the company to take up the subject (versus the responsibility of the State);
- the company's responses to the request submitted in the proposal and the changes in its practices in recent years;
- practices implemented by industry peers .

In general, Mirova supports any resolution whose purpose encourages more responsible practices on the part of the company. As such, we support resolutions calling for more transparency on the company's overall CSR strategy or policy.

In total, Mirova expressed its views on 205 shareholder resolutions in 2021 (compared to 264 in 2020). While 2021 saw an uptick in the submission of shareholder resolutions, it also marked the largest increase of proposals withdrawn before the annual meeting. This explains the decline year over year. Proposals are typically withdrawn due to positive negotiations between the proponent and the issuer.

A majority of the shareholder proposals we analyzed concerned governance issues (approximately 70% of shareholder resolutions within our voting perimeter). Nevertheless, those dealing with social issues were numerous, with 38 resolutions, i.e., 19% of shareholder resolutions and 27% of companies having shareholder resolutions. As for environmental issues, they were comparatively less present. This is mainly due to the SRI filter applied to our portfolios, as we do not invest in the sectors most affected by shareholder resolutions of an environmental nature (oil, coal, etc.). However, the absolute number of resolutions related to environmental topics has increased from 13 in 2020 to 22 this year. It should be noted that the vast majority of shareholder resolutions concern American companies (79 North American companies against only 14 European companies).

Figure 8: Distribution of votes in the theme " Shareholder resolutions"



Shareholder resolutions on the "Governance" category covered a wide variety of topics, such as changes in the capital structure to create greater equity among shareholders, the independence of the Chairman of the Board, diversity within the board or workforce, or the extra-financial performance criteria used in the calculation of executive remuneration. Mirova approved all of these resolutions for 81% of companies and approved some of them in 12% of companies. Mirova issued an opposition vote as the company's current practices made the requested changes unjustified in view of the efforts already made and the results obtained by the company.

Shareholder resolutions of a social nature also covered a wide variety of topics. Several resolutions focused on reducing the gender pay gap and increasing transparency on the part of the company regarding its political and lobbying activities, but also about the use of data and the sale of technologies based on facial recognition. To a lesser extent, other resolutions called for greater transparency on the part of companies regarding human rights in the manufacturing chain, including on the use of labour in prisons. 92% of companies had all of their resolutions approved and 4% received a vote in favour of some of these resolutions. On the other hand, Mirova has sometimes been led to oppose resolutions that required companies to make unjustified changes to their practices.

Shareholder resolutions referring to the "Environment" category have focused on demands for transparency in the fight against climate change, but also in the management of other environmental impacts such as the protection of biodiversity. We approved 17 of the 22 resolutions presented. Based on our knowledge of the company's practices and after re-studying the point in detail, Mirova judged that 5 of the resolutions proposed very prescriptive changes and too little detail to be able to obtain a favorable vote.

The "Say on Climate" vote emerged in 2021, which is a climate transition strategy presented by management for shareholder approval. Shareholders then cast a vote indicating their support, or disapproval, of the transition strategy based on their analysis of the plan. Mirova welcomes the opportunity to vote on a company's climate transition plan because we believe that

shareholders have a valuable opportunity engage with their portfolio companies on this matter, establish best practices and push for improvement. Our view is that a vote of approval is not a full endorsement and should not be interpreted as a stopping point to our portfolio companies. When determining how we will vote on these proposals, we will evaluate each instance on a case-by-case basis. Mirova's deep level of expertise on this matter is critical to providing a full analysis and opinion on the quality of the climate transition plan and thus, a fully informed vote. Historically, we have not supported plans that we do not believe are sufficiently rigorous. We encourage our portfolio companies to offer a proposal on the company's climate transition plan for its shareholder's approval and we will generally support shareholder proposals requesting such.

2021 also marked the first year in which Mirova took action at two of our portfolio companies by filing shareholder resolutions. We view the filing of a resolution at one of our portfolio companies is one of the strongest forms of engagement and advocacy.

Mirova co-filed its first shareholder proposal, at a US based interactive media and services company in 2021, requesting that the company review and prepare a report on its whistleblower policies and practices. Mirova made this request in light of repeated allegations by former employees of mishandled complaints and abusive termination of whistleblowers. As a proponent of the shareholder proposal, Mirova was particularly concerned about the company's human resources management as a result of its reported retaliation against employees who have voiced concerns about the company's potentially unethical business practices, particularly when those concerns are regarding the alleged unethical use of artificial intelligence technology, possible human rights violations, and possible workplace threats to gender and racial justice.

After numerous attempts to engage with the issuer, and in accordance with our escalation strategy, we took action through the next avenue available to shareholders by co-filing the aforementioned proposal. Despite the effective control of the capital by its founders and executives, and the negative voting recommendation issues by proxy ISS, 10% of votes were favorable. However, in spite of our repeated attempts to engage with the company directly, jointly with other investors or via the filing of a shareholder proposal, the group remains unwilling to open a constructive dialogue. Considering these aspects, Mirova no longer expected drastic improvement from the company and decided to divest.

The second escalated engagement we undertook was at a French based food company. The company went through a governance crisis at the end of 2020, a subject which we discussed in detail with the company in order to: 1.) actively show that there is no opposition between CSR and economic performance, contrary to short-term activist shareholders that pressured the company during this crisis, 2.) encourage the maintenance of their CSR strategy and mission-driven positioning, and 3.) emphasize the need to communicate transparently on the transition of the company towards a clearer governance model. The company was able to provide elements of context, notably stating that both the strategy and their missions will be maintained, and that the split between Chairman and CEO will be perpetuated.

To support this dialogue, Mirova, along with other shareholders, filed a proposal at the April 2021 shareholder meeting to request a public response from the board on the current state of governance. As such, shareholders asked each director in office to present to shareholders their strategic vision, approach to environmental matters, mission driven corporation, organization of governance and separation of management powers. The board responded collectively, reaffirming its support of the succession planning and mission driven status. A reassuring engagement which Mirova continuously follows with the company.

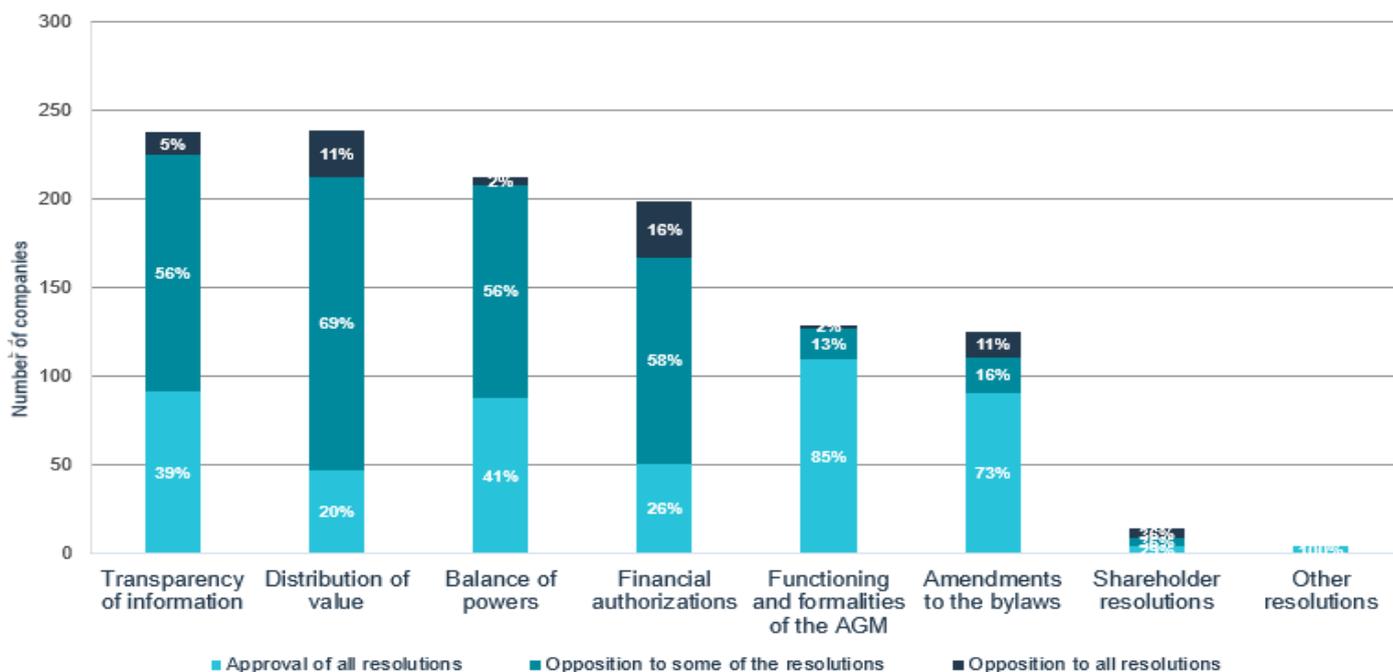
Distribution of votes by geographical area

While the meaning of the vote is mainly explained by the implementation of Mirova's policy on a theme-by-theme basis, there are significant differences in governance practice between Europe and North America that have important consequences for our choices.

EUROPE

In 2021, 96% of European company meetings were the subject of at least one protest vote. Only 11 companies had all of their resolutions approved, down more than 50% from last year (24 companies in 2020).

Figure 9: Distribution of votes in Europe

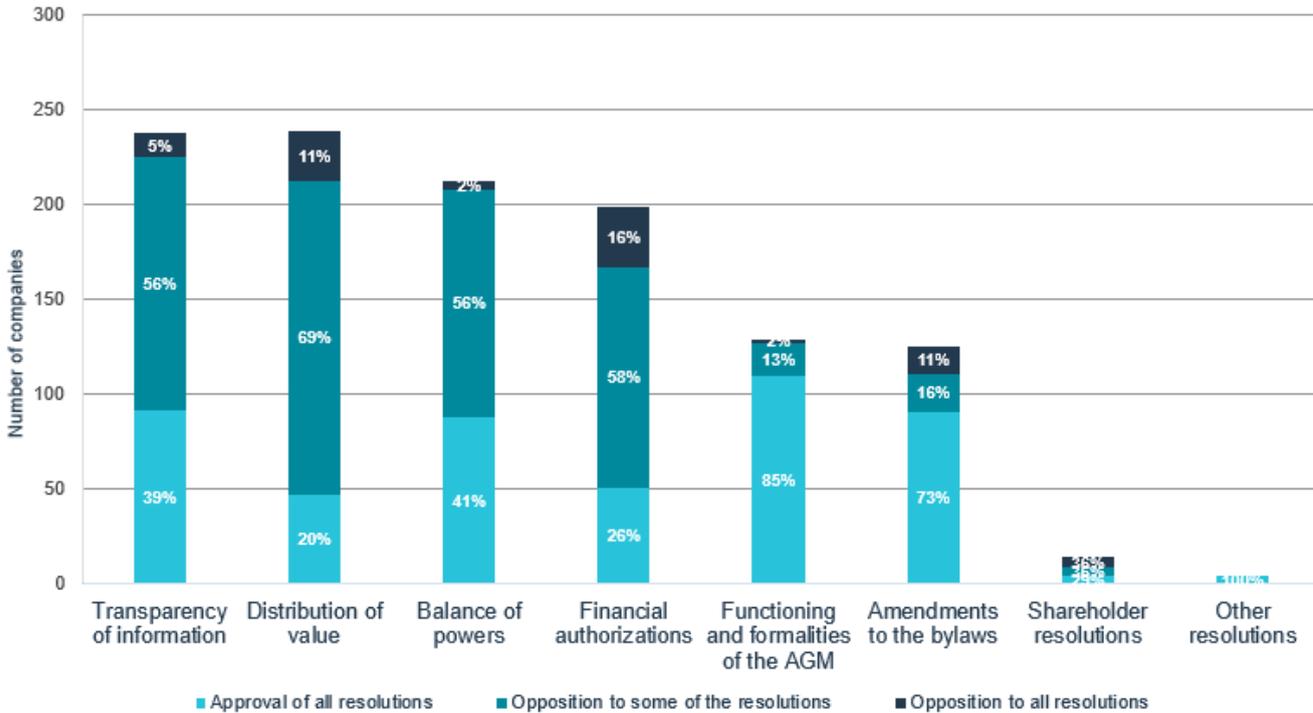


The theme "Transparency of information" saw opposition rate increase significantly, as well as the "Distribution of value" which, as in other geographical areas, is experiencing an uptick of votes against due to the strengthening of our expectations in light of the international health crisis. The opposition rate on the subject of "Balance of powers" is also up by 24 points and had already recorded an increase of 10 points last year. This rate is driven by the strengthening of Mirova's policy on the composition and accountability of the Board and its committees.

NORTH AMERICA

In North America, protest is stronger than in Europe, with 99% of assemblies having received at least one contested vote.

Figure 10: Distribution of votes in North America



As every year, the theme "Balance of powers" concerns all companies, most frequently through the annual renewal of the members of the Board of Directors. 94% of our portfolio companies see some of their board candidates challenged compared to 92% in 2020 and 60% in 2019, an increase mainly linked to the strengthening of our expectations in terms of multiple mandates, representativeness of boards and responsibilities of ad hoc committees (vote against the entire committee once a deficiency has been identified).

The theme "Distribution of value" is also highly contested in this area. Almost all companies were the subject of at least one opposition vote on this issue. This is linked to local practices, which do not systematically integrate CSR criteria into executive remuneration and to the lack of information on the employee remuneration, which prohibits the evaluation of the value distribution policy.

Finally, in terms of "Transparency and quality of information", the challenge mainly concerned the appointment and renewal of auditors in the United States, a market where practices in this area are less regulated and therefore more often out of step with our expectations.

Other statistics

Distribution of votes by resolution

Of the 492 general meetings voted and confirmed, Mirova expressed its opinion on 7,782 resolutions.

Distribution of votes - Geographical areas

| | Number of resolutions | In % |
|------------------------|-----------------------|------|
| Europe | 5 106 | 66% |
| <i>of which France</i> | 1 890 | 24% |
| America | 2 272 | 29% |
| Asia | 369 | 5% |
| Oceania | 35 | 1% |
| Africa | 0 | |
| Total | 7782 | |

Of these 7,782 resolutions:

- Mirova approved 4,918 resolutions, or 63%;
- Mirova voted against 2,649 resolutions, or 34%;
- Mirova abstained on 216 resolutions, or 3%.

Of the 7,782 resolutions passed, 7,559 were proposed by management or the board of directors or supervisory board. Mirova opposed 2,613 of these resolutions (35% of the resolutions) and abstained on 216 resolutions (3% of the resolutions).

Of the 215 resolutions proposed by shareholders, Mirova supported 184, or 86%.

Mirova cast at least one vote against at 432 general meetings, or 96% of the general meetings voted.

Distribution of votes (in number of resolutions) - Geographical areas

| | For | In % | Against | In % | Abstention | In % | Total |
|------------------------|--------------|------------|--------------|------------|------------|-----------|--------------|
| Europe | 3 547 | 69% | 1 513 | 30% | 46 | 1% | 5 106 |
| <i>of which France</i> | 1 394 | 74% | 483 | 26% | 5 | 0% | 1 890 |
| America | 1 065 | 47% | 1 029 | 45% | 170 | 3% | 2 272 |
| Asia | 288 | 78% | 81 | 22% | 0 | | 369 |
| Oceania | 18 | 51% | 17 | 0% | 0 | | 35 |
| Africa | 0 | | 0 | | 0 | | 0 |
| Total | 4 918 | 63% | 2 640 | 34% | 91 | 3% | 7 782 |

Percentage of resolutions that received an opposition vote (vote " against ", " abstention " or " withhold ") is this year significantly lower in Europe (31%), compared to the resolutions proposed at US general meetings (45 %). This is explained by the disparity of practices such as employee representation on boards, lack of employee payroll data and lack of CSR criteria incorporated into remuneration plans.

Details of the general meetings voted

Accessible from its website, Mirova has a platform that presents in detail all the votes cast by Mirova on the resolutions presented at the general meetings of the companies held in the voting funds (excluding dedicated funds). Access to this platform is public, thus meeting the requirements of the AMF Regulation(art.319-23,321-134):

<https://vds.issgovernance.com/vds/#/OTAYNg==/>

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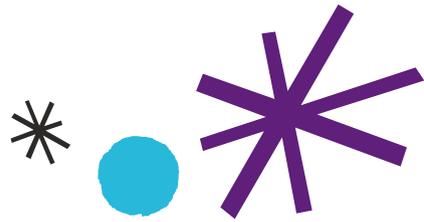
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