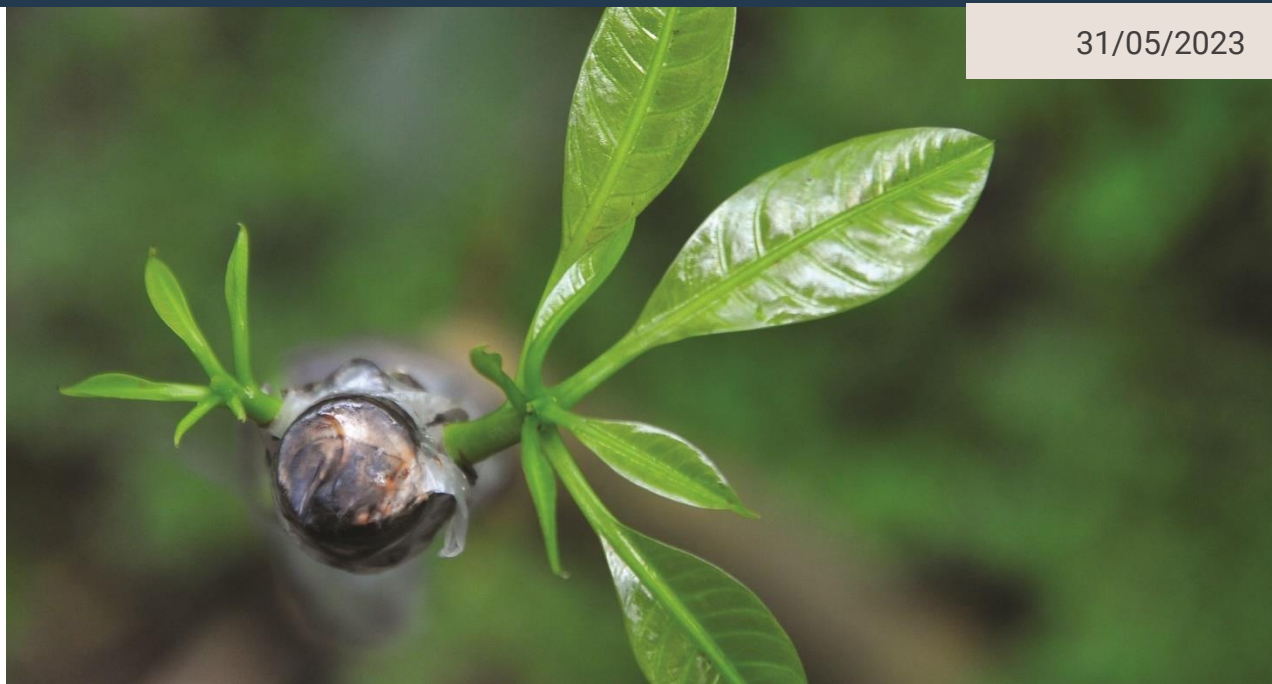


# ESG assessment methodology enhancement

Explanatory note

31/05/2023



MARKETING DOCUMENT intended for non-professional and professional clients as defined by MiFID. The information provided reflects Mirova's opinion and/or the situation as of the date of this document and is subject to change without notice

An affiliate of:

 **NATIXIS**  
INVESTMENT MANAGERS

# ESG assessment methodology has been enhanced in January 2023

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Mirova has internally developed a research methodology in order to identify eligible investments in strategies managed by Mirova and its affiliates through a proprietary sustainability scale.

In an increasingly complex and demanding environment, we have recently enhanced this methodology in order to: refine tracking and measurement of the impact of our investments, reinforce controversy risk management, ensure that our investments comply with our definition of sustainable investment as well as common market practices.

Regardless of the shifting regulatory environment, we believe these enhancements will assist in identifying new opportunities, responding to changing markets and mitigating risk, while generating a greater impact. The fundamentals of our ESG assessment philosophy and approach are, and will remain, unchanged.

As a result, the ESG rating scale has been adapted to reflect the nature and the extent of each security's impact: investments are now rated on a scale ranging from "Negative Impact" to "Strong Positive Impact" (see rating scale under the enhanced ESG methodology). Further details are available in the revised version of document [«Our approach to Impact and ESG assessment»](#).

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## What are the impacts of the reinforcement?

As a result, the Sustainability Opinion scale has been modified to reflect the nature and the extent of the impact: companies are now rated on a scale from "Negative Impact" to "High Positive Impact" :

- If significant harm is proven or likely: companies are rated 'Negative Impact' regardless of positive impacts that may be generated and are not eligible for investment (this does not change);
- Companies generating insignificant positive and negative impacts are deemed as having 'Negligible Impact' and may not be eligible for investment, as we aim to only invest in companies that contribute to one or more SDGs.

Consequently, the concept of "Neutral" companies is no longer part of our approach;

- Companies doing no significant harm and delivering some levels of positive impact are assessed as Low Positive, Medium Positive, or High Positive Impact according to the extent of their contribution to the SDGs. These are the only companies eligible for investment.
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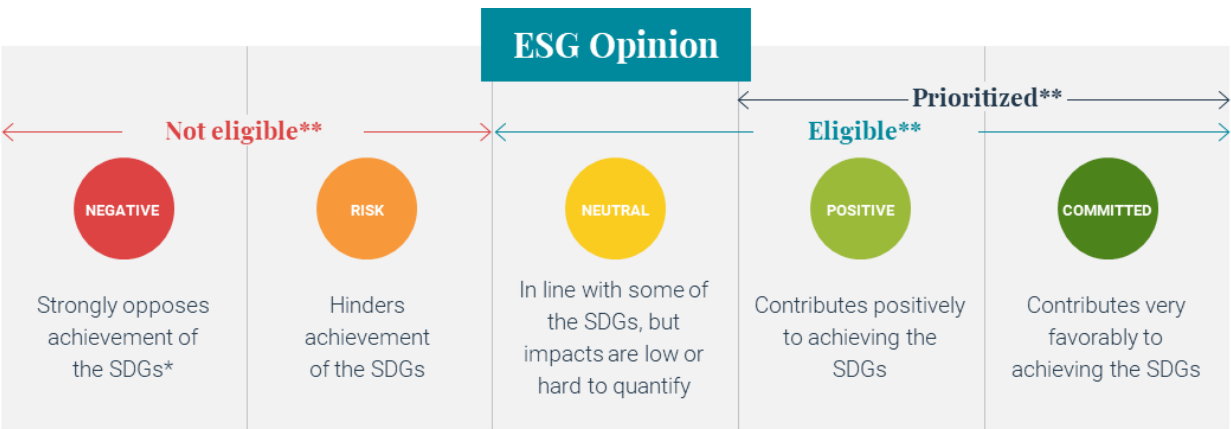
## What are the reinforcement objectives?

We have refined and strengthen our approach to identify impact and provide more granularity on the assessment of companies rated Neutral:

1. For companies rated Neutral with advanced practices: as companies report mature and regulatory framework evolve, we are now able to materialize the positive impact of companies generated by advanced practices on climate change, biodiversity, human capital and/or diversity management. Therefore, our methodology now enables us to rate companies as Low Positive or Moderate Positive Impact, depending on the materiality of these issues.
  2. For companies rated Neutral without advanced practices, we consider them to have "Negligible Impact" and they will not be eligible for investment.
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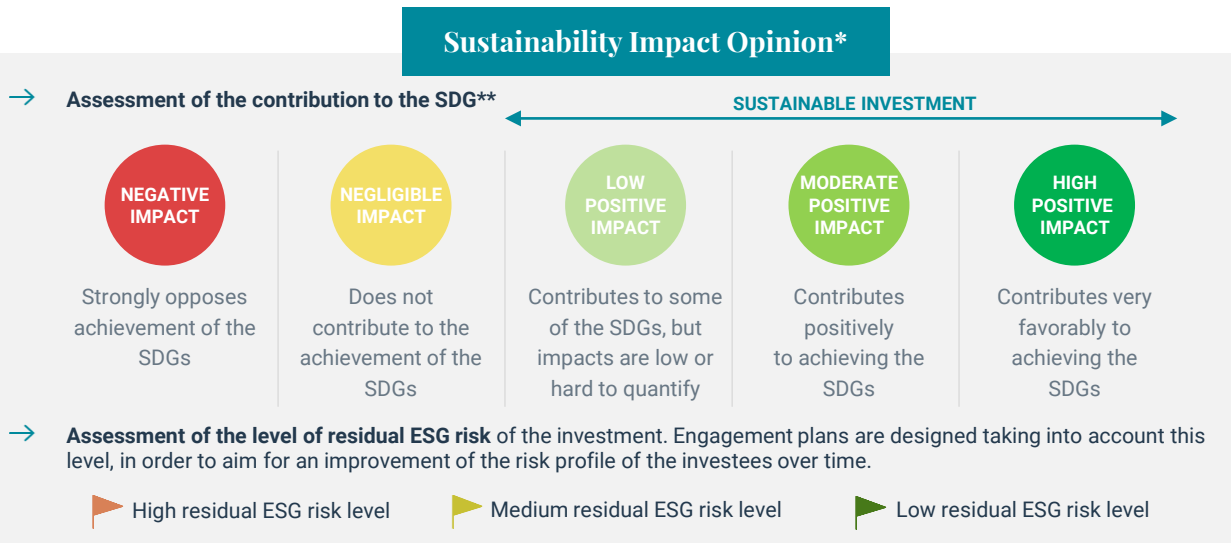
# ESG assessment methodology enhancement

## Opinion scale under the ESG methodology applied until 31 December 2022



\*SDG: Sustainable Development Goal \*\*For Mirova's investments.

## Opinion scale under the enhanced ESG methodology applied from 1 January 2023



\*2023 opinion scale \*\*Sustainable Development Goals.



# ESG assessment methodology enhancement

Proportion of product assets within each rating category as of 31/05/2023

Product name	Opinion scale under the ESG methodology applied until 31 December 2022					Opinion scale under the enhanced ESG methodology applied from 1 January 2023				
	Committed	Positive	Neutral	Risk	Negative	High Positive impact	Moderate Positive impact	Low Positive impact	Negligible impact	Negative impact
Mirova Global Sustainable Equity Fund	18.48	66.72	14.80	0.00	0.00	11.43	45.23	43.35	0.00	0.00
Mirova Europe Sustainable Equity Fund	35.39	60.10	4.51	0.00	0.00	26.34	43.93	29.73	0.00	0.00
Mirova Euro Sustainable Equity Fund	17.49	77.22	5.29	0.00	0.00	11.03	55.98	32.99	0.00	0.00
Mirova US Sustainable Equity fund	9.81	77.99	12.20	0.00	0.00	5.93	40.92	53.15	0.00	0.00
Mirova Climate Solutions Equity Fund	44.63	53.36	2.01	0.00	0.00	52.22	26.30	21.48	0.00	0.00
Mirova Europe Environmental Equity Fund	51.65	47.50	0.86	0.00	0.00	41.58	43.42	15.01	0.00	0.00
Mirova Women Leaders Equity Fund	19.80	59.50	20.71	0.00	0.00	13.17	36.56	50.27	0.00	0.00
Insertion Emplois Dynamique	27.94	64.05	8.01	0.00	0.00	13.37	51.02	35.61	0.00	0.00
Impact Es Actions Europe	33.14	61.11	5.75	0.00	0.00	23.87	44.30	31.84	0.00	0.00
Mirova Europe Sustainable Economy Fund	34.62	57.95	7.43	0.00	0.00	28.50	45.66	25.84	0.00	0.00
Mirova Global Green Bond Fund	53.36	42.86	3.79	0.00	0.00	47.85	50.43	1.72	0.00	0.00
Mirova Euro Green&Sustainable Bond Fund	44.95	52.47	2.57	0.00	0.00	42.42	52.33	5.25	0.00	0.00
Mirova Euro Short Term Sustainable Bond Fund	57.74	38.65	3.61	0.00	0.00	33.15	57.09	9.76	0.00	0.00
Mirova Euro Green&Sustainable Corporate Bond Fund	26.87	57.76	15.37	0.00	0.00	28.20	40.33	31.47	0.00	0.00
Mirova Euro High Yield Sustainable Bond Fund	25.64	58.59	15.77	0.00	0.00	26.17	43.38	30.45	0.00	0.00
Mirova Euro Sustainable Bond Fund	42.63	47.78	9.59	0.00	0.00	37.79	40.28	21.93	0.00	0.00
Impact Es Oblig Euro	52.19	45.57	2.24	0.00	0.00	39.27	53.98	6.68	0.00	0.00
Mirova Europe Environnement	51.65	47.50	0.86	0.00	0.00	41.58	43.42	15.01	0.00	0.00
Mirova Obli Euro	44.95	52.47	2.57	0.00	0.00	42.42	52.33	5.25	0.00	0.00
Mirova Actions Euro	17.49	77.22	5.29	0.00	0.00	11.03	55.98	32.99	0.00	0.00
Mirova Actions Europe	35.39	60.10	4.51	0.00	0.00	26.34	43.93	29.73	0.00	0.00
Mirova Actions Monde	18.48	66.72	14.80	0.00	0.00	11.43	45.23	43.35	0.00	0.00
Mirova Emploi France	27.94	64.05	8.01	0.00	0.00	13.37	51.02	35.61	0.00	0.00
Abeille la Fabrique Impact ISR	27.87	50.74	21.38	0.00	0.00	26.96	28.69	44.34	0.00	0.00
AFER Actions Emploi	27.87	50.74	21.38	0.00	0.00	26.96	28.69	44.34	0.00	0.00

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Non-contractual document, written in May 2023.

Mirova aims, for all its investments, to propose portfolios consistent with a climate trajectory of less than 2°C defined in the Paris Agreements of 2015, and systematically displays the carbon impact of its investments (excluding Social impact and Natural Capital funds), calculated from a proprietary methodology that may involve biases.

## ESG INVESTING RISK & METHODOLOGICAL LIMITS

By using ESG criteria in the investment policy, the relevant Mirova strategies' objective would in particular be to better manage sustainability risk and generate sustainable, long-term returns. ESG criteria may be generated using Mirova's proprietary models, third party models and data or a combination of both. The assessment criteria may change over time or vary depending on the sector or industry in which the relevant issuer operates. Applying ESG criteria to the investment process may lead Mirova to invest in or exclude securities for non-financial reasons, irrespective of market opportunities available. ESG data received from third parties may be incomplete, inaccurate or unavailable from time to time. As a result, there is a risk that Mirova may incorrectly assess a security or issuer, resulting in the incorrect direct or indirect inclusion or exclusion of a security in the portfolio of a Fund. For more information on our methodologies, please refer to our Mirova website: [www.mirova.com/en/sustainability](http://www.mirova.com/en/sustainability).

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## ABOUT MIROVA

Mirova is a management company dedicated to sustainable investment and an affiliate of Natixis Investment Managers. Through conviction management, Mirova's goal is to combine long-term value creation and sustainable development. Pioneers in many areas of sustainable finance, Mirova's talents aim to continue innovating in order to offer their clients solutions with high environmental and social impact. Mirova and its affiliates manage €27.2 billion as of December 31, 2022. Mirova is a mission-driven company, labeled B Corp\*.

*\*The reference to a ranking or a label does not prejudice the future performance of the funds or its managers.*

### MIROVA

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AMF Accreditation No. GP 02-014  
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75013 Paris  
Natixis Investment Managers is a subsidiary of Natixis.

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