mirova
Investing in sustainability

Acting as a responsible investor 2022

Sustainability Report
(per Article 29-LEC, Taxonomy regulations & SFDR)

June 2023

An affiliate of: NATIXIS INVESTMENT MANAGERS

- The decree implementing Article 29 of the Energy-Climate Law, published on 27 May 2021, reconfirms France's pioneering role in sustainable finance.
- Exceeding the transparency obligations set out in European regulations, the decree has ambitious goals in terms of climate, biodiversity and ESG (Environmental, Social and Governance) risk management, whilst setting the Paris Financial Centre on a course of continuous improvement.
- The aim of this sustainability report is to: Show that the creation of social and environmental value, inseparable from long-term financial performance, lies at the heart of all activities and projects at Mirova.
- Far from a mere exercise in compliance, the publication of our report is an opportunity for us to demonstrate that sustainable development issues, and climate change and biodiversity first among them, are at the heart of our investment policies.
- The Kunming-Montreal Accord, adopted in December 2022, offers Mirova the opportunity to present the company's strategy for alignment with global biodiversity targets.
- In addition to marking the entry into force of all provisions contained in the decree implementing Article 29-LEC, the year 2023 is noteworthy for being the first time we are publishing our green share. Our objective in these pages is to demonstrate the social and environmental impact that our approach seeks to create, alongside financial performance.

Acting as a responsible investor 2022

Sustainability Report
(Article 29-LEC, Taxonomy regulations & SFDR)

Mirova, an investor dedicated to a more sustainable and inclusive economy

'Our thesis is that the idea of a self-adjusting market implied a stark Utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness.'

K. Polanyi, The Great Transformation (1944)

Mirova is a responsible investor driven both by conviction and by force of logic. There can be no such thing as a sustainable investment, providing financial returns and positive long-term impact, that does not take social, environmental and governance issues into account. Mirova[1], an asset management company created within Natixis 10 years ago, fully embraces this philosophy.

A founding principle of our creation, this principle dictates our objectives, drives our investment strategies and focalises our efforts. This philosophy is reflected in Mirova's governance and strategy. It was further reinforced with Mirova's adoption, in 2020, of the status of a mission-driven company[2]. Our raison d'être, 'to contribute to a more sustainable and inclusive economy', is expressed through the pursuit of five objectives:

1. **Making positive impact a systematic goal of our investment strategies**
2. **Cultivating and developing our social and environmental expertise**
3. **Continuously innovating in our products and approaches, always striving for impact**
4. **Supporting our stakeholders in their transformation towards a sustainable economy and finance**
5. **Applying the environmental and socialstandards Mirova defends**

1 Until 2014, Mirova was part of Ostrum AM, formerly Natixis AM. Mirova is a subsidiary based in Paris of Natixis Investment Managers. Mirova began operating (and managing the Global Sustainable Equity strategy) in the United States via Ostrum Asset Management U.S., LLC (Ostrum AM U.S.), followed, since March 28, 2019, by Mirova US LLC (a wholly owned U.S.-based subsidiary of Mirova).

2 for more information, please refer to page 6.

The information provided reflects the opinion of Mirova / the situation at the date of this document and is subject to change without notice.

seeking positive environmental and social impact paired with financial performance

1994	2002	2007	2014	2015	2016	2019	2020	2021	2022
Solidarity	energy transition infrastructure	Actions Thématiques– Environnement	Incorporation of Mirova Asset Management	Carbon impact methodology Green bonds	Natural Capital	Gender equality	Impact on biodiversity	Private Equity	Energy transition EM– Private debt

7
areas of expertise

197
multidisciplinary experts*

€27.2 / $29
billion in AuM

100%
classified "**Article 9**"**
by SFDR regulation***

2°C
is the targeted global warming scenario for all portfolios****

Until 2014, Mirova was part of Ostrum AM, formerly Natixis AM. Mirova is a subsidiary of Natixis Investment Managers based in Paris. Mirova began operating in the United States (and managing the Global Sustainable Equity strategy) through Ostrum Asset Management U.S., LLC (Ostrum AM U.S.), followed, as of 28 March 2019, by Mirova US LLC (a wholly owned U.S. subsidiary of Mirova). 2. On 20 June 2022, Mirova announced the acquisition of SunFunder, a private debt management company that finances renewable energy projects in Africa and Asia. *As at 30 September 2022, there were 162 Mirova employees and 23 SunFunder employees. **Funds managed exclusively by Mirova / Mirova US. *** Of the funds exclusively managed by Mirova / Mirova US, except for certain dedicated funds and funds delegated by management companies outside the BPCE Group. For more information on SFDR, please refer to the end of the document. ****Corresponds to the action plan put in place to respect the Paris Agreement, that is to say the increase that should not be exceeded for the average temperature of the planet between 1850 and 2100. Internal limits non-binding at the date of this document, subject to change by Mirova without prior notice. The carbon impact of investments (excluding Social impact and Natural Capital funds), is calculated using a proprietary methodology that may involve bias.

Source: Mirova and its affiliates, as at 31 December 2022. At 30 December 2022, Mirova US LLC had €7.9 billion / $8.4 billion in AuM.

3 With the exception of certain dedicated funds and delegated funds of non-Groupe BPCE management companies. The Sustainable Finance Disclosure Reporting (SFDR) Regulation seeks to enhance the transparency of financial markets with respect to environmental and social responsibility, notably by ensuring the provision of sustainability-related information on financial products (integration of sustainability risks and negative impacts).

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To put this vision into practice, Mirova relies on a team of 197[4] employees who channel their energy in four cardinal directions:

- Investments in companies undertaking transition and in projects and companies that provide solutions to the environmental crisis,
- Research to optimise our asset management as well as identify new areas and investment themes,
- Targeted and collective shareholder engagement with specific companies and regulatory bodies,
- Influence in the financial community.

And lastly, as an extension of our mission, the Mirova Foundation, created in December 2020, supports innovative public interest projects in France and abroad through philanthropy. Echoing Mirova's raison d'être, the projects supported address three types of frequently intertwined challenges:

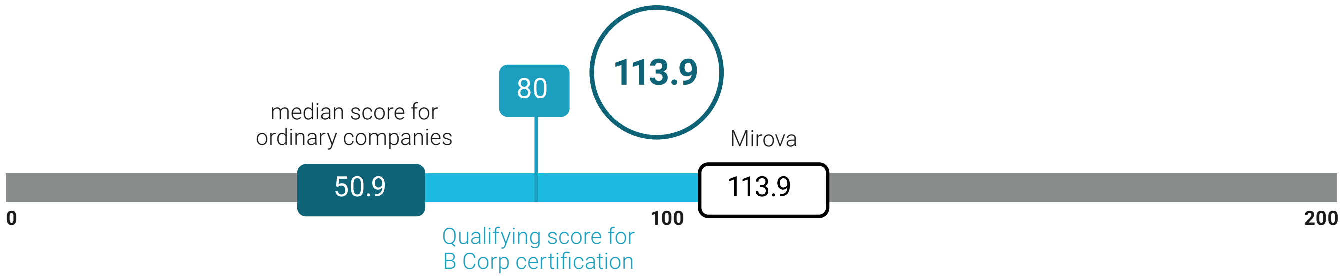
- Restoring ecosystems and preserving biodiversity;
- Adapting to and combating climate change,
- Social inclusion and well-being.

In 2022, Mirova Foundation supported 15 projects for a total of €1,496,000.

B CORP LABEL™

A mission-led company, Mirova committed to the B Corp certification process™ in 2022. This internationally recognised label bears witness to our environmental and social commitment. It is also a tool for identifying our strengths and areas for improvement, and for maintaining our drive to achieve continuous progress. Our report is available on the B Corp Label™ website.

With a score of 113.9 out of 200, Mirova is well above the minimum of 80 points required by the label, certifying that we are demanding of ourselves and exemplary towards all our stakeholders, whether they be our customers, our suppliers and partners, the companies and projects we finance, our ecosystem, our employees or our shareholders.



Source: Mirova, at 31/12/2022

What is the B corp label?

Created in 2006, the B Corp label™ distinguishes private companies that integrate social, societal and environmental objectives into their mission, business model, workforce, products or services.

Unlike other existing labels (ISO, UN Global Compact, etc.), the B Corp label™ is not based neither on commitments nor on implementation of management frameworks, but on proof that the company's activities and operations have a positive impact in 5 areas: communities, customers, the environment, governance and employees.

The label is awarded following completion of an online questionnaire, the Business Impact Assessment, and an independent third-party assessment resulting in a score, which may or may not confer the label.

4 Source: Mirova, at 31 December 2022

Mirova rewarded in 2022-2023

The numerous awards and distinctions received since its creation demonstrate that Mirova delivers on its promises. In 2022-2023, Mirova earned the following distinctions:

B CORP*/ ** BEST FOR THE WORLD™ 2021 IN THE 'CLIENTS' CATEGORY	Mirova named one of the 2021 'Best for the World™' B Corps in the 'CLIENTS' category, for developing high-impact investment solutions for investors. Best for the World™ are B Corp companies that have achieved, in one or more of the five areas of impact assessed and at global level, a score that places them in the top 5% of companies rated. Mirova was recognised in the 'Clients' category for developing high-impact investment solutions for investors.
H&K RESPONSIBLE INVESTMENT BRAND INDEX™ (RIBI)**	Mirova's results in this annual survey demonstrate its ability to make the firm's responsible approach a core tenet of its brand: ▸ Nº 1 in the global ranking of best-rated asset management boutiques (+2 places vs. 2020) ▸ Mirova once again earned a place among the 'Avant-Gardistes': an elite status achieved by only 16% of participants. ▸ Nº 2 of the Top 10 French asset management companies (up 1 place vs. 2020) ▸ Nº 5 the Top 10 management companies in continental Europe (excluding the UK) (up 1 place vs. 2020) ▸ Nº 7 of the world's Top 10 best-rated asset management companies
IMPACT ASSETS 50 2021**	For the fifth year running, Mirova and its Natural Capital platform were recognised for their impact approach to investing in natural capital and included on the ImpactAssets 50 list.
SUSTAINABLE INVESTMENT AWARDS 2021**	At the Sustainable Investment Awards 2021 (SIA 2021), Environmental Finance awarded sustainable investment specialist Mirova the title of 'Real Assets Manager of the Year' for a second year running to recognise the firm's work on nature-based solutions and renewable energy infrastructure. Mirova's fifth fund, dedicated to financing energy-transition infrastructure, also won the 'Renewables fund of the year' award.

Reference to a ranking, a label and/or an award does not indicate the future performance of the UCITS/AIF or the fund manager. For more information about labels please refer to the end of this document.
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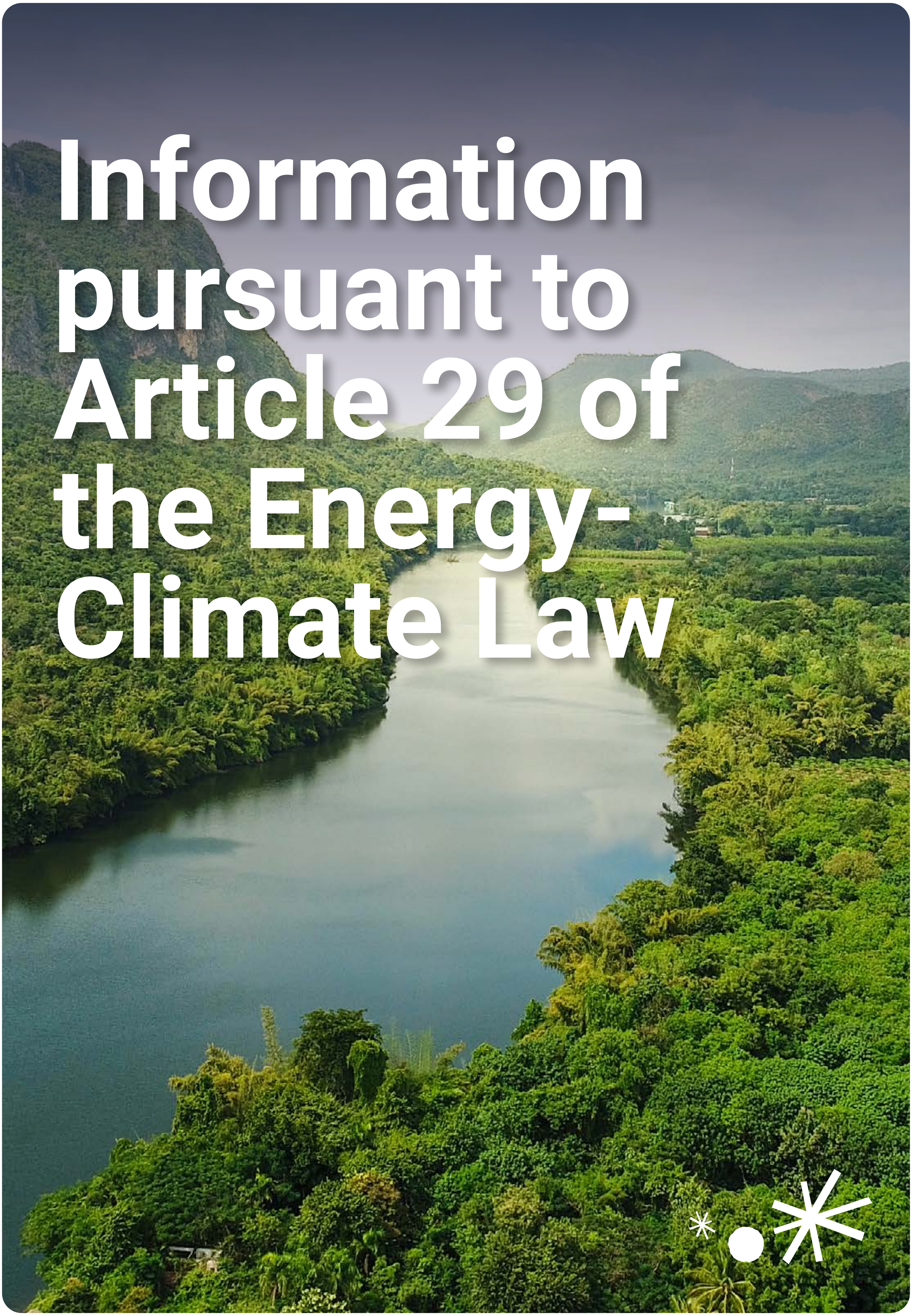
Information pursuant to Article 29 of the Energy-Climate Law



A | Overview of the entity's approach to environmental, social and governance criteria

In September 2015, the United Nations adopted the 2030 Agenda. This programme is based on the 17 Sustainable Development Goals (SDGs), broken down into 169 targets, all designed to address the main environmental and social issues of our time. Since 2016, we have chosen to rely on this programme to structure our responsible investment approach.

The 17 Sustainable Development Goals

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

This choice suggested itself because the SDGs are aligned with Mirova's philosophy, which was developed with the following ambitions:

- Integrate environmental and social issues as part of a comprehensive framework applicable to any economy, regardless of development levels;
- Apply this reference framework systematically across all sustainable development issues and stakeholders: not only at government level, but also that of companies and investors:
- Give pride of place to new forms of governance that place a premium on the 'general interest'
- Encourage a process of reflection on the contributions our investments can make to the development of new solutions and business models.

All our asset classes contribute to achieving the SDGs.

Equities (€18.4bn). Mirova offers funds covering the full range of sustainable development issues in the euroze, Europe and the rest of the world. Mirova also offers its clients strategies targeting specific issues such as the environment, employment in France and women's access to management positions.

Bonds (€4.5bn). Mirova has always been a pioneer when it comes to investing in green and social bonds. Our bond strategies, which cover the eurozone and global bonds, place issuer selection at the heart of the investment process.

Diversifieds (€0.1bn). Our diversified strategy targets mainly European companies whose products, services and practices contribute to the development of a sustainable economy. We invest in these companies via equities and bonds, varying the allocation but ensuring that, as a long-term investor, we maintain a stable capital allocation.

Energy-Transition Infrastructure (€3.3bn). Mirova offers investors a range of funds dedicated to financing the energy transition. These funds finance unlisted renewable energy projects positioned on mature technologies in Europe (wind, solar, biomass, etc.). These funds also finance energy storage and mobility projects.

Solidaire (€0.3bn). The aim of this strategy is to finance players in the Social and Solidarity Economy (SSE) and, more broadly, to directly or indirectly fund entrepreneurs developing impact solutions.

Natural Capital (€0.6bn). Mirova offers its clients investment strategies grounded in 'Nature-based Solutions'. These solutions aim to protect, sustainably manage and restore ecosystems, while providing human well-being alongside benefits for biodiversity and the climate. These include investments in reforestation, sustainable agriculture, ocean conservation and the restoration of degraded land.

Impact Capital (€91.6 million). Through our impact private equity strategy, we aim to combine financial returns with support for environmental transition of the economy:

- deploying 'acceleration capital' to develop sustainable businesses,
- addressing the key growth trends,
- supporting innovative solutions and technologies.

Source: Mirova as of 31/12/2022

> *“Mirova offers investors a range of funds dedicated to financing the energy transition. These funds finance unlisted renewable energy projects in Europe that are not listed on the stock exchange and are based on mature technologies (wind, solar, biomass, etc.).*

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ESG criteria and sustainability risks in the investment policy and strategy

Because we believe that the SDGs are likely to transform our economies, we believe that acting as a responsible investor means reconsidering the interactions between investors and the assets they finance. These interactions are commonly expressed through the notion of dual materiality, namely:

- Financial materiality, that is to say the financial risks posed by sustainability factors on our assets;
- Impact: how investors can contribute to the emergence of a more sustainable economy while limiting negative impact caused by the activities financed.

To make the greatest possible contribution to achieving the SDGs, we have developed a proprietary ESG rating methodology, which seeks to assess, for each of our investments:

- To what extent do the company's products, services or projects contribute to achieving sustainable development objectives?
- The share of ESG risks, through a study of issuers' risk management policies and monitoring of potential controversies;
- These elements are examined with a view to understanding their impact not only at the level of the company itself, but on its entire value chain.

Thanks to these analyses we are able to channel our investments into the most relevant themes, always with the same objective: to reconcile the creation of financial value with the pursuit of environmental and social impact.

- Poorly rated issuers are systematically excluded from our investment universe.
- Across all our asset classes, we aim to focus our investment choices on the best-rated issuers to the extent possible.

We updated our rating methodology in 2023 for three main reasons, namely to:

- Refine the monitoring and measurement of our investments' impact,
- Strengthen how we manage the risk of controversy,
- Ensure that our investments comply with our definition of sustainable investment and with common market practices.

Mirova's proprietary ESG analysis method rests on four principles

A POSITIVE IMPACT / RESIDUAL RISK APPROACH

There are two main pathways for contributing to the SDGs:

- The activities financed, i.e., the products and services offered, may make various positive contributions to achieving the SDGs.
- In their operations, companies may contribute through their practices to achieving the SDGs, for instance by creating sustainable, inclusive jobs, or through strong commitments to carbon neutrality over and above the green products they may offer, and so on.

This form of impact analysis is broken down into six pillar:

- Three relating to environmental issues: climate, biodiversity and the circular economy,
- Three relating to social issues: socio-economic development, health and well-being, and diversity and inclusion.

In order to carry out its analysis, Mirova relies on various sources of information (ESG rating agencies, proxy voting, sell-side financial analysts, news databases, etc.). The internal (primarily qualitative) analysis is carried out by members of the Sustainable Development Research team, who use external sources, in particular ISS (Institutional Shareholder Services) data. Furthermore, contributing to the success of the SDGs should not come at the expense of other social and environmental issues. That's why we give equal weight to the task of identifying and minimising risks in our valuations.

A LIFE-CYCLE ANALYSIS PERSPECTIVE

In order to identify the concerns likely to be relevant for an asset, the analysis of environmental and social issues needs take the entire life-cycle of products and services under consideration, from the extraction of raw materials to products' end of life.

ENSURING ISSUES ARE BOTH TARGETED AND DIFFERENTIATED

The issues companies face will vary from one sector to another and can even differ significantly within a single sector. This is why our analysis of risks and opportunities distinguishes 8 economic sectors and 21 sub-sectors. For example, while a focus in the textile sector is working conditions at suppliers' sites, when it comes to automotive production, we pay more attention to energy consumption during the product use phase. All our sector-specific methodologies can be consulted here.

QUANTITATIVE ANALYSIS

Our method also leverages quantitative indicators to refine our assessment. These indicators vary according to the sustainable development issue (biodiversity, governance, human rights, diversity, etc.) and asset class. These can take several forms:

- Physical indicators include tonnes of CO_2 equivalent, number of jobs created, proportion of women in management positions, etc.
- Level of exposure could be proportion of investments in climate solutions, human rights controversies, etc.
- Since the Regulatory Technical Standards (RTS) of the SFDR Regulation came into force, we have also been following 14 mandatory and 3 optional PAIs (Principal Adverse Impacts).
- or level of alignment with European taxonomy

The indicators are analysed at three distinct levels

- At the asset level, they are taken into account in investment decisions and serve as a basis for exchange with counterparties during the holding phase,
- At the fund level, they are used to ensure that performance objectives are met,
- And lastly, aggregated by asset class, these indicators make it possible to track Mirova's roadmap and overall impact.

IMPACT ASSESSMENT

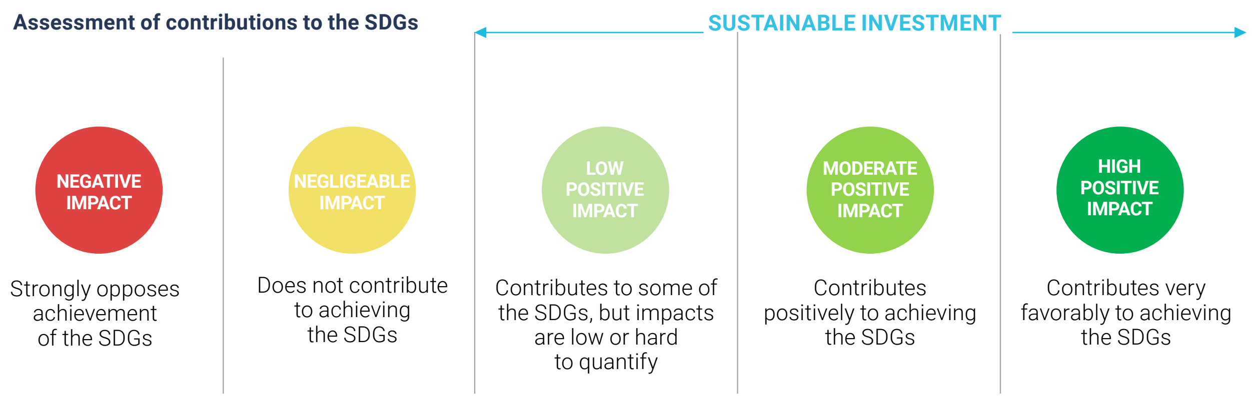
At the investment decision stage, application of these principles yields an overall qualitative opinion expressed on a five-point scale, making it possible to assess how consistent with achieving the SDGs the asset is. If significant harm is demonstrated or likely: the company is rated ‘Negative Impact’, regardless of any positive impact that may otherwise be generated, and is not eligible for investment. A company generating little or no positive and negative impact is considered to have a ‘negligible impact’. Stocks rated 'negative impact' and 'negligible impact' are excluded from our investment universe, ensuring that sustainability risks are strongly integrated into all our investment processes.

Mirova only invests in assets with a ‘positive impact’ rating (low positive impact, moderate positive impact and high positive impact) and does not invest in assets with a ‘negative’ or ‘negligible’ impact. This approach is consistent with the definition of ‘sustainable investment’ under the European SFDR Regulation[5], covering the following three aspects: positive contribution, DNSH (Do No Significant Harm) and good governance. It ensures that sustainability risks are firmly integrated into all investment processes and limits the potential negative impact of these investments. It also guarantees that Mirova's strategies meet the criteria for ‘significant engagement’ as defined in Recommendation DOC-2020 issued by the AMF (French market authority).

Mirova does not exclude any sector a priori and carries out an in-depth analysis of the environmental and social impact of each potential investment. In certain sectors, this analysis may lead to the exclusion of some or all of the companies therein. In the energy sector, for instance, no company involved in the extraction of coal and oil is currently deemed a 'sustainable investment'.

Companies in the renewable energy sector are likely to be viewed as having a positive impact, unless they fail to mitigate negative effects on other aspects of the environment or the economy. Mirova excludes from funds it directly

Sustainability impact opinion



Assessment of the level of residual ESG risk of the investment. Engagement plans are designed taking into account this level, in order to aim for an improvement of the risk profile of the investees over time.

High residual ESG risk level — Medium residual ESG risk level — Low residual ESG risk level

5 Article 2 17) of the Regulation Sustainable Finance Disclosure Regulation. The Sustainable Finance Disclosure Reporting (SFDR) Regulation seeks to enhance the transparency of financial markets with respect to environmental and social responsibility, notably by ensuring the provision of sustainability-related information on financial products (integration of sustainability risks and negative impacts). Its objectives are to ensure that commercial documents are in line with actual practices, that products are comparable in these terms and to steer private investment towards more responsible investments. These regulations apply at the level of the entity (asset management companies, investment companies, financial advisers) as well as financial products. Corporate publications and product pre-contractual documents will be modified as a result.

manages all companies involved in the manufacture, trade or stockpiling of anti-personnel mines and cluster bombs. Certain activities, such as tobacco, oil, coal, military activities, dangerous pesticides, gambling, adult entertainment and soft drinks are also ineligible for Mirova's portfolios.

Lastly, since the update of our ESG evaluation framework in January 2023, we have analysed the residual risk of each asset evaluated, i.e., risk associated with the industry to which the company belongs or its internal practices. Residual risk is rated on the three-point scale : low, medium or high. The residual risks linked to each asset are monitored and analysed on an ongoing basis via our OCTAVE platform. Such risks may prompt communication with the company and the launch of engagement actions, which can ultimately lead to divestment.

What is a sustainable activity as set out by the EU Taxonomy?

The taxonomy defines 6 environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, as well as protection and restoration of biodiversity and ecosystems.To be considered sustainable, an activity must meet the following three technical review criteria:

- ▶ Contribute substantially to one or more environmental objectives
- ▶ Cause no significant harm to any of the environmental objectives
- ▶ Be carried out in compliance with minimum social guarantees

Since January 2023, financial services companies are required to publish the share of their investments aligned with the taxonomy, i.e., the proportion of investments that qualify as financing sustainable activities under the taxonomy's definition.

Documents, frequency and channels used to inform clients about the ESG criteria taken into account by the investment policy and strategy

Our commitment also extends to ensuring transparent communication with our clients and stakeholders. All documents relating to the inclusion of ESG criteria in our investment policy and strategy can be accessed via the following means:

Publication type	Frequency of publication	Channel
Acting as a responsible investor	Annual	Website
Acting as a mission-driven company report	Annual	Website
ESG rating methodology	At each update	Website
Impact report (certain funds)	Annual	Website
SFDR periodic reports (by fund)	Quarterly	Website
Minimum standards and exclusions	At each update	Website
Voting and engagement policy	Annual	Website
Voting and engagement report	Annual	Website
Natural Capital - ESG Policy	At each update	Website
Compensation policy	At each update	Website
Methodology for measuring temperature alignment of listed equity portfolios	At each update	Website
Transparency code	Annual	Website

List of financial products classified as Article 8 or 9 under SFDR and share of assets under management for which ESG criteria are taken into account

100% of the funds managed by Mirova[6] are classified under Article 9 of the SFDR regulation. A list of funds can be found in section I (page 60) of this report and on our website. In consequence, 100% of our assets take ESG criteria into account.

6 With the exception of certain dedicated funds and funds delegated by management companies outside Groupe BPCE. The Sustainable Finance Disclosure Reporting (SFDR) Regulation seeks to enhance the transparency of financial markets with respect to environmental and social responsibility, notably by ensuring the provision of sustainability-related information on financial products (integration of sustainability risks and negative impacts).

ESG criteria taken into account in signing new mandates

Mirova does not delegate the management of its assets via mandates. We do, however, manage funds on behalf of third parties. The ESG rules and policy that our funds are subject to are also applied to such mandates: assets excluded from the investment universe of our funds are likewise excluded from mandates.

Participation of the entity and its financial products in a charter, initiative, label, etc.

To leverage its impact, Mirova stands out for its membership and active contributions in a number of industry initiatives. By such means, we aim to promote best practice, develop tools, share our expertise, enhance the competencies of financial institutions and influence the institutional framework, so that environmental, social and governance issues are better taken into account.

> *Mirova stands out for its membership and active contributions across a number of industry initiatives.*

Forum for the promotion of sustainable finance and professional bodies

International

Europe

France

Green & Social Bonds

Unlisted Investments

Low-carbon investments

Initiatives promoting Natural Capital and biodiversity

* via Mirova subsidiaries ** via Natixis

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As part of these collective initiatives, we have notably contributed in the last 12 months to the following:

• As part of the Finance for Biodiversity Pledge and in the leadup to COP15, the publication of the guide entitled *Act Now! The Why and How of Biodiversity Integration by Financial Institutions*, and the launch of the Nature Action 100, a coalition seeking to engage with the 100 companies that have the greatest impact on biodiversity.

• The work of the Taskforce on Nature-related Financial Disclosures (TNFD), which seeks to establish a framework for reporting and managing nature-related risks and opportunities both by companies and financial institutions.

• With Robeco and 11 other financial players, on the launch of a call for expression of interest (CFEI) to develop a global database of avoided emissions factors.

We also took part in COP15, speaking at parallel events that offered us an occasion to present our approach to biodiversity and, more specifically, our Natural Capital platform (Business & Biodiversity Forum).

Additionally, we participated in the first meeting of the High Level Working Group (HLWG) on innovative mechanisms to meet biodiversity financing needs.

Adrien Geiger, CEO of L'Occitane Provence and Head of Sustainable Development for the L'Occitane Group, Geraldine Vallejo, Sustainable Development Programme Director at Kering, and Gautier Quéru, Head of Natural Capital at Mirova, were able to present a case study of their contributions to the aims of the CBD (Convention on Biological Diversity). The 'Climate for Nature' strategy, managed by Mirova, will mobilise the resources of the luxury fashion and beauty sectors to support high-quality projects dedicated to protecting and restoring nature, as well as helping farmers in their transition to regenerative practices, delivering carbon credits and generating knock-on benefits for communities, with a focus on empowering women.

Continuous improvement plan

▶ Maintain all funds managed by Mirova 100% classified as Article 9 under SFDR[7]

▶ Continuously improve our ESG and impact rating methodology

▶ The new theoretical framework of our methodology requires that we reinvent ourselves and push the boundaries of what we do. That's why, over the next few years, we will be aligning our sectoral analysis frameworks.

▶ Continue to be an active member and driving force of collective initiatives

▶ Uphold our exclusion policy via:

- Active monitoring of controversial activities and practices and continuous updates to the policy

- Ongoing monitoring of companies' exposure to these exclusions

- Targeted dialogue with companies on the highest residual risks or significant controversies

- Participation in industry bodies aimed at raising awareness and developing best practices

7 Of the funds exclusively managed by Mirova / Mirova US, except for certain dedicated funds and funds delegated by management companies outside the BPCE Group. The Sustainable Finance Disclosure Reporting (SFDR) Regulation seeks to enhance the transparency of financial markets with respect to environmental and social responsibility, notably by ensuring the provision of sustainability-related information on financial products (integration of sustainability risks and negative impacts).

A VOICE FOR CLIMATE AND BIODIVERSITY

Mirova plays a role in a number of climate-related bodies. Our most concrete and emblematic commitments include participation in the following:

Ceres: Mirova is a member of CERES and the Climate Risk Investor Network. CERES is a global organisation that works to encourage companies to take action on climate change. The Investor Network on Climate Risk brings together more than 175 institutional investors who are tackling the challenge of climate change.

CPIC: Member of the Coalition for Private Investment in Conservation, which brings together players from the private sector and NGOs and seeks to solve the problem of the lack of investment in conservation efforts by identifying possible investments in this field.

IIGCC: Member of the Institutional Investors Group on Climate Change, a collaborative forum on climate change that brings together close to 120 institutional investors.

CBI: Member of the Climate Bonds Initiative, an organisation that supports the development of the green bond market to reduce the cost of capital for climate change projects.

CDP: A signatory, through Natixis, of the Carbon Disclosure Project, which aims to improve the quality of carbon/climate information published by issuers.

IETA: Through its subsidiary Mirova UK, Mirova is a member of the International Emissions Trading Association (IETA), a not-for-profit association established in 1999 to serve companies committed to market-based solutions addressing climate change.

Climate 100+: Initiative launched at the One Planet Summit that aims to secure commitments from boards of directors and governing bodies to implement a robust governance framework that clearly sets out the board's responsibility and oversight in relation to climate change risks and opportunities; to take action to reduce greenhouse gas emissions throughout their value chain, in line with the Paris Agreement and to provide better corporate information, consistent with the final recommendations of the TCFD.

GFANZ: The Glasgow Financial Alliance for Net Zero is an initiative launched by Mark Carney as part of COP 26 and the United Nations' Race To Zero initiative. Its role is to bring together the various industry initiatives aimed at aligning the sector with a carbon-neutral trajectory. Mirova participates in the working groups on sector trajectories (group nº 2) and portfolio alignment (group nº 4).

NZAM: Mirova is a signatory of the Net Zero Asset Manager Initiative, which brings together asset managers committed to achieving the global goal of carbon neutrality.

Investor Decarbonisation Initiative (Share Action): the Investor Decarbonisation Initiative aims to promote the power of the investment system to accelerate corporate climate action. Bringing together pension funds, charitable trusts and asset managers, the initiative mobilises investor support for science-based emissions targets and complementary commitments to renewable electricity (RE100), energy productivity (EP100) and electric mobility (EV100).

Finance for Biodiversity Pledge: The Finance for Biodiversity Pledge is a commitment by financial institutions to protect and restore biodiversity through their financial activities and investments. It consists of 5 actions that financial institutions commit to: collaboration and knowledge sharing, engagement with businesses, impact assessment, target setting, as well as public reporting on the above prior to 2025.

Sustainable Market Initiative Natural Capital Investment Alliance: Launched at the One Planet Summit for Biodiversity in January 2021, the Natural Capital Investment Alliance aims to engage with the asset management industry to mobilise this private capital in a concrete and effective way on behalf of natural capital opportunities.

Taskforce on Nature-related Financial Disclosures (TNFD): Taskforce on Nature-related Financial Disclosures: this international initiative is working to develop a common framework for financial institutions and companies to assess, monitor and disclose the financial risks associated with biodiversity loss.

Source: Mirova 2022

B | Internal resources deployed by the entity

Mirova stands out for the scale and quality of the resources dedicated to taking ESG criteria into account, for its active participation in the development of tools and for its dedication to continuous improvement.

Financial, human and technical resources dedicated to taking ESG criteria into account in the investment strategy

HUMAN RESOURCES

By definition, all of Mirova's resources are allocated towards taking ESG criteria into account in its investment strategy. ESG criteria are taken under consideration by all our teams: management, research, risk management, marketing, etc., **bringing the percentage of FTEs dedicated to ESG to 100%**. One of the key features of our commitment is the close link between the management team and the Sustainable Development Research (SDR) team, which consists of 18 Impact & ESG analysts, divided among listed and unlisted companies. Each analyst is also specialised in one or two sectors and a particular theme. Completely independent of the management team, Mirova's Impact & ESG analysts contribute to generating the sustainability impact assessments, which constitute the first stage in the investment process and lead to establishement of the eligible universe. During this phase, managers and financial analysts can discuss and exchange views with Impact & ESG analysts. The latter, however, have final say on the impact assessment and are thus empowered to exclude an investment.

> *"Completely independent of the asset management team, Mirova's ESG & Impact analysts participate in the Sustainability Impact Assessment*

The information provided reflects the opinion of Mirova / the situation at the date of this document and is subject to change without notice.

TECHNICAL RESOURCES

Mirova is unique in that it is both a user and a creator of technical resources. Through partnerships, with Carbon4 Finance and Iceberg Data Lab respectively, we have developed the two tools below:

- The Carbon Impact Analytics tool[8] (CIA), which provides, for each asset, a measure of induced emissions, avoided emissions, a qualitative analysis of future decarbonisation performance and an overall score.
- The Corporate Biodiversity Footprint[9] (CBF), one of the two main tools, along with the Global Biodiversity Score[10] (GBS), used by financial institutions to measure the biodiversity impact of financial portfolios.

We also use the following data for research, analysis and management purposes:

Supplier	Data
Carbon4 Finance	Climate data (induced and avoided emissions, overall score) for listed assets
I Care	Carbon data for unlisted assets
Iceberg Data Lab	Biodiversity impact data for financial portfolios
ISS-ESG	Sustainability rating & quantitative ESG data (use of water, composition of board of directors, share of women in management, income from controversial activities, etc.).
RepRisk	Monitoring of controversies
ISS	Proxy advisor
Fitch Ratings	Quantitative ESG data on Green and Social Bonds
Equileap	Data on gender equality
EU Tax Observatory	Research on tax issues
Stakeholders	Regular exchanges with the various stakeholders: issuers, the scientific community, trade unions, NGOs, brokers, etc.
Mines Paris Tech	Voting policy informed by the work of the named chair in 'Theory of the Firm: governance models and collective creation'
Ecole des Ponts Business School	Sponsor of the UNESCO Chair for the Systemic Integration of Anticipation in the Financial Sector (ISA)
Utrecht University & University of Sussex	Research project funding 'Deep Transitions Lab'
Public data	Corporate annual/sustainable development reports, university research, NGO reports, press, etc.

8 Carbon impact analysis
9 Corporate biodiversity footprint
10 Overall biodiversity score
11 Proxy advisors

All external sources are double-checked and cross-checked with our internal opinions. Mirova has developed its own research framework and relies on external research only for data collection and comparison purposes. The C4F CIA methodology we use incorporates a multiple-counting approach, which avoids the risks of double-counting specifically related to induced and avoided GHG emissions. In addition, the Sustainable Development Research team has a number of technical resources at its disposal to carry out its analyses. All these data have already been or will be integrated into a sharing tool developed in-house, called OCTAVE. OCTAVE is a proprietary tool at the heart of the management process, centralising all the ESG and financial analyses produced by the research and asset management teams, as well as tracking news, meetings with companies, voting and commitments. It is also an investment decision-making tool, thanks to its financial database on the stocks in the universe, which are used in various performance indicators discussed at management committee meetings. Lastly, OCTAVE is a tool for producing financial and non-financial reports.

FINANCIAL RESOURCES

The table below summarises the financial commitment made by Mirova and its affiliates in 2022 in terms of human and technical resources.

Resources	Relative value (%)	Absolute value
Full-time equivalent (FTE) jobs	100%	189
Of which Management team FTEs	53%	100
Of which Sustainable Development Research FTEs	13%	17
Investment in research (including payroll)	5%	€4,192k
External service providers and data suppliers (including ISS, Carbon4, Iceberg Data Lab, etc.)	3%	€1,091k
Budget devoted to ESG data / total budget (excluding payroll)	2%	€753k

Source: Mirova as of 31/12/2022

Actions taken to strengthen internal capabilities

In order to better meet market demand and offer new solutions, Mirova constantly seeks to strengthen its internal capabilities (skills, tools, data, etc.) and to develop new financial products.

INTERNAL CAPABILITY BUILDING

Following its adoption of the status of a mission-led company, Mirova established an ESG and impact finance training programme for new employees. In the first half of 2022, 46% of new employees completed the impact finance training course (due to a change of provider, the training was not offered in the second half of 2022). New employees were also able to enrol in the following training courses:

- Novethic Sustainable finance: the new deal, for 25 employees (12.6% of the workforce)
- Climate fresco for 27 employees (13.7% of the workforce); this training was offered to permanent and fixed-term contract employees, work-study students and trainees.
- Biodiversity fresco for 22 employees (11.1% of the workforce); this training was open to permanent and fixed-term contracts, work-study students and trainees.

Lastly, we offer the CFA® ESG investing course[12] for front-office (listed and unlisted asset management), risk, compliance and operations teams. A total of 17 employees (8.63%) completed this course in 2022, the year in which Mirova first offered it. Of these, 32% were new entrants. We have opened up the training to those with both fixed-term and permanent contracts. If we include the ESG CFA module[12], the Novethic course, and the 'Fresque du Climat', the overall total amounts to 65 employees, or 32% of the workforce.

DEVELOPMENT OF NEW FINANCIAL PRODUCTS

To meet market needs as effectively as possible, we are constantly seeking to develop new financial products and improve existing ones. Over the last 12 months, we have created the following products:

- Following the acquisition of SunFunder East Africa Ltd, Mirova launched the Mirova Gigaton strategy in March 2023.*which raised $171 million at first close. This 'blended finance' fund aims to accelerate the transition to clean energy, mainly in emerging countries;
- In response to social and environmental challenges, Mirova Foundation, Mirova's endowment fund, has chosen to support the France Active non-profit network to strengthen cooperation channels between SSE (Social and Solidarity Economy) companies and thus facilitate their access to inclusive investment. This support takes the form of a €2.1 million partnership over 3 years.

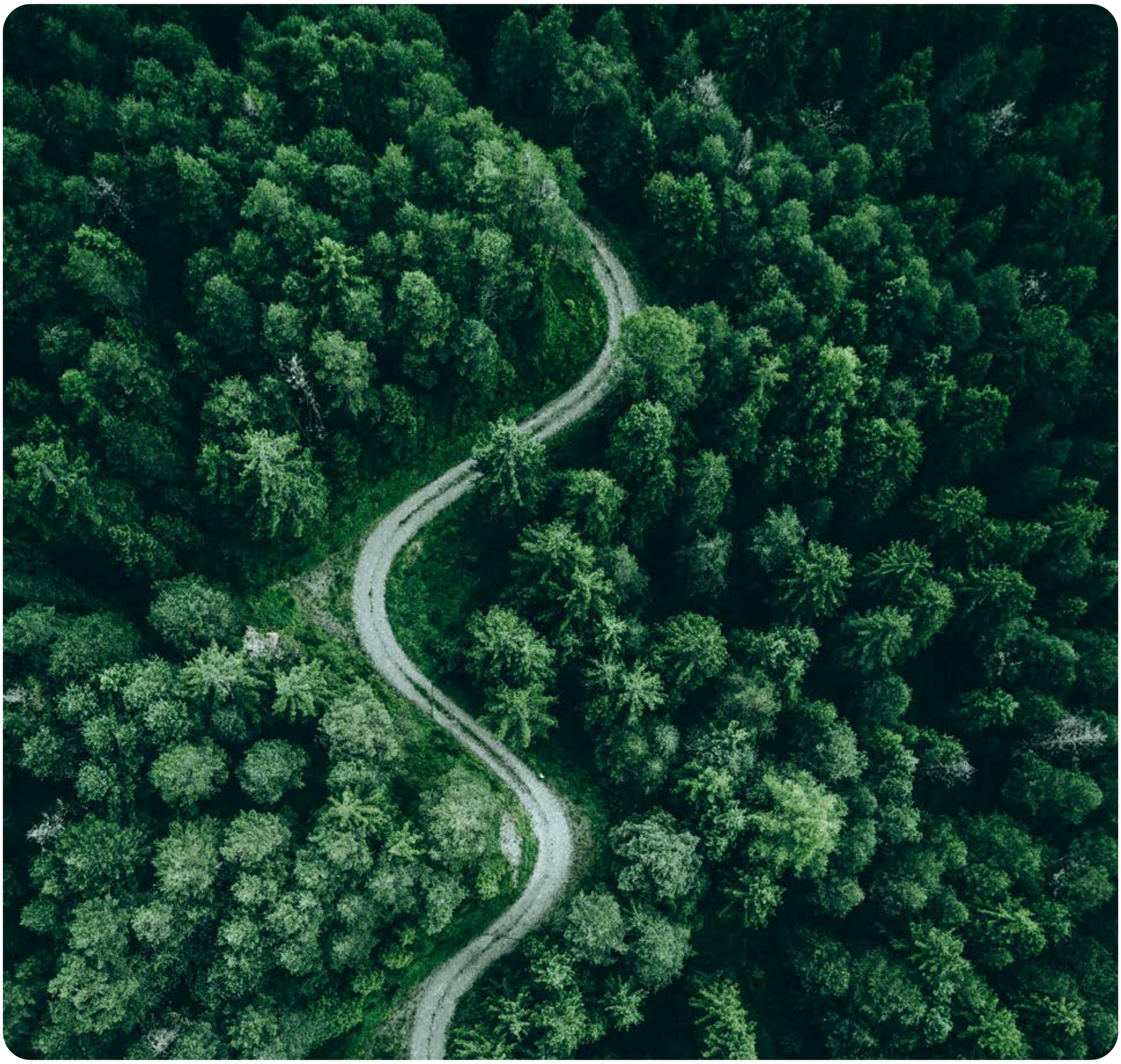
* Investment in this strategy is subject to a risk of capital loss. The strategy is reserved for eligible investors.

> *“We are constantly seeking to develop new financial products and improve existing ones.*

12 CFA® and Chartered Financial Analyst® are trademarks of the CFA Institute. Reference to a ranking, a label and/or an award does not indicate the future performance of the UCITS/AIF or the fund manager. For more information about labels please refer to the end of this document.

Continuous improvement plan

- ▶ Maintain an annual Research and Development budget of at least €5.4 million.
- ▶ Offer the impact finance training programme to 100% of new employees.
- ▶ Aim for 10% of employees to have CFA Institute® ESG certification.
- ▶ Continue to launch innovative initiatives as regards products and approaches designed to make an impact.
- ▶ Deepen Mirova's expertise in understanding social issues / the social solidarity transition.
- ▶ Mobilise key results from our partnership with the European Tax Observatory to enhance the expertise of the Sustainable Development Research Department on these subjects.



C | ESG criteria in the entity's governance

Insofar as Mirova is an asset management company dedicated to responsible investment and whose impact ESG criteria permeate all aspects of Mirova's governance.

Knowledge, compentencies and experience of governing bodies with respect to decisions on the integration of ESG criteria in investment policy and strategy

As an asset management company dedicated to responsible investment and impact, taking ESG criteria into account guides all of Mirova's governance, which is comprised of three bodies: the Board of Directors, the Management Committee and the Mission Committee. The composition of these bodies offers multidisciplinary experience, covering the full range of ESG issues:

- The Board of Directors is tasked with approving Mirova's strategic direction and overseeing its activities. Its membership consists of:
  - Christophe Lanne, Chairman and Chief Executive Officer of Natixis Investment Managers International. The Chairman of the Board of Directors also sits on the Mission Committee
  - Nathalie Wallace, Head of Responsible Investment at Natixis Investment Managers
  - Cyril Marie, Chief Financial Officer, Strategy and Development, Natixis Investment Managers
  - Alain Bruneau, representing Natixis Investment Managers Asset & Wealth Management
- The Executive Committee brings together the heads of Mirova's various departments: CEO, Sustainable Development Research, Risk Management, Equities and Bond Management, Human Resources, CSR and Culture, etc.
- This is Mirova's strategic and operational governance body;
- The Mission Committee has 10 members. It is chaired by Alexis Masse, former Chairman of FIR (Responsible Investment Forum), Deputy Tax Inspector in charge of GRDF strategy and Chairman of France Active Investissement. The committee performs the following functions:
  - monitors practical implementation of Mirova's mission,
  - serves as a guide and pathfinder on all of Mirova's strategic issues.

These three governance bodies are the guarantors of Mirova's strategy and ensure that we carry out our mission as a responsible investor.

In addition to the control exercised by the Board of Directors, internal audits are regularly carried out by Natixis and BPCE.

The Executive Committee is responsible for designing the growth strategy, which includes product development, climate trajectory policy and so on. A governance body that includes members of Mirova's Executive Committee (CEO, COO, Head of Research, Head of Development), is also responsible for approving any new product development.

Continuous Improvement Plan

▶ Deepening our reflections on how to integrate ESG or mission-related criteria into remuneration schemes and/or employee evaluations.

▶ Considering the possibility of incorporating ESG criteria as part of the internal rules governing Mirova's Board of Directors.

Integration of sustainability risks in remuneration policies

Established in accordance with the provisions of the SFDR regulation, the remuneration policy encourages all Mirova employees to contribute to the success of our responsible investment policy. Remuneration includes both a fixed and a variable component, which depends on the assessment of collective performance, measured at the level of the asset management company and the products managed, as well as individual performance. Quantitative and qualitative targets vary according to the functions performed by each category of staff. Specific criteria incorporating ESG issues are set out for all employees, particularly the asset management teams. Members of the latter are assessed differently, based on the type of portfolios they manage.

If a major sustainability risk materialises and has significant and lasting negative impact on the value of the funds/products under management, the amount allocated to individual variable remuneration may be reduced or cancelled, as well as, where applicable, maturities in the process of being vested with respect to variable remuneration previously allocated and deferred. Mirova's remuneration policy is public and may be consulted on our website.

Inclusion of ESG criteria in the internal regulations of the Board of Directors

Natixis-BPCE, the Natixis Investment Managers entity, has undertaken a review of its rules of governance and the integration of environmental, social and governance quality criteria into the internal regulations of its Board of Directors.

Article 1.1 currently states that 'The Board of Directors determines the direction of the Company's business and ensures its implementation, in accordance with its corporate interests, taking into consideration the social and environmental challenges of its business'.

A pis under consideration to deploy these objectives within the supervisory bodies of Natixis Investment Managers' subsidiaries (including Mirova), adapted to the characteristics of each entity and on a case-by-case basis.

D | Strategy for engagement with issuers and/or asset management companies and implementation thereof

Mirova firmly believes that a financial services company must have an impact on the economy not only through the allocation of capital, but also through engagement actions, both collective and individual, targeting companies and regulators alike. In general, we use our expertise to encourage the adoption of strategies and policies in line with the Sustainable Development Goals (SDGs).

Scope and objective of our engagement policy

The figure below summarises our engagement policy.

What goals?	Improve the practices of companies and project developers		Contribute to developing the RI market
What targets?	COMPANIES & PROJECTS		RI MARKET REGULATOR
What types of engagement?	**Company engagement**	**Collective engagement**	**Advocacy**
With which stakeholders?	- At company level - At project development level	- Multiple companies in a single sector - Industry/trade associations - Regulators - Relevant stakeholders (NGOs, etc.)	- RI sector/trade associations - Public decision-makers/regulatory authorities - Relevant stakeholders (supranational organisations, NGOs, etc.)
By what means?	**- Voting - Ongoing dialogue with the company or project leaders**	**- Investor groups - Stakeholder campaigns**	**- Investor Declarations - Working groups**

SUSTAINABLE DEVELOPMENT GOALS

All companies, regardless of their size, economic sector or history, contribute to the creation of long-term value, for the benefit of all shareholders and stakeholders. We are also rolling out our engagement policy across all our asset classes. We favour constructive dialogue with companies. We do not apply a single escalation strategy, as we believe that case-by-case analysis enables us to identify the most appropriate means of stepping up our action. Our escalation tools are varied and include requesting a meeting with the Chairman of the Board or the Chief Executive, participating in a collective engagement or using our voting rights (for listed assets). We prioritise engagement with companies where:

- We have identified a number of sustainability concerns that merit further attention;
- We need to conduct a thorough examination of their approach to the fair distribution of value;
- We believe our expertise can help guide and develop the company's sustainable development journey.

Mirova defines priority themes annually. For 2023, our efforts will focus on:

- Mitigating climate change,
- Preserving biodiversity,
- Promoting the circular economy,
- Socio-economic development,
- Health and well-being,
- Diversity and inclusion,
- Sustainability governance,
- Fairness.

Our commitment priorities are shared with all our portfolio companies at the beginning of the year.

Finally, we are currently involved in eight collaborative engagement platforms.

ENGAGEMENT ON LISTED ASSETS

In our engagement with portfolio companies, we pursue two main goals:

- Implementing concrete actions to meet the crucial challenges of mitigating climate change, preserving biodiversity, protecting human rights and reducing inequalities (fair sharing of added value, diversity);
- Integrating sustainability at the core of corporate governance and improving transparency in terms of impact on sustainability factors.

For example, in terms of climate change, we encourage companies to:

- Measure their greenhouse gas emissions over the entire lifecycle, including relevant Scope 3 emissions,
- Avoid and reduce GHG emissions by:
  - ▸ Setting science-based targets
  - ▸ Adopting GHG emission reduction strategies that take into account the entire scope of influence of the business, including indirect emissions,
- Developing carbon offsetting and negative emissions.

Similarly, in terms of both listed comanies' and bond issuers' committments, preserving biodiversity must be a priority. On an individual level, we expect companies to:

- Evaluate and report their most material impacts and dependencies, specifying where in the value chain they are found, at least for the most sensitive sectors
- Interpret their impacts and dependencies and prioritise action in areas where the company has influence;
- Measure biodiversity risks and set targets for mitigating them, as well as publishing their targets, methodologies and reference thresholds, consistent with the recommendations of the TNFD,
- Take action to:
  - Avoid deforestation and the destruction of natural habitats and promote, through their procurement policy, the conservation of all natural habitats and areas of major importance in terms of of biodiversity,
  - Assess their dependence on water throughout their value chain and implement mitigation plans in water-stressed areas,
  - Disclose any use or manufacture of chemicals that are harmful within the meaning of regulations and international conventions,
  - Adopt an approach based on circular economy principles.

“Mirova strives to identify companies and projects that have a positive impact.

GREEN AND SOCIAL BONDS

By investing in sustainable bonds, Mirova aims to target companies and projects that have a positive impact. To guard against any risk of 'green washing' or 'social washing' and to reinforce our positive impact, we are implementing a reinforced engagement policy. To achieve this, we have involved the entire Sustainable Development Research team and the heads of our Fixed Income team. Our aim is to gain in-depth knowledge of both projects and issuers through constructive, high-quality dialogue. If our expectations are not met, the financial products are considered ineligible or sold, if they are held in the portfolio, as per the rules described in our internal procedures.

Mirova has also established a strategy covering the entire life-cycle of a green bond:

Engagement Phase 1
Pre-transaction phase focusing on communication and raising awareness

Engagement Phase 2
Exhaustive analysis at time of issuance on the primary market

Engagement Phase 3
In-depth follow-up afterissue of the bond

Our bond engagement policy may also take the form of a collective framework as, for instance, within the International Capital Market Association and the Climate Bonds Initiative.

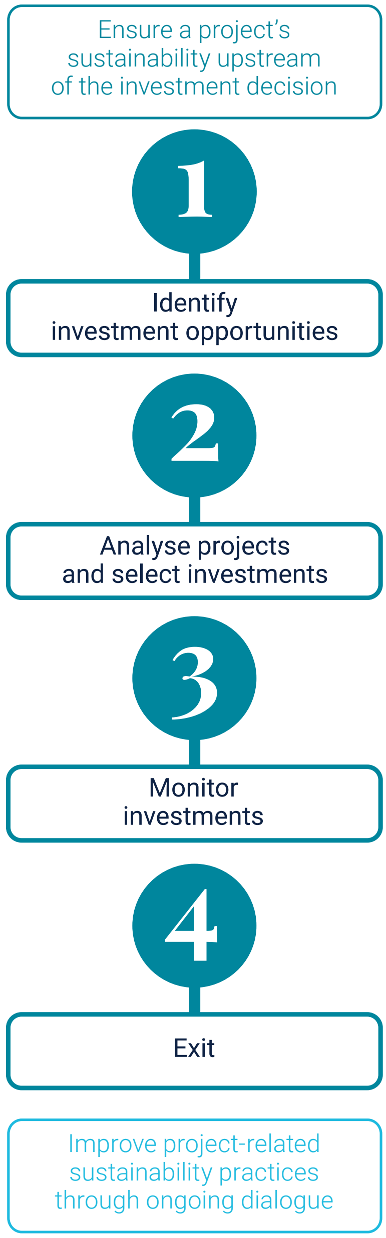
UNLISTED ASSETS

Mirova has developed an ambitious policy of investing in energy transition infrastructure. As part of our engagement policy, we seek to make a detailed assessment of risks and opportunities, focusing especially on the level of risk inherent in the nature of an asset, its location and the quality of risk management processes.

To this end, we maintain an ongoing dialogue with project sponsors and companies during the investment phase. Our objective is twofold:

- Ensuring the sustainability of the project prior to the investment decision, and
- Improving sustainability practices during the holding phase

The figure opposite summarises our approach:



We also pay particular attention to our investments in natural capital, because of the co-benefits they produce in terms of combating climate change, as well as preserving biodiversity and the aquatic environment, gender equality and support for local communities.

To ensure that our investments in natural capital projects live up to their promises, each investment is preceded by an in-depth analysis, focusing on positive impact (conservation, restoration or rehabilitation of ecosystems, combating climate change, etc.), as well as the quality of environmental and social risk management (labour law, health and safety, respect for the rights of indigenous peoples, etc.). This due diligence process leads to the identification of ESG areas for improvement, which are formalised in the joint development of a binding environmental and social action plan. This plan includes specific actions, associated with indicators and a timetable for implementation. If any actions are deemed to be priorities, their adoption may be a prerequisite for the investment decision or disbursment of a portion of the funds. We also seek to strengthen the positive impact of our private equity funds by raising their level of ambition and improving the ESG performance of portfolio companies.

“We also pay particular attention to our investments in natural capital

To this end, we have two levers:

• Firstly, an impact plan, drawn up in close collaboration between Mirova's Investment and Sustainable Development Research teams and the company. The aim of this plan is to identify, quantify and monitor the environmental impacts generated by the company over the period of its ownership;

• Meanwhile, Mirova engages companies to ensure they establish a Sustainability Roadmap and identify avenues for ESG and CSR improvement.

In both cases, the progress companies make is monitored on a regular basis, enabling ongoing exchanges to assess the extent to which the sustainability objectives being pursued are achieved and to formulate recommendations.

ENGAGING WITH REGULATORS AND CIVIL SOCIETY

Finally, Mirova targets regulators, local and professional organisations and, increasingly, civil society. Our aim is to advocate for regulations and standards conducive to the development of top-quality sustainable finance, with the goal of contributing to the large-scale reallocation of capital towards assets that promote the transition to a sustainable economy. More specifically, our advocacy actions aim to:

• Give investors the means to identify opportunities and risks (reporting by issuers and the financial sector),

• Remove barriers and design tools to enable the development of a high-quality sustainable investment market (recognised, stringent and comparable norms, labels and standards), making it possible to identify products' level of ambition and guard against the risks of greenwashing;

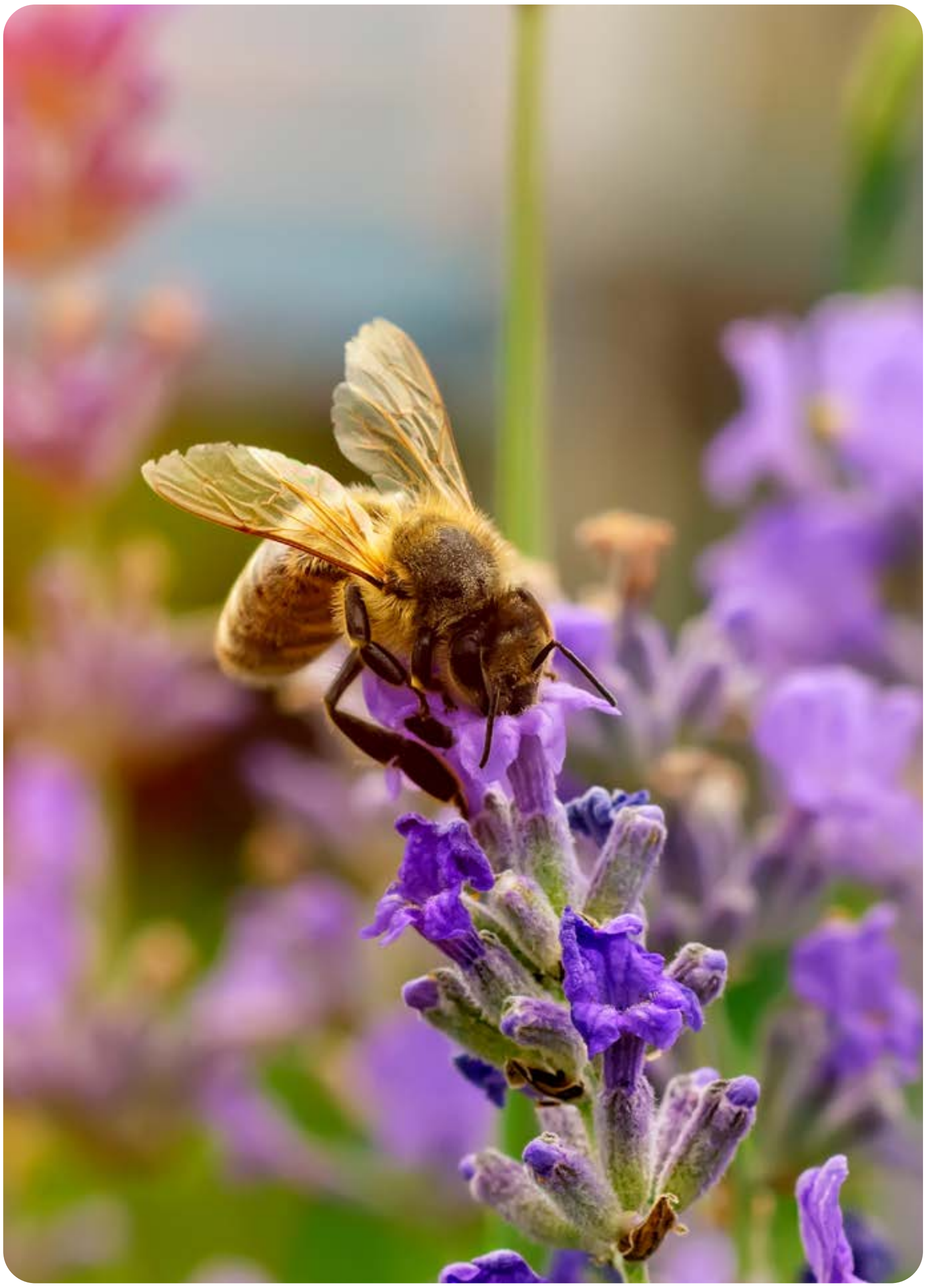
• Contribute to the development of sustainable investment, in particular by promoting innovation.

Mirova's advocacy work relies on multiple tools, which include:

• Drafting position papers following announcements or publications by various stakeholders (regulators, labelling bodies, etc.)

• Participating, by responding to consultations, in the deliberations of regulatory bodies and industry organisations devoted to responsible investment

Our engagement policy is detailed in a dedicated document.



Presentation of the voting policy

The principles of our voting policy are established by the Sustainable Development Research team, which includes two specialists in social, environmental and governance issues. The policy is updated annually. Our voting policy promotes the following principles:

- The development of long-term shareholding, suited to supporting companies' sustainable development,
- Governance that brings stakeholders on board and takes CSR issues seriously,
- A fair distribution of value to stakeholders that promotes sustainability;
- Transparency and quality of financial and non-financial information, through audited reporting that takes sustainable development issues into account.

Voting decisions devolve to the Voting Committee, which consists of the Chief Investment Officer (CIO), the Head of Sustainable Development Research and the Head of Equity Management at Mirova. Shareholder resolutions of a social, political or environmental nature are analysed on a case-by-case basis. Generally speaking, we support resolutions calling for greater transparency in terms of social and environmental responsibility.

Review of the engagement strategy

In 2022, our commitment priorities were as follows:

- Combating climate change and preserving biodiversity,
- Promoting human rights and diversity,
- Integrating sustainability issues into governance, fair sharing of added value and the measurement and reporting of impacts.

In order to achieve our objectives, we have carried out engagement initiatives across all our asset classes:

- We held 94 advanced dialogues on our stock portfolio. Of these, 57 of these concerned the environment, 48 social issues and 59 were associated with governance issues.
- 28 issuers of green and social bonds were targets of engagement;
- Lastly, 100% of unlisted projects were subject to engagement sequences.

LISTED EQUITY ENGAGEMENT

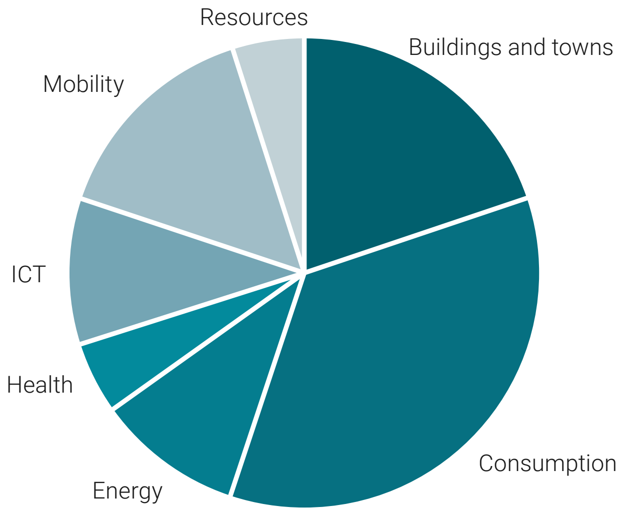
In 2022, our engagement focused on governance, the fight against climate change, the preservation of biodiversity, human rights and issues related to human capital and human development. 32 targeted engagements were undertaken in relation to climate. In general, Mirova sought details concerning the scope employed for greenhouse gas emissions, the extent of carbon offsetting, the timetable for implementing decarbonisation measures, and the like. To inform our assessment of whether companies' targets are achievable, we expect information demonstrating the robustness of their transition plans in terms of implementation and risk.

We have, for example, launched engagement with Ørsted[13] following an injunction issued by the Danish Government, in the context of Russia's aggression against Ukraine, to reopen three power plants that generate electricity from oil and coal. Ørsted confirmed its long-term decarbonisation strategy, and we were able to secure commitments on matters of circular economy, such as ending the landfill of wind turbine blades.

In the year of COP15, and in keeping with our long-standing commitment, we have also been very active on biodiversity, with 20 engagements on this topic. To take but one example, we encouraged Symrise to make commitments in line with SBTN[14] (Science-Based Targets Network) recommendations. We also looked at whether the company was involved in animal testing upstream on its value chain. We learned that the company was improving its animal welfare practices. We have also supported Symrise's efforts to focus its plant sourcing on areas where it can participate in biodiversity conservation projects and share the benefits with indigenous communities.

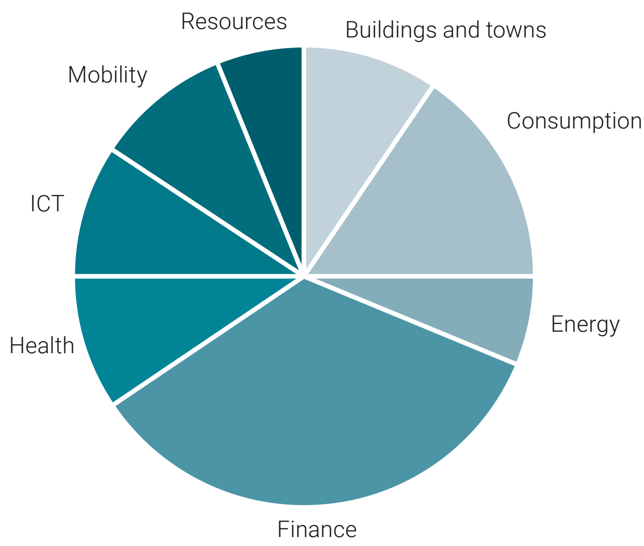
13 Securities are mentioned for illustrative purposes only and such references in no way constitute investment advice, a recommendation or a solicitation to buy or sell.
14- The SBTN defines and promotes best practice in setting science-based targets. The SBTN offers a range of resources and advice on goal-setting.

Sector breakdown of biodiversity engagement in 2022



Source: Mirova, as of 31/12/2022

Sector breakdown of climate change engagement in 2022



Source: Mirova, as of 31/12/2022

BONDS

Mirova initiated dialogue with 28 green and social bond issuers, including the Government of Canada, in connection with green bond issues. We made it clear that we want to see impact criteria and funding eligibility procedures spelled out in detail.

UNLISTED ASSETS

In 2022, our requests relating to energy infrastructure projects focused on the following topics in particular:

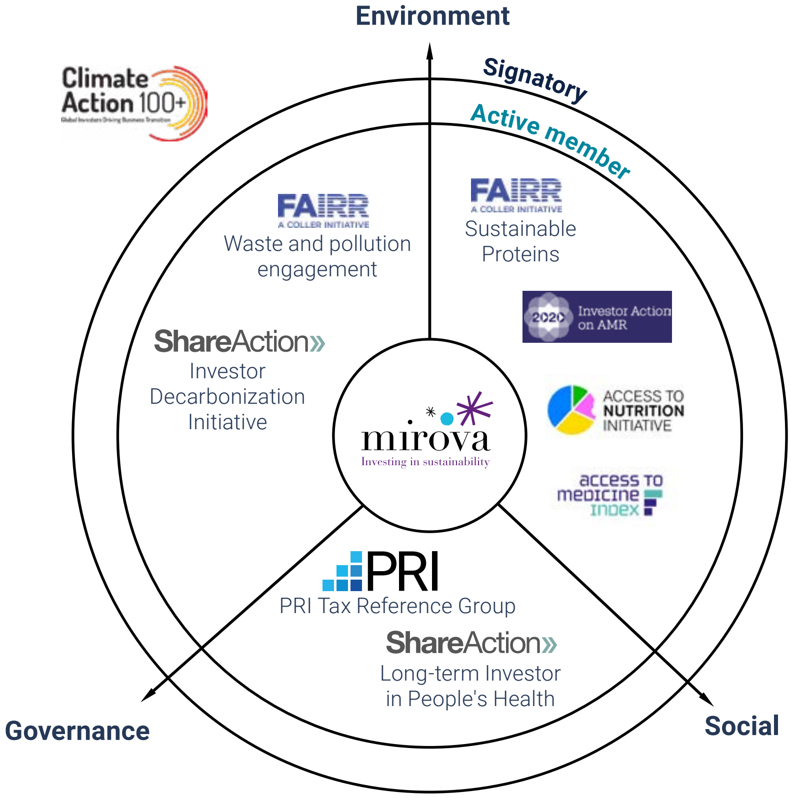
- Obtaining quantitative information (number of jobs created, GHG emissions avoided, etc.) proving the environmental and social impact of a project or company,
- The inclusion of ESG criteria, such as working conditions or pollution prevention, in the selection process for suppliers of goods and services,
- Follow-up on the correct application of mitigation and compensation measures.

In the realm of natural capital, we engaged with Aquatech[15] in accordance with the process described above: due diligence, environmental and social action plan, etc. The ensuing ambitious action plan calls, among other things, for a strengthening of internal ESG capabilities and sustainability certification for all aquaculture farms. In 2022, in addition to appointing an ESG manager, Aquatech[15] developed procedures and policies to monitor the quality of effluent from its aquaculture farms.

In private equity, our ambitions takes shape though our[16] 'Mirova Environment Acceleration Capital' strategy, which focuses on five issues identified as key: agricultural technologies, the circular economy, clean energy, natural resources and sustainable cities.

> *Mirova engaged in dialogue with 28 issuers of green and social bonds*

15 Securities mentioned are referenced for illustrative purposes only and in no way constitute investment advice, a recommendation or a solicitation to buy or sell.
16 Investment in this strategy is subject to a risk of capital loss. Reserved for eligible investors.



COLLABORATIVE ENGAGEMENTS

In 2022, we participated in the work of 8 collaborative engagement initiatives, presented above:

The goals of these platforms are detailed below:

- The PRI (Principles for Responsible Investment) Tax Reference Group, open to all PRI signatories, is a group aimed at sharing knowledge on tax issues.
- Climate Action 100+ is a coalition of investors seeking to convince the companies emitting the most GHG to reduce their emissions with a view to achieving carbon neutrality by 2050, in line with the Paris Agreement. Launched in 2017 for a period of 5 years, the initiative has just entered a second phase.
- The Investor Decarbonization Initiative aims to harness the power of financial players to accelerate climate action by companies, in particular through a clear and coherent engagement policy focused on ensuring that companies set science-based decarbonisation targets, in line with the stipulations of the Paris Agreement, and adopt practical measures for decarbonisation.
- For over ten years, the Access to Medicine Foundation has been encouraging the pharmaceutical industry to improve access to medicines for people in low- and middle-income countries.
- The Access to Nutrition initiative aims to encourage key players in the food system, starting with industrial firms, to double down on efforts at ensuring that all people, particularly the most vulnerable, benefit from affordable and healthy food.
- FAIRR Sustainable Protein encourages the world's leading agri-food companies to diversify their protein sources and thus reduce their dependence on animal proteins.
- FAIRR Waste and Pollution commitment targets ten of the world's largest pork and poultry producers, as well as two agrochemical companies, to solve both animal waste management and nutrient pollution problems by encouraging companies to use manure as fertiliser.
- Launched at the World Economic Forum in 2020, the Investor Action on AMR initiative seeks to mobilise investors in the fight against global antimicrobial resistance (AMR).

By way of example, Mirova is fully committed to the development of the Taskforce on Nature-related Financial Disclosures (TNFD), a framework for reporting and managing nature-related risks and opportunities. More specifically, we have been active in the working group on 'Landscape of Standards & Metrics'.

Mirova has also signed open letters published by coalitions of investors. Under the auspices of the FAIRR Initiative and as part of a group of investors collectively managing over $14 trillion, we sent a letter to the Food and Agriculture Organization (FAO) encouraging them to publish a roadmap for aligning the agri-food sector with the objectives of the Paris Agreement. The letter also points to the negative impacts of the sector, such as deforestation, loss of biodiversity, malnutrition and the development of antibiotic resistance.

ENGAGEMENT WITH REGULATORS AND ADVOCACY

We have actively contributed to the discussions of regulators and market players, with the aim of promoting a framework and tools that support the development of sustainable finance. This was reflected in two comments made as part of the consultation on changes to the Socially Responsible Investment (SRI) label:

- We regretted a lack of ambition on the part of the label, which promotes 'best in class' investment strategies and excludes only 20% of issuers from the investment universe.
- While we welcomed the inclusion of the dual materiality approach, we shared our significant expectations regarding the label's overall ambition and exclusion policies.

In the United States, we took part in the consultation launched by the Securities and Exchange Commission (SEC) seeking to combat greenwashing by strengthening ESG transparency requirements for funds and investments. In particular, we asked the SEC to ensure consistency of the three categories it has proposed with SFDR classifications, namely: 'ESG Impact', 'ESG Focused' and 'ESG Integration'.

MONITORING THE EFFECTIVENESS OF OUR ENGAGEMENT POLICY

While it is difficult to measure the success of an engagement policy or to isolate the share attributable to Mirova's actions, we keep a record of our discussions and communications via a proprietary platform. This enables us to track the progress made by companies over time in a qualitative manner.

Review of voting policy, particularly with regard to ESG resolutions

RESOLUTIONS SUBMITTED BY COMPANIES

The resolutions tabled by companies in 2022 covered the following topics:

COMPANIES FILING RESOLUTIONS

Theme	Number of companies	Percentage of companies
Transparency of information	465	95%
Value-sharing	463	95%
Balance of power	441	90%
Financial structure	242	50%
Operations and functioning of the Board of Directors	145	30%
Amendment to the Articles of Association	148	30%
Shareholder resolutions	102	21%
Other	2	1%

Source: Mirova, as of 31/12/2022

Value sharing and the transparency of information, both financial and non-financial, account for the largest share of negative votes:

- In 2022, 77% of companies received at least one negative vote on the topic of value sharing,
- Our negative vote rate remained high on resolutions relating to balance of power, falling from 72% in 2021 to 69% in 2022. We cast a negative vote whenever ESG criteria were not met (for example, a minimum of 40% women on the Board of Directors or a lack of CSR criteria in the remuneration policy). As a result, we voted against the re-election of at least one member of the management boards of 72 companies on the grounds that their extra-financial performance reports had not been independently audited.

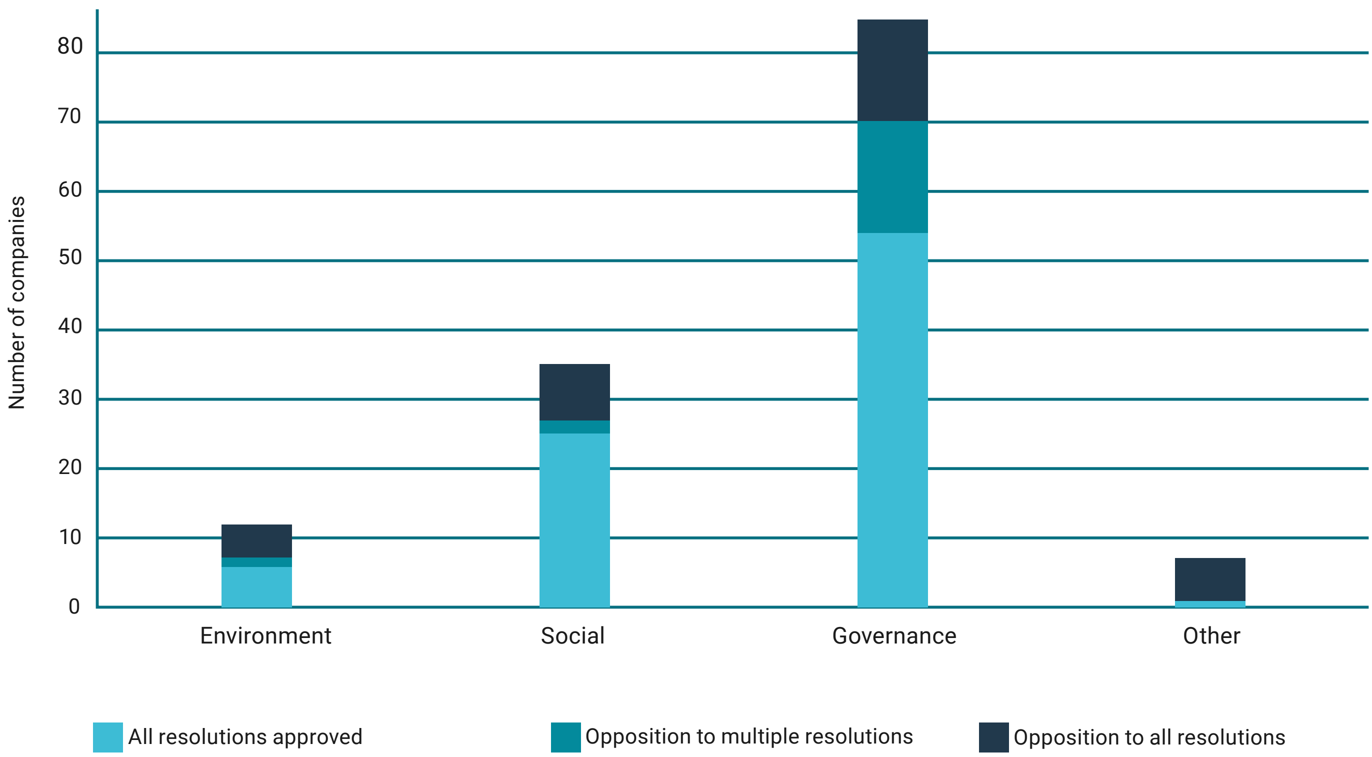
SHAREHOLDER RESOLUTIONS

The majority of external resolutions put to the vote in 2022 concerned corporate governance (70%), followed by social issues (21%) and the environment. The resolutions relating to governance involved the independence of the Chairman of the Board of Directors, diversity within the Board and among employees, and inclusion of non-financial criteria in the remuneration policy. Mirova voted in favour of all resolutions at 64% of companies and in favour of some at 19% of companies.

Resolutions of a social nature also covered a wide range of subjects, from reducing the gender pay gap to a company's lobbying activities or tax practices. 71% of companies received positive votes from Mirova on all resolutions; 6% received our support for only some of the resolutions. Environmental resolutions called for transparency with regard to combating climate change, but also on other environmental issues, such as the protection of biodiversity. We voted in favour of 10 of the 17 resolutions. Mirova felt that 7 of these resolutions were too prescriptive and not detailed enough.

Mirova is in favour of filing Say on Climate resolutions, which allow shareholders to express their opinion on a company's transition plan. We see them as a good way of exchanging and promoting best practices. A favourable vote for Say on Climate does not, however, constitute Mirova's definitive approval of a company's strategy, which will continue to be reviewed.

Voting on shareholder resolutions



Source: Mirova, as of 31/12/2022

The information provided reflects the opinion of Mirova / the situation at the date of this document and is subject to change without notice.

2022 was also the second consecutive year in which Mirova participated in filing shareholder resolutions. This happened at the General Meetings of two portfolio companies. While we were interested in tabling a resolution at the Orpea General Meeting but, despite the seriousness of the controversy triggered by the company's practices, it was not possible to do so because of the legal framework for submitting resolutions in France. We were nevertheless able to put the matter on the agenda.

Decisions on investment strategy, including sector divestments

When it comes to listed assets, we always give priority to dialogue and supporting companies in moving forward. However, during the escalation process, if the company's progress and/or practices prove insufficient to maintain eligibility, divestment may be considered as a last resort.

Continuous improvement plan

- ▶ Better targeting of companies benefiting from engagement initiatives (directly linked to the updating of the ESG evaluation method, engagement efforts could in future be directed as a priority at companies for which the residual ESG risk is high);
- ▶ Implementation of a formal process to monitor all engagement activities carried out (success rate, etc.).
- ▶ To draw up a roadmap in 2023, in close collaboration with Mirova's senior management, defining the objectives and mechanisms of our advocacy strategy.
- ▶ Monitoring the impact of our advocacy and awareness-raising initiatives (publications and press coverage in France and abroad, presentations at events organised by distributors, impact finance training, etc.).

“if the company's progress and/or practices prove insufficient to maintain eligibility, divestment may be considered as a last resort.

E | Alignment with the European Taxonomy and fossil fuel policy

Mirova has worked extensively to promote an ambitious European taxonomy and strives to maximise alignment; meanwhile, our method of analysis is reflected in a very demanding policy for fossil fuel exclusion.

Green share

To date, only Delegated Act (EU) 2020/852 relating to the two climate objectives (mitigation and adaptation) has been published. For the first time, we are presenting the alignment of our portfolios. As data is not yet being reported by companies, the proportion of eligible and non-eligible assets is based on estimates.

Information	Percentage
Share in total assets of exposures to economic activities eligible for the taxonomy*.	31%
Exposure to economic activities not eligible for the taxonomy* as a proportion of total assets	69%
Exposure to central governments, central banks or supranational issuers as a proportion of total assets*	5.1%
Share aligned with taxonomy based on turnover	19.7%
Share aligned with taxonomy based on capital expenditure	17.3%
Percentage of assets covered by the KPI (Key Performance Indicator) as a share of the asset manager's total investments (total AuM). Excluding investments in sovereign entities	86%

* Voluntary ratio reflecting estimates of the level of alignment of counterparties
Source: Mirova as of 31/12/2023

Percentage of assets invested in companies active in the fossil fuel industry

Mirova has built its business on taking environmental issues into account in its overall investment strategy. As a result, Mirova applies a policy of exclusion in the fossil fuel sector, which is available on its website. This includes companies:

- Involved in the extraction, processing/refining and trading of fossil fuels, including:
  - More than 5% of revenue derived from coal or oil, including unconventional oil,
  - More than 10% of revenue generated by unconventional gas,
- More than 50% of revenue derived from the sale of equipment or services dedicated to the fossil fuel sector
- Producers of electricity (more than 10% of sales from electricity production) whose energy mix is coal dominant and whose carbon intensity exceeds 350 gCO_2/kWh.

As defined in the Delegated Act pursuant to Article 4 of the SFDR regulation, the share of assets under management in the fossil fuel sector is 4.38%.

Conventional natural gas is not subject to exclusions, due to the complexities of this issue. Although it can serve as a transitional fuel in certain circumstances, almost complete decarbonisation will be necessary in the long run to limit warming to 2°C. New gas infrastructures could help to reduce emissions in the years ahead, but they could also lead to lock-in effects, prolonging the use of fossil fuels. Furthermore, the gas supply chain, particularly that of unconventional gas, is particularly dangerous and difficult to control, likely to have a negative impact on the local environment and to emit high levels of escaping greenhouse gas emissions, which can cancel out its climate benefits.

We do not apply this exclusion policy to green bonds. In fact, we consider that a green bond is not equivalent to financing the issuer itself, but rather the green projects for which the funds are intended. To be eligible for our investments, a green bond must demonstrate:

- Positive contribution of funded projects to environmental objectives;
- Management of the environmental and social risks associated with projects throughout their life-cycles;
- Alignment with the company's overall approach regarding transition to a low-carbon economy.

Continuous Improvement Plan

► Following the adoption of the delegated act to the Taxonomy regulation relating to the four other environmental objectives, Mirova will seek to maximise its investments in eligible activities relating to the sustainable use and protection of marine and aquatic resources, the protection and restoration of biodiversity and ecosystems, the prevention and control of pollution and the transition to a circular economy.

► Improve the monitoring of our investments in the fossil fuel sector within the meaning of the SFDR regulation

F | Strategy for alignment with the Paris Agreement

Since its creation in 2014, Mirova has set itself the goal of leveraging investment to help combat global warming. We are now aligned with the Paris Agreement, notably thanks to a demanding investment strategy, based on an alignment methodology we developed in partnership with Carbon4 Finance.

Establishing a quantitative target for 2030 and review every five years through 2050

For all its investments, Mirova seeks to align its portfolios with an average temperature increase of 2°C right away and thereby contribute to achieving carbon neutrality in 2050, as stipulated by the Paris Agreement. We believe that, at the level of our asset management company, this positioning makes it possible to aim for alignment with the most ambitious climate scenarios.

	Mirova consolidated Equity portfolio	MSCI Europe	CAC 40	MSCI World	Mirova consolidated Fixed income	Bloomberg euroagg 500 total return index value unhedged EUR	Blooberg Euro Aggregate Corporate Total Return Index Value Unhedged EUR
	< 2°C	2.5 - 3°C	2.5 - 3°C	3.5 - 4°C	1.5°C	2.5 - 3°C	2.5 - 3°C
Induced emissions (tCO_2/€m)	109	201	218	142	205	146	186
Emissions avoided (tCO_2/€m)	-31	-12	-20	-8	-477	-28	-53
Coverage	99%	99%	100%	98%	75%	91%	91%

Source: Mirova, as of 31/12/2022

Description of our in-house methodology

In 2016, Mirova developed an in-house methodology for measuring the 'temperature' of listed assets in partnership with Carbon4 Finance, with which it has maintained a relationship since 2014, using the Carbon Impact Analytics (CIA) methodology.

Firstly, the methodology calculates induced and avoided lifecycle emissions for all companies in the listed investment universe, using a bottom-up approach for the sectors with the most serious climate issues.

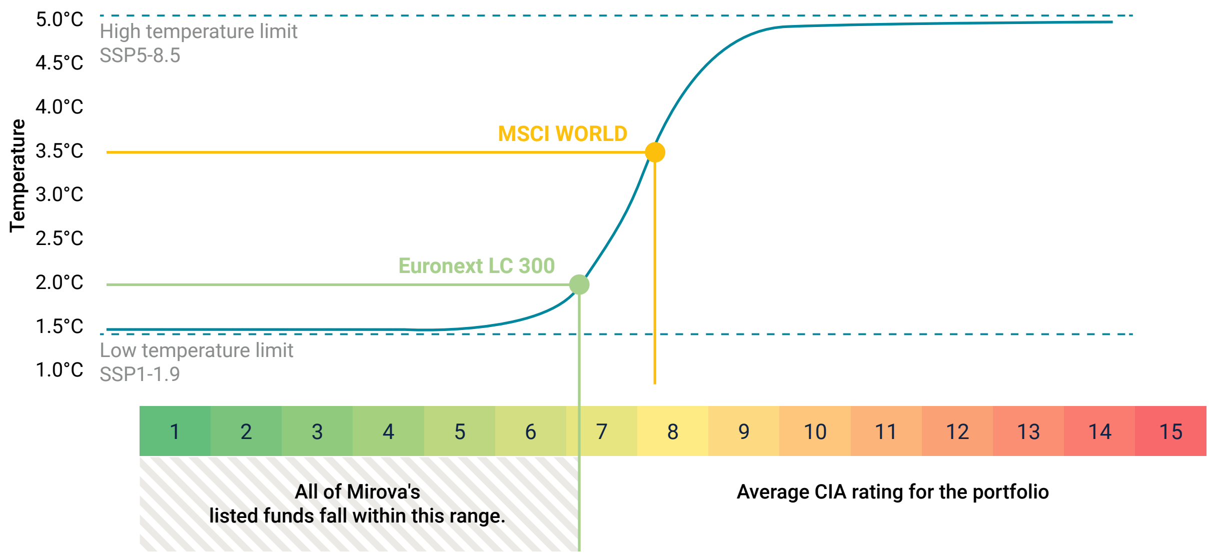
This calculation is supplemented by a qualitative assessment of policies implemented by the companies, such as:

- Decarbonisation targets set for certain timeframes, for example as part of initiatives such as the Science-Based Targets initiative (SBTi).
- Investments, namely capital expenditures (CAPEX) and operating expenditures (OPEX) made in view to an ambitious energy transition.

In a second step, Mirova uses aggregate CIA ratings to deduce the temperature at portfolio level, according to the following principles:

- We pair the average CIA temperature rating of the portfolio with a temperature of 3.5°C, which corresponds to that of the MSCI World, the traditional market-cap weighted index.
- The second calibration point in the formula is set at 2°C, the upper bound established by the Paris Agreement. The Euronext Low Carbon 300 index has been chosen to represent an economy aligned with a 2°C scenario. The LC300 is a Paris-Aligned Benchmark within the meaning of the Benchmark Regulation and has the particularity of being optimised on the basis of the CIA rating;
- An S-shaped curve, as shown below, joins the two calibration points described above and moves towards the extreme scenarios (1.5°C and 5°C).

Curve translating the average CIA rating into temperature at portfolio level



Source: Mirova, as of 31/12/2022

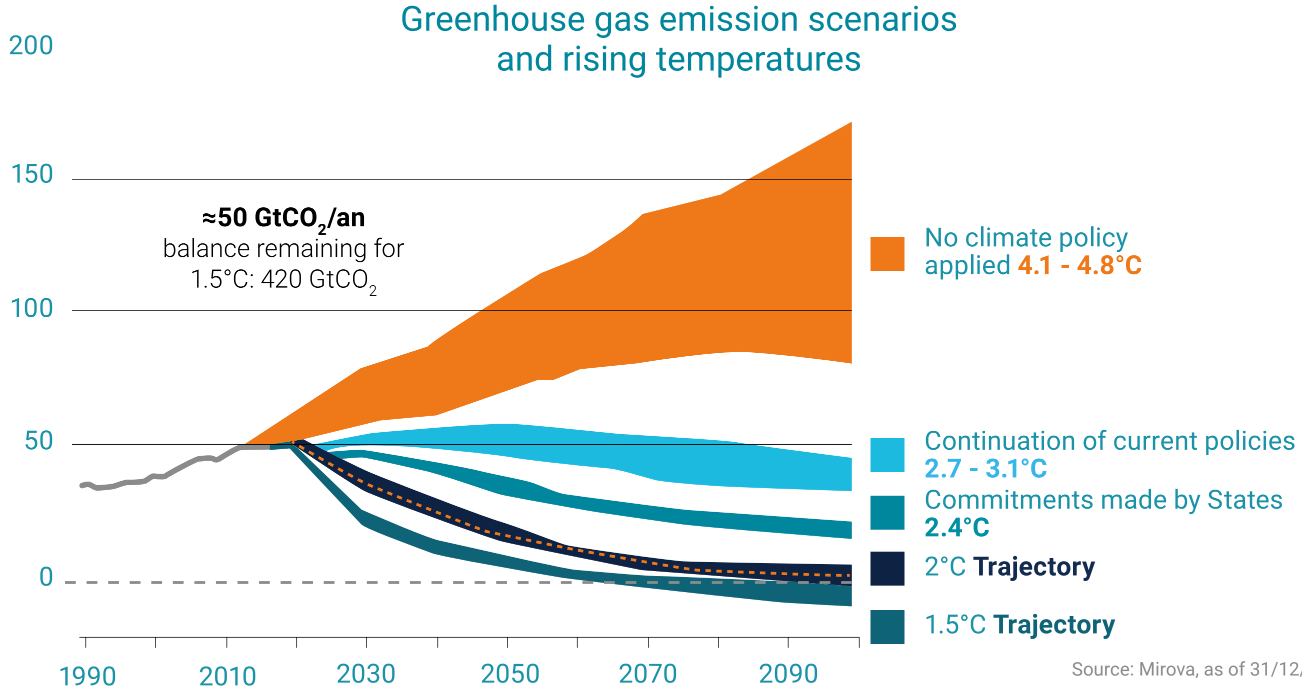
This methodology is explained in more detail in our document Temperature alignment measurement of rated portfolios.

Mirova continues to measure and understand, as accurately and relevantly as possible, the alignment of its investments with climate objectives. Mirova's temperature alignment measurement methodology will undoubtedly continue to evolve in the future, in particular as a function of:

- Available data and their quality,
- The evolution of greenhouse gas emissions, which could follow any of the scenarios presented below and thus require more or less drastic efforts to respect the global carbon budget.

With regard to the risks of double-counting specifically linked to induced and avoided GHG emissions, the C4F CIA methodology we rely on incorporates a multiple-counting treatment.

Greenhouse gas emission scenarios and rising temperatures



Source: Mirova, as of 31/12/2022

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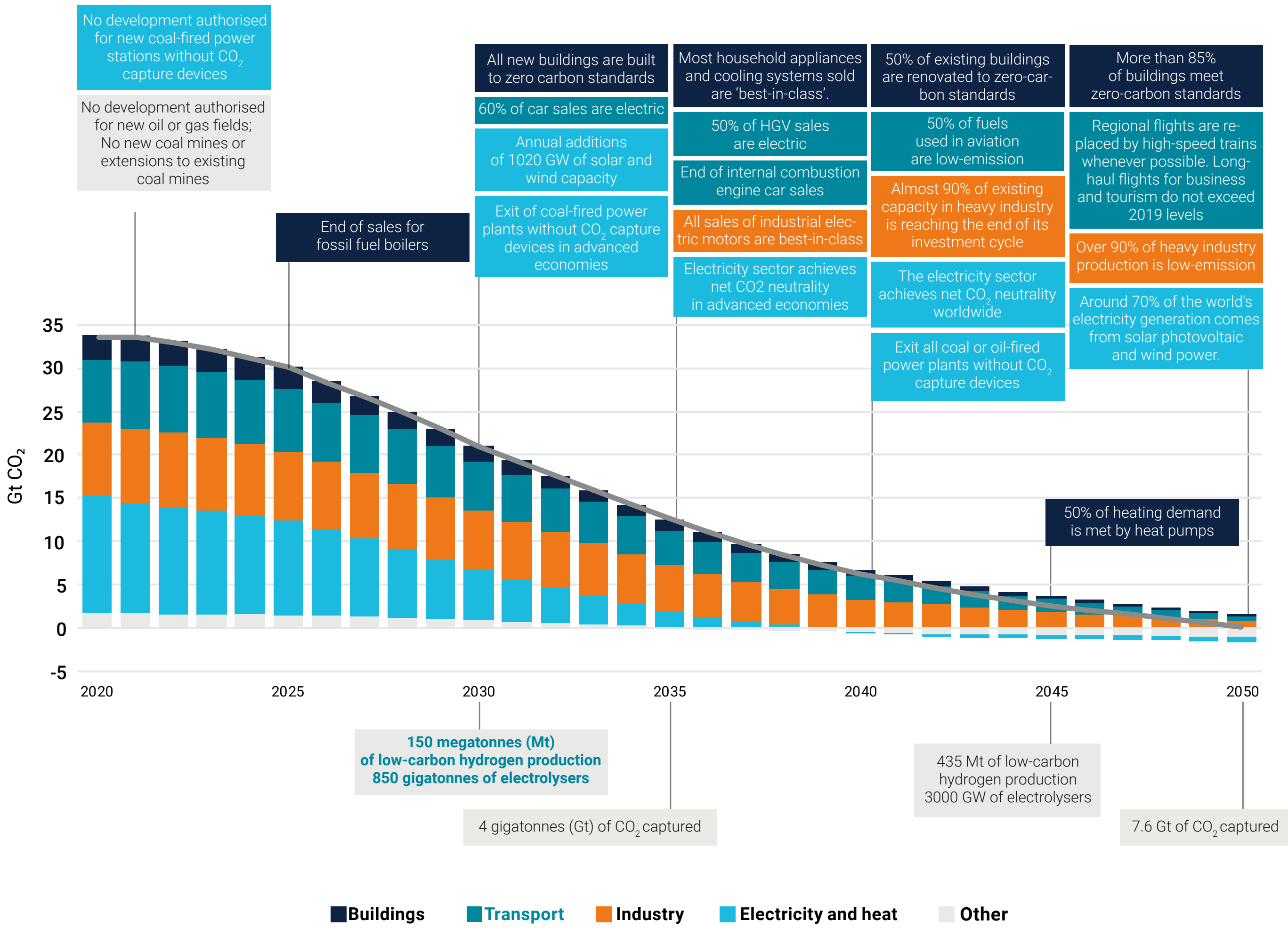
Role and use of evaluation in the investment strategy and complementarity with other ESG indicators

Given our alignment objective and our desire to produce a positive environmental impact, Mirova has identified the sectors that contribute most and the actions to be implemented.

For this purpose, we relied on the Net Zero by 2050 scenario from the International Energy Agency (IEA). The IEA's work shows that the climate challenge primarily involves structural changes to the energy production, transport, building and industry sectors. Drastically reducing emissions also requires profound changes in the agriculture, livestock and forest management sectors, which account for almost a quarter of global emissions. Finally, achieving carbon neutrality will require a transformation of current practices to make nature an ally against climate change by increasing natural carbon sinks.

On the basis of this analysis, Mirova takes issuers' transition commitments into account in all its investment strategies. We are also committed to allocating our capital to companies that provide solutions.

Key milestones on the IEA's path to net carbon neutrality



Source: Mirova, as of 31/12/2022

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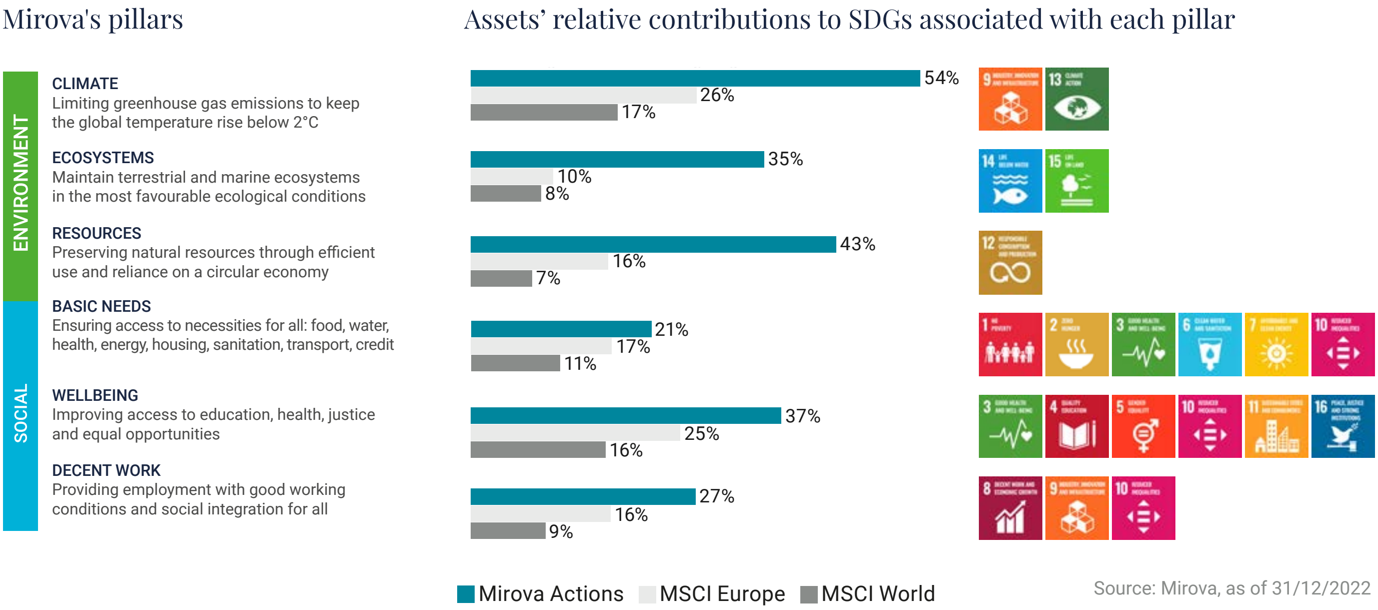
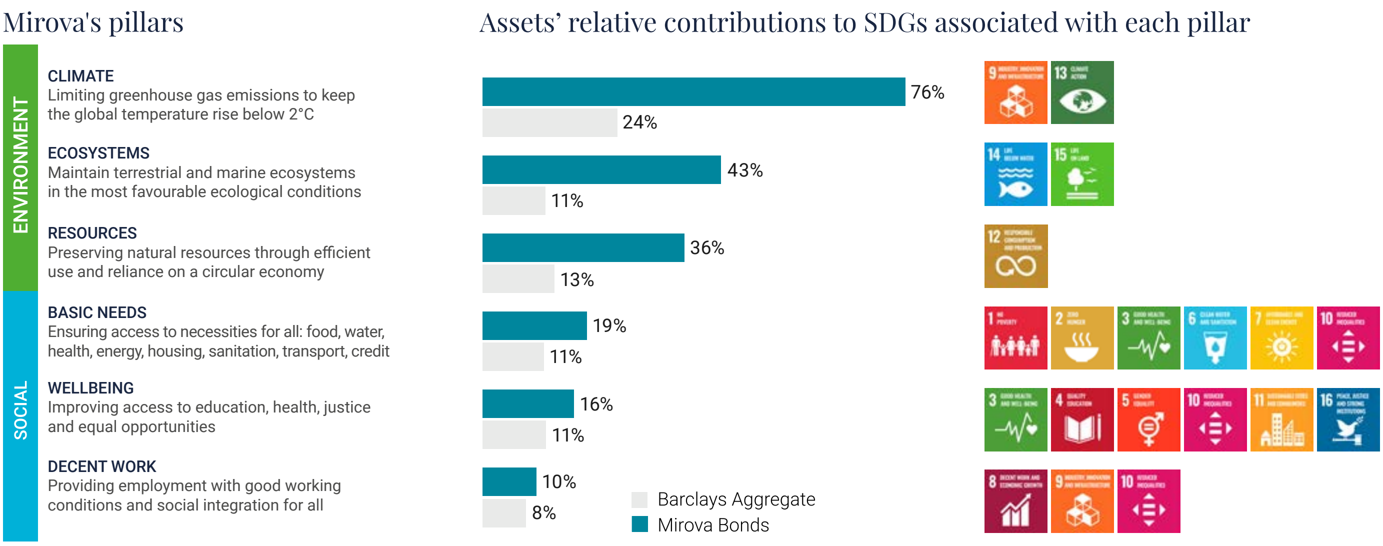
The tables below illustrate how, through our equity and bond investments, we place a significant emphasis on assets that have a positive impact on climate issues.

Mirova shares - Share of investments rated Positive or Committed by impact pillar as of 31/12/2022



Source: Mirova, as of 31/12/2022

Mirova Bonds - Share of investments rated Positive or Committed by impact pillar as of 31/12/2022



Source: Mirova, as of 31/12/2022

Mirova's extra-financial reporting evolved during 2023 to integrate the rating system of Mirova's reinforced methodology. This methodology has already been integrated into our processes and is in the process of being incorporated into our reporting. However, it cannot incorporate the 2022 assessments a posteriori. For more information on our methodology, please refer to: www.mirova.com/fr/notre-approche-de-levaluation-esg-et-de-limpact.. For more information on the potential limitations of the extra-financial strategy, please refer to the 'Risks' section, and more specifically to 'ESG Investments - Risk and Methodological Limitations' of the document.

Thanks to the CIA method described in this report, we have access to carbon data (induced and avoided emissions, temperature) on listed assets. We also have data on unlisted assets through our work with I Care. Mirova stands out in particular for its high proportion of green bonds, which represent 72% of our holdings in this asset class. We have also developed climate-specific strategies:

- In terms of listed investment, we offer thematic equity funds dedicated specifically to the environmental transition, with a dominant climate focus in their investment themes. Our climate-focused thematic strategies are Mirova Europe Environmental Equity Fund and Mirova Climate Solutions. In the bond market, we were one of the pioneers of investing in green and sustainable bonds with our Mirova Global Green Bond strategy.
- In terms of real assets, we invest in what is known as 'energy transition' infrastructure, and more specifically in renewable energy or low-carbon mobility projects. Our impact private equity business strives to accelerate the growth of innovative companies. As part of this approach, in 2021 we launched a pan-European private equity fund focused on the environmental transition.
- In addition, the development of our natural capital investment platform enables us to contribute to the financing of carbon sinks.

Lastly, Mirova's proprietary rating methodology ensures that our climate-friendly investments do not undermine other ESG criteria. This approach complies with the definition of 'sustainable investment' according to the European SFDR regulation: positive contribution, DNSH[17] (Do No Significant Harm) and good governance. It ensures that sustainability risks are firmly integrated into all investment processes and limits the potential negative impact of these investments.

> *"Mirova's proprietary rating methodology ensures that our climate-friendly investments do not undermine other ESG criteria.*

17 Article 2 17) of the Regulation Sustainable Finance Disclosure Regulation. .The Sustainable Finance Disclosure Reporting (SFDR) Regulation seeks to enhance the transparency of financial markets with respect to environmental and social responsibility, notably by ensuring the provision of sustainability-related information on financial products (integration of sustainability risks and negative impacts). Its objectives are to ensure that commercial documents are in line with actual practices, to ensure that products are comparable in these terms and to steer private investment towards more responsible investments. These regulations apply to entities (management companies, investment companies, financial advisers) as well as to products. Company publications and pre-contractual product documents will be modified as a result.

Actions to monitor results

It is now clearly established that greenhouse gas (GHG) emissions linked to human activity are, and will continue to be, the cause of rising global temperatures. However, despite the proliferation of scientific publications on the subject, measures taken by public and private decision-makers to reduce emissions and adapt to unavoidable climate change remain woefully inadequate, given the scale of the issue. Our emissions of CO_2, methane and other greenhouse gases are already responsible for a temperature rise of +1.1°C (IPCC, 2021). Climate models predict that if greenhouse gas emissions continue to rise over the coming decades, the average temperature increase on Earth compared to the pre-industrial era could reach +5°C by the end of the century. In this scenario, areas currently home to hundreds of millions of people will become uninhabitable for humanity. In areas that remain viable, it will be extremely difficult–over and above the economic consequences–to guarantee food and physical security for a very large proportion of the population. Current government policies could limit the increase in average temperature to 2.5-3.0°C by 2100. Such warming would also have very serious consequences. With regard to rising sea levels, for example, the latest IPCC models[18] predict a rise of 40 to 80 cm for global warming of +2.7°C, a level sufficient to affect many densely populated coastal areas. Mirova has a team of 17 experts on the subject, who keep a watchful eye to ensure that our investment policy keeps up with the state of the science at all times.

> *“Mirova has a team of 17 experts in the field, who keep a watchful eye to ensure that our policy keeps pace with the science at all times.*

Frequency of assessment

Carbon data (Scopes 1, 2, 3 and avoided emissions) are verified to ensure compliance with a 1.5/2°C trajectory and actively disclosed for all Mirova portfolios. In our monthly reporting, we publish portfolio alignments for all Mirova portfolios.

Continuous Improvement Plan

- ▶ Continue to develop the internal temperature rating methodology
- ▶ Review our decarbonisation target at least every five years
- ▶ Further develop our Natural Capital platform

18 The IPCC, Intergovernmental Panel on Climate Change, is an intergovernmental body responsible for assessing the extent, causes and consequences of ongoing climate change.

G | Strategy for alignment with long-term biodiversity objectives

In 2020, we published our first biodiversity roadmap. The year 2023 has enabled us not only to update this roadmap but also align it with the objectives set for 2030 by the Kunming-Montreal Accord. As a financial institution, we are concerned specifically by target #19, which aims to mobilise $200 billion a year by 2030. This section explains how Mirova intends to contribute to achieving the targets of the Kunming-Montreal Accord and to continue developing the Corporate Biodiversity Footprint (CBF) tool.

Compliance with the objectives of the Convention on Biological Diversity (CBD)

The Convention on Biological Diversity, adopted in 1992, has three objectives:

- Biodiversity conservation,
- Sustainable use of biodiversity,
- Access to genetic resources and the fair and equitable sharing of benefits arising from their use.

ACCESS TO GENETIC RESOURCES AND FAIR AND EQUITABLE SHARING OF THE BENEFITS ARISING FROM THEIR USE

Access to and sharing of benefits arising from the use of genetic resources is governed by the Nagoya Protocol, adopted in 2010.

This agreements enables States to regulate access to genetic resources, clarify the conditions of access and ensure that benefits are shared.

In order to contribute to this objective, Mirova encourages companies in the sectors concerned (chemical, agri-food and pharmaceutical industries) to reduce risks and create positive impact.

- Chemicals and food:
  - ▸ Creating an ad hoc regulatory due diligence committee during the R&D phase,
  - ▸ Funding projects to preserve biodiversity in the area of origin of substances,
  - ▸ Prioritising the development of products that have the most positive local outcome in terms of their impact on local communities.

- Pharmaceuticals:
  - ▸ Creating an ad hoc regulatory due diligence committee during the R&D phase,
  - ▸ Publicatshing decoded pathogen sequences,
  - ▸ Prioritising vaccines and medicines likely to have the most positive impact.

CONSERVATION AND SUSTAINABLE USE OF BIODIVERSITY

The Kunming-Montreal Accord, concluded at the 15th Conference of the Parties to the CBD in December 2022, sets 4 objectives and 23 targets for the conservation and sustainable use of biodiversity by 2030 and beyond.

Mirova is committed to making a significant contribution to achieving the targets set out in the Global Framework for Biodiversity adopted in Montreal, leveraging three activities that can be measured using verifiable indicators:

- Target #8 on restoring ecosystems by financing nature-based solutions through our natural capital platform, and exploring the development of biodiversity certificates.
- Target #15 on reducing the negative impacts and increasing the positive impacts of companies by using abundance measures such as MSA.km² in their selection part of listed equity portfolio strategies.
- Target #19 on leveraging finance for biodiversity by aligning our investments with biodiversity taxonomies, as evidenced by the share of revenues of invested companies engaged in eco-business.

In addition, we will continue to ensure that nothing significantly hinders achievement of the other targets through dedicated risk management policies.

Helping to reduce the main pressures and impacts on biodiversity

In 2020, Mirova published the first edition of 'Mirova for Nature', our biodiversity roadmap. Updated in 2023, this document lays out a comprehensive and consistent approach for all our asset classes.

Mirova's efforts to reduce negative pressures and impacts while generating positive impact rest on three pillars.

MAKING A POSITIVE IMPACT THROUGH OUR INVESTMENT STRATEGY AND THEMATIC FUNDS

Our biodiversity investment strategy is cross-functional. It strives to have a positive impact on biodiversity while limiting the negative impacts caused by our financing activities writ large. This is reflected first and foremost in our proprietary ESG rating methodology, which is based on six pillars, including biodiversity. This pillar makes it possible to stop financing the activities that most threaten biodiversity, to accelerate direct investment in businesses and infrastructure that preserve or restore biodiversity, and to work with businesses, steering them towards policies that are more respectful of biodiversity.

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Our method also employs quantitative indicators to better assess pressures and impacts on biodiversity:

- The analysis of listed assets takes into account the CBF, a methodology co-developed by Mirova on the pressures exerted by companies on biodiversity.
- For unlisted assets, our teams of analysts use the following quantitative indicators:
  - Acreage subject to conservation or restoration policies,
  - Acreage managed productively and sustainably.

Based on these rating criteria and existing financing requirements, we are investing in the following activities more specifically:

- Sustainable land management: regenerative agriculture, plant proteins, forest conservation and restoration, nature-based solutions.
- Responsible resource management: circular economy for materials and water, pollution reduction, sustainable fishing and aquaculture.
- Green energies: agrivoltaics, coastal wind power, biomass energy, low-carbon mobility.

The figures for Mirova Stocks and Bonds at 31/12/2022 demonstrate that, through our equities and bonds, we are making a positive contribution to the preservation of ecosystems and natural resources.

In addition, through our Natural Capital platform:

- Soil restoration and rehabilitation activities, with a focus on the sustainability of value chains. These investments are made through our Land Degradation Neutrality fund;
- Sustainable fish consumption (fishing and aquaculture), the circular economy and the conservation of marine and aquatic environments. These activities are supported by the Sustainable Ocean Fund,
- Environmental assets: payments for ecosystem services, conservation of biodiversity-rich areas, carbon credits.

Mirova also contributes to the restoration of biodiversity by financing sustainable bonds, which, through the use of funds, help to reduce the pressures of climate change and pollution on biodiversity.

Pressures and impacts on biodiversity

In 2019, the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) identified the five main direct and anthropogenic pressures on biodiversity, namely:

- Change of land use,
- Overexploitation of natural resources,
- Climate change,
- Pollution,
- Invasive alien species.

IPBES has also identified indirect drivers of change in the state of biodiversity, such as production and consumption patterns, demographic dynamics and trends, trade, technological innovations and governance.

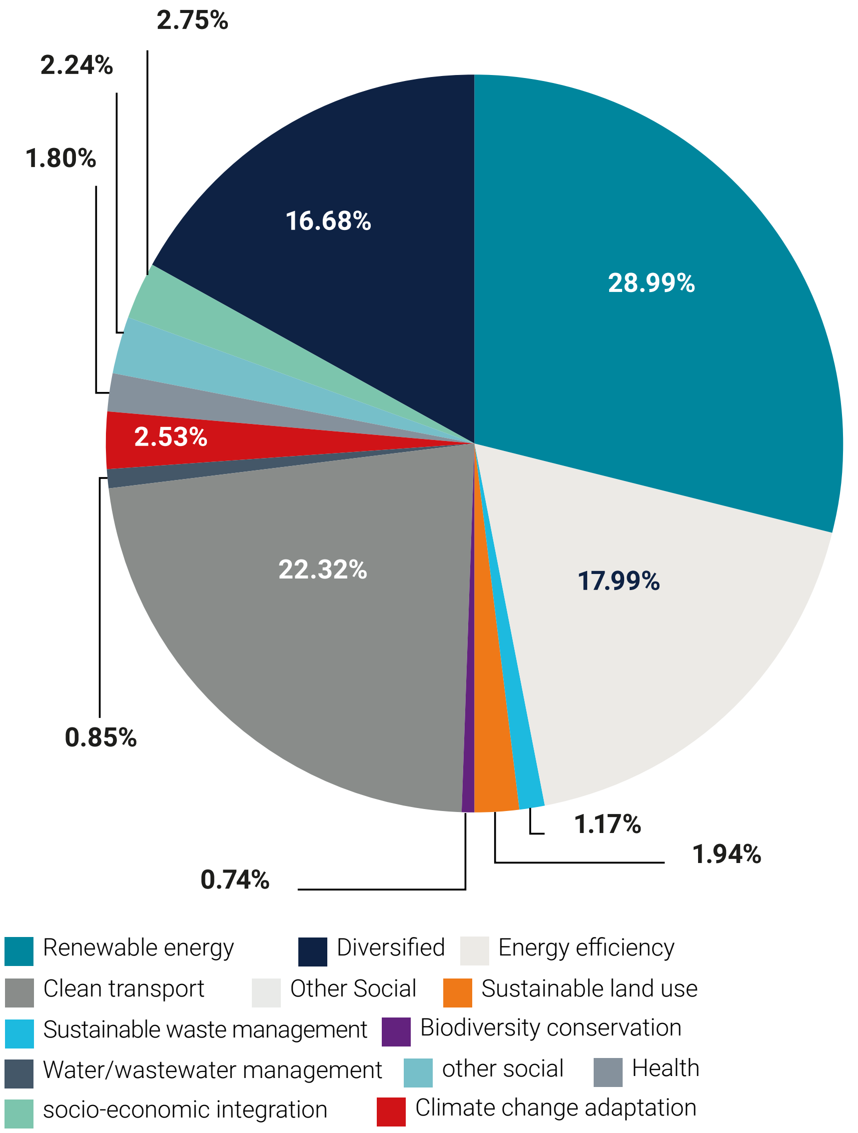
These pressures in turn have an impact on biodiversity: disruption of ecosystems, reduction in the number of species, genetic weakening, etc.

Lastly, in 2022 Mirova began work on three new investment strategies focusing on the interactions between biodiversity, food and climate:

- Financing companies that demonstrate a positive impact on the entire value chain (including production, management, distribution and recycling) and at the same time contribute to the transition of agricultural and food models;
- Selecting companies that have adopted a clear and robust strategy for reducing pressures and strengthening positive impacts, as defined by the Science-Based Targets Network (SBTN);
- Identifying companies that contribute to energy efficiency, produce renewable energy or increase natural carbon sinks.

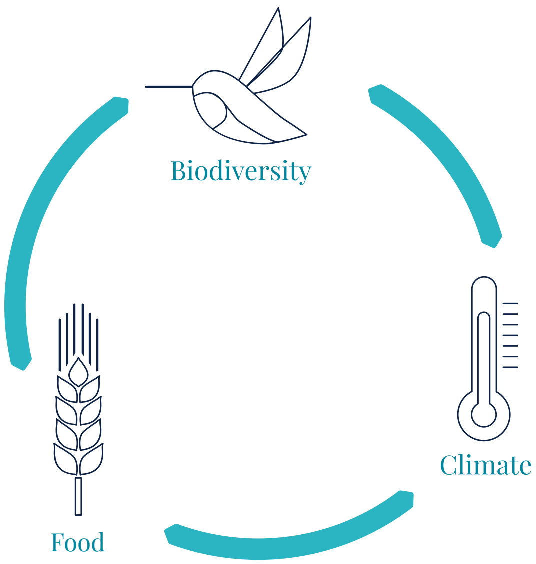
With €676 million in assets under management at the end of February 2023, Mirova has successfully demonstrated the solidity of its model by concluding several major fund-raising deals. To date, we have supported more than 30 projects and businesses, with significant impact both in emerging economies (Latin America, Africa and South-East Asia) and in developed markets, particularly Europe. After some delay, largely due to the COVID-19 pandemic, we are convinced that we will be able to raise the €1 billion target we have set ourselves by 2024.

Mirova Bonds - Use of funds from sustainable bonds in the portfolio as of 31/12/2022 (79% of investments)



Source: Mirova, as of 31/12/2022

Three new listed equity strategies



MIROVA STRIVES TO REDUCE TO A MINIMUM THE PRESSURES AND IMPACTS CAUSED BY ITS FINANCING.

Mirova also endeavours to reduce any negative impact that may be due to its financing activity.

Listed assets

Mirova first screens companies using various databases, such as Chemscore and Forest500. Our strategy for limiting pressures and impacts is then based on a list of exclusions, to which we add as we learn more about impacts. Are therefore excluded:

- Palm oil producers[19]
- Manufacturers of pesticides banned in certain countries that derive more than 5% of turnover from said compounds and have no plan to cease production within the next 3 years.
- Oil, gas and coal companies for their indirect effects on biomes through global warming.

Mirova is also implementing a zero deforestation policy. Our investment policy tackles the causes of deforestation and favours companies that have: published a zero deforestation or zero conversion policy for land with high conservation value, implement traceability for the most at-risk agricultural resources (soya, meat palm, coffee, cocoa, wood), support the agricultural transition of small farmers to ensure food security, thereby avoiding deforestation induced by the search for fertile land, or carry out combined satellite and ground observation monitoring of forest integrity. To preserve water resources, Mirova favours investing in companies that have carried out an assessment of exposure to physical risk in their value chain and built resilience plans at sites identified as high risk, implemented circular wastewater management processes to reduce extraction and pollution, and invested in digital resource-management solutions and nature-based solutions for drainage, purification and wastewater treatment.

Real assets

In its non-listed investments, Mirova systematically analyses the potential impacts of projects on biodiversity, both positive and negative. International standards such as the International Finance Corporation (IFC) Performance Standards are used as a framework for minimum requirements. If these analyses, which are often based on robust environmental and social impact studies conducted by independent third parties, turn up risk of significant negative externalities, the project will not be selected for investment. Where biodiversity issues have been identified but are deemed satisfactorily addressed, they will be subject to regular qualitative and quantitative monitoring, as well as engagement with the developers.

ENCOURAGING THE FIGHT AGAINST BIODIVERSITY LOSS THROUGH OUR POLICY OF SHAREHOLDER ENGAGEMENT AND SUPPORT FOR RESEARCH

Last but not least, Mirova has an active engagement policy covering biodiversity, as presented in section D) (page 26) of this report. As a reminder, we mainly expect companies to:

- Assess and report their potential impact on biodiversity;
- Establish a mitigation policy.

In addition to the work carried out within the TNFD[20], Mirova participates in several collaborative initiatives aimed at developing tools, frameworks, policies and guidelines for biodiversity.

19 Article 2 17) of the Regulation Sustainable Finance Disclosure Regulation
20 The TNFD (Taskforce on Nature-related Financial Disclosures) is a global working group whose objective is to identify and report on Nature-related risks.

Our commitment to market initiatives

Source: Mirova, as of 31/12/2022

In addition to its own activities, Mirova will also continue contributing to raising awareness among investor communities and companies worldwide by:

- Encouraging companies to adopt a positive approach to nature, by setting science-based targets (thanks to the SBTN guidance report)
- Using reporting frameworks such as the TNFD;
- Improving the measurement of impact through biodiversity certificates, in particular by supporting the work of the Organization for Biodiversity Certificates (OBC);
- Using credible methodologies such as the One Planet for Business & Biodiversity (OP2B) framework for regenerative and restorative agriculture;
- Ranking activities according to hierarchies of positive impact, such as the pillars of the circular economy, the cascading biomass principles, the zero pollution hierarchy, the 'source to sea' framework for waste prevention at sea, the food waste hierarchy and the circular and resilient frameworks for water ;
- Advocating a comprehensive approach to materiality, taking into account impacts and dependencies beyond pure financial materiality.

To better understand the links between the activities we support and biodiversity, Mirova also supports research, in order to make progress in the ecosystem as a whole. In 2022, for example, we signed a partnership agreement with the Fondation pour la Recherche sur la Biodiversité (FRB) to strengthen our knowledge and understanding of the interactions between renewable energies and biodiversity. More details on our biodiversity policy can be found in the document Mirova for Nature 2023, published in April 2023, which provides a progress report on our actions in favour of biodiversity.

Development and use of the Corporate Biodiversity Footprint indicator

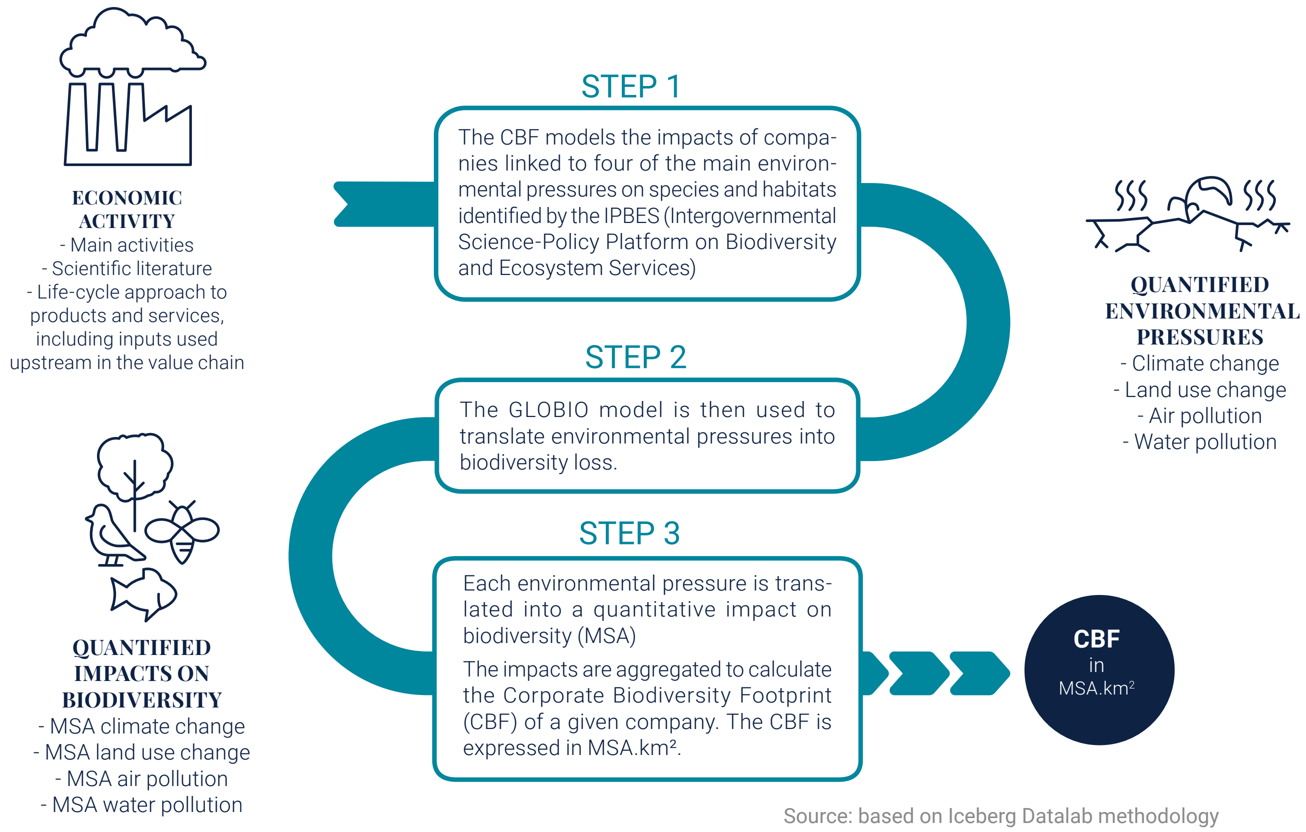
THE CORPORATE BIODIVERSITY FOOTPRINT

In partnership with Iceberg Data Lab and the consultancy I Care, Mirova has contributed to developing a tool for modelling the impact of listed companies on biodiversity: the Corporate Biodiversity Footprint (CBF).

The CBF translates a company's activity data into environmental pressures (land use change, air/water pollution and greenhouse gas emissions). These pressures are calculated using a lifecycle approach, which takes into account the impact of companies' products and services as well as upstream inputs. Each environmental pressure then results in a quantified impact on biodiversity. The metric used to express the impact is MSA.km^2, or Mean Species Abundance per square kilometre.

The CBF continues to develop and should eventually also cover the following pressures: invasive alien species, resource exploitation, impact on marine and river species.

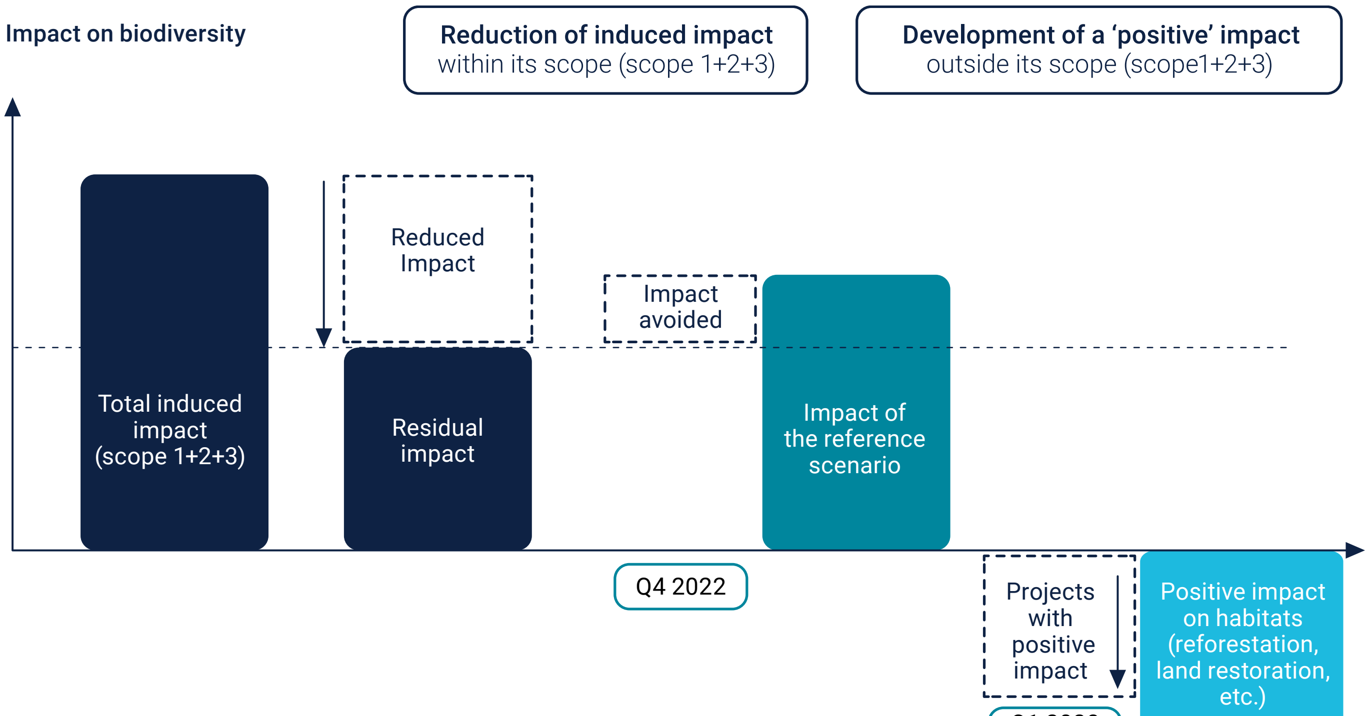
We follow 3 steps to measure a company's CBF



Source: based on Iceberg Datalab methodology

The CBF can also be used to measure positive impacts according to the methodology described in the figure below:

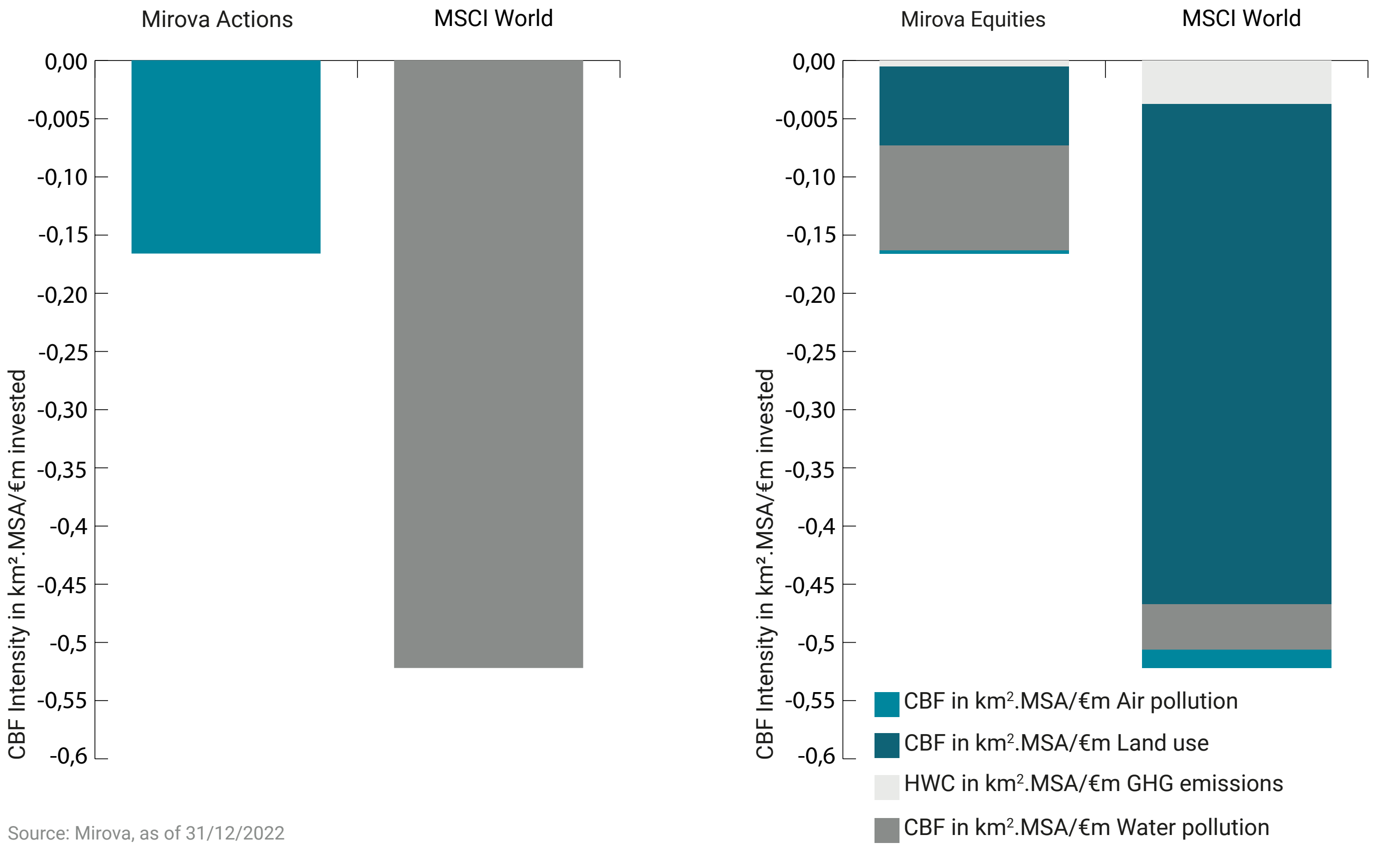
Positive impact indicators within the CBF methodology



Source: Iceberg Data Lab

The information provided reflects the opinion of Mirova / the situation at the date of this document and is subject to change without notice.

Aggregate negative CBF* intensity as of 31/12/2022



Source: Mirova, as of 31/12/2022

THE BIODIVERSITY IMPACT OF OUR PORTFOLIO

The graph above gives an estimate of the negative impact on biodiversity, based on intensity, of Mirova's consolidated portfolio of listed equities, versus the MSCI World. As can be seen from the graph, we have selected companies in our portfolios whose impact on nature in relation to their economic value is less than that of the index. This impact is expressed as intensity in the form of MSA. km² per million euros enterprise value, which corresponds to the surface area artificialised (or so maintained) for every million euros invested.

> *In our portfolios, we have selected companies whose impact on nature in relation to their economic value is less than that of the index.*

What is the MSA?

Mean Species Abundance (MSA) is a biodiversity indicator that expresses the average abundance of native species in an ecosystem compared to their abundance in undisturbed ecosystems. This is an indicator that measures the state of conservation of an ecosystem in relation to its original state, undisturbed by human activities and pressures. For example, an area with an MSA of 0% will have completely lost its original biodiversity (or will be colonised exclusively by invasive species), whereas an MSA of 100% reflects a level of biodiversity equal to that of an original, undisturbed ecosystem. Mean Species Abundance (MSA) is proposed by many data providers, such as CDC Biodiversité and Iceberg Data Lab, and is becoming a standard in Europe and the United States.

Average abundance of native species

Source: 2022 Mission Report (2023)

The information provided reflects the opinion of Mirova / the situation at the date of this document and is subject to change without notice.

Continuous Improvement Plan

Mirova is determined to make a greater contribution to achieving global biodiversity objectives via:

▶ Participation in new initiatives

▶ Mirova is a founding member of theOrganisation for Biodiversity Certificates (OBC), which aims to establish a robust market for biodiversity credits.

▶ Mirova is a member of the High-Level Working Group on Innovative Financing Mechanisms to Meet Biodiversity Financing Needs, launched ahead of the One Forest Summit, organised by Gabon and France in March 2023.

▶ Lastly, we are also involved in the Nature Framework Advisory Group by Verra.

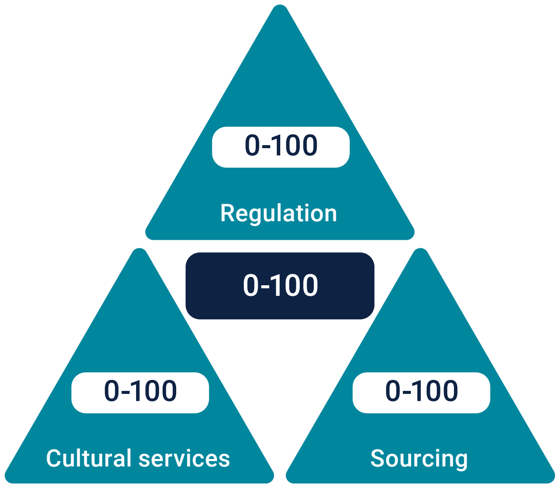
▶ As part of its biodiversity policy, Mirova is working to develop an investment strategy that contributes to the objectives set for 2030, by selecting companies that have adopted positive impact objectives consistent with the framework developed by Science-Based Targets for Nature (SBTN);

▶ Maximising alignment with the European taxonomy, once the other four environmental objectives have been published

▶ Mirova is also working on a biodiversity exclusion list. These exclusions will be based on criteria relating to land use and pollution, including agricultural commodities linked to deforestation, chemicals and plastics.

▶ Finally, we will continue to develop the Corporate Biodiversity Footprint, to refine the tool and include all five of the main pressures identified by IPBES, and to provide a score for dependence on ecosystem services.

Dependency score for the CBF methodology



Source: Iceberg Data Lab

ICEBERG DATA LAB AND MIROVA ARE DEVELOPING A TOOL TO MEASURE RELIANCE ON ECOSYSTEM SERVICES

Last but not least, Mirova is working with Iceberg Data Lab to develop a dependency score. This will take account of regulation, supply and cultural services and will be based on companies' sectoral and geographical exposures.

This tool will make it possible to assess the risks incurred by companies, provide comparable data and, ultimately, contribute to the reallocation of capital towards activities that are favourable to biodiversity.

> *“Mirova is working with Iceberg Data Lab to develop a dependency score.*

H | ESG criteria in risk management and methodology

Insofar as Mirova is an asset management company dedicated to ESG investment, ESG risks are at the heart of our conventional risk management framework, at both the investment and holding stages. In addition to a very demanding risk and opportunity analysis policy, which may lead to exclusion from the investment universe, we have put in place a residual risk management policy. This closely involves the sustainable deve opment research team, the asset management and financial analysis teams and the risk department.

Process for identifying, assessing, prioritising and managing ESG risks

Insofar as Mirova is an asset management company dedicated to ESG investment, ESG risks are at the heart of our conventional risk management framework, at both the investment and holding stages.

Risk identification and assessment begins with ESG analysis. This assessment is based on the six impact pillars of our proprietary method (climate, biodiversity, circular economy, diversity and inclusion, health and well-being and socio-economic development), while the analysis of risks and opportunities varies according to 8 sectors and 21 economic sub-sectors.

To ensure the robustness of the ESG risk analysis, our assessment is also based on quantitative indicators, as presented in section A) (page 13): physical indicators, level of exposure, PAI, and alignment with the European taxonomy.

Quantitative indicators are monitored at multiple levels: asset, fund and asset class. At asset level, this results in an ESG evaluation, which is updated at least every 18 months. Asset performance and ESG risks are monitored continuously during the holding phase:

- Carbon data for the portfolios (Scopes 1-3 and avoided emissions) are verified to ensure that all Mirova's portfolios are in line with the 2°C Paris scenario.
- Verification of compliance with the ESG rating. In addition to the verification of ESG ratings carried out as part of the investment constraints, additional verifications are conducted as part of certain investment processes, or generally on all Mirova portfolios. The proportion of issuers rated 'low positive impact' in the portfolios is monitored, in that Article 9 classification is contingent on a high proportion of issuers rated 'high positive impact' or 'moderate positive impact'.
- In the event that a security's ESG rating is suddenly downgraded, the risk department serves as the guarantor of the independence of the research team's ruling and takes part in the decision to remove the downgraded issuer from the portfolios.

The ESG risks of our real assets are managed proactively upstream of the investment decision and during the holding period, for example by monitoring the implementation of environmental and social action plans. Risk management is also based on our exclusion and commitment policies.

Frequency with which the risk management framework and methodological choices are reviewed

The risk management framework does not follow a predetermined review schedule, but rather a process of continuous enhancement. Mirova is constantly seeking to improve its internal practices, strengthen and formalise its processes, and identify any blind spots.

Description of the main ESG risks

As explained in section I.A) of this report, our method of ESG analysis is extremely rigorous. It enables us to identify ESG risks upstream, significantly reduce our exposure, and limit residual risks.

CLIMATE-RELATED RISKS

These analyses take full account of the specific risks and opportunities associated with climate change. As a result, we are not invested in assets that contribute significantly to climate change, such as coal or oil extraction, or coal-fired power generation. All across our asset classes, we also seek to increase our investment in assets that help promote a low-carbon economy, such as renewable energy and energy efficiency. In addition to **transition risks**, we also seek to determine the impact of ongoing climate change on the sustainability of our assets' business models. These analyses of the **physical risks** associated with climate change are part of our investment decisions. Transition risks can already be assessed, as the goal of carbon neutrality by 2050, for instance, necessarily implies a very swift transition on the part of companies involved in high-stakes sectors. Companies incapable of making this transition that remain over-dependent on fossil fuels are already exposed to transition risks, and the associated financial risks are thus an immediate threat.

Physical risks can also be assessed today, but will materialise over a variably longer timeframe (>10 years) depending on whether or not a pessimistic climate scenario in which the average temperature rises by more than 2°C dominates.

Mirova's approach consists in a qualitative review that attempts to cross-reference invested assets' production sites and value chains with our understanding of the areas likely to be affected by climate change, with phenomena such as an increase in extreme weather events, rising sea levels, more frequent droughts and increased risk of heatwaves. Our energy transition infrastructure tends to have higher exposure to physical risks, both acute and chronic. These areclosely monitored during both investment and ownership phases. Analysis is based on a global warming scenario of between 5°C and 6°C to ensure it is exhaustive. Data on the location of these assets are one of the reasons physical risks can be analysed in greater detail.

ECONOMIC AND GEOGRAPHICAL RISKS

Our proprietary ESG rating method takes sector specificities into account. It focuses on the relevant risks and opportunities for 8 economic sectors and 21 sub-sectors (energy, mobility, consumption, etc). As our analysis is qualitative and specific to each asset, the significance of the risks is assessed on a case-by-case basis. It is at this ESG rating stage, but also via the residual risk analysis, that risks are characterised and segmented in a granular way.

Finally, Mirova takes into account **geographical specificities** to update its assessment of sovereign bonds annually, but only if they are considered Green Bonds. The ESG criteria are identical for all countries, but the analysis is differentiated according to income level. This method also incorporates three of the six global governance indicators published by the World Bank (WGI): regulatory quality, rule of law and control of corruption.

> *“Mirova takes geographical specificities into account in order to update its assessment of sovereign bonds on an annual basis.*

LIMITING RESIDUAL RISKS

The purpose of the sustainability analysis is to identify the relevant residual environmental and social risks arising from a company's activities and practices, and to assess the quality of measures taken by the company to mitigate these risks (the ‘DNSH test’). This analysis takes into account, in particular, the beneficiary company's degree of exposure to certain sectors or activities that may be considered detrimental to the environment and/or society and its exposure to relevant environmental or social controversies.

Following this qualitative analysis, Mirova issues a binding opinion on the basis of which companies whose economic activities or practices are considered to have a significant negative impact on the achievement of one or more of the UN's SDGs are systematically excluded from the investment universe, regardless of their otherwise positive contributions.

Action plan to reduce the entity's exposure to the main ESG risks

The role of reducing exposure to ESG risks falls primarily to the Sustainable Development Research team, which applies an ex ante filter via our ESG rating method. As explained above, this is based, among other things, on an analysis of risks and opportunities. The assessment produced by the Sustainable Development Research team may lead to the asset’s exclusion from the eligible investment universe if it is classified as having a ‘Negative Impact’ or ‘Negligible Impact’. Since the update to our ESG evaluation method, as explained in section A) of this report, we also analyse the residual risk of each asset, i.e. risk linked to the sector in which the companies evaluated operate or to their internal practices. This is rated on a three-point scale: low, medium and high. These residual risks are monitored and analysed on an ongoing basis via our OCTAVE platform. They give rise to communication with the company and a engagement process, which may lead to disinvestment.

During the holding phase, reducing exposure to the main risks is also achieved through our controversy management policy, implemented jointly by the Risk Department and the Sustainable Development Research team. Controversy management takes the form of engagement with the company, which may lead to divestment in the case of listed assets.

Portfolio managers also contribute to reducing our exposure to risk as part of monitoring investment strategy. Inadequate measures to mitigate negative impacts, in particular PAIs, may lead to the sale of a security.

The Risk Department carries out a second-level control on financial risks, part of which is based on sustainability factors. It analyses the investment process ex ante and, in particular, the management decision-making processes, the main voluntary risks taken, the marginal risk accepted, the types of assets (assessment of the need for a pricing model) and the impact of risk factors on portfolio risk.

There are also internal limits specific to ESG factors: in addition to traditional indicators (Value-at-Risk, Tracking Error, etc.), exceeding certain ESG thresholds can trigger an alert and result in a referral to the Risk Department. If the rating is downgraded too severely, a decision may be taken to exit the security. Risks are communicated to the relevant bodies at the following intervals:

- Risk monitoring reports are sent to Mirova investment teams on a weekly basis;
- All the measurements and reports collected over the period from other areas of the Risk Department are summarised in a monthly report sent to the management teams;
- A quarterly Risk Committee meeting is held to review all the risk issues of the previous period.

And lastly, our engagement policy provides a lever for reducing our exposure to the main ESG risks.

Quantitative estimation of financial impact due to the main ESG risks, proportion of assets exposed and time horizon

Our exposure to ESG risks, both in financial terms and as a proportion of assets, is minimal thanks to our demanding asset selection and risk management process. We carry out a sector-specific risk analysis for each asset, whether listed or unlisted. If we consider an asset carries excessively risk, Research issues a no-go as part of the investment decision, which blocks securities deemed too risky to be invested. In the case of residual risks identified as significant, the Research team implements methods for engagement with the company to address and reduce them.

Furthermore, for listed equities, our value creation models indicate that the very fact of having invested in players well-positioned on environmental and social transition topics could reduce such risks, thereby creating value in the medium and long term.

Finally, ESG risk is factored into the discount rate, which also takes into account both opportunities and residual risks. We do not, however, currently calculate the financial impact of ESG risk management. For bonds, we have developed a dedicated valuation model, Greenium, which tracks the green premium of various assets. For non-listed assets, we adhere to a specific process for real assets (idiosyncratic risks may lead to an increase in the discount rate).

I | List of financial products covered by Articles 8 and 9 of the Disclosure Regulation (SFDR)

A full 100% of funds managed by Mirova are classified under Article 9[21] of the SFDR regulation. Below is a list of our open-ended funds as of 31 December 2022.

Listed funds
MIROVA WOMEN LEADERS EQUITY FUND
MIROVA US CLIMATE AMBITION EQUITY FUND
MIROVA OBLI EURO
MIROVA GLOBAL SUSTAINABLE EQUITY FUND
MIROVA GLOBAL GREEN BOND FUND
MIROVA GLOBAL CLIMATE AMBITION EQUITY FUND
MIROVA EUROPE SUSTAINABLE EQUITY FUND
MIROVA EUROPE SUSTAINABLE ECONOMY FUND
MIROVA EUROPE ENVIRONNEMENT
MIROVA EUROPE ENVIRONMENTAL EQUITY FUND
MIROVA EURO SUSTAINABLE EQUITY FUND
MIROVA EURO SUSTAINABLE BOND FUND
MIROVA EURO SHORT TERM SUSTAINABLE BOND FUND
MIROVA EURO HIGH YIELD SUSTAINABLE BOND FUND
MIROVA EURO GREEN&SUSTAINABLE CORPORATE BOND FUND
MIROVA EURO GREEN&SUSTAINABLE BOND FUND
MIROVA EMPLOI FRANCE
MIROVA CLIMATE SOLUTIONS EQUITY FUND
MIROVA ACTIONS MONDE
MIROVA ACTIONS EUROPE
MIROVA ACTIONS EURO
MIROVA US SUSTAINABLE EQUITY FUND
INSERTION EMPLOI DYNAMIQUE
AFER ACTIONS EMPLOI
ABEILLE LA FABRIQUE IMPACT ISR
Real assets
MIROVA ENERGY TRANSITION 5
MIROVA ENVIRONMENT ACCELERATION CAPITAL
ALTHELIA SUSTAINABLE OCEAN FUND
LAND DEGRADATION NEUTRALITY FUND
MIROVA-EUROFIDEME 4
MIROVA-EUROFIDEME 3
ALTHELIA CLIMATE FUND
EUROFIDEME 2
FIDEME

21 Each fund may be subject to restrictions with regard to certain persons or in certain countries by virtue of national regulations applicable to such persons or in such countries. It is therefore the responsibility of each investor to be sure they are authorised to invest in this Fund.

Conclusion

For Mirova, acting as a responsible investor means first and foremost being aware that the allocation of capital, far from being neutral, has a major impact on our economy and therefore on our society. It also means being aware that, in a world experiencing profound change and facing new challenges in terms of sustainable development, the very concept of value must be reinvented in order to transcend the narrow, and currently harmful, vision in which everything can be reduced to a single aggregate measure, namely financial capital.

Today, it is clearly essential that we not only take into account the three dimensions of 'capital', i.e., environmental, human and financial, but also that we strive to — at the very least — protect each one. Sustainable growth in human and financial capital is no longer conceivable if it continues to damage environmental capital. More than ever, it is also important to remember that financial capital can only develop in a society that is prosperous as a whole.

Our role is to mobilise the financial capital entrusted to us by our customers to provide them with long-term investment solutions.

All our investment strategies seek to generate financial, social and environmental value. And conversely, our contributions to financing the economy gives us a privileged position from which to observe the proliferation of initiatives and technical, organisational and human solutions aimed at meeting the challenges of sustainable development. Through our financial support, we promote the development of these solutions, which, if successful, will not only ensure the conditions necessary to perpetuate long-term returns, but will also deliver higher returns than the old economy over our investment horizons..

ESG INVESTING METHODOLOGICAL LIMITS

ESG Investing Methodological Limits - By using ESG criteria in the investment policy, the relevant Fund's objective would in particular be to better manage sustainability risk. ESG criteria may be generated using the Delegated Investment Manager'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 the Delegated Investment Manager 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 the Delegated Investment Manager 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.

DISCLAIMER

LEGAL NOTICES

ADDITIONAL NOTES

POSITIONING OF MIROVA FUNDS IN TERMS OF THE SFDR

Reminder: what is the SFDR?

The Sustainable Finance Disclosure Regulation (SFDR) aims to provide greater transparency in terms of environmental and social responsibility on the financial markets, in particular by providing information concerning the sustainability of financial products (integration of risks and negative impacts in terms of sustainability). Its objectives are to ensure that marketing documents align with the real practices in place, to ensure the comparability of products in these terms, and to channel private investment towards more responsible investments. The regulation is applicable at the entity level (asset management companies, investment companies, financial advisors) as well as the product level. Corporate publications and pre-contractual documents for products are to be changed.

To start with, the SFDR regulation requests that each product be categorized according to its characteristics. The definition of each of these categories is as follows:

• Article 6: the product has no sustainability objective. This product named « Article 6 » is a product not falling upon Article 8 nor Article 9 definition.

• Article 8: a product's communication includes environmental and social characteristics even if this is not its central point, or the central point of the investment process. The product promotes environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices

• Article 9: the product has a sustainability objective.

SFDR: positioning of Mirova funds

Integrating and contributing to the achievement of sustainable development issues is central to Mirova's mission. Our aim is to offer investors strategies that help reconcile financial yield and a positive social impact. This search for impact can be applied transversally in all our asset classes and through the x-ante integration of sustainable development issues in the investment objectives of all our funds, and the systematic ex-post measurement of environmental and social impact.

For the listed investment strategies (equities, bonds, balanced), investments are primarily channeled towards companies that provide solutions to sustainable development issues. Environmental and social issues are an integral part of investment decisions and are the subject of systematic monitoring of the sustainable development component of portfolios.

Investment strategies in Energy Transition Infrastructure are exclusively focused on solutions favoring the energy transition i.e. the production of clean energy, green mobility etc. and systematically integrate a review of environmental and social issues in the projects' analysis.

Meanwhile, Natural Capital strategies invest in restoring and protecting biodiversity in the ecosystems affected by climate change (forests, oceans etc.) by financing projects with high environmental and social impacts. The Mirova Solidaire strategy aims to finance non-listed companies and projects with a high social and environmental impact in France, particularly those aimed at supporting people in vulnerable situations. Our Impact Private Equity strategy aims to achieve a positive impact on environment and society and deliver financial returns by providing acceleration capital to companies with strong ESG standards supporting a proven business model addressing directly the targeted Sustainable Development Goals.

Finally, for all of its investments, Mirova aims to offer portfolios that are coherent with a climate trajectory below 2°C as defined in the 2015 Paris agreements, and systematically presents the carbon impact of its investments (excluding Social impact, Natural Capital and Impact Private Equity strategies), calculated using a proprietary methodology that can include biases.

The Mirova funds are to be classified "Article 9" under the framework of the new European SFDR.

INVESTMENT STRATEGIES AND MAIN NEGATIVE IMPACTS

Integration of sustainability risks into investment processes

To reach the sustainable investment objective set, all investments picked are the object of in-depth analysis in terms of sustainable development and governance. This analysis is undertaken by the Research team (identification of sustainable opportunities, assessment of the issuer's ESG practices, votes and commitments, ESG research and sustainability opinion). Each sustainable development opinion contains an analysis of the significant opportunities and risks facing a company/project.

The result of this analysis is an overall qualitative opinion which is defined in relation to the achievement of the UN Sustainable Development Goals (SDGs). Eligible investments are considered by Mirova as neutral, contributing positively, or contributing very favorably to the achievement of the SDGs.

Further information on Mirova's approach to achieving the sustainable investment objectives can be found at: www.mirova.com/en/research/understand.

The investment process includes a binding and material SRI* approach which focuses on securities with high ESG ratings in order to mitigate the potential impact of sustainability risks on the portfolio return. The Research team uses the following data sources and methodologies to assess, measure and monitor the impact of the sustainable investments selected:

In the case of listed investment strategies, the portfolio's overall ESG quality is measured continuously relative to that of the reference index** aligned with the fund on the sustainability objective, or by default, of the product's investment universe in order to guarantee that the product has a better quality ESG profile than this reference index or the investment universe.

In the case of real asset investment strategies (solidarity, natural capital, and energy transition infrastructure), the sustainability opinion of investment opportunities is undertaken upstream of the transactions so as to check their suitability with our requirements in terms of environmental and/or social impact and to favor those which receive the highest ratings. Once the projects/structures are financed, they are reassessed over time to measure the effectiveness of the impacts sought.

Mirova prepares a qualitative sustainability analysis for each investment. This analysis spans the product's entire life cycle, from the extraction of raw materials, to their use by the consumer, to their disposal. The analysis also focuses on the most relevant issues for each investment. The principal adverse indicators defined by Mirova***, specific to each sector are systematically integrated into the sustainable development opinion.

Mirova also evaluates each investment using a physical indicator for carbon, which assesses both risks and opportunities related to the energy transition. At the portfolio level, the total emissions produced and avoided are considered in order to assign a level of alignment with climate scenarios published by international organizations such as the Intergovernmental Panel on Climate Change or the International Energy Agency. Further information on the methodology used can be found at: www.mirova.com/en/research/demonstrating-impact.

Investments are also assessed against specific indicators such as gender diversity and employment as disclosed in the reports published regularly for each fund.

Integration of potential negative impacts in terms of sustainability****

The manager assesses and monitors the indicators defined to identify the negative impact risk for each sector in which we invest. Our approach is described on our website www.mirova.com/en/research/understand. Companies/projects whose economic activities are deemed to have a significant negative impact on the achievement of one or more of the UN Sustainable Development Goals are systematically excluded from the investment universe. Furthermore, a strict exclusion list is applied for controversial activities, including activities that breach the UN Global Compact, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among others. Acknowledging that even activities with a positive impact on one or more of the UN Sustainable Development Goals may create a risk of negatively impacting other Sustainable Development Goals, we also actively engage with investee companies aiming to reduce this risk. *****

*Socially Responsible Investment
**The Reference Index does not intend to be consistent with the sustainable investment objective of the funds.
***As of now, Mirova follows SFDR regulation principles as defined here: www.mirova.com/en/research/understand
****Link towards our SFDR-dedicated website: www.mirova.com/fr/reglementation-sfdr
*****Mirova website link towards exclusion policy: www.mirova.com/sites/default/files/2021-01/Controversial-Activities-Jan-2021-EN.pdf

mirova
Investing in sustainability

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 €29 billion as of March 31, 2023. Mirova is a mission-driven company, labeled B Corp*.

* Reference to a ranking, a label and/or an award does not indicate the future performance of the UCITS/AIF or the fund manager.

MIROVA
Portfolio management company - French Public Limited liability company
Regulated by AMF under n°GP 02-014
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Registered Office: 59, Avenue Pierre Mendes France – 75013 – Paris
Mirova is an affiliate of Natixis Investment Managers.

NATIXIS INVESTMENT MANAGERS
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Registered Office: 59, Avenue Pierre Mendes France – 75013 – Paris
Natixis Investment Managers is a subsidiary of Natixis.

NATIXIS INVESTMENT MANAGERS INTERNATIONAL
Portfolio management company - French Public Limited liability company
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Natixis Investment Managers International is an affiliate of Natixis Investment Managers.

MIROVA U.S., LLC
888 Boylston Street, Boston, MA 02199; Tel: 857-305-6333
Mirova U.S, LLC (Mirova US) is a U.S.-based investment advisor that is wholly owned by Mirova. Mirova is operating 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 US then combines with its own expertise, and services when providing advice to clients.

MIROVA UK LIMITED
UK Private limited company
Company registration number: 7740692 – Authorised and Regulated by the Financial Conduct Authority ("FCA") under number 800963
Registered office: Quality House by Agora, 5-9 Quality Court, London, WC2A 1HP
The services of Mirova UK Limited are only available to professional clients and eligible counterparties. They are not available to retail clients. Mirova UK Limited is wholly owned by Mirova.

MIROVA SUNFUNDER, INC.
A Company registered in Delaware
State File Number: 5125699
Registered Office: 2810 N Church Street, Wilmington - Delaware - 19802 USA
Mirova SunFunder Inc. is a subsidiary of Mirova US Holdings LLC, which is wholly owned by Mirova.

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An affiliate of : NATIXIS INVESTMENT MANAGERS