

ESG Principles & Policy

Natural Capital Platform

Last update : June 2025

Introduction

We are an asset management business designed to pair economic and financial performance with premium social and environmental outcomes, impacts and risk management. We bring innovative finance to projects, organisations and businesses that conserve the environment and

improve peoples' livelihoods whilst also being commercially successful over the long-term. We focus on financing activities that address the major global environmental challenges such as climate change, biodiversity, and protection of terrestrial and marine ecosystems.

Our Environmental Social and Governance (ESG) Principles and Policy apply to all funds and activities related to natural capital investments. In order to remain at the forefront of ESG management, our principles and our policy will be updated from time to time.

ESG Principles

We aim to be best-in-class in environmental and social performance.

We expect activities we finance to:

- comply with internationally recognised performance standards as well as local laws and international conventions;
- provide quality employment;

- provide substantive, measurable, positive benefits to people, climate and biodiversity;
- conserve natural habitats and wild species;
- apply high ethical standards and operate transparently.

We measure and report on our progress and our contribution to the [UN Sustainable Development Goals](#)

and impact thesis defined for each fund.

We seek open and constructive engagement with the organisations we invest in.

We do not finance projects or entities involved in the activities listed in Appendix 1.

We also apply these principles to the way we operate.

ESG Policy

The funds we manage might have their own ESG policy and implementation processes, which alongside this policy, apply our Principles and Policy in a manner tailored to their operations.

Each fund will have access to the Mirova Sustainability Research team. Within this team, one person is assigned primary responsibility for the ESG performance of each fund.

Each fund will require the projects or companies they invest in to:

- Comply with national environmental, social and labour laws and regulations.
- Comply with this policy, the Fund-level ESG Policy (which includes any ESG requirements of investors in the fund when applicable) also reflecting potential issue/sector-specific aspects.
- Align with the [IFC Social and Environmental Performance Standards](#) (IFC PS).
- Respect human rights as defined in the UN Guiding Principles on business and human rights (UNGPs) and the International Labour Organisation's "fundamental" Conventions covering

subjects such as freedom of association and the effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labour, effective abolition of child labour and elimination of discrimination in respect of employment and occupation.

- Achieve relevant internationally-recognised sustainability certification, where applicable. Especially where commodities and products are produced (e.g. through agriculture, aquaculture, or carbon), or harvested from wild or semi-wild landscapes (e.g. coastal or inland fisheries,

NTFPs¹), projects should aim to secure certification under internationally recognised (or market specific) schemes.

In order to meet these requirements, the following items are typically expected of projects or companies in which each Fund invests:

- An Environmental and Social Management System (ESMS), based on an evaluation of social, health and safety and environmental risks and impacts.
- According to the specificities of each project, align with the Good International Industry Practices (GIIP) recommended in the [IFC's Environmental, Health, and Safety \(EHS\) General Guidelines](#) and with the relevant sector specific guidelines.
- A thorough Stakeholder Engagement Process and establish both internal and external Grievance Mechanism to register and address issues, concerns, or complaints from the workforce, community, and other stakeholders.
- No net loss of income or livelihood as a result of the project's use of, or restriction of access to, land or other natural resources².
- Secure free, prior and informed consent (FPIC) where projects adversely impact land under traditional use by indigenous peoples; negatively affect indigenous peoples' access to resources; commercialise indigenous knowledge, or where

otherwise required through best practice certifications or international standards.

- To the extent practicable, identify all legitimate tenure rights on the land (including ancestral, customary, indigenous people and use rights, e.g. grazing, access to water, timber and fruits collection), and seek informed consent from any landowners and/or legitimate land users where land is acquired or leased for a project.
- Forbid forced evictions³, avoid involuntary physical resettlement, and limit economical displacement.
- Involve no net loss of biodiversity, no conversion or draining of natural habitat, and no negative impacts high conservation value (HCV) areas or threatened species under [IUCN Red List](#)⁴.
- If security guards or government security forces are involved, e.g. as park rangers, there is a security risk assessment and management controls so that any use of force is limited, proportionate and documented.

Projects may be given time to meet these standards and requirements through an Environmental and Social Action Plan (ESAP) that forms part of their contract with the fund. In particular, we expect:

- Funds, and the projects or companies we invest in, must implement an anti-bribery and corruption policy that prohibits

employees and agents from making or receiving gifts of substance, paying bribes or making facilitation payments. Funds, and the organisations in which we invest, must have policies in place to prevent risks related to money laundering, financing of terrorism, bribery and corruption, and any other unethical business practices.

- Funds and the projects or companies we invest in, must deploy sufficient resources to achieve social and environmental excellence as defined in this Policy. The responsibility for ESG performance resides with the organisations in which we invest, however Mirova's Natural Capital Platform will advise and support investees, where feasible, to design and implement their ESG strategy.
- All funds should monitor the ESG performance of investments at least annually and require them to report immediately any incidents, accidents or adverse media coverage that could affect the project's success or the reputation of the project or of Mirova.
- Funds, and the organisations in which we invest, must establish both internal and external [Grievance Mechanism](#) to register and address issues, concerns, or complaints from the workforce, community, and other stakeholders.

¹ NTFPs are non-timber forest products e.g. nuts

² This does not apply where the livelihoods are based on crime, e.g ivory poaching.

³ Forced eviction with the intervention of security personnel (military or private)

⁴ A threatened species includes all those listed as vulnerable (VU), endangered (EN) or critically endangered (CR) in the IUCN Red List. Species such as EDGE species (evolutionarily distinct and globally endangered) are both threatened and of national importance.

Positive Impact Management

Mirova has developed a Positive Impact Assessment framework to effectively monitor and report on the ESG performance of investments. This framework incorporates both qualitative and quantitative indicators to guide investment decisions towards assets that deliver positive impacts aligned with the Sustainable Development Goals (SDGs). The qualitative evaluation begins with a five-point scale to assess determine whether the asset is consistent with

achieving the SDGs, factoring in product quality, operational practices, and lifecycle considerations. Mirova does not exclude industries outright but performs thorough environmental and social impact analyses, leading to potential exclusions. The ratings categorize investments into high, moderate, low, negligible and negative impact based on their commitment to sustainable activities. Mirova's Natural Capital funds only invest in assets with low

to high positive impact ratings, in compliance with European SFDR regulations criteria for Article 9 funds. Additionally, quantitative indicators complement qualitative assessments, aiding in monitoring and decision-making, while acknowledging the subjective nature of aggregating these indicators. Monitoring occurs at both the asset and portfolio levels to ensure alignment with fund impact strategies.

Appendix 1 – Excluded Activities

A fund and any of its intermediary vehicles (including portfolio companies) will not finance any activity involving:

- (a) Any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
- (b) Forced labour⁵ or child labour⁶.
- (c) Wild animals and plants or their products not in conformance with CITES⁷
- (d) Commercial hunting not aligned with Mirova's policies⁸
- (e) Significant⁹ conversion or degradation of Critical Habitat.¹⁰
- (f) Drift net fishing in the marine environment using nets in excess of 2.5 km in length
- (g) Or any of the following:
 - (i) exploration or production of fossil fuels (oil, gas, coal);
 - (ii) weapons and munitions;
 - (iii) radioactive materials;¹¹
 - (iv) gambling, casinos and equivalent enterprises;
 - (v) pornography or prostitution;
 - (vi) manufacture and/or production of tobacco products;
 - (vii) production of, or trade in, landmines and cluster munitions;
- (viii) hazardous materials such as unbounded asbestos fibres and products containing PCBs;¹²
- (ix) cross-border trade in waste and waste products unless compliant with the Basel Convention and the underlying regulations;
- (x) pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances¹³ and other hazardous substances subject to international phase-outs or bans.
- (h) Funds will not invest in any project located in countries that are under trade sanctions by the UN, USA or EU
- (i) Activities excluded through Mirova's [Minimum Standards](#)

⁵ Forced labour means all work or service, not voluntarily performed, that is extract defined by the relevant ILO Conventions and Core Labour Standards.

⁶ Employees may only be taken if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age will apply.

⁷ CITES: Convention on International Trade in Endangered Species or Wild Fauna and Flora.

⁸ Mirova's Policy on Commercial Hunting (2022)

⁹ Significant conversion or degradation means the (1) elimination or severe diminution of the integrity of a habitat caused by a major, long-term change in land or water use; or (2) modification of a habitat that substantially reduces the habitat's ability to maintain viable population of its native species.

¹⁰ Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union (IUCN) classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary Forest or forests of High Conservation Value will be considered Critical Habitats.

¹¹ This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any other equipment where the radioactive source is trivial and/or adequately shielded.

¹² PCBs: Polychlorinated biphenyls, a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.

¹³ Ozone Depleting Substances: Chemical compounds, which react with and delete stratospheric ozone, resulting in "holes in the ozone layer". The Montreal Protocol lists ODs and their target reduction and phase-out dates.

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ESG INVESTMENTS – RISKS AND METHODOLOGICAL LIMITATIONS

For all its investments, Mirova aims to offer portfolios consistent with a climate trajectory of less than 2°C as defined in the Paris Agreement of 2015, and systematically displays the carbon impact of its investments (excluding Solidarity and Natural Capital management), calculated using a proprietary methodology that may have biases.

By using ESG criteria in its investment policy, the goal of the relevant Mirova strategies is particularly to better manage sustainability risk and generate sustainable, long-term returns. ESG criteria may be generated using proprietary models, third-party models and data, or a combination of both. Evaluation criteria may evolve over time or vary depending on the sector or industry in which the issuer operates. The application of ESG criteria to the investment process may lead Mirova to invest in or exclude securities for non-financial reasons, regardless of available market opportunities. ESG data received from third parties may be incomplete, inaccurate, or unavailable from time to time. Consequently, there is a risk that Mirova inaccurately assesses a security or issuer, leading to the incorrect inclusion or exclusion of a security in a Fund's portfolio. For more information on our methodologies, please visit our Mirova website: www.mirova.com/en/sustainability.



ABOUT MIROVA

Mirova is a global asset management company dedicated to sustainable investing and an affiliate of Natixis Investment Managers. At the forefront of sustainable finance for over a decade, Mirova has been developing innovative investment solutions across all asset classes, aiming to combine long term value creation with positive environmental and social impact. Headquartered in Paris, Mirova offers a broad range of equity, fixed income, multi-asset, energy transition infrastructure, natural capital and private equity solutions designed for institutional investors, distribution platforms and retail investors in Europe, North America, and Asia-Pacific. Mirova and its affiliates had €32 billion in assets under management as of March 31, 2025. Mirova is a mission-driven company*, labeled B Corp**.

*References to a ranking, award or label have no bearing on the future performance of any fund or manager. * Mirova has been a mission-driven company since 2020. For more information: www.entreprisemission.com. ** Since 2006, the B Corp movement has been promoting strong values of change worldwide to make businesses "a force for good" and to distinguish those that reconcile profit (for profit) and the common good (for purpose). The goal of B Corp is to certify companies that incorporate social, societal, and environmental objectives into their business models and operations. B Corp certification is a designation indicating that a company meets high standards of verified performance, accountability, and transparency on factors ranging from employee benefits and charitable donations to supply chain practices and input materials. Certified since 2020, Mirova submits a new B Corp certification application every three years. The annual renewal fee for certification is €2,500. For more information, please visit the B Corp website here: <https://www.bcorporation.net/en-us/certification>*

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