

Mirova's 2025 Stewardship Report

The contents within this document represents Mirova and its affiliates responsible investment activities over a normal financial reporting year (12-month period) ending 31 December 2024.

Introduction

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 is headquartered in Paris, France and has affiliates in the United Kingdom, through Mirova UK Limited, in the U.S. through Mirova U.S. LLC. We also have a presence in Luxembourg, Singapore and Nairobi. Mirova and its affiliates had £26 billion in assets under management as of 31 December 2024. Mirova is a mission-driven company¹, labeled B Corp². We bring together nearly 250 multi-disciplinary experts, specialists in thematic investment management, engineers, financial and ESG³ analysts, specialists and experts in socially conscious finance and project financing.

The investment strategy developed by Mirova aims to provide clients with consistent medium and long-term financial performance, aligned with positive environmental and social impacts. By analyzing sustainability opportunities and risks, our team identifies investments that not only generate financial returns but also actively contribute to the creation of long-term value for society. Mirova's ambitious voting and engagement policies continuously evolve to reflect changes in market practices and to assess the results of our engagements throughout the year. As a responsible investor, Mirova applies this proactive engagement approach on all its asset classes and strategies. We also actively collaborate with political and economic decision-makers, as well as local communities and NGOs to foster a constructive environment for responsible investment. Overall, Mirova's extensive engagement efforts provide the ability to leverage our expertise in many different sectors and encourage the adoption of strategies and policies in line with the UN Sustainable Development Goals (SDGs).

¹ Introduced in France in 2018 under the Pacte Law, a 'société à mission' company must define its "raison d'être" and one or more social, societal or environmental objectives beyond profit. The purpose, and objectives aligned with this purpose, must be set out in its Articles of Association. The Articles specify the means by which the execution of the Mission will be monitored by a Mission Committee (a corporate body distinct from the board of directors which is responsible for monitoring the implementation of the mission with at least one employee.) An independent third party then verifies the execution of the Mission, via a written opinion which is annexed to the report of the Mission Committee to shareholders and made available on the website of the company for a period of five years.

² B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials. Certified since 2020, Mirova reapplys for the B Corp Certification every three years. The annual fee for maintaining the certification is €30,000 as well as a €250 for a submission fee. Support from Nuova Vista is €15,450. To find the complete B Corp certification methodology, please visit the B Corp website here: <https://www.bcorporation.net/en-us/certification>

³ Environmental, Social, governance

SETTING THE EXAMPLE

Our DNA is characterized by a commitment to global openness, emphasizing collective effort and the sharing of knowledge with the financial, economic, academic, and civil society sectors. We maintain a long-term perspective that allows us to foresee and understand future trends more clearly. Additionally, we embody a pioneering and entrepreneurial spirit, dedicated to exploring new areas and investment themes that not only serve our clients' interests but also create a meaningful impact.

Overall, we believe that our continuous efforts to leverage our deep commitment to innovation in ESG research and investment application will allow us to stay ahead of competitors for the foreseeable future.

Our societal role as a management company encompasses more than just our fiduciary responsibility; it reflects our commitment to facilitating a profound transformation of the economy towards a fairer and more sustainable world. We believe that this transformation must begin voluntarily at the organizational level. Consequently, we strive to be exemplary and consistent with the standards we uphold, aiming to set a benchmark within our sector and promote best practices that align with our leadership in responsibility. As a mission-driven and B Corp™ certified company, fully compliant with the UK Stewardship Code, Mirova seeks to create long-term value not only for our shareholders but also for all stakeholders, ensuring that the social and environmental impacts of our decisions are carefully considered. This sustainable DNA reinforces our fiduciary duty, guiding us to act in the best interests of our clients while contributing positively to society and the environment.

Purpose and Governance

Principle 1: Purpose, Strategy, and Culture

Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

OUR PURPOSE

Our societies are facing huge challenges, prompting profound changes in the economy. We are convinced that finance cannot remain detached from these movements and can serve as a powerful lever for accelerating the transition towards a sustainable economic model.

Mirova is a conviction-based management company dedicated entirely to sustainable investment. We develop innovative investment solutions for our clients – both individual and institutional investors – aimed at accelerating the transformation of the economy towards a sustainable model. Our mission is to contribute to a more sustainable and inclusive economy through investment and stewardship.

Our investment philosophy seeks to combine financial outperformance with tangible environmental and social impact. Our multi-disciplinary team employs risk and opportunity assessment, life cycle analyses, and fundamental analysis when making investment decisions. Mirova's stewardship practices, demonstrated by our voting and engagement efforts, advocate for the long-term interests of all stakeholders, recognizing the value created and shared by not only shareholders but also by the wider community.

OUR INVESTMENT APPROACH

At Mirova, we strive to direct capital towards the investments that contribute to a real, sustainable, and value-creating economy. We believe finance should act as a tool to steer the economy towards models that preserve and restore ecosystems and the climate, while also fostering social inclusion, health, and well-being. As pioneers of this movement, we take an innovative approach through all our means of action: investment, research, as well as engagement at the company level, at the industry level and through advocacy. We consistently seek to reconcile societal and financial performance by placing our expertise in sustainable development at the heart of our investment strategies. The solutions we offer aim to develop a new way of saving that contributes to a more sustainable and inclusive economy.

A responsible investment approach involves assessing how issuers consider environmental, social and governance (ESG) issues. Whether investing in companies, local authorities, government bodies, or projects, investors must understand the complexities of sustainable development challenges faced by these entities and how they address them – or fail to. Currently, there is no established framework or standard practice for issuer reporting that assists investors in considering these issues. Therefore, as a company dedicated to responsible investment, we have developed our own methodologies to clarify the connections between economic actors and ESG issues. In an industry where numerous assessment frameworks are rapidly emerging, we prioritise transparency regarding the principles and indicators that guide our investment decisions and stakeholder reporting.

OUR CULTURE & BELIEFS

B Corp Certification: A Mark of International Credibility

Receiving the [B Corp](#)™ certification label, after an evaluation process which awarded Mirova an "excellent" score of 113.4 out of 200 (by way of comparison, the average score of a conventional company is estimated at 50.9), is an assurance of the credibility of the company's entire corporate responsibility approach. The label is recognized internationally and is testament to Mirova's environmental and social commitment. Mirova is in the process of B Corp recertification. The results from this recertification should be announced soon.

With more than 6,000 companies in more than 80 countries, the B Corp™ community provides a real ecosystem for Mirova to evolve and progress while sharing innovative ideas and expertise.

'Mission-Driven Company': Committed to Actively Contribute to The Common Good

Our role in society as an asset management company extends well beyond fiduciary responsibility; it embodies our **determination to profoundly transform the economy towards a fairer and more sustainable model**.

By becoming a '[Mission-driven company](#)', we have formalized the *raison d'être* that has guided our actions since our creation and to structure our approach through five objectives:

- Make Mirova's positive impact a systematic objective of our investment strategies
- Cultivate and develop our social and environmental expertise
- Constantly innovate in terms of our products and approaches to achieve this impact
- Accompany our stakeholders towards a sustainable economy and finance
- Respect the environmental and social standards which we observe

By embedding our mission and social and environmental objectives in our articles of association, Mirova has committed to **enhancing its positive impact on both environmental issues and inequality**.

We have established a Mission Committee composed of leading experts to oversee the implementation of its mission. The committee guides our continuous improvement efforts and is responsible for publishing an annual mission report.

Mirova places significant importance on diversity and inclusion in the workplace. We have built a team that represents a wide range of backgrounds, including gender, nationality, and age, believing that this diversity fosters a variety of ideas and ultimately leads to better performance. As of 31 December 2024, women represent 49% of Mirova's workforce, 50% of the management committee, 44% of the portfolio management team, 66% of the board of directors, and 40% of our Mission Committee. Our workforce comprises 18 nationalities from five continents, and our code of conduct enforces strict policies against discrimination.

Mirova is committed to maintaining a culture where independent thought and a long-term perspective are unified with a strong sense of purpose aligned with sustainability. We believe this approach encourages ideas and expertise through collaborative teamwork and fosters respectful discourse, built on trust and respect across the organization.

OUR CORPORATE SUSTAINABILITY APPROACH

In addition to ensuring positive environmental and social impact through its [investments](#), Mirova strives to promote a **virtuous cycle with regard to its direct impact**.

Committed to sustainable development and Socially Responsible Investing (SRI) since inception, Mirova has been implementing an ambitious Corporate Social Responsibility (CSR) strategy alongside its asset management practices, seeking to demonstrate the highest standards of commitment in the market.

This strategy encompasses our comprehensive efforts to measure and reduce our carbon footprint, enhance employee engagement in sustainability initiatives, and ensure our business operations align with our mission of contributing to a more sustainable and inclusive economy.

From an Environmental Standpoint

We have been prioritising the **measurement of our annual greenhouse gas emissions** across all direct activities, which include real estate, travel, and operational practices. In 2024, we launched a thorough **assessment of our carbon footprint**, identifying business travel and purchased goods and services as significant sources of emissions. To further reduce our environmental impact, our offices adhere to top-tier environmental certification standards, including [HQE](#) "Excellent," [BREEAM](#) "Excellent," and [LEED Platinum](#) for our Boston location. We have implemented energy-efficient measures such as insulation, presence detectors for managing lighting and temperature, and video conferencing technologies to facilitate remote collaboration and reduce commuting needs.

Additionally, we are committed to responsible procurement practices, integrating CSR criteria into our supplier selection process to mitigate the environmental impact of our purchases. Our offices are designed to be accessible via public transport and are equipped with secure bicycle parking facilities, electric charging points, and incentives for employees to adopt low carbon commuting options, reinforcing our commitment to sustainability.

From a Social Standpoint

We view diversity as a crucial driver for societal development and organizational success. Our rigorous code of conduct enforces strict anti-discrimination policies, fostering an inclusive workplace where all employees feel valued and respected. We are actively committed to integrating people with disabilities by providing specially adapted workstations and accommodating their unique needs in the workplace.

Our diversity and inclusion initiatives are grounded in five strategic objectives: promoting gender equality, fostering cross-generational diversity, encouraging diverse socio-economic backgrounds, celebrating diverse cultural perspectives, and ensuring the integration of people with disabilities. To further enhance our community engagement and nurture employee skills, we encourage our staff to participate in skills sponsorship initiatives, allowing them to dedicate two days each year to support local associations selected from a catalogue of projects backed by our endowment fund, Mirova Foundation. This initiative not only aligns with our philanthropic vision but also offers employees valuable opportunities for personal and professional growth while strengthening our ties to the communities we serve. By cultivating a workplace that prioritizes diversity, inclusion, and community involvement, Mirova aims to create a positive impact that extends beyond our corporate responsibilities to contribute to the broader societal good.

Principle 2: Governance, Resources, and Incentives

The governance structure, resources, and incentives of Mirova support effective stewardship as a mission-driven company.

Governance Of Our Status as a Mission-Driven Company

Mirova operates as a "Société anonyme" (French public limited liability company) under French law. This designation provides a formal governance framework that promotes accountability, transparency, and a clear separation of powers within the company's leadership structure. Central to this framework is the Board of Directors, which is responsible for overseeing the overall direction and strategy of the company, ensuring that Mirova remains aligned with its mission-driven objectives while fulfilling its fiduciary duties to shareholders and stakeholders.

The Board of Directors is composed of members who bring diverse expertise and perspectives, which is essential for informed decision-making. It plays a critical role in evaluating the company's strategic priorities, monitoring performance, and ensuring compliance with legal and regulatory requirements. This governance body is tasked with safeguarding the interests of the company and its stakeholders, acting as a check on the management team, and verifying that the company's operations are conducted in accordance with its stated mission.

The Chief Executive Officer (Philippe Zaouati) and Deputy Chief Executive Officer (Guillaume Abel) are responsible for the day-to-day management of Mirova. Their roles encompass implementing the strategic vision set forth by the Board of Directors, managing operational functions, and fostering a corporate culture that supports Mirova's mission. The clear division of responsibilities between management and oversight ensures that decision-making processes are effective and that there is accountability at all levels of the organization.

Supporting the CEO and Deputy CEO is the **Management Committee**, which is comprised of senior leaders from various key functions within the firm. This committee includes the Head of Sustainability Research, the Head of Human Resources, the Heads of the listed and private assets business units, and other senior executives. The Management Committee plays a pivotal role in defining the strategic direction of Mirova, ensuring that it aligns with the company's mission of promoting sustainable investing and responsible finance. The committee meets weekly to discuss business development strategies, evaluate investment opportunities, and assess the firm's performance against its mission-related objectives. The collaborative nature of the Management Committee enables cross-functional insights to inform strategic decisions, facilitating the integration of sustainability considerations into all aspects of Mirova's operations. This governance structure not only enhances operational efficiency but also reinforces Mirova's commitment to its mission-driven status, ensuring that all leadership decisions are aligned with the broader goals of sustainability and social responsibility.

Mirova's governance framework, anchored by the Board of Directors and the Management Committee, supports a clear separation of responsibilities while promoting effective oversight, strategic direction, and alignment with the company's mission. This structure is fundamental to ensure that Mirova continues to deliver value to its clients and stakeholders while championing sustainable investment practices.

Since 2020, Mirova has embraced the "Société à mission" (Mission-driven company) status, a legal framework established by the French Pacte law that formalises our commitment to integrating social and environmental objectives into our corporate purpose. **This status obliges Mirova to publish regular updates demonstrating our alignment with our mission and progress towards achieving our objectives.** The main objectives of our mission include:

1. Making Mirova's positive impact a systematic objective of its investment strategies
2. Gaining and developing its social and environmental expertise
3. Consistently innovating in terms of its products and approaches to achieve this positive impact
4. Accompanying its stakeholder towards a sustainable economy and finance
5. Meeting the environmental and social standards which Mirova respects

To oversee the implementation of our mission, Mirova has established a Mission Committee composed of renowned experts in environmental, social, societal, and sustainable finance. This committee is responsible for guiding the company towards areas for improvement, monitoring progress, and publishing an annual mission report that is reviewed by an external auditor. In 2024, the committee welcomed two new members, Isabelle Juppé as Chair and Jean Jalbert, who specialises in biodiversity.

Strengthening Governance Relationships

Mission Committee: To enhance the strategic role of the Mission Committee, ties and interactions between the Mission Committee and the Board of Directors have been strengthened. The Chairwoman of the Mission Committee is now invited to attend all meetings of the Board, and the two bodies convene at least once a year for an extraordinary session dedicated to presenting the Mission Report. Additionally, the Purpose & People Department has focused on raising awareness about the mission's various aspects, including the roles of the Mission Committee, its implications for Mirova, and the responsibilities associated with upholding the mission.

Our governance structure also includes the **International Forum for Dialogue**, created in October 2023, which serves as a platform for discussions on economic, financial, strategic, and social themes among Mirova's different locations. This forum is comprised of seven members representing teams from each of Mirova's geographic entities, promoting diverse perspectives and best practices.

Mirova US Management Committee: appointed to act on behalf of, and within the powers granted to them by, the Board of Directors to run Mirova day-to-day business and to set the firm's culture, mission, vision, and values. The team comprises the heads of key functions within the firm and presently comprised of the CEO, CIO, and CCO and the Associate General Counsel meet informally two times per month and additionally as needed.

Mirova Investment Committee: meets weekly, formally, and as necessary to discuss investment topics such as portfolio construction, valuation of stocks on watch list, and portfolio positions. New stocks are also presented and there is always at least one Portfolio Manager in attendance.

Sustainability Committee: meets monthly with the broader investment teams in the U.S. and Paris to discuss ESG team research and projects.

Additional:

- **Voting Committee**, which is composed of Mirova's Chief Investment Officers, Global Head of Research and Global Head of Listed Assets. Portfolio managers, non-financial analysts, members of legal/compliance/risk may be invited to participate in the committee's deliberations depending on the subject under discussion.
- **Compliance Risk and Internal Control (CRIC)**: the CRIC at Mirova oversees the compliance program across all of Mirova affiliates (including training, annual review, procedures, etc.), the operational risk (including mapping, incident response, etc.), financial reporting, internal control, risks associated with the core business, IT security and business continuity. It contains members from Mirova, Natixis Investment Managers (Natixis IM), Mirova UK and Mirova US.

Resources: Expertise Spanning Multiple Asset Classes

Mirova's multidisciplinary team comprises nearly 250 employees, boasting expertise across various asset classes and managing £26 billion in assets as of 31 December 2024. Each member of the investment team is regarded as an ESG specialist, with a dedicated Sustainability Research (SR) team of over 20 Impact & ESG professionals focusing on sustainable investment practices. This team, led by Mathilde Dufour, is independent from the portfolio management team and is responsible for identifying sustainable opportunities, assessing issuers' ESG practices, and engaging in voting activities. Our SR team is one of the largest dedicated ESG teams in Europe, with each analyst specialising in specific thematic sectors related to our assets under management.

Dedicated Impact & ESG specialists with complementary expertise

 <p>Mathilde Dufour Head of sustainability research</p>	 <p>Louise Schreiber Head of sustainability research - listed markets</p>	 <p>Gabrielle Ferhat Information and Communication Technologies</p>	 <p>Felipe Gordillo Finance and sustainability bonds</p>	 <p>Lindsey Apple¹ Proxy voting and engagement</p>
		 <p>Hadrien Gaudin-Hamama Resources and biodiversity</p>	 <p>Manon Salomez¹ Healthcare, consumption and job quality</p>	 <p>Louis Wuyam Sustainability bond, real estate</p>
 <p>Sarah Maillard Head of sustainability research - private markets</p>	 <p>Camille Barré² Mobility, building, mining and diversity</p>	 <p>Jean-Baptiste Rouphail Energy and climate change</p>	 <p>Manuel Coesler Climate and Environment expert</p>	 <p>Mathilde Krief ESG Data Specialist</p>
		 <p>Corinna Hornwall³ Renewable energy in emerging markets</p>	 <p>Kenza Lahbabi Environmental Technologies</p>	
 <p>Eva L'Homme Energy transition infrastructures</p>	 <p>Thomas Bonnisseur Energy transition infrastructures</p>	 <p>Amandine Carrage Conservation and restoration</p>	 <p>Kevin Whittington-Jones³ Sustainable ocean use and forestry</p>	 <p>Xavier Collet Sustainable land use and agriculture</p>
		 <p>Noreen Oloya⁴ Impact & ESG analyst</p>		

The research team is composed of people from Mirova and its affiliates. 1. Mirova US. 2. Based in Natixis IM Singapore and dedicated to the Mirova Division. 3. Mirova UK Ltd. 4. Mirova Kenya Limited, based in Nairobi. The information provided reflects the situation as of the date of this document and is subject to change without notice. Source: Mirova.

Sustainability/ESG analysis is an integral part of Mirova's fundamental research process, so interactions between the investment teams and Mirova's dedicated Sustainability Research (SR) Team are frequent and take a variety of formats, including investment committees, ad-hoc meetings, informal discussions, and collaborations on fundamental analysis, both in-person and via videocalls. The mission of the SR team consists of the identification of sustainable opportunities and the assessment of companies ESG practices, alongside voting engagement activities. Mirova's SR team also advocates for sustainable finance among our peers and regulators. Mirova actively contributes to the definition of responsible standards for this industry as well as advocates for the improvement of disclosure practices and ESG performance of the companies in which Mirova invests.

DATA, TECHNOLOGY RESOURCES AND TOOLS

Mirova's investment and fundamental research utilizes various information sources and can leverage an array of software tools to manage its portfolios, the most important of which are the following:

- **BLOOMBERG:** Each portfolio manager has access to its own Bloomberg screen which provides, among other data, detailed description of equities, access to prospectuses, all standard equity market calculation templates.
- **AXIOMA (software edited by FACTSET):** Tool used by portfolio managers to perform quantitative measurements of ex-ante tracking-error.
- **Bloomberg Port Enterprise:** Third-party software that automatically calculate and control the tracking-error and the VaR (Value at Risk) with various methods (MAC3 or GRM Models).
- **CHARLES RIVER DEVELOPMENT (CRD):** Portfolio managers use Charles River IMS for order management. This software tool provides an automated link to Natixis TradEx Solutions, the trading desk, and the Operations Department. Orders are automatically routed and tracked from portfolio managers to traders and, if executed, routed to, and tracked through to the back-office for settlement. Eligibility constraints uploaded into Charles River Investment Management Solution by our risk managers generate automatic pre-trade calculations where relevant.
- **OCTAVE: Online Collaborative Tool for Analysis, Vote and Engagement:** This is a proprietary tool, shared between ESG Research & Portfolio Managers. Both teams share their financial and extra-financial analyses on companies.

External Resources

Mirova's research teams rely on various information sources for implementation.

Mirova's Sustainability Research team has developed a proprietary internal research methodology and uses diverse and complementary resources for its implementation, including:

- Publicly available data: corporate annual reports/sustainable development reports, university research, NGO reports, press, etc.
- Regular exchanges with the different stakeholders: companies, trade unions, NGOs, scientific community etc.
- External research: ESG rating agencies such as ISS ESG for sustainable development analysis and Carbone 4 for carbon impact. We have set up partnerships with all these data providers, in order to develop "bottom-up" research based on Mirova's approach.

Mirova also uses carbon footprint data from Carbone 4, whereas ISS ESG provides Mirova with additional quantitative data around ESG indicators (e.g., water use, board composition, women in leadership, revenues on controversial activities, screening data for cluster munitions and anti-personnel mines, etc.) External provider TruValueLabs is used to monitor the occurrence of controversies on a daily basis.

Mirova's Fundamental Equity Analysts rely on a variety of external data sources and interact continuously to enrich investment ideas. These include:

- Research and recommendations from external financial analysts
- Company meetings
- Analysis of sector or theme reports
- Databases: Bloomberg, Factset, and Capital IQ for business model and financial data. These platforms bring together various types of information, such as price data, company accounting and financial data, market transaction statistics, broker research, financial news, etc.
- Quantitative screening tools provided by external analysts.

Data from all aforementioned sources are assembled into OCTAVE tool in order to facilitate their integration into the impact and fundamental analyses. All external sources are double-checked and cross-referenced with our internal views.

Mirova has developed its own research framework and only relies on outside research for data gathering and comparison purposes. Information on specific metrics applied to each industry sector are available on Mirova's website at: <https://www.mirova.com/en/research/understand>

TRAINING

Recognising the importance of knowledge and expertise in accomplishing its mission, Mirova places a strong emphasis on training and development across all levels of the organisation. Mirova is committed to cultivating the professional capabilities of its employees as one of its five statutory objectives: "Cultivating and developing our social and environmental expertise." To this end, the company offers a variety of training opportunities tailored to the needs of different teams, ensuring that employees are well-equipped to address the complexities of sustainable investing.

Mirova encourages all employees to engage in training focused on environmental, social, and governance (ESG) matters, which is crucial for enhancing their professional skills and aligning with the company's mission. The training programs encompass a broad spectrum of topics, including:

- **CSR and ESG Training:** Employees are provided with access to a range of training courses on corporate social responsibility (CSR) and ESG issues. This training is designed to improve their understanding of sustainability practices and equip them with the tools to implement these practices in their work.
- **Workshops and Seminars:** Mirova regularly organises workshops on critical themes such as climate change, biodiversity, gender equality, and energy transition. For instance, workshops on "Fresco of Climate" and "Oceane fresco" help employees grasp the implications of climate change and marine conservation, respectively. These workshops encourage collaboration and knowledge sharing among employees.

- **Diversity and Inclusion (D&I) Training:** Mirova places significant importance on promoting diversity and inclusion within its workforce. The training focuses on raising awareness about gender bias and stereotypes, intercultural communication, and integrating people with disabilities into the workplace.
- **Specialised Programs:** Each year, Mirova finances the CFA exam preparation for the "Investing in ESG" qualification, allowing around twelve employees to enhance their expertise in responsible investment and sustainable finance. This initiative highlights Mirova's commitment to developing its workforce's skills in areas directly related to the company's mission.

In addition to formal training, Mirova fosters a culture of continuous learning through its "Mission Fortnight," introduced in 2023. Mirova organized a "Purpose Week", in January 2025 in order to provide some insight about the way in which Mirova is building a coherent vision of impact investing as part of a collective effort and about the role the mission should play here in setting standards. We will be sure to provide feedback on the conclusions of this transformative event and on the action taken accordingly in next year's ["Acting as a Mission-Driven Company"](#) report.

Mirova also employs a learning hub available through the Natixis training platform, which provides employees with access to a variety of online courses and resources on CSR and diversity and inclusion. This platform facilitates self-directed learning and encourages employees to pursue topics that resonate with their professional interests and responsibilities.

Moreover, Mirova's commitment to training is further supported by a unique incentive structure. The company has implemented a bonus system linked to the completion of eligible training programs. This system incentivises employees to actively participate in their development, thereby fostering a more knowledgeable and skilled workforce.

Incentives

Mirova has established a competitive and comprehensive remuneration policy designed to attract, motivate, and retain talented employees who are essential to the company's growth and success. The compensation strategy is founded on three core principles:

1. **Competitive Remuneration:** Mirova ensures that its salary offerings are aligned with local market practices and competitive within the industry. This approach is crucial for attracting top talent and maintaining employee satisfaction. Fixed compensation is determined based on individual skills, experience, responsibilities, and the role's specific market conditions.
2. **Commitment to Equality and Non-Discrimination:** Mirova is dedicated to fostering an equitable workplace, ensuring that compensation practices uphold the fundamental goals of workplace equality and non-discrimination. This commitment is reflected in the way salaries are structured, ensuring fairness and transparency in how compensation is determined across the organisation.
3. **Performance-Based Variable Compensation:** Mirova's variable compensation model links individual and collective performance to the company's overall success. This includes both collective performances measured at the level of the company and individual performance assessed through established objectives.

Variable compensation is based on a combination of quantitative and qualitative metrics that are defined and communicated to employees at the beginning of each year. This transparency allows employees to understand how their contributions directly impact their rewards. The variable compensation structure is designed to reward employees not only for achieving targets but also for demonstrating behaviours that align with Mirova's values and mission.

INTEGRATION OF MISSION OBJECTIVES INTO INCENTIVES

Since 2024, Mirova has taken significant steps to align employee incentives with its mission-driven objectives. A portion of the variable compensation is now contingent on fulfilling the mission's statutory objectives, ensuring that employees are directly contributing to Mirova's overarching goals of sustainability and social impact. Each employee's performance appraisal now includes an assessment of their contributions to the mission, reinforcing the importance of aligning individual efforts with the company's mission.

ADDITIONAL INCENTIVES AND BENEFITS

Mirova's remuneration package extends beyond base and variable compensation. The company offers various additional incentives and benefits to enhance employee well-being and job satisfaction, including:

- **Health and Life Insurance:** Mirova provides comprehensive health insurance options, ensuring that employees have access to necessary medical care. Additionally, life insurance and retirement benefits are offered to support employees' long-term financial security.
- **Deferred Compensation and Loyalty Schemes:** Mirova implements long-term loyalty schemes, such as deferred compensation plans and the allocation of free performance shares, to encourage employee retention and commitment to the company's mission over time.
- **Collective Variable Compensation:** Mirova has established collective variable compensation schemes associated with employee savings programs, including profit-sharing and incentive schemes for employees based in France. These initiatives encourage employees to participate in the company's financial performance and foster a sense of shared success.

PERFORMANCE REVIEW PROCESS

The remuneration adjustments and evaluations are conducted during annual performance reviews overseen by the Remuneration Committee. This process ensures a fair and consistent approach to assessing employee contributions, providing a structured opportunity for dialogue between employees and their managers about performance expectations and outcomes.

Principle 3: Conflicts of Interest

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

Our firm is committed to conducting our investment advisory business in accordance with the highest standards. We are fiduciaries to our clients and, as a result, we have a fundamental obligation to act in their best interests. We owe our clients a duty of undivided loyalty and utmost good faith. Additionally, we (and our affiliated entities) are subject to various federal, state, and foreign rules and regulations. Our compliance program is monitored and evaluated through both internal and external assessments. The Chief Compliance Officer is responsible for coordinating the identification, mitigation and/or disclosure of material conflicts of interest to which the Adviser is subject.

Defining Conflicts of Interest

A conflict of interest is defined as a situation in which Mirova, or one of its associates or representatives, acts in a way that could, if appropriate precautions are not taken, adversely affect its clients' interests.

Identifying Conflicts of Interest

Mirova has taken reasonable measures to detect any conflicts of interest that might arise during normal business operations:

- between Mirova and any concerned parties, or any parties directly or indirectly connected to the asset management company by control, Mirova's clients, and the UCITS Mirova manages
- between two clients or two UCITS
- or between an UCITS and a client

Mirova has mapped potential conflicts of interest and identified situations that give rise to, or are likely to give rise to, conflicts of interest, and which involve a significant risk of damage to the interests of one or more clients through the provision of an investment service or related service or through the management of UCITS or AIFs.

Preventing Conflicts of Interest

In order to prevent conflicts of interest from arising, Mirova has focused on:

- increasing associates' awareness and putting preventative measures in place, including training on the internal Conflict of Interests management rules as soon as possible after taking up their position and thereafter on a periodic basis at least once every three years;
- implementing information barriers. An information barrier is a procedure or a structure whose purpose is to prevent confidential and sensitive information from circulating unnecessarily. Information barriers primarily separate activities which are likely to lead to conflicts of interest. The activities concerned are sources of confidential or privileged information, or activities which may create conflicts of interest with other activities;
- procedures: in particular, procedures for issuing orders;
- its code of conduct which specifies the principles that associates should follow while fulfilling their responsibilities and which provides guidelines governing personal transactions, gifts and invitations, etc.;
- its compensation policy, which clearly lays out the terms of the distribution of variable compensation in order not to encourage risk-taking which might hurt clients' interests;
- its voting policy, which ensures that the company exercises its voting rights in the best interests of its shareholders.

Managing And Resolving Conflicts of Interest

Our strategy for managing and resolving conflicts of interest is based on:

- Our associates reporting information relating to conflicts of interest to Mirova's Compliance and Internal Control department;
- Providing clear information to its clients regarding the nature of conflicts of interest and how they may arise, before acting on our clients' behalf.
- Adopting or substituting additional measures as necessary. The implementation of information barriers can be impeded by the need to share information and develop synergies between different departments of multi-capacity financial groups. When confidential information must be disclosed to others within the same department, or in different departments, in order to complete a client's file, authorization should be demanded from the Compliance and Internal Control Department before the information is shared.

Proven conflicts of interest are recorded in a register, in which are recorded their characteristics as well as the measures taken to resolve them, or failing that, the communication made to the client. Indeed, in some cases, the procedures and structures put in place may be insufficient to ensure with reasonable certainty that clients' interests will not be put at risk. In this case, Mirova will clearly inform its clients in an appropriate manner, of the nature and source of any conflicts of interest so that they can make a fully informed decision. Mirova's policies for detecting, preventing, and resolving conflicts of interest are reviewed regularly. Mirova's policies are updated in accordance with regulatory changes and the map of situations leading to conflicts of interest is updated at least once a year.

Some examples of approach to managing potential conflicts include:

- trade error process where trade errors are corrected promptly and in a manner that ensures that the client is made whole;
- gifts and entertainment policies which have strict limits on gifts given or received so that employees are not beholden to investment banks, vendors, brokers, investors, prospective investors, or other parties;
- code of ethics policy which dictates that employees outside business activities must both be disclosed and approved by the compliance team to ensure that employees do not engage in activities that might disadvantage our clients in any way;
- confidentiality policies to ensure that client data remains confidential;
- Casting a "Do Not Vote" on all ballot items at the annual meetings at issuers where there is a significant relationship that presents a potential conflict of interest.

Principle 4: Promoting Well-Functioning Markets

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Our Philosophy on the Promotion of Well-Functioning Financial Systems

At Mirova, we believe that finance should serve as a powerful tool for steering the economy towards models that preserve and restore ecosystems and the climate, while also supporting social inclusion, health, and well-being. As pioneers of sustainable investing, we adopt an innovative approach across all our actions—investment, research, shareholder engagement, and influencing the financial community. Our commitment lies in reconciling societal and financial performance by embedding sustainable development at the core of our investment strategies. This enables us to offer solutions that not only benefit investors but also contribute to a more sustainable and inclusive economy.

OUR VISION: MEANINGFUL INVESTMENT CHOICES

Social and environmental issues present new societal challenges that demand transformative changes within the economy. We assert that finance must integrate environmental and social criteria into its decision-making processes, thereby accelerating the transition towards sustainable development models. The challenges of a sustainable economy are central to Mirova's strategy, which aims to provide solutions that benefit not only investors but all stakeholders in society through a long-term investment approach.

OUR MISSION: CONTRIBUTING TO A MORE SUSTAINABLE AND INCLUSIVE ECONOMY

Since 2020, Mirova has formalised its status as a mission-driven company, establishing a clear rationale for our actions and structuring our approach around five key objectives:

- To make positive impact a systematic objective of our investment strategies.
- To cultivate and deepen our social and environmental expertise.
- To continuously innovate our products and approaches in service of impact.
- To support our stakeholders in their transformation towards a sustainable economy and finance.
- To uphold the environmental and social standards that Mirova defends.

Our societal role as an asset management company extends beyond fiduciary responsibility; it embodies our desire to transform the economy towards a fairer and more sustainable model. Through this approach, Mirova aims to enhance its positive impact on environmental issues while contributing to the reduction of inequalities.

Portfolio Construction

When constructing investment portfolios, Mirova employs a proprietary methodology that assesses the extent to which each investment contributes to the achievement of the United Nations Sustainable Development Goals (SDGs) and qualifies as a "sustainable investment." We focus on entities that contribute to the SDGs through their activities (products or services) and practices (management operations) while demonstrating the capacity to mitigate associated environmental, social, and governance (ESG) risks.

Our analysis of any asset—regardless of asset class—utilises a five-point qualitative scale to assess whether it aligns with the SDGs. Mirova only invests in assets rated as "Positive Impact" (low positive, moderate positive, and high positive impact) and excludes those rated as "Negative Impact" or "Negligible Impact."

This approach complies with the definition of "sustainable investment" per the European SFDR regulation⁴, covering all three aspects of positive contribution, DNSH (Do not Significant Harm) and good governance. It ensures a robust integration of sustainability risks in all investment processes and limits the potential negative impact of these investments. It also guarantees that Mirova's strategies meet the criteria for 'significantly engaging' as defined under AMF recommendation DOC-2020-035.

Names can be removed if an ESG team analyst provides a clear case of deteriorating sustainable quality, leading to a downgrade of the ESG opinion to "Negative Impact" or "Negligible Impact". In the event where a stock in the portfolio were to be downgraded by our Sustainable Research Team, it would be divested. Portfolio Managers endeavour to maximise the share of stocks rated Positive Impact in the Portfolio.

For all of its investments Mirova aims to propose portfolios consistent with a climate trajectory of less than 2°C as defined in the Paris Agreements of 2015.

Mirova has strategically chosen to rely on the SDGs to assess both financial and non-financial contributions to sustainability. This approach embodies the concept of double materiality, which acknowledges that investments should not only aim for financial gains but also contribute positively to societal transformation. We respect three main principles in our ESG assessments:

- **Positive Impact / Residual Risk Approach:** We categorise contributions to the SDGs based on entities' activities and practices. Identifying and minimising ESG risks linked to our investments is equally vital.
- **Life Cycle View:** Our analysis considers the entire life cycle of an asset, from raw material extraction to end-of-life disposal, ensuring a comprehensive understanding of its environmental and social impacts.
- **Differentiated Issues:** Challenges vary significantly by sector and even within sectors. Our criteria are adjusted to reflect the unique characteristics of each asset.

In our engagement processes, we advocate for these principles with issuers and public authorities, striving for transparent reporting that accurately reflects the relationship between economic actors and sustainable development.

Vote & Engagement in Action

Mirova adopts a proactive and principled approach to voting and engagement, viewing these practices as essential components of its commitment to responsible investment and sustainable finance. As a responsible investor, Mirova believes that its influence extends beyond capital allocation; it actively engages with companies to promote environmental, social, and governance (ESG) improvements and drive positive change within the organisations it invests in.

Our voting policy is meticulously crafted to ensure that the interests of all stakeholders are taken into account, moving beyond the traditional shareholder-centric view. Mirova believes that the value generated by companies should be equitably distributed among all stakeholders, including employees, customers, and the communities in which they operate. This philosophy guides our voting decisions, which are informed by a thorough analysis of the resolutions presented at annual general meetings (AGMs). For instance, in 2024, Mirova supported all "Say on Climate" resolutions within its investment scope, reflecting our commitment to engaging with companies on their climate transition plans while reserving the right to withdraw support for plans that do not meet our rigorous standards.

⁴ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector <https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32019R2088&from=FR>

⁵ ESG Investments - Risk and Methodological Limitations: By using ESG criteria in the investment policy, the objective of the funds concerned is in particular to better manage sustainability risk and to generate sustainable and long-term returns. ESG criteria can be generated using proprietary models, third party models and data or a combination of both. The evaluation criteria may evolve over time or vary depending on the sector or industry in which the issuer concerned 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 the market opportunities available. ESG data received from third parties may be incomplete, inaccurate or unavailable from time to time. As a result, there is a risk that Mirova may incorrectly assess a security or issuer, resulting in the incorrect direct or indirect inclusion or exclusion of a security in a fund's portfolio.

Engagement at Mirova is not limited to voting; it encompasses continuous dialogue with companies and project leaders to address key sustainability issues. For example, in 2024, Mirova worked with Phitrust to encourage large French companies (CAC40) to issue reports aligned with the Taskforce on Nature-related Financial Disclosures (TNFD) and establish science-based targets for biodiversity. This collaborative effort revealed that several companies responded positively, with many recognising biodiversity as a critical area requiring detailed reporting.

Another notable instance of engagement in action involved our partnership with TSMC, a semiconductor manufacturer. Mirova engaged the company to enhance transparency around its use of per- and polyfluoroalkyl substances (PFAS) and to advocate for the development of economically viable substitutes. TSMC has since committed to a long-term plan to eliminate PFAS from its operations, showcasing how Mirova's engagement can lead to significant operational changes that align with sustainability objectives.

Through these initiatives, Mirova demonstrates its commitment to leveraging its influence to foster sustainable practices among portfolio companies. Our engagement policy is underpinned by a clear set of thematic priorities, including climate change, biodiversity, social inequalities, and governance issues. By maintaining direct oversight of engagement activities, Mirova ensures that its actions are consistent with its mission-driven objectives, ultimately driving positive societal and environmental impacts while fulfilling its fiduciary duty to clients.

Our Advocacy Work

Mirova is committed to advocating for sustainable finance and responsible investment practices through active engagement with regulators, industry associations, and other stakeholders. Our advocacy efforts are integral to our mission of contributing to a more sustainable and inclusive economy. By influencing the development of regulatory frameworks and industry standards, Mirova seeks to create an environment conducive to sustainable investment practices that align with societal needs.

Our advocacy efforts aim our vision within the sustainable investment market. We engage with European, national, and international regulators, as well as various professional organizations, to advocate for regulations and standards conducive to the development of high-quality sustainable finance at significant scale. This process aims to ensure the financing of assets that support the transition to a sustainable economy.

Mirova seeks to promote the development and structuring of a financial market that meets the needs of society by financing a more sustainable economy. More specifically, Mirova's advocacy actions aim to ensure that market frameworks:

- Provide investors with the tools to identify positive contributions and risks in terms of sustainable investment (reporting of issuers and the financial sector);
- Lift the barriers and structure tools to enable the development of a high-quality sustainable investment market (standards or, recognized labels of high quality and comparability) to properly identify the level of ambition of the products and prevent the risks of greenwashing;
- Allow sustainable investment within the financial sector to scale up (massification of sustainable financial products).

Focus 1.	Focus 2.
<p>Establish a market environment favorable to the development of finance with a positive environment and social impact.</p> <ol style="list-style-type: none"> 1. Demonstrate the need for reallocation of capital to long-term societal needs and to innovate in integrating environmental and social externalities into the market's operations and investment products. 2. Promote a definition of responsible investment that correspond to investment with a positive, long-term, and committed impact. 3. Promote development of green and sustainable financial centers in France, Europe and internationally. 	<p>Provide investors with the means to identify the needs and opportunities of sustainable investment.</p> <ol style="list-style-type: none"> 1. Promote regulations on increases ESG and climate reporting based on a life-cycle analysis for each asset class, allowing investors to choose their investments based on relevant and complete sustainable development criteria. 2. Promote access to markets and investors for projects and companies with positive environmental and social impacts, particularly via: <ul style="list-style-type: none"> • Development of public investment plans to implement international sustainable development goals (Paris agreement, UN's Sustainable Development Goals) • development of private companies and projects with positive impacts and facilitating their access to market financing (including for small and medium companies).
Focus 3.	Focus 4.
<p>Remove obstacles and create tools for developing the sustainable investment market.</p> <ol style="list-style-type: none"> 1. Promote long-term sustainable investment, particularly for institutional investors (fiduciary duty, terms, etc.). 2. Encourage the creation of high-quality standards of labels to favor investment products with positive impacts to reinforce their quality and utility, and avoid the risks of greenwashing. 3. Encourage transparency and disclosure to measure investors' contributions to the sustainable development goals by evaluating the environmental and social impacts of their portfolios. 	<p>Strengthen sustainable investment's position in finance.</p> <ol style="list-style-type: none"> 1. Make sustainable investment financially attractive both for investors and issuers. 2. Encourage innovation and collaboration with stakeholders (put government institutions) to facilitate the financing of projects with positive sustainable impacts.

Mirova advocacy actions rely on a variety of tools, including:

- Crafting position statements on publications from various stakeholders, such as regulators and organizations involved in sustainable finance (labels, blended finance, etc.);
- Contributing to the discussions of regulators and professional responsible investment organizations by responding to public consultations, participating in working groups, and engaging in academic research. Mirova publishes its advocacy objectives as well as the content of its responses to public consultations on its website. Additionally, Mirova is registered in the European Union Transparency Register and the French Transparency Register (Directory of Representatives of Interest of the High Authority for Transparency of Public Life, HATPV).

In 2024, Mirova continued to make significant strides in its advocacy efforts, as reflected in several key initiatives:

- **Support for TNFD Recommendations:** Mirova announced its intention to adopt the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, recognizing the importance of nature-related issues in the financial sector. This commitment underscores Mirova's dedication to integrating biodiversity considerations into investment decisions.
- **Call to Action Against Deep-Sea Mining:** Mirova joined a coalition of 36 financial institutions urging governments to halt deep-sea mining activities, highlighting the environmental risks and ethical concerns associated with such practices.
- **Advocacy for the EU Nature Restoration Law:** Mirova welcomed the adoption of the EU Nature Restoration Law by the European Parliament, viewing it as a positive signal for biodiversity protection while advocating for further ambitions in this area.
- **Engagement on Plastics Action:** Mirova joined nearly 200 investors in calling on corporates to ramp up their actions on plastics, emphasizing the need for responsible management and innovative solutions to reduce plastic waste.

Through these advocacy initiatives, Mirova aims to shape the regulatory landscape in a way that enhances the role of sustainable finance in addressing pressing societal challenges. Our commitment to advocacy is rooted in the belief that effective engagement with a wide range of stakeholders is essential for driving systemic change and fostering a more sustainable economic model.

Each year, Mirova publishes its Voting Policy, Engagement Priorities, Voting Report, Engagement Report (including advocacy efforts). All these documents can be found on its website: <https://www.mirova.com/en/sustainability>

Identification and Management of Firm-Wide Risks

TRANSPARENCY

We believe that the transparency of our mission, philosophy, methodology and engagements - both positive and negative is critical in a time awash with ESG literature. We strive to offer maximum transparency in our quest for environmental and social impact. In reporting on our actions and results, we make public a variety of documents including transparency codes and impact reports here: <https://www.mirova.com/en/sustainability>

As described in detail under Principle 7, we are fully transparent on our research methodology. This includes fair and balanced communication on impact assessment. The annual publication of our Report ["Acting as a Responsible Investor"](#) is an opportunity for us to demonstrate why and how we have put sustainable development at the core of our investment policies and engagements. It is an opportunity for us to emphasize the way we create environmental and social value, while simultaneously realizing financial performance. We hope that this report strengthens the understanding and confidence in the quality of our approach as a responsible investor.

RISK MANAGEMENT

The Risk Management department of Mirova SA is responsible for monitoring the risk of the portfolio (in addition to the analysis provided by the portfolio management team prior to any investment decision). Mirova SA has its own Risk department who validates the investment processes and performs the controls. During the risk investment process validation, the relevant portfolio manager describes the strategies and instruments to be included in the future investment process. Based on this information, the Risk department establishes the risk profile of each fund. Mirova US LLC Compliance meets with the Risk Department at least three times a year during the Risk Committees that are being organized and also during the CRIC meetings where Risk monitoring is discussed. Risk alert emails sent by the Risk Department are also provided to the Mirova US Compliance Department.

The Risk Management department focuses on the control and monitoring of the risks related to the portfolio financial management activity. The department's main mission is to define, measure and control, on a daily basis, all the risks inherent to the strategies, management techniques and investments made by the investment teams. The department ensures that first level controls performed by the operational investment and middle office teams are consistent with the overall risk monitoring procedure. These first level controls are compared and reconciled with the second level controls performed by the risk teams using the Risk Management department's own methods, approaches and data. The overall procedure includes escalation procedures to issue alerts, implement corrective actions and steer the process for solving any breaches observed in the different risk pillars.

The Mirova SA Risk Management department has a separate reporting line from the investment teams and has five experienced risk management specialists.

The Risk Management department has an IT infrastructure, subscriptions to market flows and an array of monitoring and quantitative control tools well adapted to all its missions.

The Risk Management team is responsible for validating and monitoring investment processes.

The Key Risk Indicators can then be described in detail. The team monitors the investment process through specialized Risk tools including Bloomberg Port Enterprise key risk indicators.

Investment process controls are performed on a regular basis. Information is collected from other risk services and summarized in a global risk report. Internal limits and liquidity profile are monitored through a specific in-house tool and a dedicated escalation procedure is applied.

To monitor a Fund's Value-at-risk ("VaR") 99% 20 days, tracking error, equity/bonds exposure are computed on a daily basis. We also have developed scenario analysis to a variety of risk factors and stress testing based on historical stress scenarios.

This procedure combining information to both Investment and Risk hierarchy lines ensures an efficient breach correction process. The Risk Management department works closely with the investment team but has a completely independent reporting line.

Mirova has set up a dedicated risk management committee for equity and fixed income management, which meets three times a year to discuss the following points:

- Presentation and validation of new or updated management processes
- Monitoring of process limits and review of fund risk profiles (overruns, liquidity, stress tests, etc.)
- Performance monitoring and competitive positioning
- Monitoring of regulatory and contractual constraints
- Credit risks, counterparty monitoring, watch list
- Follow-up of the service
- Results impacting variable compensation
- Broker validations
- Global pricing
- Regulatory news
- Results of controls and follow-up of recommendations
- Monitoring of compliance issues

In addition to this dedicated committee, the risk management team is also involved in the process of new product launching. They analyze and approve the investment process with a veto right.

Principle 5: Review and Assurance

Signatories review their policies, assure their processes, and assess the effectiveness of their activities.

Responsible Investment Policy: Since the creation of the company, the integration of ESG into its investment processes is an integral part of its business model and a daily priority for the Board of Directors, senior management, and operational teams. The responsible investment objectives are directly linked to the long-term business development plan defined by the Executive Committee of Mirova, as described under Principle 1. It includes both a long-term vision of the business development and annual targets. The Executive Committee closely monitors achievements and performance at least twice a year.

Our policies are reviewed on a constant basis, following developments, and evolving regulatory requirements in the responsible investing market and progress in data availability. At the time Mirova was created, we already had the intuition that ESG integration was not limited to doing the right thing (risk management), but that we had to allocate capital to companies or projects that have sustainable development objectives (opportunities). That is how our impact investment process was built, and this has not changed since Mirova's creation.

The Board of Directors also plays an oversight role by monitoring the responsible investing activities and reviewing the long-term business development plan. To meet these objectives, all Mirova's investments, whether listed or unlisted stocks or bonds, companies, or projects, share the same approach: achieving financial return, and environmental & social value creation. The application of these principles requires an approach adapted to each asset class.

Mirova maintains the following policies, which are reviewed annually, updated as needed and [publicly available on our website](#): Responsible Investment, Engagement, Proxy Voting and Governance Guidelines, and Conflicts of Interest.

[We publish an annual report on the exercise of our voting activity in addition to our engagement report](#), which covers stewardship activity across asset classes and our advocacy work. Our reports are the result of internal collaboration from our research and investment teams and are reviewed by our compliance department in both Paris and the US. For the purposes of our engagement reporting, we choose only to report statistics on "in-depth" or focused conversations and typically do not include written correspondence or engagements for the purposes of information gathering in order for our statistical reporting to lean more on the conservative side.

Research and Investment Assurance

All of Mirova's investment processes are supported by the expertise of its in-house sustainable research analysts, who conduct cutting-edge research to deepen understanding of long-term ESG issues: climate change, pollution control, resource conservation, biodiversity protection, fundamental freedoms, right to health, right to development and responsible governance, business ethics, etc. The issues at stake in the UN's SDGs are considered. On this basis, the Sustainability Research team is responsible for evaluating issuers and projects through an analysis of opportunities and risks, which results in a rating that defines the composition of Mirova's investment universe for each asset class. All investment teams have a permanent Sustainability Research analyst working hand in hand with the financial analyst/ portfolio management team.

Risk Management

Mirova's Risk Department is responsible for monitoring portfolio risk. The department's main mission is to validate the investment process and to define, measure, and control all the risks inherent to the portfolio management activity, including market risk, liquidity risk, counterparty risk, credit risk, and investment risk. The Risk Management Team is led by the Chief Risk Officer ('CRO') at Mirova who reports to the Deputy CEO at Mirova, who has a direct reporting line to the company's CEO.

The CRO is supported by a Risk Manager at Mirova as well as two risk officers internally and relies on NIM OS' Risk Management Department through a partial outsourcing contract⁶.

Additionally, Mirova affiliates have their own team of compliance and internal control, with each Mirova affiliate's Chief Compliance Officer reporting to the CEO. Mirova US, Mirova UK and Mirova Kenya (formerly Mirova SunFunder) rely on Mirova's risk management organization in the context of a delegation agreement on risk subjects.

Resulting from these direct reporting lines, escalation procedures are very straightforward. Should either Mirova's CCO or the CRO in each affiliate believe that an issue is not properly addressed by the portfolio managers, they would alert the CEO and CEO of the Mirova affiliate to ensure that proper actions are taken and implemented.

To further elaborate, Mirova's Compliance and Internal Control team (the DCCI) is responsible for ensuring the compliance of Mirova's processes, procedures, products, and services. Beyond aspects of personal and professional ethics, the team provides specific advice and training to Mirova's staff. The team's missions are driven by legal, regulatory, and professional requirements, as well as policy defined by senior management. The DCCI performs a periodic compliance risk mapping covering all activities and territories in which Mirova conducts business, considering legal and regulatory risk, financial risk, and operational risk, and assesses the existing control environment.

Mirova's Compliance and Internal Control Department (DCCI) establishes and implements an annual Control Plan that covers all Mirova's activities and processes. The Control Plan is in line with regulatory requirements and adapted to the level of risk identified on Mirova's processes.

The frequency and objectives of controls are defined and validated by the Chief Executive Officer.

The DCCI is responsible for permanent second-level controls throughout Mirova.

The Control Plan is presented annually to management and the Board of Directors.

Controls on the compliance of asset management activities focus on:

- The valuation processes for the instruments held
- The position-keeping process
- The process for validating the net asset values
- The process of placing and processing orders.

The control testing includes employee ethics, conflicts of interest, the fight against money laundering and terrorist financing, the fight against corruption, and market abuse alerts etc.

The progress of the Control Plan and the results are monitored through the Equity & Fixed Income Management Compliance and Risk Committee, which meets three times a year, and the Risks and Internal Control Committee, which also meets three times a year with the Holding Company and are presented to the Mirova Board of Directors.

The DCCI team is also in charge of Operational Risk. It is responsible for collecting, managing, and entering operational incidents in the Natixis Group incident database and updating the operational risk mapping.

Monitoring

Considerable attention is paid to monitoring compliance with established guidelines. Given the in-depth risk monitoring and the ability to pre-test trades both for consistency with the model portfolio and for guideline compliance, the potential for breaches based on portfolio management activity should be low and breaches in portfolio guidelines resolved in the best interests of the client.

Over the first level of controls performed by management teams, a second level of monitoring is performed under the responsibility of the Chief Compliance Officer, to ensure the respect of regulatory, contractual, and internal constraints within each Mirova affiliate.

⁶ Natixis Investment Managers Operating Services "NIM OS" is also an affiliate of Natixis Investment Managers.

Any breaches are reviewed daily by the middle office team and brought to the portfolio manager for resolution. There is a formal escalation procedure if the breach is not resolved quickly. Should the breach continue beyond two days, the Risk management team follows the event until it is fully resolved, activating the escalation procedure.

This escalation procedure, comprising different levels of management, ensures that every interlocutor knows the breaches, possible blockings of situation and their duration.

The Risk management team also implements pre-trade monitoring via the Guardian dedicated software. Checks are performed in real time, as the portfolio manager generates trades within the trade order management system, which are sent directly and electronically to the trading desk- and thus even before a broker or a counterparty was able to be contacted. Pre-trade monitoring concerns mainly eligibility and investment constraint calculations and allow avoiding overruns and thus the necessity of adjustment afterwards.

Reports on breaches are sent twice each month to the heads of investment departments and the head of the Compliance and Internal Control Department.

Internal Audit

Mirova conducts regular operational audits with the aid of Natixis Investment Managers. Mirova receives a comprehensive map of regulatory and best-practice obligations from Natixis Investment Managers' internal Audit Committee with which it tests its operations and vendors' effectiveness.

The results of the internal audits are shared with the Audit Committee. An additional level of control is performed by the holding company by performing both planned and unannounced audits. Issues and concerns are reported to the Audit Committee as well as the auditee. A remediation plan is agreed, and progress is monitored by the Audit Committee until the matter is resolved or the vendor is replaced.

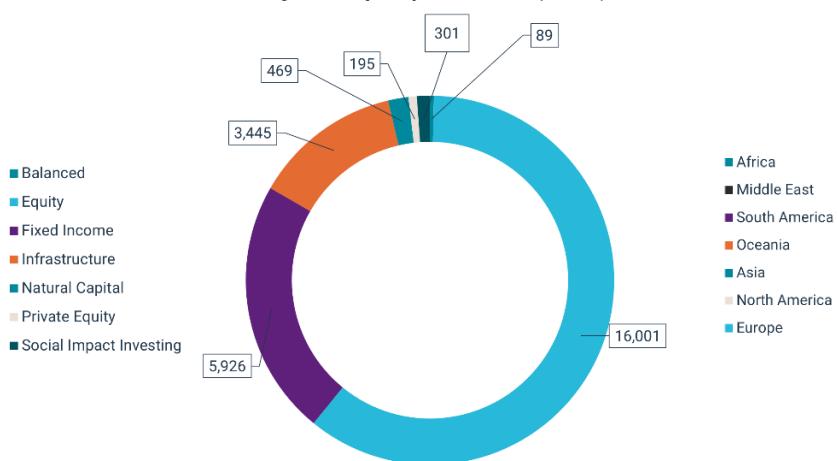
Mirova and its affiliates prepare an annual Internal Control Plan. The Internal Control Plan is implemented by the respective Chief Compliance Officer of each affiliate who ensures that the overall control procedures are efficient and effective. The Internal Control Plan identifies areas to be assessed during the year and aims to ensure that regulatory, contractual, and internal requirements are properly implemented. The Internal Control Plan is validated by the Mirova and Mirova US' CEOs and are presented to the Compliance & Risk and Internal Control Committee which are also informed of the results of controls testing throughout the year.

Principle 6: Client and Beneficiary Needs

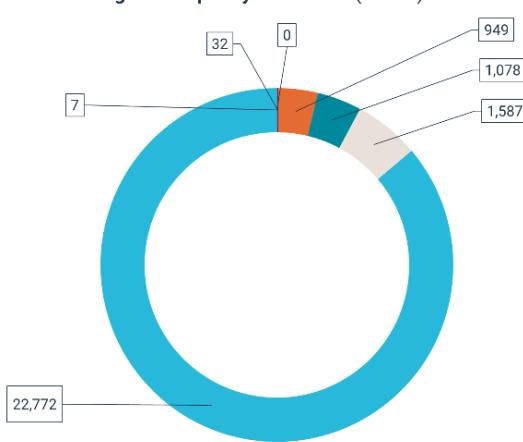
Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

Mirova offers a full array of investment solutions: sustainable and thematic listed equities, private equity, fixed income, Energy Transition Infrastructure, Natural Capital, social impact investing as well as engagement and voting services. Mirova targets almost exclusively institutional investors across the globe for its unlisted investment products. For its listed securities investment products, Mirova targets a mix of investor types: high net worth individuals through wealth managers and private banks, Funds-of-Funds, and institutional investors. Products and services are sold through the distribution group of its ultimate parent company, Natixis IM.

Assets under management split by asset class (GBPm)



Assets under management split by client area (GBPm)



Source: Mirova and its affiliates total as of 31 December 2024

As an investment group dedicated exclusively to sustainable investment, Mirova pays particular attention to transparency in relation to our stewardship activities, as well as providing clients and prospects with content designed to educate, inform, and advocate for our mission - to contribute to a more sustainable and inclusive economy. The solutions we offer to our clients, along with insights on trends and research topics informed by robust analysis from our Sustainability Research Team, as well as various reports and policies covering engagements and voting, are typically updated annually and can be found publicly accessible on our website. In addition, our portfolio managers, who are also specialists in their respective themes, produce a number of different white papers, which can also be found on our website.

Our investors have different needs based on various factors such as geographical location, investment vehicle, regulatory guidelines, etc., which enables us to work with each client to develop a solution while guiding them through the inevitable hurdles they may face in pursuit of their long-term goals. We leverage the exceptional people and culture at Mirova to maintain a disciplined investment process that is robust, repeatable, and capable of not only meeting but also exceeding our clients' expectations over the long term.

MINIMUM STANDARDS AND EXCLUSIONS

Mirova was established to finance economic models that aim to positively contribute to sustainable development. Our work primarily focuses on **identifying** companies that provide solutions contributing to sustainable development themes through their products, services, and practices. However, this focus does not absolve us of our responsibility to ensure that our investments consistently meet or exceed minimum standards, particularly regarding controversial activities. Minimum standards are defined for each sector based on their key environmental and social impacts and are detailed in our sector research papers. Our [Minimum Standards document](#) summarizes our positions on major issues deemed controversial or detrimental to achieving sustainable development goals.



Mirova does not **automatically** exclude any industry; rather, we conduct extensive analyses of environmental and social impacts for each sector. For certain industries, this thorough analysis may lead to the complete exclusion of all players, particularly when a case-by-case review results in a "Negative" or "Negligible" rating for all companies in that sector, indicating that they fail to adequately manage associated risks. **Such ratings result in the exclusion of these issuers from Mirova's portfolios.** We only invest in assets rated as "positive impact" (low positive, moderate positive, and high positive impact). Notably, these ratings can evolve based on changes within the company.

Current excluded sectors include oil exploration and production, coal, tobacco, military activities, gambling, adult entertainment, and sugar-sweetened beverages. Furthermore, Mirova adheres to the principles of the UN Global Compact and/or OECD guidelines.

Companies that produce controversial weapons, cluster munitions, or anti-personnel mines are systematically excluded from our investment considerations. Nuclear weapons fall under this exclusion as well. For other types of weapons, we maintain that currently, no company within the industry can guarantee that their products will not be exported or re-exported to high-risk, undemocratic countries, where they may be used against civilians.

IMPACT REPORTING

At Mirova, most of our sustainability-related research focuses on qualitative indicators. However, we are continuously developing innovative physical impact indicators, such as biodiversity, to demonstrate the effectiveness of our approach. We regularly provide reporting to our clients and publish annual reports on our flagship investment strategies [on our website](#).

Qualitative impact indicators

Because the issues under consideration are both diverse and complex, we believe that assessment of the links between issuers and sustainable development must begin with a qualitative analysis. From the point of view of financial materiality, this evaluation contributes to our fundamental analysis and helps refine our determination as to the growth potential of an issuer, their risk profile and valuation.

Our analysis of any asset, regardless of its class, allows us to establish an overall qualitative opinion using a five-point scale. This assessment determines whether the asset aligns with the Sustainable Development Goals (SDGs) and is conducted based on our core principles, including an impact/risk approach, product and service quality, lifecycle considerations, and a tailored approach to each asset's specifics. Mirova does not exclude any industry by principle and performs in-depth environmental and social impact analyses for all investments. In sectors like energy, companies involved in coal and oil extraction are currently not considered sustainable investments, while those in renewable energy may receive positive impact ratings unless they fail to mitigate other adverse impacts.

Mirova exclusively invests in assets rated as "positive impact" (low, moderate, and high) and avoids those with "negative" or "negligible" impact. This strategy aligns with the European SFDR regulation's definition of sustainable investment, ensuring robust integration of sustainability risks and limiting potential negative impacts. It also guarantees compliance with AMF recommendation DOC-2020-03 regarding significant engagement.

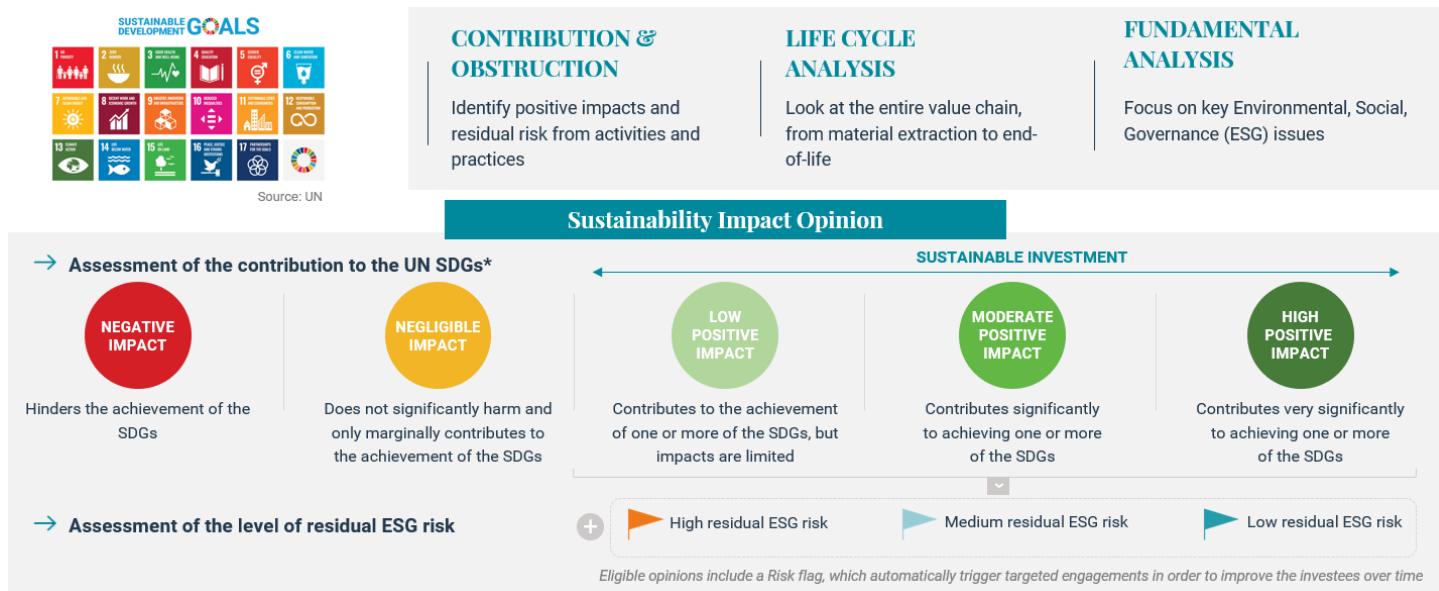
While this overall SDG consistency assessment is central to our sustainability analyses, we have also created tailored assessment frameworks for different investment types and clients.

Mirova's Sustainability Impact Opinion and Residual ESG Risk Scale

Mirova methodology covering our approach in 2024 can be found here: [Our approach to impact & ESG assessment](#). Our framework of analysis considers both aspects and results in a "Sustainability opinion" *:

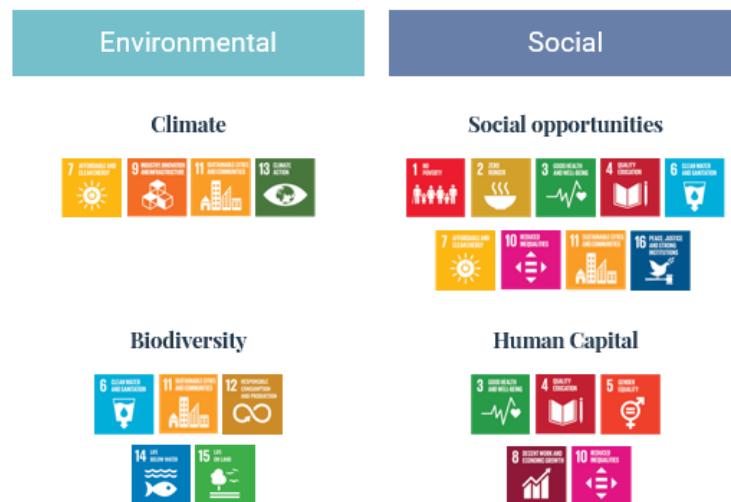
- High Positive Impact: Contributes very significantly to achieving one or more of the SDGs
- Moderate Positive Impact: Contributes significantly to achieving one or more of the SDGs
- Low Positive Impact: Contributes to the achievement of one or more of the SDGs, but impacts limited
- Negligible Impact: Does not significantly harm and only marginally contributes to the achievement of one or more of the SDGs
- Negative Impact: Hinders achievement of the SDGs

To demonstrate our investments' contributions to key sustainable development issues, our global assessment is categorized into six impact pillars: three focused on environmental issues and three on social issues. Each pillar is evaluated using our five-point qualitative scale, ranging from Negative to High positive impact.



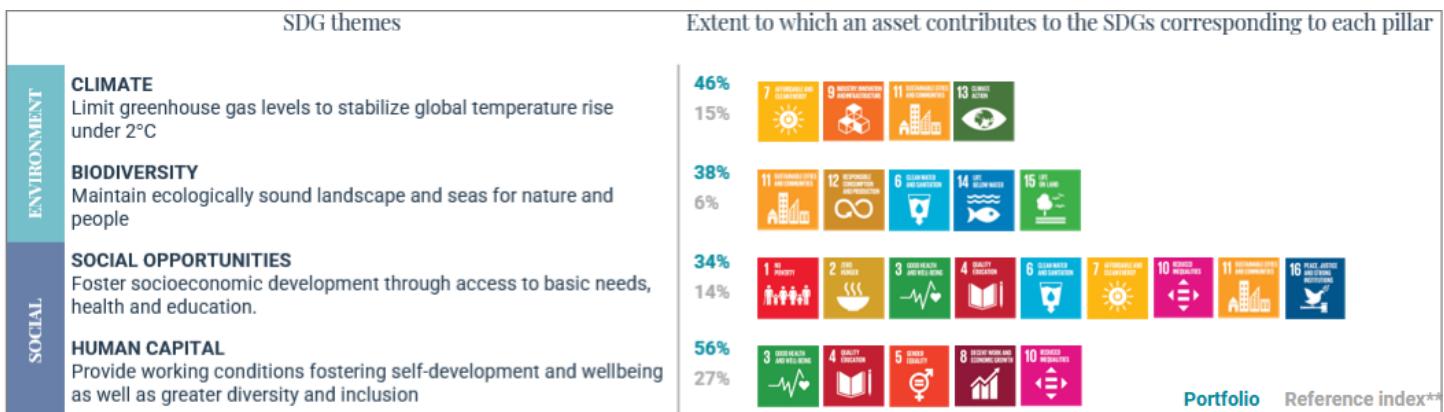
*Sustainable Development Goals. For more information on our methodologies, please refer to our Mirova website: www.mirova.com/en/research. The information provided reflects Mirova's opinion / the situation as of the date of this document and are subject to change without notice. Source: Mirova

In addition to this "overall" Sustainability opinion, our global assessment is categorized into six impact pillars: three focused on environmental issues and three on social issues. Each pillar is evaluated using our five-point qualitative scale, ranging from Negative to High positive impact. The list of pillars has been developed with the Investment Leaders Group of Cambridge Program for Sustainability Leadership (ILG - CPSL).



Source: Mirova

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



*The information provided reflects Mirova's opinion / the situation as of the date of this document and are subject to change without notice. The ESG analysis methodology was reinforced in January 2023. For more information on this methodology, please visit our Mirova website: www.mirova.com/en/research/understand ***Reference index: MSCI WORLD NET TOTAL RETURN EUR INDEX (www.msci.com). For more information about ESG Investing Risk & Methodological limits, please refer to the risk section of this presentation, and more specifically, "ESG Investing Risk & Methodological limits" of this presentation.*

Quantitative indicators

In order to enhance our investment decisions, as well as our monitoring and reporting on the environmental and social performance of our assets, we rely on quantitative indicators as a complement to our qualitative views.⁷ We monitor these indicators at several levels.

- At the level of the invested assets, we use them as parameters in the investment decision process and as a basis for follow-up exchanges with management after investment. Indicators are tailored to reflect the specificities of each asset.
- At the portfolio level, to ensure the alignment and performance of invested assets with respect to the ambitions of a given fund.
- Consolidated at the asset class level, these indicators illustrate the consistency and impact of Mirova's overall roadmap.

These indicators can take several forms.

- **'Physical' indicators.** Quantification of certain key monitoring indicators expressed in physical units. e.g. tons of CO₂, number of jobs created, share of women in management positions.
- **Level of exposure.** How much of the investments or market indices are exposed to certain issues. e.g. share of investments offering solutions to climate issues or exposure to controversial human rights issues.

⁷ These quantitative indicators, while they may seem less subjective than qualitative opinions, are no substitute for the latter. A quantitative indicator can never reflect a company's entire strategy. An increase in a company's CO₂ emissions may, for example, reflect a deterioration in the company's climate performance, but it may also mask more complex realities: integration of a previously subcontracted activity, launch of new activities that avoid emissions elsewhere in the supply chain, etc. Furthermore, even if certain quantitative indicators are sufficient to reflect the performance of an asset on an impact issue, the aggregation of different quantitative indicators necessarily involves a subjective stage of defining the aggregation methods. Whether converting impact indicators into scores, setting up weighting systems or using thresholds, all these choices are based on qualitative assessments for which there is no consensus.

Mirova Internal Analysis

Estimated Impact on Global Average Increase of Temperature*

	Portfolio	Reference Index**
	<2°C	3-3.5°C
Induced emissions (tCO2/millions€ invested)	52.4	113.3
Avoided emissions (tCO2/millions€ invested)	14.9	6.3
Coverage rate (% of holdings analyzed)	97%	99%

The information provided reflects Mirova's opinion / the situation as of the date of this document and are subject to change without notice. For more information on our methodology, please visit our Mirova website: www.mirova.com/en/our-approach-impact-esg-assessment. *Weighted average on the portfolio. **Reference Index: MSCI WORLD NET TOTAL RETURN EUR INDEX (www.msci.com). Source: Natixis Investment Managers International

Furthermore, upon request, we provide specific indicators within our portfolios, for example: gender diversity statistics. We are also working on developing meaningful indicators on other environmental and social issues. We are currently focusing on the development of a pioneering tool for measuring investment impact on biodiversity. To this end, we have launched a joint initiative with other asset managers and work on co-developing a methodology with Iceberg Datalab and Icare Consult. The press release can be found on our website.

Since entry into force of level 2 of the SFDR regulation, we also collect and monitor the following indicators:

- [Principal Adverse Impact \(PAI\) indicators](#): all 14 mandatory indicators as well as & additional indicators
- Taxonomy: investees' alignments with the EU taxonomy on sustainable activities

Principle 7: Stewardship and ESG Integration

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Any responsible investment approach involves looking at how issuers consider environmental, social and governance (ESG) issues.

Whether to encourage clear and simple reporting by issuers on their actions or to assist investors in considering these issues, no framework has yet established a standard practice, leaving the matter to individual choice. As a company dedicated to responsible investment, we have sought to develop our own approaches and methodologies to describe the links between economic actors and ESG issues. In an industry where initiatives offering assessment frameworks are multiplying rapidly, we believe that we should be transparent about the principles and indicators we have chosen, which guide our investment decisions and the way we report to our clients as well as other stakeholders.

Financial materiality and impact

The first fundamental step for establishing an evaluation framework is framing the intention. An initial approach could involve looking at how extra-financial criteria, whether environmental, social or governance issues, are likely to influence financial performance and therefore the risk/return trade-off. In this so-called financial materiality approach, implementation of an assessment framework will focus on those ESG criteria likely to have a financial impact, regardless of their importance in achieving sustainable development goals. This attitude, which is dominant in the United States, has guided the development of many internationally recognised frameworks such as SASB⁸ and the TCFD.⁹

Many actors, including the European Commission, deem that investors should also be concerned with assessing how their investments contribute to moving society towards a more sustainable model, even when financial materiality is low. Most extra-financial rating agencies seek to take ESG criteria into account without linking them solely to financial materiality. Private initiatives such as the GRI¹⁰, the IFC¹¹ principles and the GRESB¹² along with public initiatives such as the European Corporate Sustainability Reporting Directive¹³ subscribe to this vision.



⁸ Sustainability Accounting Standards Board, an initiative to better integrate sustainability issues into corporate accounting <https://www.sasb.org/>
⁹ Task Force on Climate-related Financial Disclosures, an initiative to improve the integration of climate issues into corporate and investor reporting. <https://www.fsb-tcfd.org/>

¹⁰ Global Reporting Initiative, an initiative to improve sustainability reporting frameworks <https://www.globalreporting.org/>

¹¹ International Finance Corporation, a World Bank Group organisation whose role is to facilitate business development in developing and emerging countries

¹² Global ESG Benchmark for Real Assets

¹³ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0189&from=EN>



Since Mirova's creation in 2012, we have made it a central objective to reconcile financial performance and contributions to the emergence of a more sustainable economy. In 2020, we decided to strengthen our commitment to these issues by including our environmental and social investment objectives in our articles of association. Consequently, we have designed an impact and ESG assessment framework that not only evaluates the financial consequences of ESG criteria but also seeks to report on the environmental and social impact of the assets in which we invest. This approach is consistent with the principle of 'double materiality' advocated by the European Commission and complies with the definition of "sustainable investment" as outlined in Article 2.17 of the European Sustainable Finance Disclosure Regulation.

Guided by the SDGs

Whether the goal is financial materiality or impact, taking ESG issues into account covers a very broad area that requires some clarification. For several decades now, the concept of sustainable development has gradually become a central frame of reference for both private and public entities. While the shift towards more sustainable development has given rise to varying interpretations, all the countries of the world moved in 2015 to adopt a sustainable development programme presented by the United Nations. This agenda sets out 17 Sustainable Development Goals (SDGs) for the year 2030, to address critical social and environmental issues. In addition to having been adopted by all members of the United Nations, the SDGs present several advantages.

First, they set out a comprehensive framework for environmental and social issues that is applicable to all economies, regardless of their level of development. Thus, while some issues, such as ending hunger and ensuring access to water for all, are often more relevant to low- and middle-income countries, other goals, such as combating climate change and making cities safe, resilient and sustainable are applicable regardless of wealth or development. While their comprehensive nature says next to nothing about the materiality of each of the issues they address, it does provide a starting point for our analyses.

Furthermore, companies and investors can also use the SDGs as a reference framework for sustainable development issues that transcends the state level. This growing consideration of environmental and social issues by private actors illustrates the new forms of governance that are being put in place today, where the private sphere is increasingly embracing issues of 'the general good'.

And lastly, the SDGs provide investors with a framework for examining the resilience of their assets in the face of ongoing transformations. They even make it possible to go further and consider the exposure of investments to the development of new solutions and new economic models addressing these transformations. This approach is consistent with our own ambitions of not limiting our analysis to strong risk management but rather approaching sustainable development as a source of opportunity, with a strong focus on solution providers.

For these reasons, we chose to use the SDG framework to guide our ESG assessments in 2016.

GOVERNANCE, AN EXTRA-FINANCIAL ISSUE LIKE NO OTHER

The development of responsible investment is closely linked to the incorporation of ESG criteria. However, the SDGs, which are intended to cover environmental and social issues exhaustively, only partially address governance issues. While governance can be broadly defined as a system of entities that direct an area of activity, the term is frequently used to describe various realities. In the public sector, governance analysis generally covers issues such as the quality of leadership, public services and regulation, the level of democracy and political stability, the rule of law and the control of corruption. In the private sector, the analysis of corporate governance can, depending on the case, refer to:

- analysis of the quality of company management
- the control and incentive arrangements relevant to management including, for example, an analysis of the quality and independence of the board, or of respect for the interests of minority shareholders,
- the consideration of subjects more explicitly linked to sustainable development issues, such as respect for business ethics, the distribution of added value or the management of environmental and social issues.

The analysis of governance thus rests on significantly different parameters depending on whether the purpose is to evaluate its influence on financial performance or on environmental and social outcomes.

At Mirova, governance considerations are incorporated into the Sustainability impact opinion framework and the Investment Manager's financial assessment and include:

- the sound monitoring of environmental and social issues (such as employee relations) and the integration of sustainability in the scope of responsibility of the board and executive team,
- sound business ethics practices,
- the fair distribution of value between stakeholders (notably vis a vis remuneration of staff) and tax compliance,
- analysis of the quality of company management,
- alignment of the company's governance with a long-term vision,
- the balance of power between the executive body, the supervisory body and the shareholders of the issuer, the compensation package relevant to company management,
- an analysis of the quality and independence of the board, or of respect for the interests of minority shareholders

THE 17 SUSTAINABLE DEVELOPMENT GOALS

 <p>1 PAS DE PAUVRETÉ End poverty in all its forms everywhere</p>	 <p>10 INÉGALITÉS RÉDUITES Reduce inequality within and among countries</p>
 <p>2 FAIM « ZÉRO » End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	 <p>11 VILLES ET COMMUNAUTÉS DURABLES Make cities and human settlements inclusive, safe, resilient, and sustainable</p>
 <p>3 BONNE SANTÉ ET BIEN-ÊTRE Ensure healthy lives and promote well-being for all at all ages</p>	 <p>12 CONSOMMATION ET PRODUCTION RESPONSABLES Ensure sustainable consumption and production patterns</p>
 <p>4 ÉDUCATION DE QUALITÉ Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	 <p>13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES Take urgent action to combat climate change and its impacts</p>
 <p>5 ÉGALITÉ ENTRE LES SEXES Achieve gender equality and empower all women and girls</p>	 <p>14 VIE AQUATIQUE Conserve and sustainably use the oceans, seas, and marine resources for sustainable development</p>
 <p>6 EAU PROPRE ET ASSAINISSEMENT Ensure availability and sustainable management of water and sanitation for all</p>	 <p>15 VIE TERRESTRE Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
 <p>7 ENERGIE PROPRE ET D'UN CÔTÉ ABORDABLE Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	 <p>16 PAIX, JUSTICE ET INSTITUTIONS EFFICACES Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels</p>
 <p>8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p>	 <p>17 PARTENARIATS POUR LA RÉALISATION DES OBJECTIFS Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>
 <p>9 INDUSTRIE, INNOVATION ET INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	

Source: Mirova / United Nations

Mirova has chosen to rely on the Sustainable Development Goals both in assessing the contributions of issuers to the transition to a more sustainable economy and in evaluating the financial implications of these new challenges. In order to best reflect this double materiality across the full spectrum of SDGs, we seek to respect three main principles in terms of ESG assessment.

	<p>Contributions to the SDGs can be grouped in two main categories, which are often complementary.</p> <ul style="list-style-type: none"> ▪ The “activities” of entities (i.e. the products and services they offer) may make different positive contributions to achieving the SDGs. ▪ As part of the way they operate, entities can also contribute through their “practices” to the achievement of SDGs, ie. by contributing to create sustainable and inclusive jobs, or by having strong commitments to net zero targets beyond their green products offerings, etc. <p>Contributing to some SDGs cannot be done at the expense of other environmental and social issues. Therefore, identifying and minimising ESG risks linked to our investments is equally important in our assessments.</p>
<p>Positive impact / residual risk approach</p> <p>Life cycle view</p>	<p>In order to measure an asset, the analysis of environmental and social issues must consider its entire life cycle, from the extraction of raw materials to products' end of life.</p>
	<p>Differentiated issues</p>

Source: Mirova

Through our engagement processes, we lobby on behalf of these key principles with issuers and public authorities to ensure that disclosure best reflects the relationship between issuers and sustainable development. However, it will be some time before we can rely directly on publicly available information. In the meantime, assessment of ESG impacts requires a great deal of estimation and conversion of the information received.

Our Impact Measurement Frameworks

Investors have been tracking and reporting on the financial performance of their investments for several decades. In contrast, the lack of a framework for ESG issues makes monitoring and reporting on the impact of investments with respect to these criteria significantly more difficult.

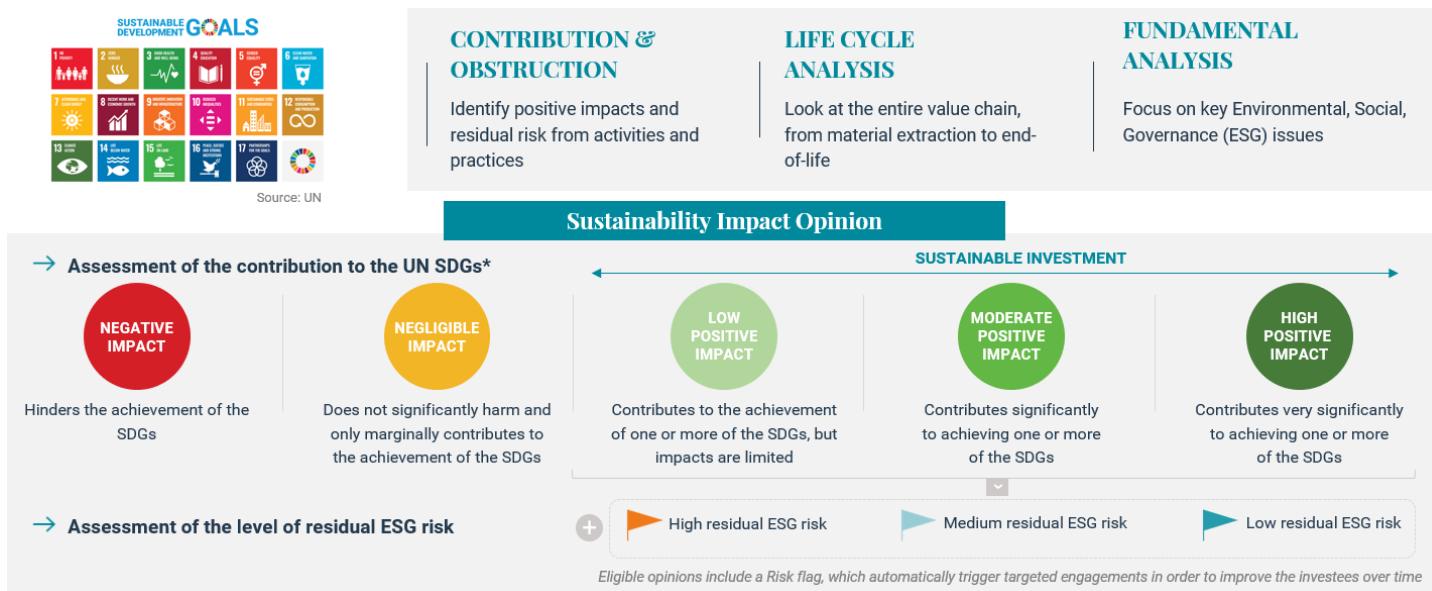
In order to channel our investments towards assets that deliver positive impact and provide elements that will enhance our financial analysis, we have developed several types of indicators, both qualitative and quantitative.

QUALITATIVE EVALUATIONS

Given that the issues under consideration are both diverse and complex, we believe that assessment of the links between issuers and sustainable development must begin with a qualitative analysis. From the point of view of financial materiality, this evaluation contributes to our fundamental analysis and helps refine our determination as to the growth potential of an issuer, their risk profile and valuation.

Overall Assessment

At Mirova, analysis of an asset—any asset regardless of asset class—allows us to establish an overall qualitative opinion, described using a five-point scale and makes it possible for us to determine whether the asset is consistent with achieving the SDGs¹⁴. This assessment is conducted in accordance with our main principles and includes the impact/risk approach, taking into account the quality of products and services as well as the way operations are conducted, the global approach of the entire life cycle, and the differentiation approach, adapting issue selection to the specificities of each asset¹⁵.



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

As this rating scale is defined in terms of achieving the Sustainable Development Goals, no a priori distribution of overall ratings is assumed or expected. Mirova does not exclude any industry on principle and carries out an in-depth analysis of environmental and social impacts for every investment. For some sectors, this analysis may lead to the exclusion of all or some players. For example, in the energy sector, no companies involved in coal and oil extraction are currently considered as "sustainable investment", while companies in the renewable energy sector are likely to be rated as positive impact, except where they fail to mitigate adverse impacts on other environmental or social aspects.

Mirova only invests in assets rated as "positive impact" (low positive, moderate positive and high positive impact) and does not invest in assets rated at "negative" or "negligible" impact. This approach complies with the definition of "sustainable investment" per the European SFDR regulation, covering all three aspects of positive contribution, DNSH (Do not Significant Harm) and good governance. It ensures a robust integration of sustainability risks in all investment processes and limits the potential negative impact of these investments. It also guarantees that Mirova's strategies meet the criteria for 'significantly engaging' as defined under AMF recommendation DOC-2020-03.

While this overall assessment of consistency with the SDGs forms the backbone of our sustainability analyses, we have also developed assessment frameworks tailored to our various types of investments and clients.

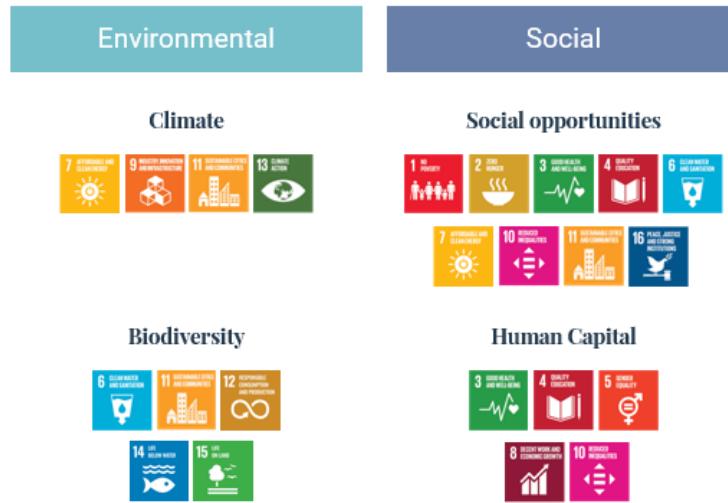
14 Among ESG data providers or financial players, qualitative opinions can take a variety of forms. Letter grades (e.g. CCC to AAA at MSCI, D- to A+ at ISS ESG), qualification of an opinion (Weak / Limited / Robust / Advanced at Vigeo Eiris, Negligible / Low / Medium / High / Severe at Sustainalytics). These qualitative opinions are generally accompanied by numerical scores, for example a score between 0 and 100.

15 The analysis grids adopted sector by sector are communicated in publicly available sectoral sheets.

<https://www.mirova.com/en/research/understand#vision>

SDG Themes

To illustrate the contribution of our investments to the primary issues of sustainable development, our 'global' assessment is broken down into six impact pillars: three related to environmental issues, three based on social issues. Each pillar is assessed according to our five-point qualitative scale, from Negative to High positive impact.



Source: Mirova

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Social impact

SOCIO-ECONOMIC DEVELOPMENT

Eradicating poverty is at the heart of the SDGs. An eminently ethical issue, it also addresses the need to promote stable societies and economic development. According to the World Bank, 7% of the world's population will still be living on less than USD2.15 a day in 2030.¹⁶ According to the International Labour Organisation, more 207 million people remained unemployed in 2022 and the share of workers living in extreme poverty went up to 7.2 per cent after the pandemic.¹⁷

Under the "socio-economic development" theme, we look at two dimensions: the contributions of an asset to improving the conditions of low-income groups through provision of essential services and infrastructures as well as provision of employment and decent working conditions.

More specifically, this theme attempts to determine the extent to which the assets examined meaningfully enhance access to services such as quality food and water, health services and medicines, decent housing, infrastructures, telecommunications, education, clean energy and mobility or basic financial services.

Regarding human capital, it looks at the individual development allowed by the company across their direct and indirect scope, including fair compensation and social dialogue, job security and long-term career building incl. training, as well as work-life balance and support to wellness. Contributions to quality jobs can be direct and concern jobs generated within the perimeter of the entity being evaluated, or they may be indirect, taking into account employment in the issuer's ecosystem, especially its supply chain.

¹⁶ <https://www.worldbank.org/en/topic/poverty/overview>

¹⁷ https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_834081.pdf

HEALTH AND WELLBEING

In recent decades, the world's population has made considerable progress in certain areas, for example in increasing life expectancy or access to knowledge and culture. But there remains much to be done. Combating diarrhoeal diseases, respiratory infections, malaria, cancer, AIDS, cardiovascular diseases, diabetes and diseases remain topics for further research. Improving people's health and avoiding accidents also requires better nutrition, healthier lifestyles and safety innovations. Furthermore, maintaining our societies in a dynamic state of progress calls for increasing investment in the knowledge economy. The SDGs thus value contributions improvements to quality of life.

Specifically, this theme seeks to capture the extent to which the entity assessed contributes to a transition towards better nutrition and health, to innovation in health, to the development of a better level of education or to progress in personal safety.

DIVERSITY AND INCLUSION

Building inclusive societies is a key part of the Sustainable Development Goals. Despite progress made over the last decades, the world is still not on track to reduce inequalities, and the effects of pandemic may have reversed some of these positive trends. According to The World Economic Forum, it will take another 132 years to close the global gender gap. Roughly one in five people in the world still experience discrimination with regards to their sex, ethnicity, religion, age, disability or sexual orientation.

This theme seeks to assess the extent to which the entity assessed promotes greater diversity and inclusion, not only regarding gender but also regarding all types of diversities. It also seeks to identify product offerings which address specific needs from diverse populations (women, minorities, elderly, people with disabilities, etc).

FOCUS ON INEQUALITIES

Whether income inequality, discrimination against minorities or gender equality, we address issues of inequality transversally, as each of our three social pillars is likely to address these issues in part.

Additionally, we pay particular attention in our analyses to issues of income distribution among different stakeholders and to tax optimisation strategies. Our voting policy especially places a strong emphasis on these issues as regards voting on executive compensation and dividend policies.

Climate

Greenhouse gases (GHG) generated by human activities have serious repercussions for the climate. The SDGs have established immediate emissions reductions as critical to limit the rise in global temperatures to well below 2°C, and thereby avoid the most serious consequences of climate change.

Achieving this goal requires that we profoundly alter the structure of our economies.

- Changing our relationship with energy, which accounts for close to two thirds of GHG emissions. Achieving this transformation entails major changes in most sectors: electricity production, transport, construction, industry, etc.
- Combating deforestation, which, by eliminating carbon 'sinks', is responsible for almost 20% of climate change.
- Rethinking our agricultural production methods and our consumption of meat, together responsible for about 15% of GHG emissions.

This theme rewards approaches in line with this framework, either by reducing life-cycle emissions or, more importantly, by developing green solutions.

Biodiversity

In addition to greenhouse gas emissions, human activity generates waste and releases pollution into the air, water and soil that have a lasting effect on animal and plant species.

Since 1970, vertebrate populations have fallen by 60%. Almost 40% of freshwater fish are threatened with extinction. The planet is losing 12 million hectares of rainforest each year. More than 35% of wetlands have disappeared in the last 40 years. Global figures aside, many areas of exceptional biodiversity richness, such as the primary forests of Southeast Asia or the Great Barrier Reef in Australia, are increasingly at risk. This collapse raises both ethical questions about respect for life and economic questions, as our societies rely heavily on the various services provided by natural ecosystems.

The causes of this collapse are hardly a secret. Our agricultural practices, by monopolising the soil and emitting a range of pollutants, are by far the main cause of biodiversity loss. The fragmentation of ecosystems, climate change and, more broadly, the widespread if diffuse impacts of polluting waste from our various industries also contribute significantly to this erosion of life.

This theme therefore rewards activities that help limit the various forms of pollution and actors offering solutions to these challenges, for example in the areas of water treatment, clean energy, sustainable farming and fishing practices or the development of regenerative agriculture, forest conservation or restoration.

Circular Economy

In a world where a growing population aspires to an ever-higher standard of living, the pressure on natural resources is rapidly increasing. Water stress affects a quarter of all humanity. Since 1990, the world's forests lost more than 420 million hectares of forest have been lost through conversion to other land uses. Every year, land degradation affects an area equal to half of Great Britain. Whether our water resources, land, forests, fish populations or mineral deposits, the SDGs encourage us to develop a more circular approach to our economies in order to preserve these resources and limit polluting emissions.

The circular economy theme seeks to capture initiatives that address these issues, as for instance by manufacturing products from sustainable raw materials, eco-design or the recycling and recovery of waste.

Principle 8: Monitoring Managers and Service Providers

Signatories monitor and hold to account managers and/or service providers.

Mirova uses both internal (Natixis Group) and external service / data providers (custodians for instance). Mirova has set a policy for overview of service providers. It provides, in particular, for the definition of outsourced services, the overall system for selecting service providers with the capabilities and authorizations required to carry out the outsourced functions reliably, and the implementation of methods for assessing the level of performance of the service provider and adequately monitors the execution of the outsourced functions. Governance committees are organized with our main service providers. The monitoring of the indicators defined in the contractual terms is carried out at least on regular basis.

We have SLA in place with our custodian and administration funds. As mentioned previously, monitoring of service providers is also reinforced by quarterly meetings with the main service providers such as custodians and administrators. For this kind of operators, a grade of 1 to 4 (from "unsatisfactory" to "highly satisfactory") is awarded across all grids for each of the qualitative criteria. On the basis of the statistics for quantitative criteria, a grade is awarded according to the same scheme by the responsible Middle-office manager based on a comparison of the results for service providers.

Results of the Governance committees are reported to the Compliance, Risk and Internal Control Committee which meets four times a year with the Holding.

ESG External Providers

Sustainable research is conducted in-house by Mirova's Sustainability Research (SR) team which is one of a kind in Europe, both in terms of human capital and process. The SR team has developed proprietary internal research and uses many diverse and complementary resources for its implementation. While the bulk of our data is produced internally, the team still relies on ESG providers for:

- **Some basic ESG analysis:** ISS-ESG with whom we built several solutions, each of them tailored to Mirova's needs. Monthly meetings are organized with ISS-ESG to discuss potential improvements and updates.
- **Proxy voting:** ISS
- **Taxonomy, SDGs alignment:** ISS/ESG
- **Temperature alignment:** Carbone4.
- **Newsflow monitoring:** TrueValue Labs.
- **Biodiversity impact Indicator:** Icare & Consult and Iceberg DataLab.
- **Brokers:** BofAML, Goldman Sachs, Exane, Kepler Cheuvreux, Oddo, etc.
- **Databases:** Bloomberg, FactSet and Capital IQ for data associated with the business model and financial aspects.

Mirova does not rely on suppliers for engagement actions.

Among these data providers, the monitoring process differs depending on the criticality of their services. Only ISS/ESG, TrueValue Labs and Carbone4 have been identified as critical and the process is as follows:

- Every year, an evaluation questionnaire is sent around to assess the quality of the services, relations, controls that the data providers has implemented on its side etc.
- In addition to day-to-day exchanges, the Sustainability Research team meets with service providers on an annual basis to review the service, problems encountered and identify areas for improvement. A report is prepared to record these elements. The team is constantly evaluating the quality of the exchanges with ESG external providers. All external sources are challenged with our internal views.
- As a third level, our internal Compliance Team also undertakes a review of controls and audits of the quality of the services provided by essential data providers.

Until now, the quality of the information has always met Mirova's expectations and thanks to the frequency of dialogue and feedback, any changes made have been slight ad-hoc adjustments made to the provider on Mirova's request (as described below, and in Principle 12, Mirova routinely engages with our proxy advisory firm to verify the accuracy of the data within the voting platform and within the research materials. We also work closely with the client service team to ensure our end client needs are met).

Mirova's Use of Proxy Advisory Services

Mirova's external voting service provider oversees:

- Informing Mirova of upcoming shareholders' meetings related to securities in its voting universe,
- Analyzing resolutions according to the principles defined in the voting policy,
- Providing research and voting recommendations for Mirova's reference, however, Mirova analyzes resolutions independently,
- Providing access to a voting platform for the exercise of voting rights, and
- Transmitting voting instructions to the issuer.

Members of Mirova's Sustainability Research team that are dedicated to voting and engagement meet frequently with representatives of the advisory firms to discuss and understand their policies and guidelines. These meetings also include a discussion of Mirova's voting approach and the application of our policy. We routinely engage with the advisory firms to verify accuracy and service quality, as well as participate in roundtables on at least an annual basis to provide feedback on proposed changes to their policies and guidelines.

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

For data providers that are deemed "less essential", evaluation questionnaires are sent if needed, to evaluate the quality of services. No example of action can be mentioned due to a lack of quality compared to Mirova's expectations. We remain satisfied with the level of service provided.

Principle 9: Engagement

Signatories engage with issuers to maintain or enhance the value of assets.

Engagement Philosophy

Mirova's ambitious engagement approach is based on the conviction that investors can influence market players through Mirova's robust engagement approach is rooted in the belief that investors can significantly influence market players through both individual and collective actions, thereby enhancing positive impact. Our engagement strategy is continuously evolving to reflect changes in market practices and to evaluate the outcomes of our engagements throughout the year. Sustainable development is fundamental to Mirova's investment philosophy, guiding our strategy to provide clients with consistent medium- and long-term financial performance aligned with positive environmental and social impacts.

Companies selected for investment are expected to have demonstrated a commitment to the UN Sustainable Development Goals (SDGs) by offering products and services that support sustainability transitions or effectively address sustainability risks. However, we recognize that every company has areas for improvement, and our engagement efforts are designed to assist them in maximizing their positive contributions. We also engage with companies when unexpected adverse events arise that challenge our sustainability assessments.

Engagement is managed internally by our Sustainability Research team, with support from the investment team, ensuring that we maintain direct oversight and accountability in our interactions without relying on external parties. Mirova has developed a dynamic engagement strategy to address relevant issues based on both the specific company and the topic at hand. Engagement encompasses all interactions with companies, project leaders, or policymakers aimed at influencing decision-making related to sustainability, sharing best practices, and encouraging advancements in environmental and social performance in accordance with the SDGs.

"Engagement" refers to all interactions with companies, project leaders or policy makers initiated with the aim to influence decision-making with sustainability, to share good practices, to encourage progress in environmental and/or social performance in accordance with the UN Sustainable Development Goals (SDGs).

Engagement selection process and prioritization

Mirova selects companies for regular engagement based on several factors aligned with our Sustainability Research Methodology. We focus on maximizing sustainability opportunities and enhancing risk management processes and transparency. Our dialogues aim to drive progress in areas critical to the long-term value of these companies.

Prioritization of engagement is determined by the significance of the sustainability issue at hand, the strength of Mirova's potential contribution, and considerations such as company size, market capitalization, geography, and the scale of our holdings.

Thus, we prioritize our engagement with companies where:

- 1.) We have identified sustainability related concerns that deserve our heightened awareness.
- 2.) We require an in-depth review of their approach to fair distribution of value.
- 3.) We estimate our expertise can help guide and build on the company's sustainability journey.

Coverage and Frequency of Engagement

There is no formalized coverage objective; instead, Mirova prioritizes based on relevance and potential impact. While we aim for quarterly to bi-annual interactions, the frequency may vary based on the engagement's objectives, the specific issues at stake, and the company's size and capabilities. Engagement actions apply to all companies across all funds and asset classes. Certain thematic funds, such as Employment in France or Women Leaders, may warrant more focused engagement on specific topics.

Other engagement actions: In addition to our regular engagement priorities, we proactively engage with companies for various reasons, including updates on their sustainability strategies, clarifications on their objectives or key performance indicators (KPIs), exchanges of views prior to proxy voting, and thematic engagements related to specific funds.

2024 Engagement Action Statistics

100%
of our assets covered by
our engagement approach

27% of resolutions
voted against by
Mirova (out of
5,138 resolutions)

Participation in
9 collaborative
engagement initiatives

Listed assets:

94 advanced engagement
actions including:

- **38** on environment
- **24** on social
- **32** on responsible
governance

55 engagements actions
on Green & Sustainable
Bonds

Source: Mirova, 2024

Engagement Objectives and Targets

Many of our engagement activities have specific goals, often accompanied by targets defined by Mirova's Sustainability Research Team. The number of objectives may vary by company, and progress is reviewed internally on a quarterly basis. These targets are set by analysts based on their understanding of the company's strategy, positioning, and capabilities. The sustainability research team, comprising six analysts each focusing on a specific economic sector, collaborates to align and validate these objectives, ensuring that expectations are consistent among all parties. A Lead on Voting and Engagement supports the team to ensure that our engagement philosophy is effectively applied during voting activities.

Our engagement with companies addresses both opportunities and risks, following the methodology of the Sustainability Research team. These discussions aim to ensure that the products and services offered by the company contribute positively to achieving the SDGs while supporting efforts to minimize and monitor environmental and social impacts.

Engagement with companies addresses both opportunities and risks, which follows the Sustainability Research team methodology (described in Principle 6). These discussions aim to ensure that products and services offered by the company positively address sustainable development goals. We also aim to support the companies' efforts to minimize and monitor the environmental and social impact of their products.

ENGAGEMENT IN ACTION - HAZARDOUS CHEMICALS IN WOOD SUPPLY CHAIN

Mirova launched a bilateral engagement campaign with companies in the forestry and paper sectors to inquire about challenges in banning hazardous chemicals in forest management, lumber and cardboard manufacturing, companies' plans for disclosing regulated chemicals in use, their willingness to carry out a chemical footprint assessment, their commitment to issuing a chemicals safety policy aimed at reducing the use of hazardous chemicals, initiatives to engage with suppliers on banning such chemicals, and timelines for TNFD aligned disclosures. The objective of the engagement is to reduce biodiversity transition risks including controversy and regulatory risks with respect to pollution from hazardous chemicals that would induce water, soil, air pollution events. This is particularly relevant as chemicals are ubiquitous in the wood value chain: of particular concern are highly hazardous pesticides (HHP), fungicides in lumber coatings, halogenated paper bleaching agents, persistent plasticizers in packaging such as Per- and polyfluoroalkyl substances (PFAS), as well as bisphenol, formaldehydes in furniture glues, mineral oils in (recycled) white line chipboard. Overall, six companies answered and highlighted their initiatives. The engagement enabled Mirova to identify and promote best practices, including transparency regarding the list of banned chemicals, standardized questionnaires for suppliers, substitution of hazardous pesticides with low-toxicity chemicals and biological solutions, a ban on glyphosate as herbicides and PFAS in products, and monitoring of pesticide residues in wastewater.

ENGAGEMENT IN ACTION - PFAS IN SEMICONDUCTOR MANUFACTURING

The semiconductor industry accounts for only a small percentage of global PFAS consumption. However, certain PFAS compounds are essential in the manufacturing process, and there are currently no known alternatives for most applications in chip production. This makes the industry potentially vulnerable to new regulations. We expected from this engagement to enhance transparency in the use and disposal of PFAS by semiconductor companies and raise awareness about the development of economically viable substitutes. As an example, TSMC has been working on PFAS substitutes since 2006 and is seen as a pioneer for responsible chemical management. The company has committed to a long-term plan to completely remove PFAS from their operations. We engaged and encouraged the company to provide more details on the timeline and milestones for this plan. The company has been showing some concrete results including the prohibition of a number of harmful PFAS. TSMC has also developed innovative solutions including the ability to screen PFAS levels in water, enabling the consistent monitoring of effluents from various manufacturing plants. In 2023, the company launched an Environmental Laboratory, which aims to monitor, manage pollutants, and enhance the efficiency of pollutant treatment facilities.

ENGAGEMENT IN ACTION – JUST TRANSITION

We believe big players like Nvidia have a role to play in leading the way towards best industry practices in that field by enhancing transparency and disclosures around critical minerals and impacts on different stakeholders. We have initiated a targeted engagement with the company in 2021. The company does not organize one-to-one calls but holds quarterly ESG-focused investors call so we have repeatedly submitted questions. In late 2024, we escalated our engagement and co-filed a shareholder proposal alongside Boston Common Asset Management as the lead filer, supported by CERES. The resolution focused on critical minerals traceability and was supported by an analysis of the financial materiality of both operational and regulatory risks. Securing a sustainable source of minerals is indeed key for NVIDIA's ability to deliver on its growth agenda. Following a fruitful discussion with the company, we decided to withdraw the resolution.

Green and Social Bonds

Mirova's engagement to green, social, and sustainable development bonds is based on the conviction that considering extra-financial criteria in the investment process is essential to create long-term value. By investing in sustainability related bond vehicles, Mirova can target entities and especially projects to invest in. This capitalizes on the opportunities created by the transition to a more sustainable economy, while ensuring that Environmental, Social and Governance (ESG) issues are well addressed. Mirova also strongly considers the alignment between green bond vehicles and the overall strategy of the issuer.

- Engagement Phase 1 - A pre-deal phase emphasizing communication and awareness-raising
- Engagement Phase 2 - Exhaustive analysis at the time of issuance on the primary market
- Engagement Phase 3 - Thorough post issuance monitoring

In 2024 Mirova engaged mainly across phase 2 and 3:

- Phase 2: 14 issues targeted by engagement actions
- Phase 3: 60 green bond issuers targeted for post issuance engagement, of which 41 in-depth dialogues leading to 8 opinion downgrades.

As part of the assessment process applied to sustainability bonds issued on the primary market, Mirova's analysts initiate a dialogue with the issuers. Their objectives are to gain a better understanding of the positive impact associated with the issuance, to measure risk exposure, and importantly, to analyze the mitigation mechanisms developed by the projects due to be financed. They pay particular attention to the pre-determined selection criteria applied to green instruments according to their sector: evaluating their potential alignment or breach of the European green taxonomy, the methodologies used to assess environmental and social benefits that are disclosed on an annual basis, and the contribution and consistency of the projects being funded with the issuer's overall strategy.

ENGAGEMENT IN ACTION - JAPAN GOVERNMENT GREEN AND TRANSITION BOND

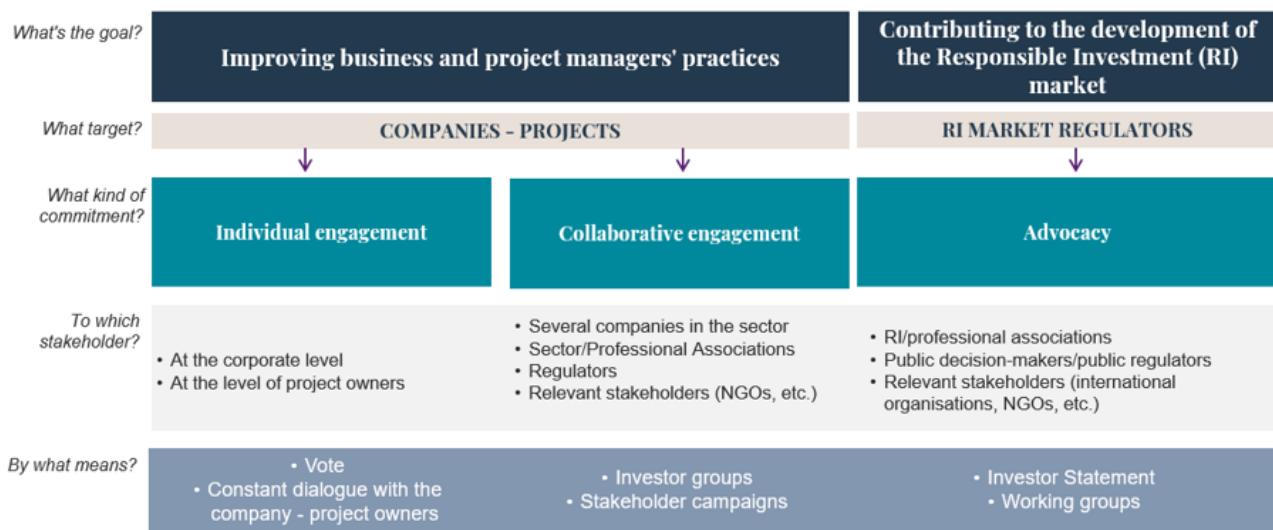
In 2024, the Government of Japan issued its inaugural green sovereign bond, reaching a total of USD 17 billion. The majority of the proceeds are earmarked for research and development in sectors focused on achieving decarbonization, particularly in hydrogen, steelmaking, and ammonia production. During the primary market transaction, Mirova reached out to the issuer for clarification on how the government plans to create a positive impact through investments in hard-to-abate sectors that currently rely on sub-optimal technologies. Throughout the dialogue, Mirova acknowledged the innovative approach of the framework, especially regarding the financing of groundbreaking technologies and the establishment of new value chains in hydrogen and ammonia. However, Mirova identified several weaknesses in the framework that were not addressed by the issuer during their engagement:

- A lack of transparency concerning eligible categories within hard-to-abate sectors and their respective decarbonization pathways.
- Given the significant allocation towards R&D, Mirova expressed concerns about the issuer's ability to quantify its material impact in the near term.
- The business case for utilizing renewable energy versus traditional fuel sources is not adequately documented.
- There is insufficient ambition regarding the establishment of production targets for hydrogen and ammonia, which may limit the overall effectiveness of the country's decarbonization efforts.

Mirova believes that supporting the transition in hard-to-abate sectors is crucial; however, issuers must provide further evidence to justify these actions. Mirova will continue to monitor the Japanese framework to assess whether the impact report indicators yield a substantial contribution to combating climate change, which could warrant a future upgrade of the framework's assessment.

Engagement methods

Our different channels of engagement are illustrated below:



Source: Mirova, 2024

At Mirova, we believe that our stewardship activities can significantly advance the sustainability agenda on critical issues such as climate change, biodiversity, and social concerns. In light of societal changes like digitalization and the rise of artificial intelligence (AI), we have a responsibility to advocate for ethical and sustainable transformations. Engagement is seen as a vital tool for fulfilling our fiduciary duty, allowing us to better identify and address the risks that companies face, as well as to evaluate the effectiveness of their mitigation measures.

Mirova considers engagement, alongside investment decisions, as a key driver of positive impact and shareholder returns. We have structured our engagement approach around four thematic priorities: climate, biodiversity, inequalities, and social issues, along with digital transformation and artificial intelligence. These themes are deemed the most material and likely to disrupt society. Governance of sustainability is also regarded as a fundamental engagement topic.

Our engagement strategy operates on three levels:

1. **Company-level:** This involves promoting the adoption of best practices, supporting the effective transition of portfolio companies, and managing ESG-related risks at the portfolio level through direct engagement and the exercise of voting rights.
2. **Industry-level:** Here, we aim to support the transition at the economy or sector level by promoting the development of transition pathways and sustainable frameworks for sectors with less mature sustainability strategies or those facing emerging risks. This includes collaborative engagement initiatives, industry group networks, and investor coalitions.
3. **Advocacy:** This level focuses on supporting the development of regulatory and technical frameworks that facilitate transition, including participation in consultations and expert working groups.

This three-layered engagement approach enhances the likelihood of success by supporting companies in their implementation, fostering sector-level responses (such as developing common tools), and promoting a deeper understanding of sustainability challenges through the cross-sector development of reporting frameworks and impact assessment methodologies.

Mirova also leverages other types of engagement, such as collaborative engagement and advocacy, and as well as engagement in other asset classes (as described in the following section). In 2024, Mirova supported collaborative initiatives and investor statements detailed below in Principle 10.

INDUSTRY-LEVEL AND COLLABORATIVE ENGAGEMENT - SUSTAINABLE GOVERNANCE OF COMPANIES DEVELOPING ARTIFICIAL INTELLIGENCE (AI)

While artificial intelligence (AI) holds significant promise for supporting ecological transitions, it also raises critical challenges related to ethics, sustainability, transparency, and governance. To prevent AI from worsening existing inequalities and technological domination, it is essential to establish a transparent and ethical development framework. Mirova actively participates in the Coalition for Collective Impact for Ethical AI, launched by the World Benchmarking Alliance in 2022, which aims to enhance transparency regarding technology companies' AI usage and integrate responsible principles into its development. Mirova advocates for companies to establish strong AI governance, implement ethical principles in their AI tools, and conduct human rights impact assessments (HRIAs) for high-risk applications.

As part of this engagement, Mirova and other coalition investors meet quarterly to discuss progress and share experiences with engaged companies, facilitating the identification of best practices and gaps. Future steps include the launch of sector-specific working groups in 2025, focusing on trends in the semiconductors, telecommunications, and social media sectors. These working groups will provide investors with the necessary knowledge for effective engagement, promote learning about challenges in these industries, and highlight best practices for responsible AI use.

INDIVIDUAL ENGAGEMENT - CLARIFYING POSITIVE IMPACT AND COMPLIANCE

Mirova's engagement with Waga Energy aimed to elucidate the positive impact of the company's solutions, particularly in the context of regulatory compliance. In 2023, discussions focused on aligning Waga Energy with the U.S. circular economy hierarchy and its relevant biomass action plans. The following year, Mirova further engaged with the company to clarify the materiality of resources and the circular economy in its Corporate Sustainability Reporting Directive (CSRD) reporting.

After submitting a joint industry report on waste to the EU taxonomy stakeholder feedback platform, which emphasized the importance of accounting for gas extraction from closed cells instead of closed landfills, Waga Energy successfully aligned its activities with the landfill gas extraction eco-activity in its CSRD report. Looking ahead, Mirova will continue to monitor Waga Energy's taxonomy alignment score and track the development of local circularity regulations in the U.S. to ensure that the company's initiatives complement rather than compete with local waste collection efforts.

INDUSTRY-LEVEL, COLLABORATIVE & INDIVIDUAL ENGAGEMENT ON BIODIVERSITY

Mirova is actively addressing various biodiversity pressures, such as deforestation, pollution, and water scarcity, by engaging at the industry level to establish standards, promote disclosure, and encourage companies in critical sectors to transition towards practices that minimize negative impacts on biodiversity. In collaboration with Phitrust, Mirova launched a campaign targeting major French companies (CAC40) in 2024, urging them to align their reporting with the Taskforce on Nature-related Financial Disclosures (TNFD) and to set science-based targets related to water, land, and ocean management. The campaign revealed that many companies recognize biodiversity as a significant issue, with several committing to detailed reporting under the Corporate Sustainability Reporting Directive (CSRD). While some companies demonstrated insufficient responses, the campaign was successful in identifying those ready to take action and highlighting the need for further engagement with others, paving the way for constructive dialogues to integrate biodiversity considerations into corporate strategies.

Mirova's engagement efforts also extend to addressing biodiversity loss from waste and pollution through initiatives like FAIRR, which encourages pork and poultry producers to conduct meaningful risk assessments regarding animal waste management. This initiative aims to promote the implementation of action plans that reduce the impact of such waste on water quality and biodiversity. Mirova specifically engaged with Darling Ingredients, a company focused on converting food and agricultural waste into valuable products. While Darling Ingredients has a strong business model that adds value to food and waste, it lacks transparency regarding the environmental impacts of its operations, underscoring the need for enhanced disclosure.



Additionally, Mirova promotes protein diversification among companies like Unilever and Danone to encourage healthier and more sustainable diets. This engagement urges these companies to integrate protein diversification into their climate strategies, allocate resources to expand their range of products, and enhance the nutritional and sustainability attributes of alternative protein sources. Danone has been recognized for its advanced practices in regenerative agriculture and its comprehensive approach towards protein transition, while Unilever has received board approval for its protein diversification plan, reflecting a significant commitment to sustainability.

Through the Valuing Water Finance Initiative, Mirova engages with large companies across four water-intensive industries—apparel, beverage, food, and high-tech—to address their broad water impacts. The initiative encourages these companies to ensure their operations do not negatively affect water availability or quality, particularly in water-scarce regions, while also promoting the protection of natural ecosystems essential for freshwater and biodiversity. Companies are expected to support equitable access to water and sanitation within their communities and ensure that their boards oversee water management efforts.

Mirova is also focused on addressing the issue of pharmaceutical residues in the environment, particularly the harmful effects of pharmaceutical pollution such as antibiotic contamination. In the absence of consistent global regulations, Mirova has initiated engagements to promote the systematic assessment of the biodiversity impact of novel entities relevant to the pharmaceutical industry, specifically chemicals and antibiotics. AstraZeneca serves as a positive example within this context, demonstrating strong transparency and leadership in tackling biodiversity challenges. The company actively monitors the discharge practices of its chemical suppliers to ensure compliance with AstraZeneca's ambitious standards. Most active pharmaceutical ingredients discharged from their direct suppliers are deemed safe, and AstraZeneca has developed a robust compliance monitoring system to promptly address potential pollution issues. Furthermore, AstraZeneca is one of the leading companies in assessing and reporting its biodiversity risks and dependencies according to the new TNFD guidelines, and Mirova welcomes these proactive measures.

Finally, Mirova endorses the "Spring" Initiative, a stewardship effort by the Principles for Responsible Investment (PRI) aimed at addressing the systemic risks of biodiversity loss to protect the long-term interests of investors. This initiative strives to halt and reverse biodiversity loss by 2030, enhancing corporate practices to generate positive real-world outcomes while safeguarding investment returns. Collectively, these initiatives underline Mirova's commitment to fostering biodiversity and sustainability across various sectors, working collaboratively with companies to create a more sustainable future.

Engagement impact and success

As Mirova's team conducts hundreds of conversations which can span a multi-year period, monitoring impact can prove to be challenging. We also acknowledge that we are among a large swath of investors that are working through engagement to advocate for best practices. As a result, investors can only gauge individual impact with caution.

- **Engagement monitoring:** We systematically document engagement discussions and communications in our in-house engagement platform (OCTAVE). We qualitatively monitor the progress delivered over time by companies. We describe our escalation process below when engagements do not make favorable progress.
- **Engagement success measurement:** Our engagement program is explicitly designed to articulate specific, measurable, timebound goals that are relevant to each specific company our team has identified and we follow the impact based on those targets.

While it is difficult for a single investor to influence the market, the system cannot ignore a fundamental trend in investor behavior. We believe that our documented and monitored approach to engagement, consistent with our investment decision is in line with our pursuit for impact.

Principle 10: Collaboration

Signatories, where necessary, participate in collaborative engagement to influence issuers.

Collaborative engagement identifies controversial practices at a sector or thematic level and joins like-minded investors in a dialogue to demand greater transparency and, if necessary, a change in practices from the corporate sector. To strengthen the influence of responsible investors, the engagement is conducted with other investors to encourage issuers to make specific and measurable changes within a specified time frame. Engagement can also be carried out at the level of sectoral associations and/or public policies.

COLLABORATIVE ENGAGEMENT INITIATIVES (ACTIVE OR COMPLETED IN 2024)

Pillar	Initiative	Details on the initiative
	Climate 100+ (Active)	The initiative was launched at the One Planet Summit and aims at securing commitments from boards of directors and governing bodies to implement a strong governance framework that clearly defines the board's responsibility and oversight of the risks and opportunities associated with climate change; take action to reduce greenhouse gas emissions throughout their value chain, in line with the Paris Agreement targets; to provide better business information in accordance with Task Force on Climate-related Financial Disclosures (TCFD)'s final recommendations.
	Investor Decarbonization Initiative Chemical Decarbonization (Share Action) (Active)	Coalition members can amplify their influence over companies through collective engagements. These can push companies to set ambitious decarbonization goals as well as hold them accountable to those targets. Mirova participates in the subset of the initiative that now focuses on engaging the chemical sector to advocate for rapid decarbonization. The sector is responsible for over 56.3 percent of global GHG emissions ¹⁸ - yet credible science-based transition plans in the sector remain scarce. The investment decisions companies make now will determine their path to 2050; inaction, delay, and prolonging dependence on fossil fuels are not viable paths for business or the planet. Responsible investors are thus playing their role in guiding chemical companies to adopt a credible strategy to align with 1.5°C and realize the commercial advantages offered by rapidly scaling new processes, feedstocks and circular products.
	Biodiversity Loss from Waste & Pollution (FAIRR) (Active)	Preserving biodiversity is integral to maintaining the ecosystem services on which global economies rely. In this engagement, which targets ten of the world's largest pork and poultry producers, along with two agrochemical companies, the FAIRR Initiative seeks to address both animal waste mismanagement and nutrient pollution by encouraging companies to utilize manure as fertilizer.
	Oil & Gas Financing at Banks (Share Action) (Active)	The initiative focuses on ensuring that banks account for their impact on both people and the planet. It involves collaboration with a diverse array of stakeholders, including asset managers, asset owners, NGOs, and individual retail investors, to advocate for the gradual phasing out of financing for polluting activities while increasing capital flows into low-carbon alternatives. Additionally, the initiative engages directly with banks to encourage the implementation of strong policies aimed at phasing out fossil fuel investments.

¹⁸ Source:

Pillar	Initiative	Details on the initiative
	Protein Diversification Engagement (FAIRR) (Active)	The Protein Diversification engagement encourages companies to support the transition to healthy, sustainable diets by incorporating protein diversification into their climate transition strategies. It also calls for companies to allocate resources to expand their protein portfolios and enhance the nutritional and sustainability attributes of their products. Additionally, companies are urged to engage consumers to promote the adoption of nutritious and sustainable alternative protein sources.
	Valuing Water Finance Initiative (CERES) (Active)	The initiative is engaging large companies from four water intensive industries—apparel, beverage, food, and high-tech—on how to address their broad water impacts. The initiative calls on companies to meet the Corporate Expectations for Valuing Water, a set of six science-based, actionable expectations that align with the United Nation's 2030 Sustainable Development Goal for Water (SDG6) and the actions laid out in the Ceres Roadmap 2030.
	"Spring" Initiative on deforestation (PRI) (Supporter)	Spring is a PRI stewardship initiative for nature, addressing the systemic risks of biodiversity loss to protect the long-term interests of investors. Through this initiative, the goal is to contribute to halting and reversing biodiversity loss by 2030. Spring seeks to enhance corporate practices, ultimately generating positive, real-world outcomes, while protecting and enhancing investment returns.
	Access to Medicine (Supporter)	For more than a decade, the Access to Medicine Foundation has been working to promote and guide the pharmaceutical industry to improve access for people living in low- and middle-income countries.
	Access to Nutrition Initiative (ATNI) (Active)	Companies that are globally applying strong nutrition policies and practices are in a better position to reduce risks of increasing food and beverage industry regulation and to take full advantage of changing consumer trends towards healthier living habits. The Access to Nutrition Foundation concludes that while some companies have taken positive steps since the last ranking in 2013, the food and beverage industry is moving far too slowly. Good nutrition policies and practices are integral to food & beverage companies' overall business and financial performance as well as long-term sustainability. The objective of this engagement is to determine how the companies integrate findings and recommendations of the ATNI into strategic performance on nutrition practices.
	Investor Action on Antimicrobial Resistance (AMR) (Supporter)	Launched at the World Economic Forum in 2020, the Investor Action on AMR initiative is a coalition between the Access to Medicine Foundation, the FAIRR initiative, the Principles for Responsible Investment and the UK Government Department of Health and Social Care. This initiative seeks to galvanize investor efforts to address global antimicrobial resistance.
	Labour Rights Investor Network (Supporter)	The 'Labour Rights Investor Network' (LRIN) is a global investor network focused on exploring the risks and benefits associated with workers' rights to freedom of association and collective bargaining. The Network assists investors by acting as an education and exchange platform and a place to connect on issues related to freedom of association and collective bargaining. The Network is composed of investors who commit to integrating labour rights into their stewardship practices.

Pillar	Initiative	Details on the initiative
S	30% Club <i>(Active)</i>	The French 30% Club Investor Group was established in November 2020 to promote better gender diversity within the SBF 120's executive management teams. Members of the 30% Club Investor Group aim to increase the representation of women in the SBF 120's executive management teams to reach at least 30% by 2025.
G	Collective Impact Coalition for Ethical AI <i>(WBA)</i> <i>(Active)</i>	The Coalition for Collective Impact for Ethical AI of the World Benchmarking Alliance aims to enhance transparency among technology companies concerning their use of AI and the integration of responsible principles into their development. The specific goals of the initiative include examining how companies are implementing their published AI principles, assessing how AI risks are reflected in their human rights impact assessments, and understanding the governance mechanisms that underpin the development, deployment, and procurement of AI technology.
G	Tax Reference Group <i>(PRI)</i> <i>(Supporter)</i>	The PRI tax reference group is an active knowledge sharing group open to all signatories on the issue of tax.

Participation in local organizations and associations

Mirova participates in the work and projects in association with various international and professional organizations developed below.

International	Europe	France	
 Ceres Sustainability is the bottom line.  PRI Principles for Responsible Investment  GIIN Global Impact Investing Network  US SIF Sustainable Investment Forum  HKGFA Hong Kong Green Finance Association	 Eurosif  IIGCC The Institutional Investors Group on Climate Change  evp European Venture Philanthropy Association  spainsif	 FIR FORUM POUR L'INVESTISSEMENT RESPONSABLE  fair: Finance for Impact and Responsible  (afg) Association pour la finance durable	
Obligations vertes et sociales	Private assets	Energy Transition Infrastructure	Diversity & Inclusion
 ICMA International Capital Market Association  Climate Bonds  The Green Bond Principles  The Social Bond Principles	 FRANCE INVEST Association des investisseurs pour le Climat  Solidarité RENOUVELABLES	 La Plateforme Verte Un centre de recherche planétaire  France Energie Eolienne	 30% Club Diversité dans les conseils d'administration  2X COLLABORATIVE
Net Zero & Low Carbon		Natural Capital & Biodiversity	
 CDP DRIVING SUSTAINABLE ECONOMIES  TCFD Task Force on Climate-related Financial Disclosures  ICROA International Carbon Reduction & Other Analysis  IETA INTERNATIONAL ENERGY TRANSITION  GFANZ The Net Zero Asset Managers Initiative  GFANZ Glasgow Financial Alliance for Net Zero	 Alliance pour la Préservation des Forêts  TNFD Task Force on Nature-related Financial Disclosures  Sustainable Markets Initiative  Finance for Biodiversity Pledge	 CPIC COMMISSION FOR PRIVATE INVESTMENT IN CONSERVATION  VERRA  Wetlands International  Orraa Ocean Resilience and Recovery  1000 OCEAN STARTUPS	 organization for biodiversity certificates

Source: Mirova, 2024

Sustainable Finance Fora, INTERNATIONAL	
CERES	Mirova is a member of CERES and the climate risk investor network. CERES is a global organization that works to encourage companies to take action on climate change. The Climate Risk Investor Network brings together more than 175 institutional investors to tackle the challenge of climate change.
PRI	Signatory since 2013 of the Principles for Responsible Investment to promote responsible investment practices at the international level. Mirova confirms and renews its Engagement to the 6 principles. Signatory organizations are required to complete an annual questionnaire and publish a follow-up report. In 2020, Mirova was identified by the IRPs in the PRI Leaders group for the quality of its climate reporting.
HK Green Finance	Mirova's parent company, BPCE (via the Popular Banks Network) is a member of the Hong Kong Green Finance Association (HKGFA). HKGFA brings the expertise of Hong Kong's financial institutions and green businesses.
GIIN	Through its Natural Capital experts, Mirova is a member of the Global Impact Investing Network, which seeks to promote impact investing internationally.
US SIF	Member of the American Forum for Responsible Investment, a professional association that supports the development of sustainable and responsible investment in all asset classes in the United States.

Sustainable Finance Fora, EUROPE

EUROSIF	Mirova's Advocacy Officer represents the Forum for Responsible Investment on the Board of Directors of EUROSIF, the European Forum for Responsible Investment.
Spain SIF	Member of Spainsif, an association aimed at promoting sustainable and responsible investment in Spain.
Institutional Investors Group on Climate Change (IIGCC)	The Institutional Investors Group on Climate Change (IIGCC) is the European membership body for investor collaboration on climate change. Their mission is to support and enable the investment community in driving significant and real progress by 2030 towards a net zero and resilient future. This will be achieved through capital allocation decisions, stewardship and successful engagement with companies, policy makers and fellow investors.
EVPA	Member of the European Venture Philanthropy Association (EVPA), an initiative bringing together organizations interested in "philanthropic venture capital" and social investment across Europe.

Sustainable Finance Fora, FRANCE

FIR	Member of the Forum for Responsible Investment. Mirova is a member and Vice-Chairman of the FIR Board of Directors and sponsors the FIR-PRI Prize for "Finance and Sustainability" research
AFG	Member of the French Association of Financial Management, which brings together the French asset management sector and defends their interests. The association is also dedicated to promoting Responsible Investment through the work of a dedicated committee of which Mirova is a member.
Fair	Member of Fair (ex Finansol), an association that works to promote, defend, and analyze solidarity finance in France.

Diversity & Inclusion initiatives

30% Club France Investor Group	The French 30% Club Investor Group was established in November 2020 when six asset management companies representing nearly 3 trillion euros in assets under management came together to promote better gender diversity within the SBF 120's executive management teams.
30% Coalition US	The 30% Coalition is a pioneering advocate for increased gender, racial and ethnic diversity on corporate boards and in senior leadership. The mission is to increase diversity in boardrooms and senior leadership at both public and private companies through investor engagement and collaborative action.
2X Challenge Collaborative	The 2XCollaborative is designed to serve investors making their first gender-focused investment as well as investors at the frontier of the field. 2XCollaborative initiatives like the 2X Gender and Climate Finance Taskforce will drive gender-smart investing in thematic areas.

Sustainable (green and social) bonds	
ICMA-GBP	Member of the Green and Social Bond Principles. Mirova participates in the GBP Executive Committee. Mirova is also co-chair of the Social Bonds Working Group and a member of the Working Group on Impact Indicators and Just Transition.
CBI	Member of the Climate Bonds Initiative, an organization that supports the development of the green bond market to reduce the cost of capital for climate change projects.
Energy Transition Infrastructure	
La Plateforme Verte	The Green Platform is a French association launched at the beginning of 2018 with the objective of bringing together the actors of the Energy Transition to carry out concrete actions and to allow the acceleration of projects. With sixty prestigious members, divided into several working groups, the Green Platform has become a reference in the sector and is regularly invited to conferences and meetings, allowing it to carry the messages and concerns related to the Energy Transition.
France Energie Eolienne	France Energie Eolienne represents, promotes and defends wind energy in France. The French association brings together more than 300 members, professionals of the wind energy sector in France, who have built more than 90% of the turbines installed on the French territory and operate more than 85% of them.
Unlisted investments	
Solidarité Renouvelable	The Solidarity Renewable Group is committed to defending renewable energies. It was created following the government's unilateral and retroactive decision to adopt an amendment in the 2021 Finance Law aimed at reducing the purchase contracts for solar electricity.
France Invest	Member of France Invest, a professional association of asset managers invested in private equity, particularly involved in financing the French local economy and SMEs.
Net Zero and Low-carbon investments	
CDP	Signatory, through Natixis, of the Carbon Disclosure Project, which aims to improve the quality of carbon/climate information published by emitters.
IETA	Through its London-based subsidiary, Mirova is a member of the International Association for Emissions Trading (IETA), a non-profit organization established in 1999 to serve companies engaged in market solutions to combat climate change.
ICROA	Through its UK subsidiary, Mirova is a member of the International Carbon Reduction and Offset Alliance (ICROA), a non-profit organization made up of the main suppliers of carbon reduction and offsetting in the voluntary carbon market.
TCFD	Mirova supports the Task Force on Climate-related Financial Disclosures, an initiative aiming to improve and increase reporting of climate-related financial information.
NZAM	Mirova is a member of the Net Zero Asset Managers initiative which aims to galvanize the asset management industry to commit to a goal of net zero emissions.

Net Zero and Low-carbon investments (*continued*)

Glasgow Financial Alliance for Net Zero (GFANZ) Science Based Targets initiative (SBTi)	<p>The Glasgow Financial Alliance for Net Zero is the world's largest coalition of financial institutions committed to transitioning the global economy to net-zero greenhouse gas emissions.</p> <p>The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.</p>
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Natural Capital and Biodiversity Initiatives

Alliance for the Preservation of Tropical Forests TNFD IPI CPIC Sustainable Markets Initiative (SMI)'s Natural Capital Investment Alliance (NCIA) Finance for Biodiversity Pledge	<p>Mirova's Natural Capital team is a member of the Alliance for the Preservation of Tropical Forests, a multi-party partnership platform that supports the implementation of private sector Engagements to eliminate deforestation related to palm oil, beef, soybeans, and pulp from their supply chains.</p> <p>The Taskforce on Nature-related Disclosure (TNFD) seeks to provide a framework for companies and financial institutions to assess, manage and account for their dependence and impacts on nature, thereby contributing to the assessment of nature-related risks and the redirecting of global financial flows towards positive rather than negative results for nature. Mirova participated in the launch and is part of the TNFD Mandate and Governance Working Group, which is expected to be launched in early 2021. Mirova joined the first 30 TNFD Members.</p> <p>The International Platform for Insetting brings together companies that share the same approach to balancing the company and its ecosystem through environmental programs, transparency, rigorous methodology and information sharing. Mirova's Natural Capital team is a member of the platform.</p> <p>Member of the Coalition for Private Investment in Conservation, which brings together private sector and NGO actors and seeks to address the lack of investment in conservation efforts by identifying possible investments in conservation.</p> <p>The Sustainable Markets Initiative (SMI)'s Natural Capital Investment Alliance (NCIA) aims to attract members from the finance community to create scale and synergies between mainstream asset owners and asset managers, underpinned by the following goals by: serving as a central hub for global corporations and financial institutions seeking to scale-up their investments into Natural Capital, in support of biodiversity restoration, including through high integrity carbon offsets; by sharing investment knowledge and expertise on investing in Natural Capital, underpinned by strong principles; by showcasing and demonstrating scalability of appropriate investment vehicles and the multiple opportunities across asset classes. At COP26, the NCIA announced a commitment to mobilise at least USD 10 Billion in investment into Natural Capital assets in 2022, with an ambition to scale that investment in the coming years.</p> <p>The Finance for Biodiversity Pledge is a commitment of financial institutions to call on global leaders and to protect and restore biodiversity through their finance activities and investments. The Pledge exist of 5 steps financial institutions promise to take collaborating and sharing knowledge, engaging with companies, assessing impact, setting targets and reporting publicly on the above before 2025. The Guidance document clarifies these 5 commitments and are illustrated with own examples of financial institutions and the most relevant resources.</p>
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Wetlands International	<p>Wetlands International is the only global not-for-profit organisation dedicated to the conservation and restoration of wetlands. Wetlands International is dedicated to maintaining and restoring wetlands – for their environmental values as well as for the services they provide to people. Most of their work is financed on a project basis by governments and private donors. They are also supported by government and NGO membership.</p>
1000 Ocean Start-Ups	<p>1000 Ocean startups is a coalition to accelerate Ocean Impact Innovation. The coalition brings together the global ecosystem of incubators, accelerators, competitions, matching platforms, and VCs supporting startups for ocean impact. Our objective is to scale at least 1000 transformative startups by the end of the Ocean Decade to restore ocean health and achieve SDG14.</p>
Organisation for Biodiversity Certificates (OBC)	<p>The Organization for Biodiversity Certificates (OBC) unites companies, NGOs and scientific experts to achieve our common objective: creating an operational tool for the evaluation of local positive biodiversity impacts.</p>
Verra Nature Framework Development Group (NFDG)	<p>Verra has launched the SD VISta Nature Framework Advisory Group (AG) to guide the development of a framework that will outline the key components of a scientifically robust, pragmatic, and scalable methodology. The AG will also support the development of the biodiversity methodology for assessing and quantifying the benefits from conservation and restoration activities. The framework and methodology will be developed under Verra's Sustainable Development Verified Impact Standard (SD VISta) Program and drive much-needed investment to high-quality, nature-positive efforts, as supported by other nature-related frameworks and initiatives (e.g., Taskforce on Nature-related Financial Disclosures and Science Based Targets Network).</p>
Ocean Risk and Resilience Action Alliance (ORRAA)	<p>The Ocean Risk and Resilience Action Alliance (ORRAA)'s mission is to drive at least USD\$500 million of investment into coastal and ocean natural capital and surface at least 50 novel finance products by 2030, positively impacting the resilience of at least 250 million climate vulnerable people in coastal areas around the world. It is the only multi-stakeholder alliance working in ocean finance that brings insurers, banks, governments, academia, and civil society together. We work across geographies – with a focus on the Global South – pioneering, piloting, and scaling innovative finance products that invest in coastal resilience.</p>

Source: Mirova, 2023

Support for the Academic Research on Sustainable Finance

Academic research enables the exploration of new ideas, tools, and methods applicable to sustainable finance. By supporting this research, Mirova can identify and promote innovative practices that enhance the impact of its investments while advocating for their broader adoption across the sector. Collaborating with academic institutions allows Mirova to raise awareness among the public and professionals about the challenges of sustainable finance and the importance of integrating environmental, social, and governance (ESG) criteria into investment decisions. This effort helps create a conducive environment for more sustainable policies. The findings from research can serve as a foundation for discussions with governments, regulators, and other market participants. Mirova can leverage these research conclusions to advocate for policies that support sustainable finance and facilitate the transition to a greener economy. Ultimately, supporting academic research empowers Mirova to promote evidence-based practices and contribute to the evolution of policies aimed at fostering a more sustainable economy.

Launched in September 2024, the Mirova Research Center (MRC) is an excellence research hub dedicated to enhancing the methods and tools of sustainable finance. Its primary objective is to support academic research in sustainable finance by funding and promoting innovative topics that have a significant impact on the industry and society. The initiative is fully supported by Mirova's Sustainable Development Research Department, led by Mathilde Dufour, with daily operations managed by Manuel Coeslier and Thomas Giroux, who have been appointed as co-heads of the structure. MRC is backed by a scientific committee comprising experts in relevant fields.

RESEARCH AREAS

MRC aims to create a collaborative space between academia and the financial sector to stimulate joint reflections and uncover new impactful practices. The Center will focus on three main research areas:

- INDICATORS - Impact indicators for a just transition: impact measurement at the project/ company level, evaluation of transition plans, controversy detection, integrating just transition issues.
- IMPACT - Investors' contributions to the SDGs: impact mechanisms for all asset classes, measurement of additionality, innovative and disruptive practices for impact, evolution of the regulatory framework to support the development of responsible finance.
- TECHNOLOGIES - AI & Technological innovation for sustainable finance: technological innovation for sustainable finance, opportunities and risks associated with artificial intelligence.

STRATEGIC PARTNERSHIPS

The Mirova Research Center is engaged in two significant strategic partnerships focused on impact, each lasting four years and supported by MRC's funding.

- Creation of the [Impact Investing Chair at ENSAE Paris](#), which aims to explore the measurement of the impact of investment strategies in listed assets through both theoretical and empirical analysis. This collaboration has already produced a paper titled "[The Biodiversity Premium](#)", which quantifies the risk premium associated with biodiversity in asset valuation.
- Partnership with the Sustainable Investment Research Initiative (SIRI) at Columbia University's School of International and Public Affairs (SIPA). This initiative seeks to address the growing prominence of private financing in contributing to the achievement of the Sustainable Development Goals (SDGs) through comprehensive theoretical and empirical analyses, as well as fostering dialogue among various stakeholders. This collaboration has resulted in two papers, "[Biodiversity Finance](#)" and "[Blended Finance](#)", along with conferences and roundtables discussing the topic of blended finance.

Together, these partnerships underscore MRC's commitment to advancing impactful research in sustainable finance.

The Mirova Research Center also supports a variety of other academic research projects:

- Square Research Center: In collaboration with Square Research Center, MRC is developing social impact indicators for private equity strategies.
- CRG-i3 Laboratory at École Polytechnique: A CIFRE thesis is being conducted at the CRG-i3 laboratory and MRC to develop indicators addressing social impact and just transition issues, thereby strengthening Mirova's investment strategies.
- DEEP Transitions Lab at Utrecht University: MRC collaborates with this lab to create metrics for assessing the transformative dimension of investments and their systemic impact, aiming to foster systemic change towards a more sustainable future.
- Foundation for Research on Biodiversity (FRB): This partnership focuses on reinforcing the role of scientific research in balancing renewable energy development goals with biodiversity preservation.
- ITTECOP Partnership: MRC collaborates with ITTECOP, alongside ADEME, to enhance the integration of ecosystem and landscape considerations in the planning and execution of infrastructure projects, thereby contributing to a stronger dialogue on biodiversity within national strategies.

Principle 11: Escalation

Signatories, where necessary, escalate stewardship activities to influence issuers.

If through one of the channels, the discussion with the company has not met the stated expectations, and these progresses would be required to maintain the sustainability opinion, Mirova has implemented a framework for escalation.

At which stage and the level of escalation is a determination made by our sustainability research team and then presented to Mirova's portfolio managers and CIOs. As described above, we firmly believe in engaging in a one-on-one discussion to exchange views before taking more decisive action. There is no systematic escalation process as we believe that case by case analysis of the issue will enable us to identify the more relevant mean to escalate.

Beyond initiating a one-on-one dialogue, our considered escalation tools include:

- Reinforced direct dialogue by:
 - requesting a meeting with the chairman of the board or top executive,
 - Writing a public letter.
- Ramp-up to Collective Engagement by:
 - Bringing other investors in our dialogue,
 - joining collective initiatives involving the company.
- Leverage the power of our proxy vote by:
 - voting against relevant items and/or members of the board,
 - Take action at a shareholder meeting by submitting a question or suggest a topic for the AGM agenda,
 - Take action at a shareholder meeting by filing a shareholder proposal.
- Ramp-up to Industry-level action by joining sector-led initiatives.
- Downgrade of the sustainability opinion and divestment.

For Targeted Engagement programs that are tied to a Severe Controversy, Mirova has set a specific monitoring process:

- The targeted engagement program is expected to deliver progress within 18 months and includes intermediate goals monitored every 6 months maximum.
- An ad hoc committee (composed of Mirova's Head of Sustainability Research, Head of Sustainability Research – Listed Assets, concerned Chief Investment Officers, Chief Risk Officer and Chief Compliance Officer) oversees progress of the case and suitability of escalation actions.

Should the company's progress be found insufficient, divestment may be considered at any point in the escalation process.

Principle 12: Exercising Rights and Responsibilities

Signatories actively exercise their rights and responsibilities.

Mirova has developed a [voting policy](#) in line with its responsible investment strategy.

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

Taking Into Account the Different Stakeholders

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

A long-term approach

The wealth created by the company must be part of a long-time horizon, taking into account in particular the issues of sustainable development. Mirova encourages companies to adopt a mission that integrates environmental and social issues and to formalize it in their statutes. We are convinced that shareholders have a role to play in disseminating this conception of the company. With this in mind, our voting policy encourages, in particular:

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

Voting Principles

Voting Principles are defined by Mirova's Sustainable Research Team, which is composed of analysts who are experts in environmental, social and governance issues.

As referred to in Principle 8, Mirova votes pursuant to its own voting guidelines which were conceived in conjunction with our investment philosophy. Thus, our voting guidelines and governance expectations are closely aligned with our investment strategy and commitment to sustainability. We typically vote consistently on matters across different clients, funds, and geographies. We maintain this approach as it allows consistency in the application of our vote and in transparency of our expectations to our portfolio companies. For example, our voting guidelines require an employee representative to serve on the board of directors. While this expectation may have roots in the European market, we believe that regardless of geographical location, corporate boards would be well served by the unique perspective an employee representative provides. This is just one example of the rather rigorous expectations our voting guidelines set out. While our policy prescribes a uniform, high level of expectation for our portfolio companies, we retain the flexibility to adjust our internal methodologies that consider local market standards when appropriate. Our voting guidelines are updated annually and are validated by Mirova's Executive Committee as well as the Compliance and Internal Control Department.

While our voting guidelines provide clear and detailed information as to our expectations as an investor, we also maintain flexibility to account for different circumstances at each issuer. Where we do not have a pre-determined guideline and/or the issuer has presented a compelling case for our review, our voting and engagement focused analyst (a member of the firm's Sustainability Research team) collaborates with the relevant SR analysts, traditional analysts, portfolio managers, the head of research and the firm's Proxy Voting Committee as needed.

The Proxy Voting Committee retains final voting authority and is composed of Mirova's CIOs, Head of Sustainability Research, Head of Sustainability Equity Research, and members of the Legal and Risk departments, as needed. We believe multiple, diverse viewpoints help us reach fair and balanced voting decisions.

A combined effort between our sustainability research team, voting committee and our middle office (as described above), our overarching goal to cast accurate, timely proxy votes pursuant to our policy. As consistency and accuracy are paramount for proxy voting, we do not routinely offer client directed voting, however, we will consider this upon request on a case-by-case basis.

Our voting policy is updated annually. It is validated by Mirova's Executive Committee, and by the Compliance and Internal Control Department. It is presented to the Board of Directors each year.

Proxies Are Voted in Accordance with the Mirova Voting Policy

Voting decisions and resolutions are analyzed by Mirova's Sustainable Research team. Mirova utilizes a variety of materials and information when analyzing proxy matters, including, but not limited to, the issuer's proxy statement and other proxy solicitation materials (including supplemental materials), our own internal research and some provided by other third parties (including research of the external service provider and other proxy advisory services). Analyses and voting decisions also take into consideration the information we glean during engagement discussions. Mirova takes sustainability risk into account when making voting decisions. Voting decisions are ultimately the responsibility of the Mirova Voting Committee, which is composed of Mirova's Chief Investment Officers, its Head of Sustainability Research and its Head of Sustainability Research Listed Assets. Portfolio managers and Sustainability analysts may be invited to participate in the committee's deliberations depending on the subject under discussion. A report on the exercise of Mirova's voting rights is presented to the Board of Directors annually.

Vote Processing and Recordkeeping

Mirova has entered into an agreement with an external voting service provider to provide proxy voting related services such as ballot collection, reconciliation, vote processing and recordkeeping. The external service provider is in direct contact with custodian banks, from which it receives, on a daily basis, a list of every position held for each portfolio within the Mirova voting universe. Mirova partners with NIM OS¹⁹, according to instructions provided by Mirova as part of a service agreement, to perform account setup, ballot reconciliation and vote monitoring. Members of the Sustainable Research Team monitor upcoming votes and related voting activity daily, both independently, and with communication from NIM OS Office. The external service provider, at the prior direction of Mirova, automatically votes all proxy resolutions that have a specific directive according to the Mirova Voting Policy.

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

In accordance with its voting policy, Mirova, belonging to the BPCE group, exercises the voting rights in the exclusive interest of the unitholders, and therefore does not take part in the general meetings held by the entities of the BPCE group whose securities are traded on the market. During the exercise of the 2024 voting rights, no conflict-of-interest situation was encountered.

¹⁹ Natixis Investment Managers Operating Services "NIM OS" is also an affiliate of Natixis Investment Managers. The SOC (Service Organization Controls) reports are frameworks established by the American Institute of Certified Public Accountants (AICPA) to report on the internal control mechanisms in place.

Mirova chooses to report on its votes cast in terms of the number of companies (and not the number of resolutions). This method makes it possible to more clearly report on the proportion of companies with good practices, without the number of resolutions voted on individually influencing the data. Thus, it will be indicated the number of companies that have collected, by theme:

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

It should be noted that an opposition to a resolution is an "Against" vote or an abstention vote (including the so-called "Withhold" votes on the Anglo-Saxon markets). Overall, 93% of the companies in our voting perimeter received at least one opposition vote, vs 96% of opposition rate in 2023. In terms of the number of resolutions, the opposition rate stands at 30% (33% in 2023).

This rate of contestation is mainly explained by greater opposition to resolutions relating to the theme "Balance of power", specifically opposition to board nominees. Mirova tends to cast an opposition vote against relevant members of the board when concerns regarding a corresponding area of oversight is noted. This, along with our expectations around remuneration structure, lead to an overall high rate of opposition.

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

- Balance of power. Resolutions concerning the appointment of directors to the board as well as the functioning of the board, the appointment of executives or employee representatives.
- Value distribution. Resolutions on the distribution of value among the various stakeholders of the company: approval of dividends, vote on executive remuneration, employee savings plan, remuneration of directors.
- Transparency of information. Resolutions dealing mainly with the approval of accounts or the appointment of auditors.
- Financial structure. Resolutions dealing primarily with capital increases or reductions and debt issuances.

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

Listed/Equity Assets

Mirova maintains its own publicly available proxy voting policies and procedures which provide guidelines for our proxy voting decisions and governance expectations. The guiding principle of policy development and voting decisions is to cast a vote that is in the **best long-term interest of all stakeholders**. This approach is differentiated from the traditional approach that typically reflects the sole interest of the shareholder.

As a responsible and committed investor, Mirova promotes the development of a corporate vision focused on the creation of collective value over the long term. This approach contrasts with the traditional idea of a company as elaborated over the last few decades. Two key concepts structure our strategy.

- Taking all stakeholders into account. Companies can no longer be considered solely from the shareholder's point of view. Companies are first and foremost collaborative projects, which are made possible by a number of constituting parties: investors (shareholders, creditors, etc.), whose main role is to provide capital; employees, who play an essential role in a competitive world driven by innovation; and public authorities who develop the infrastructure and increase the attractiveness of the area. Executives do not serve the sole interest of shareholders, and corporate governance should be shaped to include the interests of its key stakeholders.
- A long-term approach. We believe that the creation of wealth requires a long-term perspective, which takes into account sustainability issues. Mirova encourages companies to include environmental and social issues in its purpose, and to adapt their articles of association accordingly.

PROXY VOTING: GUIDELINE OVERVIEW

We believe that shareholders have a role to play in spreading this stakeholder-centric vision, which is why our voting policy encourages:

- The development of a long-term shareholder base;
- The creation of governing bodies that serve all stakeholders and address CSR issues;
- The introduction of a compensation policy which is not only fair to its stakeholders, but which also promotes sustainable growth; and
- Increased transparency and a better quality of both financial and extra-financial information, through annual audited reports covering all these issues.

This approach is based on work by the academic chair of the Mines ParisTech on the subject: "Théorie de l'entreprise. Modèles de gouvernance et création collective" (Theory of a company. Models of governance and collaborative creation) which has been supported by Mirova since 2015.

We do not hesitate to exercise our right and responsibility to vote against management where we have concerns with the distribution of value, the company's commitment to corporate social responsibility and board competence.

[Our voting guidelines can be viewed in full on our website.](#)

Accessible from its website, Mirova has a platform that presents in detail all the votes it has cast on the resolutions presented at the general meetings of the companies held in the voting funds (excluding dedicated funds). Access to this platform is public, thus meeting the requirements of Articles L.533-22 and R.533-16 of the French Monetary and Financial Code: <https://vds.issgovernance.com/vds/#/OTAyNg==/>

Vote disclosure for Mirova's U.S. Registered Mutual Funds may be accessed via the SEC EDGAR mutual fund and variable products filer archive. <https://www.sec.gov/edgar/search-and-access>

2024 VOTING IN REVIEW

In 2024, the voting perimeter consisted of 307 securities held in 42 UCITS and AIFs managed by Mirova and Mirova US. Within this voting perimeter, 315 Annual General Meetings were held in 2024. Mirova has exercised its voting rights at 306 companies. This represented a turnout of 99.7%. Mirova did not exercise its voting rights at 1 general meeting due to operational constraints (change of the date, limit of vote by custodians, validity of power of attorney, etc.).

In Europe, the general meetings of French companies accounted for about 39% of the companies in the voting universe, while the United Kingdom and Germany accounted for 9 and 12%, respectively. The United States constitutes 96% of the America aggregate and Japan 67% of the Asian continent.

Company count - Geographical areas

	Number of companies	In %
Europe	145	47%
America	138	45%
Asia	18	6%
Oceania	5	2%
Africa	0	0%
Total	306	

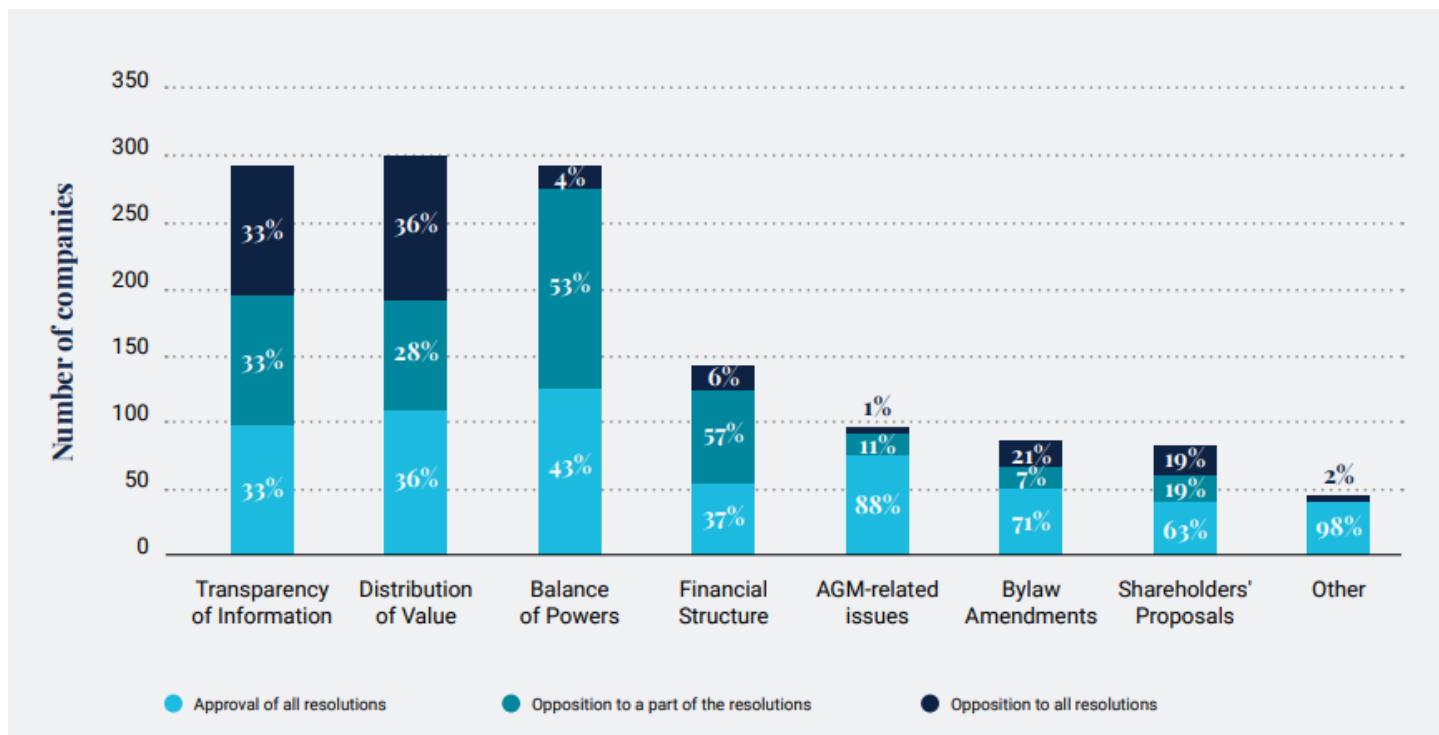
Source: Mirova, 2024

Source: Mirova, 2024

BREAKDOWN OF VOTES BY THEME

Mirova's voting policy pays particular attention to the distribution of value created by the company among its various stakeholders, as well as to the quality of the information communicated, whether financial, environmental or social. As Mirova's voting policy differs significantly from traditional governance principles, these themes are the ones that concentrated the highest proportion of opposition votes. In 2024, the challenge rate of the "Distribution of value" theme decreased to 64% of companies receiving at least one negative vote on at least one resolution related to this theme, down from 69% in 2023. We believe this is due to the positive trend of the addition of an environmental or social metric into the remuneration structure at more companies. Compared to 2023, the general contestation relating to the theme "Balance of Power" decreased slightly from 60% in 2023 to 57% in 2024. Holding all members of board committees accountable by voting against their reelection when a relevant Environmental, Social or Governance (ESG) criterion is not met (e.g., a minimum of 40% of women on the board, presence of an employee representative, lack of CSR criteria in the executive remuneration, etc.) makes our voting policy highly demanding with respect to the election or renewal of directors to the board.

DISTRIBUTION OF VOTES BY THEME



Source: Mirova, 2024

Of the 314 general meetings voted and confirmed, Mirova expressed its opinion on 5,138 resolutions.

Of these 5,138 resolutions:

- Mirova approved 3,608 resolutions, or 70%;
- Mirova voted against 1,405 resolutions, or 27%;
- Mirova abstained on 114 resolutions, or 2%

Of the 5,127 resolutions passed, 4,970 were proposed by management or the board of directors or supervisory board. Mirova opposed 1,366 of these resolutions (27% of the resolutions) and abstained on 114 resolutions (2% of the resolutions).

PROCEDURES FOR IDENTIFYING, PREVENTING, AND MANAGING CONFLICTS OF INTEREST

In general, an asset management company exercises voting rights solely in the general interest of its unitholders, irrespective of its own interests, and in compliance with its guiding principles. Mirova has introduced a procedure to prevent, identify, and manage potential conflicts of interest. To this end, should a conflict of interest arise between Mirova and one of its clients, the Head of Compliance Internal Control and Risks, in concert with the other members of the team responsible for the “exercise of voting rights” would decide on what steps to take. Should a member of the team responsible for the “exercise of voting rights” experience a conflict of interest regarding a vote, he/she should immediately notify the Head of Compliance, Internal Control and Risks and take no part in the vote concerned.

If exercising its voting rights for a given company exposes Mirova to a potent or actual conflict of interest, the Governance Research analyst will refer the matter to the Head of Compliance and Internal Control, who will decide on the appropriate measures to take, including the decision to participate or not in said company's general assembly.

To prevent conflict, the Research Team establishes a list of companies with probable risks, i.e., listed companies of the BPCE group and listed companies where top executives of BPCE group hold a directorship and/or an executive mandate. This list is updated annually and validated by Mirova's Compliance and Internal Control team. Companies on this list are then excluded from Mirova's voting universe.

USE AND OVERSIGHT OF PROXY ADVISORY FIRMS

Mirova uses a proxy advisory firm to perform various proxy voting-related administrative services, such as ballot collection, vote processing and recordkeeping. The advisory firm is in direct contact with custodian banks, from which it receives, daily, a list of every position held for each portfolio within the Mirova voting universe. The votes for each account are registered on the voting platform.

Mirova also receives research reports and vote recommendations from multiple, international advisory firms. Ultimately, proxies are voted pursuant to our in-house guidelines and advisory firm material is one of many inputs to our final vote determination. For context, Mirova voted against management on approximately 33% of the resolutions we reviewed in 2023. Meanwhile, the ISS benchmark policy recommended votes against management for 8% of the resolutions reviewed in our voting universe. Thus, our approach to voting is quite differentiated from the advisory firm.

Both proxy advisory firms are subject to an annual vendor due diligence and to an annual audit of their performance. These reviews are done under the supervision of Mirova's Compliance and Internal Control team. In addition, on an annual basis, Mirova US compliance will review the Statement of Controls (SOC) 1 report 2 issued by Mirova's advisory firm conducting vote processing.

SECURITIES LENDING POLICY

Mirova does not engage in any security-lending activities.

Non-Listed Assets

While our response to Principle 12 focuses mainly on the exercise of our rights for listed assets, as they remain the majority of Mirova's asset under management, we also exercise our rights for other assets classes accordingly.

Regarding non-listed assets, as of the publication of this document, the formalization of a voting policy applicable at a large scale is still under discussion as the exercise of our voting rights depends highly on the structure of the investee and of the financing. As our Private Equity activities are rather recent (with the first fund launched in 2021) the ways and means by which we exercise our rights is currently being considered.

Whenever Mirova is accountable as a large investor and is a member of the Board at such an investment, voting rights are exercised by a member of the investment team.

We recognize that voting rights on non-listed assets is only one means to foster impact (alongside, working day to day with the management team, and influence decision making processes), we have not yet produced a formal report on the topic. We aim to develop this shortly.

FUNDAMENTAL DIFFERENCES BETWEEN THE PORTFOLIO AND THE INDEX

The comparative scores provided in this report are intended for illustrative purposes only to demonstrate how Mirova's ESG methodology affects SDG (as defined below) impact scores after the stock selection process is completed, with the Index serving as a representation of the investable universe prior to the application of Mirova's ESG methodology. Accordingly, there are key differences between the SDG impact scores of the portfolio and the Index, as explained below.

As part of the Strategy, Mirova seeks to invest in (without limiting itself to) companies with a positive impact on the United Nations' Sustainable Development Goals (the "SDGs"), while avoiding companies whose activities or products have a negative impact on or create a risk to achieving the SDGs.

The determination of impact relative to the SDGs is based on analysis conducted by the Sustainable Research Team, which examines how companies meet the opportunities and manage the risks associated with the SDGs in order to help determine their viability and sustainability. The main outcome of this analysis is a qualitative "sustainability opinion" and an analysis of a company's main ESG opportunities and risks. The sustainability opinion is a qualitative assessment that results in a numerical output based on the levels of risk assigned by the analyst.

The analysis encompasses the entire life cycle of product development, from raw material extraction to consumer use and disposal, and focuses only on the most pertinent issues to each company. The sustainability opinion is focused on the company's achievement of the SDGs; this opinion is based on the merits of the individual company in question and is not relative to any peer group or sector. In addition to prioritizing companies assessed as having positive impact relative to the SDGs, Mirova integrates this analysis into its fundamental research and considers all of the 17 SDGs in the analysis were deemed material and relevant.

Mirova uses specialized ESG data and rating providers as primary sources for opinions and engagement recommendations. Such sources may be specialized in specific topics such as carbon data or biodiversity (for instance Carbone 4), or providers of broader ESG data (for instance ISS ESG, Bloomberg, etc.). Mirova also works with specialized consultants around specific topics such as gender equality. Mirova may not always use the data provided in its raw form and may make certain adjustments to the data based on certain factors prior to using the data in its analysis. Please see the notes below for more detail on when these adjustments are made.

The Index is included in this report because it is the broad-based securities market index chosen as the benchmark against which to measure the portfolio's actual performance. Unlike the portfolio, the Index's constituents are not chosen as a result of any methodology or analysis applied by Mirova and are not chosen with any focus on the impact to SDGs. Rather, the Index's constituents are selected based on a purely quantitative index methodology as applied by the Index's provider. (See the Definitions section, below for more information) Accordingly, the comparative results shown in this report, which are derived from the application of the Sustainable Research Team's methodologies to both the portfolio's securities and the Index's constituent companies, will naturally show that the portfolio's securities have higher impact scores than the Index.

LEGAL INFORMATION

This document is intended solely to provide information on Mirova's compliance with the UK Stewardship Code, published by the Financial Reporting Council. This document in no way constitutes an offer or a sales promotion to a person regarding whom it would be illegal to make such an offer. This document may not be used as an offer or a sales promotion in countries or in conditions where such offers or promotions have not been authorized by the competent authorities.

The figures provided relate to previous years and Past performance is no indicator of future performance.

Performance figures are calculated net of management and running fees, included safekeeping fees and commissions.

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