

# Mirova Engagement Policy and Priorities

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**Listed Assets**  
2026

# Engaging for Transition in a Fragmented World

The world in which we invest is no longer merely uncertain: it is fragmented, accelerated, and under growing constraints. Geopolitical splits, technological disruption, and mounting pressures on natural and social resources are profoundly reshaping the conditions for long-term value creation. In this context, the question is no longer whether sustainability remains relevant, but how it can be exercised with greater clarity, rigor, and real-world impact.

At Mirova, we firmly believe that today's volatility does not undermine the importance of sustainability as an investment objective; on the contrary, it reinforces its necessity. The integration of environmental, social, and governance issues, grounded in financial materiality, remains inseparable from a long-term perspective. It is critical information for navigating a world where systemic risks are intensifying and transition pathways are becoming decisive.

Against this backdrop, our engagement and voting strategy is not an adjunct to investment: it is a strategic component of it. Faced with declining international cooperation and the rise of national dynamics that may run counter to climate and social objectives, we have chosen an active, ambitious, and global approach to ownership. Shareholder engagement enables us to maintain structured dialogue with companies, promote robust and comparable frameworks, while remaining attentive to local realities. Our

ambition is clear: to ensure that fragmentation does not derail the transition but instead contributes to sustainable and local long-term value creation.

Technological transformations illustrate this complexity particularly well. The rapid rise of artificial intelligence and digitalization opens up significant opportunities in energy efficiency, medical innovation, and crisis resilience. Yet it also brings increased pressure on resources, social risks, and new governance challenges. As investors, our responsibility is to support innovation in a way that aligns with sustainable trajectories, by demanding transparency, anticipation of impacts, and responsible practices across the entire value chain.

*Active ownership is  
a central tool of  
transition finance.*

At the same time, environmental pressures have reached a critical level. Overshooting climate targets, reaching critical thresholds of multiple tipping points, and the erosion of natural capital call for an acceleration of efforts, both in mitigation and adaptation. We continue to advocate for science-based targets, credible transition plans, and tangible outcomes, including in carbon-intensive sectors whose role will be decisive in

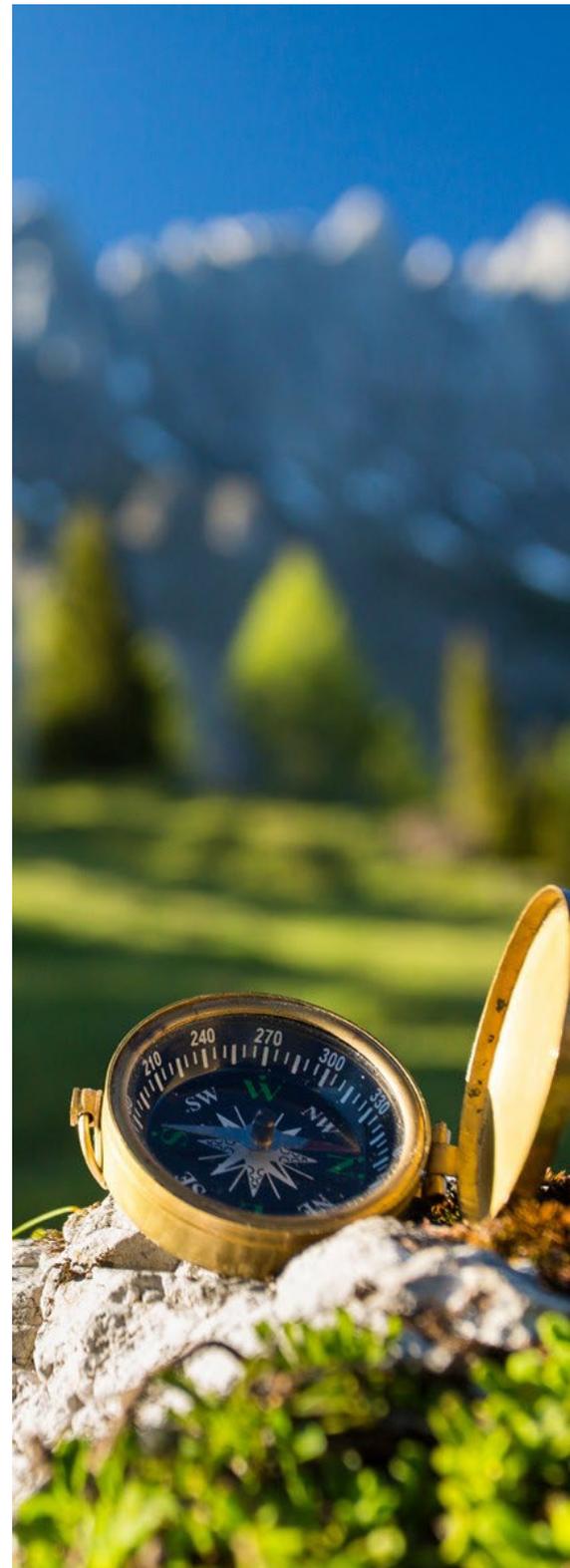
enabling the energy and technological transitions.

The transition, however, cannot be sustainable unless it is also just. Social inequalities, employment instability, and wealth concentration are undermining social cohesion and, more broadly, the stability of our democracies. Integrating human capital, just transition, and stakeholder inclusion are prerequisites for economic resilience. Here again, shareholder engagement is a key lever for promoting better practices and the development of comparable benchmarks.

This Engagement Policy & Priorities reflects our conviction that active ownership is a central tool of transition finance. By combining expertise, methodological innovation, and data-driven tools, we aim to strengthen the effectiveness of our engagements and to measure their real-world impact. Accelerating the transition is not an option, it is a collective responsibility. At Mirova, we choose rigor, consistency, and action. ♦

# Summary

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# Mirova Stewardship Approach

At Mirova, we believe our stewardship activity has the power to drive the sustainability agenda forward on key issues including climate change, biodiversity, or social-related matters. As we are also witnessing increased digitalization and the emergence of artificial intelligence, it is our responsibility to advocate for these transformations to be made ethically and sustainably. We believe that engagement is a tool for fulfilling our fiduciary duty, helping us to better identify and address the risks companies are facing, as well as to assess the quality of the mitigation measures implemented.

Our engagement expectations are grounded in our internal Environmental, Social and Governance (ESG) assessment framework, which incorporates sustainability risks as defined under the Sustainable Finance Disclosure Regulation (SFDR)<sup>1</sup>. Sustainability risks refer to any event or condition in the environmental, social or governance domain that could materially affect the value of an investment, ranging from climate-related physical or transition risks, to biodiversity loss, human rights and labor practices across value chains, or governance and ethical issues such as internal controls, corruption, or tax practices<sup>2</sup>.

Mirova views engagement, alongside our investment decisions, as key drivers of positive

impact and shareholder return. To structure its engagement approach, Mirova has chosen **four priorities: climate, biodiversity, inequalities and social-related matters, and digital transformation and artificial intelligence**. These engagement themes have been prioritized due to their materiality for companies and because, we believe, they are the most likely to transform or disrupt our society at large. In addition, we systematically consider governance of sustainability as an underlying key engagement topic.

A credible engagement strategy is always holistic, involving **actions at company-, industry- and systemic-levels**, and is targeting multiple stakeholders including companies, industry associations, standards and frameworks, setters, or regulators. This three-layer approach aims to support companies in the definition and implementation of their transition plan, boost sector-level response to complex widespread issues, and to accelerate high-level awareness on sustainability challenges (cross-sector development of reporting frameworks, impact assessment methodologies, etc.).

This document outlines the general principles of Mirova's engagement policy for listed assets. Each investment strategy then applies these principles in a way that aligns with its investment process and investment philosophy.



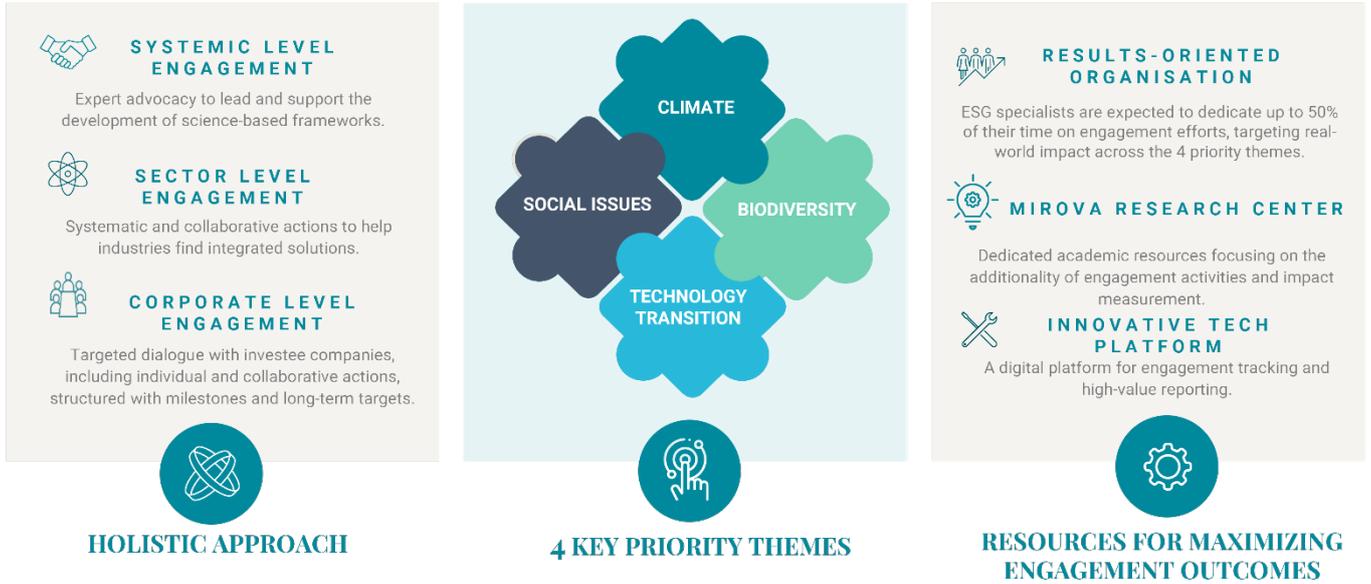
<sup>1</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector. [More info here.](#)

<sup>2</sup> More information is available in our document "[Our approach to impact and ESG assessment](#)".

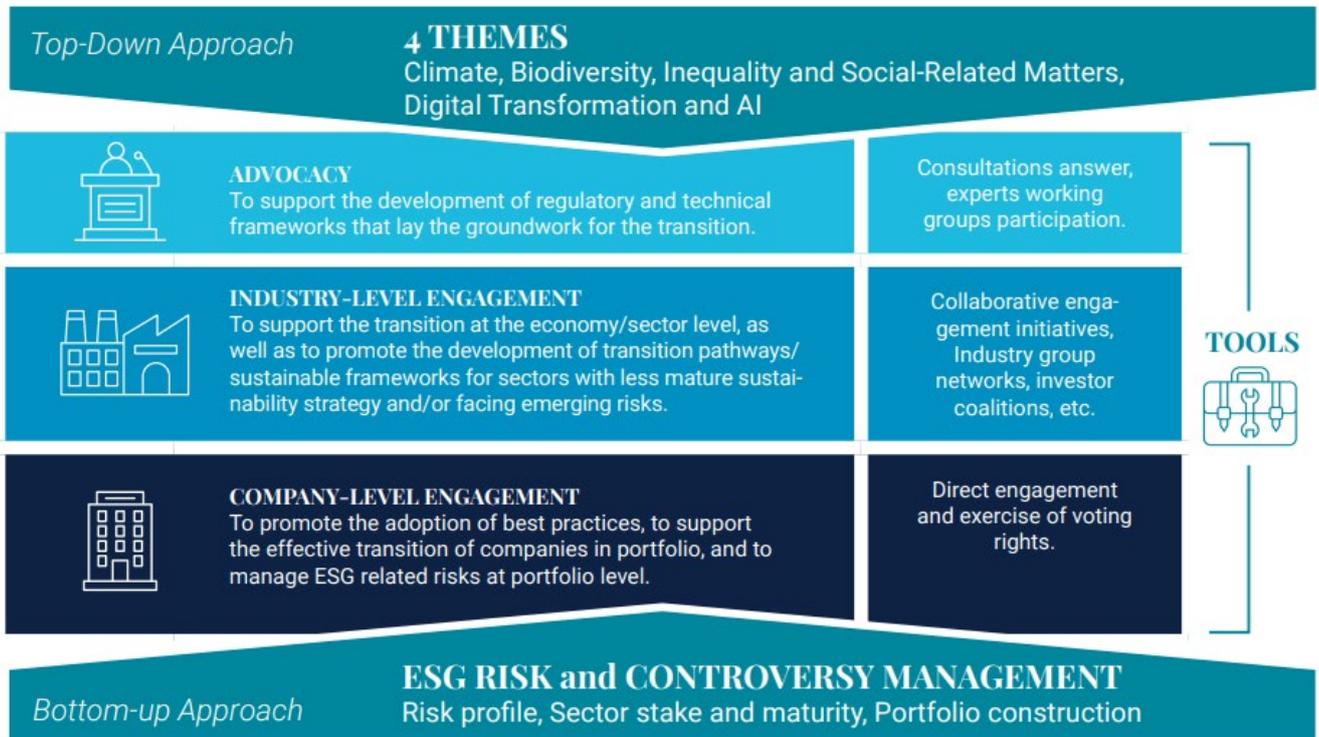
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## A stewardship strategy designed to support real-world transformation



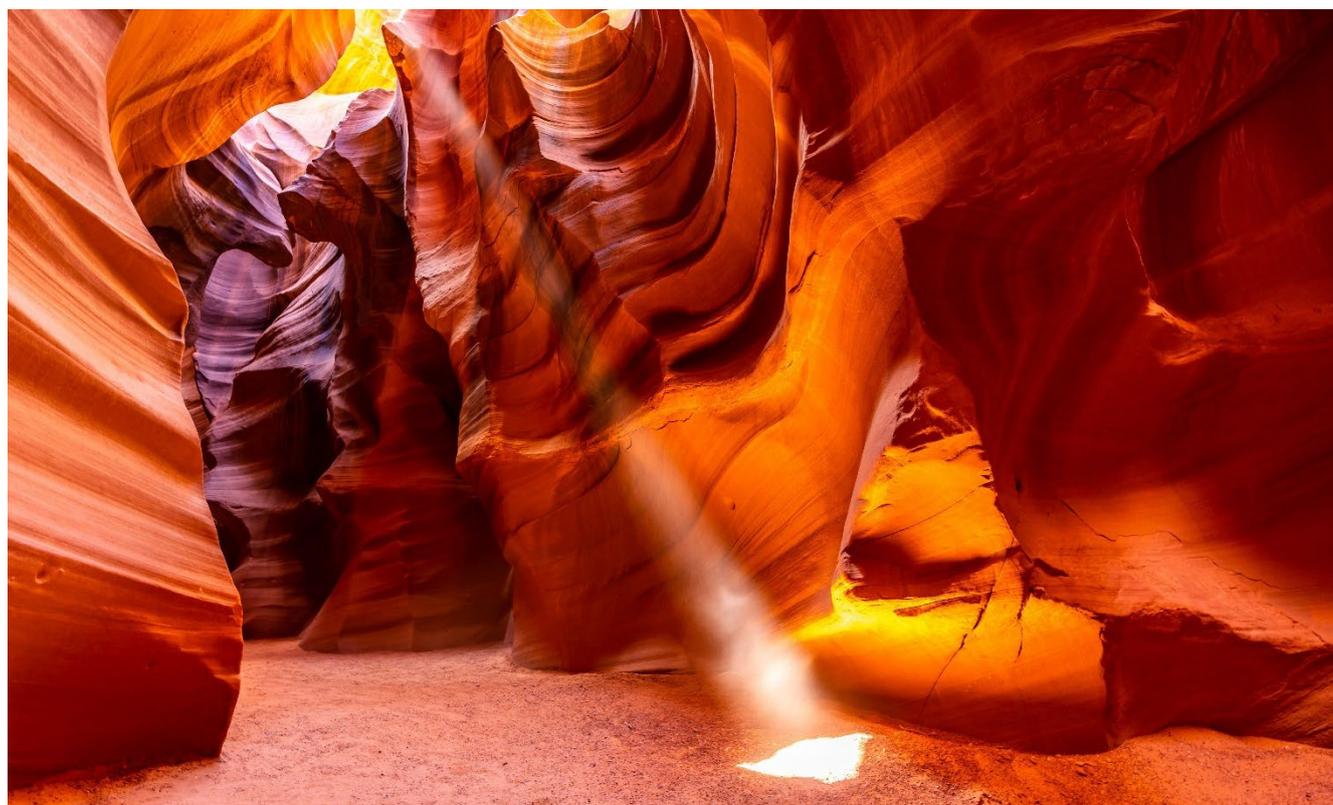
## Stewardship Approach to Environmental Transitions and Social Responsibility:



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	Climate	Biodiversity	Inequalities & Social- related Matters	Digital Transformation and Artificial Intelligence
<b>Advocacy level</b>	Promote the adoption of climate transition financing frameworks.	Develop policy standards, biodiversity impact assessment and indicators, as well as reporting frameworks.	Develop policy standards, social impact assessment methodologies, and reporting frameworks overcoming existing challenges, such as the lack of coordination, lack of comparison, etc.	Participate in the development of the regulatory framework for sustainable artificial intelligence.
<b>Industry level</b>	Support the definition of industry-specific decarbonization pathways for hard-to-abate sectors. Support the implementation of decarbonization strategies for high-stake sectors.	Participate in the development of collaborative actions to address biodiversity pressures.	Participate in the development of frameworks to assess and address the social externalities associated with technological and environmental transitions.	Encourage the development of frameworks for sustainable sourcing of critical materials, mitigation of environmental impacts (climate and AI) and ethical standards. .
<b>Company/ Portfolio level</b>	Support the effective implementation of transition pathways aiming to reach real-world decarbonization. Manage climate-related risks in investment portfolios.	Support the effective implementation of transition pathways aiming to reach real-world impact. Improve quality of assessment of portfolio exposure to biodiversity risks.	Assess and address social risks faced by companies, especially in high-risk industries. Promote the adoption of advanced practices.	Improve the assessment of portfolio exposure to emerging risks related to digitalization and AI.



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# Engagement Priorities

## Climate Change



Should we fail to limit temperature rise to well below 2°C, there is a global consensus that climate change will cause significant havoc and lead to vast costs and disruptions for our societies and economies. Likewise, achieving the Net Zero emissions objective by 2050 heavily relies on the implementation of a wide portfolio of climate solutions, mainly through ramping up renewable and low-carbon energy sources, improving energy efficiency, increasing electrification, phasing out coal, transitioning away from fossil fuels and cutting methane emissions.

Mirova is committed to continuing to innovate to bridge the transition investment gaps. Yet, the effective transition towards a low-carbon economy also relies on the implementation of credible and robust decarbonization strategies at company level and across most sectors. Decarbonization levers are widely available and cost-effective in high-emission sectors, such as power generation or the automotive industry. Other sectors, including cement, steel, chemicals, petrochemicals, aviation, and shipping, remain classified as 'hard-to-abate emissions' sectors due to physical, technological, or

market-specific circumstances. These sectors are responsible for roughly 40% of global carbon emissions; therefore, immediate actions are considered a priority<sup>3</sup>.

Mirova seeks to mitigate the costs and impacts of climate change by leveraging its engagement capabilities including direct dialogue, the exercise of its voting rights, and participation in collaborative efforts to influence global policies and company practices.

### ADVOCACY



Transitioning our economies and managing systemic climate risks require the implementation of relevant and consistent global policies along with international cooperation. Considering the now certain overshoot in achieving the objectives of the Paris Agreement, Mirova continues to urge governments to take action towards climate change, such as providing incentives for clean technology development, implementing strong carbon pricing, and supporting climate adaptation in vulnerable communities. As part of Mirova's advocacy efforts, we actively participate in working groups and expert consultations (including with the [Institutional Investors Group on Climate Change](#) (IIGCC), [Net Zero Asset Management Initiative](#) (NZAM), [Ceres](#), etc.) to shape the frameworks and regulations surrounding climate financing, climate disclosure, and climate methodologies.

### INDUSTRY-LEVEL



Mirova acknowledges the need for economic change beyond our direct investment universe to support an effective sustainable transition of our economies, which we believe can help protect our investments and benefit all stakeholders. While Mirova may not directly invest in hard-to-abate sectors, most supply chains still depend on these sectors, which require collaborative action. To achieve this, we are participating in collaborative initiatives that empower Mirova with a greater voice in driving change. Therefore, Mirova endorses numerous actions, such as [Climate Action 100+](#) or [Net Zero Engagement Initiative](#) and may be involved in industry groups to develop transition frameworks for these industries.

<sup>3</sup> World Economic Forum, Net Zero Industry Tracker 2024

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## COMPANY-LEVEL



Mirova's ambition is to promote the alignment of its investee companies with a Net Zero pathway and to achieve real-world decarbonization. Indeed, alleviating systemic financial and societal risks posed by climate change can only be achieved through real reduction of greenhouse gas emissions. To achieve this, Mirova prioritizes individual and collaborative company-level engagement to foster the adoption of robust transition plans by actors either directly or indirectly exposed to high-intensity sectors or representing a significant share of financed emissions of our largest portfolios.

Companies are therefore encouraged to adopt a climate transition plan at least aligning with the Paris Agreement, as outlined in the [Net Zero Investment Framework](#):

- **Ambition:** Set a long-term goal consistent with the global objective of net zero by 2050.
- **Targets:** Set short- and medium-term science-based targets consistent with the objectives of the Paris Agreement. For relevant sectors, we also encourage companies to set [SBTi-FLAG](#) (Science Based Targets initiative - Food, Land and Agriculture Guidance) targets on commodity intensity reduction.
- **Disclosure:** Disclose Greenhouse Gas (GHG) emissions related to scope 1 and 2, and material scope 3, and provide transparency on risks associated with the transition (notably using [Task Force on Climate-related Financial Disclosures](#) (TCFD) reporting guidelines).
- **Decarbonization plan:** Establish a quantified set of measures to achieve short- and medium-term science-based targets by reducing GHGs and increasing green revenues.
- **Capital allocation:** Clearly demonstrate that capital expenditure is consistent with a relevant net zero pathway.
- **Climate policy engagement:** Provide transparency on climate lobbying activities and demonstrate alignment of these activities with the Paris Agreement.
- **Governance:** Establish a robust governance structure that explicitly defines the board's responsibility and oversight regarding climate change risks, ensures clear supervision of net zero transition strategies, and ties executive compensation to the achievement of climate targets and successful transition efforts.
- **Stakeholder Engagement/Just transition:** Assess and ensure transparent disclosure regarding the impact induced by the transition to a lower carbon business model on workers and communities.
- **Adaptation:** In the context of high exposure to physical risks, clear communication on the risks and measures implemented to ensure adaptation of assets.



# Biodiversity



Scientists are unanimous: on land and at sea, wildlife populations are declining sharply as their natural habitats deteriorate more each day. Despite increasing awareness around the need for sustainable land management, forests are shrinking worldwide.

Environmental degradation is already affecting human health and could ultimately threaten global food security. Extractive business models lead to excessive resource

consumption and pollution, significantly contribute to the erosion of biodiversity and impacting the life of indigenous communities. Yet, biodiversity transition also requires funding, innovation, and solutions as well as deep changes in practices.

**Achieving zero biodiversity loss by 2030, as defined in the [Kunming-Montreal Global Biodiversity Framework \(GBF\)](#), requires earmarking land for conservation,**

**but also changing production and consumption habits.**

Mirova aims to leverage investments to accelerate the transition towards a nature-positive future. Our engagement efforts are implemented across our investments to encourage an appropriate transition while supporting the development of sustainable supply chains.

## ADVOCACY



While actions to support climate frameworks and regulations began a few decades ago and are more structured, there is still a significant lack of public policies addressing biodiversity impacts. Efforts to protect marine biodiversity or to establish an internationally binding instrument on plastic pollution have been initiated. Yet, ambitious policies on sustainable agriculture and food systems are still awaited. Mirova continues its advocacy efforts and supports the development of a relevant regulatory framework for nature, the definition of shared impact measurement indicators, and the establishment of a market standard for nature-related disclosures (notably supporting the adoption of the [Taskforce on Nature-related Financial Disclosure \(TNFD\)](#) framework and being a member of the [Finance for Biodiversity Pledge](#)).

## INDUSTRY-LEVEL



Mirova targets different biodiversity pressures (deforestation, pollution, water scarcity, etc.) to structure its industry-level engagement on nature. We are actively participating in coalitions to set industry standards, disclosure, and frameworks, and to encourage companies in material sectors to accelerate the transition towards a mitigated negative impact on biodiversity. Mirova notably participates in collaborative initiatives of the [Ceres](#), [Farm Animal Investment Risk and Return \(FAIRR\)](#), [Principles for Responsible Investment \(PRI\)](#), [World Benchmarking Alliance](#).

## COMPANY-LEVEL



Mirova is focusing its company-level engagement on actors operating in high-stake sectors that have yet to adopt more advanced practices of nature transition. These include policies and measures on freshwater, land, and circular economy, and aim to support the mitigation of biodiversity impacts from the company's activities throughout its supply chain. Additionally, we continue to support the development of innovative biodiversity solutions.

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### Companies are encouraged to develop a nature transition plan including the following:

- **Ambition:** Publicly commit to minimize contributions to key drivers of nature loss and to conserve and restore ecosystems across the value chain by 2030, in line with the Convention on Biological Diversity's GBF.
- **Targets:** Measure and set time-bound, context-specific, science-based targets to mitigate impacts or excess dependency, align methodologies and baselines with the [Science Based Targets Network](#) (SBTN)'s land, freshwater and ocean guidance. For companies where circularity is material, set targets complying with the [Global Circularity Protocol for Business](#) (GCP).
- **Disclosure:** Conduct and disclose an assessment on nature-related dependencies, impacts, risks, and opportunities throughout value chains, in compliance with the TNFD's "Locate, Evaluate, Assess and Prepare to disclose" (LEAP) approach.
- **Implementation plan:** Establish and disclosure a set of measures to achieve targets. The plan should comply with the mitigation hierarchy across all activities, clarify identified trade-offs and synergies between climate and nature in business activities and outline support mechanisms to key stakeholders such as smallholder farmers supplying commodities and local communities.
- **Governance:** Implement a strong governance framework which clearly articulates the board's accountability and oversight of nature-related risks, impacts, dependencies, and opportunities; as well as executive remuneration linked to delivering targets and transition.
- **Stakeholder engagement/just transition:** Provides transparency on interactions and consultations with key stakeholders, including local communities as well as local authorities supervising conservation areas among others. Identify key persons accountable for supervising implementation as well as external relations with key stakeholders including trade associations, policymakers, indigenous people and local communities (IPLCs).
- **Biodiversity policy engagement:** align lobbying practices with commitments.



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## Inequalities and Social-Related Matters

While it is usually recognized that job security, fair and equitable wages, benefits, or favorable working conditions significantly enhance workers' well-being, productivity and innovation, **it remains challenging for investors to effectively assess and promote advanced human capital policies.** This challenge largely stems from the lack of harmonized human capital data, limited ability to recognize the role of companies in systemic inequalities, and, more recently, the cultural backlash against Diversity, Equity, and Inclusion (DEI) policies.

Inequalities should not only be viewed through the lens of human capital management but also through affordability, reliability, and

resilience lens for basic needs such as medical services, housing, telecommunication infrastructure and equipment, energy, mobility, water, and nutrition.

Addressing inequalities based on income, gender, age, disability, sexual orientation, race, class, ethnicity, religion, and opportunity is a prerequisite for sustainable development and for the stability of our societies. Therefore, we have made it an important pillar of our engagement strategy.

To further structure its engagement approach on the topic, Mirova has defined different lines of actions focusing on DEI, job quality, and social opportunities.



### ADVOCACY

The role of governments is, of course, crucial to tackle inequalities. The implementation of social policies relies heavily on specificities of local contexts and social systems. Advocacy consultations available for investors on the matter are rare, as the topic can be very political. Yet, businesses also contribute to these inequalities. To account for this complex challenge, **Mirova believes in the need to develop and design a globally harmonized and adaptable reporting framework on human capital management data that will allow for more comparison between companies.** There is currently no framework on the market that can claim to have succeeded in overcoming the challenges posed by the lack of data, nor in providing a simple understanding of the interconnections between job quality, diversity, equity, and inclusion (DEI), or broader inequalities issues. Assessing a company's level of dependency and its impacts on people can help raise awareness of the responsibility individual companies have in contributing to the expansion of inequalities. For this reason, Mirova participates in the European Regional Council of the [Taskforce for Inequalities and Social-related financial disclosures](#) (TISFD).

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## Diversity, Equity, and Inclusion

A diverse and inclusive workplace can be an important factor in supporting business growth and success. Embracing a variety of perspectives and backgrounds can foster innovative solutions and enhance problem-solving according to various studies. We believe that this commitment to diversity is valuable in the workplace and can play a role in addressing systemic inequalities and supporting a more stable

Globally, we have observed the implementation of economic policies aimed at advancing gender equality, however, disparities continue to persist across different regions. The current landscape, characterized by economic downturns and prolonged crises, poses substantial risks to the economic prospects of women and girls. Meanwhile, we are witnessing there has been a backlash against DEI initiatives, with some

Our engagement efforts focus on the importance of maintaining transparency on DEI issues and emphasizing that these initiatives are not political agendas but can provide insight into a company's management quality and its capability to attract and retain top talent, which may contribute to improved performance.

### INDUSTRY-LEVEL



As part of its commitment to raising awareness among companies and encouraging investors to adopt a gender-sensitive approach, Mirova participates in investor networks and collaborative initiatives (such as [30% Club France](#) and [Invest Ahead](#)) to push for change throughout the economy and advance gender equality.

### COMPANY-LEVEL



Mirova's efforts focus on advocating for the implementation of robust policies at company level, enhance supplier engagement on diversity, and maintain effective anti-discrimination and complaint management systems. Despite slow progress in recent years, there is still a long way to go. Discrepancies exist especially between countries and industries. This backlash is a critical reminder that our efforts are far from being over. It underscores the necessity of intensified engagement to build awareness and proactively advance inclusion and societal progress."

economy.

companies sidelining these efforts.

#### Companies are encouraged to:

- Adopt and disclose **group-wide targets to improve diverse representation** at the management and executive level.
- Implement measures to promote **inclusion and awareness**, including parental leave, training, pay gap analysis, mentorships, programs, networking groups or schools' partnerships.
- Adopt **anti-discrimination policies** within the company as well as a robust complaints/ whistleblowing management system with effective corrective measures.
- Initiate **awareness programs with direct suppliers** to promote diversity, identify diversity priorities to address with suppliers and join industry-wide initiatives to improve diversity in sectors where women are underrepresented
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## Job Quality and Fairness

The definition of what constitutes a "good job" remains a subject of debate. The World Bank considers earnings, benefits, job stability, and working conditions as key. However, **identifying the relevant thresholds can be challenging and highly specific to companies, geographies, and political contexts**. More transparency is still needed, especially in times when increases in cost-of-living are

posing significant concern. Job quality measures are also likely to help companies absorb economic shocks and therefore limit their negative impact on employees. As environmental and technological transitions are underway, companies also have a responsibility to proactively address the negative socioeconomic externalities associated with shifting to low-

carbon business models, more automation, and digitalization. Failing to do so could lead to further disruption, discrimination, and unemployment. While job quality has long been viewed through a direct employment lens, we believe it should also encompass human rights issues.

### INDUSTRY-LEVEL



While investors increasingly recognize the need for more transparency to assess job quality, and particularly in labor-intensive industries or those in transition, a lack of actionable data remains. To address this, Mirova continues to participate in investor networks focused on sharing best practices and methodologies, as well as discussing challenges, with the goal of overcoming them. In addition, Mirova is indirectly exposed to harmful activities and sectors in transition, such as mining and agriculture. To navigate these challenges, we actively endorse numerous collaborative initiatives and industry working groups, including the Just Transition Engagement Collaboration with the [French SIF](#).

### COMPANY-LEVEL



Mirova focuses on advocating for more transparency regarding company's direct and indirect scope (supply chain), including fair compensation, social dialogue, job security, long-term career path, training, as well as work-life balance and company culture. Where possible and relevant, Mirova promotes the adoption of advanced practices in this area.

#### Companies are encouraged to:

- Improve transparency and **provide comparable metrics** on Human Capital management incl. employee turnover, benefits provided to employees, payroll, investment in non-mandatory training etc.
- Provide evidence on **human capital and just transition strategy** addressing material social issues with regards to the business model of the company, including details on benefits and remuneration (employees and suppliers), career development and anticipation in the shift of certain skills, freedom of association mechanisms, measures to enhance employee's engagement.
- Implement an **ambitious health and safety policy** with clear targets including direct employees and contractors.
- Implement **robust human rights due diligence processes** to identify, prevent, mitigate potential violations both in direct scope and suppliers. The process should include assessing actual and potential human rights impacts, integrating, and acting upon the findings (including dedicated training, action plan followed by internal and external on-site audits), tracking responses, and communicating how impacts are addressed.
- Disclose policy and **breakdown of value creation among stakeholders**, improving transparency around employee remuneration and payroll. Provide disclosure that contemplates the company's approach to employee remuneration **within the context of economic fluctuations such as inflation** and/or cost of living pressure. When relevant, develop and apply a global living wage policy.

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## Social opportunities

Global indicators used to measure socioeconomic progress have mainly evolved positively in the past decades. However, while some indicators continue to progress, there is an alarming slowdown, notably in poverty reduction and quality education, suggesting that, without further effort, the objectives set by the

Sustainable Development Goals (SDGs) won't be achieved. Promoting the development of new products to address these issues as well as persisting inequalities is another prerequisite for sustainable development. **We must also account for emerging health threats, a consequence of air pollution and climate change,**

**unhealthy dietary habits, novel chemicals, and plastic pollution.** While the positive impact on this pillar is primarily driven by activities, the implementation of quality management processes and the development of safe products are crucial for all sectors.

### INDUSTRY-LEVEL



We recognize that supporting the development of social solutions is essential. Our engagement efforts are primarily channeled through collaborative initiatives focusing critical areas such as access to medicine or nutrition ([Access to Medicine](#) and [Access to Nutrition Initiative](#)), which represent the most mature topics at the investor level. By actively participating in these initiatives, we aim to foster dialogue and collaboration among stakeholders, drive industry standards, and promote best practices that enhance access to essential resources.

### COMPANY-LEVEL



We aim to promote the development of solutions that improve conditions for low-income groups by providing essential services and infrastructure. Additionally, we seek to enhance nutrition and health, foster health innovation, advance education, and promote personal safety.

### Companies are therefore encouraged to:

- Implement relevant **access strategies** for basic needs products, development of local infrastructures and services in underserved regions (banking, medical, infrastructure, energy, etc.).
- Ensure the development of products and services that positively contribute to social challenges such as unmet medical needs, antimicrobial resistance, healthy nutrition, inequalities, etc.).
- Improve **product transparency** especially with regards to dangerous chemicals, or hazardous ingredients as well as include the impact on consumer health in eco-design strategy.
- Provide information on evidence used to demonstrate **product safety** including tests conducted by objective third-parties, callbacks/recalls and corrective measures following controversies.
- **Assess the impact of activities on relevant local communities** and provide robust and effective stakeholder dialogue mechanisms.

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# Digital Transformation and AI

Artificial Intelligence (AI) is redefining our world at breathtaking speed, profoundly transforming industries, product design and manufacturing, and consequently industries and our society. Similar to the internet, it functions as a powerful engine of innovation and productivity, and the full extent of its consequences is still challenging to quantify. The use of this technology is set to widespread, carrying the potential to impact profitability and to modify business models. This technological revolution also brings forth significant ethical, environmental, social, and

governance concerns. For example, the rapid advancement of AI technologies is leading to unprecedented increases in energy consumption. The production of essential components, particularly semiconductors, relies heavily on the extraction of critical minerals which severely impact biodiversity and local communities. Moreover, automation driven by AI is reshaping the workforce, leading certain jobs to become obsolete and widening existing inequalities, with varying impacts throughout the value chain. AI also raises pressing ethical and sovereignty issues,

largely due to inherent biases in model design and their applications. The lack of transparency in algorithms, combined with the concentration of AI technologies among a small number of large corporations, present significant governance challenges. Therefore, establishing an ethical and transparent framework for AI development is essential to prevent the exacerbation of inequalities and the consolidation of technological power.

## ADVOCACY



AI is not only analyzed as a powerful lever for economic transformation but also as a crucial tool to accelerate the transition to a more sustainable world. We believe the regulatory framework should play a role in structuring best practices. Mirova seeks to collaborate with decision-makers, influence regulatory frameworks and strengthen the accountability of companies in the sector. In addition, we participate in various working groups and provide sponsorships to various organizations such as the [Coalition for Sustainable AI](#). As co-sponsors of the “AI and Finance” working group within the One Planet Sovereign Wealth Funds network, Mirova’s objective is to structure an ethical and sustainable approach to AI in the financial sectors. Advocating for a better use of AI, Mirova launched a partnership between Mirova Research Center\* and the Zurich University working on a AI tool to better detect greenwashing in companies’ transition plans. This is a direct input to our ongoing focus on increasing the robustness of the assessment/comparability of transition approaches.

## INDUSTRY-LEVEL



At the industry level, Mirova participates in collaborative initiatives to enhance transparency among technology companies regarding their use of AI and the integration of responsible principles into their development (notably the [Collective Impact Coalition](#) of the World Benchmarking Alliance for Ethical AI). As of today, collaborative initiatives addressing the climate impact of new technologies such as AI are in the early stages. Therefore, Mirova participates in exploratory discussions with investors and experts to work on the emergence of standards, frameworks, working groups, etc.

*\*The [Mirova Research Center \(MRC\)](#) is a platform created by Mirova to fund and foster long-term academic research and innovation in sustainable finance, focusing on impact measurement, investors’ contribution to sustainability goals, and emerging technologies serving the transition. More info [here](#).*



## COMPANY-LEVEL



Mirova places a strong emphasis on proactive and targeted engagement with companies, determined by their specific roles within the AI value chain. We actively challenge AI developers and users to uphold the highest standards of responsibility, urging them to embed robust transparency mechanisms and ethical governance throughout their operations. Our approach is tailored: for AI infrastructure firms, we demand decisive action to minimize their environmental footprint; for manufacturers of critical components, especially those producing semiconductors, we call for rigorous engagement with upstream supply partners to ensure responsible sourcing. Furthermore, companies integrating automation into their industrial processes are expected to thoroughly evaluate and transparently disclose the impacts of innovation on their workforce, ensuring that human capital management remains a priority. Through this differentiated and assertive dialogue, Mirova aims to drive tangible improvements and accountability across the entire AI ecosystem.

**We tailor our engagement strategies according to each company's position in the AI value chain and their specific material risks, focusing on:**

- **Resource use**, particularly for cloud providers and hyperscalers:
  - **Implementation of sustainable data center practices** and use of clean electricity, including energy and water efficiency, assessment of resource conflicts and use stable networks, management of Power Usage Effectiveness (PUE) and Water Usage Effectiveness (WUE) with advanced cooling technologies,
  - **Transparency on the quantitative impact** of their net-zero commitments
  - **Assessment of the ambition** of their clean procurement claims
- **Responsible AI for companies developing or integrating AI tools:**
  - Disclosure of policies to address serious risks such as bias, disinformation, harmful content, and data privacy by advocating for strong governance, transparency regarding testing data in the "black box," and safety by design.
  - Disclosure regarding the potential impact of AI on job transformation, displacement, or replacement across relevant industries such as ICT, manufacturing, retail, customer services, and healthcare.
- **Minerals demand for semiconductor companies producing the chips essential for AI**
  - Efforts to improve supply chain traceability
  - Assessment and transparent communication around Human Rights Impact and the conditions under which these minerals are sourced.



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# Governance of Sustainability

Mirova aims to promote the development of a corporate governance focused on the creation of collective value over the long term. We believe that good governance enables long-term sustainability of

business models and that corporate governance principles should reflect the interests of key stakeholders. We believe that the creation of wealth requires a long-term perspective, which implies

consideration of sustainability issues. To ensure the transition, sustainable governance relies on stakeholder representation, training, incentives for success, and credible taxation.

## ADVOCACY



While extensive literature has already been published on the subject, some blind spots remain, including regarding transparency of tax practices. It justifies technical advocacy and collaborative action, and Mirova leverages partnerships and collaborates with research partners.

## COMPANY-LEVEL



Our engagement is always underpinned by the message that a company must provide transparent, relevant, and reliable information to its stakeholders to accurately communicate its current situation and strategy. The information provided should also address social, environmental, and governance issues. Mirova encourages companies to include environmental and social issues in their company mission, and to adapt their articles of association accordingly. We are promoting the development of a long-term shareholder base, the creation of governing bodies that serve all stakeholders and address Corporate Social Responsibility (CSR) issues, the introduction of a compensation policy which is not only fair to its stakeholders, but that also promotes sustainable growth. We are also encouraging more transparency and a better quality of both financial and extra-financial information, through annual audited reports covering all these issues.

### Companies are therefore encouraged to:

- Set up board with a **balanced representation** of the company's strategic stakeholders, including the right skills and significant diversity of directors.
- Ensure **independently audited and certified annual reports** covering financial, environmental, social, and governance information.
- Create a **Sustainable Development Committee** or sustainability representative at Board-level. Make sure everyone is fully trained on the set topics.
- Include **sustainability criteria into the variable compensation of top executives** – assessed through pre-determined, quantifiable metrics. Strive towards the **model of a purpose-driven organization**, signaling commitment to long-term shared value creation.
- Disclose policy and **breakdown of value created among stakeholders** to demonstrate how value created is shared fairly amongst company stakeholders and ensure that dividend policy does not significantly affect the company's investment capacity or solvency.
- **Provide country-by-country reporting on tax payments.** We encourage disclosures relating to tax payment to be easily accessible and understandable to the shareholder base.
- Provide disclosure that contemplates the company's approach to employee remuneration within the context of economic **fluctuations such as inflation** and/or cost of living pressure.

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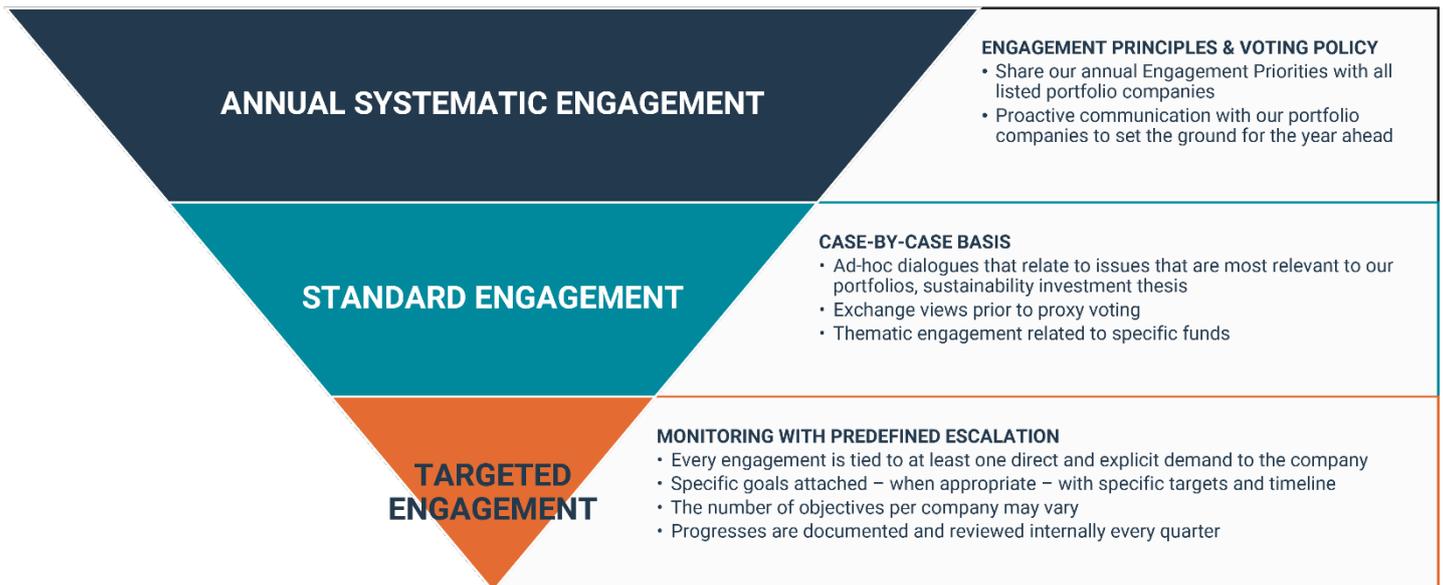


# Company-Level Engagement Process

## Types of Engagement and Frequency

Mirova's engagement policy outlines a structured roadmap designed to facilitate multiple discussions with companies throughout the year.

### How We Engage with Companies



There is no pre-defined objective regarding coverage, as Mirova prioritizes its engagement actions based on relevance, including higher ESG risk profiles and thematic priorities. We aim to have at least bi-annual contacts with most companies, but it may vary depending on the goal of the engagement, the issue at stake, as well as on the size and capabilities of the company. Throughout the year, standard engagement actions are conducted as necessary, based on information including company news flow, changes in company structure (e.g. mergers and acquisitions, management

changes, or expansion into new geographies), need for greater transparency to inform our sustainability impact opinion, or upon direct company request. The details on our targeted engagements are provided below.

Engagement plays a crucial role in informing investment decision-making by focusing on key themes that are prioritized based on their materiality. Successful engagement often serves as a positive indicator for investment teams, suggesting that a company is proactively addressing material issues and enhancing its long-term value potential. Conversely, if a company

regresses on these critical issues, it can be a signal of potential risks and may negatively impact our investment outlook. Each investment strategy integrates our engagement principles in a manner that aligns with its overall investment process and philosophy. By maintaining a proactive engagement strategy, we believe we are better positioned to identify opportunities and mitigate risks associated with our investment portfolio, ultimately driving more informed and responsible investment decision.

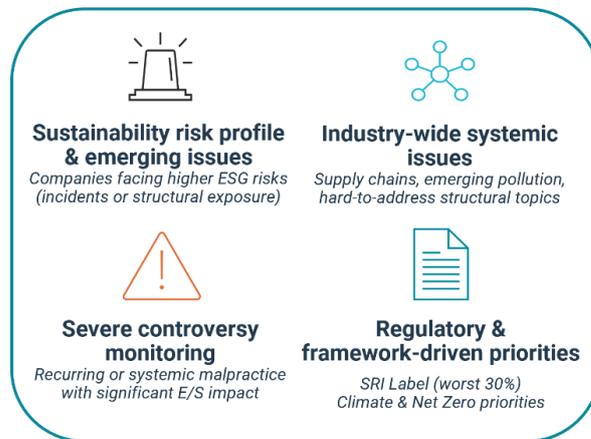
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# Targeted Engagement Selection and Prioritization

“Targeted engagement” refers to the engagement for which we have identified an engagement scenario, including long-term targets, short- or medium-term milestones, and anticipated engagement actions. Companies are mapped at the beginning of each year and prioritized based on their relevance to the four thematic priorities developed in this document, their sustainability risk profile, or exposure to existing or potential controversies. For specific investment strategies, we have also identified additional engagement triggers.

## Engagement Triggers



## Engagement triggers across Mirova active listed portfolios

### Sustainability risk profile and emerging issues

We actively engage with all companies that the team identifies as facing higher ESG risks, whether arising from a specific major incident or the fundamental nature of their operations. The Sustainability Analyst determines the frequency of monitoring and the specific goals for the engagement depending on that severity level.

We have also defined a list of companies exposed to specific industry-wide issues that we believe individual companies may not be able to address on their own due to the complexity of the issue (supply chain related, emerging pollutions, etc.). These engagements are usually supported by collaborative initiatives, and we aim to participate in the development of commonly accepted frameworks and methodologies as well as KPIs to help investors integrating these topics in their analysis.

Our Sustainability Research team conducts weekly news flow monitoring based on Mirova’s newsfeed service provider. This review involves qualifying controversies considering the recurrence of the issue, the magnitude of the case and the company’s response. In cases of recurring, systemic and/or inappropriately addressed malpractice with significant negative environmental/social impact, the controversy is deemed “severe”. Severe controversies automatically trigger a Targeted Engagement Program.

Depending on the company’s ability to respond to this Targeted Engagement Program within the expected timeline, the controversy may be found appropriately mitigated and the case closed, or the company may be downgraded and, ultimately, divested. Generally, appropriate mitigation involves in-depth review of the causes that led to the malpractice, deployment of

an action plan to prevent recurrence and reparation of harm done.

Severe controversies are documented in Mirova’s internal news flow module and impacted on Mirova’s sustainability opinions. Any ongoing Severe Controversy will be disclosed in Mirova’s annual engagement report or ad hoc client report.

### Labels/compliance

To ensure compliance to the expectations of the French SRI Label, for relevant funds, we monitor and engage, when relevant, with companies with the 30% worst ESG rating.

### Climate Related Engagement

We also prioritize engagement with companies that have the highest carbon footprints within our portfolios and/or operate in hard-to-abate sectors, applying a combination of the Net Zero Investment Framework guidelines and our internal climate expertise.

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For example, we added to the list of prioritized companies based on their alignment with Net Zero a consistent approach to engagement with banks and financial institutions on climate (and biodiversity) topics, considering the role of these companies in the economy.

## Thematic Engagement (applicable to dedicated strategies)

For relevant portfolios, we complement this approach with additional criteria that trigger engagement and are fully integrated into our investment process. This is, for example, the case for our Biodiversity funds.

## Engagement Success and Outcomes

Tracking the real-world impact of engagement can be challenging as Mirova's teams engage in various dialogues that can last for several years. When monitoring our engagement successes, we also acknowledge that we are among a large swath of investors that are working through engagement to advocate for best practices as well.

As a result, investors can only gauge individualized impact with caution.

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 search for impact.

Our engagement program is explicitly designed to articulate

specific, measurable, time-bound goals that are relevant to each specific company our team has identified, and we track engagement success based on those targets. Mirova has recently improved its reporting capabilities with the onboarding of a new engagement platform, and enhanced IT resources to produce more granular reporting.



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# Escalation Process

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 eligibility, **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 Chief Investment Officers. As described above, we firmly believe in engaging

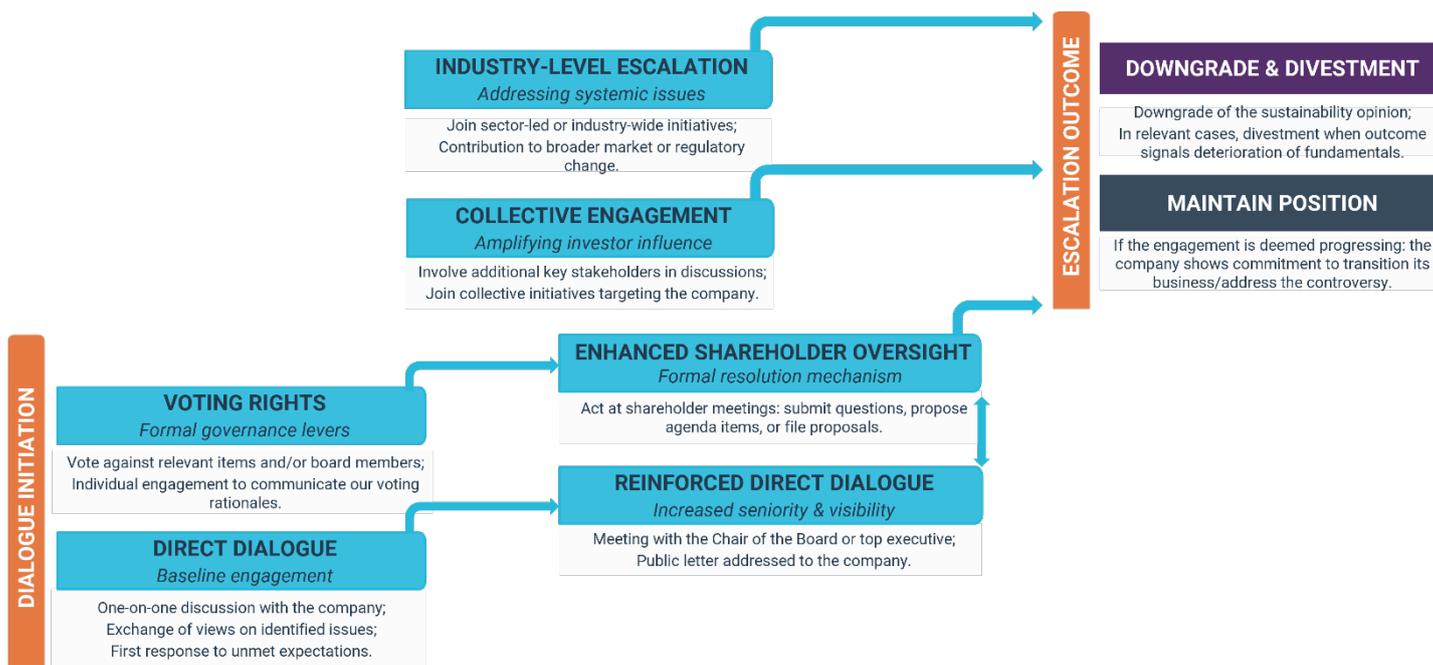
in a direct discussion to exchange views before taking more decisive action. There is no systematic escalation process as we believe that case by case analysis of the issue will enable us to identify the more relevant means to escalate.

**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,
  - Co-filing on shareholder proposals.
- **Leverage the power of our proxy vote by:**
  - voting against relevant items and/or members of the board,
  - taking action at a shareholder meeting by submitting a question or requesting the inclusion of an item for discussion at the Annual General Meeting (AGM) agenda,
  - taking action at a shareholder meeting by filing a shareholder proposal.
- **Ramping-up to Industry-level action by joining sector-led initiatives.**
- **Downgrading** the sustainability opinion and divestment.

## Our Escalation Tools and Process

Our approach is adaptive, not bound by a systematic path. We prefer individualized escalation strategies and leverage case-specific analyses to identify optimal pathways, usually relying on a combination of escalation tools.



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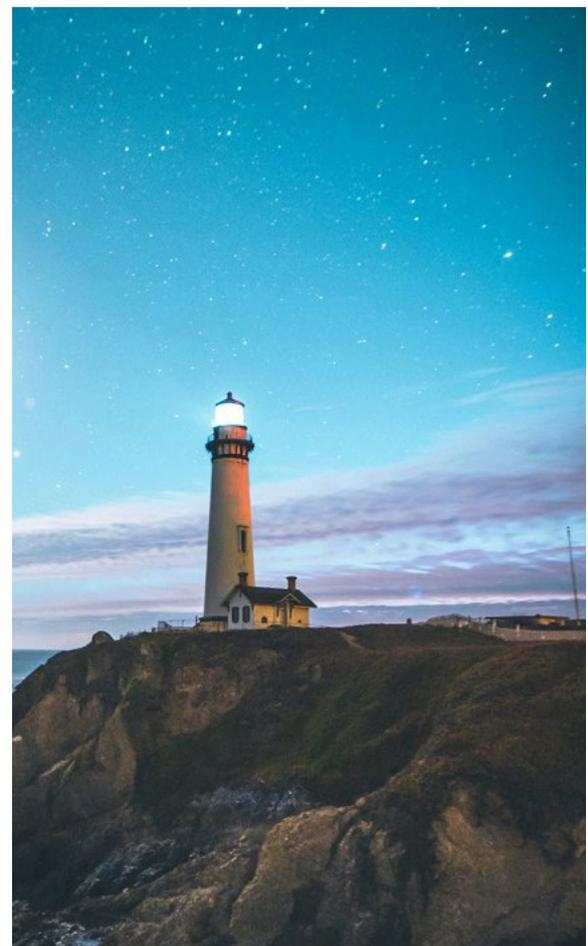


## Mirova Governance for Stewardship

We systematically document engagement discussions and communications on our selected engagement platform. We qualitatively monitor the progress delivered over time by companies through regular meetings amongst the Sustainability Analysts.

At Mirova, we have several lines of oversight with respect to our stewardship and sustainability activities.

- **Executive Committee:** comprised of top management and maintains oversight of the setting and reviewing of the firm's sustainability strategy.
- **Mission Committee:** as a mission-driven company<sup>4</sup>, Mirova has established a Mission Committee which is comprised of eight external members, two internally elected employee representatives and Natixis Investment Manager's Chief Administration Officer. Our Mission Committee meets at least bi-annually, and ad hoc as necessary to review how Mirova is fulfilling our objectives as a mission-driven company.
- **Compliance, Risk and Internal Control Committee:** comprised of representatives from Natixis Investment Management and Mirova. Among other topics, the committee reviews regulatory developments globally and Mirova's compliance with such.
- **Internal Risk and Compliance committees** (listed assets/private assets) with solely internal representatives that regularly review topics, but not limited to, business development, operations, ESG risk and strategy. These committees provide senior management and department heads with a concise overview of key Compliance, Internal Control and Risk topics, including regulatory and corporate updates, product matters, procedural changes, operational risks, control plan progress, audit activities, investment and regulatory constraints, liquidity and ESG risks, as well as country, counterparty, broker and model risks.)
- **ESG Rating Committee:** composed of Mirova's Head of Listed Investment, Head of Sustainability Research and Head of Sustainability Research for Listed Asset and Risk team, the committee runs monthly reviews of ESG opinions and related methodologic enhancements.
- **Stewardship Committee:** composed of the Head of Sustainability Research for Listed Assets and the Head of Listed Investment, the committee reviews the realization and outcome of the annual stewardship roadmap, on a quarterly basis.
- **Proxy Voting Committee:** composed of Mirova's CIOs, its Head of Sustainability Research, and its Head of Sustainability Research Listed Asset, along with portfolio managers and extra-financial analysts where relevant, the committee is held on an ad-



<sup>4</sup> Introduced in France in 2018 as part of the Pacte law, a mission-driven company must define its 'raison d'être' and one or more social, societal, or environmental objectives beyond profit. The purpose and the objectives related to this purpose must be defined in the bylaws. The bylaws specify the means of controlling the execution of the mission by a Mission Committee (a body distinct from the board of directors that is responsible for overseeing the implementation of the mission with at least one employee). An independent third party then verifies the execution of the mission through a written opinion, which is annexed to the Mission Committee's report to the shareholders and made available on the company's website for a period of five years.

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## Governance for Stewardship



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Mirova's voting and engagement policy, as well as transparency codes, are available on its website: [www.mirova.com](http://www.mirova.com)

This is a non-contractual document, completed in January 2026.

## ESG INVESTMENTS – RISKS AND METHODOLOGICAL LIMITATIONS

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

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



## ABOUT MIROVA

Mirova is a global asset management company dedicated to sustainable investing and an affiliate of Natixis Investment Managers. At the forefront of sustainable finance for over a decade, Mirova has been developing innovative investment solutions across all asset classes, aiming to combine long term value creation with positive environmental and social impact. Headquartered in Paris, Mirova offers a broad range of equity, fixed income, multi-asset, energy transition infrastructure, natural capital and private equity solutions designed for institutional investors, distribution platforms and retail investors in Europe, North America, and Asia-Pacific. Mirova and its affiliates had €36.4 billion in assets under management as of December 31, 2025. Mirova is a mission-driven company\*, labeled B Corp\*\*.

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

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