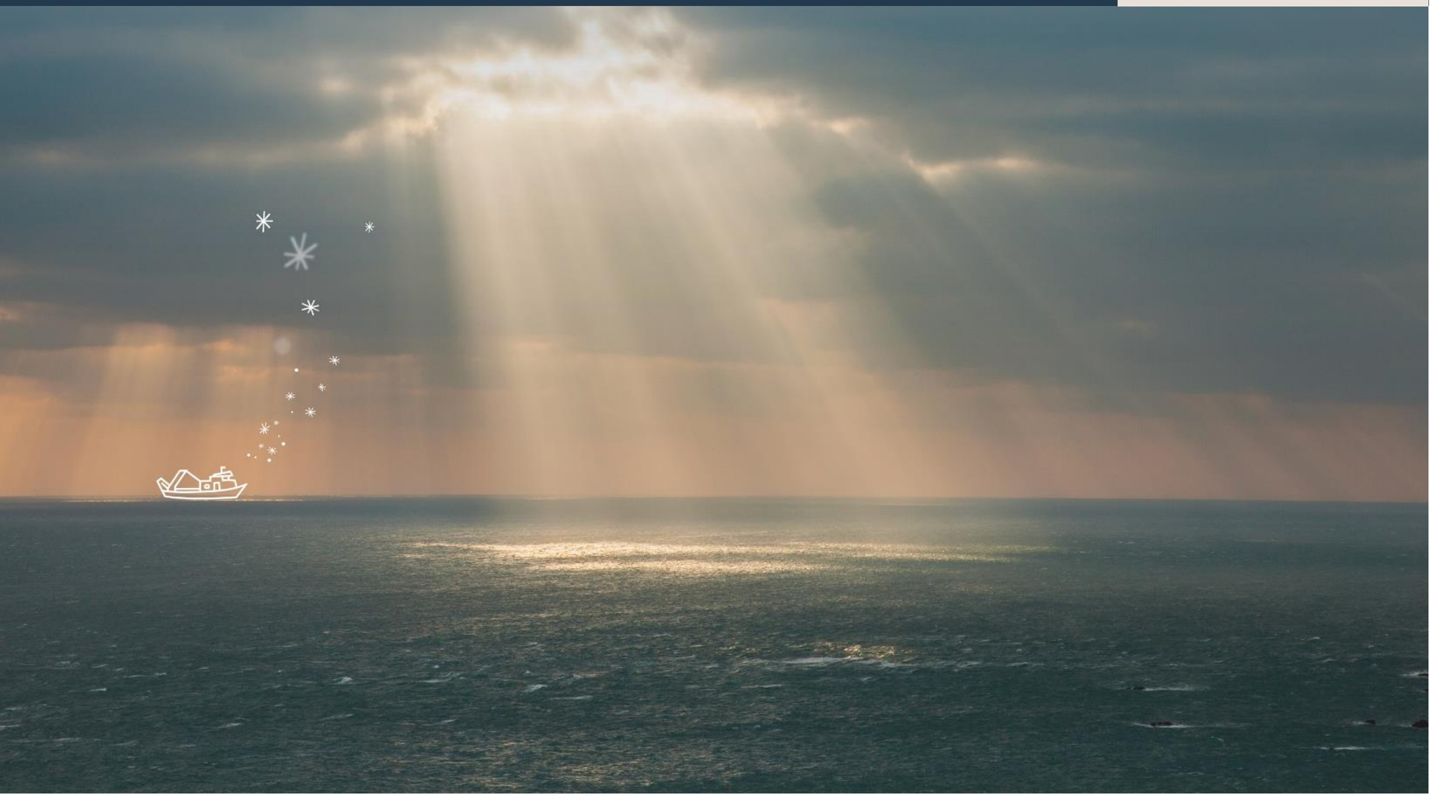
Investing in sustainability

Acting as a responsible investor

Mirova Impact Report 2020

June 2021



An affiliate of: NATIXIS INVESTMENT MANAGERS

Introduction

The Article 173 of the French Law on energy and transition for Green Growth requires French investors to communicate how environmental, social, and governance issues are considered in their investment choices and processes.

Going beyond compliance, the annual publication of our impact report 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.[1]

[1]The data on extra-financial issues (ESG opinion, contribution to the SDGs, carbon impact) are presented in Mirova's annual "Acting as a responsible investor" report and in the annual reports and monthly fact sheets by the UCITS (OPCVM) with an SRI label whose assets under management are above 500 million euros. These documents are also available on Mirova's website.

Table of contents

Mirova is an asset management company created in 2014 and entirely dedicated to responsible investment. Mirova and its affiliates have offices in France, the United Kingdom, Luxemburg and the United States.

Our Vision: Meaningful Investment Choices

Social and environmental issues pose new societal challenges, and our economy must transform to meet them. We believe that finance must integrate environmental and social criteria into its decision-making processes and contribute to accelerating the transition towards a more sustainable development model. The challenges of a sustainable economy lie at the core of Mirova's strategy: to offer solutions that benefit not only investors, but also all stakeholders in society, through a long-term investment approach.

Our Mission: To contribute to a more sustainable and inclusive economy

Since 2020, Mirova has evolved its statutes to become a mission-driven company[2]. We have chosen to formalize the raison d'être that has guided our actions since our creation and to structure our approach through five objectives:

- To make positive impact a systematic objective of our investment strategies
- Cultivate and deepen our social and environmental expertise
- Continuously innovate our products and approaches, always in the service of impact
- Accompany our stakeholders in their transformation towards a sustainable economy and finance
- Apply the environmental and social standards that Mirova defends.

Our societal role as an asset management company goes beyond fiduciary responsibility: it is part of a desire to transform the economy towards a fairer and more sustainable model.

Through this approach, Mirova aims to increase its positive impact on environmental issues, but also on the reduction of inequalities.

An Expertise Spanning Multiple Asset Classes

To do so, Mirova[3] relies on nearly 100 employees with expertise in different asset classes, with €19.5 billion in assets under management as at December 31, 2020.

Equities (€13.5 billion). Mirova offers multi-thematic sustainable equity strategies in the Eurozone, in Europe and worldwide. Mirova also offers strategies targeting specific themes such as environmental issues, job creation in France or the place of women in companies.

Sustainable Bonds (€3.7 billion). Mirova proposes an offer to focus mainly on environmental and social bonds.

Diversified (€0.1 billion). Mirova offers a diversified range of equities and bonds targeting companies that respond to sustainable development issues. The distribution of asset classes tends to change over time depending on evolution in the macroeconomic and financial environment, while maintaining a long-term approach.

Renewable energy infrastructure (€1.5 billion) Mirova offers investors a range of funds dedicated to financing the energy transition. These funds finance unlisted renewable energy projects and are positioned on mature technologies in Europe (wind, solar, biomass, etc.). These funds also finance projects related to energy storage and mobility.

Solidarity (€0.2 billion). Mirova offers a strategy that invests in unlisted projects and companies with high social and environmental impact.

[2] For more information: https://www.entreprisesamission.com/
[3]The figures reported throughout the report concern Mirova and its affiliates.

Natural Capital (€0.5 billion). Following the 2017 acquisition of Althelia Ecosphere, Mirova offers strategies that invest in sustainable agriculture, aquaculture and agroforestry projects (e.g. cocoa from organic farming). Some of these strategies come with the emission of carbon credits mainly located in non-OECD countries mainly in Africa, Asia and Latin America.

All of the management teams are supported by Mirova's **Responsible Investment Research** Department, a center of expertise on integrating sustainable development issues into investment choices.

Our Approach

Acting as a responsible investor means looking at the economy in the context of the environmental and societal issues integrated within it, going beyond the short- and medium-term profitability of individual assets. This approach requires an understanding of the interactions between private and public actors, between companies of different sizes, and between developed and developing economies to ensure that the growth of each is compatible with the system’s overall balance. Responsible investing must also be considered over the long term to make sure that today's choices will not have a negative impact on future generations. Managing this complexity demands:

- Clear understanding of sustainable development issues facing our societies,
- Continuous re-evaluation of the interactions between our investments and these sustainability issues.

The SDGs as a Guide

Following the Millennium Development Goals created in 2000, the United Nations set out a new framework for sustainable development in 2015. It contains 17 Sustainable Development Goals (SDGs), broken down into 169 specific targets designed to address the main social and environmental issues between 2015 and 2030. In addition to having been adopted by all members of the United Nations, the SGDs offer several advantages.

First, they establish a comprehensive environmental and social framework applicable to all economies, regardless of their development level. Some, like reducing hunger (SDG 1) and ensuring access to water for all (SDG 6), are particularly relevant for low- and middle-income countries. Others, like climate change mitigation (SDG 13) and creating safer, more resilient, and sustainable cities (SDG 11) are applicable to all.

Moreover, the SDGs can be considered as a frame of reference for sustainable development issues for a variety of actors, from governments to companies and investors. The private sphere is increasingly considering environmental and social issues, illustrating new forms of governance where subjects of general interest are no longer solely the prerogative of the public sphere. Considering the SDGs can help companies to reflect on how they create environmental, economic, and social value.

Finally, the SDGs help investors to question the long-term resilience of their assets and portfolios. Then, investors can go even further by looking at their exposure to new solutions and economic models that will respond to long-term economic transformations. For example, the targets associated with the SDGs to significantly increase the share of renewable energy and to double energy efficiency by 2030 imply a profound transformation within the energy sector.

We consider the SDGs squarely in line with our mission. As a result, in 2016, Mirova decided to use this framework to define its responsible investment approach.

Figure 1: The 17 Sustainable Development Goals

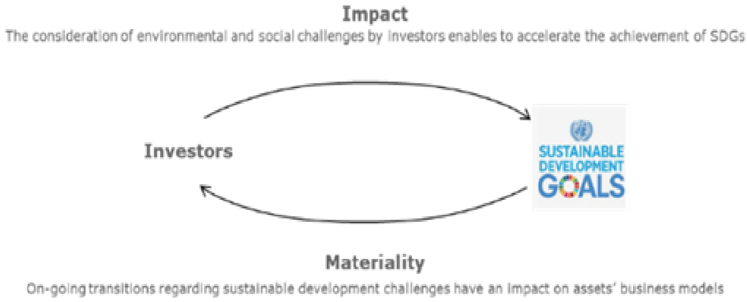
1 PAS DE PAUVRETÉ	End poverty in all its forms everywhere	10 INÉGALITÉS RÉDUITES	Reduce income inequalities within and among countries
2 FAIM «ZÉRO»	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	11 VILLES ET COMMUNAUTÉS DURABLES	Make cities and human settlements inclusive, safe, resilient and sustainable.
3 BONNE SANTÉ ET BIEN-ÊTRE	Ensure healthy lives and promote well-being for all at all ages	12 CONSOMMATION ET PRODUCTION RESPONSABLES	Ensure sustainable consumption and production patterns
4 ÉDUCATION DE QUALITÉ	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES	Take urgent measures to combat climate change and its impacts
5 ÉGALITÉ ENTRE LES SEXES	Achieve gender equality and empower all women and girls	14 VIE AQUATIQUE	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
6 EAU PROPRE ET ASSAINISSEMENT	Ensure availability and sustainable management of water and sanitation for all	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.
7 ÉNERGIE PROPRE ET D'UN COÛT ABORDABLE	Ensure access to affordable, reliable, sustainable and modern energy for all	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.
8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	17 PARTENARIATS POUR LA RÉALISATION DES OBJECTIFS	Strengthen the means of implementation and revitalize the global partnership for sustainable development
9 INDUSTRIE, INNOVATION ET INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation		

Source: United Nations

From the SDGs to Environmental and Social Quality Assessments

We believe that the SDGs will transform the economy as we know it. Acting as a responsible investor starts with taking a broader view of the way investors think about the environmental and social profile of the assets they finance. These interactions can be grouped into two categories:

- **Materiality:** how the current transitions are likely to affect the economic models of the assets financed either positively or negatively.
- **Impact:** how investors can play a role in the emergence of a more sustainable economy.



We believe that these two approaches are closely linked. Our evaluation methodology thus seeks to capture the extent to which each asset contributes to the SDGs. This allows us to address both materiality and impact.

A Five-Level Qualitative Analysis

Mirova has based its environmental and social evaluation method on four principles:

A Risk/Opportunity Approach

Achieving the SDGs requires taking two different dimensions into account that often go together.

- Capturing opportunities: when companies center their strategies on innovative business models and technologies, they can often capture opportunities related to the SDGs
- Managing risks: companies can reduce and re-internalize their social and environmental externalities by proactively managing risks related to the SDGs.

Our approach gives equal importance to opportunities and risks: this is the first step of our environmental and social evaluation.

A Life-Cycle Vision

To identify the issues most likely to impact (and be impacted by) an asset, we look at the entire life cycle of the company products and services, from the extraction of raw materials to the end-of-life phase.

Targeted and Differentiated Issues

Our risk/opportunity analysis focuses on the issues most likely to have a real impact on the assets under consideration and, more broadly, on society. The main sustainability challenges can differ both between and within sectors[4]. For example, in the textile sector we focus on working conditions in the supply chain, while for car manufacturers we place an emphasis on energy consumption and greenhouse gas emissions during product use.

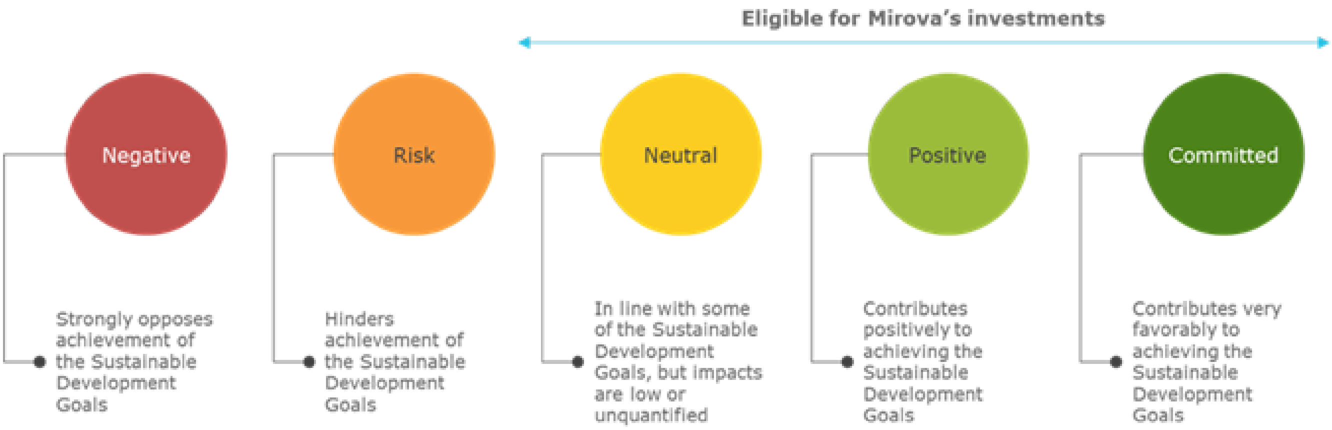
[4] For each sector, detailed studies of the key issues are conducted. This information is available on Mirova's website https://www.mirova.com/en/research/understand#vision

Our analyses are therefore adapted to focus on the most pertinent subjects for each asset.

A Qualitative Rating Scale

Our analyses are summarized through an overall qualitative opinion on five levels. This opinion assesses to what extent an asset contributes to the SDGs.

5



Source : Mirova

This scale is based on the SDGs. As a result, opinions are not assigned based on a distribution set in advance: we are not grading on a curve overall or by sector. Mirova does not exclude any industry on principle and carries out a thorough analysis of the environmental and social impacts of any asset. For some sectors, this analysis may lead to the exclusion of all or some of its actors. For example, companies involved in fossil fuel extraction are considered “Risk” at best, while renewable energy companies are generally well rated.

All Mirova’s investments are rated at least “Neutral,” but we prioritize assets with better opinions (“Positive” and “Committed”).

[5] The elements communicated reflect MIROVA's opinion / situation at the date of this document and are subject to change without notice. For more information on our methodologies, please visit our website: https://www.mirova.com/en/research

Measuring Impact

Our Impact Measurement Framework

To illustrate the main sustainability impacts of our investments, the overall opinions are broken down into six impact pillars, three environmental and three socials, for each asset[6].

Source: Cambridge ILG

This assessment by pillars is based on the same analytical principles as the overall assessment: the result is six opinions based on the same five-level scale, from "Committed" to "Negative." This reflects the extent to which an asset contributes to the SDGs corresponding to each pillar.

Physical Impact Indicators: Our Climate Approach

The qualitative impact measurement opinions are supplemented by physical impact indicators on climate change. We measure the greenhouse gas emissions associated with our investments in tons of CO2 equivalent.

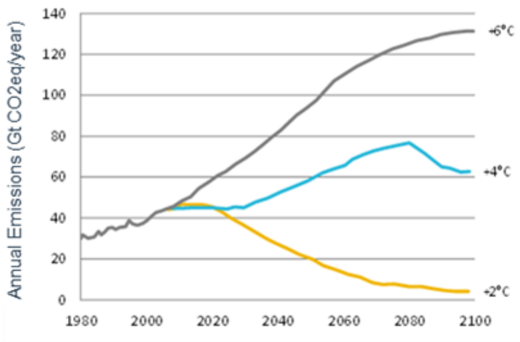
Emissions are evaluated using a life-cycle approach, accounting for an asset's direct activities, as well as its suppliers and the use of its products. In line with our overall environmental and social evaluation principles, it assesses both the risks and the opportunities associated with the energy transition by providing both the emissions "induced" by a company's activity as well as the emissions "avoided" in relation to the baseline scenario.[7]

[6]This is the result of the work of the Investment Leaders Group within the Cambridge Institute for Sustainability Leadership.
For more information, see https://www.cisl.cam.ac.uk/publications/publication-pdfs/impact-report.pdf
While governance issues are considered in our overall assessment, we consider governance as a means to achieving the SDGs rather than an end in itself. As a result, even though we often talk about "ESG" analysis, governance is not subject to impact measurement.
[7]Carbon data is provided by our partner, Carbon4Finance.

At the portfolio level, we aggregate induced and avoided emissions to understand our portfolios' alignment with the climate scenarios produced by international research institutions such as the Intergovernmental Panel on Climate Change (IPCC) or the International Energy Agency (IEA).[8]

- **2 °C.** There is an international consensus that the rise in global mean surface temperature must be kept "well below" 2 °C relative to pre-industrial averages to avoid the severe negative impacts of climate change. A 2 °C-or-below scenario implies large reductions in greenhouse gas emissions in the coming decades. The Paris Agreement also mentions an even more ambitious scenario in which the global temperature rise is limited to 1.5 °C.
- **4 °C.** Long-term temperature stabilization at 4 °C is the most likely outcome if today's climate commitments are met.
- **6 °C**. A 6 °C temperature increase would have devastating and irreversible global consequences. This would be the likely outcome if current production and consumption patterns do not change and are coupled with substantial demand growth;

Figure 2: Emission Scenarios



Source: Mirova/IPCC

Beyond climate, we believe that there are currently not sufficiently robust physical impact indicators for the other five impact pillars (ecosystems, resources, basic needs, well-being, decent work). For these pillars, indicators that consider both risks and opportunities and use a life-cycle approach remain scarce.

Resources

To realize these assessments, Mirova relies on its Responsible Investment Research team, responsible for environmental and social analysis. Comprising fifteen people, the Research team is in constant interaction and collaboration with the management teams. Their analyses are mainly based on documents published by issuers and direct conversations with companies or project developers. To complete its work, Mirova also relies on ESG rating agencies, proxy voting, sell-side financial analysts, news databases, and more. Our expertise is strengthened since nearly three recruitments have been made within this team in 2021.

Application of the SFDR Regulation

The Regulation 2019/2088 on "Sustainability Disclosure in the Financial Services Sector" called "Sustainable Finance Disclosure Regulation" (SFDR) aims to provide more transparency in terms of environmental and social responsibility within the financial markets, through the provision of sustainability information on financial products (integration of sustainability risks and negative impacts). The objective is to ensure alignment between commercial documents and actual practices and to ensure product comparability.

Integrating and contributing to sustainability issues is at the heart of Mirova's mission. Our objective is to offer investors strategies that reconcile financial returns with a positive impact on society. This search for impact is applied

[8] *More details on our climate approach is available on our website: https://www.mirova.com/sites/default/files/2019-05/EstimatingPortfolioCoherenceWithClimateScenarios2018_0.pdf*

across all our asset classes through the ex-ante integration of development issues in the investment objectives of all our funds, and the systematic ex-post measurement of environmental and social impacts.

For the investment strategies listed (equities, bonds, diversified), investments are primarily oriented towards actors who provide solutions to sustainable development issues. Environmental and social issues are an integral part of investment decisions and are systematically measured in terms of the sustainable development quality of portfolios.

Energy Transition Infrastructure investment strategies are exclusively focused on solutions that promote energy transition, i.e. clean energy production, green mobility, etc., and systematically include a review of environmental and social issues in project analysis.

Natural Capital strategies invest in the restoration and protection of biodiversity in ecosystems affected by climate change (forests, oceans, etc.) by financing projects with strong environmental and social impacts.

Mirova's Solidarity strategy aims to finance unlisted projects and companies with a strong social and environmental impact in France, in particular for people in vulnerable situations.

Finally, Mirova aims, for all its investments, to propose portfolios consistent with a climate trajectory below 2°C defined in the 2015 Paris agreements, and systematically displays the carbon impact of its investments (excluding Gestion Solidaire and Natural Capital), calculated using a proprietary methodology that may include biases.

Following this logic, all Mirova funds are classified as "Article 9" under the new European regulation (SFDR). Article 9 guarantees that each product offered by the management company has a sustainable investment objective.[9]

Implications for a Responsible Investor

The following elements of analysis contribute to all the work by Mirova:

- Making investment choices. Enriching fundamental analysis and participating in investment allocation.
- Voting. Providing a constructive insight to companies in our equity portfolios, in order for them to have the benefit from the hindsight to vote on resolutions presented at the general meetings from a wider perspective.
- Carrying out engagements. Establishing a dialogue with issuers and public authorities around environmental, social and governance topics, and the achievement of the SDGs.

This report seeks to describe how the SDGs are integrated into each of these aspects.

[9] For more information on how this regulation is taken into account in our investments, our impact measurement and our compensation policy, please refer to our website : https://www.mirova.com/en/sfdr

Investing

Choosing which assets to invest in is obviously at the core of Mirova's responsible investment approach. Mirova's investments, whether in equities or bonds, listed or unlisted, companies or projects, all share the same approach: creating economic, environmental and social value. The way we do so, however, varies slightly depending on the asset class[10].

Scope of Report

The figures communicated throughout this report refer to the holdings of funds open to professional investors and retail clients (according to the MiFID directive), dedicated funds, funds reserved for eligible investors, and individual mandates. This list is available in the annex.

Equities

Our Approach

Mirova’s investment strategies in equity markets are based on the conviction that environmental and social issues will have a lasting impact on the functioning of our economies. Companies must therefore endeavor to develop sustainable growth models that are socially inclusive and environmentally friendly—i.e. in line with the energy transition. Innovation and integrating sustainable development issues into strategic decisions will be the main factors for success. Investors must re-allocate capital towards these innovative and sustainable companies that will shape tomorrow’s world.

At Mirova, our listed equity investment approach is rooted in our belief that innovation and integrating sustainability issues at the core of company strategies will lead to long-term success. It is this conviction that forms the basis of Mirova’s responsible investment approach to listed equities. We aim to create medium-term financial performance while preserving social and environmental capital, both prerequisites for long-term returns.

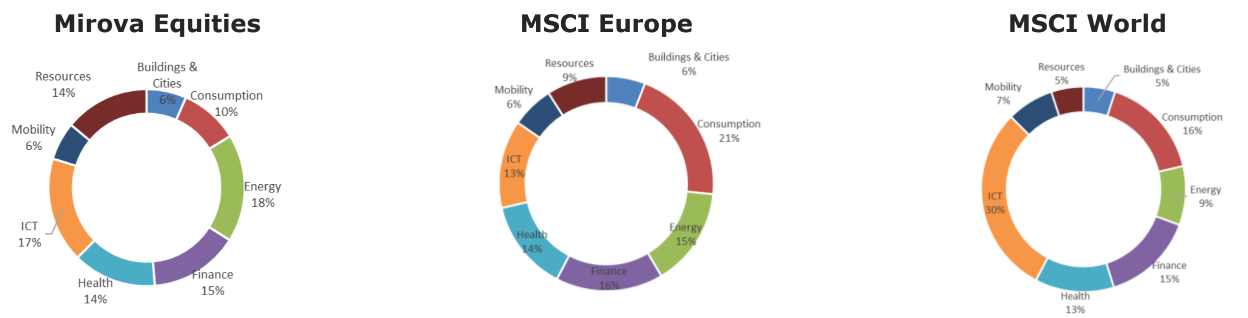
[10] *Monthly impact reports are available fund-by-fund on Mirova’s website under “Funds center”: https://www.mirova.com/en/our-funds*

Impact Assessment

Overall Evaluation

All the equity assets managed by Mirova are included in this evaluation, totaling €13.5 billion as at 31/12/2020. These holdings are distributed across the major sectors of the economy.[11]

Figure 3: Mirova Equity Holdings by Sector (31/12/2020)



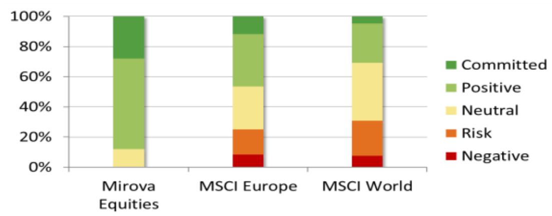
*Coverage: 96.6% *Coverage: 99% *Coverage: 99%

Source: Mirova

Geographically, most of Mirova's listed equity investments are in European companies (75% of investments), with the remaining investments are almost exclusively realized in North America (21%) and Asia (3% of investments excluding China).

In line with our investment philosophy, Mirova's equity funds strongly favor sustainability solution providers: 87% of our listed equity investments had "Positive" or "Committed" opinions at the end of 2020, compared to 49.5% for the MSCI Europe[12] and 32.2% for the MSCI World[13]. None of Mirova's equity strategies contain assets with "Risk" or "Negative" opinions.

Figure 4: Mirova Equities
Distribution of Sustainability Opinions and Carbon Ratings as at 31/12/2020



Coverage: 99% Coverage: 100% , Coverage: 100%

Source: Mirova

87%

of Mirova's equity holdings are rated "Positive" or "Committed"

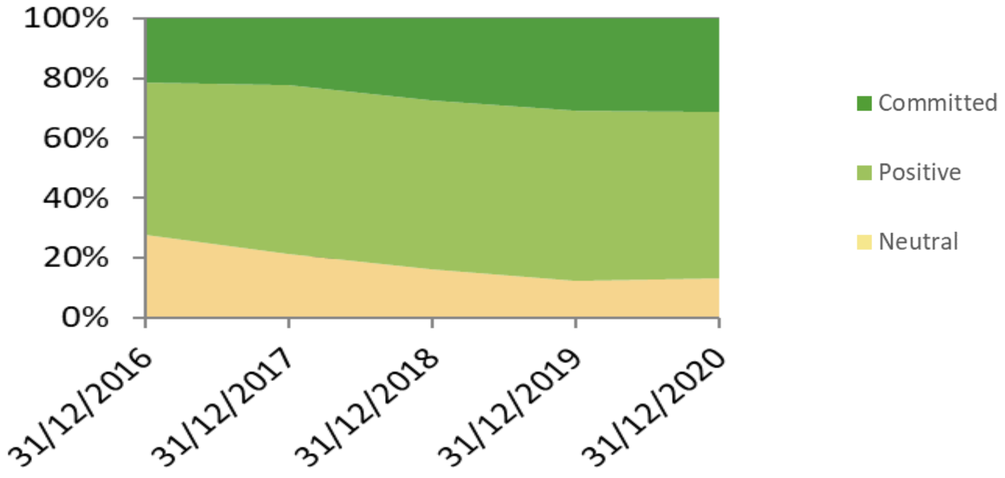
[11] The sector categorization used here corresponds to Mirova's internal classification, defined in line with the challenges of sustainable development. For example, in traditional sector classifications, the Energy sector only contains fossil fuel companies. In Mirova's sector classification, the Energy sector also includes utilities and renewable energy equipment manufacturers. So, even if Mirova does not invest in fossil fuel extraction, the Energy sector is represented through investments in renewable energy and energy efficiency.

[12] MSCI website: https://www.msci.com/documents/10199/db217f4c-cc8c-4e21-9fac-60eb6a47faf0

[13] MSCI website: https://www.msci.com/documents/10199/149ed7bc-316e-4b4c-8ea4-43fcb5bd6523

The high share of well-rated companies demonstrates our ever-increasing focus, year after year, on investing in companies that contribute to the SDGs.

Figure 5: Mirova Equities
Evolution of Distribution of Sustainability Opinions for Mirova Equities over time

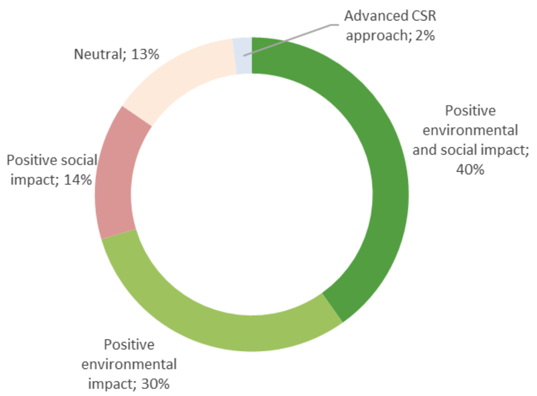


Source: Mirova

Evaluation by Pillar

The "global" alignment of our equity investments with the challenges of sustainable development is reflected in fairly differentiated performances depending on the topic. When we analyze the 84% of investments that have a Positive or Committed environmental or social impact pillar, 40% have both a positive environmental and social impact. 30% have only a positive environmental impact, and 14% only a social impact, with no major problems identified on other sustainable development issues. Lastly, 2% of assets outstanding concern companies for which it is difficult to objectively determine a positive environmental or social impact, but which have good Corporate Social Responsibility (CSR) policies.

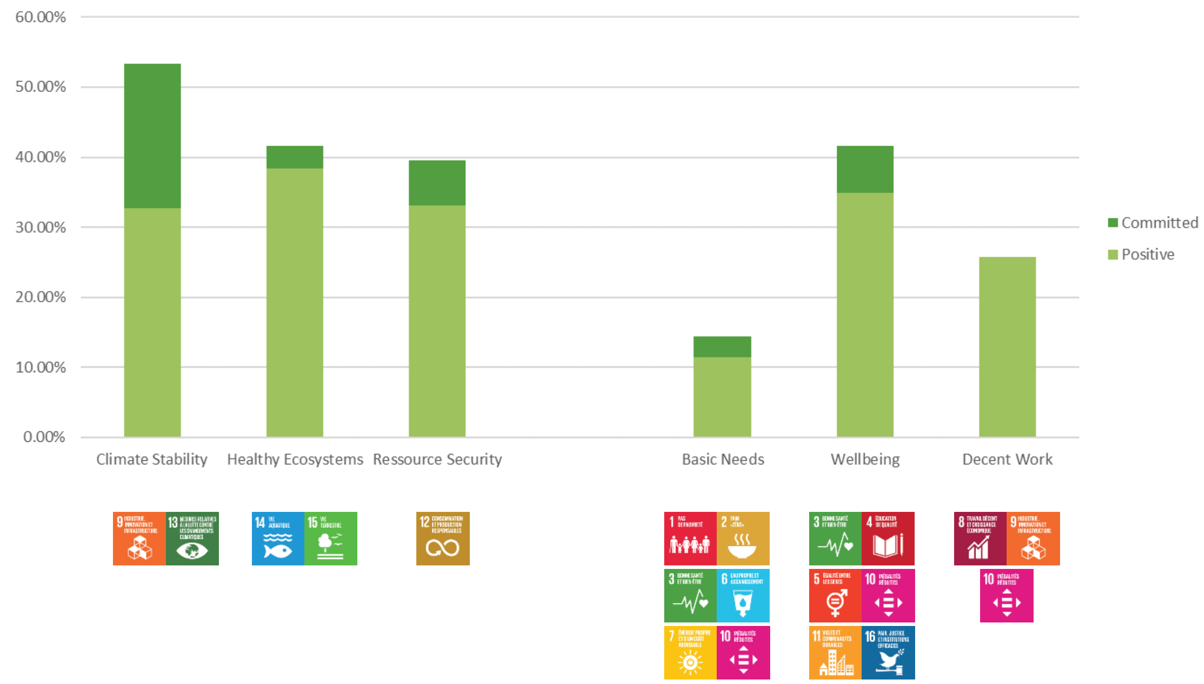
Figure 6: Mirova Equities
Mirova Equity Holdings by Impact Type (31/12/2020)



Source: Mirova

Looking at impact pillars, we can see that our equity investments address climate change and improving well-being. Other pillars, such as basic needs, prove more difficult to address through listed equities.

Figure 7: Mirova Equities
Share of Mirova Equity Holdings with "Positive" or "Committed" Sustainability Opinions by Impact Pillar (31/12/2020)



Source: Mirova

Climate objective is the impact pillar best addressed by Mirova's equity strategies: We estimate that nearly 53% of our equity holdings contribute favorably or very favorably to the fight against climate change. Companies with "Committed" climate stability opinions (~20% of investments) are focused on products and services that respond directly to climate-related challenges: renewable energy, energy efficiency in buildings and industry, rail transportation, electric vehicles, eco-design software, and more. Companies with "Positive" opinions (>35% of investments) provide solutions for climate, but not to the extent of "Committed" companies. Companies with a good climate performance have been identified by Mirova in all sectors, although with a slight underweighting of the Consumption and Health sectors where the climate issue is often less central.

This good climate performance is also reflected in other environmental issues such as the preservation of ecosystems and resources. Obviously, environmentally conscious companies do not limit themselves to a single issue: those with good climate performance often show good performance on other environmental issues as well. Some companies nevertheless stand out for their specific efforts to manage resources, namely water and waste sustainably, or to reduce negative impacts on local ecosystems—with the development of organic product ranges in the consumption sector, for example.

Our equity strategies also promote well-being, with nearly 50% of our investments contributing positively to this theme. This subject is mainly dealt with by companies in the health sectors, which, even if they are controversial, offer products seeking to have a positive impact on the improvement of well-being, and by the consumption sector, where there has been an increase in the consideration of health issues in food, hygiene and cleaning products.

We further estimate that approximately 45% of our investments are made in companies that promote healthy workplaces and work-life balance. The technology sector is the most valued on this subject. Although employees in this sector can face high levels of stress and significant hourly volumes, reliance on highly qualified employees with unique skill sets has encouraged attractive working conditions and talent retention programs within companies.

We find that there are few listed companies that address the basic needs of low-income populations in a meaningful way. While some companies have initiatives in place, they tend to be only sponsorship approaches, disconnected from the company's business model. Few are developing substantial offerings dedicated to low-income populations (products called "Bottom of the Pyramid").

Carbon Evaluation

We estimate that at the end of December 2020, Mirova Equity funds were globally in line with a 1.5 °C temperature trajectory compared to +3.5°C for main market indexes. This good performance can be explained by the lack of investment in companies with high greenhouse gas emissions, but above all by significant investments in companies that are engaged in the low-carbon economy. Mirova's climate performance has improved substantially in recent years (from 2.9 °C in December 2016) due to increased investment in renewable energy and energy efficiency.

Figure 8: Mirova Equities
Carbon footprint (31/12/2019)

	Portfolio All	MSCI World	MSCI Europe
	1.5	3.5	3.5
Induced emissions (tCO2/M€)	79	101	199
Avoided emissions (tCO2/M€)	-53	-12	-22
Coverage	*99%*	*96%*	*99%*

Source: Mirova

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

Fixed Income

Our Approach

In the fixed income market, Mirova seeks environmental, social, and financial balance by promoting and supporting the sustainable bond market (i.e green bonds and social bonds).

Fixed income markets significantly differ from equity markets and therefore must be analyzed differently. First, when we look at the breakdown of this market according to the challenges of the energy transition, fewer companies in the fixed-income market offer environmental and social solutions. Then, analyzing the sustainable development policies of public or semi-public issuers is of little relevance to an investor wishing to generate impact as the ESG assessment of a state is based on many factors (e.g. the level of education of the population, CO2 emissions and/or anti-corruption measures). In the framework of a bond issue, however, the contribution of the projects financed by the bond to sustainable development will not necessarily be greater if the issuing state has a good ESG performance.

Conversely, innovative debt instruments like green and social bonds have created a viable way for investors to generate impact and meet the challenges of sustainable development. These bonds are used to finance projects aimed at generating a positive environmental and/or social impact. All require a direct link between projects and financing and thus increase transparency around issuers' low-carbon activities and the specific projects financed by a bond's proceeds.

Since its creation, Mirova has played an active role in developing the sustainable bond market through its involvement in international organizations (ICMA "Green Bond Principles," "Climate Bonds Initiative"), national bodies (French Greenfin Label, Finance4Tomorrow), regular dialogue with market players and, of course, through its investments.

In providing bond solutions either wholly or mostly comprised of investments in green and social bonds, Mirova reinforces this position. In fact, since the creation of the company, the portion of green and social bonds held in Mirova's portfolios has continued to rise. Today, these bonds represent nearly 3.7 Bn€.

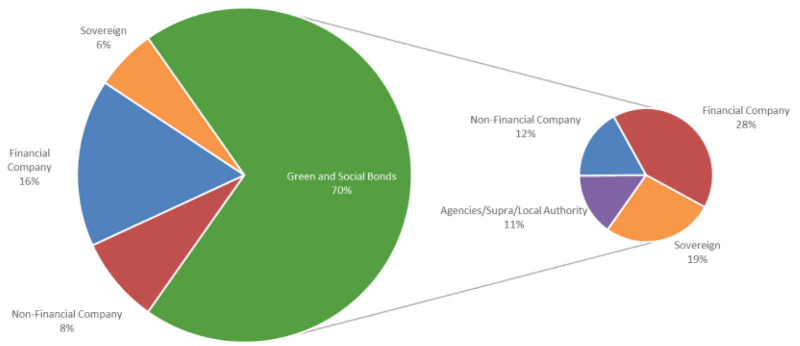
Impact Assessment

Overall Evaluation

Mirova's fixed-income strategies have been evaluated based on the value of all its fixed-income holdings, i.e. €3.7 billion as at December 31, 2020.

Within all its fixed-income strategies, Mirova has chosen to focus its investments on green and social bonds, which represented 68% of its fixed-income investments at the end of 2019 (61% green bonds, 1.44% social bonds, and 7% sustainability bonds).

Figure 9: Sustainable bonds within Mirova's fixed-income strategies (31/12/2020)



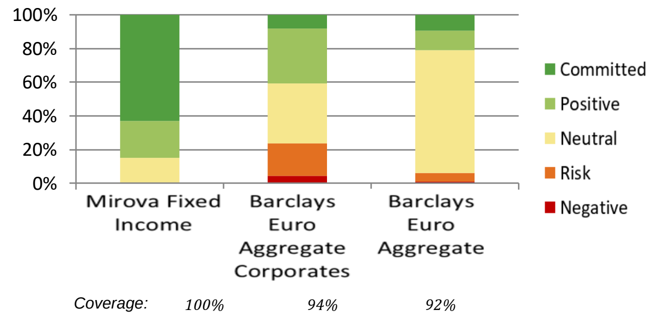
Source: Mirova

86%

of Mirova's fixed income holdings are rated "Positive" or "Committed"

This focus on projects that provide solutions to sustainable development issues is reflected in the assessment distribution, with nearly 86% of assets "Positive" or "Committed", versus 37% for the Barclays Euro Aggregate Corporates index and about 15% for the Barclays Euro Aggregate index[14].

Figure 10: Mirova Fixed Income Distribution of Sustainability Opinions as at 31/12/2020[15]

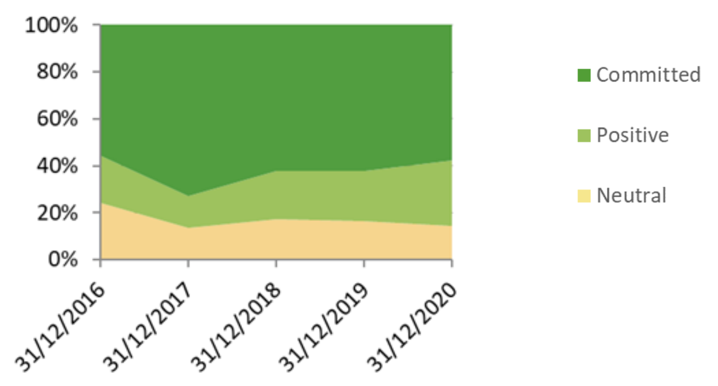


Source: Mirova

[14] *Bloomberg website: https://www.ssga.com/doc/factsheets/FS1204_English.pdf*
[15] *Mirova currently evaluates almost all sovereign issuers in the eurozone as "Neutral". This assessment explains the large part of "Neutral" issuers in the Barclays Euro Aggregate index, which comprises almost 70% sovereign, agency and supranational issuers including nearly 60% sovereign issuers in the eurozone. To strengthen the environmental and social impact of our funds on this type of player, our investments in these issuers focus on sustainable bonds, which are still mainly issued by agencies and supranationals, but also by governments, with the first green issues issued in 2017 and 2018.*

Following several years of concentrated effort to increase the share of green and social bonds in Mirova's fixed income portfolios, the share of well-rated issuers (in terms of sustainability opinions) reached an all-time high at the end of 2017. The years 2018 and 2019 were marked by a stabilization trend. In 2018, we expressly reduced the share of green and social bonds in the portfolio due to their higher prices (in our opinion) without a decrease in risk exposure. Some investors, looking to boost their green bond programs, inflated demand without discipline around yields. We did not participate in this trend. In 2020, we maintained the share of green and social bonds in our portfolios like in 2019.

Figure 11: Mirova Fixed Income
Evolution in Distribution of Sustainability Opinions over time

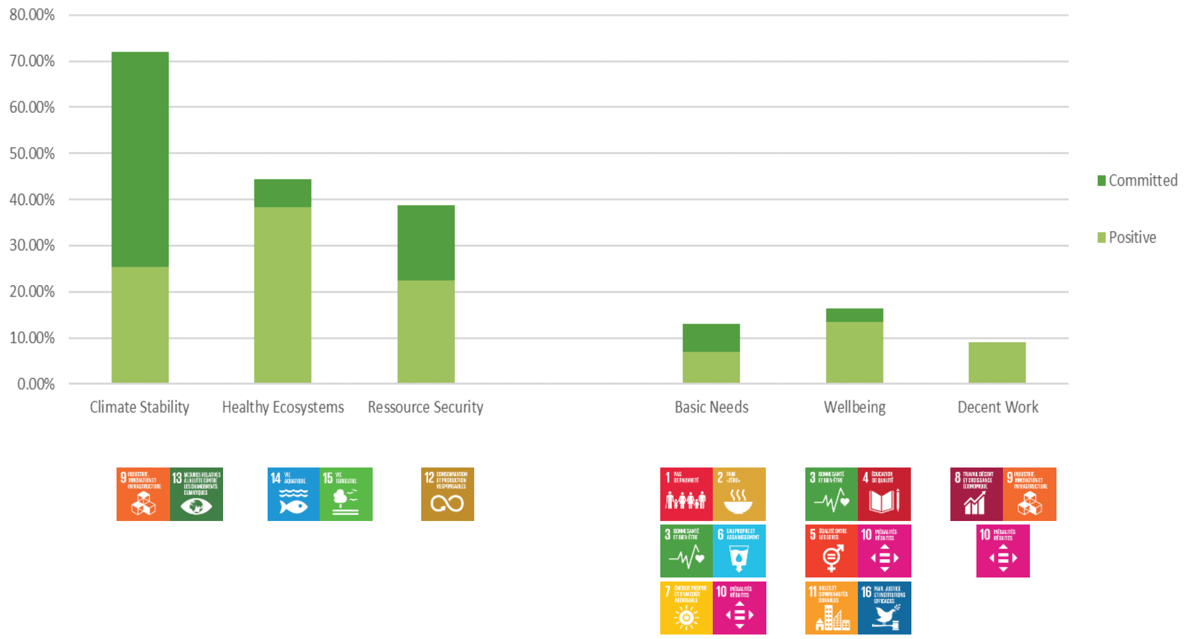


Source: Mirova

Evaluation by Pillar

This good overall assessment is primarily focused on environmental issues with a particular emphasis on climate issues.

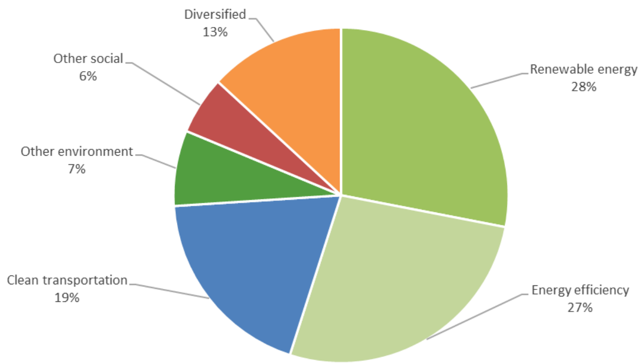
Figure 12: Mirova Fixed Income
Share of Mirova investments with "Positive" or "Committed" Sustainability Opinions by Impact Pillar (31/12/2020)



Source: Mirova

This trend within Mirova's portfolios is driven by the sustainable bond market which is mostly focused on green bonds. Within these green bonds, the issue of climate remains dominant even though some other topics such as water management or biodiversity protection may also be addressed.

Figure 13: Use of Proceeds of Sustainable Bonds within Mirova Fixed Income (comprising 70% of total fixed income investments, as at 31/12/2020)



Source: Mirova

Carbon Evaluation

From a climate standpoint, the funds' strong involvement in green bonds (70%) mainly financing renewable energy or energy efficiency projects, allows us to consider that our fixed income strategies are in line with the most ambitious climate scenarios, i.e. maintaining the global temperature increase below 1.5 °C.

Figure 14: Mirova Fixed Income Carbon footprint (31/12/2020)[16]

	Mirova Obligations	Barclays Euro Aggregate Corporates	Bloomberg Barclays Euro Ag
	1.5	3.9	2.6
Induced emissions (tCO2/M€)	118	174	156
Avoided emissions (tCO2/M€)	-101	-17	-30
Coverage	*64%*	*89%*	*25%*

Source: Mirova

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

[16] The coverage rate of Mirova's portfolios is relatively low (64%) because of the gap between the time when a sustainable bond is issued and the moment when the proceeds are invested by the project holder. Since the carbon assessment of projects can only be carried out when the investment reports have been released, there is usually a portion of the portfolio that cannot be evaluated.

Renewable energy infrastructure

Our Approach

Today, governments are gradually moving away from the direct financing of infrastructure. Nevertheless, as mentioned in the Sustainable development goals, there is still the need for more sustainable infrastructure. Meeting this need requires:

- Finding alternatives to public funds to finance infrastructure

Several programs, both at national and supranational levels, have been launched to mobilize long-term investment towards infrastructure needs. While these initiatives tend to focus on either public or private funding, there is a consensus that only a combination of both will truly be effective.

- Directing investments towards environmentally beneficial projects

The infrastructure investment solutions proposed by Mirova meet these challenges through funds invested in renewable energy projects in Europe.

In order to ensure the environmental and social benefit of each infrastructure project, before investing Mirova assesses the environmental and/or social contribution as well as the level of risk management deployed throughout the life cycle of the project. These analyses are reviewed by the investment committees and used as a basis for the engagement process with project leaders.

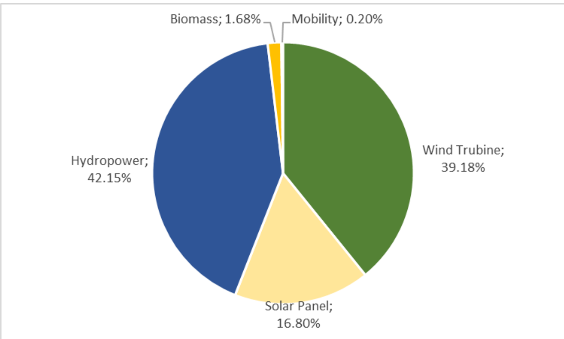
Impact Assessment

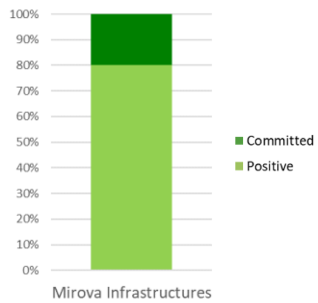
The evaluation of Mirova's infrastructure was carried out on all outstanding investments at the end of 2020 by Mirova's infrastructure funds (€1.5 billion).

All investments in renewable energy infrastructure in Europe made by Mirova are divided into three vehicles:

- Eurofideme 2
- Mirova— Eurofideme 3
- Mirova— Eurofideme 4

Figure 15: Type of Project, Distribution of Sustainability Opinions for Mirova Infrastructure (31/12/2020)





Source: Mirova

100% of infrastructure investments are made in projects rated "Positive" or "Committed" for sustainability issues. Due to their nature (renewable energy projects), Mirova's investments positively contribute to the energy transition in many European countries.

Through its investments, Mirova finances more than 3.1 GW of installed capacity in over 180 wind, PV, hydro and biomass projects in Europe. Wind power is traditionally the technology in which Mirova invests the most, with 42.15% of its total infrastructure investments. This is due to the capital intensity of this type of investment.

Figure 16: Mirova Infrastructure
Carbon footprint (31/12/2020)

	Mirova Infrastructure
-	1.5
Induced emissions (tCO2/M€)	3
Avoided emissions compared to the country's energy mix (tCO2/M€)	-14
Avoided emissions compared to the european's energy mix (tCO2/M€)	-50
Coverage	*100%*

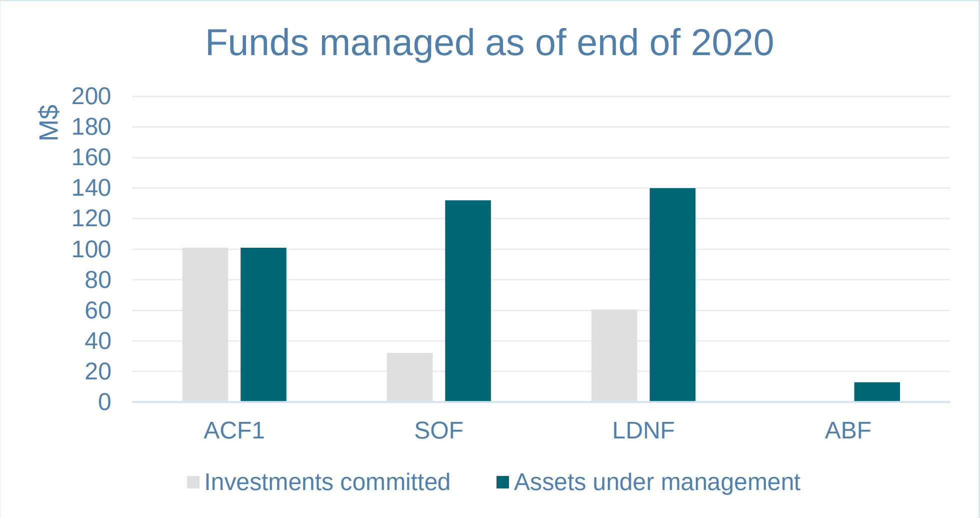
Source: Mirova

In terms of carbon, the involvement of investments in renewable energy projects, and the lack of investment in projects that emit significant greenhouse gases, allow Mirova infrastructure funds to have a carbon impact in line with the most ambitious climate scenario aimed to maintain the temperature increase below 1.5 °C.

Natural Capital

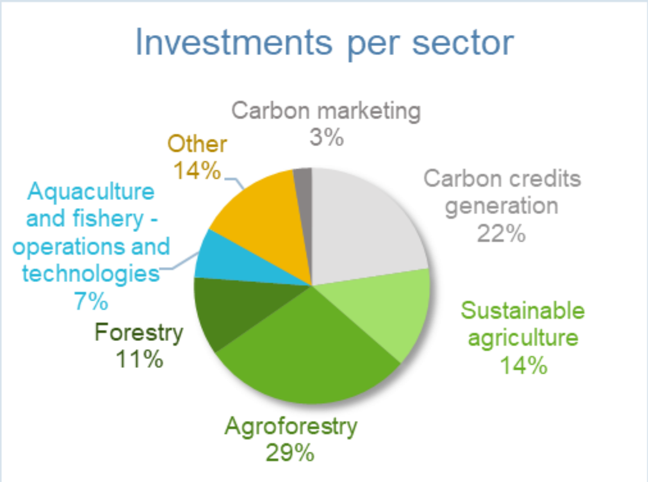
Our Approach

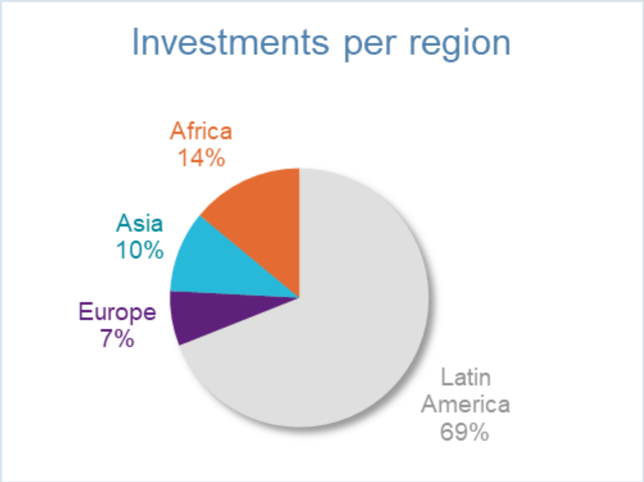
Mirova's Natural Capital funds seek to fight against the destruction and degradation of forests and other ecosystems, proving that it is possible to combine financial performance, sustainable land management, and social good. These issues are difficult to address through equity and fixed income strategies.



Source: Mirova

Our natural capital funds invest in real assets mainly in Latin America, Africa, and Asia, like certified agricultural projects, reforestation, agroforestry activities, as well as marine activities such as responsible aquaculture or other environmental services.





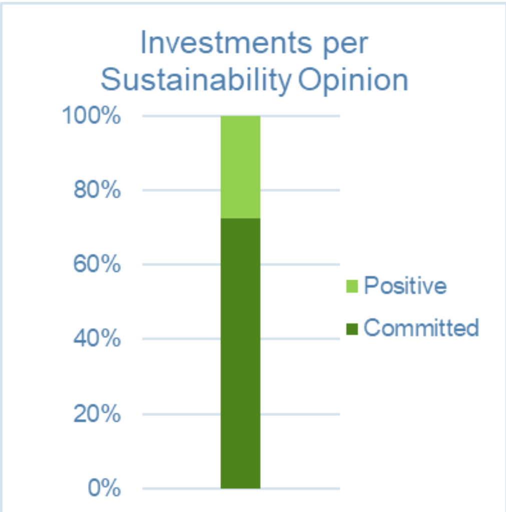
Source: Mirova

As part of our commitment to responsible environmental, social, and governance practices, our teams worked with investors and partnered with NGOs to develop policies and processes that incorporate the environmental and social performance standards of the International Finance Corporation. Emissions savings created by projects are also validated and verified in accordance with the Alliance for the Climate, Communities, and Biodiversity. Funded projects aim for the highest environmental and social standards so that smallholder farmers and local communities can benefit equitably while maximizing positive ecosystem impacts.

Impact [17]

The Natural Capital platform comprises of a range of strategies allowing us to support projects at various development stages, from first step development to the scale-up step, and to target an array of critical issues from unsustainable agricultural practices to the specific challenge of the degradation of Brazilian biodiversity, as well as the crucial matter of severe marine degradation.

Altogether, this segment represents more than $400m of assets under management at the end of 2020.



Source: Mirova

Main positive impacts

Ecosystems & Climate: Mirova's Natural Capital investments improve the management of ecosystems, protecting their biodiversity and their ecosystem services. Tropical forests and marine areas are amongst the core focus.

Restoring ecosystems, and typically forest areas, also contribute to the fight against climate change, as forests represent the most important terrestrial carbon pool. Also, designing sustainable landscape activities often generates improvement in terms of resilience to climate change.

Social co-benefits: The implementation of sustainable land-use solutions goes hand in hand with an improvement of livelihoods, for farmers and employees as well as for local communities. Similarly, all-Natural Capital projects are thoroughly assessed in order to ensure all our portfolios generate high social benefits for the long term.

Investment pillars

Environmental Assets Creation

Today humanity uses the equivalent of 1.75 planets to meet demand for resources and absorb waste, which means it now takes the Earth a year and three quarters to regenerate what is used in a single year. This is most evident

[17] *Impact reports for individual funds are available at: https://www.mirova.com/en/invest/natural-capital*

in the forest — we lost 130 million hectares of forest between 1990 and 2016, with this loss contributing nearly 20% of annual greenhouse gas emissions.

This investment pillar focuses on activities dedicated to preserving or restoring natural environments – terrestrial and marine ecosystems. Such activities of conservation or ecosystem restoration can generate carbon credits but also potentially other payments for ecosystems services, with the protection of standing forests through REDD+[18] projects standing as a typical example.

Sustainable Ocean Use

Decades of mismanagement has left many ocean assets and in particular fisheries and coral reef ecosystems overexploited and in a degraded state, adversely affecting small island states and underserved coastal communities. With the World's population set to rise to over 9 billion by 2050, future protein demand will need to be met via responsible, traceable and climate smart means.

Opportunities to tackle these challenges are numerous and found in very diverse activities, from sustainable aquaculture production to innovative technologies serving the development of a circular economy.

Sustainable Land Use

Poor land management practices, often fueled by exploitation for short-term economic gains instead of favouring long-term sustainability, have led to the loss of more than 25% of the world's arable land in the last two decades.

Land-based ecosystems and their management can have substantial consequences: food security pressure, biodiveristy loss, climate change, poverty, social instability and conflicts.

By supporting sustainable productive land use projects, in forestry, agriculture, agroforestry mainly, we have the potential to reverse the trend of land degradation, preserving natural ecosystems as well as enhancing the livelihoods and resilience of communities relying on them over the world.

[18] For more information, please refer to: https://redd.unfccc.int/

Voting

Beyond investment choices, we believe that responsible investment means implementing a voting policy in line with our principles.

Our Voting Policy

To promote sustainable value creation for all stakeholders, Mirova has developed a voting policy[19] in line with its responsible investment strategy.

Since 2015, Mirova has undertaken a critical and thorough reflection on traditional governance issues, with the objective of identifying a governance model reflective of companies with a sustainable vision. The result of this reflection laid the groundwork for a voting policy geared towards a new governance model, divided into four major pillars:

- Development of a long-term shareholder base,
- Setting up governance bodies that integrate stakeholders in a balanced way, resolutely addressing environmental and social issues,
- The introduction of a compensation policy which is not only fair to all stakeholders, but which also promotes sustainable growth,
- Quality of financial and extra-financial information through the implementation of an audited reporting system which takes into account sustainable development issues.

This approach is based on the work conducted by the academic chair of Mines ParisTech on the subject: "Théorie de l'entreprise. Modèles de gouvernance et création collective" (Theory of the Firm. Models of Governance and Collective Creation), supported by Mirova since 2015.

Analysis of 2020 Votes[20]

In 2020, 535 General Meetings (GM) were held for 480 companies comprised in Mirova's voting perimeter. Mirova exercised its voting rights on 475 companies (530 general meetings), representing a participation rate of 99%.

Mirova did not exercise its voting rights at 5 general meetings due to technical issues (migration of funds into proxy or administrative systems, validity of power of attorney, etc.).

	Number of companies	In %
Europe	271	57%
Americas	173	36%
Asia	24	5%
Oceania	7	1%
Africa	0	0%
Total	**475**	

Source: Mirova

[19] *Mirova's Voting Policy is available on our website: https://www.mirova.com/sites/default/files/2021-03/mirova-voting-policy-2021.pdf*
[20] *Mirova's Voting Report is available on our website: https://www.mirova.com/sites/default/files/2021-04/proxy-voting-annual-report-2020.pdf*

In Europe, the general meetings of French companies accounted for 30% of the zone's companies, while the United Kingdom and Germany accounted for 16% and 11% respectively. The United States accounted for 97% of the Americas and Japan for 79% of Asia.

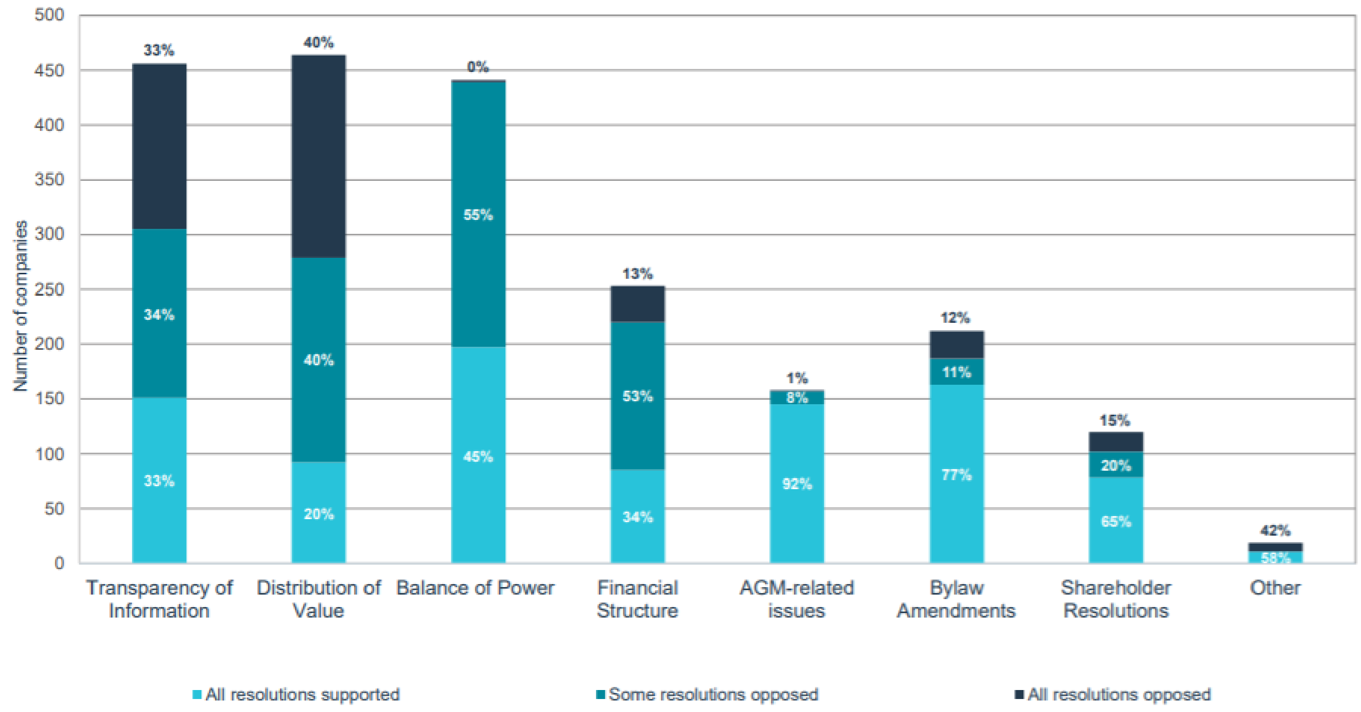
Mirova's Voting Policy is particularly focused on the distribution of value among stakeholders, and transparency and quality of information, regardless of whether the information is financial, environmental, or social. As these principles significantly differ from those found in more "traditional" voting policies, Mirova often voted against resolutions on these themes.

This policy is demanding and requires both a fair distribution for all stakeholders and an alignment with the company's operational and sustainable performance. In 2020, given the socio-economic uncertainties linked to the health context, this issue has taken on even greater importance. Mirova has launched a call to all the companies in our portfolios to review their distribution policy, particularly in terms of shareholder return, to preserve their sustainability and that of their key stakeholders (employees and suppliers). For this reason, 80% of companies received at least one vote of opposition regarding value distribution, compared to 71% in 2019.

Compared to 2019, the challenge related to the topic of "Transparency and Quality of Information" decreased slightly from 72% to 67% in 2020. This change is linked to a strengthening of regulatory frameworks and codes of practice regarding auditor compensation.

The issue of checks and balances also registers significant opposition, with 55% of companies having at least one vote of opposition on this topic. However, companies' practices in this area have improved, with a 60% opposition rate last year. The progress of regulations on the number of women and employee representation on boards largely explains this change.

Figure 17: Distribution of Votes by Theme



Source: Mirova

Engagement

The analysis of ESG issues as part of the investment or voting process is accompanied by a proactive engagement process with issuers and public authorities.

Our Engagement Approach[21]

As an active investor, sustainable development is at the core of Mirova's investment strategy and ensures that our investments contribute positively to the achievement of the Sustainable Development Goals (SDGs). Our engagement approach both directly and indirectly promotes better environmental, social, and governance practices and seeks to create long-term value for every stakeholder of the society.

Figure 18: Our Engagement Approach

OBJECTIVE	1. Improve company practices		2. Contribute to developing the RI market
TARGET	COMPANIES		RI MARKET REGULATORS
WHAT	Individual engagement	Collaborative engagement	Advocacy
WHO	• Companies at individual level	• Multiple companies within a sector • Sector / Professional associations • Regulators • Relevant stakeholders (NGOs, etc)	• RI sector / professional associations • Public policy makers / public regulators • Relevant stakeholders (International organizations, NGOs, etc)
HOW	• Voting • Ongoing company dialogue	• Investor coalitions • Stakeholder campaigns	• Investor statements • Working groups

Source: Mirova

[21] *For mor information : https://www.mirova.com/sites/default/files/2021-05/engagement-report.pdf*

Mirova has developed a **two-pronged approach** for sharing its vision of responsible investing: supporting companies in improving their environmental and/or social profile, and actively shaping regulation to promote sustainable finance.

Dialogue with Companies

Individual Engagement—Mirova engages in dialogue with all the companies in its portfolios. This type of engagement aims not only at promoting better ESG practices, but also at encouraging the development of solutions to the main environmental and social challenges facing each sector.

Key figures (31/12/2020)

‘’ 36 green bond issuers targeted by engagement actions

~470 companies targeted by commitment actions

Collaborative Engagement—Mirova partners with fellow investors and representatives from civil society to identify controversial practices at the industry level and company levels and to promote greater transparency on these issues through dialogues with companies, and, when necessary, to request that companies change their practices.

‘’ 10 initiatives supported

‘’~5 Signed Investor Declarations

‘’3 targeted themes (creation of shared value, biodiversity, gender equality)

Dialogue with Regulators

Advocacy—Mirova shares its investment vision in order to improve standards and regulations across the entire financial sector and to encourage sustainable investment and long-term-oriented practices. Mirova is committed to promoting the adoption of regulations (including legislative changes, standards, and labels) and practices which encourage sustainable investment, which in turn creates long-term value.

‘’30 forums and associations

Source: Mirova

Conclusion

For Mirova, being a responsible investor starts with recognizing that capital allocation is far from neutral: it has major impacts on our economy and our society. It also means acknowledging that the world is undergoing deep changes and facing new sustainable development challenges, which force us to reconsider the way we think about value. It is no longer possible to operate based on the idea that all value can be aggregated into a single financial measurement.

Rather, we must consider the three dimensions of “capital”—environmental, human, and financial—and preserve each of them to the greatest extent possible. Sustainable growth of human and financial capital is no longer possible if environmental capital is degraded. Now more than ever, it is important to keep in mind that financial capital can only develop in a thriving society. Our role is to mobilize the financial capital entrusted to us by our clients to bring them lasting investment solutions.

Thus, all of our investment strategies seek to generate financial, social, and environmental value. At the same time, our contribution to financing the economy puts us in a position to observe the development of technical, organizational, and human initiatives and solutions seeking to respond to sustainable development issues. With our financial support, we favor successful solutions that will ensure the necessary conditions for maintaining long-term yield and generating higher income than was possible in the previous economy on our investment horizons.

Appendix: List of funds open to professional and non-professional clients within the meaning of MiFID.

Asset class	Fund name
Equity	MIROVA EURO SUSTAINABLE EQUITY FUND
	IMPACT ES ACTIONS EUROPE
	MIROVA EUROPE SUSTAINABLE EQUITY FUND
	MIROVA GLOBAL SUSTAINABLE EQUITY FUND
	MIROVA WOMEN LEADERS EQUITY FUND
	MIROVA EUROPE ENVIRONMENTAL EQUITY FUND
	MIROVA EUROPE CLIMATE AMBITION EQUITY FUND
	MIROVA GLOBAL ENVIRONMENTAL EQUITY FUND
	MIROVA GLOBAL CLIMATE AMBITION EQUITY FUND
Bonds	IMPACT ES OBLIG EURO
	MIROVA EURO GREEN AND SUSTAINABLE BOND FUND
	MIROVA EURO SUSTAINABLE BOND FUND
	MIROVA EURO GREEN AND SUSTAINABLE CORPORATE BOND FUND
	MIROVA GLOBAL GREEN BOND FUND
Solidarity	MIROVA SOLIDAIRE
	INSERTION EMPLOIS DYNAMIQUE
	AVIVA LA FABRIQUE IMPACT ISR
Diversified	MIROVA EUROPE SUSTAINABLE ECONOMY FUND

DISCLAIMERS

This document is a non-contractual document for information purposes only.

The funds mentioned in the presentation can be approved by regulatory authorities or may not require approval, depending on the case.

The funds' documentation or regulation represents the source of information on these funds. They contain important information on the investment objectives of these funds, the strategy for achieving those objectives, as well as the main risks relating to any investment in these funds. They also contain information about commissions, fees and historical performance of the funds.

Any investment is subject to risks, including the risk of capital loss. For more information, please refer to the prospectus on the fund available at MIROVA. You can obtain it on a simple request or on the website www.mirova.com.

This document does not constitute or form part of any offer, or solicitation, or recommendation to subscribe for, or buy, or concede any shares issued or to be issued by the funds managed by Mirova investment management company. The presented services do not take into account any investment objective, financial situation or specific need of a particular recipient. Mirova shall not be held liable for any financial loss or for any decision taken on the basis of the information contained in this document, and shall not provide any consulting service, notably in the area of investment services.

The information contained in this document is based on present circumstances, intentions and guidelines, and may require subsequent modifications. Although Mirova has taken all reasonable precautions to verify that the information contained in this document comes from reliable sources, a significant amount of this information comes from publicly available sources and/or has been provided or prepared by third parties. Mirova bears no responsibility for the descriptions and summaries contained in this document. No reliance may be placed for any purpose whatsoever on the validity, accuracy, durability or completeness of the information or opinion contained in this document, or any other information provided in relation to the fund. Recipients should also note that this document contains forward-looking information, issued on the date of this presentation. Mirova makes no commitment to update or revise any forward-looking information, whether due to new information, future events or any other reason. Mirova reserves the right to modify or remove this information at any time without notice.

The information contained in this document is the property of Mirova. The distribution, possession or delivery of this document in some jurisdictions may be limited or prohibited by law. Persons receiving this document are asked to learn about the existence of such limitations or prohibitions and to comply with them.

Noncontractual document, issued in June 2021.

ADDITIONAL NOTES

This material has been provided for information purposes only to investment service providers or other Professional Clients, or Qualified Investors and, when required by local regulation, only at their written request. This material must not be used by individual investors. It is the responsibility of each investment service provider to ensure that the offer or sale of securities of the investment fund or investment services of third parties to its clients complies with the applicable national legislation.

In the French-speaking countries of the EU This document is provided by Natixis Investment Managers S.A. or its subsidiary Natixis Investment Managers Distribution. Natixis Investment Managers S.A. is a Luxembourg management company authorized by the Commission de Surveillance du Secteur Financier, incorporated under Luxembourg law and registered under number B 115,843. Registered office of Natixis Investment Managers S.A.: 2, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. France: Natixis Investment Managers Distribution (registered under number 509,471,173 in the Paris Trade and Companies Register). Registered office: 43 avenue Pierre Mendès France, 75013 Paris.

In Switzerland Provided by Natixis Investment Managers, Switzerland Sàrl, Rue du Vieux Collège 10, 1204 Geneva, Switzerland or its representative office in Zurich, Schweizergasse 6, 8001 Zürich.

The above referenced entities are business development units of Natixis Investment Managers, the holding company of a diverse line-up of specialized investment management and distribution entities worldwide. The investment management subsidiaries of Natixis Investment Managers conduct any regulated activities only in and from the jurisdictions in which they are licensed or authorized. Their services and the products they manage are not available to all investors in all jurisdictions.

Although Natixis Investment Managers believes the information provided in this material to be reliable, including that from third-party sources, it does not guarantee the accuracy, adequacy, or completeness of such information.

The provision of this material and/or reference to specific securities, sectors, or markets within this material does not constitute investment advice, or a recommendation or an offer to buy or to sell any security, or an offer of any regulated financial activity. Investors should consider the investment

MIROVA

Portfolio management company - French Public Limited Liability Company
RCS Paris n°394 648 216
59, Avenue Pierre Mendes France – 75013 – Paris. Mirova is an affiliate of Natixis Investment Managers.

NATIXIS INVESTMENT MANAGERS

French Public Limited liability company
RCS Paris 453,952,681
43, Avenue Pierre Mendes France – 75013 – Paris
Natixis Investment Managers is a subsidiary of Natixis.

NATIXIS INVESTMENT MANAGERS INTERNATIONAL

Portfolio management company - French Public Limited Liability Company
RCS Paris 329450738 - Regulated by AMF under n° GP 90-009
43, Avenue Pierre Mendes France – 75013 – Paris

MIROVA US

888 Boylston Street, Boston, MA 02199, USA. Tel : 212-632-2800
Mirova US is an affiliate based in the USA and detained by Mirova. Mirova US and Mirova entered into an agreement whereby Mirova provides Mirova US investment and research expertise. Mirova US combines Mirova's expertise with its own, when providing advice to clients.

Mirova Natural Capital
English-law Limited Liability Company
Company registration number: 7740692 - Authorized and regulated by the Financial Regulator in the United Kingdom (Financial Conduct Authority, "FCA")
Registered office: 15-19 Bloomsbury Way, Londres, WC1A 2TH.
The services of Mirova Natural Capital Limited are only available to professional clients and eligible counterparties. They are not