mirova
Investing in sustainability

Mirova Energy Transition Infrastructure

Impact Report 2023

An affiliate of: NATIXIS INVESTMENT MANAGERS

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Baixo Sabor Dam operated by Movhera - 151MW - Portugal

EDITORIAL

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In alignment with its mission, Mirova manages funds dedicated to renewable energy projects, energy storage projects, low-carbon mobility infrastructure and Nega-watt economy (investing in reduction of consumption through energy efficiency equipment's). Our activity is at the forefront of achieving society's climate, energy security and affordability goals.

The projects financed by our funds in 2023 generated 8.2TWh of green electricity, up 40% on 2022, avoided 2 million tons of CO_2eq. emissions in comparison with the current energy mix of the investees countries[1], and provided or improved the access of 3.5 million people to green energy[2]. Our strategy in low-carbon mobility also led to the reduction of CO_2 linked to transportation, with 74 million kilometers in green travel.

To build a sustainable future through responsible business practices, we incorporate ESG considerations across our investment and management processes, focusing on inclusive stakeholder engagement, a comprehensive environmental management system, and sustainable supply chain management that emphasizes human rights and circular economy value chains.

At the same time, we continue to promote the cohabitation of such infrastructure with the protection of biodiversity by implementing specific operational tools, and supporting academic and applied research in this field.

This report takes concrete examples to present and illustrate the tangible impact of Mirova Energy Transition Funds' activity in 2023.

We wish you a good read.

Source: Mirova, as of 12/31/2023.
1. This data is calculated on a pro-rata basis per our investment. For further information, see the Methodological Note.
2. 100% Mirova SunFunder portfolio of assets.
3. Not including Mirova SunFunder portfolio of assets.

Arkolia Energies - 2.6GW Renewables Mix portfolio - France

Zunder - 200+ Charging Stations - Spain

Our Energy Transition Infrastructure platform

Investing to accelerate Energy Transition

The energy transition will only take place if the necessary infrastructure exists to support it

Mirova, a contributor to the energy transition since 2002[1], offers dedicated investment strategies. Our funds have financed the construction of the very first renewable energy generation units in France. Since then, we have gradually built an international and global investment platform.

While we initially financed projects through mezzanine debt, today our funds offer a range of financing mechanisms suited to the needs of industrial players - from development to construction - through equity as minority or majority shareholders, mezzanine or other kinds of debt.

Our business has also seen a continuous technological diversification in order to support our partners in deploying a range of solutions that contribute to decarbonizing the energy sector, and today the transport sector as well.

Today, our investments span the full range of sectors involved in the energy transition: wind, solar and hydraulic power generation; storage solutions; production of alternative fuels (from biogas to green hydrogen); charging infrastructure, and “low-carbon” vehicle fleets.

Expanded global presence

In 2022, Mirova acquired SunFunder, a specialist in emerging-market clean energy and climate investment, and accelerated its ambition to become a global leader in impact investing with greater coverage of emerging markets in Africa, Asia and Latin America. For Mirova it was essential to strengthen its local presence in emerging markets in order to fully address the challenges that come with the fight against global warming and social inequalities. The development of renewable energies is an essential driver of sustainable economic growth, youth education and the empowerment of women in these regions, and is therefore perfectly in line with Mirova's mission.

Myriad of investment opportunities

Involved from the outset in the financing of renewable energy production infrastructure, Mirova has a unique perspective on this market, contributing to new projects, whether in terms of technology, maturity, or geography.

[1]2002 marks the date in which the investment team of Natixis Asset Management, that would subsequently join in creating Mirova (Subsidiary), launched its first vintage, worth €46m inaugurating wind power generation in France.

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Our business in figures

€3.8bn / $4.2bn
in Assets under Management

10 fund vintages

21 years
of experience in energy transition funds

37 skilled
investment professionals

1,000+ projects
financed in 49 countries worldwide

7.7 GW
installed capacity of renewable energy financed since the platform’s creation[1]

[1]Installed capacity financed by Mirova SunFunder only includes data since 2022.

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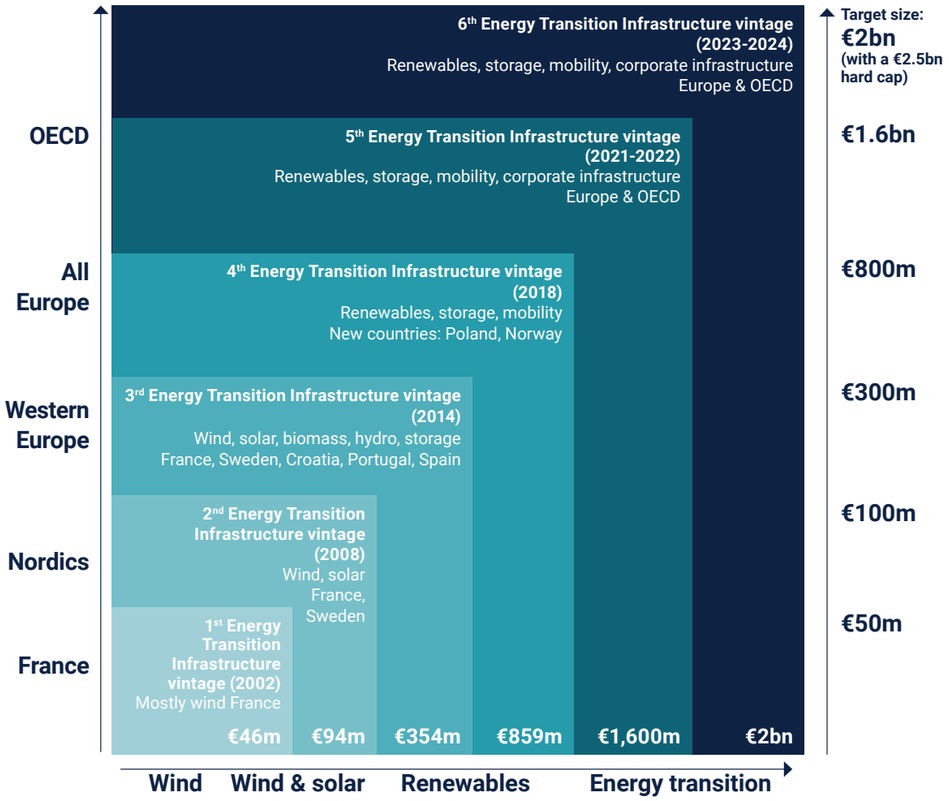
Energy Transition Infrastructure Europe & OECD

Our ambition

SUPPORTING THE TRANSITION TO A LOW-CARBON FUTURE

- Equity and mezzanine debt
- Greenfield, brownfield, and corporate infrastructure projects
- Europe and OECD[1] countries
- Solar, wind, hydro, energy storage, e-mobility, hydrogen, etc.

Our track record[2]



The OECD Energy Transition Infrastructure strategies are subject to capital loss risk, market risks, industrial and public counterparty risk, credit risk, liquidity risk, project risk, operational risk, compliance risk, legal and regulatory risk, financial risk, electricity transmission and distribution network risk, valuation risk, deal flow risk, sustainability risk. For further detail please refer to each "Limited Partenrship Agreement.

[1] The Organisation for Economic Co-operation and Development (OECD).
[2] The six vintages are managed by Mirova.

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Chopin - 149MW of installed wind energy capacities - Poland

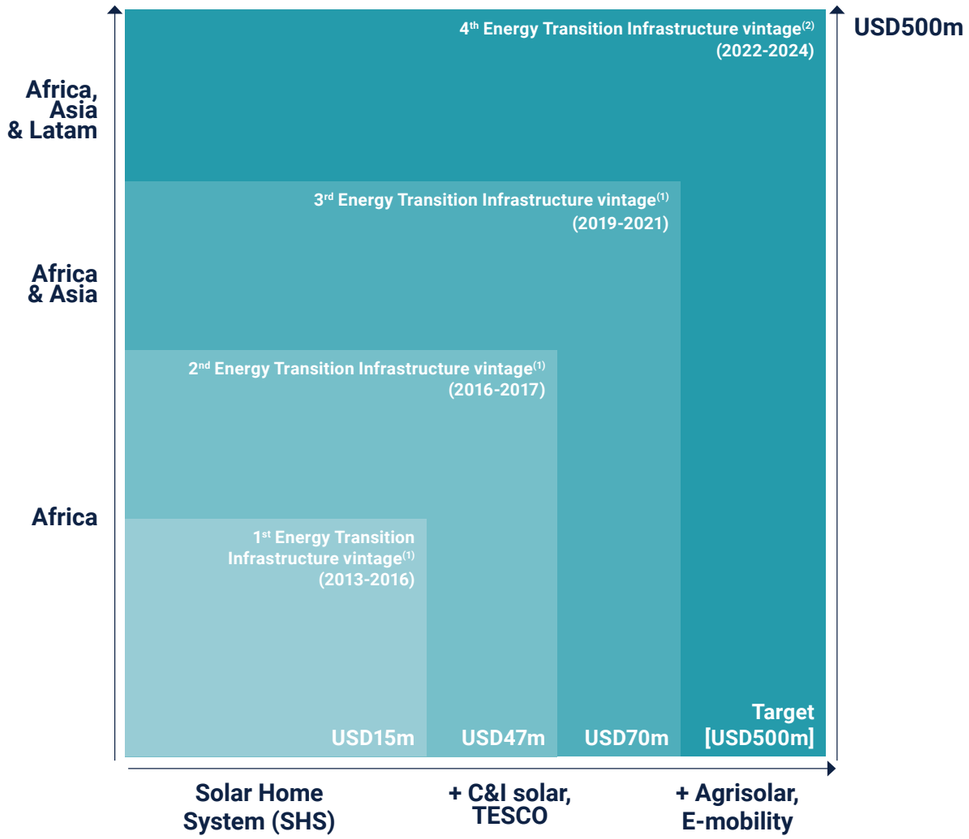
Energy Transition Infrastructure Emerging Markets

Our ambition

SOLVING ENERGY POVERTY AND CREATING AN EQUITABLE, LOW-CARBON WORLD

- Debt
- Mini-grid, Solar Home System, Commercial & Industrial (C&I) solarization, agrisolar, telecom energy service companies (TESCO), other clean energy
- Sub-Saharan Africa, Asia-Pacific & Middle-East & North Africa, Latin America

Our track record



The Emerging markets Energy Transition Infrastructure strategies are subject to capital loss risks, legal and regulatory risk, liquidity risk, rate risk, credit risk, emerging markets risk, currency risk, sustainability risk. For further detail please refer to each "Limited Partnership Agreement".

(1)The 1st, 2nd and 3rd vintages are managed by Mirova SunFunder East Africa Ltd.
(2)The 4th vintage is managed by Mirova S.A. with the advice of Mirova SunFunder East Africa Ltd.

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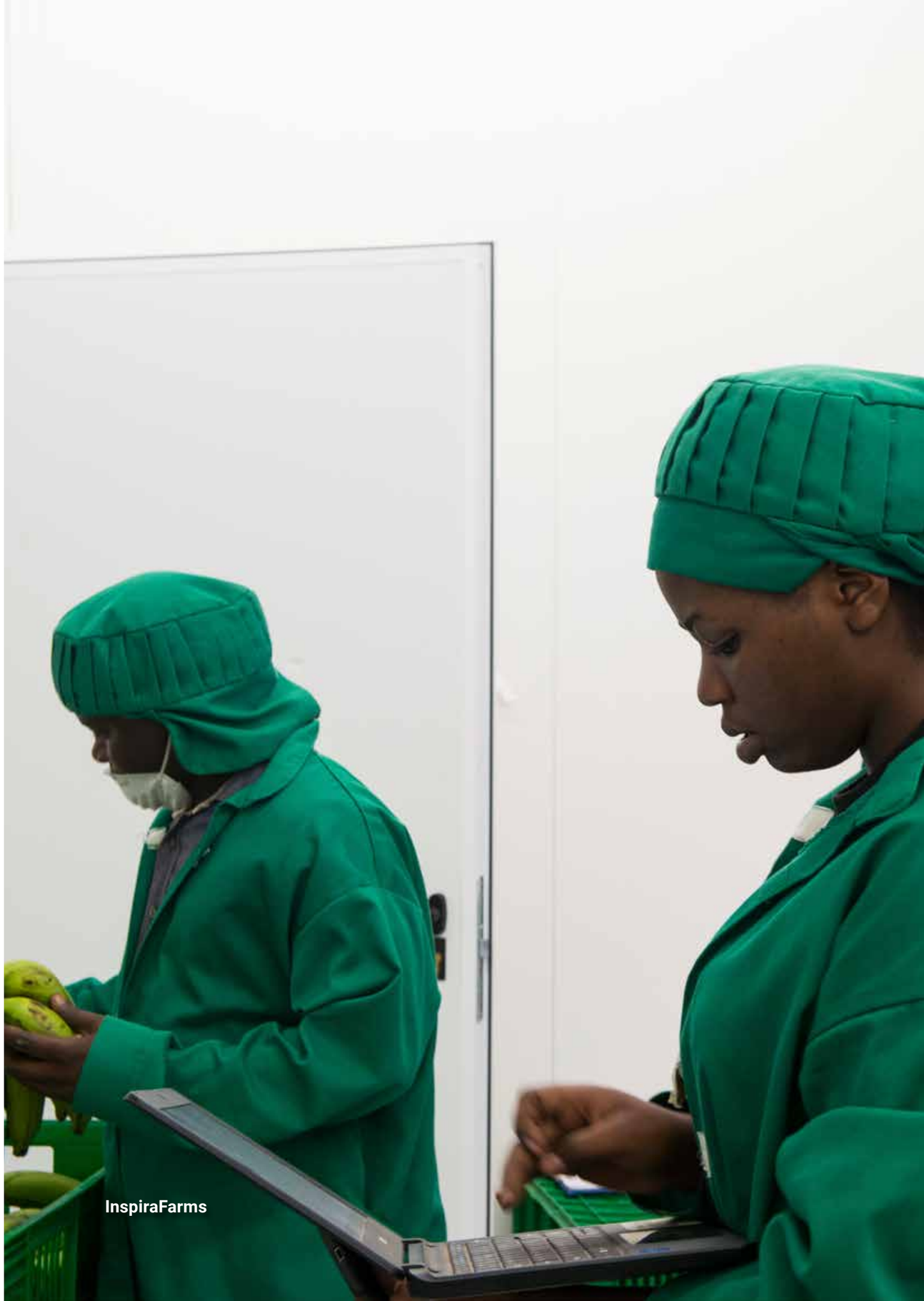
InspiraFarms

Our projects: a global footprint

1 000+ projects in **19** countries in Europe & OECD countries

60+ investees in **30** emerging countries in Africa & Asia-Pacific

OECD COUNTRIES

Australia	Latvia
Belgium	Lithuania
Bulgaria	Norway
Canada	Poland
Croatia	Portugal
Czech Republic	Slovakia
Estonia	Spain
France	Sweden
Germany	UK
Greece	

EMERGING COUNTRIES

Africa				**Asia-Pacific**		**Latin America**
Burkina Faso	Ghana	Mauritius	Tanzania	Fiji	Papua New Guinea	Honduras
Central African Republic	Ivory Coast	Mozambique	Togo	India	Philippines	
Ethiopia	Jordan	Nigeria	Uganda	Indonesia	Thailand	
Gabon	Kenya	Rwanda	Zambia	Pakistan	Vanuatu	
	Madagascar	Senegal	Zimbabwe			
	Malawi	South Africa				

Installed capacity since inception

- Wind[(1)] **3,833** MW
- Hydroelectric[(1)] **1,732** MW
- Photovoltaic **1,783** MW
- Biomass / biogas[(1)] **62** MW
- Battery storage[(1)] **130** MW
- H_2 Hydrogen[(1)] **3** deals
- Mobility[(1)] **4** deals
- Energy efficiency[(1)] **1** deals

[(1)] Not including Mirova SunFunder portfolio of assets.

Our Energy Transition Infrastructure platform

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Our portfolio of assets

3,902 MW

(INCL. 394 MW IN EMERGING MARKETS)

OF RENEWABLE ENERGY PRODUCTION CAPACITY INSTALLED

130 MW

STORAGE CAPACITY IN SERVICE[1]

311

ELECTRIC VEHICLES CHARGING STATIONS[1]

H_2 5

HYDROGEN STATIONS CURRENTLY OPERATING[1]

1981

ELECTRIC VEHICLES IN FLEET, OF WHICH 21% USE FUEL CELLS[1]

100%

SUSTAINABLE INVESTMENTS

[1] Not including Mirova SunFunder portfolio of assets.

Source: Mirova and Mirova SunFunder 2023.

d.light

Impact of our investments

Evaluation method[1]

Our approach: a sustainable development analysis that is integral to the investment process

We systematically carry out a pre-investment analysis and, as a result:

▸ WE EXPRESS A SUSTAINABLE DEVELOPMENT OPINION

Each investment opportunity is analyzed for its contribution to the United Nations Sustainable Development Goals. As part of the overall sector assessment, the ESG[2] analyst works from available documentation related to the company or project during an initial phase of the investment process, before interacting with the developer for a more comprehensive ESG due diligence stage. In this way, the analyst gains sufficient understanding of the company's maturity with respect to ESG, the organization and processes in place, and its performance on these issues, to express an overall sustainability opinion on the investment opportunity. This opinion informs the investment decision. In the context of energy transition strategies, a project or company must be assessed as having “significant” or “high” exposure to environmental sustainability opportunities, and more specifically, be identified as directly related to energy transition issues.

▸ WE MAKE AN ENVIRONMENTAL AND SOCIAL ACTION PLAN PART OF THE CONTRACT

As a responsible investor, Mirova has made a choice to propose an ESG action plan to most of the companies and projects we support as part of the transaction documentation. The contents of the action plan are based on the main previously identified areas for improvement in the area of sustainable development.

The plan’s recommendations are discussed with the company or project management to assess their relevance and feasibility, as are the methods for implementation (in terms of time, resources and expected results).

[1]In mid-2022, emerging markets investments commenced the integration of the described methodology to achieve full platform alignment by end of the year.

[2]Environmental, Social, Governance

For more information on our methodologies, please refer to our Mirova website: www.mirova.com/en/research.

Phoenix - 353 MW - Aragon (Spain)

Our sustainable development opinion: focus on methodology[1][2]

Our evaluation seeks to measure the contribution of each investment opportunity to advancing the UN's Sustainable Development Goals. To carry out this assessment, Mirova has developed a methodology based on four key principles.

A POSITIVE IMPACT/RESIDUAL RISK APPROACH

Achieving the SDGs[3] requires consideration of two dimensions that are often complementary. Projects and companies whose activities, services and products address the challenges of environmental and social transition may make different positive contributions to achieving the SDGs. In the context of Energy Transition strategies, this naturally means focusing on players contributing to this theme. In addition, as part of the way they operate, entities can also contribute through their "practices" to the achievement of SDGs, i.e. by contributing to create sustainable and inclusive jobs, or by having strong commitments to net-zero targets[4] beyond their green products offerings, etc. Thus, our investment strategies focus on projects and companies that display positive impact through their activities and practices. However, contributing to some SDGs cannot be done at the expense of other environmental and social issues. Therefore, identifying and minimizing ESG risks linked to our investments is equally important in our assessments.

A LIFE CYCLE PERSPECTIVE

To identify the issues most likely to impact an asset, we look at the entire life cycle of a company's products and services, from the extraction of raw materials to the end- of-life phase. In the context of Energy Transition strategies, we will, for example, focus on responsible procurement issues.

TARGETED AND DIFFERENTIATED QUESTIONS

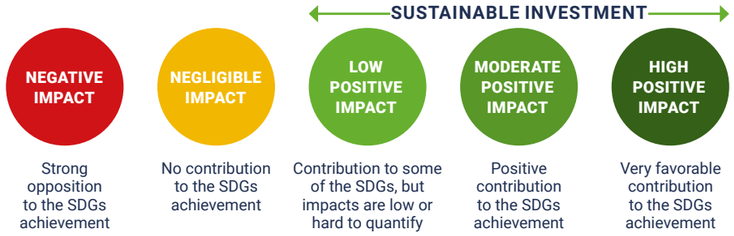
Our positive impact/residual risk analysis focuses on those issues most likely to have a real impact on the assets under consideration and, more broadly, on society. Furthermore, the issues faced by economic actors may vary from one sector to another and may even differ significantly within a single sector. Typically, for a wind energy project, particular attention will be paid to the issue of respect for biodiversity, the supply chain, etc. A player developing batteries will be challenged on their contribution to the circular economy – recycling of materials in the end-of-life phase. This is why our analytical approach focuses on a limited number of questions that are tailored to the specific characteristics of each asset under consideration.

A QUALITATIVE RATING SCALE

Our analyses are summarized in the form of an overall qualitative opinion expressed as a five-point scale evaluating the extent to which an asset contributes to the SDGs[3] as defined by the United Nations.

Systematic project level analysis

Assessment of the contribution to the Sustainable Development Goals (SDGs)



Assessment of the level of residual ESG risk of the investment: design of engagement plans that take into account this level, seeking for an improvement of the investees risk profile over time

- High residual ESG risk level
- Medium residual ESG risk level
- Low residual ESG risk level

Source: UN. Eligible opinions include a Risk flag, which automatically trigger targeted engagements in order to improve the investees over time.

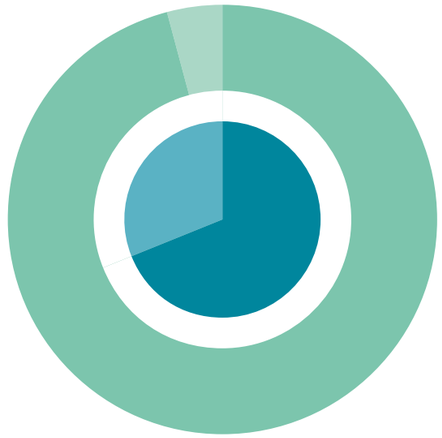
[1]Methodology applied to OECD investments. In mid-2022, emerging markets investments commenced the integration of the described methodology to achieve full platform alignment by end of the year.
[2]For more information on our methodologies, please refer to our Mirova website: www.mirova.com/en/research.
[3]SDG: Sustainable Development Goal as defined by the United Nations.
[4]Net Zero refers to the balance between the amount of greenhouse gas (GHG) that's produced and the amount that's removed from the atmosphere. It can be achieved through a combination of emission reduction and emission removal.

Breakdown of Sustainable Development opinions at the end of 2023

As of December 31st, 2023, 96% of Energy Transition investments display "High Positive Impact", and 4% "Moderate Positive Impact". Regarding ESG risk, 69% of the portfolio displays a "Low Residual Risk Profile", and 31% "Medium Residual Risk Profile", leading to a strengthened monitoring on ESG risk management practices.[1]

4% Moderate Positive Impact

96% High Positive Impact



31% Medium Residual Risk Profile

69% Low Residual Risk Profile

[1]Do not include Mirova SunFunder portfolio of assets
Source: Mirova, as of end-December 2023.

Engagement and performance tracking

Our approach: multi-dimensional support throughout the holding phase

During its tenure of ownership, Mirova monitors the ESG performance of all investments for the following reasons:

- to demonstrate the positive impact generated by its investment choices,
- to promote the best environmental, social and labor practices,
- to ensure that its investments comply with international standards on governance, and to monitor that satisfactory management of ESG issues, including risks.

This scrutiny takes several forms, including:

- tracking and annual calculation of impact indicators and ESG risk management performance indicators,
- monitoring successful implementation of the established environmental and social action plan,
- and regular interactions to discuss significant events, performance, or opportunities for improvement.

This multi-dimensional engagement allows us to better identify potential failures in ESG risk management, and to improve the robustness of projects and companies in this area.

ESG Performance Monitoring Indicators in 2023[1]

All our Energy Transition portfolios are aligned with a

1.5°C climate scenario[2]

8,197 GWh
of electricity generated from renewable energy[3]

> 74.2 m "green kilometers"
driven by low-carbon vehicles[4]

Source: Mirova and Mirova SunFunder.

[1]In mid-2022, emerging markets investments commenced the integration of the described methodology to achieve full platform alignment by the end of the year.

[2]Corresponds to the action plans established to comply with the Paris Agreement with respect to the maximum permissible increase in average global temperatures between 1850 and 2100. These are internal non-binding limits, and Mirova may change these limits at any time without notice. The carbon impact of investments (excluding Private Equity, Social Impact investing and Natural Capital) is calculated using a proprietary methodology that may be biased.

[3]94% in OECD and 6% in emerging markets.

[4]Not including Mirova SunFunder portfolio of assets.

194,797 $tCO_2eq.$[5] of emissions
due to our investments

2,041,005 $tCO_2eq.$[5] of avoided emissions
vs. "Country" energy mix or alternative solution

21,218+ jobs
directly supported[6] by our renewable energy investments in emerging markets in 2023

915 + jobs
directly supported by our corporate investments in OECD

3,055,876 people
with new or improved energy access in 2023[7]

100%
of our Energy Transition portfolios reporting on HSE (Health, Safety and Environment)

85%
of small holder farmers with increased agricultural yield in 2023[7]

100%
of investments qualifying as gender investments under 2X criteria[8] for the fourth emerging markets energy transition vintage[7]

Source: Mirova and Mirova SunFunder. Sunfunder, new scope 2023 (the previous report took into account another scope for Mirova Sunfunder).

[5]This data is calculated on a pro-rata basis per our investment. For further information, see the Methodological Note.

[6]This includes total permanent jobs, temporary direct jobs and direct third-party employment for 2023.

[7]100% Mirova SunFunder portfolio of assets.

[8]https://www.2xchallenge.org/

Girasole Energies

French & independent producer of photovoltaic electricity

To produce local, low-carbon and competitive electricity, Girasole develops, finances, builds and operates photovoltaic power plants throughout France and on all types of supports: rooftops, parking, soil.

Location
France

Technology
Solar

Closing date
March 2023

Girasole collaborates with professionals from all sectors (farmers, local authorities, tertiary companies, industries, developers) who provide land to host photovoltaic production units.

Together, Girasole Energies and Mirova have set a goal of exceeding 500 MWp[1] of installed capacity in 2028 through a joint investment of around 600 million euros.

ESG impacts targeted by the company

By contributing to the development of additional renewable energy capacity in France and Europe, Girasole projects directly contribute to the achievement of the Paris Agreement objectives[2]. Moreover, by targeting a significant acceleration of rooftop PV installation deployment in addition to ground-mounted projects, the company also contributes to limit the renewable energy land footprint and associated soil artificialization needs. As such, the company is actively contributing to the necessary reconciliation of the challenges of climate change mitigation and biodiversity preservation.

In terms of social benefit, Girasole contributes to supporting local employment, with 51people directly employed by the company. In addition, the company mainly relies on local service providers for construction activities. It has integrated social inclusion considerations into its selection process, supported by training provided by its own staff to assist the professional reintegration of vulnerable groups.

Regarding ESG risks, Girasole already displays above average management practices, and the company remains committed to continuously improving its ESG performance, reflecting its strong commitment to sustainable development. Following Mirova's investment, the company set up an ESG Committee with regular meetings to present its progress on the Environmental & Social Action Plan (ESAP) implementation. In 2023, Mirova contributed to Girasole's stakeholder ESG consultation in order to collect the views of its various stakeholders (staff, suppliers, investors and local stakeholders) on its most material ESG risks and the most appropriate measures to adequately address them. The company's progress regarding ESAP implementation is very satisfactory, as supported by its comprehensive reporting.

[1]MWp is an abbreviation for Megawatt peak – a theoretical maximum that the system can achieve.

[2]The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

Company above is mentioned for illustrative purpose only. That should not be considered as a recommendation or a solicitation to buy or sell. As per end december 2023, Girasole represented less than 5% of our 5th OECD Energy Transition Infrastructure vintage.

Source: Girasole and Mirova, 2023.

Impact indicators

11 MW of installed capacities of solar energy

577 MW
of solar energy capacities under construction and development

128 metric tonnes of CO_2 eq. emissions
avoided in 2023 vs. country energy mix

51 jobs supported
by the end of 2023

45% women in top management and 43% in the permanent workforce

Source: Mirova. Data as of end-December 2023.

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Driveco

Accelerating the uptake of electric vehicles by rolling out charging infrastructure

French pioneer in Electric Vehicle (EV) charging, Driveco mission is to make electric mobility accessible to all. To do this, they deploy fast and universal charging stations throughout Europe, in order for drivers to get a simple and economical charging experience anywhere.

Location
France

Technology
Electric Mobility

Closing date
October 2020

The company assists property owners in equipping their car parks with electric charging stations (sale or installation of charging stations) to comply with France's LOM[(1)] law. Thanks to a business model of installer-operator and infrastructure owner rather than technology provider, the company has a model that is resilient in the face of technological disruptions and creates value over the long term.

ESG impacts targeted by the company

By enabling the deployment of electric vehicles across France and, more broadly, Europe, this project clearly contributes to the development of low-carbon mobility solutions aimed at reducing the environmental impact of the transport sector. The deployment of efficient charging points strongly contributes to the cultural change needed to shift towards the large-scale adoption of electric vehicles as a mode of transportation. The deployment of electric vehicles enabled by the project makes a solid contribution to the fight against climate change and the achievement of Spain's strategy for low-carbon transportation (which includes the implementation of seven million charging points by 2030). Regarding social opportunities, the project also contributes to improved public health by significantly reducing air pollution — responsible for about seven million deaths annually according to the World Health Organization (WHO), notably in urban areas. As such, the project provides substantial co-benefits beyond climate change mitigation.

In 2023, Mirova supported Driveco in the definition of a Corporate & Social Responsibility (CSR) Roadmap in order to increase the company's transparency on ESG performance, and further formalize its ESG risk management processes. The company decided to recruit a CSR leader to progressively strengthen its sustainability management framework. A formal CSR Committee has been set up, to which Mirova is invited to share our Responsible Investor vision on sustainable development and support the company in its sustainability journey.

[(1)]The Loi d'Orientation des Mobilités (LOM) transforms mobility policy in depth based on one simple objective: make everyday transport more accessible, better adapted to the diversity of needs, and cleaner.

Company above is mentioned for illustrative purpose only. That should not be considered as a recommendation or a solicitation to buy or sell. As per end december 2023, Driveco represented less than 5% of our 4th OECD Energy Transition Infrastructure vintage.

Source: Driveco and Mirova, 2023.

Impact indicators

76 charging stations
installed by the end of 2023

393 charging stations
in construction and development

5,819 charging points
in operation

254 MWh delivered
by Driveco EV
charging points in 2023 representing more than 1.3 million green kilometers traveled

11 metric tonnes
of CO_2 eq. emissions
avoided in 2023 vs. French energy mix

132 jobs supported
26% of which held
by women

Source: Mirova. Data as of end-December 2023.

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Sofiac

An Energy Efficiency financing platform

Sofiac ambitions to finance over €200m of Energy Efficiency projects in the tertiary, industrial and shared housing sectors in France. Sofiac addresses large commercial and industrial (C&I) clients with annual electricity bills superior to one million euros.

Location
France

Technology
Energy efficiency

Closing date
December 2023

ESG impacts targeted by the company

The French Government's National Low Carbon Strategy (SNCB), which sets the Greenhouse Gas (GHG) emissions reduction objectives to achieve the national contribution to the Paris Agreement goals, targets a 49% reduction of GHG emissions from buildings by 2030, and no GHG emissions from buildings by 2050 (excluding industries), and a 35% reduction for industries by 2030, up to 81% by 2050.

To achieve these objectives, significant energy efficiency operations have to be undertaken in both the construction sector and industry. However, financing remains a major bottleneck for large-scale deployment. By providing turnkey financing and implementation solutions to its clients, supported by a sound upstream and downstream verification system aligned with the best available measurement protocols (i.e. international performance measurement and verification protocol), Sofiac's services contribute to the acceleration of energy efficiency operations in France, thereby supporting the country's energy transition and associated climate change mitigation objectives. Moreover, as the company's revenue generation is directly linked to the energy savings achieved through the financed operations, it is highly incentivized to target the most ambitious operations both in terms of energy savings and carbon footprint reduction.

With regards to social benefits, the newly created structure is expected to directly contribute to supporting seven jobs at Sofiac France that provide technical and commercial assistance to the asset company. Furthermore, by enabling the development of additional energy efficiency and refurbishment operations, the project contributes to local job creation across the project value chain (from energy auditors to construction workers, etc.) although it is difficult to provide exact numbers at this stage.

Regarding ESG risk management, the company has appointed a CSR manager who works closely with Mirova to design an environmental and social management system for Sofiac France.

Company above is mentioned for illustrative purpose only. That should not be considered as a recommendation or a solicitation to buy or sell. As per end december 2023, Sofiac represented less than 5% of our 5th OECD Energy Transition Infrastructure vintage.
Source: Sofiac and Mirova, 2023.

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Useroles

A wind farm featuring innovative camera systems designed to protect avifauna

The Useroles wind farm was developed and built by WKN France in the Burgundy-Franche-Comté region, in the Côte d'Or. The plant is in operation since 2019.

Location
France

Technology
Wind

Closing date
January 2019

With 8 Nordex 117 turbines and a total capacity of 20MW, the expected annual production of the park is about 50 GWh, the equivalent of 19,000 inhabitants of metropolitan France supplied with clean electricity.

ESG impacts targeted by the company

The park is located on the fringes of a migratory corridor, namely raptors' including Red Kite this species being listed in the International Union for the Conservation of Nature (IUCN) Red List of threatened species, classified as "vulnerable" in France.

Several measures to reduce the impact of the wind farm on avifauna have been implemented, first during the construction phase and then during the operating period. Namely, an avifauna detection system (SDA) has been installed and sized to significantly reduce the risk of collision of large raptors and in particular Red Kites.

Useroles is one of the very first wind farms in France to be equipped with cameras placed on the turbines to allow a 360° vision over a distance of 250m, associated with an AI-based species identification software. In case of detection of a target at a certain warning distance (that depends on the target species), the equipment engages a regulation of the rotation speed of the blades up to its complete stop if needed. If the detected target presents a risky trajectory and continues to approach near the wind turbine, the acoustic alarm is activated in conjunction with the regulation.

According to the external technical auditors within their 2023 report, this equipment is considered as "the most relevant measure possible" on this site to control the collision risks with large raptors.

Beyond the mitigation of the impact of the turbines on avifauna, the equipment's record intrusions in the form of video files, viewable afterwards and provide a better understanding of the behaviors, the conditions associated with them, and the procedures for implementing the automated risk reduction system.

These informations will contribute to improve the conditions of cohabitation between the wind turbines and the neighboring & migratory avifauna, and thus to reconcile the preservation of biodiversity and the production of low carbon energy.

Company above is mentioned for illustrative purpose only. That should not be considered as a recommendation or a solicitation to buy or sell. As per end december 2023, Useroles represented less than 5% of our 4th OECD Energy Transition Infrastructure vintage.
Source: Useroles and Mirova, 2023.

Impact indicators

19 MW
of total installed capacities

48 577 MW
of annual energy production in 2023

174 metric tonnes
of CO_2 eq. emissions
avoided in 2023

50 jobs estimated
supported

100%
women on Board

Source: Mirova. Data as of end-December 2023.

Solar Panda

Bringing clean, affordable electricity to rural communities in Kenya

Solar Panda designs and sells affordable and reliable Solar Home System (SHS) kits and appliances using the Pay-As-You-Go model. They provide superior quality products at competitive prices, thanks to an accessible "loan-to-own" model, suitable to many rural families and small businesses.

Location
Kenya

Technology
Solar Home Systems

Closing date
June 2023

Solar Panda's products come in the form of upgradeable kits, which can include a TV, radio, lights and mobile phones. Solar Panda estimates that each household can save USD 300-USD 800 over four years by eliminating the need for kerosene and mobile phone charging expenses.

With the vision of giving access to reliable, affordable and clean solar energy to every household, Solar Panda has benefitted 300,000 rural homes and 3,800 SMEs, and mitigated approximately 76k $tCO_2eq.$ per year since its inception in 2016.

Mirova SunFunder East Africa and Mirova have a total outstanding exposure of USD 7.5 million in debt to Solar Panda via their third and fourth emerging markets energy transition fund respectively. These investments form part of a USD 19.5m debt facility arranged by Mirova SunFunder East Africa.

ESG impacts achieved and targeted by the company

Solar Panda impacted over 53,500 households by providing them access to clean energy and replacing 49,764 kerosene lanterns with the its Solar Home System kits during the period (2023). As such, the company offers a high positive impact by contributing to improved access to energy, living conditions, health, education, economic opportunities and overall well-being, in addition to combating climate change through environmentally supportive products, and by managing e-waste.

A key ESG risk in this sector is e-waste on which Solar Panda has been working actively. Solar Panda was part of the Sofies/DFID[(1)] voluntary assessment initiative on e-waste management, whose outcome informed the development of the company's Product Waste/Refurbishment Policy. Solar Panda implements a refurbishment program for abandoned, defective, or damaged e-waste within a locally built facility. In 2023, the company refurbished 8,682 units and recycled 14.1 metric tons of e-waste through a certified waste management partner (EnviroServe) where refurbishment was not possible.

Solar Panda – with 50% female permanent employees (end-2023) and 43% women in the senior management team – applies a gender lens to its product design and Research and development (R&D) by surveying female focus groups and understanding how their products are used by women and can be better suited. The company is 2X qualified. Solar Panda has an active Gender Action Plan being implemented to improve the company's gender performance.

Given that Solar Panda is an end-to-end solar home systems company with direct retail to vulnerable end-users or buyers, Mirova has been working with the company to strengthen consumer protection policies and practices to safeguard customers. The company has also received support from the Mirova ESG team with designing more robust incident management strategies, especially for motorbike accidents which are a risk in Solar Panda's markets, to mitigate the risk of similar accidents in the future.

Company above is mentioned for illustrative purpose only. That should not be considered as a recommendation or a solicitation to buy or sell. As per end december 2023, Solar Panda represented less than 5% of our 4th Emerging Market Energy Transition Infrastructure vintage.
Source: Solar Panda and Mirova SunFunder East Africa, 2023.
(1)"Sofies" is a 3 year research project, led by the UK Department for International Development (DFID).

Impact indicators

267,755 people
with new or improved energy access in 2023, 47% of which are women

13,483 MWh
of off-grid renewable energy generated in 2023

79,630 metric tonnes of CO_2 eq. emissions
avoided in 2023

USD 143 in energy cost savings
per household (on average, over lifetime of products)

310 direct jobs
supported(1) in 2023, of which 50% held by women

(1)This includes total permanent jobs, temporary direct jobs and direct third-party employment for 2023.
Source: Solar Panda and Mirova SunFunder East Africa. Data as of end-December 2023.

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SunCulture

Innovative irrigation systems improving the lives of smallholder farmers and women

SunCulture is a Nairobi-based climate-tech company that helps smallholder farmers grow more food with climate technology, financing, and a digital marketplace.

Location
Kenya

Technology
Agri-solar

Closing date
February 2021

SunCulture designs, manufactures, and sells low-cost solar-powered irrigation solutions to smallholder farmers using a Pay-As-You-Grow consumer finance model across sub-Saharan Africa. The products are coupled with Africa's first carbon credits for solar irrigation, which are used to reduce the cost of the products for end users. Founded in 2012, this small-medium enterprise has developed IoT-enabled[1] solar irrigation systems aiming to increase the yield and financial security of the 570 million smallholder farmers globally. Thanks to their technology, farmers have increased access to valuable information, useful for optimal planting, fertilization, and pricing, which ultimately leads to the increase of customers' yield up to 5 times and their income up to 6 times.

Mirova SunFunder East Africa and Mirova have committed a total of USD 7.75 million in debt to SunCulture through the third and fourth emerging markets energy transition vintages respectively, as part of a USD 12 million syndicated facility. The facility allows SunCulture to reach more customers, notably smallholder farmers who need affordable and reliable access to energy and water for their livelihoods.

ESG impacts achieved and targeted by the company

SunCulture's irrigation systems replace expensive and environmentally harmful and health-damaging diesel/petrol pumps with more efficient, environmentally-friendly and affordable solar-powered solutions. It is estimated that in 2023 50,000 $tCO_2eq.$ are avoided annually from pumps installed in Kenya as at the end of 2023. Compared to furrow irrigation (used with diesel pumps), sprinkler and drip irrigation save 60 and 90% of water usage respectively, while avoiding soil erosion and depletion.

In addition to mitigation, SunCulture also contributes towards climate adaptation. Many customers are smallholder farmers who were previously relying on rainfall for watering their crops, which has become challenging given the increasingly erratic weather patterns in sub-Saharan Africa due to climate change. With SunCulture pumps, farmers are more resilient to the effects of climate change.

The company currently has more than 40,000 smallholder farmer clients. During 2023, SunCulture reached 11,000 new low-income rural customers, of which 34% are women. The solar-powered pumps enable smallholder farmers to grow high-value crops while increasing their yields and incomes, creating jobs, and realising positive impacts in terms of poverty reduction (SDG 1) and food production (SDG 2). Ninety percent (90%) of farmer clients report increased income and higher crop yields. It is estimated that 25,000 direct and indirect jobs have been created by the company.

SunCulture is committed to gender equality and has a gender strategy in place. Their product addresses a problem disproportionately impacting women, as the task of manually fetching water is often carried out by women. By automating this task with a solar-powered pump, about 13 hours of labour per week is freed up for other income-generating activities.

Mirova is working closely with the company on the implementation of an Environmental and Social Action Plan to further strengthen ESG processes related to health and safety, consumer protection, and gender.

[1]The Internet of things (IoT) describes devices with sensors, processing ability, software and other technologies that connect and exchange data with other devices and systems through internet.

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Source: SunCulture and Mirova SunFunder East Africa, 2023.

Impact indicators

256,946 metric tonnes of CO_2 eq. emissions
avoided in 2023

40,888 smallholder farmers
as direct beneficiaries

581 direct jobs
supported[1] in 2023, of which 40% women

USD 305
average additional income generated by farmer as a result of SunCulture's product

90% of smallholder farmers
reporting yield increases

90% of smallholder farmers
reporting increased efficiency of agricultural practices

[1]This includes total permanent jobs, temporary direct jobs and direct third-party employment for 2023.
Source: SunCulture and Mirova SunFunder East Africa. Data as of end-December 2023.

Taking action as Impact Investors

How we take action

For Mirova, behaving as a responsible impact investor means directing investments towards companies and projects that contribute to the Sustainable Development Goals. Mirova also enhances its impact and contributes to the transition to a more sustainable economy by:

1. **Maintaining an ongoing dialogue** with each individual project or company we support in order to encourage continuous improvement of practices,

2. **Advancing the state of knowledge and expertise** in the area of sustainable development both internally and collectively – particularly by supporting academic and applied research,

3. **Promoting the development of sustainable finance** by being an active participant in professional organizations and through advocacy,

4. **Strengthening the importance of impact at Mirova** through innovative initiatives and commitments, such as incorporating ESG criteria into variable compensation for management teams (carried interest[1] indexed to criteria relating specifically to biodiversity, diversity, health and safety for the fifth vintage of OECD Energy Transition Infrastructure),

5. **Supporting philanthropic activities,** in impact themes not available in our current investment strategies.

[1]Carried Interest is a percentage of the capital gains of a private equity fund taken from the profits of the investors and paid to the fund's management team.

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Corsica Sole - 100 MWh Energy Storage System - Belgium

Engagement in action: Energy Vision

Mirova invested in Energy Vision in 2023. The Energy Vision project consists of the solarization of over 300 telecom sites in Gabon and 50 off-grid sites in Nigeria. Access to reliable energy solutions for telecom and mobile network operations in emerging markets is a challenge, with off- and unreliable-grid towers depending on costly and highly emitting energy sources like diesel.

Energy Service Companies ("ESCOs") have provided a solution which has become increasingly attractive as the cost of solar and storage solutions rapidly decrease. Energy Vision is a pioneering ESCO that has been providing cost-efficient energy solutions since its foundation in 2014. To date, its comprehensive renewable energy service has delivered solar-hybrid energy to over 1,000 telecom sites in sub-Saharan Africa.

As part of Mirova's investment, an Environmental and Social Action Plan (ESAP) was developed to further improve Energy Vision's ESG performance. Key topics in the ESAP include:

1. **Revising and updating the environmental and social management system and implementing it in each group-level entity,**
2. **Strengthening the ESG team: country-level ESG Managers have already been hired to ensure adequate capacity to implement best practice ESG standards on the ground,**
3. **Enhancing supply chain and contractor management procedures,**
4. **Developing and implementing a gender strategy to improve gender equality internally,**
5. **Improving health and safety practices during installations.**

Mirova supports and works closely with the company on these topics to strengthen its ESG framework and policies. The company is making good progress on the framework, which it is implementing across its sites in Ethiopia, Gabon and Nigeria.

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Our support for preserving biodiversity

Mirova has made biodiversity preservation a core feature of its objectives as a responsible investor.

AN ENERGY TRANSITION THAT ALSO SUPPORTS BIODIVERSITY

According to the IPBES,[1] human-induced climate change is one of the main causes of biodiversity loss worldwide. By providing investment strategies dedicated to climate change mitigation, including greater renewable energy generation and the deployment of low-carbon mobility solutions, our investments directly contribute to reducing the pressure on biodiversity.

INTEGRATING THE RISK OF NEGATIVE IMPACTS ON BIODIVERSITY

Energy Transition Infrastructure is hardly risk-free when it comes to biodiversity. Manufacturing key equipment (turbines, solar panels, batteries, etc.) relies on resources, particularly mining resources, whose extraction generates negative impacts on biodiversity. Consequently, the ESG analysis of each investment opportunity includes **a review of the project equipment manufacturers' practices that takes into account the circular economy and recycling efforts to limit the pressure on upstream natural resources**. In addition, renewable energy infrastructure, due to its land footprint, entails risks related to habitat fragmentation or collision with species and/or disruption of their behavior. **To ensure that the projects we finance are developed to minimize their impact on wildlife, ESG analysis of projects includes a thorough review of environmental impact assessments.** The latter are carried out by third-party environmental experts to describe the initial natural environment and the potential impacts of the project on the conservation of species. The reviews also aim to identify mitigation measures (design modifications – the number of turbines or panels, location, etc.), and compensation measures for residual impacts. Such considerations are an integral part of the analysis for each investment opportunity to ensure that adequate risk management practices are in place. In addition, **during the holding phase, Mirova verifies the effective implementation of mitigation and compensation measures, and the collection of behavioral and mortality monitoring data for the renewable energy farms.**

DETERMINED TO TAKE RENEWABLE ENERGY PROJECTS BEYOND REGULATORY COMPLIANCE

To take sustainability further, when the ESG analysis of an investment opportunity highlights risks relating to biodiversity preservation, Mirova has chosen to implement measures that exceed the levels of mitigation or compensation required for compliance with environmental authorities. This improves our understanding of species dynamics at the project site. These additional measures may take various forms, such as designing specific studies, financing dedicated research programs or installing suitable species detection equipment to better understand behavior in relation to our infrastructure, and thus limit the risk of collision in the case of wind turbines.

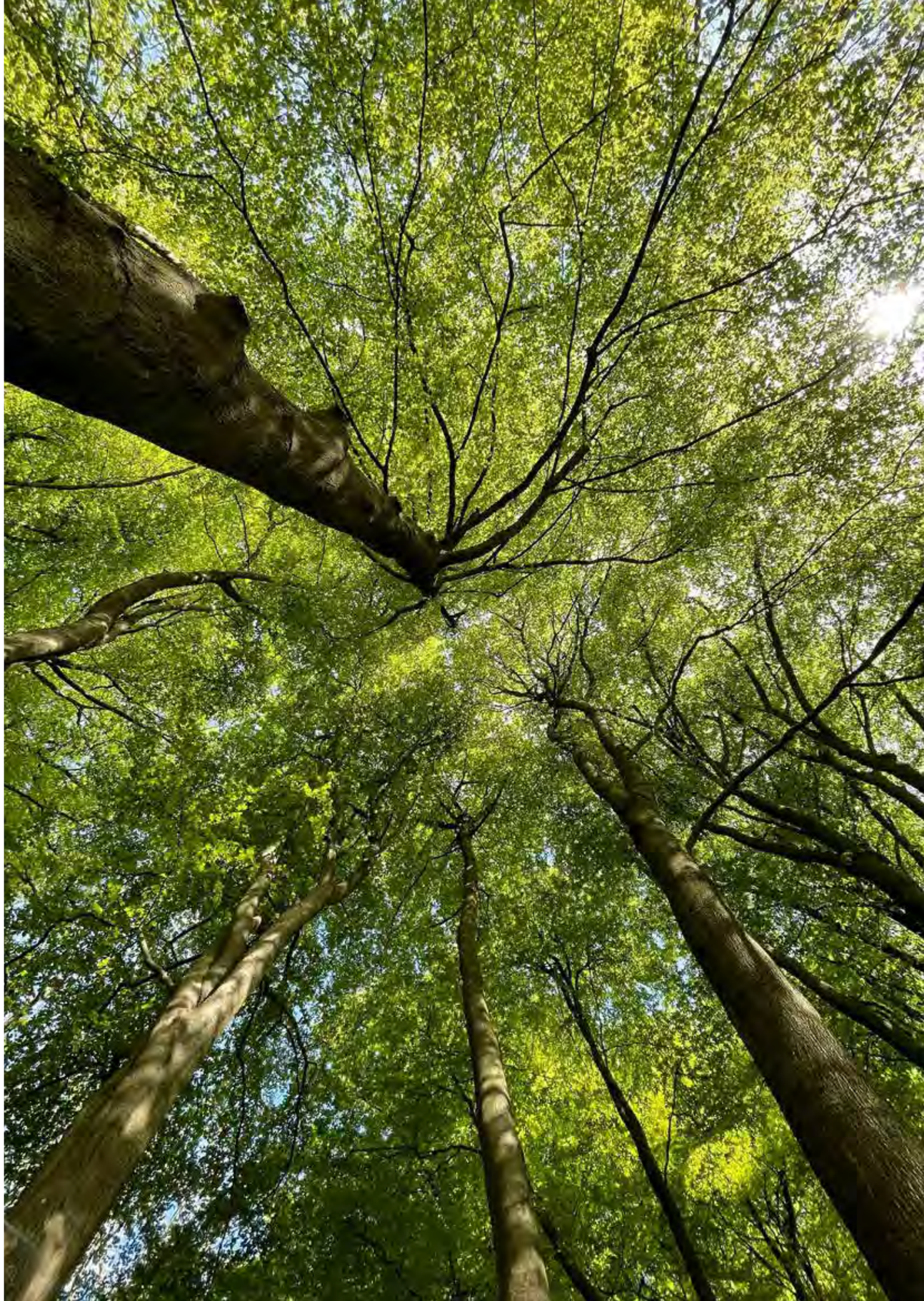
DRIVING PROGRESS IN THE SECTOR THROUGH COLLABORATIVE INDUSTRY ENGAGEMENT

In addition to our investments, Mirova contributes to industry-wide discussions on how to better incorporate biodiversity in the development and operation of renewable energy farms. These exchanges, organized by various professional associations (France Énergie Éolienne, La Plateforme Verte), encourage the sharing of experience, help us better understand both industry-specific and emergent challenges, and encourage us to be a driving force of ideas for designing shared solutions.

SUPPORTING RESEARCH TO INCREASE OUR COLLECTIVE KNOWLEDGE

Lastly, as part of the fifth vintage of OECD Energy Transition Infrastructure, Mirova has made biodiversity preservation a top-priority action target. Having noted that a certain number of projects are stymied by a lack of scientific data to establish their potential impact on a species or ecosystem, Mirova has decided to support scientific research to enhance our understanding of the links between renewable energy and biodiversity, and identify best practices in the development or operation of projects that can minimize negative impacts (see page dedicated to the Foundation for Research on Biodiversity (FRB)). Our research results will be shared with the entire sector to encourage better consideration/measurement of risks and thus improve recommendations.

[1] Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.



Our involvement in sector-wide initiatives

Participation in *La plateforme verte*

La Plateforme verte is a professional association dedicated to the energy transition. Created in 2018, its purpose is to bring together various stakeholders and take concrete action to accelerate energy transition projects by promoting reliable and sustainable structuring and financing methods.

> "Dedicated to playing an active role in the changes underway and to contributing to accelerating the energy transition, Mirova participates in the CSR working group."

The initiative comprises some one hundred members, including more than 70 energy producers, developers, banks, investors, institutional investors, technical and financial experts, lawyers and various advisors, who collaborate across eight working groups on topics for review and action. Keen to be involved in the changes underway and to contribute to accelerating the energy transition, Mirova participates in the platform's working group dedicated to CSR.

The purpose of this working group is to draft a CSR white paper covering the entire value chain of a renewable energy project (from its development through operation and end-of-life), with a view to creating a framework to guide the development renewable energy projects.

For Mirova, this is an opportunity to share the expectations of responsible investors with respect to the quality of both the practices implemented and the reporting, and to encourage players in the sector to increase transparency in the way they integrate environmental and social issues throughout the life cycle of projects.

Promoting gender-lens investing

Gender equity is at the heart of our team and our targeted impact.

Mirova joined the 2X Global initiative to strengthen knowledge and know-how within the financial sector on how to promote and improve the integration of gender at the core of investment. **This collaborative platform is a renowned organization for sharing best practices and identifying the next steps in gender-lens investing.**

The third and fourth vintage of Emerging Markets Energy Transition Infrastructure funds have been qualified for the 2X Challenge thanks to our leadership in promoting the economic empowerment of women — an indicator of the effective continuous efforts and will of the team to achieve results in this area.

The fourth vintage fund has been designed with an intentional gender lens and has set an ambitious gender strategy and gender targets at the fund level. We seek to contribute to bridging the gender investing gap as well as supporting the ever-growing evidence on the improved financial and social returns of gender-smart investments. The fund aims at investing in women-found or led businesses and businesses that currently have a potential positive impact on gender equality, including at ownership/leadership, workforce and client level.

The fund works to mainstream gender into the pipeline development to intentionally target women-founded and led businesses. Gender aspects, including both gender equality and prevention of gender-based violence and harassment, are integrated into Impact & ESG due diligence for all new investments. Through our investments, we both push and support our investees in reaching and maintaining 2X eligibility and improving gender equality both internally and through the provision of products and services.

WE ARE ALSO PILOTING OTHER INITIATIVES TO FURTHER SUPPORT INVESTEES ON IMPROVING THEIR GENDER PERFORMANCE:

- We are working on a project of a Technical Assistance Facility (TAF)[1] alongside our fourth emerging market fund in order to provide companies with specialist gender expert assistance to perform gender gap assessments, set performance targets and provide gender training to the companies. The emphasis will be on building organizational capacity on this topic.
- We are working on a partnership to pilot a gender impact-linked finance mechanism, which would reward investees based on the achievement of gender outcomes and identified gender improvements. The focus will be particularly on incentivizing companies to improve products and services to specifically benefit female end-users. We see this as key for incentivizing companies to achieve better and long-lasting gender outcomes. This will be the first pilot at scale in our sector to link gender outcomes to financial rewards.

[1]Subject to Mirova parent company validation.

Our philanthropic initiative

Philanthropy for impact: our vision

Above and beyond its Energy Transition Infrastructure vintages, Mirova has developed an ambitious philanthropic value-sharing strategy, taking the form of payments to Mirova Foundation. These funds are allocated each year to financing non-profit projects.

Mirova, as a commitment-driven investor and a B Corp certified[1], purpose-driven company[2], firmly believes that impact finance can be a strong driver for accelerating the social and environmental transitions. However, philanthropy also has a role to play in supporting non-profit entities and projects that address the public interest. Indeed, this sector is often a precursor and a driving force in imagining, experimenting with and implementing responses to the major challenges facing our societies. However, this rich incubator of ideas and collective, innovative, agile solutions lacks resources and often struggles to make itself heard or secure funding.

To make this vision a reality and ensure the means to take action beyond the economic and financial sphere, Mirova Foundation, Mirova's endowment fund, supports projects in the public interest that have the potential to deliver significant environmental and social impact, both in France and internationally. The projects supported by Mirova Foundation address issues in three areas that are often intertwined: ecosystem restoration and biodiversity preservation, climate change adaptation and mitigation, and social inclusion or the well-being of populations. Regarding the impact mechanism of the fifth vintage of OECD Energy Transition Infrastructure, the projects financed by Mirova Foundation complement our investment strategy in areas where, as an investor, we cannot act directly: fuel poverty, access to energy, support for scientific research, etc.

To make this vision a reality and ensure the means to take action beyond the economic and financial sphere, Mirova Foundation, Mirova's endowment fund, supports projects in the non-profit that have the potential to deliver significant environmental and social impact, both in France and internationally. The projects supported by Mirova Foundation address issues in three areas that are often intertwined: eco- system restoration and biodiversity preservation, climate change adaptation and mitigation, and social inclusion or the well-being of populations. Regarding the impact mechanism of the fifth vintage of OECD Energy Transition Infrastructure, the projects financed by Mirova Foundation complement our investment strategy in areas where, as an investor, we cannot act directly: fuel poverty, access to energy, support for scientific research, etc.

The reference to a ranking or a label does not prejudge the future performance of the funds or its managers.

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

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

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2023-2024: Key figures

3 projects supported,
3 multi-annual partnerships of 3 years each

Total budget for 2023:
€666K

1
A PARTNERSHIP WITH
Watt for Change
2021-2025

2
AN NGO'S PARTNERSHIP WITH
Ecolhuma
2023-2025

3
A SCIENTIFIC RESEARCH PROGRAM WITH THE
Foundation for Research on Biodiversity (FRB)
2022-2024

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1 Supporting Watt for change

Watt For Change acts in France and internationally by supporting development projects that aim to reduce inequalities and increase access to green energy. All over the world, these projects contribute to better living conditions for people while also fighting climate change.

MIROVA FOUNDATION: A 3-year partnership

Scope: **France and Worldwide**

Partnership: **2021-2025**

- 2021-2022: Partnership between Mirova and Watt for Change
- 2023-2025: Multi-year partnership between Mirova Foundation and Watt for Change

Financial sponsorship:

- **2021: €200K**
- **2022: €400k**
- **2023-2025: New three-year partnership in the amount of €1,100,000**

KEY FIGURES IN 2023

10
projects supported

€270K
Financial sponsorship

Type of energy installed:

4 energy platforms (about 15 kWp each),
production of 5,000 biofuel briquettes per day,
1 tidal turbine,
4 solar pumping systems,
2 solar freezers,
4 solar dryers and
3 solar mills.

16,757
approximately direct recipients and 1 million indirect recipients

8
countries of intervention: Madagascar, Benin, Senegal, Ivory Coast, Togo, Republic of Congo, Burkina Faso, Benin.

FRANCE: STEP UP THE FIGHT AGAINST FUEL POVERTY

In 2023, Mirova Foundation and Watt For Change announced the eight winning associations from their joint call for projects. The selected organizations will see their capacity for action boosted by a cumulative total of **€1.5m over three years**. The grantee non-profits all work with households experiencing fuel poverty, offering a range of services from comprehensive assistance to solutions for financing the unsubsidized portion of renovation work. Thanks to this support, **more than 1,000 households** will get a helping hand at national and local levels, in both continental France and overseas territories.

Providing effective support for associations and helping households to renovate their homes for energy efficiency requires a long-term commitment. That's why the financial support provided under this call for projects will be multiannual, covering a three-year period (2023-2026). During this time, the associations selected will receive support of €150,000 to €210,000, with **recurrent funding to finance both structural costs and projects.**

Furthermore, the winning associations will benefit from **technical support** in the form of training dedicated to measuring impact. Regular, personal exchanges with the project leaders will be put in place to create a relationship of trust and encourage synergies between the various players. In addition, **a skills-sponsorship program for VALOREM and Mirova employees** will also be launched to build long-term support.

In order to improve practices in the industry, **the social impact of the call for projects as a whole will be evaluated continuously** throughout the support period. By monitoring common indicators over time, the winners will be able to gain a better understanding of their impact on the beneficiaries and their partners, identify the difficulties encountered and optimize their leverage for action. It will also permit organizations to showcase their results to sponsors, partners and beneficiaries.

WORLD: PROMOTING ACCESS TO GREEN ENERGY

Since 2021, **Watt for Change** and **Mirova Foundation** primarily support solar access projects. In West Africa and Madagascar, solar energy is a preferred solution because of the abundance of the resource.

The projects supported abroad all leverage the development of renewable energy, coupled with other mechanisms such as methanation or biofuels, to meet the challenge of electrification and access to energy in rural areas. These technologies are both accessible and environmentally friendly, fostering the creation of micro-businesses, providing a reliable source of energy for healthcare facilities, and improving access to education.

EXAMPLE:

Moi Jeu Tri is a French association of international solidarity that supports ecological transformation in the territories through environmental education. It operates in three countries: Togo, Ivory Coast and France.

- *2020-2022*: Watt for Change and Mirova Foundation co-financed the project **"From waste to light"**: 10 schools were concerned by this scheme. A total of 1,600 solar lamps were distributed to students to improve their evening learning conditions. The association distributed 156 solar kits through the collection and recovery of 1 ton of waste collected by students.
- *2023-2025*: Multi-year support of three years to **the Val'IDEE project**. The project is to manage the end-of-life of products from Togo's solar industry, taking the first steps towards an economically sustainable channel for managing electrical and electronic waste from Togo's solar industry.

2 Supporting Ecolhuma

Created in 2012, Ecolhuma offers various channels supporting teachers and principals in fulfilling their educational mission to fight against educational inequalities at school and help every pupil reach their full potential. Today, the association aims to help teachers make environmental issues part of their day-to-day teaching.

MIROVA FOUNDATION: A 3-year partnership

Scope: **national level**

Partnership: **2023-2025**

Financial sponsorship: **€450k over three years**

From 2023 onwards, Mirova Foundation will support the association in rolling out to 110,000 secondary school teachers new educational tools covering issues related to the environment and the energy transition. The goal is to help them take up these topics and incorporate them into their subject areas, transforming educational content to make pupils aware of these issues.

With the support of Mirova Foundation, Ecolhuma launched the first barometer dedicated to education for ecological transition with nearly 1,000 teachers interviewed: **84% of teachers think they have a role to play in the development of environmental behaviors for students, but they need support to implement it.**

More information on Ecolhuma website: https://ecolhuma.fr/

KEY FIGURES IN 2023

74%
have a high level of awareness of environmental risks

77%
of them have a very positive attitude towards teaching education for sustainable development (ESD)

64%
develop actions outside the official program to improve awareness

Only one teacher
in two feels in control of knowledge (52%) or skills (46%) related to education for sustainable development

Ecolhuma
L'éducation au cœur

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3 Supporting scientific research

The French Foundation for Biodiversity Research (FRB) was created in 2008 and brings together public research bodies, environmental associations, managers of biological spaces and resources, and companies.

Its mission is to support and act alongside research to increase and share our knowledge of biodiversity and its preservation. It offers a point of convergence between science and society to address the challenges that biodiversity research must currently address. The link between renewable energies and biodiversity is essential but still poorly understood at present.

By contributing to climate change mitigation, renewable energies provide concrete solutions for preserving biodiversity. One of the major challenges for mature technologies (such as onshore wind energy) is granular assessment gauging the effectiveness of project mitigation measures and the ability to come up with appropriate alternative solutions, where needed. This is why, as part of the impact mechanism of the fifth vintage of OECD Energy Transition Infrastructure, Mirova Foundation is joining forces with the Foundation for Biodiversity Research (FRB) for a three-year partnership.

MIROVA FOUNDATION: A 3-year partnership

Scope: **National and European level**

Partnership: **2022-2024**

Financial sponsorship: **€450k over three years**

More information on the French Foundation for Biodiversity website: fondationbiodiversite.fr

OUR SUPPORT FOCUSES ON TWO PRIORITIES

Tracking & summaries of scientific developments

- Analysis of existing scientific literature and available data on the impact of priority technologies.
- Scientific intelligence covering the impact on biodiversity of other emerging and innovative energy sources (offshore wind power, onshore wind power and photovoltaic).
- Use of results to formulate operational recommendations for reducing impacts.

Launch of call for research projects:

One year of financing was approved for four projects, to a maximum of €50,000 each.

Laureates 2023:

- **BRIBAT** – Definition of an operational framework for an effective implementation of multifactorial wind turbine clamping algorithms in favor of bats. (National Museum of Natural History)
- **CEMARB_DC** – Impact of electromagnetic fields on the biology of development and behavior of small bats in offshore wind farms (National Museum of Natural History)
- **Chiro_EolHab** – Impact of wind on the use of bat habitats over time and landscape: implications for impact planning and prediction. (National Museum of Natural History and Auddicé)
- **EOLRAP** – Modeling raptor flight behavior to improve avoidance and reduce risk of collision with wind turbines (AMU and Engie)
  - Enhancing knowledge of onshore and offshore wind energy infrastructure's impact on biodiversity, including quantification, avoidance, reduction and offsetting.
  - Establishing operational recommendations for the wind energy sector to promote the implementation of best practices in both development and operation, and to encourage adaptation of existing practices to reduce impacts on biodiversity.
  - Making our wind farms available as research sites.

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Methodological Note

Data collected

As part of the regular monitoring of our holdings, we collect field data on the following indicators, on an annual basis at least:

- Number of electric-vehicle charging points in the portfolio's entire fleet
- KWh delivered by the charging stations Number of hydrogen stations installed Quantity of hydrogen delivered (tons)
- Number of electric vehicles (EVs) in the portfolio's total fleet
- Number of fuel-cell powered electric vehicles (FCEV) in the portfolio's total fleet
- Distance travelled by low-carbon vehicles Installed renewable energy capacity
- Storage capacity
- Renewable energy production Significant accidents
- Jobs supported by low-carbon mobility projects

Carbon footprint

1. CALCULATING GREENHOUSE GAS EMISSIONS

1.1. 1.1. Calculating induced emissions

The emissions induced by each project are calculated by crossing the project activity data (energy produced, km travelled, etc.) and the corresponding greenhouse gas emissions factors from recognized sources (IECG, ADEME, etc.) and adapted to the specifics of the projects whenever possible.

- **Example for Solar PV in Europe:**
  The emission factor of 43.9 $gCO_2eq./kWh$ (data from the ADEME Base Empreinte for photovoltaic electricity in France with the manufacture of solar panels in China) is multiplied by the energy generated to obtain the emissions induced by a solar photovoltaic project in Europe. France is taken by proxy for Europe because the emissions induced are mainly related to the manufacture of solar panels in China.

1.2. Baseline scenario

The baseline scenario is the "most likely scenario if the low-carbon solution/service/project had not occurred[1]" (ADEME). For each project, a baseline scenario is defined and emissions in that scenario are estimated.

- **Example for renewable energy (PV, wind and hydropower):**
  The baseline scenario is defined as the average electricity mix of the country in which the project is taking place. The associated emissions are therefore calculated as

$$\sum_{i=0}^{N} FE\_mix^i * Prod^i$$

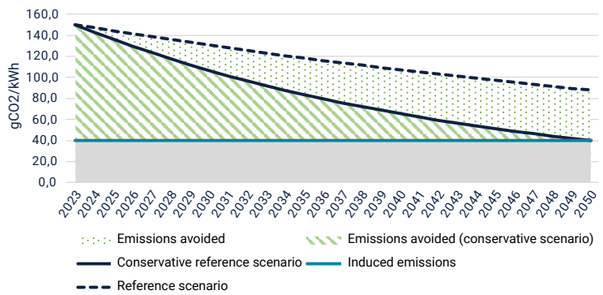
follows:
With FE_mixi the country's average electricity mix emission factor in year i ($gCO_2eq./kWh$)
Prodi the energy produced by the project (kWh) in year i N the estimated life of the project studied

An annual average electricity decarbonization rate (2.5% per year, calculated from the IEA's "Announced pledges scenario")[2] is applied each year to consider the decarbonization of the average electricity mix of each country. A discount rate is also added (3% per year). This rate serves several purposes:

- It makes it possible to take into account the uncertainty of projections in the baseline scenario and therefore to remain conservative on the estimate of avoided emissions.
- It values emissions avoided today more compared to emissions avoided later.

- **Example:**
  On the graph below, the baseline scenario takes into account the average rate of decarbonization of electricity. The "cautious" baseline scenario adds a discount rate, reducing associated avoided emissions. It is this "cautious" baseline scenario that is taken into account in the calculation methodologies applied to infrastructure funds.

Baseline scenarios of avoided emissions



[1] https://librairie.ademe.fr/cadic/406/fiche-technique-emissions-evitees-2020-02.pdf?modal=false

[2] IEA, World Energy Outlook, 2021. https://www.iea.org/reports/world-energy-outlook-2021

1.3. Calculation of avoided emissions (before allocation)

Emissions avoided per project over their lifetime are calculated as follows:
Total avoided emissions of a project or developer = Baseline scenario emissions ($tCO_2eq.$) – Project-induced emissions ($tCO_2eq.$)

2. ALLOCATION

Only part of a project's impact can be allocated to the investment fund. This part depends on the phase of the project concerned by the investment as well as the investment share.

2.1. Allocation to project phases

A project is typically broken down into three main phases: development, construction, operation. Mirova's investment in a project (renewable energy developer, storage, etc.) does not always cover all these phases.

To allocate avoided emissions to each phase, the following methodology is applied:

- The project is cut into different "sub-parts" (one or more sub-parts per phase)
- The unit cost of each sub-part is provided (€/W for a renewable energy project, for example).
- Each sub-part is associated with a French Business Nomenclature (NAF) label. NAF is a nomenclature of productive economic activities, primarily developed to facilitate the organization of economic and social information.

Two examples of NAF wording: "Power Generation"; "Electronics Manufacturing".

- The Value Added (VA) share in production (i.e. cost) is populated for each sub-part via the associated NAF label.
- The VA of each sub-part is thus calculated (Cost x VA % in Cost).
- Each sub-part is assigned an allocation key corresponding to % of total project VA.
- The allocation keys for the sub-parts of the same phase are summed up to obtain the allocation key related to a phase.

Then, the allocation keys of the phases covered by the investment are summed up to obtain the final allocation key of X%.

- **Example:**
  Mirova invests in a PV project developer responsible for the development and construction of a project, but not its operation.
  If:
  - The development phase represents 6% of the total added value of the project.
  - The construction phase represents 38% of the total added value of the project.
  - The operating phase represents 56% of the total added value of the project.
  - The developer fully covers the development and construction phases but does not contribute to the operation.

  Then final allocation key X% = 6% + 38% = 44%.

2.2. Financial allocation (Y%)

The allocation to the project phases is added to the financial allocation to Mirova corresponding to the % holding by Mirova of a developer (Y%) multiplied by the % holding by the developer in the project (Z%).

The avoided emissions allocated to Mirova are ultimately:
Total avoided emissions of a project or developer * X% * Y% * Z%

3. REPORTING YEAR

The emissions allocated to Mirova each year take into account the allocations presented in section 2. In addition to this, an allocation of a project's total emissions over its lifetime to the reporting year is made. This allocation depends on the type of project.

- **Example for renewable energy (PV, wind and hydropower):**
  - D1% of emissions are allocated to the development phase. Development is estimated to last D2 years (example D2 = 7 for PV)
  - C1% of emissions are allocated to the construction phase. Construction is estimated to last C2 years (example C2 = 1 for PV)
  - E1% of emissions are allocated to the operating phase. Construction is estimated to last E2 years (example E2 = 30 for PV)

  If, in the reporting year, the project is in the development or construction phase, the following emissions are assigned: ***Avoided project emissions over its lifetime * (D1 + C1) / (C2 + D2)***

  If, in the reporting year, the project is in the operational phase, the following emissions are assigned: ***Avoided project emissions over its lifetime * E1 / E2***

  If a phase is not covered by Mirova (i.e. by the developer or project in which the fund invests), the associated % (D1, C1 or E1) is 0%.

  The financial allocation is then applied.

- **Overall Example:**
  Mirova owns Y = 15% of a developer of a photovoltaic project. This developer uses bank levers to finance this project: he only owns Z = 40% of the project.

The project is in the development phase in 2023. The developer covers the development and construction phases of the project, but not the operation phase:

- D1 = 6% of emissions are allocated to the development phase. This phase lasts D2 = 7 years.
- C1 = 38% of emissions are allocated to the construction phase. This phase lasts C2 = 1 year.
- E1 = 0% of emissions are allocated to the operating phase because the developer does not cover this phase.

The total avoided emissions of the project over its lifetime in a conservative scenario are estimated at 100 $ktCO_2$.

The total avoided emissions of the project over its lifespan allocated to the developer are: ***Avoided project emissions over its lifetime * (D1 + C1 + E1) * Z% = 17.6 $ktCO_2$***

The total avoided emissions of the project over its lifespan allocated to Mirova are: ***Project avoided emissions over its lifetime * (D1 + C1 + E1) * Z% * Y% = 2.64 $ktCO_2$***

The avoided project emissions allocated to the developer in 2023 are: ***Avoided project emissions over its lifetime * (D1 + C1) * Z% / (D2 + C2) = 2.2 $ktCO_2$***

The avoided project emissions allocated to Mirova in 2023 are: ***Avoided project emissions over its lifetime * (D1 + C1) * Z% * Y% / (D2 + C2) = 0.33 $ktCO_2$***

Climate alignment

Beyond the evaluation of induced and avoided greenhouse gas emissions, Mirova has developed a methodology to measure the alignment of each portfolio to climate scenarios. Within the framework of energy transition strategies, due to dedicated thematic strategies, mainly invested in renewable energy production capacities, and in the absence of investments in projects with high greenhouse gas emissions, the portfolios have a carbon impact in line with the most ambitious climate scenarios, i.e. limiting the rise in temperature to 1.5°C.

Support for job creation

All investments in unlisted projects and companies also constitute support for local employment. All invested assets are therefore tracked in terms of jobs created or supported. Furthermore, to account for the overall impact of renewable energy infrastructure projects on employment, Mirova has developed a methodology for estimating the number of jobs an investment project supports, based on a scope that includes both its direct and indirect operations.

This methodology integrates the production of equipment, construction and installation phases, which contribute to boosting employment in sectors upstream of renewable energy production, as well as the operation and maintenance phase, which also generates indirect employment among external service providers. These impacts, calculated based on the overall scope of each project, are estimated using sectoral statistical ratios published by the International Energy Agency, which provides employment data for each energy production technology, including both the equipment production phase and the construction for wind farms. These data are additionally supplemented using estimated numbers of jobs maintained during the operation and maintenance phase, indexed to the installed capacity of the park using data provided by the European Commission's Research Centre. These elements allow us to estimate the overall contribution that financing of a renewable energy production project will have on job creation of across its value chain. For low-carbon mobility projects, we collect real data (in full-time equivalents) from our participants.

From 2024, we will be using the Joint Impact Model[3] to estimate the indirect and power enabling job effects in our investments in emerging markets.

[3]https://www.jointimpactmodel.org/

*For more information on our methodologies, please refer to our Mirova website: www.mirova.com/en/research.

This proprietary methodology may be subject to bias.

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LEGAL MENTION

ESG INVESTING RISK & METHODOLOGICAL LIMITS

By using ESG criteria in the investment policy, the relevant Mirova strategies' objective would in particular be to better manage sustainability risk and generate sustainable, long-term returns. ESG criteria may be generated using Mirova's proprietary models, third party models and data or a combination of both. The assessment criteria may change over time or vary depending on the sector or industry in which the relevant issuer operates. Applying ESG criteria to the investment process may lead Mirova to invest in or exclude securities for non-financial reasons, irrespective of market opportunities available. ESG data received from third parties may be incomplete, inaccurate or unavailable from time to time. As a result, there is a risk that Mirova may incorrectly assess a security or issuer, resulting in the incorrect direct or indirect inclusion or exclusion of a security in the portfolio of a Fund. For more information on our methodologies, please refer to our Mirova website: www.mirova.com/en/sustainability.

mirova
Investing in 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 €30.9 billion in assets under management as of March 31, 2024. Mirova is a mission-driven company, labeled B Corp*.

**The reference to a ranking or a label does not prejudge the future performance of the funds or its managers*

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