




The image shows two overlapping forms from the PRI LEA (Leadership Engagement) toolkit. The top form is LEA 02, titled 'Disruptive Mandatory', and the bottom form is LEA 03, titled 'Gateway'. Both forms are designed for recording engagement activities and are structured with columns for 'Type of engagement', 'Reason for interaction', and 'Action'. The forms are partially filled out with handwritten text.

Type of engagement	Reason for interaction	Action
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify
Service provider engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify

RI TRANSPARENCY REPORT

2014/15

Mirova



UNEP Finance Initiative
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	✓	Public	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	⚙	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	⚡	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	⚡	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Public	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
FI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
FI 10	Description of ESG integration	✓	Private	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	-	n/a		✓					

Direct - Infrastructure				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
INF 01	Breakdown of investments by equity and debt	✓	Private							✓
INF 02	Breakdown of assets by management	✓	Private							✓
INF 03	Largest infrastructure	✓	Public							✓
INF 04	Description of approach to RI	✓	Public	✓					✓	
INF 05	Responsible investment policy for infrastructure	✓	Public	✓					✓	
INF 06	Fund placement documents and RI	✓	Public	✓			✓		✓	
INF 07	Formal commitments to RI	✓	Public				✓			
INF 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
INF 09	ESG advice and research when selecting investments	✓	Public	✓			✓			
INF 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
INF 11	Types of ESG information considered in investment selection	✓	Public	✓		✓				
INF 12	ESG issues impact in selection process	✓	Private	✓						
INF 13	ESG issues in selection, appointment and monitoring of third-party operators	✓	Public				✓			
INF 14	ESG issues in post-investment activities	✓	Public		✓					
INF 15	Proportion of assets with ESG performance targets	✓	Public		✓					
INF 16	Proportion of portfolio companies with ESG/sustainability policy	✓	Public		✓					
INF 17	Type and frequency of reports received from investees	✓	Public		✓	✓				
INF 18	Proportion of maintenance projects where ESG issues were considered	✓	Public		✓					
INF 19	Proportion of stakeholders that were engaged with on ESG issues	✓	Public		✓					
INF 20	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
INF 21	Examples of ESG issues that affected your infrastructure investments	✓	Public	✓		✓				
INF 22	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	
INF 23	Approach to disclosing ESG incidents	✓	Public						✓	

Mirova

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the services you offer.

☒ Fund management

% of assets under management (AUM) in ranges

☐ <10%

☐ 10-50%

☒ >50%

☐ Fund of funds, manager of managers, sub-advised products

☐ Other, specify

☒ Execution and advisory services

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

France

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

☒ 1

☐ 2-5

☐ 6-10

☐ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

47

OO 02.4 Additional information. [Optional]

47 employees as of December 31st 2014.

OO 03	Mandatory	Descriptive	General
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OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes
☒ No

OO 03.3

Additional information. [Optional]

Mirova does not have any PRI signatory subsidiary. Nevertheless, its parent company Natixis AM is a signatory since 2008, and participates in the annual reporting and assessment cycle on its own scope.

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		4	684	541	352
Currency	EUR				
Assets in USD		6	143	734	645

OO 04.4

Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

	trillions	billions	millions	thousands	hundreds
Total AUM		38	300	000	000
Currency	EUR				
Assets in USD		50	230	112	027

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- ☐ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
☒ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 04.6

Additional information. [Optional]

The execution and/or advisory services mentioned above are related to voting & engagement services performed by Mirova for its clients.

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

☉ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	0
Fixed income – corporate	<10%	0
Fixed income – government	10-50%	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	0
Infrastructure	10-50%	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	<10%	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.		
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Mirova offers a global responsible investing approach with a single and consistent offer revolving around 5 pillars(for further details, please refer to OA, LEI, LEA, FI and INF sections):

-**Listed Equities:** a conviction-based fundamental asset management approach on companies positively exposed to long term trend and / or which provide innovative solutions to tackle the challenges of sustainable development.

-**Fixed income:** enhance conviction-based investment management in bond and/or money markets by integrating ESG criteria into our credit analysis and by supporting environmental and social bonds issuance.

- **Infrastructures:** financing responsible projects that address the challenges of sustainable development and generate regular cash flow over the long term, based on two key areas of expertise: renewable energies and infrastructures, with an innovative ESG analysis of projects financed.

- **Impact investing:** investing a portion of the assets in non-listed companies with a strong social and/or environmental impact.

- **Voting and engagement:** supporting institutional investors and asset managers in the exercise of their voting rights and the implementation of engagement actions with the goal to create long-term value for all stakeholders.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.		
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- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

OO 11	Mandatory	Gateway	General
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OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.		
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- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☒ Infrastructure
- ☒ Inclusive finance
- ☐ None of the above

OO 12	Mandatory	Gateway	General
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OO 12.1

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- ☒ Listed Equity incorporation

Direct - Listed Equity active ownership

- ☒ Engagements
- ☒ (Proxy) voting

Direct - Fixed Income

- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Government

Direct - Other asset classes with dedicated modules

- ☒ Infrastructure
- ☐ Inclusive Finance

Closing module

- ☒ Closing module

OO 12.2

Additional information. [Optional]

We have decided to complete the Fixed Income and Infrastructure sections on a purely voluntary basis, despite these sections being optional this year. Our goal when filling out these sections is to provide material for the PRI's deliberations as concern these important asset classes, and to help the organisation provide guidance as to reporting standards.

Mirova

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

- ☒ Yes
☐ No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- ☒ Yes
☐ No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Mirova seeks to combine value creation and sustainable development, through an innovative approach to responsible investment. Its philosophy is based on the conviction that integrating sustainable development themes into investment practices can generate solutions that create value for investors over the long term.

This philosophy is concretely applied in three ways:

- **The link between finance and the real economy**, by investing in companies with innovative business models which are exposed to long term trends that will shape our future and that are likely to generate long-term performance.
- **The management of all types of risks, including ESG risks.**
- And lastly, responsibility and engagement by becoming actively involved in improving companies, industry and investment practices through an **active voting and engagement policy**.

Mirova offers a global responsible investing approach with a single and consistent offer revolving around 5 pillars:

- **Listed Equities:** a conviction-based fundamental asset management approach on companies positively exposed to long term trend and / or which provide innovative solutions to tackle the challenges of sustainable development.
- **Fixed income:** enhance conviction-based investment management in bond and/or money markets by integrating ESG criteria into our credit analysis and by supporting environmental and social bonds issuance.
- **Infrastructures:** financing responsible projects that address the challenges of sustainable development and generate regular cash flow over the long term, based on two key areas of expertise: renewable energies and infrastructures, with an innovative ESG analysis of projects financed.
- **Impact investing:** investing a portion of the assets in non-listed companies with a strong social and/or environmental impact.
- **Voting and engagement:** supporting institutional investors and asset managers in the exercise of their voting rights and the implementation of engagement actions with the goal to create long-term value for all stakeholders.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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☒ Yes

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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<http://www.mirova.com/en-INT/mirova-research/Sustainable-research-philosophy>

☐ No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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☒ Yes

☒ Yes, all

☐ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
Mirova's proxy voting policy	http://www.mirova.com/en-INT/voting-and-engagement
Mirova's engagement policy	http://www.mirova.com/en-INT/voting-and-engagement

☐ No

OA 02.5	Additional information. [Optional]
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As a Core SRI player, deeply involved responsible investment and sustainability issues, Mirova is fully transparent on its approach. **All its investment philosophy is described on its website (www.mirova.com) and is summarised in a public document entitled "Mirova's research philosophy"** (see URL in OA.02.2 above). This document describes not only Mirova's convictions and overall approach, but also how it is concretely implemented in the various asset classes.

Its voting and engagement policies are also publicly disclosed.

1. <http://www.mirova.com/Content/Documents/Mirova/publications/va/researchphilo/Mirova%20Research%20Philosophy.pdf>
2. <http://www.mirova.com/en-UK/p/voting-and-engagement>
3. <http://www.mirova.com/en-UK/p/voting-and-engagement>

OA 03.1

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2

Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

As mentioned previously, **Mirova is a Core SRI player, deeply committed to responsible investment for almost 30 years** (indirectly through its parent company Natixis AM, and then directly since Mirova's creation in January 2014). Thanks to this responsible positioning, its responsible investment policy is ambitious and covers 100% of its assets under management.

As explained in OA.02, Mirova's investment philosophy is described on its website (www.mirova.com) and is summarised in a public document entitled "Mirova's research philosophy" (see URL in OA.02). This document describes not only Mirova's convictions and overall approach, but also how it is concretely implemented in the various asset classes.

Mirova seeks to connect finance and the real economy, by investing in companies with innovative business models, and to create value by identifying sustainable assets capable of delivering performance over the long term. For instance, its equity approach revolves around 8 environmental & social themes*. Complementary to this thematic approach, an ESG analysis is also conducted to ensure that all risks are reviewed (both financial and extra-financial). Issuers with low or no positive exposure to sustainability themes, and/or assessed negatively ("risk" or "negative") are excluded from Mirova's investment universe. *(please refer to LEI section for more details)*
Its RI policy therefore includes specific environmental, social and corporate governance guidelines.

In terms of sectors, Mirova considers that automatic sectorial exclusions can be qualified as dogmatic, but also believes it to be just as dogmatic to consider that all sectors are equal. According to its approach, the analysis must be objective and if evidence shows that certain sectors are more exposed in terms of risks or, on the contrary, benefit from opportunities, it seems absurd not to accept these conclusions. **So without excluding specific sectors (except for tobacco and controversial weapons), Mirova favours sectors that contribute to sustainable development and then automatically avoids those with negative ESG externalities. For example, Mirova does not invest in any company within the oil sector (except through green bonds).**

In addition to all these principles & guidelines, **Mirova excludes from all its portfolios any issuer involved in controversial weapons** (cluster bombs and anti-personal mines), and **a human right alert is included in the ESG risk review.**

Mirova is also actively involved in improving corporate ESG practices, notably through its proxy voting and engagement policies(please refer to URL in OA.02). These active ownership documents summarises Mirova's corporate governance principles and its approach to dialogue with companies on ESG issues, with a view to encouraging them to improve their practices.

**Sustainable energy, sustainable mobility, sustainable buildings and cities, sustainable consumption, sustainable health, sustainable information and communication technology, sustainable resources, sustainable finance.*

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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Mirova has established a conflict of interest prevention and management policy, which centres on three main points:

- **The mapping conflicts of interest, updated at least once per year**
- **A system for preventing conflicts of interest** that is implemented at two levels: among actors and at the structural level.
 - **By actor:** outreach action, information barriers, employee statements, blacklists, remuneration, monitoring/review of service providers and voting policy.
 - **Structural:** this axis covers the compliance points identified by the regulations, i.e., conflicts of interest, operations between UCITS and portfolios managed by Mirova, operation of bank accounts, etc.

- **Implementation of the conflict resolution system** depends on information provided by relevant Compliance Department employees, and on the clarity and transparency of the information communicated by Mirova to its clients.

Moreover, **the activities of corporate/investment banking and asset management are housed in distinct entities within Natixis**. This regulatory Chinese Wall between third-party asset management and corporate and investment banking ensures the independence of our investment decisions, as well as independence regarding ESG engagement and in the voting decisions of our RI research team.

Concerning the exercise of voting rights, Mirova excludes from its investment universe securities regarding which its impartiality could be contested, i.e., a significant client representing a huge proportion of assets under management, and all entities of its parent company, Natixis. **A procedure for preventing, identifying and managing conflicts of interests is also stipulated in Mirova's voting policy:**

"In general, an asset management company exercises voting rights solely in the general interest of its unitholders, irrespective of its own interests, and in compliance with its guiding principles. Mirova has established a procedure dedicated to preventing, detecting and addressing conflicts of interest. To this end:

- *Should a conflict of interest arise between Mirova and one of its clients, the Head of Compliance Internal Control and Risks, in concert with the other members of the team responsible for the "exercise of voting rights" would rule on what steps to take;*
- *Should a member of the team responsible for the "exercise of voting rights" experience a conflict of interest regarding a vote, he/she should immediately notify the Head of Compliance, Internal Control and Risks and take no part in the exercise of the vote concerned.*

Should the exercise of voting right for a particular company place Mirova at risk of a significant conflict of interest, the Head of Governance and Engagement Research will refer the matter to the Head of Compliance, Internal Control and Risks who will rule on the position to adopt, including on whether to participate in said company's general shareholders' meeting."

☐ No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

☒ Yes

OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

- ☒ At least once per year
☐ Less than once per year

OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☐ Quarterly
☒ Biannually
☐ Annually
☐ Every two years or less
☐ It is not reviewed

☐ No

OA 05.4 Additional information. [Optional]

As explained previously, Mirova is a Core SRI player. **Its Responsible Investment objectives are therefore directly linked to the Long Term Business Development Plan.** The latter defines both annual objectives and budget, and the executive committee closely monitors the achievements and performances, at least biannually, and refines the targets regularly if necessary.

Governance and human resources

OA 07	Voluntary	Descriptive	General
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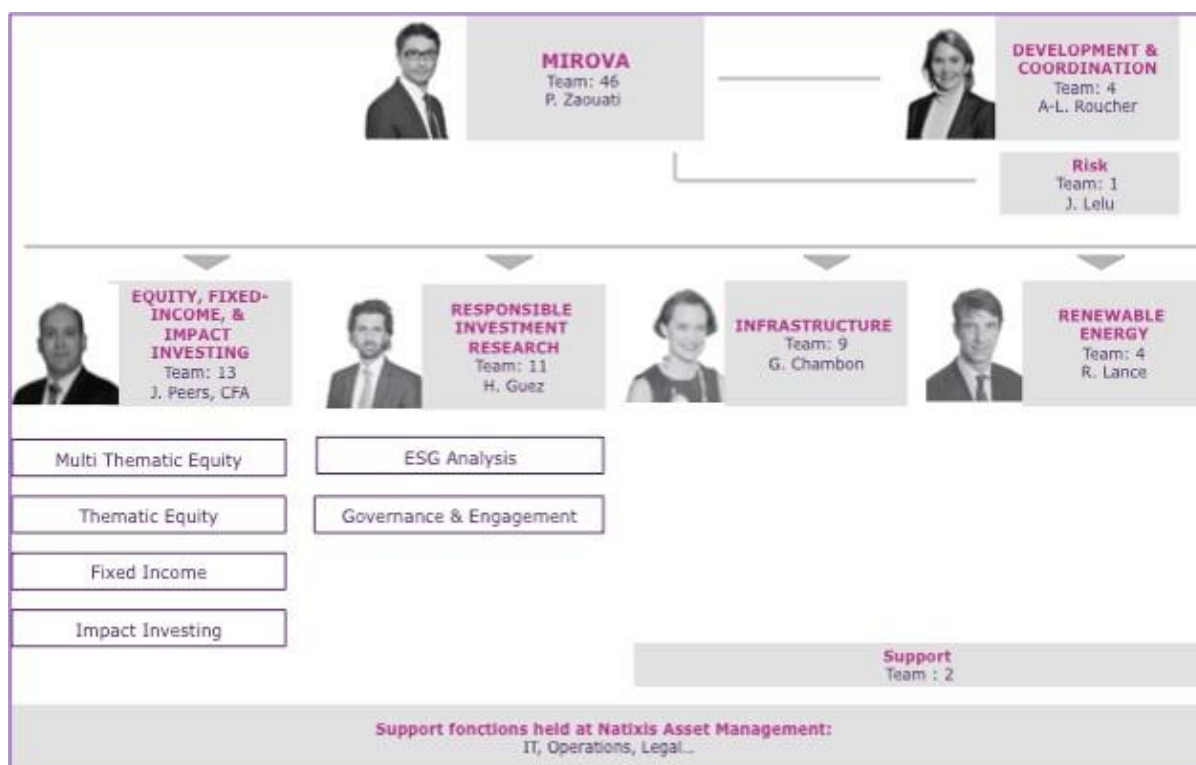
OA 07.1 Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Mirova draws on the expertise of **47 multi-disciplinary experts with complementary backgrounds** : specialists in thematic investment management, engineers, financial and ESG analysts, specialists and experts in socially-conscious finance and project financing. These specialists work collaboratively and share the same ambition: to identify the drivers of sustainable economic development.

As a Core SRI player, deeply involved in responsible investment for almost 30 years, **extra-financial issues are fully integrated in Mirova's activity. Thus, there is no need of an ad-hoc committee or specific body to the oversight of ESG Integration : it is an integral part of its business model and a daily priority for the board, the top management and the operational teams.**

(see the organisational chart hereafter)

☒ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)



To upload the image click the Save button below

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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	Roles present in your organisation
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- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other Chief-level staff or head of department, specify

The Executive Committee Members

- ☒ Oversight/accountability for responsible investment
- ☒ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify
- ☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
----------------	---

	Number
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47

OA 08.3	Additional information. [Optional]
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As a Core SRI player, deeply involved in responsible investment for almost 30 years, extra-financial issues are fully integrated in Mirova's activity. Thus, **ESG Integration and RI philosophy implementation form an integral part of its business model and a daily priority for the board, the top management and the operational teams (PMs, analysts, etc.).** It is also worth noting that Mirova works in partnership with a specialised consulting firm, Efires, for the implementation of its RI strategy, and notably on UN-PRI reporting and assessment.

OA 09	Voluntary	Additional Assessed	General
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OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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Board members/Board of trustees

- ☒ Responsible investment included in personal development and/or training plan

As ESG / RI issues are fully mainstreamed in Mirova's business model, **the board automatically monitors RI issues while reviewing the Long Term Business Development Plan**. Each business activity presentation therefore develops and maintains Board members' skills and knowledge in relation to responsible investment.

It is also worth noting that **Mirova's board is mainly made up of Natixis Group representatives, among which Jean-François Baralon, Natixis AM Deputy CEO and Head of CSR policy**. This latter is then automatically involved in ESG & CSR issues

☐ None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Other C-level staff or head of department

The executive Committee Members

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Portfolio managers

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Investment analysts

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Dedicated responsible investment staff

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

OA 09.3

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

As explained previously, Mirova is a Core SRI player, among the leaders in the European market.

ESG issues are therefore an integral part of its business model and are a daily priority for the board, the top management and the operational teams. There are systematically RI goals & KPIs in objectives and appraisal processes. Variable pay is directly linked to RI Performance, for all the staff members, from the top management to the PMs / Analysts and support teams.

With regard to RI in personal development, **Mirova's staff is already highly experienced by nature, given their backgrounds** (specialists in thematic investment management, engineers, financial and ESG analysts, specialists and experts in socially-conscious finance and project financing). **For example, within the equity team, six have been with the company for over 10 years, focusing on sustainable investing. The majority of training and development is actually 'on-the-job': the team has a collegiate approach, and RI / ESG analysts work closely with the PMs on a daily basis.**

However, Mirova's team are keen to further improve their personal development on sustainable investing. This is primarily achieved through team initiatives with industry partners.

Examples include Mirova's research partnership with the Cambridge Programme for Sustainability Leadership (CPSL). The partnership, which began in 2012, covers two main areas.

1. The first is an active research-based collaboration involving nine joint publications over the next three years.
2. The second area of collaboration is an Investors Leaders Group to be housed at CPSL and chaired by the head of Mirova, Philippe Zaouati. The group brings together leading investment professionals at Chief Executive level to define how to encourage deeper integration of environmental and social considerations into investment decisions and promote increased engagement by shareholders.

An additional example was the Natixis Climate Change Scientific Committee, gathering experts, scientists and portfolio managers (including a senior PM: Suzanne Sennellart) to help foster ideas and support stock picking. Another PM, Hua Cheng, gave advice on the business development of Impact Hub Paris (<http://www.impacthub.net/>).

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- ☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Beyond its membership to the UN-PRI, Mirova actively takes part in various working groups and collaborative engagement actions. Hervé Guez is a member of the E & S themes Steering Committee (SC); Clarisse Simonek is a member of the Reporting & Assessment SC; Zineb Bennani & Stéphanie Roussillon are members of the Nomination Process SC; Marina Lodice takes part in Human Rights & Fracking Steering Committees.

- ☐ Asian Corporate Governance Association
- ☐ Association for Sustainable & Responsible Investment in Asia
- ☐ Australian Council of Superannuation Investors
- ☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Mirova is a signatory to the initiative.

- ☐ CDP Forests
- ☐ CDP Water
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ Global Investors Governance Network (GIGN)
- ☒ Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Mirova is involved in the definition of a benchmark dedicated to infrastructure projects (ongoing).

- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☒ International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Zineb Bennani, Mirova's Head of Governance Research and Engagement, is an active member of the Business Ethics Committee.

- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
EUROSIF, French SIF, UK SIF, Spain SIF

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Mirova is a member of EUROSIF and participates in work defining categories of SRI practices in view of upcoming studies. Mirova is also a member of the UK SIF, the Spain SIF and the French SIF (FIR).

Hervé Guez, Mirova's Director of RI Research, is a member of the French SIF / FIR Board, and the RI research team actively contributes to the works conducted in the 5 permanent committees: appeals, research, general public, issuer relations, civil society relations. Since 2014 (and still ongoing), Zineb Bennani is leading a collaborative engagement initiative focused on the pay ratio theme. This engagement action is conducted within FIR's Cordial working group. Emmanuelle Ostiari, an RI analyst, is a member of the Research Commission. Mirova also financially supports the FIR's award of European Research "Finance and Sustainable Development".

- ☒ Shareholder Association for Research and Education (Share)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☒ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Participation in a collaborative engagement initiative by signing a letter in response to the SEC consultation on the pay ratio in the US.

- ☒ United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☒ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Mirova actively contribute to UNEP-FI works on asset management : Hervé Guez, RI Research Director, is a board member of the investment commission; Clarisse Simonek and Zineb Bennani are members of the Sustainable Stock Exchange steering committee.

- ☐ United Nations Global Compact
☒ Other collaborative organisation/initiative, specify

CERES

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
☒ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

The CIO, Jens Peers, represents Mirova at CERES meetings& working groups.

- ☒ Other collaborative organisation/initiative, specify

AFG's SRI and Governance Commissions

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

- Philippe Zaouati, Mirova's CEO, chairs the SRI Commission, which aims at building a vision and initiatives for SRI. Hervé Guez, Mirova's Director of RI Research, is also an active member of this commission, and Emmanuelle Ostiari, an RI analyst, is a member of the Green Bonds Working Group.
- Zineb Bennani, Mirova's Deputy Head of RI research in charge of Governance and Engagement, is an active member of AFG's Corporate Governance Commission.

☒ Other collaborative organisation/initiative, specify

International Integrated Reporting Council (IIRC)

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Philippe Zaouati, Mirova's CEO, is a member of the council, Hervé Guez, Director of RI Research, is a member of the working group, and one of our the RI analysts is a member of the investor network.

☒ Other collaborative organisation/initiative, specify

Cambridge's Investors Leaders Group (ILG)

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Philippe Zaouati Mirova's CEO, chairs a working group in Cambridge's Programme for Sustainability (CPSL): the Investors Leaders Group (ILG).

The ILG group brings leading investment professionals at Chief Executive level together to define how to encourage deeper integration of environmental and social considerations into investment decisions and promote increased engagement by shareholders.

OA 10.2

Additional information. [Optional]

Others collaborative initiative we could not mention above:

- **GIIN (global impact investing network)**: Moderate role / Mirova is a member of the network

- **EFAMA (the European Fund and Asset Management Association)**: Moderate role / Mathilde Dufour, Deputy Head of RI Research, is a member of the EFAMA's RI working group, and Zineb Bennani, Deputy Head of RI research in charge of Governance and Engagement, takes part in the Corporate Governance working group.

- **ICMA (International Capital Market Association)**: Moderate role / Hervé Guez, Mirova's Director of RI Research, is an active member of the Green Bonds Working Group.

- **Paris Europlace's CSR & RI Commission**: Moderate role / Hervé Guez, Mirova's Director of RI Research, is a member of the SRI-CSR commission, which aims at making proposals to Paris Europlace to promote the development of CSR and SRI within the financial industry.

Additional information:

Considering its position among the leaders on European RI market, Mirova plays a key role in collaborative working groups within RI industry. This active involvement, illustrated above with concrete examples, forms an integral part of its engagement approach.

Complementary to the dialogue with issuers, **Mirova seeks to regularly share views and ideas with peers to collaboratively enhance harmonisation and professionalization of the RI industry.**

Mirova gives high priority to white papers and contribute to structural discussions on Responsible Investment, particularly through an active presence in the main dedicated professional RI bodies. **During the last two years, Mirova significantly expanded its initiatives in this respect, and is today represented in the primary organisations** aiming to come up with a common extra-financial approach, and to promote Responsible Investment (see list of the main bodies above).

It is also worth noting that Mirova supports several investor statements on various sustainability themes (e.g. Green / Climate Bonds, Climate Change, IOSCO, Global Health, EITI and extractive industries).

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

☒ Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

☒ Provided financial support for academic or industry research on responsible investment

☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

☒ Spoke publicly at events and conferences to promote responsible investment

☒ Wrote and published in-house research papers on responsible investment

☒ Encouraged the adoption of the PRI

☐ Other, specify

☐ No

Mirova actively promotes responsible investment through multiple initiatives, for example :

- **Increased presence in numerous professional RI bodies**, to collaborate with its peers and improve RI/ESG practices (for further details please refer to question OA.10).

- **Informational presentations on ESG issues, regularly held for clients** (primarily institutional and employee savings funds clients), particularly during management committees or FCPE supervisory boards meetings for employee savings' funds. For example, two training sessions have been held in 2014 for French institutional investors, one focused on green bonds theme and the other one on voting & engagement issues.

- **Close interactions with academic research bodies**, particularly through our partnership with the Cambridge Programme for Sustainability Leadership (CPSL), described previously in OA.09. Our RI specialists notably participated in the production of Cambridge-CPSL's research paper "Value of Responsible Investment", and inversely, Cambridge experts contributed to thematic studies performed by Mirova's in-house research team. Another example is the financial support provided to the French SIR / PRI award for European Research on Sustainable Finance.

- **Active participation in RI conferences**: our RI experts regularly present their vision of responsible investment at conferences and round tables on various topics, e.g.

- **Philippe Zaouati, Mirova's CEO, is a frequent speaker at national and international conferences on RI themes** (e.g. working group about the concept of "positive economy"; LH Forums held at Le Havre and San Patrignano ; The Sustainable and Responsible Capital Markets Forum at London ; Novethic SRI colloquium, French Energy Transition Forum, etc.)
- **Our others RI & ESG teams also spoke publicly at several events to promote responsible investment in 2014**: e.g. 3 conferences about green bonds (one at Sao Paolo, one held by Natixis and the last one by Institut RSE); 2 focused on corporate governance theme (a round table about 2014 2014 Annual General Meeting campaign, and a conference organised by D2I about the say on pay); 2 events on Responsible Infrastructures (Novethic Colloquium and Coninco Master Class); and 3 more broadly about ESG issues (Oddo's conference about CO2 impact of portfolios, ECMI-Vaccine Bonds Initiative's round table on the theme "What future for SRI?"; and PRI Academic Network about ESG Impact & Performance).

- **Regular publication of research papers produced by our team of RI analysts**, gathered in a semi-annual book, 'Mirova's insights', and accessible on Mirova's website: <http://www.mirova.com/en-UK/p/Library/Mirova-research>

- **Thematic studies** (e.g. "Green and social bonds: what's at stake for investors?"; Financing the energy transition; etc.).
- **"Focus papers"** (e.g. "The debate on risky oil assets bubbles up"; Restricting industrial trans fats: one step closer to a healthier diet?"; " 2014-2020: a new era for LED lighting?", etc.

- **The contribution of Mirova's team to academic research. E.g.**, the portfolio manager Hua Cheng has published papers in academic economics and finances journals, including the European Economics Association (EEA) Annual Meetings.

- **The organisation of « Le prix de l'Investisseur Responsable »**: As well as receiving awards, Mirova/Natixis AM, in partnership with Amadeis, also bestows an industry Responsible Investor Award in France. This award, launched 7 years ago, aims at rewarding investors whose investment approach best implements RI & ESG issues.

It is also worth noting that Mirova was named as "2014 leading fund management firm/best at SRI/ESG" by Thomson Reuters Extel during the UKSIF SRI & Sustainability Survey Awards. This award highlights the recognition of Mirova's team by its Peers through a nomination process and vote by the investment industry.

OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.
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☒ Yes

☒ Yes, individually

☒ Yes, in collaboration with others

OA 12.2	Select the methods you have used.
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☒ Endorsed written submissions to governments, regulators or standard-setters developed by others

☐ Drafted your own written submissions to governments, regulators or standard-setters

☒ Participated in face-to-face meetings with government members or officials to discuss policy

☐ Other, specify

OA 12.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
----------------	--

☒ Yes, publicly available

	provide URL
--	-------------

http://www.eurosif.org/wp-content/uploads/2014/10/2014-09-29_Eurosif_Shareholder-Rights-Directive_position.pdf

	provide URL
--	-------------

http://www.efama.org/Publications/Public/Corporate_Governance/14-4068_FinalPositionPaperSRDII_290914.pdf

☐ No

☐ No

OA 12.4	Additional information.
----------------	-------------------------

Mirova took part in several engagement actions with public policy makers or standard-setters in support of responsible investment in 2014:

- In September 2014, **Mirova endorsed Eurosif & Efama's official position papers** about the European 'Shareholders' Rights Directive'. (URL Links are provided above)
- Mirova took part in **Working Group held by 2° Investing Initiative for "France Stratégie", about the taxation of savings income.**
- Mirova actively participated in **defining and drafting the guidelines for French governments' label for SRI products.** For the record, Philippe Zaouati, Mirova's CEO, chairs the AFG's SRI Committee which conducted working groups on this theme.
- **Philippe Zaouati is also an active member of French Government's CSR Platform focused on Corporate Governance & CSR Transparency themes.**
- **Philippe Zaouati also met Jean-Luc Fulachier, special adviser to the French Minister of Ecology** Ségolène Royal, in charge of green growth and related economic & financial issues.

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
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OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
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☒ Yes

- ☒ Allocation between asset classes
- ☐ Determining fixed income duration
- ☐ Allocation of assets between geographic markets
- ☐ Other, specify

OA 13.2	Describe how you apply ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
---------	---

Mirova has developed an original approach which consists in providing investors with a cross asset classes-offer on energy transition theme. The purpose is to build their asset allocation on this theme, by investing in our several expertise focused on this theme (*Global Equity Transition Energy, Green Bonds and Renewable Energy Infrastructures*), according to relevant proportions suggested by Mirova's RI experts.

☐ No

OA 14	Voluntary	Descriptive	PRI 1
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OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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☒ Yes

OA 14.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	% of total AUM
--	----------------

100

OA 14.3	Please specify which thematic area(s) you invest in and provide a brief description.
---------	--

	Area
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- ☒ Clean technology (including renewable energy)

Asset class invested

- ☒ Listed equity
- ☒ Fixed income - corporate
- ☐ Fixed income - government
- ☒ Infrastructure
- ☐ Inclusive finance

Brief description of investment

Aside from the natural inclusion of clean technologies in its multi-thematic approach (see OA.14.4), Mirova invests directly in renewable energy infrastructures (wind, solar, biomass, etc.) through its FIDEME / EUROFIDEME 2 funds / EUROFIDEME 3.

Moreover, Mirova has created an equity fund that indirectly focuses on this theme : The Mirova Global Transition Energy Equity Fund , which invests globally in companies providing solutions to reduce greenhouse gas emissions.

Mirova will also launch a green bond funds in 2015, mainly focused on clean technologies.

- ☒ Green buildings

Asset class invested

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Infrastructure
- ☐ Inclusive finance

Brief description of investment

Aside from the natural inclusion of green building issues in its multi-thematic approach (see OA.14.4), Mirova manages a fund that focuses on this theme : the Mirova Europe Real Estate Securities, which invests in European listed real estate companies showing good ESG practices, with an emphasis on environmental pillar (energy consumption, CO2 emissions, labelling and certification, etc.) and governance (business ethics).

- ☒ Sustainable forestry

Asset class invested

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Infrastructure
- ☐ Inclusive finance

	Brief description of investment
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See Mirova's multi-thematic approach, described in section OA.14.4

- ☒ Sustainable agriculture

	Asset class invested
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- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Infrastructure
- ☐ Inclusive finance

	Brief description of investment
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Aside from the natural inclusion of sustainable agriculture in its multi-thematic approach (see OA.14.4), Mirova has created a fund that focuses on this theme : the Mirova Global Water& Agriculture Equity Fund.

- ☒ Microfinance

	Asset class invested
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- ☐ Listed equity
- ☒ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Infrastructure
- ☐ Inclusive finance

	Brief description of investment
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In its support mission, 10% the net assets of the Impact Nord Sud Développement fund* can be invested in securities from microfinance institutions and in shares of small and mid-cap companies.

**At end 2014, a transformation of the investment process of this fund was on-going, toward a green bond approach. The fund therefore will not include microfinance anymore.*

- ☐ SME financing
- ☒ Social enterprise / community investing

	Asset class invested
--	----------------------

- ☒ Listed equity
- ☒ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Infrastructure
- ☐ Inclusive finance

	Brief description of investment
--	---------------------------------

In our Impact Investing product range, the 3 "Insertion Emplois" funds aim at investing in companies (or financing solidarity-based bodies) that actively contribute to job creations or consolidations for people in need.

☒ Affordable housing

	Asset class invested
--	----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Infrastructure
- ☐ Inclusive finance

	Brief description of investment
--	---------------------------------

See Mirova's multi-thematic approach, described in section OA.14.4

☒ Education

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☒ Infrastructure
- ☐ Inclusive finance

	Brief description of investment
--	---------------------------------

Through its FIDEPPP /FIDEPPP 2 funds, Mirova finances various infrastructure projects of public utility, including some related to education (e.g. universities)

☒ Global health

	Asset class invested
--	----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☒ Infrastructure
- ☐ Inclusive finance

	Brief description of investment
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Through its FIDEPPP /FIDEPPP 2 funds, Mirova finances various infrastructure projects of public utility, including some concerning health (e.g. hospitals)

Healthcare is also one of the 8 sustainability themes covered by Mirova's multi-thematic approach, described in section OA.14.4.

☒ Water

	Asset class invested
--	----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Infrastructure
- ☐ Inclusive finance

	Brief description of investment
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See Mirova's multi-thematic approach, described in section OA.14.4

☒ Other area, specify

Climate Change

	Asset class invested
--	----------------------

- ☒ Listed equity
- ☒ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Infrastructure
- ☐ Inclusive finance

	Brief description of investment
--	---------------------------------

Aside from the natural inclusion of climate change issues in its multi-thematic approach (see OA.14.4), Mirova manages 2 funds that focus on this theme (among other environmental issues) : the Mirova Europe Environmental Equity Fund which includes energy efficiency as one of its 3 sub-themes ; and the Mirova Global Transition Energy Equity Fund, which invests globally in companies providing solutions to reduce greenhouse gas emissions.

It is also worth noting that Mirova increases its exposure to green bonds within its fixed income portfolios.

☐ No

OA 14.4	Additional information.
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- **Additional information regarding Mirova's thematic & multi-thematic approach:**

Mirova's philosophy is based on the conviction that integrating sustainable development themes can generate solutions that create value for investors over the long term.

This philosophy revolves around two investment strategies, and one additional component related to the active ownership :

- **The link between finance and the real economy**, by investing in companies with innovative business models which are exposed to long term trends that will shape our future and that are likely to generate long-term performance,
- **The management of all types of risks, including extra-financial ones** (i.e. ESG criteria),
- and Lastly, responsibility and engagement by becoming actively involved in company, industry and investment practices through an **active voting and engagement policy**.

In practical terms, this thematic / multi-thematic approach entails selecting companies that are 'tomorrow's winners', i.e. that have the ability to perform over the long term via business models that fully integrate the challenges of sustainable economic development. **These issues are classified around 8 sustainability themes***, enabling the identification of investment opportunities along the entire value chain and across all sectors of activity. Mirova's PMs can either cover all these themes in multi-thematic funds (e.g. Mirova Global Sustainable Equity Fund ; Mirova Europe Sustainable Equity Fund, Mirova Euro Sustainable Equity Fund), or focus on 1 or 2 theme(s) in thematic funds (e.g. Mirova Global Transition Energy Equity Fund or Mirova Europe Real Estate Securities.).

**Sustainable energy, Sustainable mobility, Sustainable resources, Sustainable consumption, Sustainable buildings and cities, Sustainable health, Sustainable finance, Sustainable information and communication technologies*

Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General
OA 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.		

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Inclusive finance	<p>Through its Impact Investing approach, Mirova Invests a portion of the managed assets in unlisted companies with a strong social and/or environmental impact. This approach seeks to achieve a social and/or environmental return by funding needs that are inadequately met by traditional financial channels in France.</p> <p>Microfinance is a part of this impact investing approach, and consists in enabling the most underprivileged to gain access to credit or funding. This objective is achieved notably through 2 funds :</p> <ul style="list-style-type: none"> - Natixis Impact Nord Sud Développement* : 10% of the net assets of this fund can be invested in securities from microfinance institutions and in shares of small and mid-cap companies. - Natixis Solidaire, our FCPR dedicated to the management of solidarity part of employee saving funds, finances a range of solidarity projects, and contains a microfinance component. <p><i>*At end 2014, a transformation of the investment process of this fund was on-going, toward a green bond approach. The fund therefore will not include microfinance anymore.</i></p>

Investment execution and advisory services

OA 17	Voluntary	Descriptive	PRI 1,2
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OA 17.1	Indicate if your organisation takes account of responsible investment/ESG considerations when providing execution and/or advisory services.
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- ☒ Yes
☐ No

OA 17.2	Additional information.
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Thanks to its proven experience in voting and engagement, Mirova has developed a dedicated service to support institutional investors and asset managers in the exercise of voting rights and in the implementation of ESG engagement actions, as a means of promoting long-term value creation for all company stakeholders

Thus, it offers a tailor-made advisory service based on the following features:

- **Pragmatic:** analysis from the investor's perspective, taking into account the macro-economic context and the specific features of the local environment and companies ;
- **Responsible:** review of resolutions integrating environmental and social criteria ;
- **Constructive:** on-going dialogue with companies.

To complete further these voting & engagement advisory services, Mirova has set up in 2014 a proprietary engagement platform which aims at engaging target companies in collaborative dialogue about environmental social and governance (ESG) issues. This platform was specifically designed to bring together institutional investors with a common view of responsible investment. The tool it offers enables collaborative, responsive engagement actions on ESG issues that respect the specificity, the identity, and the beliefs of each member.

For instance, on February 2014, **Fédérés Gestion d'Actifs / Malakoff Médéric Group, a renowned French insurance-product investment manager in France, has selected Mirova as its engagement advisor**. As Fédérés Gestion d'Actifs moves forward with implementation of its voting policy, the asset management arm of Malakoff Médéric Group is now supported by the advice and technical tools of Mirova's RI research team. Mirova's in-house engagement platform is also used to assist Fédérés Gestion d'Actifs in the process of engaging targeted companies in dialogue about ESG issues. For more details, see the press release : <http://www.mirova.com/en-UK/p/news/News/Federis-Gestion-d-Actifs-and-Mirova-partner-up-to-promote-a-responsible-approach-to-governance-18992>

Mirova also provides an Italian pension funds with voting and engagement advisory services, and a French institutional investor with tailor-made engagement services.

Innovation

OA 18	Voluntary	Descriptive	General
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OA 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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- ☒ Yes

OA 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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Three specific features of Mirova's products & services are particularly innovative:

- **Its multi-thematic approach, which differentiates itself from usual best-in-class approaches (at least on the French Market).** Mirova's philosophy is based on the conviction that integrating sustainable development issues can generate solutions that create value for investors over the long term. Mirova's multi-thematic approach considers that it would not be correct to consider that all

sectors are equal in terms of sustainability, and therefore favours sectors & issuers that contribute positively to sustainable growth. In practical terms, this approach consists of selecting companies that are 'tomorrow's winners', that have the ability to perform over the long term via business models that fully integrate the challenges of sustainable economic development. These issues are classified into 8 sustainability themes, enabling the identification of investment opportunities along the entire value chain and across all sectors: sustainable energy, sustainable mobility, sustainable buildings and cities, sustainable consumption, sustainable health, sustainable information and communication technology, sustainable resources, sustainable finance.

Mirova's PMs can either cover all these themes through multi-thematic funds (e.g. Mirova Global Sustainable Equity Fund ; Mirova Europe Sustainable Equity Fund, Mirova Euro Sustainable Equity Fund), or focus on 1 or 2 theme(s) through thematic funds (e.g. Mirova Global Transition Energy Equity Fund or Mirova Europe Real Estate Securities.). *For further details, please refer to section LEI.*

- **Its proprietary engagement platform:**

In order to round out its voting & engagement advisory services, Mirova set up its own collaborative engagement platform in 2014, which aims to engage target companies in collaborative dialogue about environmental social and governance (ESG) issues. This platform was specifically designed to bring together institutional investors with a common view of responsible investment. The tool it offers enables collaborative, responsive engagement actions on ESG issues that respect the specificity, the identity, and the beliefs of each member.

In 2014, Mirova launched two thematic engagement initiatives through its platform: the first one concerned working conditions in the supply chain in the textile and IT sectors; the second one covered the Arctic exploration. Both were conducted in collaboration with other institutional investors and targeted around 15 companies. *For further details, please refer to section LEA.*

- **Its ESG analysis methodology dedicated to infrastructure projects:**

In 2013, Mirova developed a first approach to analysing infrastructures on ESG issues, in partnership with a specialised firm, and decided in 2014 to go further by refining this methodology. The latest version includes specific features such as the multiple stakeholders involved in infrastructure projects or an analysis according to the 8 sustainability themes identified by Mirova.

For further details, please refer to the section dedicated to Infrastructure.

☐ No

Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
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☒ Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
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- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☒ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

OA 19.3

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

All of the sections of the UN-PRI report have been completed by internal teams, directly involved in RI issues. **The responses have been reread and validated by the main directors, among which the Head of RI Research who plays a key role in responsible investment strategy.**

- The Executive Committee, which includes the Compliance and Internal Control Officer, also validated the content of the report at the ultimate step.

- The voting report mentioned in the LEA section is drawn from the annual report on the exercise of voting rights that was:

- **checked by the internal audit**, compliance and legal departments, according to the voting policy approved by the executive committee and the board of directors.
- **and validated by the Executive Committee and the Board.**

- It is also worth highlighting that Mirova AM works in collaboration with a RI consulting firm, Efires, notably to produce the UN-PRI report. Although Efires does not perform an external audit strictly speaking, this collaboration with a specialised and independent firm favours reliable and consistent data.

☐ No

Mirova

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEI 02	Voluntary	Descriptive	PRI 1
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LEI 02.1	Provide a brief overview of how you incorporate ESG issues into listed equity investments.
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Mirova's philosophy is based on the **conviction that integrating sustainable development themes** can generate solutions that **create value for investors over the long term**.

This philosophy revolves around **two investment strategies, and one additional component related to active ownership**:

- **The link between finance and the real economy**, by investing in companies with innovative business models which are exposed to long term trends that will shape our future and that are likely to generate long-term performance.
- **The management of all types of risks**, including extra-financial ones (i.e. ESG criteria),
- And lastly, **responsibility and engagement** by becoming actively involved in company, industry and investment practices through an active voting and engagement policy.

This thematic / multi-thematic approach entails selecting companies that are 'tomorrow's winners', i.e. that have the ability to perform over the long term via business models that fully integrate the challenges of sustainable economic development. **These issues are classified into 8 sustainability themes***, enabling the identification of investment opportunities along the entire value chain and across all sectors of activity. Mirova's PMs can either cover all these themes in multi-thematic funds (e.g. Mirova Global Sustainable Equity Fund ; Mirova Europe Sustainable Equity Fund, Mirova Euro Sustainable Equity Fund), or focus on one or two theme(s) in thematic funds (e.g. Mirova Global Transition Energy Equity Fund or Mirova Europe Real Estate Securities).

In addition to this contribution of sustainability issues to idea generation, a thorough analysis of all risks (financial and ESG) is performed by the RI research team and PMs to create a buy list from which the portfolios are constructed (for more details on the screening step, please refer to LEI.03.3).

Lastly, the RI analysts engage in dialogue with issuers to encourage them to improve their ESG practices, when weaknesses are identified during the ESG assessment (on-going engagement), or when they are exposed to specific risks identified by Mirova's Engagement Platform (targeted engagement). For more details, please refer to LEA section.

**Sustainable energy, Sustainable mobility, Sustainable resources, Sustainable consumption, Sustainable buildings and cities, Sustainable health, Sustainable finance, Sustainable information and communication technologies*

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.
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ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☐ Screening + Integration strategies
- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☒ All three strategies combined

Percentage of actively managed listed equities to which each strategy or combination of strategies is applied - you may (estimate +/- 10%)	<div style="display: flex; align-items: center;"> <div style="width: 100px; height: 20px; background-color: #0070C0; margin-right: 5px;"></div> % </div> <div style="display: flex; align-items: center;"> <div style="width: 100px; height: 20px; background-color: #0070C0; margin-right: 5px;"></div> 100 </div>
--	---

- ☐ No incorporation strategies applied

	Total actively managed listed equities
--	--

100%

LEI 03.2	Describe your primary reasons for choosing a particular ESG incorporation strategy.
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Sustainable development challenges will restructure our economy in depth. Like any momentum for change, this one carries both opportunities and risks. Accordingly, without disregarding the need to control extra-financial risks (*please refer to ESG screening performed, below in LEI.03.3*), we aim at focusing our work primarily on research on the most appropriate environmental, social and structural innovations so that these may form a foundation for our investment decisions (i.e. thematic approach).

This thematic / multi-thematic approach, described in LEI 03.3 below, has been developed by Mirova to **meet its clients' dual requirement for robust financial performance and positive transition towards a sustainable economy**, through a fundamental conviction-driven investment approach enabling the combination of value creation with sustainable development.

LEI 03.3	Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]
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Mirova's approach combines both thematic / multi-thematic strategy, and an ESG screening / ESG Integration.

1) Thematic / multi-thematic approach as a contribution to idea generation

Mirova's thematic / multi-thematic approach involves **selecting companies that are 'tomorrow's winners', i.e. that have the ability to perform over the long term via business models that fully integrate the challenges of sustainable economic development.** These issues are classified into **8 sustainability themes**, enabling the identification of investment opportunities along the entire value chain and across all sectors of activity:

- Sustainable energy
- Sustainable mobility
- Sustainable resources
- Sustainable consumption
- Sustainable buildings and cities
- Sustainable health
- Sustainable finance
- Sustainable information and communication technologies

Mirova's PMs can either cover all these themes in multi-thematic funds (e.g. Mirova Global Sustainable Equity Fund ; Mirova Europe Sustainable Equity Fund, Mirova Euro Sustainable Equity Fund), **or focus on one or two theme(s) in thematic funds** (e.g. Mirova Global Transition Energy Equity Fund or Mirova Europe Real Estate Securities.)

2) The ESG screening / ESG Integration

In addition to the thematic review performed upstream to identify innovative & sustainable business model, **an ESG analysis is also conducted** to ensure that all risks are reviewed (both financial and extra-financial): after thorough analysis, the RI research team analyses each company based on their capacity to positively contribute to sustainability challenges and their corporate behaviour with regards to ESG issues. As a result, each company is rated as one of the following five ESG rating categories: engaged, positive, neutral, risk and negative. **Issuers in the categories "risk" and "negative" are consequently excluded from Mirova's investment universe. Moreover, Mirova excludes from all its portfolio any company involved in controversial weapons** (*cluster bombs* & anti-personal mines), and a **human rights alert** is included in the ESG risk review.

This combination of thematic / multi-thematic approach and ESG screenings covers 100% of Mirova's listed equity assets under management.

LEI 04	Voluntary	Additional Assessed	PRI 1
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LEI 04.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
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Type of ESG information

- ☒ Raw ESG company data

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Country-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Screened stock list

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ ESG issue-specific analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Other, specify

LEI 04.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Mirova's RI research team performs the thematic and ESG analysis itself, but also relies on external sources. This includes:

- **publicly available data:** corporate annual reports/sustainable development reports, academic research, NGO reports, press, etc.
- **regular contacts with stakeholders:** companies, trade unions, NGOs, scientific community (notably through the partnership with Cambridge University)
- **external research:** brokers (BofAML, Cheuvreux, Citigroup, Credit Suisse, Deutsche Bank, Exane BNP Paribas, Goldman Sachs, JPMorgan, Morgan Stanley, Natixis, Société Générale, UBS, etc.), extra-financial rating agencies.

These various sources are taken into account according to a **proprietary methodology that enables a flexible intensity of the in-house coverage and monitoring, depending on the weight of the issuer in Mirova's portfolios.**

A comment on each type of ESG information mentioned above in 04.1 is provided hereafter:

- **Raw ESG Company data :** raw ESG data and KPIs are collected by the in-house RI research team, either directly from issuers (sustainable development reports, annual reports, meetings or calls with CSR department or Investor Relations Department, etc.) or by proxy through intermediaries such as sell-side analysts or extra-financial ratings agencies.
- **Company-related analysis or ratings:** the thematic & ESG assessment of issuers is performed by the RI research team on the basis of:
 4. Their own research and analysis, which for the main issuers (i.e. those that represent Mirova's key assets under management) always entails dialogue with the companies involved, as well as engagement actions when areas for improvement are identified.
 5. Secondary sources such as the ratings of external research providers.

- **Sector-related analysis and ratings:** The RI research team undertakes analysis that cover sector-related ESG risks; these analyses notably draw on sectorial analysis from sell-side analysts as well as from extra-financial ratings agencies. It is also worth notice that business sectors are analysed according to a thematic approach: business activities that provide innovative solutions to tackle issues related to one or several of Mirova's 8 sustainability themes can potentially be part of Mirova's buy list (if ESG and financial analysis at stock level is also positive).
- **Country-related analysis or ratings:** ESG analysis of issuers and thematic studies usually include a geopolitical perspective by taking into account context when appropriate (local regulations and/or prevailing practices, cultural biases, etc.). For instance, the thematic study published by the RI research team on the topic of Arctic drilling addresses particular risks more or less specific to certain countries in the zone, such as Russia. Another example is the "Shareholder engagement in Europe" study, published in 2014, that provides a comparative perspective of engagement practices and trends among several countries. Mirova's publications (studies, news, etc) are available online on its digital research library: <http://www.mirova.com/en-UK/p/Library/Mirova-research>.
- **Screened stock list:** The thematic & ESG assessment is performed by Mirova's RI research team based on in-house investigations and/or drawing on inputs from sell-side analysis or extra-financial ratings agencies.
- **Issue-specific analysis or ratings:** One of the primary roles of Mirova's RI research team is to further understand major challenges of Sustainable Development and to analyse their impact on sectors and issuers. To this end, the RI analysts regularly produce thematic studies on issues relevant to sustainable development, as well as "Focus papers" that address more specific topics to expose the issues and risks at stake and then identify the sectors with the highest exposure. In order to produce these materials, Mirova's in-house team uses:
 6. A broad spectrum of sources (among which academic research, sell-side analysis and extra-financial ratings agencies, which also produce thematic publications).
 7. The close-knit partnership that Mirova has built since 2012 with the University of Cambridge, via the Cambridge Programme for Sustainability Leadership (CPSL), to cooperate in furthering knowledge of particular issues in sustainability. This partnership includes an active research-based collaboration involving nine joint publications over the next three years.

LEI 04.3

Indicate if you incentivise brokers to provide ESG research.

☉ Yes

LEI 04.4

Describe how you incentivise brokers.

Constructive dialogue with our service providers forms an integral part of our engagement process. **We encourage sell-side analysts to develop and improve their ESG research publications according to a threefold approach:**

- **A portion of their compensation is linked to the quality of their ESG inputs.** Our RI research and investment teams are thus solicited to evaluate each broker on this basis during our analyst review process.
- **We are fully transparent regarding the amount of compensation allocated to sell-side extra-financial research (15% in 2014).** For 2015, we are currently conducting a review of our broker relations and will restrict the number of broker relationships going forward. Brokers will be selected based on their capability to integrate long term thematic research and ESG considerations (investment opportunities, risks and engagement opportunities) into their financial research. In this context, ESG and financial research remuneration for the next UN-PRI reporting cycle will be combined and therefore difficult to split.

- **We regularly make suggestions to sell-side analysts regarding potential ESG topics to cover**, in order to encourage improvement of their extra-financial research.

☐ No

LEI 05	Voluntary	Additional Assessed	PRI 1
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LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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☒ Engagement

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

☒ (Proxy) voting

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

LEI 05.2	Additional information. [Optional]
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As a fully responsible asset manager, deeply involved in SRI and CSR issues for almost 30 years*, **Mirova's portfolio managers (PMs) systematically take all relevant ESG input into consideration in their investment decisions**, including the insights arising from the exercise of voting rights and from the engagement actions conducted by the RI research team.

Information is shared through several ways:

- **Voting and engagement activity with companies is monitored and disclosed in ESG analysis factsheets** used by PMs as input for their investment decisions. ESG areas for improvement identified during the assessment of each issuer's practices are clearly mentioned in these documents.
- **Strategic voting decisions and results of key engagement actions are disclosed during thematic working groups** which gather PMs and RI analysts.
- **PMs can attend meetings with companies dedicated to the topics of voting and/or engagement; and conversely RI analysts can participate in meetings with companies' management**, during which questions about engagements can be addressed.
- **A report on each engagement action is logged into a centralised database** that tracks the history of the engagement's goals for each company, the outcome achieved, and the resulting impact on ESG analysis or voting decisions. **This database is available to all Mirova's teams, including PMs.**

* Through its parent company Natixis AM firstly, and then directly since Mirova's creation in January 2014

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
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Type of screening

- ☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

Description

In terms of sectors, Mirova considers that automatic sector exclusions can be qualified as dogmatic, but also believes it to be just as dogmatic to consider that all sectors are equal. According to its approach, the analysis must be objective and if evidence shows that certain sectors are more exposed in terms of risks or, on the contrary, benefit from opportunities, it seems absurd not to accept these conclusions. **Sowithout excluding** specific sectors (except for tobacco and controversial weapons), **Mirova favours sectors that contribute to sustainable development and then automatically avoids those with negative ESG externalities** (e.g. *Mirova does not invest in the oil sector, except through green bonds on the fixed income side*).

An ESG analysis is also conducted to ensure that all risks are reviewed (both financial and extra-financial). **Companies assessed negatively** ("risk" or "negative") are excluded from Mirova's investment universe. While we don't exclude sectors a priori, individual issuers can be excluded from our universe based on their ESG profile, which could lead to a *de facto* exclusion of sectors (when bad ESG practices are usual in a particular sector).

Besides, Mirova excludes any company involved in **controversial weapons** from all its portfolios (cluster bombs & anti-personal mines), and a **human rights alert** is included in the ESG risk review.

In terms of corporate governance, Mirova has demanding requirements that are summarised in its proxy voting and engagement policies.

- ☒ Positive/best-in-class screening

Screened by

- ☐ Product
- ☒ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
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Our SRI equities portfolios are managed in accordance with **athematic or multi-thematic approach** that consists in pursuing investment in sustainable business models, that is to say companies, which:

- **Offer products/services that contribute to tackle the main challenges of sustainable development.**
- **Demonstrate good ESG practices.**

☒ Norms-based screening

Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

	Description
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The ESG assessment process takes into consideration the tenets of the main international agreements on these topics.

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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Screening criteria, whether positive or negative, are selected by our experts in the RI research department. In order to further explore sustainable development issues and analyse their impact on sectors and issuers, we have built up a robust in-house extra-financial research capacity. A dedicated team of 11 specialists in ESG issues undertakes analysis of issues according to a proprietary methodology that is both stringent and practical. This approach takes into account sector specific concerns and the nature of issuers. It makes no a priori exclusions, however, it is founded on an absolute value assessment that aims to distinguish between sectors considering their exposure to issues of sustainable development. The life cycle assessment approach further highlights ESG risks that may exist and makes it possible to identify opportunities such as business models that offer solutions to the main challenges of sustainable development. The latter are classified within 8 sustainability themes: sustainable energy, sustainable mobility, sustainable buildings and cities, sustainable consumption, sustainable health, sustainable information and communication technology, sustainable resources, sustainable finance.

The idea generation process and screening criteria, and generally speaking the entire process of extra-financial research, undergo constant improvement and refinement (strengthening sources, constant monitoring of sustainability issues, etc.), **while offering continuity. Should a significant change occur that might affect the investment process, and, as a result the fund's prospectus, unit holders are appropriately informed.**

LEI 07	Mandatory	Core Assessed	PR1
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LEI 07.1

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☒ Other, specify

Thematic Research Partnership with the University of Cambridge (please refer to Additional Information below for a description of this partnership)

- ☐ None of the above

LEI 07.2

Additional information. [Optional]

As described previously, **Mirova's extra-financial research is performed by an in-house team of 11 sustainable development specialists** who ensure the robustness of ESG opinions provided to our investment teams. To this end, **they rely on a large range of resources** (Mirova thematic groups, dialogue with company management, extra-financial agencies, academic research - including the partnership with the University of Cambridge, sell-side analysts, reports from NGOs, etc.) **in order to:**

- **analyse sustainable development issues and understand their impact on sectors** (sources of risk and opportunities)
- **identify companies with innovative and sustainable business models** that meet the challenges of the 8 sustainability themes*.
- **ultimately, assess ESG practices of these companies.**

To ensure the robustness of ESG analysis provided to PMs, the RI research team:

- **Tests the consistency and relevance of analysis produced by extra-financial ratings agencies and sell-side ESG research**, notably through cross-verification of information with independent sources.
- **Provides in-house ESG analysis** in addition to the inputs provided by extra-financial ratings agencies.
- **Engages in dialogue with companies** that represent Mirova's key assets under management to reach a better understanding of their ESG practices, verify or further investigate specific aspects and make suggestions for improvement, as part of Mirova's engagement approach.
- **Submit certain thematic or sectorial conclusions to scrutiny by independent experts** (e.g. a partnership with the University of Cambridge which includes an active research-based collaboration involving nine joint publications on specific themes, over the next three years).

The RI research team seeks to constantly improve its research process (addition of new sources or improvement of the sources' reliability, improved monitoring of sustainability issues, etc.) **and ESG assessments are regularly updated, taking new information into account.**

Moreover, **BPCE Group has conducted an audit on the robustness of Mirova's ESG research processes in 2014.**

** Sustainable energy, sustainable mobility, sustainable buildings and cities, sustainable consumption, sustainable health, sustainable information and communication technology, sustainable resources, sustainable finance.*

LEI 08	Voluntary	Additional Assessed	PRI 1
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LEI 08.1	Indicate which processes your organisation uses to ensure that fund criteria are not breached
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- ☒ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:
- ☒ Systematic
 - ☐ Occasional
- ☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- ☒ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

LEI 08.2	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
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Mirova relies on Natixis AM's (its parent company) strong risk management organisation to ensure that fund screening criteria are not breached, according to the process described below.

Considerable attention is paid to monitor compliance with established guidelines, including fund screening criteria. Considering in-depth risk monitoring and the ability to pre-test trades both for coherence with the model portfolio and compliance with guidelines, the potential for breaches based on portfolio management activity should be low. Further, any breach that does occur due to market action can be quickly reported and resolved given the systems on-hand that actively monitors guideline compliance. All constraints pertaining to portfolios are input in dedicated software "Guardian" by the risk department (Constraints & Operations Risk team - RCO). Guardian is linked to the order management system process Charles River development and to Apollo, the central record keeping system for portfolio positions, updated daily. Main constraints are monitored by portfolio managers using their front-office tools on a pre-trade basis.

The Constraints and Operation Risks team daily monitors constraints linked to portfolios' financial management (intelligence and validation, exhaustiveness, effective control, adjustment procedure, audit trails, reporting) using Guardian. Controls cover either the prospectus specifications when relevant for funds, or contractual constraints for mandates including specific investment guidelines, as well as regulatory requirements. It is also in charge of monitoring breaches, operation control and best execution. It finally implements ex-ante constraint controls on portfolios. Any breaches are highlighted daily by the middle office team and brought to the attention of the portfolio manager for resolution. There is a procedure to escalate the breach if it is not resolved quickly: should the breach be longer than 2 NAV, the RCO would be responsible to follow the event until its complete resolution, while activating an escalation procedure involving 5 levels of alerts. If the breach is deemed unusual, the RCO can call the manager for an interview and ask for immediate resolution of the breach, according to an emergency procedure.

Every event relative to the escalation procedure is added to the Guardian audit trail of the breach. So Guardian records and time stamps the entire audit trail, and the data is available for the fund managers, the risk teams, or audit purposes. Reports on breaches are sent twice a month to the heads of investment departments and the heads of Legal, Monitoring and Risk Department. Natixis Asset Management ensures that breaches in portfolios' guidelines are resolved in the clients' best interests.

(B) Implementation: Thematic

LEI 09	Mandatory	Descriptive	PRI 1
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LEI 09.1

Indicate the type of sustainability thematic funds or mandates that your organisation manages.

- ☒ Environmentally themed funds
- ☒ Socially themed funds
- ☒ Combination of themes

LEI 09.2

Describe your organisation's processes for sustainability themed funds. [Optional]

Mirova's philosophy is based on the conviction that integrating sustainable development themes can generate solutions that create value for investors over the long term.

This philosophy is concretely applied through three ways :

- The link between finance and the real economy, **by investing in companies with innovative business models** which are exposed to long term trends that will shape our future and that are likely to generate long-term performance.
- **The management of all types of risks, including ESG risks.**
- and lastly, **responsibility and engagement** by becoming actively involved in improving company, industry and investment practices **through an active voting and engagement policy.**

In practical terms, this thematic / multi-thematic approach entails selecting companies that are 'tomorrow's winners', i.e. that have the ability to perform over the long term via business models that fully integrate the challenges of sustainable economic development. These issues are classified into 8 sustainability themes, enabling the identification of investment opportunities along the entire value chain and across all sectors of activity:

- Sustainable energy
- Sustainable mobility
- Sustainable resources
- Sustainable consumption
- Sustainable buildings and cities
- Sustainable health
- Sustainable finance
- Sustainable information and communication technologies

Mirova's PMs can either cover all these themes in multi-thematic funds (e.g. Mirova Global Sustainable Equity Fund ; Mirova Europe Sustainable Equity Fund, Mirova Euro Sustainable Equity Fund), **or focus on one or two theme(s) in thematic funds** (e.g. Mirova Global Transition Energy Equity Fund or Mirova Europe Real Estate Securities).

See OA.14 for more details about Mirova's product range.

(C) Implementation: Integration of ESG issues**LEI 11****Mandatory****Core Assessed****PRI 1****LEI 11.1**

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2	Additional information. [Optional]
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As mentioned in the Overarching section, Mirova is a Core SRI player, deeply involved in responsible investment for almost 30 years (*indirectly through its parent company Natixis AM, and then directly since Mirova's creation in January 2014*). Thanks to this responsible positioning, its responsible investment policy is ambitious and covers 100% of its assets under management. **As a consequence, all its funds systematically take into account ESG criteria.** Its equity approach revolves around 8 environmental & social themes that are integrated in the stock-picking decisions either through a multi-thematic approach or a thematic one (*for more details, please refer to LEI.9 or OA.14*). In addition to the thematic review performed as a first step to identify sustainable business models, an ESG analysis is also systematically conducted to ensure that all risks are reviewed (both financial and extra-financial).

LEI 12	Voluntary	Additional Assessed	PRI 1
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LEI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
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- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 12.2

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☒ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

LEI 12.3

Additional information.

12.1. As described previously, Mirova's extra-financial research is performed by an in-house team of 11 sustainable development specialists who ensure the robustness of ESG opinions provided to our investment teams. To this end, they rely on a large range of resources (Mirova thematic groups, dialogue with company management, extra-financial agencies, academic research).

To ensure the robustness of the ESG analysis:

- An in-depth analysis is performed by the in-house RI research team and meetings or calls with company management (and/or CSR teams) are also systematically organised for the stocks representing Mirova's key assets under management.
- The in-house RI research team also tests the consistency and relevance of analysis produced by external ESG ratings agencies and sell-side ESG research, particularly through cross-verification of information with independent sources.
- The RI analysts produce a report for key clients (on request) which includes final ratings and ESG assessment summaries, voting procedures, and engagement actions. This report can be used as a support for discussions on our RI research activities with our clients.
- The RI analysts submit certain thematic or sectorial conclusions to scrutiny by independent experts (e.g. a partnership with the University of Cambridge which includes an active research-based collaboration involving nine joint publications on specific themes, over the next three years).

The RI research team seeks to constantly improve its research process (addition of new sources or improvement of the sources' reliability, improved monitoring of sustainability issues, etc.) and ESG assessments are frequently updated, taking new information into account. Moreover, BPCE Group has conducted an audit on the robustness of ESG processes in 2014.

12.2. Mirova's portfolio managers (PMs) systematically take all relevant ESG inputs into consideration in their investment decisions. ESG issues therefore are fully implemented in Mirova's investment processes:

- Portfolio Managers and ESG analysts share a common tool to write and store their stocks analysis, their convictions, the reasons for fitting the themes or not, the ratings on E, S and G pillars. This in-house rating tool is a valuable asset.
- Portfolio managers and analysts constantly interact, formally (during meetings) or informally. Research is a collaborative process and covers both financial and extra-financial areas. As well as constant day-to-day communications and between members, the team holds open meetings (with company management, external strategists/analysts etc.) where everyone can attend. This open and transparent approach fosters trust and idea sharing.
- As a Core SRI asset manager, Mirova captures how ESG information and research was incorporated into investment decisions to ensure that all the stocks included in its portfolios are compliant with its high standard ESG and thematic requirements.

LEI 13	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 1
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LEI 13.1	Indicate into which aspects of investment analysis you integrate ESG information.
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- ☒ (Macro) economic analysis
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Industry analysis
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Analysis of company strategy and quality of management
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Idea generation
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Portfolio construction
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Fair value/fundamental analysis
 - ☒ Systematically
 - ☐ Occasionally

LEI 13.2	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.
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- ☒ Adjustments to income forecasts (sales, earnings, cash flows)
- ☒ Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- ☐ Other adjustments to fair value projections, specify
- ☐ Other, specify

LEI 13.3	Additional information.
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As a Core SRI player, deeply involved in SRI and CSR issues for almost 30 years, **Mirova's portfolio managers (PMs) systematically take all relevant ESG inputs into consideration in their investment decisions. ESG issues are therefore fully integrated of Mirova's investment processes, and could impact each step** (investment universe definition, idea generation, portfolio construction / weight decisions, buy / sell decisions, fundamental analysis, etc.).

In terms of extra-financial inputs, **thematic studies about global sustainable issues are performed by the RI research team, at the macro-level** (e.g. Climate change issues).

These macro-thematic studies help the RI analysts to categorise business sectors among the 8 sustainability themes, enabling the identification of investment opportunities along the entire value chain. This identification of opportunities actively contribute to the investment idea generation.

At the stock level, an ESG analysis is also systematically performed to ensure that all risks are reviewed (both financial and extra-financial). This assessment takes into account ESG sector key issues, as well as the commitment level of the company's management in terms of sustainability and the consistency of the CSR strategy. All these inputs could be taken into account in the fundamental analysis.

ESG criteria are also integrated in revenue and earnings forecasts, in the following ways:

- **Positively: Revenue growth potential** related to the companies' capacity to offer solutions for sustainability issues;
- **Negatively: cost impact** due to fines related to non-compliance with legal and regulatory framework and cost or remediation.

As we regard companies' ESG profile as a risk factor, we also adjust appropriate valuation metrics (discount rate and multiples) to distinguish between issuers with a more positive or a more negative profile.

Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1
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LEI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
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☒ Screening

Describe any reduction in your starting investment universe or other effects.

Considering its thematic approach (please refer to LEI.01 for further details), Mirova favours the sectors that positively contribute to tackle sustainable development issues, and then automatically avoids those with negative ESG externalities (e.g. oil sector).

An ESG analysis is also conducted to ensure that all risks are reviewed (both financial and extra-financial). Companies assessed negatively ("risk" or "negative"), as well as any company involved in controversial weapons (cluster munitions & anti-personal landmines), are excluded from Mirova's investment universe.

Following Mirova's thematic & ESG assessment, the initial universe (MSCI World) is reduced by 34.8% (in terms of numbers of issuers equally weighted) and by 24.2% (in terms of weight)

Specify the percentage reduction

%

34.8

☒ Thematic

Describe any alteration to your investment universe or other effects.

Mirova's PMs can either cover the 8 sustainability themes* in multi-thematic funds (e.g. Mirova Global Sustainable Equity Fund ; Mirova Europe Sustainable Equity Fund, Mirova Euro Sustainable Equity Fund), or focus on one or two theme(s) in thematic funds (e.g. Mirova Global Transition Energy Equity Fund or Mirova Europe Real Estate Securities). Another example is our Impact Investing expertise, which seeks to generate tangible environmental and/ or social impacts such as our "Insertion Emplois" funds, which aim at investing in companies (or financing solidarity-based bodies) that actively contribute to the job creation or consolidation for people in need. The impact of the thematic approach on their investment universe therefore depends on the thematic of the funds.

Please refer to OA.14 for more details about Mirova's product range.

* The 8 sustainability themes identified by Mirova are: Sustainable energy, Sustainable mobility, Sustainable resources, Sustainable consumption, Sustainable buildings and cities, Sustainable health, Sustainable finance, Sustainable information and communication technologies

☒ Integration of ESG issues

Select which of these effects followed your ESG integration:

- ☒ Reduce or prioritise the investment universe
- ☒ Overweight/underweight at sector level
- ☒ Overweight/underweight at stock level
- ☒ Buy/sell decisions
- ☐ Other, specify
- ☐ None of the above

LEI 15.2

Additional information.

As a Core SRI player, deeply involved in SRI and CSR issues for almost 30 years, Mirova's portfolio managers (PMs) systematically take all relevant ESG inputs into consideration in their investment decisions. **ESG issues are therefore fully integrated in Mirova's investment processes, and can impact each step** (investment universe definition, idea generation, portfolio construction / weight decisions, buy / sell decisions, etc.).

LEI 17

Voluntary

Descriptive

PRI 1

LEI 17.1

Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

☒ ESG issue 1

ESG issue and explanation
Oil and gas companies
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
Impact on investment decision or performance
<p>Consistently with its sectorial positioning (<i>please refer to the approach described in LEA.02</i>), Mirova underweights oil and gas utilities in its equity portfolios. The financial performance has consequently been:</p> <ul style="list-style-type: none"> • First, negatively impacted during the first half of 2014 • And then positively impacted during the second half of 2014, following the drop in oil prices.

☒ ESG issue 2

ESG issue and explanation
Quality/safety of products: controversies on some of Syngenta's products
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
Impact on investment decision or performance
<p>Syngenta's ESG assessment was consequently downgraded, so a decision to sell Syngenta was taken in 2014.</p>

☐ ESG issue 3

☐ ESG issue 4

☐ ESG issue 5

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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LEI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
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- ☒ We disclose it publicly

Provide URL

<http://www.mirova.com/en-UK/p/listed-equities>

LEI 18.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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- ☐ Yes
☒ No

LEI 18.3	Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.
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- ☐ Broad approach to ESG incorporation
☒ Detailed explanation of ESG incorporation strategy used

LEI 18.4	Indicate how frequently you typically report this information to the public.
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- ☒ Quarterly or more frequently
☐ Between quarterly and annually
☐ Less frequently than annually
☐ Other, specify

LEI 18.5	Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.
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- ☐ Broad approach to ESG incorporation
☒ Detailed explanation of ESG incorporation strategy used

LEI 18.6	Indicate how frequently you typically report this information to clients/beneficiaries.
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- ☐ Quarterly or more frequently
☐ Between quarterly and annually
☐ Less frequently than annually
☒ Other, specify

On clients' request

- ☐ We disclose it to clients and/or beneficiaries only
☐ We do not proactively disclose it to the public and/or clients/beneficiaries

Mirova adheres to the highest standards with respect to transparency in order to provide investors with full visibility as to how their assets are being managed.

As a result, its responsible investment approach is fully disclosed:

- **on its website:** <http://www.mirova.com/en-UK/p/listed-equities>
- **in its RI Transparency Code :** <http://www.mirova.com/en-UK/p/our-funds#>
- **and in a document entitled "Mirova's RI research philosophy" :**
<http://www.mirova.com/Content/Documents/Mirova/publications/va/researchphilo/Mirova%20Research%20Philosophy.pdf>

Mirova funds' monthly factsheet-reports also include ESG KPIs, complementary to the financial performance data and PMs' comments.

In addition to these public documents, Mirova also provides its primary institutional clients (on request) with detailed presentations of its investment processes and with a tailor-made report that, among other things, includes:

- **the ESG assessment of issuers held** in their portfolios and updated ESG newsflow on those issuers;
- **A RI market review ;**
- **Engagement actions involving these companies,** and a qualitative focus on the main engagement topics ;
- **A quantitative and qualitative review of voting exercised on the issuers held in their portfolios:**
 evolution of the voting scope, geographical breakdown, thematic breakdown (transparency, compensation policy, etc.), results (percentage of For/ Against/ Abstain,etc.).

Mirova

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
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LEA 01.1	Provide a brief overview of your organisation's approach to engagement.
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- **Our vision and overall approach**

Both environmental factors (resource depletion, climate change, plummeting biodiversity, pollution etc.) and human development concerns (food safety, access to care, working conditions etc.) are increasingly exerting pressure on companies. These latter are called upon to rethink their long term business development models, their relationships with stakeholders and their interactions with the environment. The issues of social responsibility thus fall in the economic domain, and not exclusively the ethical sphere. It is increasingly acknowledged that their reality reflects not only on the quality of a company's management, its capacity to plan for the future and manage its risks, but also its ability to create long term value. In this new context, investors have a key role to play in encouraging issuers to adopt responsible practices that can help promote durable growth. In addition to strategies aiming at incorporating ESG issues into investment decisions, the commitment to encouraging corporate social responsibility (CSR) is a dominant area of any responsible investment policy. It is the means by which an investor directly influences environmental, social and governance (ESG) practices in ways that foster the creation of long term value. Thanks to its 30 years of experience in responsible investment, Mirova, the responsible investment subsidiary of Natixis Asset Management, has developed robust proficiency in the analysis of environmental, social and governance issues, the exercise of voting rights, and dialogue with issuers. **This expertise is now placed at the service of its institutional investment clients in order to support them in their policy of investing responsibly.**

- **Our modus operandi**

Mirova's engagement approach rests on the conviction that good CSR and governance practices have the potential to encourage long-term company performance and the value creation for its clients. **Engagement may take several forms, depending on the desired result.** It is implemented through direct actions addressing issuers via dialogue, and indirect actions that take the form of lobbying or participation in RI professional bodies at industry level :

A/ Direct actions towards issuers

- **Targeted Engagement:** these engagement actions are undertaken in order to obtain, within a predetermined timeframe, specific and measurable changes from the issuers. Targeted engagement is handled through Mirova's proprietary engagement platform which was specifically designed to bring together institutional investors with a common view of responsible investment. The targeted engagement topics are identified on the basis of studies performed by the in-house RI research team on sustainability issues and themes, and following discussion with all investors involved in the engagement platform (*for more details, please refer to LEA 05, LEA, 06 and LEA.11*).

- **On-going Engagement:** For the main holdings that represent Mirova's and its clients' key assets under management, our internal RI research teams establish frequent direct contact with issuers in order to encourage best ESG practices. This dialogue is undertaken continuously in the context of our RI analysis, notably enabling an assessment of issuers' ESG practices prior to the exercise of voting rights at general assemblies. (*for more details, please refer to LEA 03, LEA, 04 and LEA.11*).

Exercise of Voting Rights: For all securities held in the portfolios, Mirova supports and advises its clients in the exercise of their voting rights according to a policy that aims at encouraging the development of a responsible system of corporate governance. (*please refer to LEA.16 to LEA.26 for more details*)

B/ Indirect actions

- **Engagement at the industry level:** By contributing to various working groups and through active participation in engagement initiatives conducted by professional bodies such as the FIR or the UN-PRI, Mirova

shares its convictions with its clients and its peers, and thus significantly influences the way people think about CSR and responsible investing issues (for a comprehensive list of entities in which Mirova participates, please refer to question OA.10).

Responsible Lobbying: Both on its own and collaboratively through its participation in several professional bodies, Mirova undertakes a dialogue with national and transnational regulators to support the emergence of regulations in favor of best ESG practices (for more details, please refer to Q. OA.12).

These engagement strategies can be implemented individually or combined, either independently or in a collaborative context. Their process depends on the addressed issues, the objectives of the engagement, and the leverage available for improving companies' CSR and governance practices.

Mirova's overall engagement approach rests on its extensive knowledge and understanding of the myriad and complex sustainability issues. Thus Mirova has built a high degree of expertise in identifying and analysing ESG issues. Our understanding of these issues and their applicability to broad economic sectors is described in the factsheets 'ESG Issues' and '8 themes for sustainable investment solutions' available on Mirova's website.

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
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Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

LEA 02.2	Additional information. [Optional]
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As described previously, our engagement approach arises from the conviction that responsible business practices can contribute to company performance in the long term while benefitting all stakeholders. Seen this way, ESG issues are not only ethical, but also economic concerns. An efficient integration of CSR issues shows the quality of a company's management, its capacity not only to anticipate and mitigate risks, but also to create long-term value. With this understanding, **we have a key role to play as investors by undertaking engagement actions that encourage companies to:**

- **Adopt responsible practices that will favour sustainable growth ;**
- **Disclose how they are addressing the sectorial ESG issues,** whether in terms of mitigating risks or creating new opportunities.

Such engagement actions allow us, on the one hand **to act as responsible investors by encouraging companies towards a sustainable model of development in the long term**, and on the other to use our on-going dialogue with companies **to strengthen our overall analysis of issuers** by combining financial and extra-financial factors.

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
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LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
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☒ Yes

LEA 03.2	Describe how you identify and prioritise engagements.
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"On-going' engagement" is conducted by our in-house RI research staff on the main securities held by Mirova and its institutional clients who decided to take part in its engagement approach. It seeks to improve companies' ESG practices through a dialogue established in multiple contexts (ESG assessment of issuers, exercise of voting rights, important event that brings to light significant short comings in practices, etc.).

On-going engagement comprises all areas for improvement identified by the ESG assessment of companies or the analysis of resolutions presented during the annual general shareholder meetings (AGMs).

In order to identify those issues, and thus prioritise engagement topics, our in-house RI research teams perform a continuous review of companies' ESG practices, based on **a broad array of information sources:**

- **Publicly available information:** annual reports / CSR reports, academic research, NGOs' reports, press and media sources...
- **Regular contacts with stakeholders:** companies (top management, CSR department, etc.), trade-unions, NGOs, the scientific community (in particular through the partnership with the University of Cambridge).
- **External research:** financial and extra-financial sell side research, extra-financial rating agencies, proxy.

This monitoring guarantees an up to date view of companies' ESG practices, improves analysis of motions in the context of exercising voting rights, and helps to identify promising areas for improvement in ESG practices

In terms of means, direct dialogue is preferred for engagement actions. Such discussions may be supplemented with paper or email correspondence addressed to various contacts within the company.

☐ No

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- ☒ Yes
- ☒ Yes, for all engagement activities
 - ☐ Yes, for the majority of engagement activities
 - ☐ Yes, for a minority of engagement activities
- ☐ No

LEA 04.2 Indicate if you monitor the actions that companies take following your engagements.

- ☒ Yes
- ☒ Yes, in all cases
 - ☐ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases

LEA 04.3 Describe how you monitor and evaluate the progress of your engagement activities.

Mirova's RI research team systematically defines specific objectives for on-going engagement activities, and monitors the improvements achieved.

When analysing an issuer's ESG practices of an issuer, **Mirova's research teams systematically contact the companies** in order to better understand the risks to which they are exposed as well as to challenge them to improve their CSR practices and the quality of their corporate governance.

Following these discussions and the completion of a CSR assessment, the RI analysts send **a letter or an email to the company highlighting:**

- **The most important areas for improvement identified during their analysis.**
- **Mirova's expectations in terms of progress.**

The RI analysts also remain in constant contact with companies, and regularly meet with the various interlocutors involved in order to follow up on progress and reaffirm expectations for improvement. Such discussions can also take place when a specific event or news exposes brings to light shortcomings of a company's ESG practices. Thanks to this constant monitoring, **Mirova's RI teams have a better chance of anticipating future risks and identifying 'complex' cases that call for the launch of targeted engagement actions** (refer to LEA 05 and LEA.06). Furthermore, the analysts' initial ESG assessment may be modified in either a positive or a negative way depending on the results of the engagement.

When an engagement action is linked to the exercise of voting rights, goals are usually well defined insofar as generally correlated with a particular resolution under consideration at the current AGM. If the company presents an appropriate response (for instance, increased transparency on certain components of compensation policy), our vote may reflect this positively at the upcoming general meeting, or the following voting period, depending on how quickly the company implements the objectives established for the engagement action.

In terms of monitoring, a report on each engagement action is logged within a centralised database that tracks the history of the engagement's goals for each company, the results achieved, and the resulting impact on the ESG analysis or voting decisions.

☐ No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

☒ Yes

LEA 05.2 Describe how you identify and prioritise collaborative engagements.

Mirova's collaborative engagement actions are mainly conducted through its engagement platform, according to a targeted approach on specific issues (please refer to details in LEA 06).

This proprietary platform aims at engaging target companies in collaborative dialogue about ESG issues, and was specifically designed to bring together institutional investors with a shared vision of responsible investment. These actions are coordinated by an engagement platform led by Mirova's Investment Research team, and composed of the institutional investors involved.

The engagement process consists in three distinct phases: planning, dialogue and assessment.

During the planning phase, the RI research team notably identifies the potential engagement themes based on:

- The analysis performed by the RI research team on sustainability issues and themes;
- Discussions with the others investors involved in the engagement platform.

A potential scope of engagement is then established by combining the significance of the topic of engagement for each company* with its weight within the portfolio constituted by Mirova's main positions and those of its clients.

Following these preliminary findings, the engagement platform establishes:

- The list of targeted companies.
- The topic(s), the objectives and the means for the engagement. The number of objectives is limited to ensure they can be correctly monitored by the platform, and achieved by the targeted companies.
- A blueprint for action, covering a period of 1 to 3 years.
- KPIs to measure and assess the results of the engagement.

Aside from actions undertaken through its platform, Mirova continuously monitors collaborative engagement actions undertaken by industry organisations (UN-PRI, FIR/ French SIF etc.). **If a topic matches its engagement priorities, Mirova joins the collaborative initiative.** For example, Mirova is a member of several UN-PRI steering committees on various engagement themes i.e. human rights in extractive industries, fracking, appointment process, anti-corruption, sustainable stock exchange.

* based on a specific ESG analysis

☐ No

LEA 06	Mandatory	Core Assessed	PRI 2
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LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

- ☒ Yes
- ☒ Yes, for all collaborative engagement activities
 - ☐ Yes, for the majority of collaborative engagement activities
 - ☐ Yes, for a minority of collaborative engagement activities
- ☐ No

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

- ☒ Yes
- ☒ Yes, in all cases
 - ☐ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases

LEA 06.3

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Each one of our engagement actions includes specific goals, and issuers' practices are monitored over an extended period.

Collaborative actions, undertaken through Mirova's proprietary platform, have 3 key features :

- **Specific:** Engagement is limited to a specific ESG topic that a business is exposed to as a result of its sector, its geographical footprint, or its practices.
- **Measurable:** Engagement consists of well-defined actions coordinated with measurable and predetermined objectives. Assessment criteria are defined in the initial action plan prior to implementation.
- **Attainable:** the objectives that the engagement activities aim to achieve are realistic and attainable within the given timeframe.

It is also worth noting that the engagement platform* establishes, for each targeted engagement undertaken, a blueprint for action covering a period of 1 to 3 years. **At the end of the engagement cycle, a full report on the actions taken and results achieved is compiled**, and if the engagement fails at the ultimate step, decisions regarding how to respond to recommendations received from the engagement committee are at the sole discretion of each investor involved within the platform.

Collaborative engagement actions undertaken alongside other investors within an industry organisation are also tracked, both in-house and within the industry organisation.

All actions in which Mirova is directly involved, and all responses thereto are compiled in a central database which tracks each engagement and all companies over time. These results are systematically taken into account for ESG analyses and voting decisions.

**For more details about this engagement platform, please refer to LEA.05.2*

☐ No

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2
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LEA 09.1

Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 09.2

Additional information.

As a fully responsible asset manager, deeply involved in SRI and CSR issues for almost 30 years*, **Mirova's portfolio managers (PMs) systematically take all relevant ESG inputs into consideration in their investment decisions, including the insights arising from the exercise of voting rights and from the engagement actions conducted by the RI research team.**

This share of information is made through several ways:

- **Votes and engagement activity with companies are monitored and disclosed in ESG analysis factsheets** used by PMs as inputs for consideration in their investment decisions. Areas for improvement identified during the assessment of each issuers' ESG practices are clearly mentioned on these documents.
- **Strategic voting decisions and results of key engagement actions are disclosed during thematic working groups which gather PMs and RI analysts.**
- **PMs can attend meetings with companies dedicated to the topics of voting and/or engagement;** and conversely RI analysts have the opportunity to participate to meetings with companies' management, during which questions about engagements can be addressed.
- **A report of each engagement action is logged in a centralised database** that tracks the history of the engagement's goals for each company, the outcomes achieved, and the resulting impact on ESG analysis or voting decisions. This database is available to all Mirova's teams, including PMs.

** Through its parent company Natixis AM firstly, and then directly since Mirova's creation in January 2014*

LEA 10

Mandatory

Gateway/Core Assessed

PRI 2

LEA 10.1

Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

LEA 10.2 Additional information. [Optional]

To ensure traceability, efficiency and reliability of their engagement actions, our RI research teams fill out and keep updated an in-house tracking database. Its purpose is twofold:

- On the one hand, **to track any changes in practices of the company involved** that relate to ESG issues raised during dialogue process, and therefore appropriately update the ESG assessment depending on the outcomes.
- On the other hand, **to provide data for the engagement reports** performed for clients on request.

The database is comprised of the following data: the name of the issuer, the goals of the engagement, the achieved improvements, and the final result of the engagement.

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 2
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LEA 11.1	Indicate the number of companies with which your organisation engaged during the reporting year.
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	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	190
Collaborative engagements	25

LEA 11.2	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]
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Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.3

Indicate what percentage of your collaborative engagements you were a leading organisation on during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.5

Additional information. [Optional]

As regards individual engagement, Mirova targeted 190 issuers in 2014, among which :

- **162 issuers through its on-going engagement process, about issuers' ESG practices.** 325 areas for improvement were addressed in this context (main ESG topics covered : supply chain, sustainable reporting, E&S impacts of products, integration of E&S criteria into the remuneration system, and balance of powers).
- **28 issuers contacted with regards sustainable bonds issuance** (corporate issuers, local authorities and supranational agencies). The sustainable bonds market is in embryonic stages, and practices are still heterogeneous notably in terms of transparency. The purpose of this specific engagement action was therefore to clarify and specify precisely our expectations as responsible investors.

In terms of means, our engagement actions are undertaken through letters, emails, conference calls and meetings.

As regards collaborative engagement, **Mirova has launched its own collaborative platform in 2014**, jointly with others institutional investors. This proprietary platform aims at engaging several companies around highly controversial issues, requiring interaction with high-level company representatives and both a collaborative and close dialogue as well as regular monitoring to achieve a successful engagement. **Mirova has launched two thematic engagement actions in 2014:** the first one was about **working conditions in the supply chain in textile and IT sectors** ; and the second one covered **the Arctic exploration**. Both were conducted in collaboration with other institutional investors and targeted around 15 companies.

Mirova also took part in others collaborative actions led by the UN-PRI, and is a member of several steering committees on various engagement themes i.e. human rights in extractive industries, fracking, nomination process, anti-corruption, sustainable stock exchange.

It is also worth noting that Mirova supports several investor statements on various sustainability themes (e.g. Green / Climate Bonds, Climate Change, IOSCO, Global Health, EITI and extractive industries).

LEA 12	Voluntary	Additional Assessed	PRI 2
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LEA 12.1	Indicate if your engagements in the reporting year covered E, S and/or G issues.
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Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

LEA 12.2	Provide an estimated breakdown by E, S and/or G issues.
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	Individual / Internal staff engagements
--	---

	% Overlapping ESG issues
--	--------------------------

100

100%

	Collaborative engagements
--	---------------------------

	% Environmental only
--	----------------------

42

	% Social only
--	---------------

38

	% Corporate Governance only
--	-----------------------------

20

100%

LEA 12.3	Additional information.
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Please refer to the details provided in the engagement commentary provided in LEA.11.2

LEA 14	Voluntary	Descriptive	PRI 2
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LEA 14.1	Provide examples of the engagements that your organisation carried out during the reporting year.
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☒ Add Example 1

Topic or ESG issue	S: social issues in the IT and textile supply chain
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	<ul style="list-style-type: none"> Increased transparency on the structure of their supply chains Social risk mapping Enhanced relationship with the suppliers Multi-stakeholder initiatives
Scope and Process	Scope : 11 international companies targeted. Process : a letter was sent to the board chairman; and we directly conducted dialogue through a conference call and / or a one to one meeting.
Outcomes	Process still ongoing. Reply rate: 80% at end 2014

☒ Add Example 2

Topic or ESG issue	G: integration of E& S criteria into remuneration
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Integration of E&S criteria into the remuneration system in order to : <ul style="list-style-type: none"> • link remuneration to long term performance • and to improve the consideration of E&S issues by the company
Scope and Process	Scope: 105 international companies targeted Process : an e-mail was sent to the targeted companies, and we directly conducted dialogue through a conference call and / or a one to one meeting.
Outcomes	In France for instance, 24 targeted companies have integrated E&S criteria into their remuneration system

☒ Add Example 3

Topic or ESG issue	E: environmental impact of products
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Identification of environmental impacts of products and implementation of mitigation measures
Scope and Process	Scope: 19 international companies targeted Process : an e-mail was sent to the targeted companies, and we directly conducted dialogue through a conference call and / or a one to one meeting.
Outcomes	Will be reviewed during the next ESG assessment process

- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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LEA 15.1 Indicate whether your organisation proactively discloses information on its engagements.

- ☒ We disclose it publicly

provide URL

<http://www.mirova.com/Content/Files/Mirova/Recherche/Mirova%20Engagement%20Policy.pdf>

LEA 15.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☐ Yes
☒ No

LEA 15.3

Indicate what engagement information your organisation proactively discloses to the public.

- ☒ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☒ Breakdown of engagements by region
- ☐ An assessment of the current status of the engagement
- ☐ Outcomes that have been achieved from the engagement
- ☐ Other information

LEA 15.4

Indicate how frequently you typically report engagements information to the public.

- ☐ Disclosed continuously (prior to and post engagements)
- ☐ Disclosed quarterly
- ☒ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify

LEA 15.5

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

- ☒ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☒ Breakdown of engagements by region
- ☒ An assessment of the current status of the engagement
- ☒ Outcomes that have been achieved from the engagement
- ☐ Other information

LEA 15.6

Indicate how frequently you typically report engagements information to clients/beneficiaries.

- ☐ Disclosed continuously (prior to and post engagements)
- ☒ Disclosed quarterly
- ☐ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify

LEA 15.7

Describe any other differences in the information being disclosed. [Optional]

Mirova adheres to the highest standards with respect to transparency in order to offer investors total visibility as to how their assets are being managed. As a result, its engagement and proxy voting activity is clearly presented in two published documents:

- **Mirova's engagement policy**, which describes the overall approach and processes in place to encourage issuers to improve their ESG practices : <http://www.mirova.com/en-UK/p/voting-and-engagement>

- **Mirova's consolidated report on engagement:** this report provides a quantitative and qualitative panorama of the engagement activity campaign, and an overview of the dialogues undertaken over the year. <http://www.mirova.com/en-UK/p/voting-and-engagement>

In addition to these public documents, Mirova provides its primary institutional clients, on request, with a tailor-made report that, among other things, includes :

- **The ESG assessment of issuers held** in their portfolios and updated ESG newsflow on those issuers ;
- **A RI market review ;**
- **Engagement actions involving these companies**, and a qualitative focus on the main engagement topics;
- **A quantitative and qualitative review of voting exercised on the issuers held** in their portfolios: evolution of the voting scope, geographical breakdown, thematic breakdown (transparency, compensation policy, etc.), results (percentage of For/ Against/ Abstain, etc.). **A quarterly panorama of votes is also provided to some institutional clients**, either through a presentation during their investment committees or through a specific report sent quarterly.

☐ We disclose it to clients and/or beneficiaries only

☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2
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LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
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The exercise of voting rights is a central component of our responsible investment policy. It remains the most tangible and formal mechanism available to us as shareholders and as the representative of our investors to express our approval or disagreement with companies' management decisions.

Mirova thus exercises its voting rights according to an **organisation structured around two distinct sets of activities**, aiming at ensuring that the exercise of voting rights is in the best interests of unit holders:

- **The analysis of resolutions is performed by Mirova's RI research department**, a team of 11 RI analysts specialising in ESG issues. These latter constantly monitor regulatory changes, establish benchmarks for companies' governance practices, and continuously refine Mirova's voting principles to reflect the highest standards as a way of encouraging the emergence of a responsible system of corporate governance. Mirova's analysts also take charge of implementing the voting policy. Each analyst conducts the analysis of resolutions and the exercise of voting rights for their own sector, with the help of a proxy agency; this ensures an expert and integrated approach sensitive to the specificities of each company. This voting process comprises both the analysis of resolutions submitted to a vote at the general shareholders' meeting and dialogue with companies within the engagement policy framework. Voting decisions are taken by a voting committee consisting of Mirova's Chief Executive Officer, the Head of Responsible Investment Research and the Head of Governance and Engagement Research. Portfolio managers and/ or extra-financial analysts may be invited to take part in committee discussions as appropriate to the addressed issues.

- **The effective exercise of voting rights is performed by Natixis AM's Middle Office department,** according to instructions provided by Mirova as part of a service agreement

Except for certain cases*, Mirova exercises voting rights for all the UCITS (Undertakings for Collective Investment in Transferable Securities) and AIF (Alternative Investment Funds) under its management and for which it holds voting rights, as well as for employee savings investment funds which supervisory boards have delegated its voting rights to Mirova.

In 2014, this represented a universe of global scope comprising 206 companies.

Mirova's voting policy covers also includes is both demanding and flexible, leaving room for specific approaches following companies characteristics.

- **Geographic specificities:** We strive to maintain high standards with respect to corporate governance. Nonetheless, should the governance practices of a particular country be more stringent than those of the voting principles, we align with the latter in analysing the resolutions submitted and determining our vote. Moreover, we have adapted the principles of our voting policy in order to take into account the specificities of local governance models.
- **Size of companies:** We are aware that some of our standards may be onerous for small or mid-cap entities that lack the means to implement such rigorous policies in their corporate governance. Mirova has thus decided to modify certain of its voting principles in order to take into account the differences arising from the size of these companies or the nature of their shareholders. Thus, one section of the voting policy is dedicated to explaining the principles for analysis of resolutions submitted by small and mid-cap companies.
- As a responsible investor, fully positioned in the SRI field, **Mirova has decided to include environmental and social issues in its voting policy**, in addition to corporate governance guidelines.

Annual General Meetings are also an opportunity to engage in constructive dialogue with companies that represent significant holdings in our portfolios, whether this involves a resolution under analysis, or their ESG practices more generally speaking. These dialogues are part of our engagement approach (for more details please refer to the engagement sub-section, questions LEA.01 to LEA.15) and help Mirova exercise its voting rights knowledgeably and responsibly.

**The only exceptions concern funds with restrictive management processes whereby immobilizing securities in order to exercise voting rights may be to the detriment of the shareholders' investments value*

Process			
LEA 17	Mandatory	Descriptive	PRI 2
LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.		
	Approach		
	<input type="radio"/> We use our own research or voting team and make our own voting decisions without the use of service providers.		
	<input type="radio"/> We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.		
	<input checked="" type="radio"/> We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.		

Based primarily on

- ☐ the service provider voting policy signed off by us
- ☒ our own voting policy
- ☐ our clients requests or policy
- ☐ other, explain
- ☐ We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2

Additional information.[Optional]

For the purpose of exercising voting rights, Mirova hires an independent voting services provider. This proxy agent is responsible for:

- **Informing Mirova of upcoming shareholders' meetings** related to securities within Mirova's voting universe.
- **Analysing resolutions** according to the principles described in Mirova's voting policy,
- **Providing access to a voting platform** for the exercise of voting rights
- **Communicating voting instructions to the issuer**

The service provider communicates directly with custodian banks, from whom it receives on a daily-basis the files with the exact positions for all portfolios included in the voting universe.

LEA 18

Mandatory

Descriptive

PRI 2

LEA 18.1

Of the voting recommendations that your service provider made in the reporting year, indicate what percentage your organisation reviewed, and the reasons for the review.

Percentage of voting recommendations your organisation reviewed

- ☒ >20%
- ☐ 5-20%
- ☐ 1-5%
- ☐ <1%

Reasons for review

- ☒ Specific ESG issues
- ☒ Votes where a significant level of ownership is held
- ☐ Votes against management or abstentions
- ☐ Conflicts of interest
- ☐ Corporate actions such as M&A, disposal, etc.
- ☐ Other, explain

LEA 18.2

Additional information [Optional]

Our voting services provider is responsible for analysing submitted resolutions according to the principles described in our voting policy for the majority of assets within the voting universe. However, **our RI research team handles the analysis itself :**

- **For the main holdings that form Mirova's and its clients' key assets under management**, which represent 90% of Mirova's listed equity AuM.

- **When resolutions address specific issues, such as environmental and/or social themes or mergers & acquisitions.**

LEA 19	Voluntary	Descriptive	PRI 2
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LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
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- ☒ Obtain confirmation that votes have been received by the company:
- ☒ for a majority of votes
 - ☐ for a minority of votes
- ☒ Participate in projects to improve the voting trail and/or to obtain vote confirmation
- ☐ None of the above

LEA 19.2	Provide additional information on your organisation's vote confirmation efforts.
----------	--

Votes are entered in the voting platform for each account. The procedure then varies depending on whether the securities are French, in which case Mirova votes by postal ballot, or foreign, in which case Mirova votes by proxy.

• **French securities: Mirova votes by postal ballot**

Mirova completes the absentee ballot on a platform made available by the proxy then faxes and posts it to the various custodians. Once the voting instructions are received, the custodian verifies and corrects the positions on securities in each account for which a vote is recorded and send the ballots to the issuer or its agent. On a case-by-case basis, Mirova reserves the right to physically attend shareholders' meetings rather than voting by proxy or absentee ballot.

• **Foreign securities: Mirova votes by proxy**

Mirova enters the voting instructions in the voting platform and the proxy passes on the instructions for Mirova's accounts to the local sub-custodians. In some cases, the proxy is required to vote directly on behalf of Mirova, in accordance with the principles defined in its voting policy.

LEA 20	Voluntary	Additional Assessed	PRI 2
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LEA 20.1	Indicate if your organisation has a securities lending programme.
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- ☐ Yes
- ☒ No

LEA 20.3	Additional information. [Optional]
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As mentioned in its proxy voting policy, Mirova does not have a securities lending programme.

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases:
- ☐ votes in selected markets
 - ☐ votes on certain issues (all markets)
 - ☒ votes for significant shareholdings (all markets)
 - ☐ other, explain
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
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For the main holdings that form Mirova's and its clients' key assets under management, which represent 90% of Mirova's equity AuM, the RI research team undertakes dialogue with companies, if and when the resolutions raise issues, and informs them systematically of the intended vote, whether positive or negative, indicating the rationale behind a negative vote and providing recommendations in order to improve companies practices.

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- ☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

99

	Specify the basis on which this percentage is calculated
--	--

- ☐ of the total number of ballot items on which you could have issued instructions
- ☒ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted

LEA 22.2

If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

In 2014, Mirova's voting scope comprised 206 companies held in 11 UCITS and AIF managed by Mirova. Within this voting scope, 228 general meetings (GM) were held in 2014. Mirova exercised its voting rights at 225 general meetings, with a participation rate of 99%. Mirova did not exercise its voting rights at 3 general meetings due to technical problems.

Among the votes exercised at the 225 general meetings, 6 votes were not confirmed due to administrative formalities or market constraints. **The number of general meetings at which votes were cast and confirmed in 2014 is 219.**

☐ We do not track or collect this information

LEA 23
Voluntary
Descriptive
PRI 2
LEA 23.1

Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.

☒ Yes, we track this information

LEA 23.2

Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	<div> <div></div> <div>%</div> </div> 76
Against (opposing) management recommendations	<div> <div></div> <div>%</div> </div> 23
Abstentions	<div> <div></div> <div>%</div> </div> 1

100%

LEA 23.3

For the reporting year, describe your approach towards voting on shareholder resolutions.

Shareholder resolutions represent 3% of total oppositions and essentially concern questions of governance, representing 88% of shareholder resolutions introduced in 2014. The rate of opposition for these resolutions is 52% since they were considered to run counter to the long-term interests of the company and its stakeholders. We therefore cast votes 'against' when the proposed modifications threatened to affect the quality of governance or the rights of minority shareholders and other stakeholders (e.g., nomination of a non-independent director, proposal of a new dividend). Likewise, we did not support proposals that were not suited to the specificity of the company, unjustified in terms of the quality of practices, or inadequate with respect to social issues.

We did support close to 48% of shareholder resolutions in cases where the environmental, social, or governance practices of the companies concerned could thereby be improved.

☐ No, we do not track this information

LEA 23.4	Additional information.
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- **Information complementary to LEA.23.1 :**

The average opposition rate (votes against and abstentions) in 2014 was 24%. However, this rate presents a marked heterogeneity with respect to different geographical areas and voting themes.

Generally speaking, the balance of power remains the most important subject of contestation across the 3 geographical areas. This theme represents 70% and 63% of votes in opposition in Asia and the Americas respectively. This is explained by two essential factors:

- 1/ the importance of this subject for the agenda of the companies in these geographical areas,
- 2/ local practices that remain below international standards.

Japan presents the highest rate of opposition of the entire voting sphere with an average rate of opposition of 71%, of which 70% on questions of the balance of power. Indeed, the capital of Japanese companies has only very recently been opened up to international shareholding (and thus to international norms). The presence of independent directors on the boards of Japanese companies is no more than 8% on average, compared to the Netherlands (75%) or Great Britain (63%).

Thus while we adapted our voting principles to the particular nature of Japanese culture, certain requirements, such as the independence of boards or auditors, cannot be abandoned without running too significant a risk. Japan is currently in the process of revising its governance code to conform with international standards.

Another factor: shareholder resolutions. These represented close to a quarter of the resolutions voted on at the general meetings of Japanese companies. They were essentially concentrated in one company and dealt with various questions of governance.

The American area, which notably includes the United States and Canada, has a rate of opposition of 27%, of which 64% concerned the appointment of directors and 26% the question of remuneration. The independence of boards remains an issue for American companies, notably due to the significant number of directors having commercial ties with or diverse interests in the company. On the question of remuneration, the absence of performance criteria for certain security-based compensation arrangements explains the vast majority of votes in opposition.

In Europe, the average opposition rate of 22.5% is unevenly distributed, with comparable ratios in France (17%) and Great Britain (19%) and a significantly higher rate in Germany (30%). The principle subjects of contestation are issues relative to the balance of power (appointment of directors), capital transactions that are dilutive or assimilated to anti-takeover measures, and remuneration. The grounds for opposition remain stable from one year to the next and principally concern the independence of boards and the availability of directors, the correlation between remuneration and performance, and the limitation of changes to the capital structure that represent a risk for the company.

LEA 25	Voluntary	Descriptive	PRI 2
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LEA 25.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
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☒ Add Example 1

Topic or ESG issue	Executive remuneration
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	To ensure that executive remuneration is aligned with long term value creation
Scope and Process	We focused on all the companies within our voting universe and we voted against 33% of Say on Pay resolution.
Outcomes	Following these votes, we sent e-mails to our core companies to explain our voting rationale and areas for improvement. More than 25 companies engaged with us this year on how they can ensure that their remuneration practices are supported by investors, and they undertook to make changes prior to next year's AGM.

☒ Add Example 2

Topic or ESG issue	Balance of Power within the board
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	To ensure that the board is balanced in terms of expertise and independence
Scope and Process	We focused on all the companies within our voting universe and we voted against 25% of directors election.
Outcomes	Following these votes, we sent e-mails to our core companies to explain our voting rationale and areas of improvement. More than 25 companies engaged with us this year on their governance practices prior to next year's AGM

☒ Add Example 3

Topic or ESG issue	Quitus
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	To ensure that the quitus will not be submitted to shareholders votes in the countries where shareholder approval has a binding effect and can hinder legal claims against directors
Scope and Process	We focused on all the companies within our voting universe and we voted against 35% of directors election.
Outcomes	Following these votes, we sent e-mails to our core companies to explain our voting rationale and areas for improvement

- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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LEA 26.1 Indicate if your organisation proactively discloses information on your voting activities.

- ☒ We disclose it publicly

provide URL

<http://www.mirova.com/en-UK/p/voting-and-engagement>

LEA 26.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☐ Yes
☒ No

LEA 26.3 Indicate the voting information your organisation proactively discloses to the public.

Indicate how much of your voting record you disclose

- ☐ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☒ Summary of votes only

Indicate what level of explanation you provide

- ☐ Explain all voting decisions
- ☐ Explain some voting decisions
- ☒ Only explain abstentions and votes against management
- ☐ No explanations provided

LEA 26.4

Indicate how frequently you typically report voting information to the public.

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

LEA 26.5

Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

- ☒ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

Indicate what level of explanation you provide

- ☐ Explain all voting decisions
- ☒ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☐ No explanations provided

LEA 26.6

Indicate how frequently you typically report voting information to clients/beneficiaries.

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

LEA 26.7

Describe any other differences in the information being disclosed. [Optional]

Mirova adheres to the highest standards with respect to transparency in order to offer investors total visibility as to how their assets are being managed. As a result, its engagement and proxy voting activity is clearly presented in two published documents:

- **Mirova's engagement policy**, which describes the overall approach and processes in place to encourage issuers to improve their ESG practices <http://www.mirova.com/en-UK/p/voting-and-engagement>
- **Mirova's consolidated report on engagement**: this report provides a quantitative and qualitative panorama of the engagement activity campaign, and an overview of the dialogues undertaken over the year. <http://www.mirova.com/en-UK/p/voting-and-engagement>

In addition to these public documents, Mirova provides its primary institutional clients, on request, with a tailor-made report that, among other things, includes :

- **The ESG assessment of issuers held** in their portfolios and **updated ESG newsflow** on those issuers ;
- **A RI market review ;**
- **Engagement actions involving those companies**, and a qualitative focus on the main engagement topics;
- **A quantitative and qualitative review of voting exercised on the issuers held in their portfolios**: evolution of the voting scope, geographical breakdown, thematic breakdown (transparency, compensation policy, etc.), results (percentage of For/ Against/ Abstain, etc.). **A quarterly panorama of votes is also provided to some institutional clients**, either through a presentation during their investment committees or through a specific report sent quarterly.

- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

Mirova

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed fixed income

FI 03	Voluntary	Descriptive	PRI 1
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FI 03.1	Provide a brief overview of how you incorporate ESG issues in fixed income investments.
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	Fixed Income - Corporate
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Mirova seeks to efficiently combine responsibility with conviction-based management in fixed income portfolios by integrating ESG criteria.

Its approach is based on two core convictions, translated into tangible investment principles :

8. **Environmental and Social issues represent major challenges of our world:** These challenges require investments through sustainable bonds or new sustainable businesses.
9. **Bonds can benefit from both risk and opportunity analysis:** combining financial and ESG analysis improves the risk/return profile of the portfolio. ESG analysis highlights risks that are often overlooked by financial analysis and helps to identify issuers that may benefit in the future from ESG themes.

In practical terms, Mirova's RI approach for corporate fixed income revolves around 4 pillars :

- **Enrich issuer-selection by integrating ESG research into the investment process.**
- **Select issuers that offer both a financially attractive profile and good environmental, social/societal and governance practices.**
- **Exceed best-in-class approaches with an absolute ESG assessment,** i.e. an issuer rating that is not relative to others issuers within its sector, but in absolute terms with regard to sustainable development issues. The purpose is to differentiate between sectors in order to favour those with positive environmental and/or social externalities.
- **Increase its exposure to sustainable bonds,** i.e. bonds directly linked to a specific project or pool of projects which have a positive impact on the environment or address social issues (at end 2014, Mirova's fixed-income portfolios had between 10% and 70% of their assets in green bonds).

	Fixed Income - Government
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Mirova analyses sovereign issuers according to a process based on indicators broadly acknowledged as legitimate, i.e. :

- **The Governance assessment** is based on the **World Governance Indicators** published by the World Bank and financed by the Brookings Institution (an American think tank);
- **The Social/Societal assessment** is based on the underlying health, education and income statistics used by the UN Development Programme for the inequality-adjusted Human Development Index (**iHDI**);
- **For the Environmental pillar, the RI research team relies on input provided by an extra-financial rating agency** selected for the relevance and comprehensiveness of its research in this area.

As we are not aware of any research currently available that might enable a reliable assessment of countries' social and environmental policies, Mirova does not perform a full qualitative analysis and mainly uses the E and S indicators for indicative purposes to perform a screening. Indicators such as the level of development or the environmental footprint are not sufficiently relevant to systematically influence investment decisions or define the funds' investment universe. Consequently, **only Governance indicators are used as a "precautionary" ESG filter at this stage**, by excluding from the investment universe any sovereign issuer with serious governance disturbances (issues mostly affecting emerging countries)

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☐ Screening + Integration strategies
- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☒ All three strategies combined

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<table> <tr> <td></td><td>%</td></tr> <tr> <td>100</td><td></td></tr> </table>		%	100	
	%				
100					

☐ No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

Sustainable development challenges will restructure our economy in depth. Like any momentum for change, this one carries both opportunities and risks.

Accordingly, without disregarding the need to control extra-financial risks (i.e. ESG screening performed), the idea is to focus our work primarily on research on the most appropriate environmental, social and structural innovations so that these may form a basis of our investment decisions, notably though, **for fixed income asset class:**

- **Our absolute ESG analysis** that differentiates between sectors in order to favour those with positive environmental and/or social externalities.
- **Our growing exposure to sustainable bonds**, in order to concretely contribute to tackle the overriding Sustainable Development issues, notably the Energy Transition challenge through green bonds.

This approach has been developed by Mirovato **meet its clients' dual requirement for robust financial performance and positive transition towards a sustainable economy**, through a fundamental conviction-driven investment approach enabling the combination of value creation with sustainable development;

FI 04.3	If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]
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1) The multi-thematic approach, through an absolute ESG assessment (Best-in-Universe) and a growing exposure to sustainable bonds

Mirova's thematic approach entails selecting issuers that are 'tomorrow's winners', i.e. that have the ability to perform over the long term via business models that fully integrate the challenges of sustainable economic development. These issues are classified into 8 sustainability themes enabling the identification of investment opportunities along the entire value chain and across all sectors of activity: Sustainable energy, Sustainable mobility, Sustainable resources, Sustainable consumption, Sustainable buildings and cities, Sustainable health, Sustainable finance, Sustainable information and communication technologies.

Within the Fixed Income Asset Class, Mirova takes into account these themes by analysing issuers according to an absolute ESG assessment (best-in-universe), i.e. an issuer rating that is not relative to others issuers within its sector, but in absolute terms with regard to sustainable development issues. The purpose is to differentiate between sectors in order to favour those with positive environmental and/or social externalities, and thus provide tangible solutions to the 8 themes mentioned above. **Besides, Mirova progressively increases its exposure to sustainability bonds**, i.e. bonds directly linked to a specific project or pool of projects which have a positive impact on the environment or on social issues. The RI research team has developed a methodology to assess sustainability bonds, based on two main requirements : a) The existence of a sustainability purpose in the use of proceeds (green or social), and b) At least one significant exposure to sustainability issues (climate change, resources, pollution, biodiversity, health and development).

2) The ESG screening / ESG Integration

In addition to the identification of sustainable business models of corporate issuers and / or sustainable bonds mentioned above, **an ESG risk review is also conducted to ensure that all risks are taken into account (both financial and extra-financial)**: after thorough analysis, the RI research team analyses each issuer based on their capacity to positively contribute to sustainability challenges and their corporate behaviour with regards to ESG issues. As a result, each company is rated as one of the following five ESG rating categories: engaged, positive, neutral, risk and negative. **Issuers in the categories "risk" and "negative" are consequently excluded from Mirova's investment universe**. Moreover, **Mirova excludes from all its portfolio any issuer involved in controversial weapons** (cluster bombs & anti-personal mines), and a **human rights alert** is included in the ESG risk review.

The combination of these approaches covers 100% of Mirova's corporate fixed income AuM.

FI 05	Voluntary	Additional Assessed	PRI 1
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FI 05.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
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Type of ESG information

☒ Raw ESG company data

Describe who provides this information.

Raw ESG Company data : raw ESG data and KPIs are collected by the in-house RI research team, either directly from issuers (sustainable development reports, annual reports, meetings or calls with CSR department or Investor Relations Department etc.) or by proxy through intermediaries such as sell-side analysts or extra-financial ratings agencies.

☒ Issuer-related analysis or ratings

Describe who provides this information.

The ESG assessment of issuers is performed by the RI research team on the basis of:

- Their own research and analysis, which for the main issuers (i.e. those that represent Mirova's key assets) always entails dialogue with the companies involved, as well as engagement actions when areas for improvement are identified.
- Secondary sources such as the ratings of external research providers.

☒ Sector-related analysis or ratings

Describe who provides this information.

The RI research team undertakes analysis that cover sector-related ESG risks ; these analyses notably draw on sectorial analysis from sell-side analysts as well as from extra-financial ratings agencies. It is also worth noting that business sectors are analysed according to a thematic approach: business activities that provide innovative solutions to tackle issues related to one or several of Mirova's 8 sustainability themes can potentially be part of Mirova's buy list (if the ESG assessment and the financial analysis at stock level are also positive).

☒ Country-related analysis or ratings

Describe who provides this information.

Mirova's RI research analyses sovereign issuers according to a process based on indicators broadly acknowledged as legitimate (i.e. The World Governance Indicators for the G Pillar; the inequality-adjusted Human Development Index (iHDI) for the S Pillar, and inputs provided by an extra-financial rating agency for the E Pillar).

Moreover, ESG analysis of corporate issuers and thematic studies usually include a geopolitical perspective by taking into account context when appropriate (local regulations and/or prevailing practices, cultural biases, etc.). For instance, the thematic study published by the RI research team on the theme of Arctic drilling addresses particular risks more or less specific to certain countries in the zone, such as Russia: <http://www.mirova.com/en-UK/p/Library/Mirova-research>.

☒ Screened bond list

Describe who provides this information.

The ESG assessment is performed by Mirova's RI research team based on in-house investigations and/or drawing on inputs from sell-side analysis or ratings agencies.

☒ ESG issue-specific analysis or ratings

Describe who provides this information.

One of the primary roles of Mirova's RI research team is to further understand the major challenges of Sustainable Development and to analyse their impact on sectors and issuers. To this end, the RI analysts regularly produce thematic studies on issues relevant to sustainable development, as well as "focus papers" that address more specific topics to expose the issues / risks at stake, and identify the sectors with the highest exposure. In order to produce these materials, Mirova's in-house team uses:

- A broad spectrum of sources (among which academic research, sell-side analysis and ratings agencies, which also produce thematic publications).
- The close-knit partnership that Mirova has built since 2012 with the University of Cambridge, via the Cambridge Programme for Sustainability Leadership (CPSL), to cooperate in furthering knowledge of particular issues in sustainability. This partnership includes an active research-based collaboration involving nine joint publications over the next three years.

☐ Other, specify

FI 05.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Mirova's RI research team performs the thematic and ESG analysis itself, but also relies on external sources. This includes;

- **publicly available data:** corporate annual reports/sustainable development reports, academic research, NGO reports, press, etc.
- **regular contacts with various stakeholders:** companies, trade unions, NGOs, scientific community (notably through the partnership with Cambridge University)
- **external research:** brokers (BofAML, Cheuvreux, Citigroup, Credit Suisse, Deutsche Bank, Exane BNP Paribas, Goldman Sachs, JPMorgan, Morgan Stanley, Natixis, Société Générale, UBS, etc.), extra-financial rating agencies.

These various sources are taken into account according to a proprietary methodology that enables a flexible intensity of the in-house coverage and monitoring, depending on the weight of the issuer in Mirova's portfolios.

(A) Implementation: Screening

FI 06

Mandatory

Descriptive

PRI 1

FI 06.1

Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

Type of screening

☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☒ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
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In terms of sectors, Mirova considers that automatic sector exclusions can be qualified as dogmatic, but also believes it to be just as dogmatic to consider that all sectors are equal. According to its approach, the analysis must be objective and if evidence shows that certain sectors are more exposed in terms of risks or, on the contrary, benefit from opportunities, it seems absurd not to accept these conclusions. **So without excluding specific sectors** (except for tobacco and controversial weapons), **Mirova favours sectors that contribute to sustainable development and then automatically avoids those with negative ESG externalities** (e.g. Mirova does not invest in the oil sector, except through green bonds focused on sustainable projects).

An ESG analysis is also conducted to ensure that all risks are reviewed (both financial and extra-financial). Issuers assessed negatively ("risk" or "negative") are excluded from Mirova's investment universe.

Besides, **Mirova excludes any issuer involved in controversial weapons from all its portfolios** (cluster bombs and anti-personal landmines), and a **human rights alert** is included in the ESG risk review.

For government issuers, Governance indicators are used as a "precautionary" ESG filter, by excluding from the investment universe any sovereign issuer with serious governance disturbances (issues mostly affecting emerging countries).

- ☒ Positive/best-in-class screening

Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
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As mentioned previously, our corporate fixed income portfolios are managed according to an absolute ESG assessment, i.e. a best in universe approach that :

- **differentiates between sectors** and favours sectors or activities that contribute to tackle sustainability issues.
- **selects the issuers that demonstrate good ESG practices.**

Besides, **Mirova progressively increases its exposure to sustainability bonds**, i.e. bonds directly linked to a specific project or pool of projects which have a positive impact on the environment or on social issues.

- ☒ Norms-based screening

Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

Description

The ESG assessment process takes into consideration the tenets of the main international agreements on these topics.

FI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Screening criteria, whether positive or negative, are selected by our experts in the RI research department. In order to further explore sustainable development issues and analyse their impact on sectors and issuers, we have built up a robust in-house extra-financial research capacity. A dedicated team of 11 specialists in ESG issues undertakes analysis of issues according to a proprietary methodology that is both stringent and practical. This approach takes into account sector specific concerns and the nature of issuers. It makes no a priori exclusions, however, it is founded on an absolute value assessment that aims to distinguish between sectors considering their exposure to issues of sustainable development. **As regards sustainability bonds, the RI research team has developed an assessment methodology** based on two main requirements : a) The existence of a sustainability purpose in the use of proceeds (green or social), and b) At least one significant exposure to sustainability issues (climate change, resources, pollution, biodiversity, health and development).

The idea generation process and screening criteria, and generally speaking the entire process of extra-financial research, undergo constant improvement and refinement (strengthening sources, constant monitoring of sustainability issues, etc.), **while offering continuity.** Should a significant change occur that might affect the investment process, and, as a result the fund's prospectus, unit holders are appropriately informed.

FI 07

Mandatory

Core Assessed

PRI 1

FI 07.1

Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

- ☒ Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- ☒ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☒ Other, specify

Thematic Research Partnership with the University of Cambridge (please refer to the description of this partnership in the additional information below)

☐ None of the above

FI 07.2

Additional information. [Optional]

As described previously, Mirova's extra-financial research is performed by an in-house team of 11 sustainable development specialists who ensure the robustness of ESG opinions provided to our investment teams. To this end, they rely on a large range of resources (Mirova thematic groups, dialogue with company management, extra-financial agencies, academic research - including the partnership with the University of Cambridge, sell-side analysts, reports from NGOs, etc.).

To ensure the robustness of ESG analysis provided to PMs, the RI research team:

- **Tests the consistency and relevance of analysis produced by ratings agencies and sell-side ESG research**, notably through cross-verification of information with independent sources.
- **Provides in-house ESG analysis** in addition to the inputs provided by extrafinancial ratings agencies.
- **Engages in dialogue with companies that represent Mirova's key assets under management** to reach a better understanding of their ESG practices, verify or further investigate specific aspects and make suggestions for improvement, as part of Mirova's engagement approach. For example, Mirova targeted engaged dialogue with 28 issuers specifically with regards to sustainable bonds issuance (companies, local authorities and supranational agencies). The sustainable bonds market is in embryonic stages, and practices are still heterogeneous notably in terms of transparency. The purpose of this specific engagement action was therefore to clarify and specify precisely our expectations as responsible investors.
- **Submit certain thematic or sectorial conclusions to scrutiny by independent experts** (e.g. a partnership with the University of Cambridge which includes an active research-based collaboration involving nine joint publications on specific themes, over the next three years).

The extra-financial research process undergoes constant improvement (new and more reliable sources, improved monitoring of sustainability issues etc.) **and ESG assessments are updated regularly, taking into account new information.**

Moreover, it is worth notice that BPCE Group has conducted an audit on the robustness of Mirova's ESG research processes in 2014.

FI 08

Voluntary

Additional Assessed

PRI 1

FI 08.1

Indicate which processes your organisation uses to ensure that fund criteria are not breached in corporate fixed income investments.

- ☒ Checks are performed to ensure that issuers meet the funds' screening criteria. These checks are:
- ☒ Systematic
 - ☐ Occasional
- ☒ Automated IT systems prevent investment managers from investing in excluded bonds or those that do not meet positive screening criteria
- ☒ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

FI 08.2

If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.

Mirova relies on Natixis AM's (its parent company) strong risk management organisation to ensure that fund screening criteria are not breached, according to the process described below.

Considerable attention is paid to monitor compliance with established guidelines, including fund screening criteria. Considering in-depth risk monitoring and the ability to pre-test trades both for coherence with the model portfolio and compliance with guidelines, the potential for breaches based on portfolio management activity should be low. Further, any breach that does occur due to market action can be quickly reported and resolved given the systems on-hand that actively monitors guideline compliance. All constraints pertaining to portfolios are input in dedicated software "Guardian" by the risk department (Constraints & Operations Risk team - RCO). Guardian is linked to the order management system process Charles River development and to Apollo, the central record keeping system for portfolio positions, updated daily. Main constraints are monitored by portfolio managers using their front-office tools on a pre-trade basis.

The Constraints and Operation Risks team daily monitors constraints linked to portfolios' financial management (intelligence and validation, exhaustiveness, effective control, adjustment procedure, audit trails, reporting) using Guardian. Controls cover either the prospectus specifications when relevant for funds, or contractual constraints for mandates including specific investment guidelines, as well as regulatory requirements. It is also in charge of monitoring breaches, operation control and best execution. It finally implements ex-ante constraint controls on portfolios. Any breaches are highlighted daily by the middle office team and brought to the attention of the portfolio manager for resolution. There is a procedure to escalate the breach if it is not resolved quickly: should the breach be longer than 2 NAV, the RCO would be responsible to follow the event until its complete resolution, while activating an escalation procedure involving 5 levels of alerts. If the breach is deemed unusual, the RCO can call the manager for an interview and ask for immediate resolution of the breach, according to an emergency procedure.

Every event relative to the escalation procedure is added to the Guardian audit trail of the breach. So Guardian records and time stamps the entire audit trail, and the data is available for the fund managers, the risk teams, or audit purposes. Reports on breaches are sent twice a month to the heads of investment departments and the heads of Legal, Monitoring and Risk Department. Natixis Asset Management ensures that breaches in portfolios' guidelines are resolved in the clients' best interests.

(B) Implementation: Sustainability themed investing

FI 09

Voluntary

Descriptive

PRI 1

FI 09.1

Indicate the type of sustainability themed funds or mandates your organisation manages.

- ☒ Environmentally themed funds
- ☒ Socially themed funds
- ☒ Combination of themes

FI 09.2

Describe your organisation's processes for sustainability themed funds.

As mentioned previously, Mirova's overall thematic approach entails selecting issuers that are 'tomorrow's winners', i.e. that have the ability to perform over the long term via business models that fully integrate the challenges of sustainable economic development. **These issues are classified into 8 sustainability themes enabling the identification of investment opportunities along the entire value chain and across all sectors of activity:** Sustainable energy, Sustainable mobility, Sustainable resources, Sustainable consumption, Sustainable buildings and cities, Sustainable health, Sustainable finance, Sustainable information and communication technologies.

Within the Fixed Income Asset Class, Mirova takes into account these themes according to a multi-thematic approach, by analysing issuers according to an absolute ESG assessment (best-in-universe), i.e. an issuer rating that is not relative to other issuers within its sector, but in absolute terms with regard to sustainable development issues. The purpose is to differentiate between sectors in order to favour those with positive environmental and/or social externalities, and thus provide tangible solutions to the 8 themes mentioned above. Besides, **Mirova increases progressively its exposure to sustainability bonds**, i.e.

bonds directly linked to a specific project or pool of projects which have a positive impact on the environment or on social issues. The RI research team has developed a methodology to assess sustainability bonds, based on two main requirements : a) The existence of a sustainability purpose in the use of proceeds (green or social), and b) At least one significant exposure to sustainability issues (climate change, resources, pollution, biodiversity, health and development).

It is also worth notice that **Mirova plans to launch a Green Bonds fund in 2015.**

Besides, two of its fixed income funds have a strong social purpose in their investment philosophy :

- **The "Insertion Emplois Modéré" fund** aims at funding issuers (or solidarity-based bodies) that actively contribute to job creation or the consolidation for people in need.
- **10% the net assets of the "Natixis Impact Nord Sud Développement" fund*** can be invested in securities from microfinance institutions and in shares of small and mid-cap companies.

**At end 2014, a transformation of the investment process of this fund was on-going, toward a green bond approach. The fund therefore will not include microfinance anymore*

Please refer to OA.14 for more details about Mirova's product range.

FI 09.3	Additional information.
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To sum up:

- Environmentally themed funds (Launch of a green bonds funds in 2015, please refer to 09.2)
- Socially themed funds (Social purpose of Natixis Impact Nord Sud Développement* microfinance part, and of Insertion Emplois Modéré, please refer to 09.2)
- Combination of themes (Mirova's multi-thematic approach, growing exposure to sustainability bonds in fixed income funds, please refer to 09.2)

(C) Implementation: Integration of ESG factors

FI 11	Mandatory	Core Assessed	PRI 1
FI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.		

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 11.2

Additional information. [Optional]

As mentioned in Overarching Approach section, Mirova is a Core SRI player, deeply involved in responsible investment for almost 30 years (*indirectly through its parent company Natixis AM, and then directly since Mirova's creation in January 2014*). Thanks to this responsible positioning, its responsible investment policy is ambitious and covers 100% of its assets under management. As a consequence, **all its funds systematically take into account ESG criteria. An ESG analysis is always conducted to ensure that all risks are reviewed (both financial and extra-financial).**

Please refer to FI.03 and FI.06 for more details about the way we implement ESG criteria in our fixed income investment processes.

FI 12	Voluntary	Descriptive	PRI 1
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FI 12.1

Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

FI 12.2

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☒ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

FI 12.3

Additional information.

12.1. As described previously, Mirova's extra-financial research is performed by an in-house team of 11 sustainable development specialists who ensure the robustness of ESG opinions provided to our investment teams. To this end, they rely on a large range of resources (Mirova thematic groups, dialogue with company management, extra-financial agencies, academic research).

To ensure the robustness of the ESG analysis:

- **An in-depth analysis is performed by the in-house RI research team** and meetings or calls with company management (and/or CSR teams) are also systematically organised for the stocks representing Mirova's key assets under management.
- **The in-house RI research team also tests the consistency and relevance of analysis produced by external ESG ratings agencies and sell-side ESG research**, particularly through cross-verification of information with independent sources.
- **The RI analysts produce a report for key clients** (on request) which includes final ratings and ESG assessment summaries, voting procedures, and engagement actions. This report can be used as a support for discussions on our RI research activities with our clients.
- **The RI analysts submit certain thematic or sectorial conclusions to scrutiny by independent experts** (e.g. a partnership with the University of Cambridge which includes an active research-based collaboration involving nine joint publications on specific themes, over the next three years).

The RI research team seeks to constantly improve its research process (addition of new sources or improvement of the sources' reliability, improved monitoring of sustainability issues, etc.) **and ESG assessments are frequently updated, taking new information into account. Moreover, BPCE Group has conducted an audit on the robustness of ESG processes in 2014.**

12.2. Mirova's portfolio managers (PMs) systematically take all relevant ESG inputs into consideration in their investment decisions. ESG issues therefore are fully implemented in Mirova's investment processes:

- **Portfolio Managers and ESG analysts share a common tool** to write and store their stocks analysis, their convictions, the reasons for fitting the themes or not, the ratings on E, S and G pillars. This in-house rating tool is a valuable asset.
- **Portfolio managers and analysts constantly interact**, formally (during meetings) or informally. Research is a collaborative process and covers both financial and extra-financial areas. As well as constant day-to-day communications and between members, the team holds open meetings (with company management, external strategists/analysts etc.) where everyone can attend. This open and transparent approach fosters trust and idea sharing.

As a Core SRI asset manager, Mirova captures how ESG information and research was incorporated into investment decisions to ensure that all the stocks included in its portfolios are compliant with its high standard ESG and thematic requirement

Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
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FI 13.1	Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.
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☒ Yes

FI 13.2	Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.
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- ☐ <10%
☐ 10-50%
☐ 51-90%
☒ >90%

FI 13.3	Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 13.4	Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]
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Mirova analyses sovereign issuers according to a process based on indicators broadly acknowledged as legitimate, i.e. :

- **The Governance assessment** is based on the **World Governance Indicators** published by the World Bank and financed by the Brookings Institution (an american think tank);
- **The Social/Societal assessment** is based on the underlying health, education and income statistics used by the UN Development Programme for the inequality-adjusted Human Development Index (iHDI);

- **For the Environmental pillar, the RI research team relies on input provided by an extra-financial rating agency** selected for the relevance and comprehensiveness of its research in this area.

As we are not aware of any research currently available that might enable a reliable assessment of countries' social and environmental policies, Mirova does not perform a full qualitative analysis and **mainly uses the E and S indicators for indicative purpose to perform a screening**. Indicators such as the level of development or the environmental footprint are not sufficiently relevant to systematically influence investment decisions or define the funds' investment universe. Consequently, only **Governance indicators are used as a "precautionary" ESG filter** at this stage, by excluding from the investment universe any sovereign issuer with serious governance disturbances (issues mostly affecting emerging countries)

☐ No

Outputs and outcomes

FI 15	Voluntary	Descriptive	PRI 1
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FI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.
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Fixed Income - Corporate

- ☒ Narrow down or prioritise the investment universe
- ☒ Buy / sell / weight decisions
- ☐ Other, specify

FI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.
---------	--

Fixed Income - Government

- ☒ Narrow down or prioritise the investment universe
- ☒ Buy / sell / weight decisions
- ☐ Other, specify

FI 15.2	Additional information.
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As a Core SRI player, deeply involved in SRI and CSR issues for almost 30 years, **Mirova's portfolio managers (PMs) systematically take into consideration all relevant ESG inputs in their investment decisions**. ESG issues therefore form an integral part of Mirova's investment processes, and can impact each step (investment universe definition, portfolio construction, buy / sell / weight decisions, etc.).

FI 17	Voluntary	Descriptive	PRI 1
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FI 17.1	Provide examples of ESG issues that affected your fixed income investment view and/or performance during the reporting year.
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- ☒ ESG issue 1

	Fixed Income - Corporate and/or Government
<input checked="" type="checkbox"/> Corporate <input type="checkbox"/> Government	
	ESG issue and explanation
Oil and gas companies	
	ESG incorporation strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies	
	Impact on investment view or performance
<p>Consistently with its sectorial positioning, Mirova underweights oil and gas utilities, except through green bonds, which allow a traceability of projects funded and therefore ensure a contribution to energy transition.</p> <p>Several projects financed through green bonds led to a positive impact on the financial performances of our fixed income portfolios during the second half of 2014, following the drop in oil prices.</p>	

☒ ESG issue 2

	Fixed Income - Corporate and/or Government
<input checked="" type="checkbox"/> Corporate <input type="checkbox"/> Government	
	ESG issue and explanation
Quality/safety of products: controversies on some of Syngenta's products	
	ESG incorporation strategy applied
<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies	
	Impact on investment view or performance
Syngenta's ESG assessment was consequently downgraded, so a decision to sell Syngenta was taken in 2014.	

- ☐ ESG issue 3
- ☐ ESG issue 4
- ☐ ESG issue 5

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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FI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.
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- ☒ We disclose it publicly

	Provide URL
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<http://www.mirova.com/en-UK/p/sri-fixed-income>

FI 18.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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- ☐ Yes
- ☒ No

FI 18.3

Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

FI 18.4

Indicate how frequently you typically report this information to the public.

- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

FI 18.5

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

FI 18.6

Indicate how frequently you typically report this information to clients/beneficiaries

- ☐ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☒ Other, specify

On clients' request

- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

FI 18.7

Additional information. [Optional]

Mirova adheres to the highest standards with respect to transparency in order to provide investors with full transparency as to how their assets are being managed.

As a result, its responsible investment approach is fully disclosed :

- **on its website :** <http://www.mirova.com/en-UK/p/sri-fixed-income>
- **in its RI Transparency Code:** <http://www.mirova.com/en-UK/p/our-funds#>
- **and in a document entitled "Mirova's RI research philosophy" :**

<http://www.mirova.com/Content/Documents/Mirova/publications/va/researchphilo/Mirova%20Research%20Philosophy.pdf>

Mirova funds's monthly factsheet-reports also include ESG KPIs, complementary to the financial performance data and PMS' comments.

In addition to these public documents, Mirova also provides its primary institutional clients (on request) with detailed presentations of its investment processes and with a tailor-made report that, among other things, includes:

- **the ESG assessment of issuers held** in their portfolios and updated ESG newsflow on those issuers ;
- **A RI market review ;**
- **Engagement actions involving these issuers**, and a qualitative focus on the main engagement topics ;

- **A quantitative and qualitative review of voting exercised on the issuers held in their portfolios:** evolution of the voting scope, geographical breakdown, thematic breakdown (transparency, compensation policy, etc.), results (percentage of For/ Against/ Abstain,etc.).

Engagement in fixed income investments

Fixed Income - Corporate

FI 19	Voluntary	Descriptive	PRI 2
FI 19.1	Indicate if you engage with corporate issuers.		

☒ Yes

FI 19.2	Describe your organisation's approach to engagement in corporate fixed income.
---------	--

As fully explained in the Active Ownership section (LEA.01 to LEA.15), Mirova engages dialogue with issuers according to 2 main approaches:

- **On-going Engagement :** For the primary holdings that represent Mirova's and its clients' key assets, our internal RI research teams are regularly in contact with issuers, in order to encourage best ESG practices. This dialogue is undertaken continuously within the context of our RI analysis, notably enabling an assessment of issuers' ESG practices prior to the exercise of voting rights at annual general meetings.
- **Targeted Engagement:** these engagement actions are undertaken in order to obtain, within a predetermined timeframe, specific and measurable changes from the issuers. Targeted engagement is handled through Mirova's proprietary engagement platform which was specifically designed to bring together institutional investors with a common view of responsible investment. The targeted engagement topics are identified on the basis of studies performed by the in-house RI research team on sustainability issues and themes, and following discussion with all investors involved in the engagement platform (*for more details, please refer to LEA 05, LEA, 06 and LEA.11*).

While undertaking those on-going and targeted engagement actions, Mirova targets issuers, either held in listed equities or corporate fixed income portfolios.

For example, Mirova targeted 190 issuers in 2014 during its individual engagement actions, among which 28 issuers contacted with regards to sustainable bonds issuance (companies, local authorities and supranational agencies). The sustainable bonds market is in embryonic stages, and practices are still heterogeneous notably in terms of transparency. The purpose of this specific engagement action was therefore **to clarify and specify precisely our expectations as responsible investors.**

☐ No

Mirova

Reported Information

Public version

Direct - Infrastructure

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

INF 03	Voluntary	Descriptive	General
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INF 03.1	Indicate up to three of your largest infrastructure sectors by AUM.
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Sector	Main infrastructure sectors (by AUM)
Largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input checked="" type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Second largest infrastructure sector	<input checked="" type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Third largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input checked="" type="radio"/> Social infrastructure <input type="radio"/> Other, specify

INF 03.2	Additional information.
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As a division of Mirova, the Infrastructure department aims at financing and/or investing in projects that offer solutions to the challenges of sustainable development.

This goal drives our choice of sectors, lending a distinctive shape to our overall positions:

10. **Renewable energies represent the largest sector in terms of total assets** (€130M as of year-end 2014). Our FIDEME, EUROFIDEME 2 and MIROVA-EUROFIDEME 3 funds invest predominately in renewable power production projects (photovoltaic, wind, hydroelectric power, biomass etc.) The funds target projects based on well-established technologies that are in their pre-construction phase and take advantage of the favourable regulatory context in Europe (advantages vary according to member State, but can include guaranteed rates, green certificates, tax abatements etc.)
11. **Transport is the second most represented sector** (€95M at year-end 2014), singlehandedly contributing approximately half the portfolio value of FIDEPPP/FIDEPPP 2, our Public Private Partnership funds. These invest in projects offering a broad range of public services, many of which are related to transport (tramways, rail lines, roads etc.).
12. **Social infrastructure is also a major component of our FIDEPPP/FIDEPPP 2 portfolios** (€60M as of year-end 2014). The projects we classify as making social contributions are primarily schools and sports facilities (universities, stadia), health (research hospitals and clinics), or safety and justice (prisons, courthouses).
13. **Broadband also accounts for a significant part of investments in PPP funds** (€30M). This sector contributes to reduce the digital divide.

INF 04	Voluntary	Descriptive	PRI 1-6
INF 04.1	Provide a brief overview of your organisation's approach to responsible investment in infrastructure where you have equity stakes.		

Consistent with Mirova's overall philosophy, **the main goal of our infrastructure expertise is to finance or invest in responsible projects that address the challenges of sustainable development and generate regular cash flow over the long term.**

Strictly speaking, in terms of sustainability and responsibility, the purpose is to steer financing towards responsible projects that offer solutions to environmental and social issues.

To this end, we have developed a two-pronged approach to Responsible Investment in infrastructure, that covers a project's entire life-cycle: development, construction, operation and maintenance, end-of-life.

14. Identification of sustainability opportunities

This first step consists in **determining to what extent the project may offer solutions to sustainability issues** (offer of products and services, projects, etc.). To handle this analysis, the in-house RI research team has produced a proprietary mapping that enables a relevant classification of the several types of potential infrastructure projects around the 8 sustainability themes* identified by Mirova, depending on their contribution to tackle the main environmental and/ or social issues (i.e. climate change, resources, pollution, biodiversity, health and development).

These opportunities are evaluated on a four-point scale: "high exposure", "significant exposure", "low or no exposure", "negative exposure".

2. ESG risk review

The purpose of this step is to **ensure that infrastructure projects financed by Mirova are responsibly managed.** The RI analysts therefore assess to what extent environmental and social risks are correctly mitigated, throughout a project's entire lifecycle. To this end, the RI research team relies on a proprietary "risk review framework" that enables :

- The identification of potential risks for each project
- and an assessment of how those risks are addressed.

The analysts perform three risk-assessments: environmental risks, social risks, and global risk; each one on a three-point scale ("Positive", "Neutral", "Risk").

Finally, they aggregate the outputs arising from these two steps to also provide investment teams with an overall "Sustainability Opinion" that covers both sustainable opportunities and ESG risk review.

* Sustainable energy, sustainable mobility, sustainable buildings and cities, sustainable consumption, sustainable health, sustainable information and communication technology, sustainable resources, education.

INF 04.2	Provide a brief overview of your organisation's approach to responsible investment in infrastructure where you hold debt.
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The infrastructure assets are assessed according to the same ESG analysis methodology, independently from the nature of our investment (i.e. debt or equity).

INF 05	Mandatory	Core Assessed	PRI 1-6
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INF 05.1	Indicate if your organisation has a responsible investment policy for infrastructure.
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☒ Yes

INF 05.2	Provide a URL if your policy is publicly available. [Optional]
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<http://www.mirova.com/en-UK/p/real-assets>

☐ No

INF 05.3	Additional information. [Optional]
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Through this expertise, and consistently with the purpose of its other asset classes, Mirova aims at direct financing and investing in infrastructures that contribute to address the social and environmental challenges of today, and tomorrow. **This thematic and sectorial bias in favour of sustainable development is explained in detail on Mirova's website: <http://www.mirova.com/en-UK/p/real-assets>**

Moreover, our ESG policy for infrastructure, including our proprietary methodology for evaluating projects according to ESG criteria, is also available on our website: <http://urlz.fr/j2R>

Fundraising of infrastructure funds

INF 06	Mandatory	Core Assessed	PRI 1,4,6
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INF 06.1	Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
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☒ Yes

INF 06.2

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- ☒ Policy and commitment to responsible investment
 - ☒ Always
 - ☐ In a majority of cases
 - ☐ In a minority of cases
- ☒ Approach to ESG issues in pre-investment processes
 - ☒ Always
 - ☐ In a majority of cases
 - ☐ In a minority of cases
- ☒ Approach to ESG issues in post-investment processes

how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- ☒ Always
- ☐ In a majority of cases
- ☐ In a minority of cases

INF 06.3

Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]

Since 2013, when Infrastructure became part of Mirova's SRI activity, ESG issues are systematically taken into account at every step of the investment process, including the decision-making phase.

Marketing materials now include a section devoted to extra-financial aspects, including a description of our SRI commitment, our overall extra-financial approach and the ESG analysis specifically applied to infrastructure assets.

- ☐ No
- ☐ Not applicable as our organisation does not fundraise

INF 07**Voluntary****Additional Assessed****PRI 4****INF 07.1**

Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in infrastructure when requested by clients.

- ☒ We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☐ In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☐ In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☐ We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☐ Our clients do not request us to make formal commitments to responsible investment in infrastructure

INF 07.3	Additional information.
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Since the definition and the implementation of our ESG research methodology tailored to infrastructure projects in 2013, **we systematically incorporate our commitment to responsible investment into all contractual documents for new funds.**

Our commitment includes:

- **Taking into account environmental and social criteria during the pre-investment phase,**
- **Environmental and social monitoring and report during the post-investment phase.**

Pre-investment (selection)

INF 08	Mandatory	Gateway	PRI 1
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INF 08.1	Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.
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☒ Yes

INF 08.2	Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection. [Optional]
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As described previously, we undertake an analysis of the environmental and social aspects of each investment project alongside conventional criteria. This analysis relies on a proprietary approach that covers the whole life-cycle of projects : development, construction, operation and maintenance, end-of-life.

The in-house RI research team thus provides investment teams with several extra-financial inputs (*for more details about the ESG process, please refer to INF.04*), among which an overall "Sustainability Opinion" that covers both sustainable opportunities and ESG risk review. There are 5 levels of Sustainability Opinions: "Negative", "Risk", "Neutral", "Positive", "Committed".

The conclusions of ESG analysis are disclosed and discussed during investment committees gathering Mirova's investment teams and the RI analysts. Extra-financial inputs therefore contribute to the final selection of projects and investment decision making.

☐ No

INF 09	Voluntary	Descriptive	PRI 1,4
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INF 09.1	Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the infrastructure investment selection process.
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☒ Internal staff

☒ Specify role

Mirova RI research team

- ☐ Specify role
- ☐ Specify role
- ☒ External resources
 - ☐ Environmental advisors
 - ☐ Social advisors
 - ☐ Corporate governance advisors
 - ☒ Regulatory and/or legal advisors
 - ☐ Other, specify type of advisors/roles
- ☐ No use of internal or external advice on ESG issues

INF 09.2	Additional information.
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The management teams' investment officers relies on Mirova's RI research analysts to handle ESG analysis of infrastructure projects. This team, composed of **11 experts in sustainable development issues**, has developed a methodology that fits within the overall framework common to all Mirova, but specifically designed for analysing infrastructure assets.

Furthermore, for all the funds, **the services of engineering, technical advisors (TA) and consulting firms specialised in the sectors are hired, as well as lawyers** whose responsibility it is to supervise and verify the legal aspects of transactions (for instance, in the case of renewables: permits, lease, connection contracts, energy buyback contracts, and, of course, applicable regulations).

INF 10	Mandatory	Core Assessed	PRI 1,3
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INF 10.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
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ESG issues

- ☒ Environmental

List up to three typical examples of environmental issues

Climate Change (e.g. GHG emissions)

Resources (e.g. Energy or Water Consumption)

Biodiversity (e.g. action plans to ensure that all relevant risks of potential negative impacts on biodiversity are managed)

- ☒ Social

List up to three typical examples of social issues
--

Fundamental rights (e.g. Working conditions / respect of ILO rights)

Development (e.g. Jobs created, social impact of the project)

Health (e.g. Health and Safety of employees and users)

- ☒ Governance

List up to three typical examples of governance issues
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Balance of the board

Handling conflicts of interest

INF 10.2	Additional information. [Optional]
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The philosophy of our sustainability analysis distinguishes the environmental and social contribution of the project from the practices stemming from its management. Thus, we firstly identify environmental and social opportunities to assess to what extent a project addresses sustainability issues. In a second step, we assess to what extent the companies responsible for the project mitigate environmental and social risks throughout the project's lifecycle.

In terms of opportunities, **Social** criteria measure social impact; this may concern, for example, access to health (hospitals), access to education (universities), local development with resource to SMEs or artisans, jobs creation over the long-term during operation phase. Regarding risks review, we assess issues such as the respect for human rights, local externalities, working conditions and health and safety practices during construction and operation phases, in addition to the social utility of the project's stated objective.

Environmental opportunities can include projects allowing a significant reduction of GHG emissions or energy consumption for example. Concerning environmental risks, all potential risks relative to a project are considered in terms of biodiversity, energy, water consumption, waste, etc. Depending on the projects, some issues can be more important than others i.e. biodiversity for a proposed highway.

Governance is embedded in the very foundation of contracts in the form of clauses covering conflicts of interest and provisions as to the tenure and composition of the board designed to protect the long-term interests of unit holders. Business ethics are also systematically reviewed to ensure responsible practices.

Documents related to both the project in itself (such as environmental impact assessment) and companies involved in the project are reviewed to assess all these sustainability and ESG aspects.

INF 11	Voluntary	Additional Assessed	PRI 1,3
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INF 11.1	Indicate what type of ESG information your organisation typically considers during your infrastructure investment selection process.
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- ☒ Raw data from the target infrastructure asset/company
- ☒ Benchmarks/ratings against similar infrastructure asset
- ☒ Sector level data/benchmarks
- ☒ Country level data/benchmarks
- ☒ Reporting standards, infrastructure sector codes and certifications
- ☒ International initiatives, declarations or standards
- ☒ Engagements with stakeholders (e.g. contractors and suppliers)
- ☒ Advice from external sources
- ☐ Other, specify
- ☐ We do not track this information

INF 11.2	Additional information.
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We have developed a proprietary methodology for assessing infrastructure projects with respect to sustainability and ESG criteria. This method draws on both :

- **the major tenets of regional and international standards** with regard to ESG and sustainability issues
- **thematic or sector-related analysis** used by our in-house RI Research teams for the identification of key sustainability issues of each project.

While assessing a project (please refer to INF.03 for more details about the process), **the analysts take into account all information that could impact the opinion, including contextual ones** (e.g. specific features related to the country where the project is located, its sector, etc.).

To assess the project, the analysts use the following sources:

- **During the pre-investment phase** (identification of opportunities / sustainability analysis; investment selection): Environmental Impact Assessment (EIA), Existence of an Equator Principles Analysis, Sustainability analysis of the companies involved in the project (e.g. builder, key suppliers, etc.), calls and/or meetings with key stakeholders, review of public information, and if necessary the services of engineering or technical advisors.
- **During the post-investment phase** (participation follow-up until the exit): reports on the projects, calls / meetings with the project's operators in order to confirm or disprove the initial ESG assessment, and to encourage them to improve the ESG practices as part of our engagement approach.

Besides, given that investors lack at this stage guidance on sustainability performance goals or considerations appropriate for existing brownfield and for greenfield infrastructure assets, **we are also working together with other asset managers and pension funds to develop a common standard and assessment tool for measuring sustainability across global infrastructure assets. The purpose of this initiative is to promote best practices and to encourage efficiencies.**

Selection, appointment and monitoring of third-party operators

INF 13	Mandatory	Core Assessed	PRI 4
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INF 13.1

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

☒ Yes

INF 13.2

Indicate your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

- ☒ Selection process of third-party operators incorporates ESG issues
 - ☒ For all third-party operators
 - ☐ For a majority of third-party operators
 - ☐ For a minority of third-party operators
- ☒ Contractual requirements when appointing third-party operators includes ESG issues
 - ☐ For all third-party operators
 - ☒ For a majority of third-party operators
 - ☐ For a minority of third-party operators
- ☒ Monitoring of third-party operators covers ESG responsibilities and implementation
 - ☒ For all third-party operators
 - ☐ For a majority of third-party operators
 - ☐ For a minority of third-party operators

☐ No

Post-investment (monitoring and active ownership)

Overview

INF 14	Mandatory	Gateway	PRI 2
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INF 14.1	Indicate if your organisation, and/or operators, consider ESG issues in post-investment activities relating to your infrastructure assets.
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☒ Yes

INF 14.2	Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.
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- ☒ We consider ESG issues in the monitoring and operation of infrastructure
- ☒ We consider ESG issues in infrastructure maintenance
- ☒ We consider ESG issues in stakeholder engagements related to our infrastructure
- ☐ We consider ESG issues in other post-investment activities, specify

INF 14.3	Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]
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Once the partnership contract has been signed, **a monitoring process is set up to measure the project's impact**, by using information gathered from gap analysis and actions undertaken during the project, as well as from **annual and punctual reports on the project**.

It is also worth noting that **our ESG assessment and monitoring process during the management phase includes meetings or calls with operator of projects** in order to confirm or disprove the initial ESG assessment, and to encourage them to improve the ESG practices as part of our engagement approach.

Thus **the assessment of a project is neither static nor limited to an analysis of the information available when the partnership contract is signed**. Indeed, an ESG / sustainability assessment can change over time depending on actual practices.

☐ No

Infrastructure monitoring and operations

INF 15	Mandatory	Core Assessed	PRI 2
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INF 15.1	Indicate the proportion of infrastructure assets where your organisation, and/or operators, included ESG performance in investment monitoring during the reporting year.
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- ☒ >90% of infrastructure assets
- ☐ 51-90% of infrastructure assets
- ☐ 10-50% of infrastructure assets
- ☐ <10% of infrastructure assets

(in terms of number of infrastructure assets)

INF 15.2	Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
----------	--

- ☒ Environmental

	List up to three example targets per issue
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Energy consumption (e.g. part of renewable energy used during the phase of use)

CO2 emissions (e.g. kgCO2/Kwh produced for the production of PV cells)

Biodiversity (e.g. impact or not on biodiversity, measures to reduce impacts, etc.)

☒ Social

	List up to three example targets per issue
--	--

Creation of jobs (e.g. number of jobs created/100 MW for renewable energy projects)

Use of SMI (e.g. % of SMI in suppliers)

Commitment on health & safety of employees

☒ Governance

	List up to three example targets per issue
--	--

Treatment of conflicts of interest

Balance of the board

Business ethics (existence or not of controversies, audit procedures, etc.)

☐ We do not set and/or monitor against targets

INF 15.3	Additional information. [Optional]
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Our ESG analysis methodology is tailored to each category of project (solar, wind, rail transport, energy services, etc.) **to better identify the key issues.** The KPIs disclosed above are only examples of indicators that can be weighted differently depending on the nature of the project (its sector and related issues and impacts).

INF 16	Mandatory	Additional Assessed	PRI 2
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INF 16.1	Indicate if you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).
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☒ Yes

INF 16.2	Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).
----------	--

- ☒ >90% of infrastructure investees
- ☐ 51-90% of infrastructure investees
- ☐ 10-50% of infrastructure investees
- ☐ <10% of infrastructure investees
- ☐ 0% of infrastructure investees

(in terms of number of infrastructure investees)

INF 16.3

Describe how your organisation, and/or your operators, contribute to the infrastructure investees' management of ESG issues. [Optional]

A majority of assets/project companies currently in our portfolio have an explicit sustainable development policy.

- Within the context of our Renewable Energy undertakings, infrastructure projects mainly defined according to the CSR policies put in place by the parent companies of corporate participating in a project (GDF Suez, Valorem, Holmen, etc.)
- In the context of our PPP projects, all of which provide goods or services of public benefit, projects are designed around the public works requirements that apply to all French utility companies, in which environmental and social concerns have a central place.

It is also worth noting that the sectors in which we invest are inherently related to sustainable development issues, and contribute tackle environmental and/or social challenges *(please refer to INF.03 for more details).*

☐ No

INF 17

Voluntary

Descriptive

PRI 2,3

INF 17.1

Indicate the type and frequency of reports you request and/or receive from infrastructure investees covering ESG issues.

Type of Reporting

- ☐ Overarching portfolio asset/company reports or similar where management disclosure, financial and ESG data are integrated
- ☒ Standalone reports highlighting targets and/or KPIs covering ESG issues

Typical reporting frequency

- ☐ Quarterly or more frequent
- ☐ Semi annually
- ☒ Annually
- ☐ Every two years or less
- ☐ Ad-hoc, specify

- ☒ Other, specify

Meetings or calls with operator of projects

Typical reporting frequency

- ☐ Quarterly or more frequent
- ☐ Semi annually
- ☐ Annually
- ☐ Every two years or less
- ☒ Ad-hoc, specify

Upon Mirova's RI analysts' request

- ☐ No reporting on ESG issues requested and/or provided by infrastructure investees

INF 17.2	Additional information.
----------	-------------------------

Once the partnership contract has been signed, **a monitoring process is set up to measure the project's impact**, by using information gathered from gap analysis and actions undertaken during the project, as well as from **annual and punctual reports on the project***.

It is also worth noting that our ESG assessment and monitoring process during the management phase includes meetings or calls with operator of projects in order to confirm or disprove the initial ESG assessment, and to encourage them to improve the ESG practices as part of our engagement approach.

**punctual reports may also be requested from infrastructure investees*

Infrastructure maintenance

INF 18	Mandatory	Core Assessed	PRI 2
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INF 18.1	Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.
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- ☒ >90% of active maintenance projects
- ☐ 51-90% of active maintenance projects
- ☐ 10-50% of active maintenance projects
- ☐ <10% of active maintenance projects
- ☐ N/A, no maintenance projects of infrastructure assets are active

(in terms of number of active maintenance projects)

INF 18.2	Describe your approach to ESG considerations for infrastructure maintenance projects. [Optional]
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A first ESG analysis is written before the investment decision was taken. Some areas for improvement are defined during this analysis to favour progresses in ESG practices during construction and operation phases. **Maintenance projects are therefore included in potential issues in the operation phase.**

The project's analysis is updated with the responses provided by the companies responsible for the project throughout the lifecycle of the project.

Stakeholder engagement

INF 19	Voluntary	Additional Assessed	PRI 2
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INF 19.1	Indicate which stakeholders your organisation, and/or operators, engaged with on ESG issues in relation to your infrastructure assets during the reporting year and what proportion of your investments they apply to.
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	Stakeholders engaged
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☒ Regulators

	Percentage of infrastructure assets these apply to
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- ☒ >90% of infrastructure assets
- ☐ 51-90% of infrastructure assets
- ☐ 10-50% of infrastructure assets
- ☐ <10% of infrastructure assets

(in terms of number of infrastructure assets)

☒ Communities

	Percentage of infrastructure assets these apply to
--	--

- ☒ >90% of infrastructure assets
- ☐ 51-90% of infrastructure assets
- ☐ 10-50% of infrastructure assets
- ☐ <10% of infrastructure assets

(in terms of number of infrastructure assets)

☐ Other stakeholder, specify

☐ Other stakeholder, specify

INF 19.2	Describe your approach to stakeholder engagements in relation to your infrastructure assets.
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Projects are systematically subjected to dialogue with the key stakeholders of each project (i.e. the regulatory agency, communities, civil society, etc.) as part of our procedure for filing permits ; this also includes impact studies and research. Every investment within our portfolio is subject to these procedures.

It is also worth noting that our ESG assessment and monitoring process during the management phase includes meetings or calls with operator of projects in order to confirm or disprove the initial ESG assessment, and to encourage them to improve the ESG practices as part of our engagement approach. Areas for improvement identified during the ESG analysis undertaken by our RI research team are used to this end.

Outputs and outcomes

INF 20	Voluntary	Additional Assessed	PRI 1,2
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INF 20.1	Indicate if your organisation measures whether your approach to ESG issues in Infrastructure investments has affected financial and/or ESG performance.
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☒ We measure whether our approach to ESG issues impacts funds' financial performance

Describe the impact on:	Impact
Funds' financial performance	<input type="radio"/> Positive <input type="radio"/> Negative <input checked="" type="radio"/> No impact

☒ We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

☐ None of the above

INF 20.2	Describe how you are able to determine these outcomes.
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• **ESG performance :**

In the context of our ESG monitoring following investment, **we track several relevant extra-financial KPIs that help us to assess environmental and/or social improvements made since the project's initial assessment.** This enable us to measure the ESG performance of our infrastructure portfolios.

By a better understanding of ESG issues of each project, Mirova aims to orient investments toward projects providing sustainability solutions. **Some indicators, such as breakdown of the projects by sustainability issues addressed, job creation or GHG emissions avoided, can be used to highlight the positive impact of our funds.**

INF 21	Voluntary	Descriptive	PRI 1,3
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INF 21.1	Provide examples of ESG issues that affected your infrastructure investments during the reporting year.
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☒ Add Example 1

ESG issue	Health and safety of employees
Types of infrastructure affected	PV solar project
Impact (or potential impact) on investment	For each project, we consider in companies involved in the project: the builder, the operator and when relevant, the supplier of the key materials. For PV solar projects, we integrate ESG practices of the panels supplier. In the first analysis of a project, we identify the absence of information relative to health and safety of employees during the project and the lack of commitment of the supplier in this way.
Activities undertaken to influence the investment and the outcomes	We engage with the companies responsible for the project to obtain more information related to this issue and ensure that no controversy is noted.

☒ Add Example 2

ESG issue	Lack of commitment in terms
Types of infrastructure affected	Car parks
Impact (or potential impact) on investment	During our analysis for a brownfield project related to car parks, we identify few initiative to improve the green mobility
Activities undertaken to influence the investment and the outcomes	In our improvement requirements, are included the strengthening of the contribution of these car parks to make the mobility more sustainable through: <ul style="list-style-type: none"> - the implementation of spaces dedicated to electric vehicles with charging systems, - the introduction of car sharing spaces, - the development of bike rental services

☐ Add Example 3

☐ Add Example 4

☐ Add Example 5

Communication

INF 22	Mandatory	Core Assessed	PRI 6
INF 22.1	Indicate if your organisation proactively discloses ESG information on your infrastructure investments.		

☒ Disclose publicly

please provide URL

<http://urlz.fr/j2R>

INF 22.2

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

- ☐ Yes
☒ No

INF 22.3

Indicate the type of ESG information that your organisation proactively discloses to the public.

- ☒ ESG information on how you select infrastructure investments
☒ ESG information on how you monitor and manage infrastructure investments
☐ Information on your infrastructure investments' ESG performance
☒ Other; specify

Mirova's extra-financial research philosophy is explained in a public online on our website :
"INFRASTRUCTURE PROJECTS in an era of SRI"

INF 22.4

Indicate your organisation's typical frequency of disclosing ESG information to the public.

- ☒ Quarterly or more frequently
☐ Semi annually
☐ Annually
☐ Every two years or less frequently
☐ Ad-hoc; specify

INF 22.5

Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries.

- ☒ ESG information on how you select infrastructure investments
☒ ESG information on how you monitor and manage infrastructure investments
☒ Information on your infrastructure investments' ESG performance
☐ Other; specify

INF 22.6

Indicate your organisation's typical frequency of disclosing ESG information to your clients/beneficiaries.

- ☐ Quarterly or more frequently
☐ Semi annually
☐ Annually
☐ Every two years or less frequently
☒ Ad-hoc; specify
On client request

INF 22.7

Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]

- **An annual ESG report is sent to clients**, providing environmental and social assessment for each of our positions (or more frequently on request)
- **ESG KPIs are tracked and disclosed to our clients for certain funds**, such as EUROFIDEME ones (e.g. CO2 impact; jobs created, etc.)

☐ Disclose to clients/beneficiaries only

☐ No proactive disclosure to the public or to clients/beneficiaries

INF 22.8

Additional information. [Optional]

Mirova's extra-financial research process (approach, issues, themes etc.) is available on its website:

<http://www.mirova.com/en-UK/p/mirova-research/Sustainable-research-philosophy>

This process governs all of Mirova's RI specialties, including infrastructures, and is employed for each in accordance with its specific features.

As concerns infrastructure specifically:

- **Our thematic investment approach**, which aims at direct financing and investing in infrastructure projects that contribute to tackle sustainable development challenges, **is described in detail on Mirova's website:** <http://www.mirova.com/en-UK/p/real-assets>
- **The ESG methodology and principles applied to infrastructure are described on a public document** (please refer to URL on 22.1) and are summarised in all commercial material (PPM, etc). **Details are sent to clients upon request.**
- **An annual ESG report is sent to unit holders**, providing environmental and social assessment for each of our positions
- **ESG KPIs are tracked and disclosed to our clients for certain funds, such as EUROFIDEME ones** (e.g. CO2 impact; jobs created, etc.)

INF 23

Voluntary

Descriptive

PRI 6

INF 23.1

Describe your organisation's approach to disclosing ESG incidents in infrastructure investments to your investor clients.

All potential ESG incidents are transparently disclosed to our investor clients through annual reports.

Moreover, we set up an alert system to communicate incidents on client request.