

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU)2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product Name : Mirova Global Sustainable Equity**  
**Legal Entity Identifier : 5493 00YFL5N62BE1F 89**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Sustainable investment objective

**Did this financial product have a sustainable investment objective?**

☒ ☒ ☒ **Yes**

☐ ☐ ☐ **No**

☒ It made **sustainable investments with an environmental objective: 35.14%**

☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It made **sustainable investments with a social objective: 62.17%**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, **but did not make any sustainable investments**



**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

## To what extent was the sustainable investment objective of this financial product met?

The sustainable investment objective of the Fund is to allocate the capital towards companies that contribute positively through their products, services and/or practices to the achievement of one or more of the United Nations Sustainable Development Goals (the “SDGs”).

The fund Sustainable Investment (SI) objectives were the following : 90% in sustainable investment, with an objective of 25% in SIE (Sustainable Investment Environmental) and 25% in SIS (Sustainable Investment Social), with a Taxonomy alignment objective amounting to 4%.

The percentage of non-SI at any given time is expected to be the weight of cash & cash equivalents ('cash') in the Fund. As the level of cash in the Fund as a percentage of total assets was slightly lower at the end of 2024 than at the end of 2023, the percentage of SI was therefore slightly higher as a percentage of total assets at the end of 2024 compared to the end of 2023. The change in the percentage of cash may also partly explain the changes in the percentage of SIE and SIS. Changes in the percentage of SIE and SIS may also be a result of portfolio transactions (positions in companies added, sold, increased, or decreased during the period) and/or performance of individual stocks over the period leading to higher or lower weights in the Fund.

Alignment with the EU Taxonomy was slightly lower from the prior year due to a combination of factors, including the reduction in the weight of Vestas Wind Systems, as 100% of the company's revenues are from enabling activities as well as the increase in the weight of Microsoft and Mastercard (both companies are lacking an alignment with the taxonomy at this stage).

97.32% of the Fund's net assets were aligned with sustainable investment objectives on average during the reference period. Alignment with EU Taxonomy amounted to 7.04%. The indicators have not been subject to an assurance provided by an auditor or a review by a third party.

### ● ***How did the sustainability indicators perform?***

Benchmark: MSCI WORLD INDEX NTR €. The benchmark is not intended to be aligned with environmental and social ambitions as promoted by the fund.

The fund followed the KPIs described hereafter. The figures are the average result of the 4 quarterly reports.

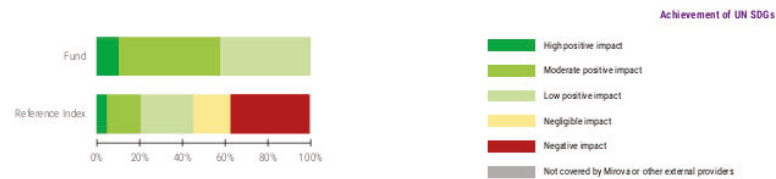
As a result of the Fund investing only in assets that meet the criteria to be included in the Fund investment universe and evaluated as having a positive impact (i.e. assessed as having high, moderate or low impact as per the Investment Manager's sustainability opinion methodology), the Fund was able to achieve the objective of allocating capital towards companies that contribute positively through their products, services and/or practices to the achievement of one or more of the United Nations Sustainable Development Goals (100% of equity holdings).

- Regarding the contribution to the various SDG themes, this is a product of the broader bottom-up stock picking approach. As a result of more granular impact tracking beginning in 2023, particularly on positive impact from companies' advanced practices, the Fund demonstrates robust exposure to impact on the diversity & inclusion pillar in particular compared to the prior year as many of the companies that are held in the portfolio exhibit exemplary diversity and inclusion practices.
- The Fund also aims to represent an economy that is expected to result in global temperature rise of no more than 2 degrees Celsius this century; the Fund maintained this alignment for the period, with no significant changes from the prior period.

- The natural consequence of the approach is a much better sustainability impact and global temperature rise scenario than the reference index

#### SUSTAINABILITY IMPACT OPINION BREAKDOWN\*

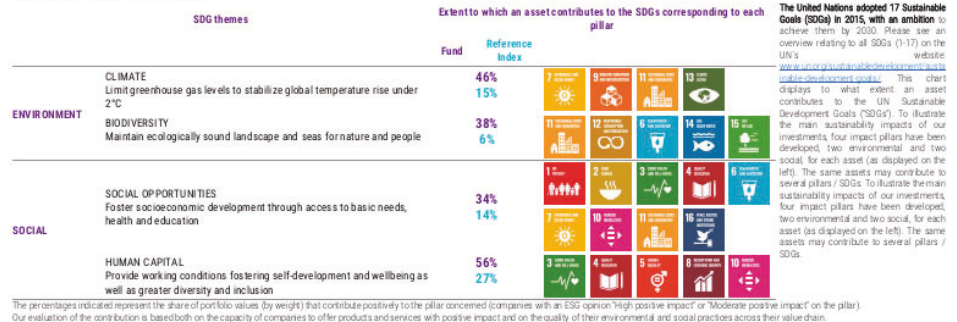
Percentage of total net assets excluding receivable and payables (representing 100% of the fund's investments)



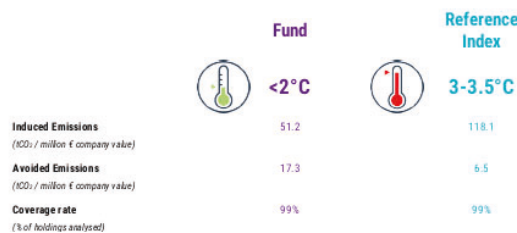
The Sustainability Opinion is designed to assess whether the investment is compatible with the UN SDGs. Data is evaluated internally by Mirova's analysts who follow robust and strict qualitative assessment guidelines. When a security is not included in Mirova's internal assessment scope, external data provided by ISS ESG is used and processed through Mirova's in-house evaluation model instead.

#### CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In % of assets with positive impact opinions



#### ESTIMATED IMPACT ON GLOBAL AVERAGE INCREASE OF TEMPERATURE



In 2015, Mirova and Carbone 4 jointly developed a method for assessing carbon data, strengthened in 2022, in light of the specific challenges of a low-carbon economy. Carbon Impact Analysis (CIA). Each company is first assessed individually according to a framework adapted to each sector. This method focuses on two main indicators:

- "Induced" emissions arising from the "lifecycle" of a company's activities, taking into account both direct emissions and those of suppliers and products
- Emissions "avoided" through deployment of "green solutions" and improved energy efficiency.

These indicators are supplemented by an assessment of companies' decarbonisation policies and targets. Assessments of each company are then used to calculate the portfolio's alignment with a global warming pathway of 1.5°C to 5°C to 2100. For more information about our methodologies, please refer to our Mirova website: [www.mirova.com/en/research/decarbonisation-impact](https://www.mirova.com/en/research/decarbonisation-impact). The temperature indicator aims to provide an estimate, in essence approximate global temperature increase that would be induced by a generalization of investments on the observed strategy based on a methodology that involves many necessary subjective assumptions.

### ... and compared to previous periods?

However, as a result of the Fund investing only in assets that meet the criteria to be included in the Fund investment universe and evaluated as having a positive impact (i.e. assessed as having high, moderate or low impact as per the Investment Manager's sustainability opinion methodology), the Fund was able to achieve the objective of allocating capital towards companies that contribute positively through their products, services and/or practices to the achievement of one or more of the United Nations Sustainable Development Goals (100% of equity holdings).

- Regarding the contribution to the various SDG themes, this is a product of the broader bottom-up stock picking approach. As a result of more granular impact tracking beginning in 2023, particularly on positive impact from companies' advanced practices, the Fund demonstrates robust exposure to impact on the diversity & inclusion pillar in particular compared to the prior year as many of the companies that are held in the portfolio exhibit exemplary diversity and inclusion practices.
- The Fund also aims to represent an economy that is expected to result in global temperature rise of no more than 2 degrees Celsius this century; the Fund maintained this alignment for the period, with no significant changes from the prior period.
- As in the prior period, the Fund demonstrates a better overall sustainability impact and global temperature rise scenario than the reference index, a natural consequence of our stock picking approach.

### ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The sustainability analysis aims to identify the relevant residual environmental and social risks originating from companies' activities and practices and assesses the quality of the company's measures to mitigate these risks (the "DNSH test"). Such analysis considers notably the degree of exposure of the investee company to certain sectors or activities that may be considered to be damaging for the environment and/or the society and exposure to relevant environmental or social controversies. As a result of this qualitative analysis, the Investment Manager issues a binding opinion based on which companies whose economic activities or practices are deemed to have a significant negative impact on the achievement of one or more of the UN SDGs are systematically excluded from the investment universe regardless of their otherwise positive contribution. As a consequence, over the reporting period, all investment in the Fund were complying with the Investment Manager's DNSH criteria.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

As part of the analysis of residual ESG risks conducted on each investee company, the Fund systematically assesses and monitors indicators that are deemed to indicate the presence of principal adverse impact (including consideration of data relating to the mandatory PAI indicators referred to in the consolidated Regulatory Technical Standards for assessment of sustainable investment in accordance with art. 2 (17) SFDR). When the data necessary for the calculation of certain PAI indicators are not available, the Investment Manager may use qualitative or quantitative proxies that cover themes similar to the PAI indicators in question. Adverse impacts are prioritized according to the specificities of sectors and business models of companies considered for investment by using a combination of criteria based on:

- analysis of the company's exposure to environmental impacts based on science-based data from international organisations (e.g. energy intensity, impacts on biodiversity, etc),
- analysis of the company's exposure to fundamental rights and employee matters through its locations, business model and supply chain organization (e.g. exposure to health and safety risks, exposure to countries with specific human rights risks, etc),
- analysis of the company's footprint on local communities and consumers,
- screening of on-going or potential controversies.

Where the Investment Manager deems the investee company's processes and practices are insufficient to mitigate environmental, social and governance risks, notably with regards to the relevant PAIs, the company's impact is deemed as negative which makes it ineligible for investment.

Further details can be found in the table hereunder, which lists the main indicators taken into account by Mirova when taking PAIs into account.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Adverse Sustainability indicator		How PAIs are taken into account by Mirova
Greenhouse gas emissions	1. GHG emissions	- Exclusion of the most carbon intensive entities and companies with no or insufficient plan to reduce GHG emissions
	2. Carbon footprint	- Systematic integration in qualitative internal analysis
	3. GHG intensity of investee companies	- Part of engagement plans / ESAP with investees
	4. Exposure to companies active in the fossil fuel sector	- Exclusion applying to: 1/ Projects: no direct investment in coal projects or any type of specialized financial support. 2/ Exclusion of companies planning additional coal capacity, through the development of new coal projects or the expansion of existing capacities, for mining, power generation, infrastructure (coal transportation, other assets), and dedicated services. 3/ Exclusion of companies operating or supporting the operation of existing coal-related facilities that have no clear phase-out plan by 2030 for OECD countries, and 2040 worldwide. 4/ Exclusions based on relative and absolute exposure thresholds: • Power generation: exclusion of companies if at least 20% of their electricity generation derives from coal OR if the average carbon intensity of their electricity generation exceeds 300 gCO <sub>2</sub> /kWh. • Outside of power generation: exclusion of companies involved in coal mining, coal infrastructure, EPC2, O&M3, Coal-to-Gas, Coal-to-Liquids, coal trading, starting at 5% of revenues. • Exclusion of companies producing more than 10 Mt of thermal coal per year, or whose installed coal-fired power capacity generation exceeds 5 GW, as of 2022. Mirova intends to progressively reduce these thresholds towards 0 by 2030.
	5. Share of non-renewable energy consumption and production	- Part of engagement plans / ESAP with investees when relevant
	6. Energy consumption intensity per high impact climate sector	- Integration in qualitative internal analysis when relevant - Part of engagement plans / ESAP with investees when relevant - Integration in qualitative internal analysis when relevant - Part of engagement plans / ESAP with investees when relevant
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	- Exclusion of companies or projects significantly harming biodiversity sensitive areas - Systematic integration in qualitative internal analysis - Part of controversy analysis and engagement process
Water	8. Emissions to water	- Integration in qualitative internal analysis when relevant - Part of engagement plans / ESAP with investees when relevant
Waste	9. Hazardous waste and radioactive waste ratio	- Integration in qualitative internal analysis when relevant - Part of engagement plans / ESAP with investees when relevant
Social and Employee matters	10. Violations of UNGC principles and OECD guidelines for Multinational Enterprises	- Exclusion of companies violating UNGC and OECD principles - Systematic integration in qualitative internal analysis - Part of controversy analysis and engagement process
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	- Exclusion for large companies, case-by-case for small companies or projects - Systematic integration in qualitative internal analysis - Part of engagement plans / ESAP with investees when relevant
	12. Unadjusted gender pay gap	- Systematic integration of gender equality in qualitative internal analysis - Part of engagement plans / ESAP with investees
	13. Board gender diversity	- Systematic integration of gender equality in qualitative internal analysis - Part of engagement plans / ESAP with investees
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	- Exclusion (0% sales threshold)
Additional PAI Indicators	4. Investments in companies without carbon emission reduction initiatives	- Exclusion of the most carbon intensive entities and companies with no or insufficient plan to reduce GHG emissions - Systematic integration in qualitative internal analysis - Part of engagement plans / ESAP with investees when relevant
	14. Number of identified cases of severe human rights issues and incidents	- Exclusion of companies with severe human rights issues and incidents - Systematic integration in qualitative internal analysis - Part of controversy analysis and engagement process
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	- Exclusion of companies severely violating anti-corruption and anti-bribery laws - Systematic integration in qualitative internal analysis - Part of controversy analysis and engagement process

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The investment manager screens investee companies against adherence with OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights. The investment manager continuously reviews companies' track records and news flows to identify significant controversies. Companies' involvement and resolving measures are taken into account. Risks of potential breach may be monitored through engagement to obtain additional assurance. Companies determined by the investment manager to be in serious breach of OECD Guidelines for Multinational Enterprises or UN Guiding Principles on Business and Human Rights are recognized as doing significant harm and are therefore rendered non-eligible. Therefore, over the reporting period, all investments were considered to be respectful of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.



This indicator is systematically monitored by our external service provider, as well as by a constant watch on controversies and regular meetings between Management and the Research team. Any severe and repeated breach of OECD guidelines will be excluded from our investment universe. OCDE guideline and human rights

Mirova's investment universes are monitored with a special focus on controversies. The aim is to detect the presence of violations of the UN Covenant and the OECD Guidelines.

The action plan for dealing with a controversy will depend on the severity, as well as the corrective measures already announced by the company. Actions include :

- Direct individual engagement,
- Exercising voting rights,
- Collaborative engagement
- Divestment



## How did this financial product consider principal adverse impacts on sustainability factors?

PAI indicators are incorporated into the sustainability analysis framework and the results are part of the DNSH test. As described above, the DNSH test's result is a binding opinion based on which companies whose economic activities or practices are deemed to have a significant negative impact on the achievement of one or more of the UN SDGs are systematically excluded from the investment universe regardless of their otherwise positive contribution. PAI indicators are therefore continuously considered by these financial products.

In 2024, there was no significant controversy during the year that caused a divestment from the portfolio.



## What were the top investments of this financial product?

Largest Investments	Sector	% Assets	Country
NVIDIA CORP UW USD	Semiconductors	5.46	United States
MICROSOFT CORP UW USD	Software	5.07	United States
MASTERCARD INC - A UN USD	Transaction Processing Services	4.86	United States
ELI LILLY & CO UN USD	Pharmaceuticals	4.12	United States
EBAY INC UW USD	Consumer Services: Misc.	4.05	United States
ECOLAB INC UN USD	Chemicals: Diversified	3.9	United States
NOVO NORDISK A/S-B DC DKK	Pharmaceuticals	3.83	Denmark
THERMO FISHER SCIENTIFIC INC UN USD	Medical Equipment	3.62	United States
TAIWAN SEMICONDUCTOR-SP ADR UN USD	Semiconductors	3.27	Taiwan
ROPER TECHNOLOGIES INC UW USD	Software	3.12	United States
IBERDROLA SA SQ EUR	Conventional Electricity	2.89	Spain
DANAHER CORP UN USD	Medical Equipment	2.59	United States
WASTE MANAGEMENT INC UN USD	Waste and Disposal Services	2.49	United States
NEXTERA ENERGY INC UN USD	Conventional Electricity	2.36	United States
PALO ALTO NETWORKS INC UW USD	Software	2.31	United States

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 02/01/2024-31/12/2024



The percentages displayed represent the average of the 4 quarter ends of the reference period.

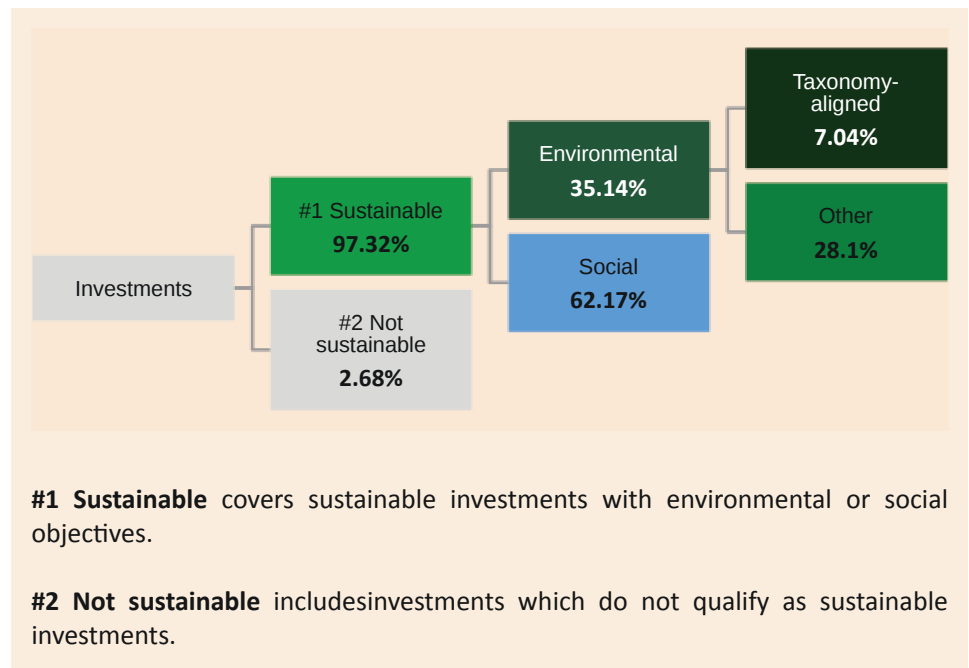
The displayed country is the country of risk, i.e. the country where the security is domiciled.

## What was the proportion of sustainability-related investments?

The Fund aims at investing only in sustainable investments as defined in Article 2(17) SFDR. 97.32% of the Fund's net assets have been aligned with sustainable investment objectives on average during the reference period. The Fund may use derivatives for hedging and investment purposes (authorised but very rarely used).

### What was the asset allocation?

**NB:** The figures are the average result of the 4 quarterly reports.



### In which economic sectors were the investments made?

SECTOR BREAKDOWN (%)	Fund	Reference Index
Information Technology	30.4	26.2
Health Care	19.3	10.3
Financials	13.0	16.0
Industrials	10.4	10.6
Materials	9.3	3.2
Consumer Discretionary	7.8	11.1
Utilities	6.9	2.5
Consumer Staples	0.9	6.0
Communication Services	-	8.1
Energy	-	3.7
Real Estate	-	2.1
Cash & cash equivalent	2.0	-

*MSCI Breakdown*

**Breakdown :** as of 31/12/2024.



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

**Asset allocation** describes the share of investments in specific assets.

To comply with the EU Taxonomy, the

criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **Turnover** reflecting the share of revenue from green activities of investee companies,
- **Capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **Operational expenditure (OpEx)** reflecting green operational activities

As a result of its sustainable objective, this Fund may make investments in economic activities that contribute to the environmental objectives set out in the Article 9 of the Regulation (EU) 2020/852 (the “Taxonomy Regulation”) : (a) climate change mitigation and climate change adaptation, (b) sustainable use and protection of water and marine resources, (c) the transition to a circular economy, (d) pollution prevention and control, (e) the protection and restoration of biodiversity and ecosystems. The alignment of the economic activities of each company with the above objectives is identified and measured to the extent that data is available to the Investment Manager and of an adequate quality. They may also stem from estimations in case when certain amount of information is missing. The estimations are performed under conditions defined by the regulations and respect the principle of prudence. As a result, the alignment percentage provided is conservative.

7.04% of the Fund’s net assets are aligned with the EU taxonomy on average during the reference period.

As an example, the fund is invested in VESTAS WIND SYSTEMS A/S, whose activities are 100% aligned with the European taxonomy, according to information available in February 2024. Vestas is exclusively involved in the development, manufacturing, and servicing of wind turbines for energy production, both onshore and offshore. The company's products and services significantly contribute to the expansion of renewable energy sources and the transition to a more sustainable energy system. In addition to the environmental benefits associated with its role in combating climate change, the company promotes the development of renewable energy sources in emerging markets.

**NB** : the results presented hereafter may differ slightly from the aggregate result presented in the Asset Allocation graphical representation.

This is explained by a difference of data source: the figures detailed below are based on estimates from data providers (**or data reported by the issuer and collected by data providers**), while the aggregate result presented in the Asset Allocation graphical representation may rely (for certain issuers) on estimate made by the investment manager. Please note that any estimated data comes from either the data providers or the investment manager (only for the aggregated data in the Asset Allocation graphical representation).

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup> ?**

☐ Yes:

☐ In fossil gas    ☐ In nuclear energy

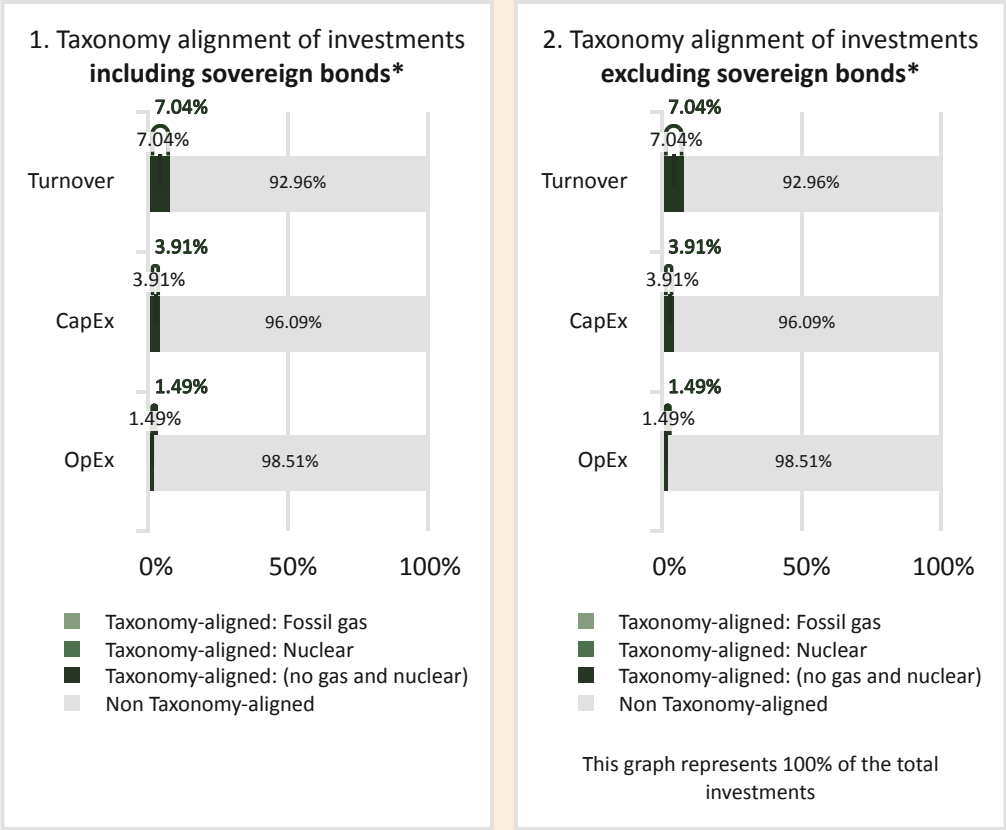
☒ No

1. Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

The share of investments in transitional and enabling activities was 2.55%.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

There was a slight decrease of share of investments made in transitional and enabling activities from the prior period, due to a combination of factors, including the reduction in the weight of Vestas Wind Systems, as 100% of the company's revenues are from enabling activities as well as the increase in the weight of Microsoft and Mastercard (both companies are lacking an alignment with the taxonomy at this stage).

are sustainable investments with an environmental objective that do not



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The Fund has invested 35.14% in sustainable investments with an environmental objective, including 28.10% sustainable investments that are not aligned with the EU taxonomy. The

take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

Investment Manager's sustainable impact assessment framework identifies certain activities that are not currently covered by the EU Taxonomy or considered as making a substantial contribution to environmental Taxonomy objectives. This is affected by performing an overall sustainability assessment on each investee company, which includes a review of positive impacts regarding three environmental themes: Climate Stability, Biodiversity and Circular Economy. These themes aim at identifying companies which activities or practices:

- help develop low carbon energy, eco-efficiency, clean transportation, green building or align with an advanced decarbonation strategy; or
- support sustainable land use, land preservation and sustainable water management or align with an advanced biodiversity preservation strategy; or
- foster sustainable waste management or circular business model.

The Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned to the EU Taxonomy. As an example, the fund is invested in CANADIAN PACIFIC KANSAS CITY LTD, whose activities are not considered aligned with the EU taxonomy. Canadian Pacific Kansas City (CPKC) is primarily engaged in freight rail transportation. Rail companies contribute to global sustainability challenges through their services, which allow for the transportation of goods and passengers with a lower environmental impact compared to other modes of transport, including trucks. Despite nearly 65% of its activities being eligible under the EU taxonomy, the American company does not meet the reporting requirements of the taxonomy and therefore cannot demonstrate its alignment.



### What was the share of socially sustainable investments?

The Fund has invested 62.17% in companies that contribute to tackling inequality or that foster social cohesion, social integration and labor relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of the environmental/social objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. This is affected by performing an overall sustainability assessment on each investee company, which includes a review of positive impacts regarding three social themes: Socio-economic development, Health wellness and Diversity inclusion. These themes aim at identifying companies which activities or practices:

- help foster access to basic and sustainable services, local impact or promote advanced working conditions;
- support the development of healthcare, healthy nutrition, knowledge, education or safety;
- promote diversity and inclusion through dedicated products and services or through advanced practices targeting the workforce.

As an example, we invest in companies that have a significant impact on global health, such as AstraZeneca. The company's medical portfolio significantly contributes to public health and sustainable social development by providing treatments, vaccines, and medicines across three primary therapy areas: oncology, biopharmaceuticals, and rare diseases. In oncology, AstraZeneca has introduced several new cancer therapies since 2013. The company is also well-positioned to address emerging health trends, such as the increasing prevalence of diabetes—particularly type 2 diabetes—and the challenges posed by an aging population, evidenced by its ongoing partnership with Lilly on Alzheimer's treatment research. Furthermore, AstraZeneca has received numerous orphan drug designations and breakthrough designations over the past several years, and it boasts a robust late-stage pipeline of new molecular entities, underscoring the strength and quality of its research and development capabilities.



## **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The Fund aims at investing only in equity securities qualifying as sustainable investment. For technical or hedging purposes, the Fund may hold cash or cash equivalents and derivatives for currency risk management purposes up to 10% of its net assets. Due to the technical and neutral nature of the asset, such instruments are not considered as investments and thus no minimum safeguards have been put in place.



## **What actions have been taken to attain the sustainable investment objective during the reference period?**

Engagement activity forms an integral part of Mirova's responsible investment approach. Mirova's engagement strategy seeks to monitor and thrive to improve companies' products and practices from an environmental, social, and governance point of view. As a result, one of the core functions of the Sustainability Research team is engagement, both on individual and collaborative levels:

- Individual engagement: in which Mirova's ESG analysts interact one-on-one with the companies to monitor performance and progress on ESG topics, and to encourage improvement in their sustainability practices. The purpose of individual engagement is not only to ensure responsible practices in line with our standards, but also to promote better ESG practices and encourage the development of solutions for the major environmental and social challenges associated with each sector. Mirova conducted one-on-one engagements with companies on various topics throughout the year. For example, we conducted engagement measures with Microsoft in 2024. Microsoft has long been a key company within Mirova's funds and has therefore been targeted for in-depth engagement. Various sustainability topics have been regularly discussed with Microsoft, particularly in the context of AI expansion. In 2024, we specifically refocused our attention on two key aspects that justified our vote in favor of this item: i) responsible AI, for which we joined the Global Alliance for Collaborative Assessment on Ethical AI, and ii) AI and climate, which is a growing concern given Microsoft's increasing carbon footprint in 2023.

Regarding the first aspect of responsible AI, the results of the collaborative engagement show that Microsoft has among the best market practices in terms of AI governance, implementation, and risk and impact assessment. However, we will continue to monitor this issue as a high level of accountability is necessary given its influence on the generative AI sector. As part of our targeted engagement for 2024, we also met with Microsoft's Investor Relations Officer in June 2024 in Paris.

Finally, regarding the last engagement topic on AI and climate, Mirova is in the process of drafting a position paper, and we continue our individual engagement with Microsoft. However, we are also exploring potential new collaborative engagement and advocacy initiatives that we could join.

- Collaborative engagement: Mirova joins with other investors and representatives of civil society to identify controversial practices, encourage greater transparency and demand, where necessary, that companies change their practices. Additionally, Mirova leverages its voting rights to further push companies towards the development of more sustainable portfolios and the adoption of best practices, by systematically exercising their voting rights based on an in-house voting policy that largely embeds the concepts of a sustainable-at-core, stakeholder-oriented governance. Proxy voting is used to convey messages during pre/post vote dialogue and via opposition to ad hoc items. Where possible, Mirova may co-sign or lead the filing of shareholder items.

Mirova also engage with regulators to share its vision of sustainable investment to improve standards and regulations across the financial sector and to foster sustainable investment.

Mirova is committed to promoting regulations, including legislative changes, standards or labels, and practices that support sustainable investment and create long-term value. Further information in relation to engagement priorities and engagement policy carried out by Mirova can be found on the website at <https://www.mirova.com/en/research/voting-and-engagement>.



**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

## How did this financial product perform compared to the reference sustainable benchmark?

Not applicable.

- ***How did the reference benchmark differ from a broad market index?***  
Not applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***  
Not applicable.
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable.
- ***How did this financial product perform compared with the broad market index?***  
Not applicable.

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU)2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product Name : Mirova US Sustainable Equity**  
**Legal Entity Identifier : 2221 00UM7LJSGLHKZ0 42**

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☐ ☐ ☐ **No**

☒ It made **sustainable investments with an environmental objective: 30.87%**

☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It made **sustainable investments with a social objective: 65.31%**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, **but did not make any sustainable investments**





**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

## To what extent was the sustainable investment objective of this financial product met?

The sustainable investment objective of the Fund is to allocate the capital towards companies that contribute positively through their products, services and/or practices to the achievement of one or more of the United Nations Sustainable Development Goals (the “SDGs”).

The fund sustainable investment objectives were the following : 90% in Sustainable Investment (SI), with an objective of 25% in SIE (Sustainable Investment Environmental) and 25% in SIS (Sustainable Investment Social), with a Taxonomy alignment objective amounting to 4%.

The percentage of non-SI at any given time is expected to be the weight of cash & cash equivalents ('cash') in the Fund. As the level of cash in the Fund as a percentage of total assets was lower at the end of 2024 than at the end of 2023, the percentage of SI was therefore slightly higher as a percentage of total assets at the end of 2024 compared to the end of 2023. The change in the percentage of cash may also partly explain the changes in the percentage of SIE and SIS. Changes in the percentage of SIE and SIS may also be a result of portfolio transactions (positions in companies added, sold, increased, or decreased during the period) and/or performance of individual stocks over the period leading to higher or lower weights in the Fund. More specifically, the percentage of SIS was higher, while the percentage of SIE was lower, compared to the prior period; this was driven by the reduction in weight of companies in 2024, such as First Solar, that were SIE, while certain additions to the portfolio in 2024 were in companies that are SIS.

Alignment with the EU Taxonomy was slightly lower from the prior year due to a combination of factors, including the reduction of the weight of First Solar, as 100% of the company's revenues are from enabling activities (involved in the design and manufacturing of solar technology).

96.17% of the Fund's net assets were aligned with sustainable investment objectives on average during the reference period. Alignment with EU Taxonomy amounted to 8.43%. The indicators have not been subject to an assurance provided by an auditor or a review by a third party.

### ● *How did the sustainability indicators perform?*

Benchmark: S&P 500 TOTAL RETURN EUR. The benchmark is not intended to be aligned with environmental and social ambitions as promoted by the fund.

The fund followed the KPIs described hereafter. The figures are the average result of the 4 quarterly reports.

#### **Overall comment on this year's performance:**

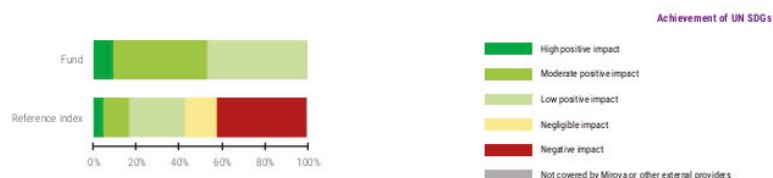
- As a result of the Fund investing only in assets that meet the criteria to be included in the Fund investment universe and evaluated as having a positive impact (i.e. assessed as having high, moderate or low impact as per the Investment Manager's sustainability opinion methodology), the Fund was able to achieve the objective of allocating capital towards companies that contribute positively through their products, services and/or practices to the achievement of one or more of the United Nations Sustainable Development Goals (100% of equity holdings).
- Regarding the contribution to the various SDG themes, this is a product of the broader bottom-up stock picking approach. In particular, the Fund demonstrates robust exposure to impact on the diversity & inclusion pillar as many of the companies that are held in the portfolio exhibit exemplary diversity and inclusion practices.
- The Fund also aims to represent an economy that is expected to result in global temperature rise of no more than 2 degrees Celsius this century; the

Fund maintained this alignment for the period as a result of our portfolio construction approach which incorporates a targeted alignment to 2 degrees Celsius or better (lower).

- The natural consequence of our stock picking approach is a much better sustainability impact and global temperature rise scenario than the reference index.

#### SUSTAINABILITY IMPACT OPINION BREAKDOWN\*

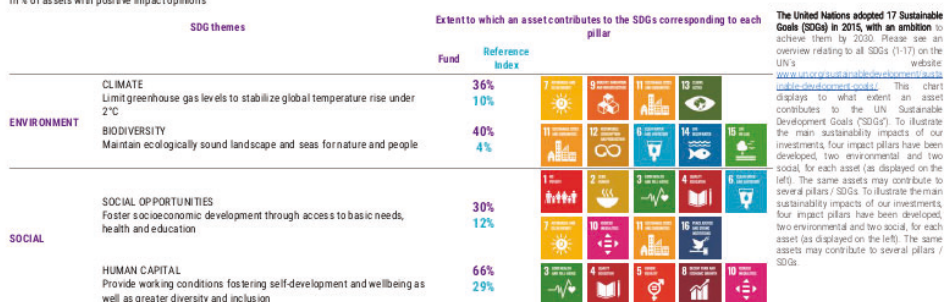
Percentage of total net assets excluding receivable and payables (representing 100% of the fund's investments)



The Sustainability opinion is designed to assess whether the investment is compatible with the UN SDGs. Data is evaluated internally by Mirova's analysts who follow robust and strict qualitative assessment guidelines. When a security is not included in Mirova's internal assessment scope, external data provided by ISS ESG is used and processed through Mirova's in-house evaluation model instead.

#### CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

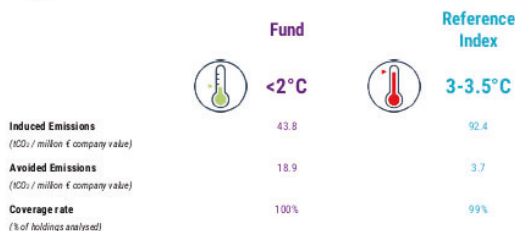
In % of assets with positive impact/opinions



The percentages indicated represent the share of portfolio values (by weight) that contribute positively to the pillar concerned (companies with an ESG opinion "high positive impact" or "moderate positive impact" on the pillar). Our evaluation of the contribution is based both on the capacity of companies to offer products and services with positive impact and on the quality of their environmental and social practices across their value chain.



#### ESTIMATED IMPACT ON GLOBAL AVERAGE INCREASE OF TEMPERATURE



In 2015, Mirova and Carbone 4 jointly developed a method for assessing carbon data, strengthened in 2022, in light of the specific challenges of a low-carbon economy. Carbon Impact Analytics (CIA). Each company is first assessed individually according to a framework adapted to each sector. This method focuses on two main indicators:

- "Induced" emissions arising from the "lifecycle" of a company's activities, taking into account both direct emissions and those of suppliers and products.
- Emissions "avoided" through deployment of "green solutions" and improved energy efficiency.

These indicators are supplemented by an assessment of companies' decarbonisation policies and targets. Assessments of each company are then used to calculate the portfolio's alignment with a global warming pathway of 1.5°C to 5°C to 2100. For more information about our methodologies, please refer to our Mirova website: <https://www.mirova.com/en/newsroom/decarbonisation-impact>

The temperature indicator aims to provide an estimate, in essence approximate global temperature increase that would be induced by a generalization of investments on the observed strategy based on a methodology that involves many necessary subjective assumptions.

### ... and compared to previous periods?

As a result of the Fund investing only in assets that meet the criteria to be included in the Fund investment universe and evaluated as having a positive impact (i.e. assessed as having high, moderate or low impact as per the Investment Manager's sustainability opinion methodology), the Fund was able to achieve the objective of allocating capital towards companies that contribute positively through their products, services and/or practices to the achievement of one or more of the United Nations Sustainable Development Goals (100% of equity holdings).

- Regarding the contribution to the various SDG themes, this is a product of the broader bottom-up stock picking approach. As a result of more granular impact tracking beginning in 2023, particularly on positive impact from companies' advanced practices, the Fund demonstrates robust exposure to impact on the diversity & inclusion pillar in particular compared to the prior year as many of the companies that are held in the portfolio exhibit exemplary diversity and inclusion practices.
- The Fund also aims to represent an economy that is expected to result in global temperature rise of no more than 2 degrees Celsius this century; the

Fund maintained this alignment for the period, with no significant changes from the prior period.

- As in the prior period, the Fund demonstrates a better overall sustainability impact and global temperature rise scenario than the reference index, a natural consequence of our stock picking approach.

### ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The sustainability analysis aims to identify the relevant residual environmental and social risks originating from companies' activities and practices and assesses the quality of the company's measures to mitigate these risks (the "DNSH test"). Such analysis considers notably the degree of exposure of the investee company to certain sectors or activities that may be considered to be damaging for the environment and/or the society and exposure to relevant environmental or social controversies. As a result of this qualitative analysis, the Investment Manager issues a binding opinion based on which companies whose economic activities or practices are deemed to have a significant negative impact on the achievement of one or more of the UN SDGs are systematically excluded from the investment universe regardless of their otherwise positive contribution. Therefore, over the reporting period, all investments in the Fund were complying with the Investment Manager's DNSH criteria.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

As part of the analysis of residual ESG risks conducted on each investee company, the Fund systematically assesses and monitors indicators that are deemed to indicate the presence of principal adverse impact (including consideration of data relating to the mandatory PAI indicators referred to in the consolidated Regulatory Technical Standards for assessment of sustainable investment in accordance with art. 2 (17) SFDR). When the data necessary for the calculation of certain PAI indicators are not available, the Investment Manager may use qualitative or quantitative proxies that cover themes similar to the PAI indicators in question. Adverse impacts are prioritized according to the specificities of sectors and business models of companies considered for investment by using a combination of criteria based on:

- analysis of the company's exposure to environmental impacts based on science-based data from international organisations (e.g. energy intensity, impacts on biodiversity, etc),
- analysis of the company's exposure to fundamental rights and employee matters through its locations, business model and supply chain organization (e.g. exposure to health and safety risks, exposure to countries with specific human rights risks, etc),
- analysis of the company's footprint on local communities and consumers,
- screening of on-going or potential controversies.

Where the Investment Manager deems the investee company's processes and practices are insufficient to mitigate environmental, social and governance risks, notably with regards to the relevant PAIs, the company's impact is deemed as negative which makes it ineligible for investment.

Further details can be found in the table hereunder, which lists the main indicators taken into account by Mirova when taking PAIs into account.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Adverse Sustainability indicator		How PAIs are taken into account by Mirova
Greenhouse gas emissions	1. GHG emissions	- Exclusion of the most carbon intensive entities and companies with no or insufficient plan to reduce GHG emissions
	2. Carbon footprint	- Systematic integration in qualitative internal analysis
	3. GHG intensity of investee companies	- Part of engagement plans / ESAP with investees
	4. Exposure to companies active in the fossil fuel sector	- Exclusion applying to: 1/ Projects: no direct investment in coal projects or any type of specialized financial support. 2/ Exclusion of companies planning additional coal capacity, through the development of new coal projects or the expansion of existing capacities, for mining, power generation, infrastructure (coal transportation, other assets), and dedicated services. 3/ Exclusion of companies operating or supporting the operation of existing coal-related facilities that have no clear phase-out plan by 2030 for OECD countries, and 2040 worldwide. 4/ Exclusions based on relative and absolute exposure thresholds: • Power generation: exclusion of companies if at least 20% of their electricity generation derives from coal OR if the average carbon intensity of their electricity generation exceeds 300 gCO <sub>2</sub> /kWh. • Outside of power generation: exclusion of companies involved in coal mining, coal infrastructure, EPC2, O&M3, Coal-to-Gas, Coal-to-Liquids, coal trading, starting at 5% of revenues. • Exclusion of companies producing more than 10 Mt of thermal coal per year, or whose installed coal-fired power capacity generation exceeds 5 GW, as of 2022. Mirova intends to progressively reduce these thresholds towards 0 by 2030.
	5. Share of non-renewable energy consumption and production	- Part of engagement plans / ESAP with investees when relevant
Biodiversity	6. Energy consumption intensity per high impact climate sector	- Integration in qualitative internal analysis when relevant - Part of engagement plans / ESAP with investees when relevant
	7. Activities negatively affecting biodiversity-sensitive areas	- Exclusion of companies or projects significantly harming biodiversity sensitive areas - Systematic integration in qualitative internal analysis - Part of controversy analysis and engagement process
Water	8. Emissions to water	- Integration in qualitative internal analysis when relevant - Part of engagement plans / ESAP with investees when relevant
Waste	9. Hazardous waste and radioactive waste ratio	- Integration in qualitative internal analysis when relevant - Part of engagement plans / ESAP with investees when relevant
Social and Employee matters	10. Violations of UNGC principles and OECD guidelines for Multinational Enterprises	- Exclusion of companies violating UNGC and OECD principles - Systematic integration in qualitative internal analysis - Part of controversy analysis and engagement process
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	- Exclusion for large companies, case-by-case for small companies or projects - Systematic integration in qualitative internal analysis - Part of engagement plans / ESAP with investees when relevant
	12. Unadjusted gender pay gap	- Systematic integration of gender equality in qualitative internal analysis - Part of engagement plans / ESAP with investees
	13. Board gender diversity	- Systematic integration of gender equality in qualitative internal analysis - Part of engagement plans / ESAP with investees
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	- Exclusion (0% sales threshold)
Additional PAI Indicators	4. Investments in companies without carbon emission reduction initiatives	- Exclusion of the most carbon intensive entities and companies with no or insufficient plan to reduce GHG emissions - Systematic integration in qualitative internal analysis - Part of engagement plans / ESAP with investees when relevant
	14. Number of identified cases of severe human rights issues and incidents	- Exclusion of companies with severe human rights issues and incidents - Systematic integration in qualitative internal analysis - Part of controversy analysis and engagement process
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	- Exclusion of companies severely violating anti-corruption and anti-bribery laws - Systematic integration in qualitative internal analysis - Part of controversy analysis and engagement process

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Investment Manager screens investee companies against adherence with OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights. The Investment Manager continuously reviews companies' track records and news flows to identify significant controversies. Companies' involvement and resolving measures are taken into account. Risks of potential breach may be monitored through engagement to obtain additional assurance. Companies determined by the Investment Manager to be in serious breach of OECD Guidelines for Multinational Enterprises or UN Guiding Principles on Business and Human Rights are recognized as doing significant harm and are therefore rendered non-eligible. As a consequence, over the reporting period, all investments were considered to be respectful with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

This indicator is systematically monitored by our external service provider, as well as by a constant watch on controversies and regular meetings between Management and the Research team. Any severe and repeated breach of OECD guidelines will be excluded from our investment universe. Mirova's investment universes are monitored with a special focus on controversies. The aim is to detect the presence of violations of the UN Covenant and the OECD Guidelines. The action plan for dealing with a controversy will depend on the severity, as well as the corrective measures already announced by the company. Actions include :

- Direct individual engagement,
- Exercising voting rights,
- Collaborative engagement
- Divestment.



## How did this financial product consider principal adverse impacts on sustainability factors?

PAI indicators are incorporated into the sustainability analysis framework and the results are part of the DNSH test. As described above, the DNSH test's result is a binding opinion based on which companies whose economic activities or practices are deemed to have a significant negative impact on the achievement of one or more of the UN SDGs are systematically excluded from the investment universe regardless of their otherwise positive contribution. PAI indicators are therefore continuously considered by these financial products.

In 2024, there was no significant controversy during the year that caused a divestment from the portfolio.



## What were the top investments of this financial product?

Largest Investments	Sector	% Assets	Country
MICROSOFT CORP UW USD	Software	8.99	United States
NVIDIA CORP UW USD	Semiconductors	8.16	United States
ELI LILLY & CO UN USD	Pharmaceuticals	5.74	United States
MASTERCARD INC - A UN USD	Transaction Processing Services	4.75	United States
THERMO FISHER SCIENTIFIC INC UN USD	Medical Equipment	4.27	United States
ROPER TECHNOLOGIES INC UW USD	Software	4.12	United States
INTUITIVE SURGICAL INC UW USD	Medical Equipment	4.01	United States
DANAHER CORP UN USD	Medical Equipment	3.99	United States
WASTE MANAGEMENT INC UN USD	Waste and Disposal Services	3.88	United States
ECOLAB INC UN USD	Chemicals: Diversified Electronic	3.78	United States
XYLEM INC UN USD	Equipment: Pollution Control	3.72	United States
TAIWAN SEMICONDUCTOR-SP ADR UN USD	Semiconductors	3.61	Taiwan
PALO ALTO NETWORKS INC UW USD	Software	3.56	United States
AMERICAN WATER WORKS CO INC UN USD	Water	3.3	United States
NEXTERA ENERGY INC UN USD	Conventional Electricity	3.13	United States

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 02/01/2024-31/12/2024





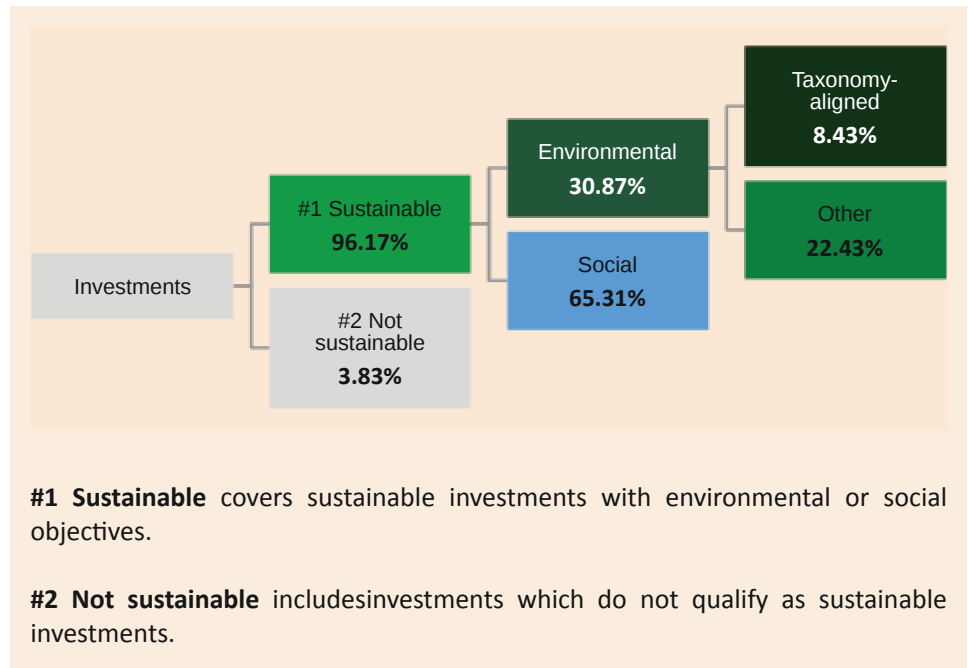
The percentages displayed represent the average of the 4 quarter ends of the reference period.

The displayed country is the country of risk, i.e. the country where the security is domiciled.

## What was the proportion of sustainability-related investments?

The Fund aims at investing only in sustainable investments as defined in Article 2(17) SFDR. 96.17% of the Fund's net assets have been aligned with sustainable investment objectives on average during the reference period. The Fund may use derivatives for hedging and investment purposes (authorised but very rarely used).

### What was the asset allocation?



### In which economic sectors were the investments made?

SECTOR BREAKDOWN (%)	Fund	Reference Index
Information Technology	37.6	32.5
Health Care	19.2	10.1
Industrials	15.0	8.2
Financials	7.7	13.6
Utilities	6.3	2.3
Consumer Discretionary	5.2	11.3
Materials	5.1	1.9
Consumer Staples	1.2	5.5
Communication Services	-	9.4
Energy	-	3.2
Real Estate	-	2.1
Cash & cash equivalent	2.7	-

MSCI Breakdown

Sector breakdown : as of 31/12/2024.



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas**

include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **Turnover** reflecting the share of revenue from green activities of investee companies,
- **Capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **Operational expenditure** (OpEx) reflecting green operational activities

As a result of its sustainable objective, this Fund may make investments in economic activities that contribute to the environmental objectives set out in the Article 9 of the Regulation (EU) 2020/852 (the "Taxonomy Regulation"): (a) climate change mitigation and climate change adaptation, (b) sustainable use and protection of water and marine resources, (c) the transition to a circular economy, (d) pollution prevention and control, (e) the protection and restoration of biodiversity and ecosystems. The alignment of the economic activities of each company with the above objectives is identified and measured to the extent that data is available to the Investment Manager and of an adequate quality. They may also stem from estimations in case when certain amount of information is missing. The estimations are performed under conditions defined by the regulations and respect the principle of prudence. The methodology for collecting alignment data and the quality of available data are being improved. As a result, the alignment percentage provided is conservative.

8.43% of the Fund's net assets are aligned with the EU taxonomy on average during the reference period.

As an example, the fund is invested in First Solar, which is engaged in the design and manufacturing of solar technology – an activity which is fully aligned with the EU taxonomy. First Solar has produced 12.1 GW of solar modules in 2023, thereby making a significant contribution to climate change mitigation.

**NB :** the results presented hereafter may differ slightly from the aggregate result presented in the Asset Allocation graphical representation.

This is explained by a difference of data source: the figures detailed below are based on estimates from data providers (or data reported by the issuer and collected by data providers), while the aggregate result presented in the Asset Allocation graphical representation may rely (for certain issuers) on estimate made by the investment manager. Please note that any estimated data comes from either the data providers or the investment manager (only for the aggregated data in the Asset Allocation graphical representation).

● ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup> ?***

☐ Yes:

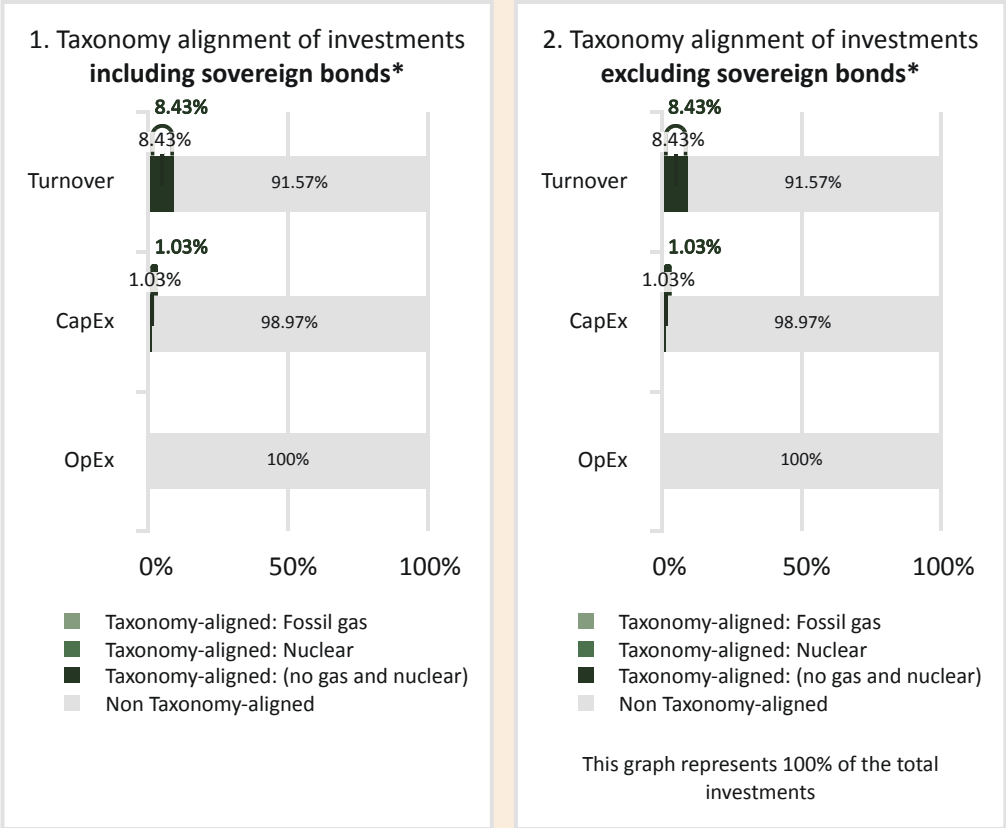
☐ In fossil gas ☐ In nuclear energy

☒ No

1. Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.




\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

The share of investments in transitional and enabling activities was 4.17%.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

There was slight decrease in the share of investments made in transitional and enabling activities from the prior period, due to a combination of factors, including the reduction of the weight of First Solar energy, as 100% of the company's revenues are from enabling activities (involved in the design and manufacturing of solar technology).

 are sustainable investments with an environmental objective that **do not** take into account the



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The Fund has invested 30.87% in sustainable investments with an environmental objective, including 22.43% sustainable investments that are not aligned with the EU taxonomy. The Investment Manager's sustainable impact assessment framework identifies certain activities

that are not currently covered by the EU Taxonomy or considered as making a substantial contribution to environmental Taxonomy objectives. This is affected by performing an overall sustainability assessment on each investee company, which includes a review of positive impacts regarding three environmental themes: Climate Stability, Biodiversity and Circular Economy. These themes aim at identifying companies which activities or practices:

- help develop low carbon energy, eco-efficiency, clean transportation, green building or align with an advanced decarbonation strategy; or
- support sustainable land use, land preservation and sustainable water management or align with an advanced biodiversity preservation strategy; or
- foster sustainable waste management or circular business model. The Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned to the EU Taxonomy.

As an example, the fund is invested in CANADIAN PACIFIC KANSAS CITY LTD, whose activities are not considered aligned with the EU taxonomy. Canadian Pacific Kansas City (CPKC) is primarily engaged in freight rail transportation. Rail companies contribute to global sustainability challenges through their services, which allow for the transportation of goods and passengers with a lower environmental impact compared to other modes of transport, including trucks. Despite nearly 65% of its activities being eligible under the EU taxonomy, the American company does not meet the reporting requirements of the taxonomy and therefore cannot demonstrate its alignment.



### What was the share of socially sustainable investments?

The Fund has invested 65.31% in companies that contribute to tackling inequality or that foster social cohesion, social integration and labor relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of the environmental/social objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. This is affected by performing an overall sustainability assessment on each investee company, which includes a review of positive impacts regarding three social themes: Socio-economic development, Health wellness and Diversity inclusion. These themes aim at identifying companies which activities or practices:

- help foster access to basic and sustainable services, local impact or promote advanced working conditions;
- support the development of healthcare, healthy nutrition, knowledge, education or safety;
- promote diversity and inclusion through dedicated products and services or through advanced practices targeting the workforce.

For example, we invest in companies that we believe will have significant impact on global health. Edwards Lifesciences operates in the patient-focused medical innovations for heart disease and critical care monitoring. It offers different types of artificial heart valves systems and repair products to replace a patient's defective heart valve. Edwards Lifesciences also offers and other cardiovascular treatment and diagnostic products. Around 65% of the revenues are generated by Transcatheter Aortic Valve Replacement (TAVR) products which ensures minimally invasive replacement of heart valves. The rest of the products are mainly generated by more traditional surgery products. Research and development spending increased year over year to 18% of 2023 sales. Most of the sales are directed to developed countries, 58% of the sales are generated in the US, 22% in Europe, 8% in Japan.



### What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The Fund aims at investing only in securities qualifying as sustainable investment. For technical or hedging purposes, the Fund may hold cash or cash equivalents and derivatives for currency risk management purposes. Due to the technical and neutral nature of the asset, such instruments are not considered as investments and thus no minimum safeguards have been put in place.



## **What actions have been taken to attain the sustainable investment objective during the reference period?**

Engagement activity forms an integral part of Mirova's responsible investment approach. Mirova's engagement strategy seeks to monitor and thrive to improve companies' products and practices from an environmental, social, and governance point of view. As a result, one of the core functions of the Sustainability Research team is engagement, both on individual and collaborative levels:

- Individual engagement: in which Mirova's ESG analysts interact one-on-one with the companies to monitor performance and progress on ESG topics, and to encourage improvement in their sustainability practices. The purpose of individual engagement is not only to ensure responsible practices in line with our standards, but also to promote better ESG practices and encourage the development of solutions for the major environmental and social challenges associated with each sector
  - Individual engagement: in which Mirova's ESG analysts interact one-on-one with the companies to monitor performance and progress on ESG topics, and to encourage improvement in their sustainability practices. The purpose of individual engagement is not only to ensure responsible practices in line with our standards, but also to promote better ESG practices and encourage the development of solutions for the major environmental and social challenges associated with each sector. Mirova conducted one-on-one engagements with companies on various topics throughout the year. For example, we conducted engagement measures with Microsoft in 2024. Microsoft has long been a key company within Mirova's funds and has therefore been targeted for in-depth engagement. Various sustainability topics have been regularly discussed with Microsoft, particularly in the context of AI expansion. In 2024, we specifically refocused our attention on two key aspects that justified our vote in favor of this item: i) responsible AI, for which we joined the Global Alliance for Collaborative Assessment on Ethical AI, and ii) AI and climate, which is a growing concern given Microsoft's increasing carbon footprint in 2023.
- Collaborative engagement: Mirova joins with other investors and representatives of civil society to identify controversial practices, encourage greater transparency and demand, where necessary, that companies change their practices. Additionally, Mirova leverages its voting rights to further push companies towards the development of more sustainable portfolios and the adoption of best practices, by systematically exercising their voting rights based on an in-house voting policy that largely embeds the concepts of a sustainable-at-core, stakeholder-oriented governance. Proxy voting is used to convey messages during pre/post vote dialogue and via opposition to ad hoc items. Where possible, Mirova may co-sign or lead the filing of shareholder items.

Mirova also engage with regulators to share its vision of sustainable investment to improve standards and regulations across the financial sector and to foster sustainable investment. Mirova is committed to promoting regulations, including legislative changes, standards or labels, and practices that support sustainable investment and create long-term value.

Further information in relation to engagement priorities and engagement policy carried out by Mirova can be found on the website at <https://www.mirova.com/en/research/voting-and-engagement>.





## How did this financial product perform compared to the reference sustainable benchmark?

Not applicable.

- ***How did the reference benchmark differ from a broad market index?***  
Not applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***  
Not applicable.
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable.
- ***How did this financial product perform compared with the broad market index?***  
Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.