



CLIMATE TRANSPARENCY REPORT

2019

Mirova

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-A5403AC4-A43E-42AE-8717-9B834A676B97/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS

Name	Mirova
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 10 - 29.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2013
Region	Europe
Country	France
Disclosure of Voluntary Indicators	60% from 38 Voluntary indicators

Mirova

Reported Information

Public version

Strategy and Governance

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.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) Formalised guidelines on sustainable advocacy <input type="checkbox"/> Other, specify(2)	<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

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and its relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)

Other description (1)

analysis of ESG opportunities and contribution to the SDGs in our investment policy and processes

- Other RI considerations, specify (2)

Other description (2)

reporting of climate scenario associated with our funds

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

We believe that investment choices help form the world of tomorrow, in a context of major demographic, technological, environmental, and governance changes. The development of responsible investment markets has made it possible to avoid investing in companies with poor ESG practices. We believe that acting as a responsible investor requires going beyond these approaches. The creation of Mirova in 2012, a company dedicated to responsible investing, is a response to this observation. The challenges of a sustainable economy are central to Mirova's strategy. Mirova offers solutions that benefit not only investors, but to all stakeholders over the long term.

We provide a wide panel of investment solutions to our clients, be they individuals or institutional investors, for equities, fixed-income, renewable energy infrastructure, social impact investing and natural capital. All strategies developed by Mirova share the same approach: reconcile creation of economic, environmental, and social value. Applying these principles requires an approach tailored to each asset class.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

In the field of responsible investment, Mirova is a pure player, fully dedicated to invest in sustainability. Given this positioning, ESG matters are deeply embedded in all its strategies and processes. Its RI policy therefore:

- relies on the most advanced standards in the industry,
- has been defined according to the main ESG-related international norms mentioned in SG.01.4.
- includes all the RI components mentioned in SG.01.1
- covers all its assets under management.

Mirova's investment philosophy is described on its website and is summarized in a public document entitled "Acting as a responsible investor" (the URL is provided in SG.02). This document describes not only Mirova's convictions and overall approach, but also how this is implemented concretely in the various asset classes.

Mirova was created on the basis of strong conviction. Acting as a "responsible investor" requires

interpreting the economic world within its social and environmental context. This analysis cannot be limited to a study of the short/medium-term profitability for each asset individually, but rather requires an understanding of interactions between the various public and private players, small/medium/large-sized companies, and developed and developing economies in order to ensure that growth of each player is compatible with the balance of the rest of the system. It is a long-term approach that guarantees that today's choices will not have negative consequences for future generations.

Understanding these complex relationships requires:

- a clear interpretation of the major transitions our societies are undergoing such as demographics, technology, environment, and governance
- an attempt to anticipate the consequences of these transitions as part of our investment strategies.

As with all changes, these transitions are sources of both risks and opportunities. To this end, in September 2015 all world nations adopted a new sustainable development program proposed by the United Nations. It sets 17 Sustainable Development Goals (SDGs) for 2030, broken down into 169 specific objectives designed to confront the major social and environmental problems the world is facing. The SDGs can be read as a road map for responding to these major transitions.

In this context, innovation and sustainability are becoming the main levers for economic, environmental and social value creation. The companies that will be able to provide sustainable and or innovative solutions, while appropriately managing their ESG, will benefit from a real competitive advantage. Our investment approach is primarily based on that conviction and combines the sustainability and financial dimensions of investing with the objective to allocate financial capital with a net positive impact on society and benefit from returns of companies that should deliver better than average performance.

General approach

All Mirova investments, be they stocks or bonds, listed or unlisted, companies or projects, share the same approach: reconcile creation of economic, environmental, and social value. Applying these principles requires an approach tailored to each asset class.

All Mirova's investment processes rely on the expertise of its in-house RI analysts, who perform state-of-the-art RI research to:

- deepen understanding of ESG-related long-term issues: fighting climate change, pollution control, preservation of resources, protecting biodiversity, fundamental freedoms, right to health, right to development and responsible governance, business ethics etc
- transpose them into sustainable investment for each macro-sector: energy, mobility, resources, consumption, buildings and cities, health, finance, information and communication technologies, etc.

These ESG and sector-specific guidelines take the form of synthetic factsheets for each sector, that analyses the stakes on the UN SDGs that should be taken into account (URLs are provided in SG.02).

On this basis, the RI Research team is in charge of assessing issuers and projects through an opportunities / risks analysis, that ends up in a rating that defines the composition of Mirova's investment universe (ESG practices and business models of corporate issuers, ESG assessment of green bonds following a proprietary methodology, ESG profile of sovereign issuers, etc.).

Specific approaches:

Mirova is however capable of developing specific approaches for its clients. It develops bespoke strategies for specific sustainability objectives: for example, several of its funds are labelled by the French public green label to finance the energy transition (TEEC label), it has developed a dedicated strategy for employment in France, and low-carbon benchmarks and investment strategies for some of its clients. Mirova has also developed specific climate approaches for some of its clients with low-carbon or 2°C aligned products.

Exclusions:

Mirova does not exclude any industry on principle. Within certain industries, however, case-by-case analysis may result in a "Risk" or "Negative" rating for all of the companies of that sector when practices do not provide an adequate level of assurance that the risks associated with the product are properly managed. "Risk" and "Negative" ratings mean that the issuer cannot be included in Mirova's portfolios. The rating can nevertheless

evolve following the evolution of the company. Current exclusions therefore include: tobacco, the military industry, coal or oil exploration and production, gambling, adult entertainment, sugar sweetened beverages, companies registered, incorporated or head-quartered in a tax haven, Companies demonstrating serious breach of UN Global Compact's principles and/or OECD guidelines for international companies.

Mirova has also developed an advanced proxy voting and engagement approach, with a view to encouraging them to improve their practices. In addition to the active ownership initiatives carried out on its own assets under management, Mirova also offers advisory services that aim to support institutional investors and other asset managers in exercising their voting rights and implementing engagement actions, the goal being to create long-term value for all stakeholders.

The URLs of all documents mentioned above are provided in SG.02.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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Mirova's investment philosophy revolves around the idea that sustainability and long-term performance go hand-in-hand. As a result, we have established processes for assessing the environmental, social, and governance performance of our investments - through all asset classes - and integrating these analyses into the investment process. Climate related risks are systematically taken into account in these analyses, both through our qualitative ESG opinions and through carbon footprinting. We factor climate-related risks and strategies into our investment strategies or products.

We include all types of climate-related risks and opportunities: physical risks, transition and liability.

Our analysis of sustainable development issues, including climate-related issues, is based on the following principles - here described with a specific focus on climate-related aspects:

A Risk / Opportunity Approach

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

- On the opportunities side, we analyse whether companies and projects are well positioned on technological and societal innovation, whether it is embedded in their business strategy and allows companies to take advantage of the opportunities provided by the transitions we are currently experiencing.
- On the risks management side, we analyse how companies re-internalising climate-related externalities, which often takes the form of general management of sustainable development and climate issues, and thus limits risks introduced by the energy transition.

This analysis structure gives equal importance to opportunities and risks. It is the primary prism through which we analyse sustainable development issues.

Targeted Issues

Our risk/opportunity analysis focuses on the elements most likely to have a tangible impact on the assets studied and on the energy transition in general. Additionally, the climate issues that economic agents face are very different depending on the sector, and can even vary within the same sector. So, our analysis focuses on a limited number of climate issues adapted to the specificities of each asset.

A Life Cycle Analysis

In order to identify the climate issues that could impact an asset, the analysis of environmental and social issues must consider the entire life cycle of products and services, from raw material extraction to end-of-life. Our analysis of carbon emissions for instance is based not only on scope 1 and 2 but also on scopes 3 (all of these being induced emissions) and avoided emissions.

For more details, please refer to Mirova's carbon methodology:

http://www.mirova.com/Content/Documents/Mirova/publications/va/studies/MIROVA_Study_Measure_Carbon_Impact_Methodology_EN.pdf

A Qualitative and Absolute Assessment

The primary result of these analyses is an overall qualitative opinion on a five-tier scale. This score demonstrates how the asset performs in terms of sustainable development goals.

SG 01.7
CC

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

SG 01.8
CC

Indicate the associated timescales linked to these risks and opportunities.

The assessment of climate risks and opportunities for a responsible investor like Mirova is extended on the maximum long-term timescale that we can apply as a market investor, striving to combine the search for financial value in a time-horizon adapted to the asset class considered on the one hand* (that does not always match with climate stakes are often materialised in a long timeframe (10-20 years at least), and the willingness to accelerate the financing of the energy transition on the other hand.

The assessment of physical risks on short, middle and long timescale, according to the type of asset and investment considered. It is currently being integrated in our processes at asset level, to understand the exposure and mitigation of this type of risks.

The transition risks and opportunities (mitigation and adaptation) are also integrated in the same type of 3-5 years timeframe but not only to assess the impact of climate change on the value and return of our portfolio: also to maximise our financing of the transition towards a low-carbon economy.

* more than 2 years for fixed-income funds, more than 5 years for equities, and more than 10 years for non-listed assets

No

SG 01.9
CC

Indicate whether the organisation publicly supports the TCFD?

Yes

No

SG 01.10
CC

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

The ESG research team is in charge of identifying and managing material climate-related risks and opportunities.

[A COMPLETER]

Mirova has therefore set and objective to align all its funds with a temperature scenario of 2°C , so as to align with the Paris agreement.

The PM team is also strongly involved in the process to align their investment decisions with these climat-objectives. It frequently interacts with the ESG research team and have developed a strong understanding of the underlying objectives.

To meet these commitments, Mirova has developed a way to measure the carbon footprint of its investments, as well as those of major market indexes.

The method, unlike most developed previously, adopts a "lifecycle" vision of the carbon footprint, taking into account emissions associated not only with a company's activities, but also its supply chain and use of its products/services. We then measure the portfolio's exposure to renewables, energy efficiency, clean transportation, etc. compared to the MSCI World, and compared to the International Energy Agency's energy investment projections. The end result is an scenario alignment indicator, in °C. We have used this indicator to set targets and measure our progress towards achieving them.

In 2015, Mirova's consolidated equities portfolio was at 3.5°C. Although substantially lower than the level of reference stock indexes (at the time, 5°C for the MSCI Europe and 4.9°C for the MSCI World), we decided to set a far more stringent objective: all of Mirova's equity and fixed income funds must be aligned with a

<2°C scenario. By managing the carbon footprint of our funds, we have gradually improved the climate performance of the funds will continuing to strive for strong performance. A broader, more transversal vision of environmental issues has made it possible to identify companies that provide solutions in all sectors of activity and improve the climate performance of Mirova's consolidated equity portfolios and consolidated fixed income portfolios to 1.5°C.

No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

	specify
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Acting as a responsible investor : <http://www.mirova.com/en-UK/p/Library/Publications/Acting-as-a-Responsible-Investor-2017>

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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{hyperlink:<http://www.mirova.com/en-UK/p/Library/Publications/Acting-as-a-Responsible-Investor-2017>}

- Attachment (will be made public)

	Attachment
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[File 1:ResponsibleInvestorReport2017.pdf](#)

- Formalised guidelines on environmental factors

	URL/Attachment
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- URL

URL

{hyperlink:http://www.mirova.com/Content/Documents/Mirova/publications/va/ESGIssues/MIROVA_ESG%20issues.pdf}

Attachment (will be made public)

Attachment

[File 1:Impact Report.pdf](#)

Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/en-UK/p/Library/Publications/Sustainable-Health-A-focus-on-pharmaceuticals-and-medical-products}

Attachment (will be made public)

Attachment

[File 1:MedicalProducts2018.pdf](#)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/en-UK/p/Library/Publications/Sustainable-Consumption-Focus-on-Retail-Apparel-and-Household}

Attachment (will be made public)

Attachment

[File 1:ConsumptionRetailApparel2018.pdf](#)

Fiduciary (or equivalent) duties

Asset class-specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/en-UK/p/Library/Publications/Acting-as-a-Responsible-Investor-2017}

Attachment (will be made public)

Attachment

[File 1:ResponsibleInvestorReport2017.pdf](#)

Sector specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/en-UK/p/Library/Publications/Sustainable-Building-Focus-on-Infrastructures-and-Construction}

Attachment (will be made public)

Attachment

[File 1:InfrastructuresAndConstruction2018.pdf](#)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/en-UK/p/Library/Publications/Controversial-Activities}

Attachment (will be made public)

Attachment

[File 1:ControversialActivities2018.pdf](#)

Engagement policy

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/en-INT/voting-and-engagement}

Attachment (will be made public)

Attachment

[File 1:EngagementReportMirova2017.pdf](#)

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/en-INT/voting-and-engagement}

Attachment (will be made public)

Attachment

[File 1:MirovaVotingPolicy2019.pdf](#)

Other, specify (1)

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/en-UK/p/Library/Publications/Acting-as-a-Responsible-Investor-2017}

Attachment

File Attachment

{hyperlink:ResponsibleInvestorReport2017.pdf [2360KB]}

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/en-UK/p/Library/Publications/Acting-as-a-Responsible-Investor-2017}

Attachment

File Attachment

{hyperlink:ResponsibleInvestorReport2017.pdf [2360KB]}

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/en-UK/p/Library/Publications/Acting-as-a-Responsible-Investor-2017}

Attachment

File Attachment

{hyperlink:ResponsibleInvestorReport2017.pdf [2360KB]}

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/en-UK/p/mirova/Team}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:http://www.mirova.com/fr-FR/PortFolio/Document?SDN=7S5ZQ0hLqf1vrNevsENdsCyybuUS0t8TqsrSdIWcJNwkJLhTI3f7e9ZF4HsgX1IIDAXNjChwICxjd6h_RfUA==}

Attachment

File Attachment

{[hyperlink:Mirova_Transparency_Code.pdf \[3938KB\]](#)}

Active ownership approaches

URL/Attachment

URL

URL

{[hyperlink:http://www.mirova.com/en-UK/p/voting-and-engagement](#)}

Attachment

File Attachment

{[hyperlink:EngagementReportMirova2017.pdf \[2702KB\]](#)}

Reporting

URL/Attachment

URL

URL

{[hyperlink:http://www.mirova.com/en-UK/p/Library/Publications/Acting-as-a-Responsible-Investor-2017](#)}

Attachment

File Attachment

{[hyperlink:ResponsibleInvestorReport2017.pdf \[2360KB\]](#)}

Climate change

URL/Attachment

URL

URL

{[hyperlink:http://www.mirova.com/en-UK/p/Library/Publications/Acting-as-a-Responsible-Investor-2017](#)}

Attachment

File Attachment

{[hyperlink:ResponsibleInvestorReport2017.pdf \[2360KB\]](#)}

Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment

URL

URL

{hyperlink: <http://www.mirova.com/en-UK/p/our-funds>}

Attachment

Other RI considerations, specify (1)

Other description (1)

Advocacy

URL/Attachment

URL

URL

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

Attachment

File Attachment

{hyperlink: [EngagementReportMirova2017.pdf \[2702KB\]](#)}

Other RI considerations, specify (2)

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

Mirova is fully committed to transparency and therefore discloses all relevant information that may help stakeholders, among which its clients, to understand its RI beliefs, approach and investment processes. This information takes the form of several documents publicly available on its website (www.mirova.com).

However being a pure player of responsible and sustainable investment makes it sometimes difficult to disentangle sustainable investment policy documents from general documents and considerations:

for instance, the entire team of Mirova is dedicated to ESG

all funds are dedicated to sustainability, with a set of different strategies designed to match clients preferences: this is already integrated in Mirova's overall approach.

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

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

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Other description (1)

Other role, specify (1)

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors

Describe

Our approach is mainly qualitative but based on investment in the Sustainable Development Goals, which provide concrete forward-looking targets for our strategies on E, S and G

- Yes, to assess future climate-related risks and opportunities

Describe

For all its funds, Mirova continuously monitors, analyzes, and reports on climate performance through three main indicators: induced emissions, emissions savings, and 2° scenario alignment. In line with our overall ESG philosophy, these indicators are measured on a lifecycle basis, including scopes 1, 2, and 3, both upstream and downstream.

- No, not to assess future ESG/climate-related issues

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
 - Definition of all Mirova's investment strategies
- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

Mirova is a pure RI player, hence ESG issues are determining all these types of choices. We mainly pick stocks on the basis of a sustainability absolute assessment, which can lead to significant sectoral and / or geographical biases. For instance, we do not invest in the oil and gas sector and we tend to have a slight overrepresentation of European companies in our portfolio since they better integrate ESG issues in their day-to-day business and disclosure.

All details on the above-mentioned aspects are available for more information in our publication Acting as a responsible investor :

<http://www.mirova.com/en-UK/p/Library/Publications/Acting-as-a-Responsible-Investor-2017>

SG 13 CC	Voluntary	Public	Descriptive	General
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SG 13.4 CC Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment

Describe

Since Mirova is a long-term investor, mitigating climate change is essential to our mission. We therefore assess our exposure to climate risks via carbon footprinting and qualitative analyses across all the asset classes we manage. We attempt to capture opportunities related to climate change, like wind turbine manufacturers, companies that produce energy efficiency solutions, and low-carbon mobility, while mitigating our exposure to climate risks, including regulatory, transition, and physical risk.

We systematically consider climate risks and opportunities in our qualitative analyses, especially for sectors with major climate impact or risk exposure. On the quantitative side, we have partnered with Carbone4 to develop a carbon footprinting methodology that can be applied across all sectors and asset classes, allowing us to set targets related to our climate performance and mitigate transition risk. We assess our climate performance against the International Energy Agency's energy investment projections under the Sustainable Development Scenario, and in the context of international agreements like the Paris Accord.

- Incorporation into investment analysis

	Describe
--	----------

In the investment process, we foster solutions-providers, we have no exposure to carbon-intensive assets (coal, oil) , and limit our exposure to other fossil fuels-related assets (e.g car manufacturers, industrial equipments, etc) so as to ensure that there is a strong level of adequacy with 2°C climate scenarios produced by international institutions such as the IPCC (Intergovernmental Panel on Climate Change) or the IEA (International Energy Agency).

Inform active ownership

	Describe
--	----------

IN our engagement we ask for disclosure of:

- climate impact (scope 1, 2, 3 and avoided emissions, on the basis of a life-cycle analysis: this includes a forward-looking perspective;
- disclosure on the green exposure and contribution of business models to the energy transition.

This enables to foresee the carbon trajectory of issuers is one of the main cross-sectors engagement issue (see LEA section for more details).

Other

SG 13.5 CC	Indicate who uses this analysis.
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- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

	specify
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The PRI reports readers :-)

SG 13.6 CC	Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.
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Yes

	Describe
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As explained in previous questions, beyond financial performance, Mirova's strategy is also striving to impact the transition towards a low-carbon economy. As a consequence, we always take into account climate-related risks and opportunities that go beyond the time-horizon.

No

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used	
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input checked="" type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input checked="" type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input checked="" type="checkbox"/> BNEF reference scenario	
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input checked="" type="checkbox"/> RPC 6	
IPCC	<input checked="" type="checkbox"/> RPC 4.5	
IPCC	<input checked="" type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #cccccc; padding: 2px;">Other (1) please specify:</div> Shell Moutains, Oceans and Sky
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #cccccc; padding: 2px;">Other (2) please specify:</div> Greenpeace Energy [R]evolution
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

All long term issues taken into account by Mirova arise from Sustainable Development Goals. The main sustainability issues identified by the RI Research team

- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		10	078	845	874
Currency	EUR				
Assets in USD		11	498	886	033

Specify the framework or taxonomy used.

Mirova does not exclude any industry on principle. Within certain industries, however, case-by-case analysis may result in a "Risk" or "Negative" rating for all of the companies of that sector when practices do not provide an adequate level of assurance that the risks associated with the product are properly managed. "Risk" and "Negative" ratings mean that the issuer cannot be included in Mirova's portfolios. Current resulting exclusions include the oil and gas sector. At the end of December 2018, Mirova equity funds are globally in line with a 2.2°C rise in temperatures. This climate profile is much better than the main market indices, which we estimate to be more in line with 5°C scenarios. This good performance is due both to the lack of investment in companies that emit large amounts of greenhouse gases and to large investments in companies involved in the low-carbon economy.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

maximised portfolio contribution to the energy transition

- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

carbon footprint (scope 3 and avoided emissions)

- None of the above

Today, high expectations surround the measurement of carbon impact. Voluntary initiatives and - little by little - legislation push institutional investors to consider the impact that financial portfolios have on the climate and energy transition. However, current methods (of carbon footprint measurement) are not adequate to determine an investment portfolio's contribution to these issues. Current approaches, which do not take a life-cycle vision of carbon footprinting, have the particular flaw of not accounting for emissions related to companies' products and services. The impact of these products and services on the climate is, however, crucial in many sectors - whether positively in the case of renewable energy and energy efficiency solutions, or negatively in the case of fossil fuels. Following this observation, Mirova and Carbone 4 decided to create a partnership dedicated to developing a new methodology* capable of providing a carbon measurement that is aligned with the issues of energy transition: Carbon Impact Analytics (CIA).

The CIA methodology focuses primarily on three indicators:

- A measure of emissions 'induced' by an issuer's activity from a life-cycle approach, taking into account direct emissions as well as emissions from product suppliers;
- A measure of the emissions which are 'avoided' due to efficiency efforts or deployment of 'low-carbon' solutions;
- An overall evaluation that takes into account, in addition to carbon measurement, further information on the issuer's evolution and the type of capital or R&D expenditures.

For these evaluations, the methodology employs a bottom-up approach in which each issuer is examined individually according to an evaluation framework adapted to each sector.

Particular scrutiny is devoted to companies with a significant climate impact: energy producers, carbon-intensive sectors (industry, construction, transport), and providers of low carbon equipment and solutions. Evaluations are then aggregated at the portfolio level while addressing instances of double-counting.

By adopting a life-cycle vision that accounts for both induced and avoided emissions, the CIA methodology is a reliable tool for measuring the contribution of investments to the issues surrounding the energy transition. Once the diagnostics are made public, financial players will face increasing pressure to improve their carbon performance. Accordingly, in the long term this measure can influence greater action in low-carbon investment strategies. Portfolio carbon footprints are therefore a relevant tool in informing stakeholders, among which asset owners, on climate and carbon emissions risks.

In addition, Mirova is committed to actively communicating towards clients and beneficiaries to raise their awareness on the emissions risk and the need to tackle climate change issues. Its ESG specialists regularly publish research papers, gathered in a semi-annual book, "Mirova Insights", and publicly available on Mirova's website**. Some of these publications are related to climate issues. For instance, in 2016, Mirova's head of RI Research Hervé Guez wrote "Divestment or reinvestment, what role for institutional investors?", a focus-paper about the role played by investors in the transition towards a low-carbon economy.

*More detailed information is available in the methodology published by Carbone 4 and in Mirova's research note describing the issues at stake

<http://www.carbone4.com/sites/default/files/CarbonImpactAnalytics.pdf>

http://www.mirova.com/Content/Documents/Mirova/publications/va/studies/MIROVA_Study_Measure_Carbon_Impact_Methodology_EN.pdf.

** <http://www.mirova.com/en-UK/p/Library/Publications>

Climate change is one of the major sustainability issues identified by Mirova, and is therefore at the heart of its approach:

Macro-scenarios (among which climate-related ones) are qualitatively analysed and influence its investments themes. Mirova's asset allocation is therefore impacted by climate change issues, albeit the fact that it is a result of ESG analysis (sector and geographical biases) rather than a pre-defined asset allocation strictly speaking (please refer to SG.13 for further explanations). Furthermore, Mirova has developed an original approach which consists in providing investors with a cross-asset-class offering on the energy transition theme. The purpose is to build their asset allocation around this theme by investing in several asset classes focused on it (Global Equity Transition Energy, Green Bonds and Renewable Energy Infrastructures), in line with the proportions suggested by Mirova's RI experts.

By nature, low carbon or climate resilient investments are overrepresented in Mirova's portfolios, whereas high-

carbon ones are under-weighted or even excluded from its investment universe (e.g. oil and coal). The only exception is the case of industries that are carbon intensive in the production phase (scopes 1 and 2) but that make it possible to avoid significant emissions during the use phase (scope 3), for example some insulating construction materials. Mirova's reasoning with regard to carbon issues applies to the whole life cycle.

Emissions data are incorporated in the issuers' Sustainability Opinions (particularly when carbon is a sectorial key issue), which are systematically used to inform investment decision-making.

Mirova actively seeks climate change integration by companies, as well as climate-supportive policies from governments, through its individual/collaborative engagement initiatives and its public policy engagement activities (respectively described in detail in sections "Listed Equity Active Ownership", questions LEA.01 to LEA.14, and "Strategy and Governance", question SG.11)

Portfolio carbon footprints are measured and publicly disclosed (please refer to SG.14.5 above for a full description)

As explained in SG.13, qualitative scenario testing is undertaken to identify relevant sustainability-related investment themes. Scenarios are also used as an input while assessing issuers from a sustainability perspective. For example, the RI research takes into account to what extent business models are well positioned to comply with the 2 Degrees Celsius (2DS) climate scenario.

Mirova's in-house investment teams are encouraged to monitor the emissions risks of their portfolios through raw data (e.g. issuers' carbon footprint) provided in the proprietary database "OCTAVE", in addition to the overall sustainability opinion.

Mirova has not defined quantified targets in terms of carbon reduction, but reflects on the alignment of its funds with a 2 degrees scenario, and it is to be highlighted that its portfolios present induced emissions that are far lower than their indicative benchmarks. See for more details

<http://www.mirova.com/Content/Documents/Mirova/publications/va/Reports/ResponsibleInvestorReport2016.pdf>

SG 14 CC	Voluntary	Public		General
SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.			

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Get closer to all funds being in a 2°C scenario	Climate profile / temperature scenario associated with our investment strategy	At the portfolio level, the aggregate emissions induced and avoided are taken into account in order to assign a level of alignment with climate scenarios published by international organisations such as the IPCC (Intergovernmental Panel on Climate Change) or the IEA (International Energy Agency).
Weighted average carbon intensity	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	weighted carbone intensity is taken into account in our methodology to align portfolio with a 2°C scenario	we use tCO ₂ /M€ of entreprise value	Mirova developed a first physical indicator for carbon in partnership with Carbone41. This methodology evaluates all assets using a life cycle approach, taking into account the company's direct activity as well as its suppliers and product use
Carbon footprint (scope 1 and 2)	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	we do not use scope 1 and 2 alone but evaluate all assets' emissions using a life cycle approach	Induced emissions (scope 1 and 2 but also 3) and avoided emissions in teCO ₂	Life cycle analysis including scope 1, 2, 3 and avoided emissions
Portfolio carbon footprint	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Portfolio carbon footprint is taken into account in our methodology to align portfolio with a 2°C scenario	we use tCO ₂ /M€ of entreprise value	Mirova developed a first physical indicator for carbon in partnership with Carbone41. This methodology evaluates all assets using a life cycle approach, taking into account the company's direct activity as well as its suppliers and product use
Total carbon emissions	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Although we are able to calculate absolute emissions, we do not believe it is a relevant metric to assess climate performance		
Carbon intensity	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	see weighted average carbon intensity		
Exposure to carbon-related assets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Demonstrate the quality of our funds on climate-related issues	assets rated as « risk » or « negative » for climate related issues cannot be included in our funds	assets rated as « risk » or « negative » may reflect a climate-related risks for scope 1, 2, 3 and avoided emissions
Other emissions metrics	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority			

	of assets <input type="checkbox"/> Minority of assets			
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SG 14.7 CC	Describe in further detail the key targets.
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Targettype	Time Frame	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2018	All funds to be aligned with a 2 degrees scenario / Paris agreement	File 1:ResponsibleInvestorReport2017.pdf
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.
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- Process for climate-related risks is integrated into overall risk management

Please describe

Beyond the identification, of climate related risks at sector level, each asset is evaluated through a bottom-up analysis, which enables to review both climate risks and opportunities.

To carry out this evaluation, Mirova relies on its Responsible Investment Research team of around ten people, in interaction with the various management teams. Evaluations are mainly based on an internal review of documents published by issuers and on direct exchanges with companies or project management. Mirova also relies on various sources of information (ESG rating agencies, proxy voting, sell-side financial analysts, news databases, etc.).

Climate-risks are integrated in the overall risk-opportunity approach: taking into account these two dimensions, which can often complement each other.

- Capturing opportunities:** positioning on technological and societal innovation when it becomes a structuring element of the economic project enables companies to capture opportunities related to achieving the SDGs.
- Managing risks:** a "re-internalisation of social and environmental externalities", often in the form of management of diffuse sustainable development issues, makes it possible to limit the risks associated with

achieving the SDGs.

This analytical structure, which gives equal importance to opportunities and risks, is our first prism for reading sustainable development issues. The main result of these analyses is the production of an overall qualitative opinion in five levels to assess the level of asset adequacy with the achievement of the SDGs.

- Assets evaluated as "risk" or "negative" for climate-related issues are excluded from the Mirova investment universe.

- Assets evaluated as "neutral" or "positive" or "committed" for the sustainability opinion are integrated in the mirova investment universe. This reinforces the weight of positive assets in the Mirova funds.

Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
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Yes

SG 14.9 CC	Please describe
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As part of its engagement activities, climate-disclosure is one of the main cross-sectoral issues on which all Mirova RI analysts engage with issuers. In their engagement, Mirova analysts encourage adoption of climate-related disclosure on the basis of the methodology developed with Carbon 4 that promotes a life-cycle analysis disclosure of emissions (induced emissions and avoided emissions) and a disclosure of the "green" or "low-carbon" share of revenue.

No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
--	---

100

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
--	------

Energy efficiency / Clean technology

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

Listed equity



100

- Fixed income - SSA



100

- Fixed income - Corporate (financial)



100

- Fixed income - Corporate (non-financial)



100

- Fixed income - Securitised
- Infrastructure
- Other (1)
- Other (2)

	Brief description and measures of investment
--	--

All our investment strategies aim at investing in environmental and social theme. However, as these themes are often diverse and mixed and given that company disclosure remains extremely limited, we currently are not in a position to communicate on the share of investment per theme at such a level of granularity. We suggest to reframe this question.

- Renewable energy

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

- Listed equity



100

- Fixed income - SSA



100

- Fixed income - Corporate (financial)



100

- Fixed income - Corporate (non-financial)

% of AUM

100

- Fixed income - Securitised
 Infrastructure
 Other (1)
 Other (2)

Brief description and measures of investment

All our investment strategies aim at investing in environmental and social theme. However, as these themes are often diverse and mixed and given that company disclosure remains extremely limited, we currently are not in a position to communicate on the share of investment per theme at such a level of granularity. We suggest to reframe this question.

- Green buildings
 Sustainable forestry
 Sustainable agriculture
 Microfinance
 SME financing
 Social enterprise / community investing
 Affordable housing
 Education
 Global health
 Water
 Other area, specify

No