

MIRABAUD

ASSET MANAGEMENT



Stewardship Report

1 JANUARY – 31 DECEMBER 2023





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FOREWORD

Sustainability has been at the core of Mirabaud Group's philosophy since its establishment in 1819. Our interpretation and implementation of sustainable practices have evolved over time but our commitment to long-term thinking remains unchanged and more vital than ever before.

We recognise that the actions taken by companies today will impact future generations. As such, we believe that every investor has the power to create positive change. Through active stewardship, we exercise our rights and responsibilities across various asset classes, funds, and geographies. We incorporate environmental, social, and governance (ESG) risks into our analysis alongside traditional financial parameters to develop thorough ESG assessments. Our portfolio management teams work closely with our dedicated Sustainable and Responsible Investment (SRI) team to ensure that ESG integration is a crucial factor in our investment decision-making process.

At Mirabaud Asset Management (MAM), we are constantly striving to innovate and enhance our stewardship framework to make it flexible yet robust enough to cater to the diverse styles demonstrated across our high-conviction investment teams. Above all, we focus on good governance and sustainable investing to create long-term value for our clients and beneficiaries, leading to sustainable benefits for the economy, the environment, and society.

This report outlines how Mirabaud Asset Management entities (hereinafter referred to as "Mirabaud Asset Management" or "MAM"), including Mirabaud Asset Management Ltd, Mirabaud Asset Management (Switzerland) Ltd, Mirabaud Asset Management (France) SAS, and Mirabaud Asset Management (Europe) SA, apply stewardship principles to responsibly allocate, manage, and oversee capital. Our approach creates long-term value for our clients and beneficiaries, leading to sustainable benefits for the economy, the environment, and society.

In this report, we discuss our response to the UK Stewardship Code 2020's twelve principles and the EU Shareholder Rights Directive II (EU Directive 2017/828, "SRD II") annual report on engagement transparency for the reporting period between 1 January and 31 December 2023.

Lionel Aeschlimann
Managing Partner

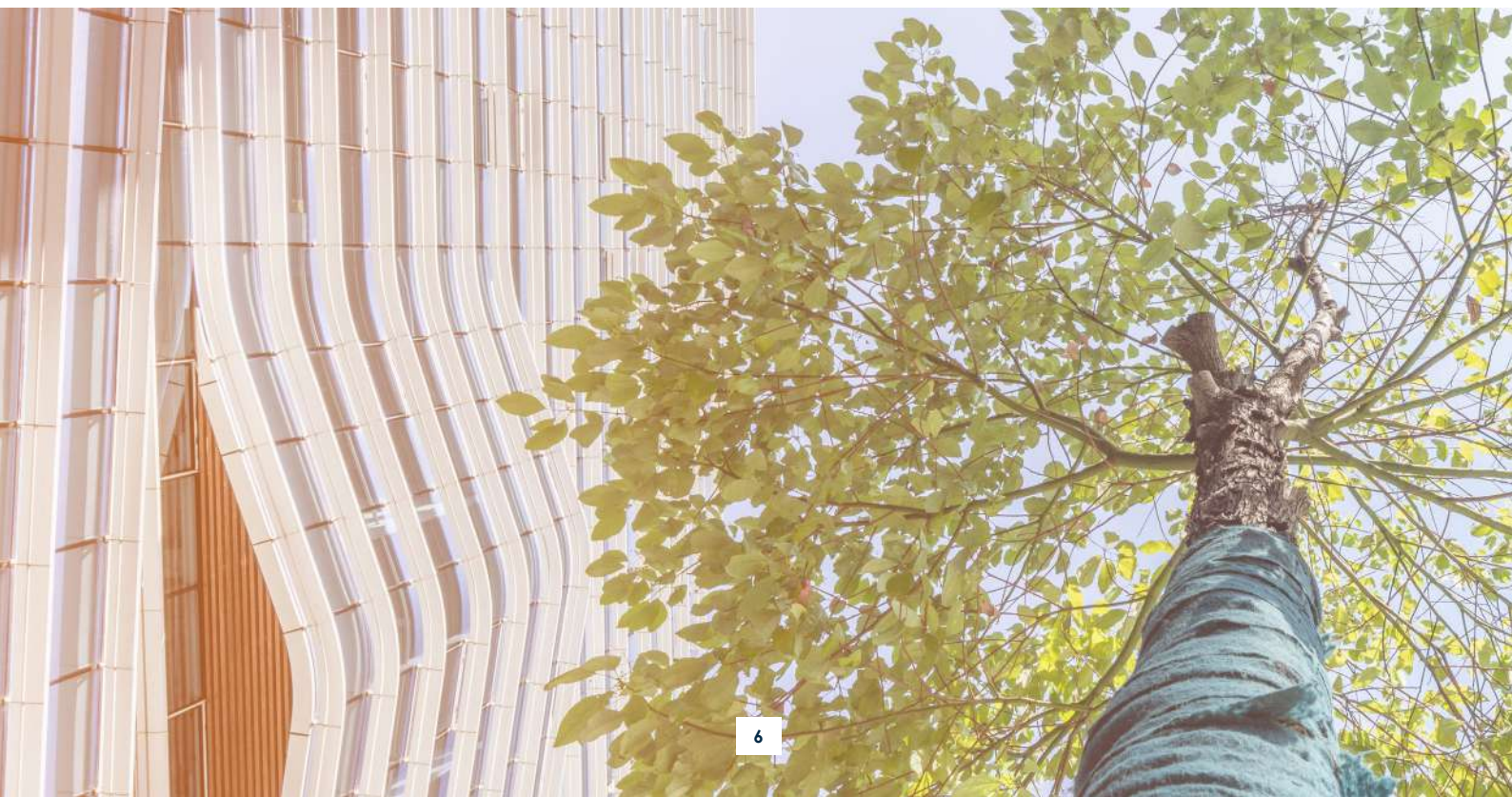


ABOUT MIRABAUD ASSET MANAGEMENT ("MAM")

MAM is part of the Mirabaud Group and is an independent European asset manager focused on active investing across fixed income, equities, multi-assets and private assets. We support our clients with high conviction, sustainable investment strategies along with best-in-class reporting on climate change and other key issues shaping our world. We operate in Europe's key financial centres: Paris, London, Luxembourg, Madrid, Milan, Geneva and Zurich.

OUR CULTURE

As a group, Mirabaud has always recognised the value of combining growth with sustainability. A partnership-based business structure means flexibility to take a longer-term view, without engaging in proprietary trading or pursuing speculative positions. Core values also reflect a prudent approach to the way the group meets the current and evolving needs of its global institutional and wholesale clients, focusing on responsibly generating the best risk-adjusted returns.





We value Independence, Conviction, Responsibility and Passion.



INDEPENDENCE

As a family-owned business we maintain a long-term perspective across all our activities. We have always been focused on managing assets for our clients.



CONVICTION

Our conviction is that human talent can make a difference. We focus on giving our investment professionals the culture and environment they need to express their talent, convictions and long-term views.



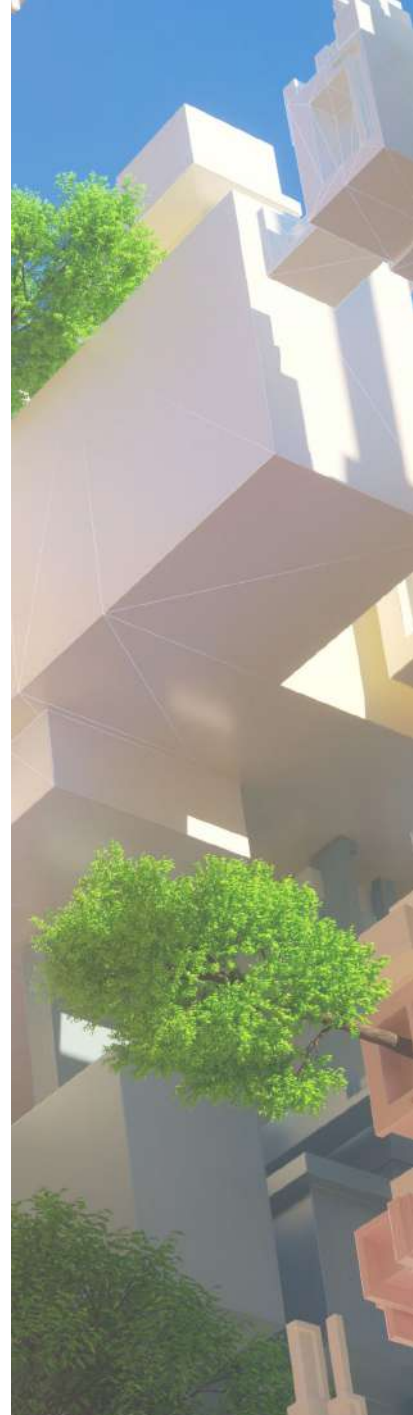
RESPONSIBILITY

Our business has been transferred from generation to generation, becoming stronger and relevant to its time. Today, this broader sense of responsibility and sustainability expresses itself in our relationships with clients, our staff, our investments and towards society in general.



PASSION

Passion brings motivation and dedication together to enable servicing excellence. This passion extends to our interaction with clients, as well as the way we face challenges on their behalf.



OUR PURPOSE

Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders and the public. By practising corporate social responsibility, also called corporate citizenship, companies can be conscious of the impact they have on all aspects of society, including economic, social and environmental.

To engage in CSR means that, in the ordinary course of business, a company operates in ways that enhance society and the environment instead of contributing negatively to them.

Mirabaud's corporate social responsibility philosophy, as set out in its [CSR report](#), reflects our aspiration and passion in responding to potential challenges and new opportunities, while meeting stakeholder expectations. Furthermore, by strengthening CSR practices, Mirabaud seeks to leverage its role as a responsible organisation to promote a more sustainable economy and confirm its commitment to achieve the UN's 17 SDGs, whether directly or indirectly.



OUR APPROACH TO SUSTAINABLE AND RESPONSIBLE INVESTING (SRI)

One of MAM's principal focuses is the sustainability of underlying investee companies, as this is the foundation for the success of our clients' investments.

We are passionate about the way we implement environmental and social responsibilities in our investment decision making and stewardship activities. Our comprehensive SRI approach enables our portfolio managers and investment teams to identify and invest in the strategic and economic assets best placed to meet the challenges of tomorrow. operate in Europe's key financial centres: Paris, London, Luxembourg, Madrid, Milan, Geneva and Zurich.

Environmental, Social and Governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a "steward" of nature. Social criteria examine how it manages relationships with employees, suppliers, customers and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls and shareholder rights.

Proactively addressing ESG risks and opportunities provides an additional boost in creating long-term sustainable value for our clients. MAM implements a coordinated SRI approach across our entire product range. We believe the innovation of our approach resides in the pragmatism and conviction we apply to it. We apply product-specific processes in conformance with their asset

class, scope, objective and investment thesis and we adapt our SRI approaches to meet the evolving needs of our clients and stakeholders.

As an active investment manager, MAM seeks to deliver investment outperformance over the medium to longer term without exposing clients to uncompensated risk. We believe that responsible investing is essential when it comes to delivering that value for our clients and stewardship is an important factor that underpins this objective. For us, the integration of ESG factors is a necessary complement to our active, high-conviction investment approach. In fact, this interweaving of financial and extra-financial criteria is valuable because it enables us to identify and back companies with strong underlying fundamentals and sustainable business models. We believe that the inclusion of responsibility and sustainability considerations can help promote sustainable business practices and can be instrumental in reducing investment risk and enhancing risk-adjusted returns for our clients. Investing in companies that have responsible businesses is beneficial for the long term, with consequences that are good for business, good for shareholders and good for society in general. The work of our investment and SRI teams is to identify and invest in the outperformers and realise further potential through engagement and corporate dialogue regarding international standards and ESG best practices.



OUR STRATEGY

Our SRI strategy in equity, convertibles and fixed income is based on the following complementary pillars:

EXCLUSION: We exclude companies from our investment universe that are involved in activities deemed “controversial” by international conventions, accords and certain national laws, or which pose a risk to health or the environment, and which cannot be addressed through engagement.

ACTIVE OWNERSHIP: This approach translates into initiating and maintaining a formal dialogue with companies, as well as voting on ESG topics. Active ownership can be achieved through proxy voting and engagement activities.

ESG integration: ESG analysis is integrated into investment processes from the early stages through to portfolio construction, using quantitative and qualitative research across most of our assets.

CLIMATE CHANGE: Aside from highlighting low-carbon businesses, our climate change approach also seeks to drive intensive carbon issuers to reduce emissions, rather than excluding them.

Stewardship is therefore a fundamental part of MAM's investment and SRI approach. It is an opportunity for us to open up a dialogue with issuers and companies on issues that impact the long-term value of a business, including CSR policy, strategy, capital structure, remuneration policy, corporate governance and ESG factors.

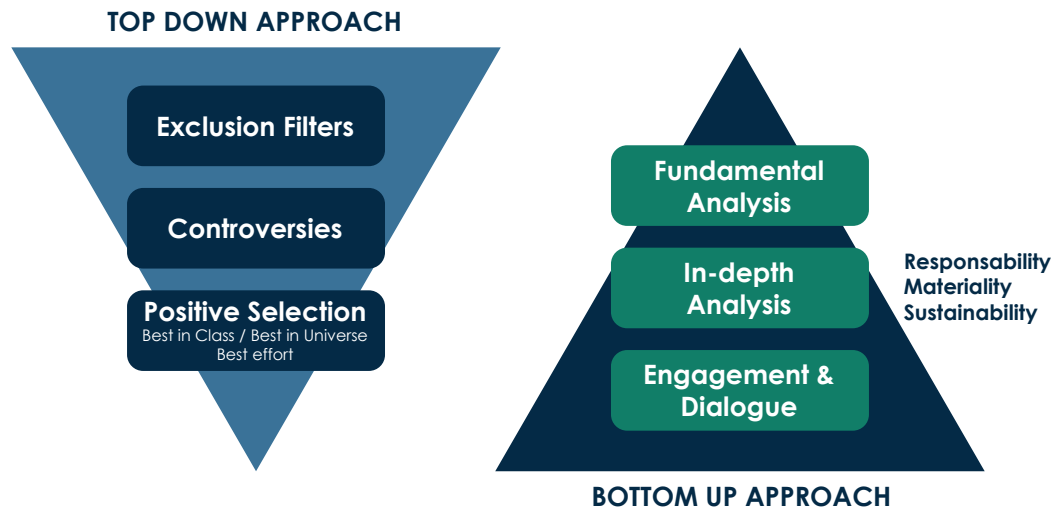
Our engagement efforts take us, as investors, a step further in our responsible investing approach, to discuss sustainability risks and opportunities with companies. Leveraging our detailed ESG integration framework through engagement activities we are able to help companies understand our expectations as shareholders and bondholders, and influence them to adopt good ESG practices. Our investment teams also exercise their voting rights to promote good corporate governance standards among our equity holdings. Sustainable business practices can give companies a competitive edge and an increased chance to be successful over the long run, ultimately improving the risk-return profile of their securities.

In line with MAM's [Sustainable and Responsible Investment Policy](#), when integrating ESG into our investment process, we combine both top-down and bottom-up analysis in our equity, convertibles and fixed income strategies.

Stewardship is a fundamental
part of MAM's investment
and SRI approach



Figure 1: MAM ESG Integration Strategy



Source: Mirabaud Asset Management

OUR TOP-DOWN VIEW...

Top-down screens enable us to optimise the investment universes

EXCLUSION FILTERS

While we favour inclusion over exclusion, in line with our values and ESG beliefs, we apply restrictions to sectors and companies involved in controversial activities and facing critical ethical, social and environmental challenges. Our [Exclusion Policy](#) covers the exclusion of activities with a highly negative impact on society including controversial weapons production, tobacco production & related products, thermal coal mining¹ and adult entertainment production².

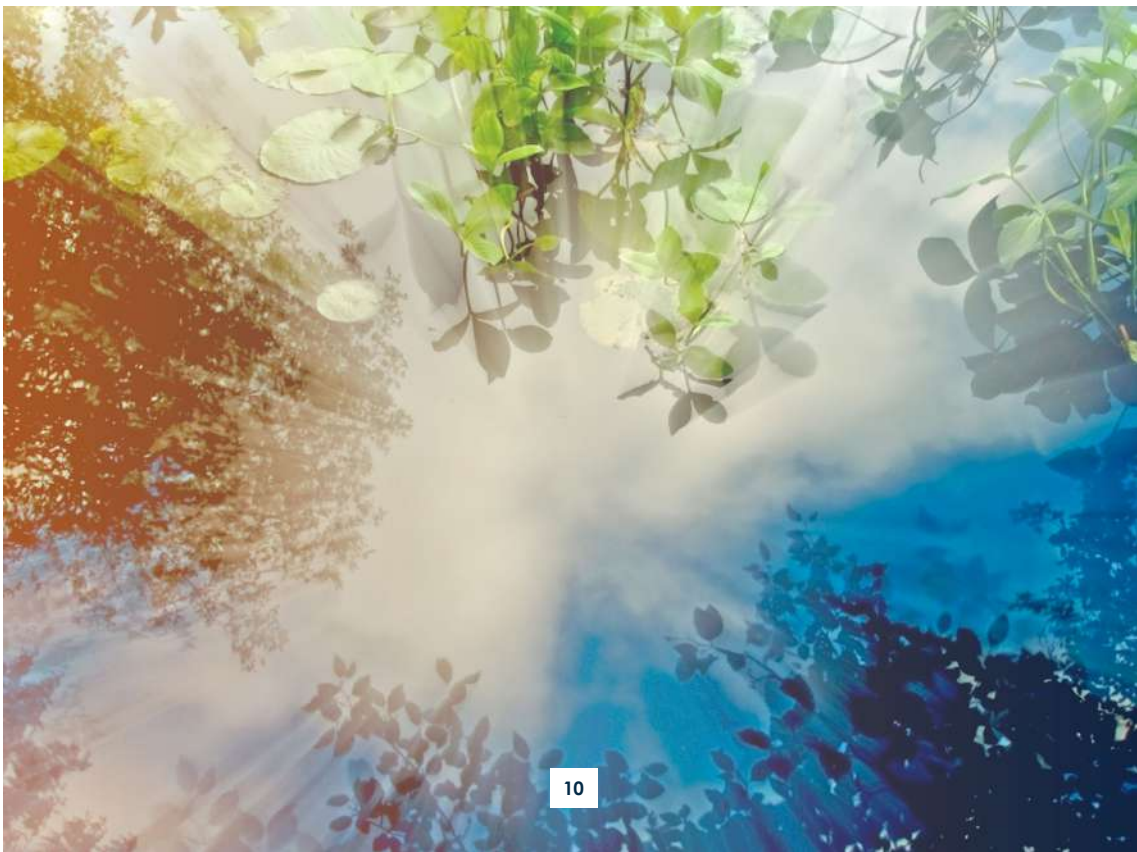




Figure 2: MAM Exclusion Policy

| Product involvement | Exclusion criteria | Threshold of Revenues |
|---------------------|--|-----------------------|
| Defense & Military | Controversial weapons production | 0% |
| Health | Tobacco production & related products/services | 5% |
| Energy | Thermal coal mining | 5% |
| Values-based | Adult entertainment production | 5% |

Source: Mirabaud Asset Management

In addition, we closely monitor the ESG-related controversies and sensitive incidents that companies may face during their business activities.

ESG POSITIVE SCREENING AND CONTROVERSIES

We apply, where possible, a top-down positive selection filter on the initial investment universe using a proprietary ESG score, calculated using data from our third-party data providers. This approach is designed to favour the best-performing companies from an overall sustainability perspective. As such, companies having a low ESG performance, high ESG risks or involved in recent severe controversies are excluded from the investable universe.

Our proprietary ESG score is updated at least annually to reflect structural adjustments to the rating of data.

...is enhanced through our bottom-up approach

COMPONENTS OF ESG ANALYSIS

As active managers, we believe that there is no substitute for in-depth, bottom-up research and ongoing engagement with companies.

For our equity, convertibles and fixed income strategies, ESG factors are integrated across all stages of the investment process, from research to securities valuations to portfolio construction.

We evaluate companies' financial and extra-financial characteristics, which we consider relevant as our portfolio managers may alter their valuation or forecast scenarios to capture potential ESG risks.

We conduct an in-depth ESG assessment of companies to evaluate their performance in terms of three MAM pillars: responsibility, materiality and sustainability.

¹ The thermal coal mining revenues threshold was reduced in 2023, from 10% to 5%.
² The adult entertainment production exclusion was formalised in 2023.



Figure 3: ESG Analysis Pillars



Source: Mirabaud Asset Management

RESPONSIBILITY: We consult extra-financial data that is available through external providers and conduct an initial review of company disclosures to understand how the business is responding to global sustainability challenges. Evaluating CSR policies and assessing the quality of disclosures available in public company reports enables us to identify relevant ESG criteria and closely review them through an encompassing materiality analysis.

MATERIALITY: We deploy an internal materiality matrix, drawing from third-party data providers' expertise as well as internal research. This matrix provides us with the capability to identify material issues specific to each sector or company and is used to drive the ESG assessment. This process provides a robust foundation to develop an informed perspective on our investee companies and potential investments. We acknowledge that not all ESG issues are equally relevant to all companies. The materiality of these issues varies significantly depending on factors such as sector, geography, type of investment or time horizon. For this reason, we take a pragmatic bespoke approach, tailored to each team's investment process. The SRI and investment teams share insights and research to inform investment decision making.

SUSTAINABILITY: Using the information obtained through our ESG service providers and materiality framework, we are able to assess the extent to which the goods and services offered by a company are conducive to reaching sustainable goals. Overall, the shared pillars that sustain our bottom-up ESG assessment – responsibility, materiality and sustainability – produce a holistic understanding of the impact that companies can make towards a just and green societal transition.

To inform our analysis, we collect data from different data sources including the Sustainability Accounting Standards Board's (SASB) materiality grid, company CSR reports, annual reports and third-party research providers.

We complement our analysis through our constructive active ownership programme, which consists of engagement and proxy voting. Our aim is to influence companies to generate positive change, improve disclosures and targets, as well as discuss ESG risks and opportunities. SRI analysts, alongside the investment team, consider various indicators, specific and material to each sub-sector to best reflect how companies manage the various ESG risks and opportunities they are exposed to.



CLIENT AND BENEFICIARY NEEDS

Stewardship and broader SRI integration is an essential component of our investment process and hence forms an integral part of our ongoing communications with existing and prospective clients.

The Product Development Committee aims to set up a proper review and consideration process to assess new investment product ideas to meet current and future clients' needs. We organise one-to-one meetings with clients to collect feedback. Representatives from selected client groups are carefully identified to solicit a variety of views. Sales teams also check in regularly with clients and prospects to address any further comments and new information. These meetings allow the committee to act on client responses and develop new investment products that fit with their demands and preferences.

CLIENT COMMUNICATIONS

We are committed to serving our clients' interests to the best of our capabilities. We continuously improve our processes to address client interests in a timely manner, in an appropriate format and in the right language, to account for the regional distribution of our client base. Sales and marketing teams are responsible for ensuring that clients are regularly informed about the performance and data of the portfolios they are invested in.

ONGOING COMMUNICATIONS

The frequency of client exchanges happens on an ad-hoc basis and is based on the demands of our clients at specific stages of the client relationship process. Client requests are fulfilled as they arise, always ensuring that the detail and clarification in relation to the ESG process and stewardship activities of our funds and segregated

investment mandates are provided. Given the industry's growing focus on stewardship and ESG activities, clients increasingly request detailed information on the ESG approach of our funds, exclusion policies, engagement and associated follow-ups, and monitoring of investee companies and data providers used. Clients, for example, have demonstrated a growing interest in our SRI processes, particularly the classification of our EU funds³ as Article 8 or 9 according to the Sustainable Finance Disclosure Regulation (SFDR) regulation, or the commitment to sustainable investments based on our proprietary methodology.

REQUESTS FOR PROPOSALS AND DUE DILIGENCE

Stewardship information is also communicated to clients through request for proposals (RFPs) and due diligence questionnaires (DDQs). These discussions are addressed accordingly on a case-by-case basis with input from the investment management teams and the SRI team. For example, SRI specialists regularly review RFP proposals and DDQs. They are also available to address questions during meetings and/or through webinars with clients and prospects, including cases where dedicated ESG advisors have been appointed, to ensure that accurate sustainability-related information is provided.

During 2023, the marketing team continued the roll-out of our due diligence platform, which was introduced in 2022. A key benefit

3 MAM EU funds are funds domiciled in Europe. MAM funds domiciled in Switzerland are not in the scope of SFDR regulation.



of the platform is its accessibility to clients and its promotion of transparency. The platform delivers an industry standard, due diligence questionnaire covering firm-, strategy- and vehicle-level questions, including ESG aspects, which we intend to share for the majority of Mirabaud funds. Currently, information on several funds has been published and the marketing team aims to extend this to other investment products over the coming year.

Similar to 2022, the marketing team observed in 2023 a steady increase in ESG-related questions in client RFPs and DDQs, notably related to the normative codes and initiatives we adhere to, the SFDR classification of our funds, Principal Adverse Impacts (PAI), alignment with the EU Taxonomy and net zero climate scenarios.

PUBLIC INFORMATION

We regularly communicate with clients and investors through the information publicly available on the website. Information about the ESG process for the funds is available via this [link](#), detailing how ESG is integrated within the MAM investment process. We also share the firm's [Engagement Policy](#), [Sustainable and Responsible Investment Policy](#), and [Exclusion Policy](#) online. MAM has published the Website Product Disclosures, which clarify each fund's ESG approach and provide additional details about the investment strategy used for the financial product concerned. The Website Product disclosures can be found on the dedicated funds' webpages. Proxy voting [data](#) for the funds is available on MAM's website and is updated on a daily basis. We also provide a [Principal Adverse Impacts Statement](#) in line with the SFDR regulation's requirements. MAM also prepares active ownership reports for a number of strategies to provide information on proxy voting and engagement activities, including methods of engagement, ESG statistics and case studies. Active ownership reports are available on the funds' web pages.

ADDITIONAL METHODS

Along with the communication methods already described, sales and marketing teams share MAM's stewardship activities through other materials and documents. Monthly **factsheets**, produced in five languages, showcase fund performance and portfolio data. **SRI reports** are available through email subscriptions and on the dedicated fund pages, on a monthly or quarterly basis, depending on the fund in question. For instance, the SRI report of the Mirabaud – Global Climate Bond fund is available via this [link](#). Clients may access factsheets and SRI reports through the website, or by signing up for a mailing list that automatically provides them with updated copies of the documents periodically. **Presentations**, updated monthly, are used during client meetings and include information on how SRI is addressed at MAM, and how specific ESG processes are implemented at a fund level.

We use different channels to ensure that clients receive timely information, including **events, webinars, conferences** and **videos**, **written commentaries** and **educational pieces**, as well as **meetings** with portfolio managers and the SRI team.

Based on client needs, we may also develop customised approaches to address specific client demands. For example, we have created a dedicated, **password-protected client page** for existing clients invested in certain equity funds, which provides regular information on performance and results. For institutional clients with segregated mandates, we offer a standardised SRI report at the portfolio level, which provides information covering a variety of ESG metrics.

Lastly, **translations** are a useful method of communicating effectively with our clients, as well as prospects. We may translate relevant documents into a client's



chosen language in order to facilitate communications. To this end, our sales, investment and SRI teams have diverse professional working-proficiency language levels to answer client questions and demands appropriately and in a timely manner.

CLIENT FEEDBACK AND VIEWS

We value feedback from our clients on their experience with MAM to improve our client service even further. The direct relationship between the sales team and clients across all client segments and regions allows for constant feedback, questions and clarifications. Information is then shared internally allowing for relevant issues to be tackled appropriately.

To seek and receive clients' views, we prioritise ongoing relationships and direct contact with clients, which are strengthened through regular email, phone exchanges and in-person meetings. This direct approach ensures that any issues are always managed in a timely manner. The rationale behind this is the experience of our sales representatives suggests that online surveys are not always an effective way of gathering client feedback, as they are perceived as time-consuming for clients. As such, we favour a direct approach.

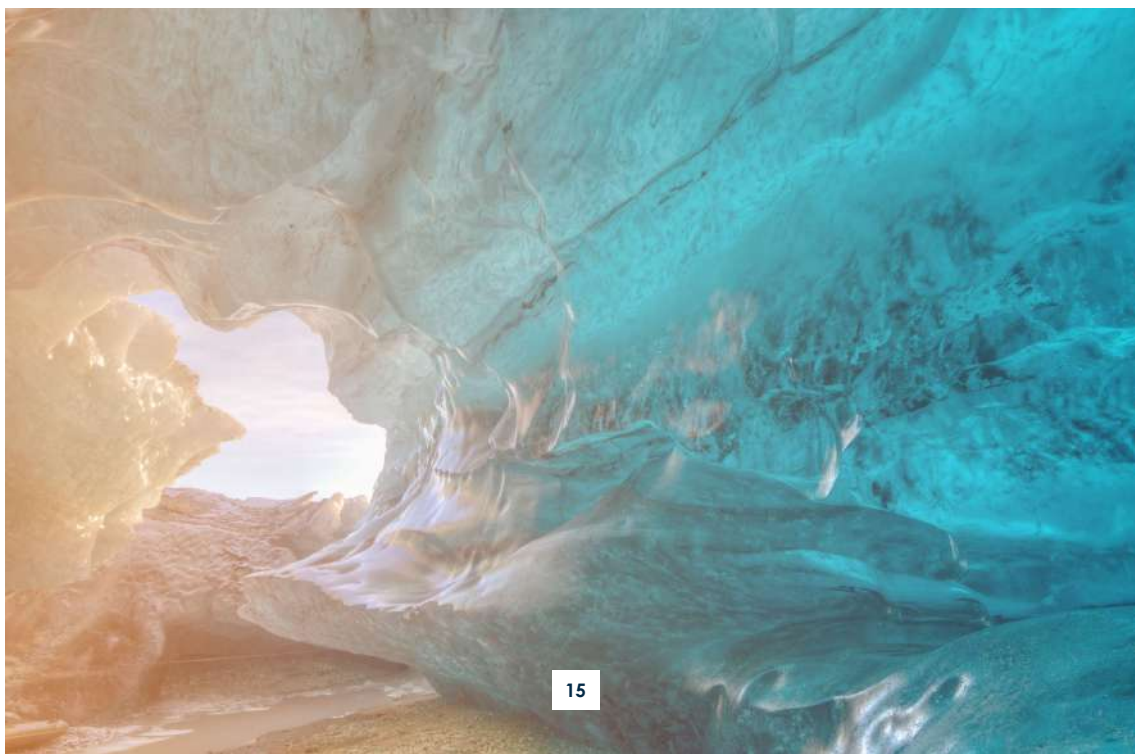
Overall, clients have raised a variety of issues during the reporting year, which have all been addressed. No client disputes were identified during 2023.

OUTCOME REPORTING

We believe that our client communication methods were effective during the year.

In particular, we continued to develop our exchange of information in RFPs and DDQs during 2023 through the enhanced RFP platform. We also disclosed our voting records and our policies publicly and provided SRI reports to our clients and prospects to showcase our stewardship activities.

We recognise that our online channels could better reflect the different profiles of our clients and prospects, including institutional and wholesale investors. Going forward, we aim to improve the functionality of our website, making the navigation experience through our online channels more user-friendly and effective in conveying what MAM stands for and highlighting our product offering. We also intend to explore other ways of collecting client feedback and views, such as surveys and questionnaires.

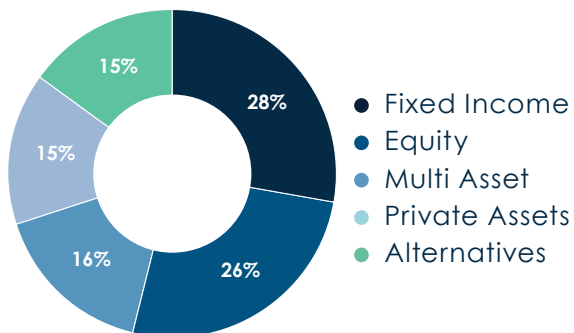




ASSETS UNDER MANAGEMENT

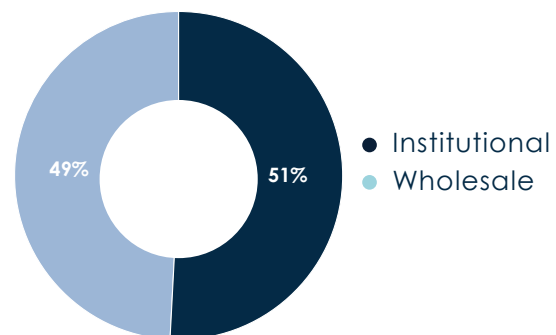
As of 31 December 2023, MAM managed CHF 6.4bn (c. GBP 5.98bn) of assets on behalf of institutional and wholesale clients. Assets under management (AuM) by client type and by asset class for the reporting period are available in figures 4 and 5.

**Figure 4:
AUM by Client Type**



Source: Mirabaud Asset Management

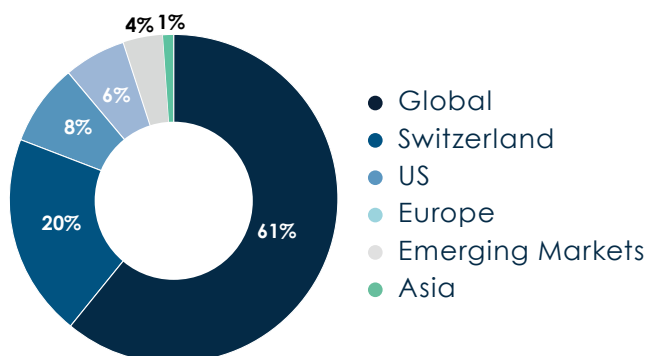
**Figure 5:
AUM by Asset Class**



Source: Mirabaud Asset Management

Figure 6 provides a geographical breakdown of our assets under management as at 31 December 2023. Figure 7 shows the geographical distribution of clients.

**Figure 6:
Geographical Asset Breakdown**

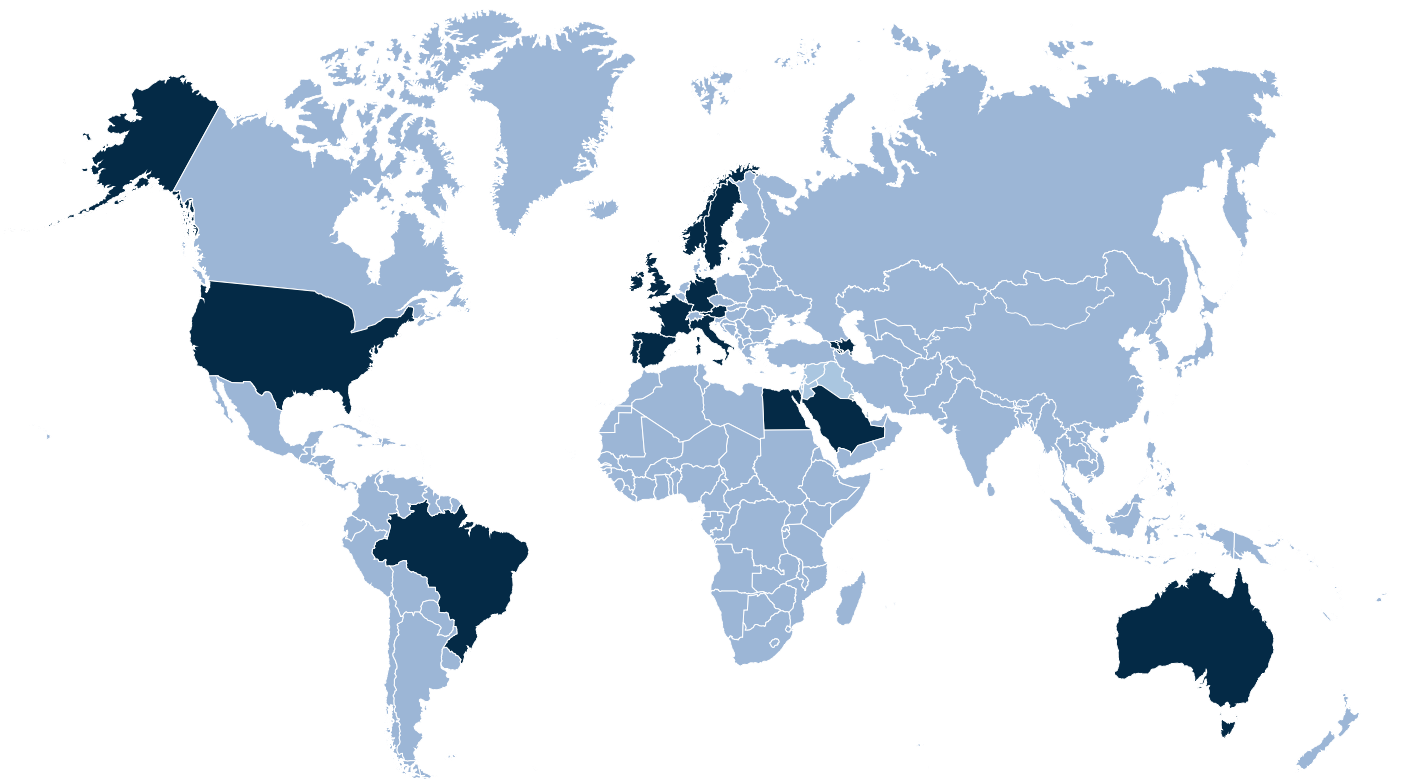


Source: Mirabaud Asset Management

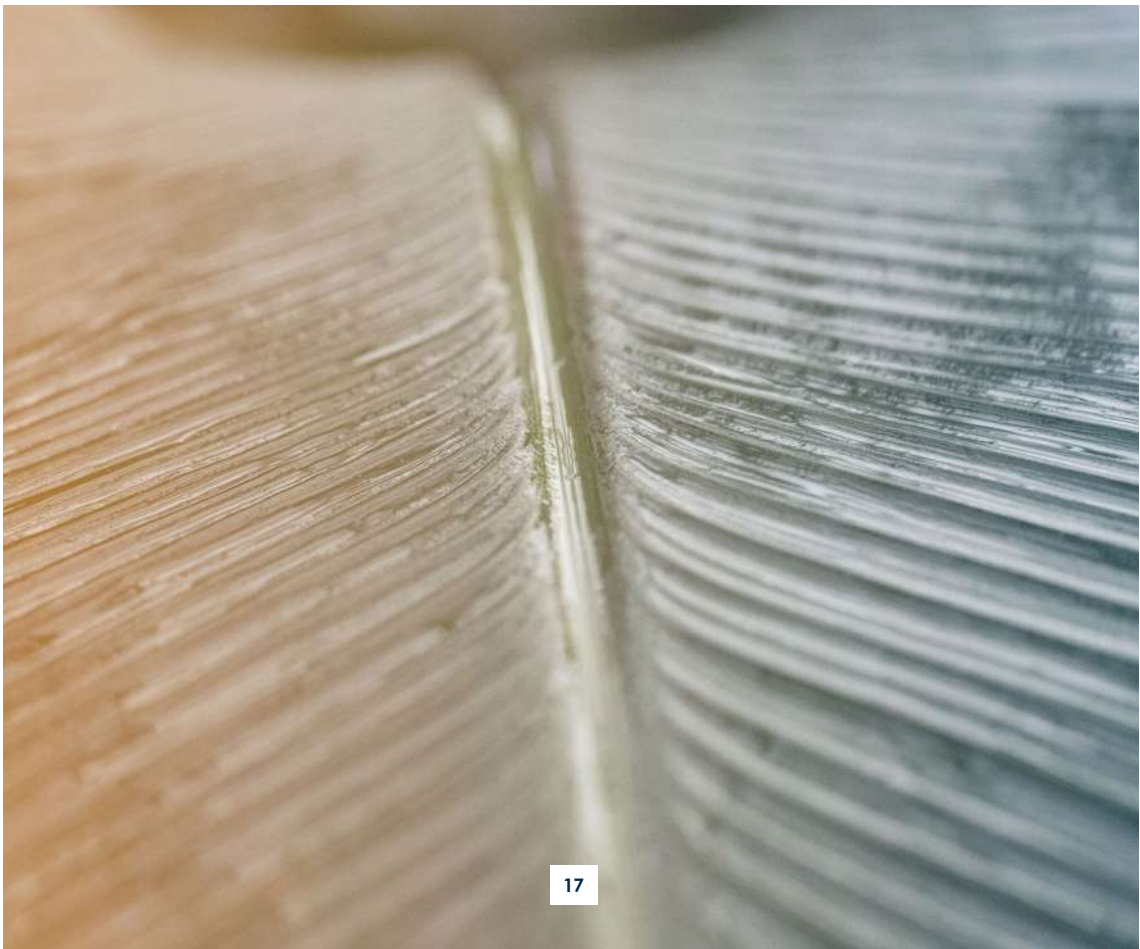
Figure 6 provides a geographical breakdown of our assets under management as at 31 December 2023. Figure 7 shows the geographical distribution of clients.



Figure 7: Geographical distribution of clients



Source: Mirabaud Asset Management





GOVERNANCE STRUCTURE, RESOURCES AND INCENTIVES

ORGANISATIONAL STRUCTURE

Mirabaud Group comprises three business lines:

1. Wealth Management
2. Asset Management
3. Corporate Finance

The governance diagram shows the general organisational structure that applies to different legal entities across the MAM business line.

Figure 8: organisational structure

| Board of Directors | | | | | |
|-----------------------------|-----------------|---------|-------------------|---------------------------------|--------------------|
| Executive Committee | | | | | |
| Investment Management | Risk Management | Finance | Sales & Marketing | Operations | Legal & Compliance |
| SRI | | | Sales | Data Management & I.T. | |
| Equities | | | Marketing | Performance & Reporting | |
| Fixed Income & Convertibles | | | | Investment Operations & Dealing | |
| Alternative Investments | | | | Fund Spervision & Distribution | |
| Private Assets | | | | Projects | |
| Asset Allocation & Strategy | | | | | |

Source: Mirabaud Asset Management

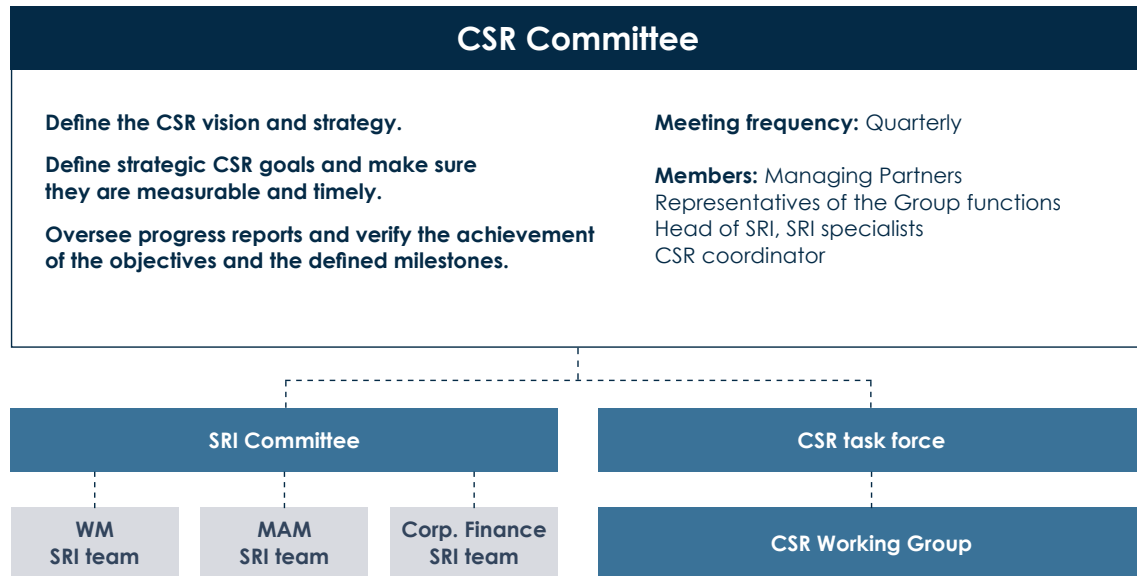
Further information on Mirabaud Group's governance is available via this [link](#).



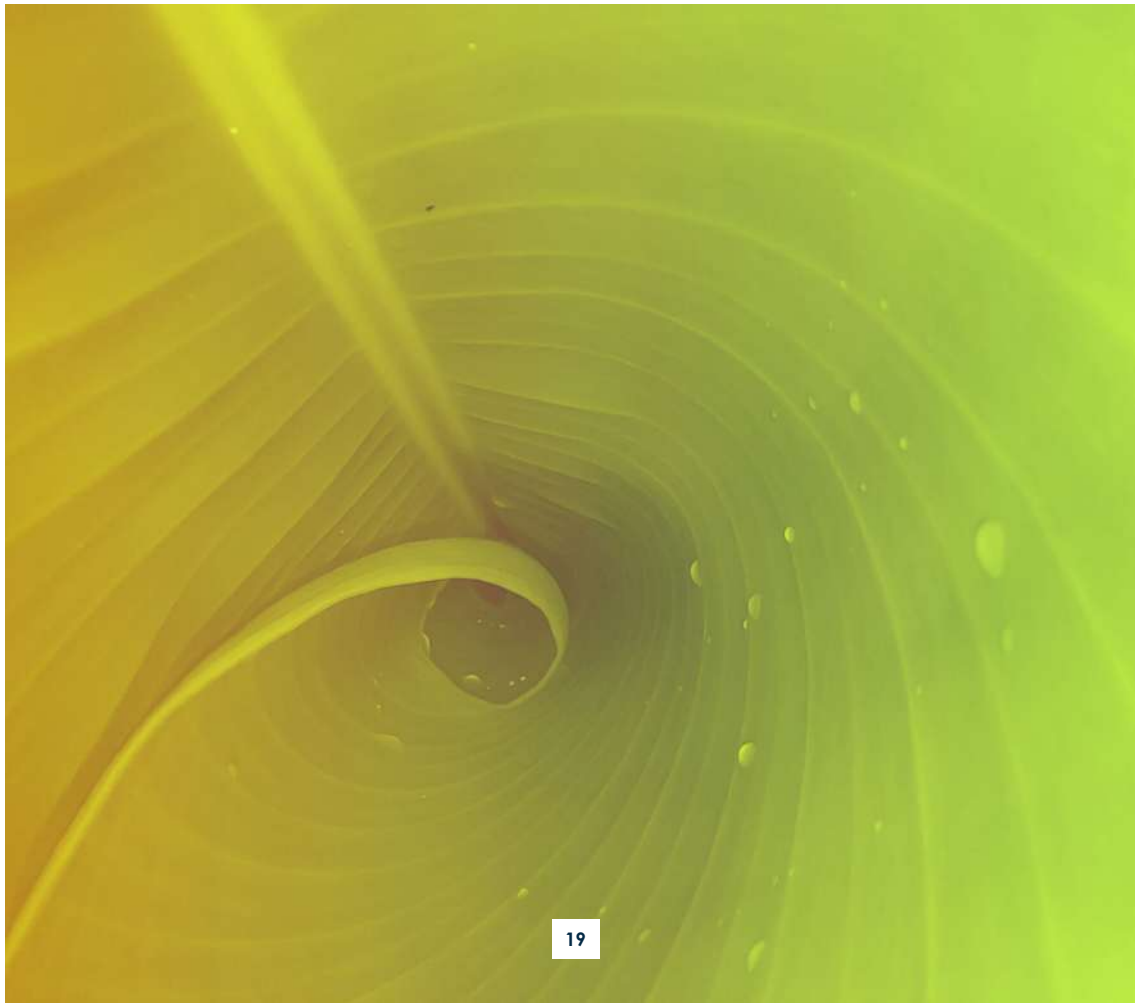
DEDICATED CSR RESOURCES

MIRABAUD GROUP

Stewardship is a governing principle at Mirabaud Group. The company's governance structure is supported by dedicated CSR resources that operate across the three business lines.



Source: Mirabaud Asset Management





An overview of the key committees, taskforces and working groups that support stewardship across Mirabaud Group is detailed in the table below.

Figure 10: Mirabaud Group Committees

| Overview of key responsibilities | | |
|--|--|--|
| CSR Committee | SRI Committee | CSR Task Force and Working Group |
| <p>This is the Mirabaud Group CSR Committee.</p> <p>The Committee operates across the legal entities to set the framework for a social responsibility strategy at Mirabaud Group, to ensure that the company's values and mission are respected in all of its activities. All the Committee's thoughts and considerations are guided primarily by the four responsibility pillars that define Mirabaud Group's CSR approach: economic, social, environmental and societal responsibility. The Committee is therefore responsible for group-wide SRI practices and policies, which are evaluated regularly (at least annually) and adapted when necessary.</p> | <p>This is a sub-committee of the CSR Committee.</p> <p>The Committee is dedicated to SRI activities, given the complexities that underpin different areas of sustainable and responsible investments.</p> <p>The Committee defines Mirabaud Group's SRI strategy for the relevant reporting year. After a Group-level approach is established, the Committee coordinates different business-line-specific SRI activities and ensures that synergies across different legal entities are implemented and enhanced.</p> | <p>The CSR Task Force supports the CSR Committee.</p> <p>The CSR Working Group reports into the CSR Task Force.</p> <p>The Task Force defines the Group's CSR action plan (ex-SRI) based on the framework set by the CSR Committee. To this end, CSR (ex-SRI) initiatives and activities are regularly planned and coordinated.</p> <p>The Working Group is a group of key stakeholders across different departments that delivers the priorities set by the Task Force.</p> |
| 2023 activity | | |
| CSR Committee | SRI Committee | CSR Task Force and Working Group |
| <p>During 2023, the Group acted on all of its four responsibility pillars; economic, environmental, social and societal.</p> <p>Selected 2023 CSR highlights are the implementation of a Diversity and inclusion policy and the expansion responsible investment offering with the launch of 2 additional impact funds (art.9) in MAM's Private asset capability, and the launch of an art.8 discretionary mandate in WM's discretionary mandate capability.</p> <p>While MAM has signed the Net Zero Asset Managers Initiative (NZAM) in January 2022 and validated related targets, it continues to develop ESG processes and publish SRI reporting for equity and fixed income funds. Relevant disclosures include carbon intensity relative to the benchmark and alignment to low-carbon scenarios and emissions pathways.</p> | <p>During 2023, the SRI Committee steered the exclusion, active ownership, ESG integration and climate policy-related efforts. In particular, and among other things, the Committee reviewed the exclusion list at Mirabaud Group-level and agreed on even more stringent thresholds for thermal coal mining, reducing the threshold to 5%.</p> <p>ESG integration was further developed by the expansion of existing and new investment products. The business line's SRI specialists also collaborated to continue Group-wide training on SRI.</p> <p>Finally, the SRI Committee managed the annual SRI budget and addressed improvements in data provided by ESG vendors.</p> | <p>During 2023, the Task Force coordinated with the CSR Working Group on actions across the four responsibility pillars. The group also assessed progress across different areas and suggested possible next steps to the CSR Committee.</p> <p>The outcomes of carbon reporting and accounting have been reflected in the second Mirabaud Group CSR report, which was published in 2023.</p> |

Source: Mirabaud Asset Management



We also encourage our employees to make a difference by giving back to the community.

MIRABAUD CHARITY AND LEISURE

ASSOCIATION. The Mirabaud Charity and Leisure Association brings together employees from different teams and departments of Mirabaud Group to promote initiatives, projects and events focused on charity, and environmental and social responsibility. In 2023, we organised a number of activities including volunteering at the Olympic Park Nature Reserve, to help maintain the river habitat and communal spaces in London's Olympic Park, we showed our support with the London based charity, 'Jigsaw4U', through a Christmas tree presents appeal and hosted a cricket night aimed to foster camaraderie and allow colleagues to connect beyond the workplace. In addition, we organized a Corporate Activity Challenge for a month to improve exercise and teamwork, participated to the annual JP Morgan challenge race and hosted a coffee morning to fundraise for MacMillan Cancer Support which also included a bake sale.

MIRABAUD ASSET MANAGEMENT ("MAM").

MAM is the investment management arm of Mirabaud Group. At MAM, there are different business line committees and resources which ensure the integration of stewardship into the investment process.

EXECUTIVE COMMITTEE. The Executive Committee of each MAM entity strengthens internal communication and the dissemination of information on stewardship. The Committee meets periodically and is where issues relating to stewardship can be escalated. Management is also responsible

for reviewing MAM policies on stewardship and engagement, ensuring adherence to the stewardship obligations, and evidencing our commitment to corporate governance at a local level and within the wider sphere of influence of both MAM and Mirabaud Group's commitments.

ESG COORDINATION MEETINGS. The ESG coordination meetings have a specific role in supporting SRI activities. These meetings are a MAM-specific resource and are led by representatives of executive management and heads of department, including the Chief Operations Officer and the SRI, legal and compliance, marketing and reporting teams. The main responsibilities are to facilitate communication across MAM teams and departments, with the purpose of enhancing stewardship activities.

SRI FORUM. The SRI Forum was introduced in 2022 as part of the SRI Engagement Framework⁴. These meetings are led by the SRI team and bring together portfolio managers and investment analysts across MAM's asset classes to create synergies and promote information-sharing across teams. Key goals include discussing research findings of ESG assessments, sharing outcomes of engagement meetings held and developing a firm-wide positioning on ESG themes, including climate change and biodiversity. Four SRI Forums were organised during 2023.

⁴ The SRI Engagement Framework is detailed in the section: 'Engagement' – '2023 highlights'.



DEDICATED SRI RESOURCES

HEAD OF SRI

The Head of Sustainable and Responsible Investment (SRI) at MAM oversees all stewardship activities and is responsible for implementing the SRI strategy across the legal entities comprising the MAM business line. The Head of SRI works closely with other investment leads in the equity, fixed income, multi-asset and convertibles teams to integrate sustainability issues across the investment process.



HAMID AMOURA
HEAD OF SUSTAINABLE AND RESPONSIBLE INVESTMENT

Hamid Amoura joined Mirabaud Asset Management in September 2018 as Head of Sustainable and Responsible Investment, having spent 12 years in various ESG investment-related roles at BNP Paribas Cardif.

Hamid has a Master's in Finance from Paris Sorbonne-Paris Nord and is a Certified International Investment Analyst from the French Financial Analyst Association.

SRI TEAM IN 2023

A team of Sustainable and Responsible Investment specialists is dedicated to internal research and is in charge of strengthening MAM's SRI strategy. When it comes to the implementation and execution of our SRI approach across our various activities, the SRI specialists work hand-in-hand with investment teams. The aim of the collaboration is twofold: to ensure that the implementation of our SRI approach fits the needs and specificities of our products and services; and to guarantee the full ownership and adherence of our investment professionals to our SRI approaches.



SARA BOURHIME
DEPUTY HEAD OF SUSTAINABLE AND RESPONSIBLE INVESTMENT

Sara Bourhime joined Mirabaud Asset Management in August 2019 as SRI Analyst. Prior to that Sara worked as a Research Fellow in financial and economic development and as a Consultant focusing on financial inclusion for a multilateral development bank.

Sara holds two Master's degrees in Corporate Finance (ISCAE) and in Economics of Sustainable Development (Paris 1 - Sorbonne University). Sara is currently pursuing a PhD in financial engineering.



ELENA BIGNAMI
SUSTAINABLE AND RESPONSIBLE INVESTMENT ANALYST

Elena Bignami joined Mirabaud Asset Management in September 2021 as SRI Analyst. Previously, she worked for Institutional Shareholder Services (ISS), providing ESG advisory services to institutional investors.

Elena graduated from the London School of Economics with a Bachelor's degree in Environment and Development. Elena also holds a CEMS Masters in International Management.



ILARIA MALACCO
SUSTAINABLE AND RESPONSIBLE INVESTMENT ANALYST

Ilaria Malacco joined Mirabaud Asset Management in January 2020 as a Sales Executive within the Italian Sales team. In January 2023, Ilaria transferred to the SRI team to begin working as a Sustainable & Responsible Investment Analyst.

Ilaria graduated from Ca' Foscari University of Venice in 2018, with a Bachelor's degree in Economics & Management. She also holds a Master's degree in Management from Cass Business School, as well as the CFA Certificate in ESG Investing.



VLADIMIR VONSKII
SUSTAINABLE & RESPONSIBLE INVESTMENT ANALYST

Vladimir Vonskii joined the company in May 2023 as a Graduate SRI Analyst. Previously, he worked at HFIM as a Research Analyst Intern focusing on emerging managers and crypto fund selection for investing and as a Lead Economist at Moscow Metro.

Vladimir graduated from Bayes Business School (formerly Cass) with a Master's degree in Energy, Trade, and Finance and holds a Bachelor's degree in Financial Management from the Financial University under the Government of the Russian Federation.

In addition to the SRI team, the global equities team has a dedicated ESG analyst supporting their day-to-day ESG integration and stewardship activities.



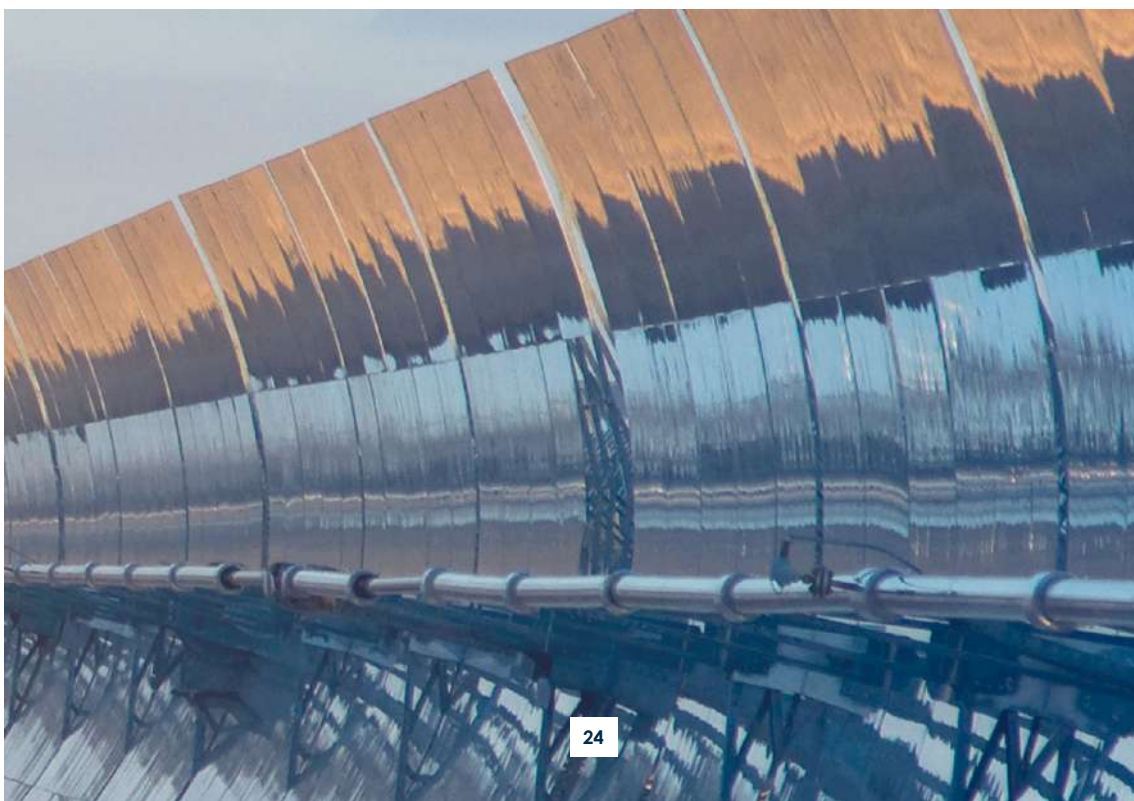
INTERNAL WORKFORCE EDUCATION

MAM can serve clients better if employees understand stewardship and SRI topics. We continue to invest time in training our employees on ESG topics through knowledge-sharing sessions. Over the past year, we continued to engage with our investment professionals and sales teams on ESG integration and stewardship activities. We also held multiple internal ESG training sessions dedicated to our SRI processes, Sustainable Finance Regulations and a range of other stewardship and SRI-related topics. During 2023, our SRI professionals also liaised with brokers and industry experts to better understand the specificities of different industries and augment the integration of extra-financial and financial matters in internal analysis.

The SRI team works closely with portfolio managers and analysts daily, sharing examples and case studies of ESG integration and engagement. While our investment teams are responsible for engagement with companies, the SRI team leads some of these engagements to help pinpoint and highlight, to portfolio managers, which ESG issues or questions to prioritise.

We regularly send out ESG newsletters to employees globally, where we communicate about responsible investment trends, practices across the business and engagement case studies. We produced 25 newsletters during 2023. Among the topics covered were developments concerning the EU Taxonomy and its requirements, our approach to sustainable investments, updates on SFDR developments and the classification of our funds, revisions to our exclusion policy and engagement strategy, as well as internal/external documentation accessible to employees and key stakeholders on sustainability. We also delved into the topic of climate change, human rights and proxy voting extensively, discussing our initiatives such as NZAM and the Human Rights Statement along with an updated proxy voting policy. As previewed in the 2022 Stewardship Report, in 2023, we enhanced the content of our ESG newsletter by increasing the level of detail and complexity of information. This facilitated the ongoing education of our employees, shared knowledge, and improved internal transparency.

We will continue to educate our workforce on evolving ESG trends through internal





workforce training sessions, seminars and newsletters.

HUMAN RESOURCES

The annual employee appraisal form includes a section on how MAM employees can take steps to improve responsible practices, in accordance with applicable regulations, including the SFDR. The appraisal asks employees how they are taking ESG risks into account and mitigating them, as well as environmental and social aspects, in order to contribute to a more sustainable society. As a responsible employer, every year MAM sponsors sustainability-related qualifications such as the CFA ESG.

DEDICATED RISK CONTROLS

MAM has a dedicated Risk Management team in place whose main objectives are to identify, analyse, communicate and monitor on market, liquidity, credit, counterparty and operational risks. The market risk analysis differentiates specifically between systemic and idiosyncratic risks. In assessing systemic risk, both quantitative and qualitative measures are considered, including ESG considerations.

In order to ensure compliance with our firm level policies, as well as with fund-specific SRI policies, our Risk Management team performs pre- and post-trade monitoring on a daily basis. Securities that have been reviewed to be excluded are hard coded into our portfolio management system to prevent breaches. The Risk Management team monitors SRI fund alerts and ensures that any divergences are tracked and reported.

In addition, the Risk Management team carries out a periodic review of funds' SRI management procedures and the ESG analysis methodologies applied. The risk management framework is designed to ensure all investment and business-related risks are identified, analysed, communicated and monitored. Risk Management is

responsible for:

- Risk monitoring and reporting,
- Investment compliance (monitoring the regulatory, prospectus and client-defined investment restrictions), and
- Supporting the investment management teams by providing quantitative analysis.

The team deploys proprietary and non-proprietary statistical tools, which use market data provided by external vendors to report on the different types of risk on a weekly and monthly basis. The risk reports are shared with all members of the investment teams as well as with MAM's senior management. MAM has established an Investment Management & Risk Committee (IMRC) that meets monthly to discuss risk related matters across the firm. In addition, the IMRC reviews the ESG status of all the funds and segregated mandates, which are showcased in a dedicated ESG report that is included in the standard set of documents reviewed each month. This committee includes the Chief Executive Officer, the Chief Operations Officer, the Chief Risk Officer and the Head of Legal and Compliance.

In the past years, the team has successfully implemented and embedded SFDR along with the implementation of other regulatory requirements. In addition, the Reporting of the Risk Management team have increase synergies and interactions between investment and risk teams, centralise the production of reporting, and improve automation and digitalisation.

In 2024, the focus will be on accelerating the automation and digitalisation of the current quantitative analysis using Power BI. The goal is to give managers a current and standardised view of the funds. Additionally, a review is underway on the impact of T+1 settlement of US Fixed Income Securities and how this may impact the current investment control process to ensure that monitoring remains suitable.



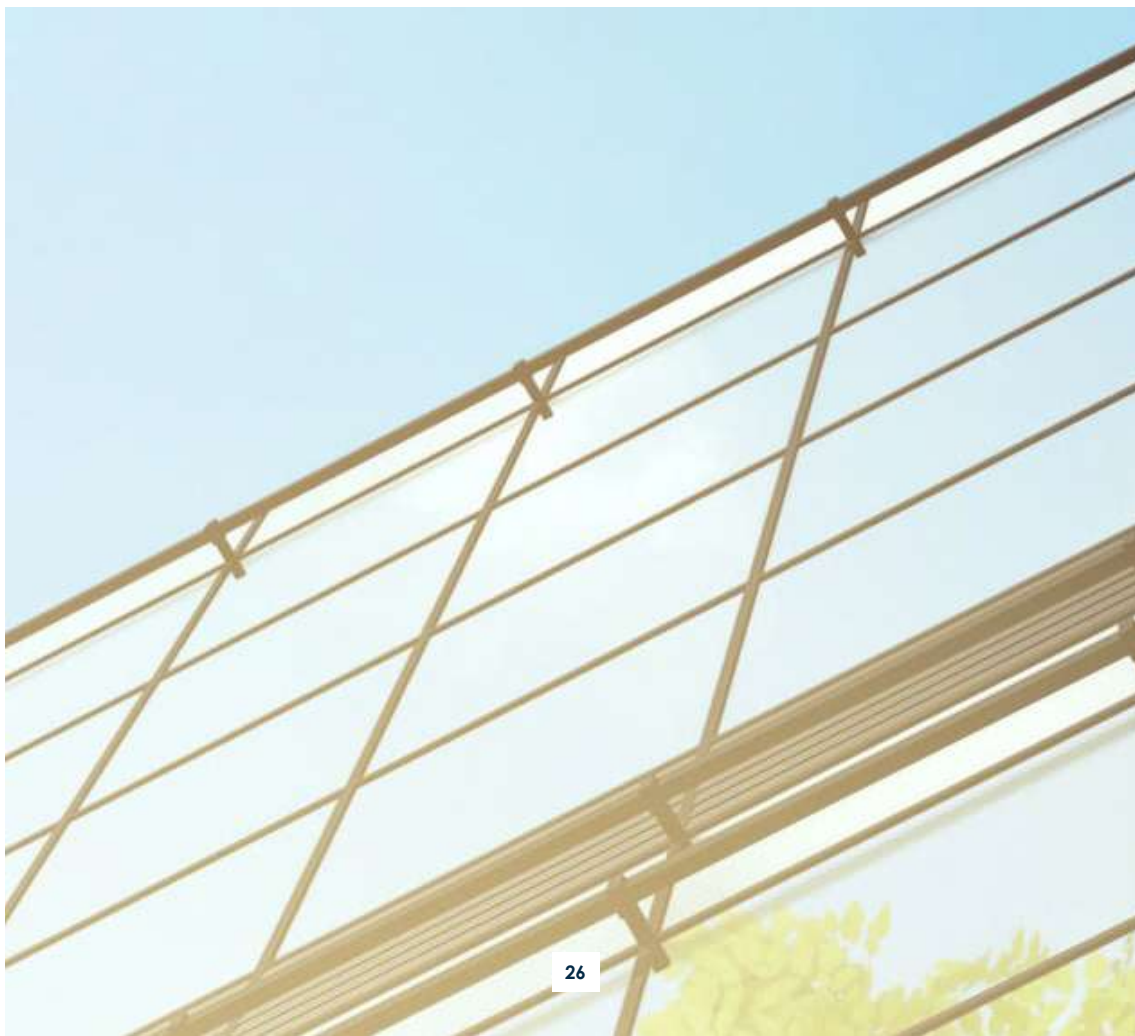
ESG SERVICE PROVIDERS

We collaborate with several service providers to ensure we fully cover the different asset classes and geographies where we operate. Prior to working with a provider, we conduct appropriate due diligence on their services and coverage, to ensure their services and offering outputs match our expectations and needs. This means that working relationships with our providers are based on trust from an early stage.

We formally monitor the quality of our investment and ESG research and proxy voting services providers periodically through documented calls or physical meetings. Moreover, we also maintain regular communication with our providers through in-person meetings, phone calls and email. A few examples of the objectives we monitor providers against are:

- Their ability to respond to our expectations and ad hoc requests, such as in-depth or additional analysis, or technical difficulties;
- Their ability to provide the widest research coverage;
- Ease of integration of the research or data into our internal systems and the ability of providers to assist us with this.

During 2023, we held training sessions to better understand the evolving features and functionalities available on their platforms, and to improve our knowledge of methodologies that underpin the data provided. For example, frequent calls were held with our climate provider to understand new datasets and models, communicate feedback on data improvements and share progress on our capacity utilisation. We liaised with product specialists and data experts to facilitate meaningful exchanges on 2°C, SFDR and EU Taxonomy datasets; these discussions allowed us to maximise the





usage of sustainability data.

In our ongoing efforts to ensure the accuracy and reliability ESG data, we encountered several instances where we needed to challenge the data provided by one of our data providers. These instances were part of our rigorous due diligence process, aiming to align our investments with our sustainability goals. One notable case involved discrepancies in alignment data for a company that was present on the data provider's platform but absent in the dataset received, leading to a clarification on the coverage of private companies and future dataset enhancements. Additionally, we sought clarity on how to differentiate between zero scores and the absence of data in environmental impact assessments. We also addressed significant changes in revenue eligibility percentages for certain companies, which were attributed to updated sector mappings and the inclusion of new activities under technical screening criteria. These interactions not only enhanced our understanding of the data provider's methodologies but also underscored the importance of continuous dialogue and scrutiny in the interpretation and application of ESG data.

We maintain agreements with our providers to access the specific data points, available upon request, required by our SRI team to continuously develop strong ESG policies. These ongoing communications have allowed us to develop tailored ESG processes and will continue going forward. The ESG data available through our service providers is regularly integrated

into the ESG frameworks implemented by our investment teams. Portfolio managers actively review the available figures, to ensure that data points reflect the latest available information.

We also liaised with our proxy voting service provider to set up the first iteration of the MAM Custom Voting Policy. Further details are available in section 'Voting'.

To date, we have not ended a contract with any of our providers due to unsatisfactory research or services.

COMBINING DATA FROM SERVICE PROVIDERS WITH OUR BOTTOM-UP RESEARCH

MAM's in-house SRI team is dedicated to ESG analysis and provides portfolio managers and analysts with expert research on ESG considerations to integrate into their investment processes. To complement and support the work and expertise of this team, we source industry-leading data providers, due to their wider coverage. By accessing ESG research from third-party providers, we are able to access large quantitative and qualitative data sets.

We believe it is important to utilise research from providers, in addition to our internal research, to enhance ESG analysis in our investment processes. Quantitative data from providers helps us hone our initial screens and exclusion lists. We combine external ESG data with internal research to inform our decisions and may adjust ratings on an ad hoc basis.



Figure 11: ESG Service Providers

| Name | Asset class | Geography |
|--|--|-----------------|
| ESG research and analysis | | |
| Morningstar-Sustainalytics | Equities & Fixed Income (corporate credit) | Global coverage |
| Inrate | Equities | Swiss All Caps |
| Yield Book | Fixed Income (sovereign bonds) | Global coverage |
| Bloomberg | Equities & Fixed Income (corporate credit) | Global coverage |
| Carbon and climate change data | | |
| S&P Global – Trucost | Equities & Fixed Income (corporate credit) | Global coverage |
| CDP | Equities & Fixed Income (corporate credit) | Global coverage |
| Proxy voting advisor | | |
| Institutional Shareholder Services (ISS) | Equities | Global coverage |

Source: Mirabaud Asset Management





REMUNERATION AND INCENTIVES

MAM entities have implemented remuneration policies proportionate to the nature, scale and complexity of the specific entity and have updated these policies by incorporating ESG factors.

These entities apply a remuneration policy for identified staff based on relevant principles imposed by the applicable regulation where the variable component of remuneration is based on the achievement of individual targets and, in some instances, collective targets. Targets and obligations include, among other elements, the appropriate integration and mitigation of sustainability risk as part of MAM's activities.

REFLECTIONS ON OUR GOVERNANCE STRUCTURES AND PROCESSES

As a responsible company with a long-term focus, we constantly undertake all such actions that enable us to meet the changing needs of our clients and stakeholders. Under our sustainability strategy, we are committed to combining adherence to CSR principles with growth, performance and development. We believe that our governance framework has enabled us to address stewardship matters effectively during the year.

Our oversight of market-wide and systemic risks is, for instance, appropriately executed by our risk function. Internal and external assurance reviews also allow us to measure the appropriateness of our processes on an ongoing basis.

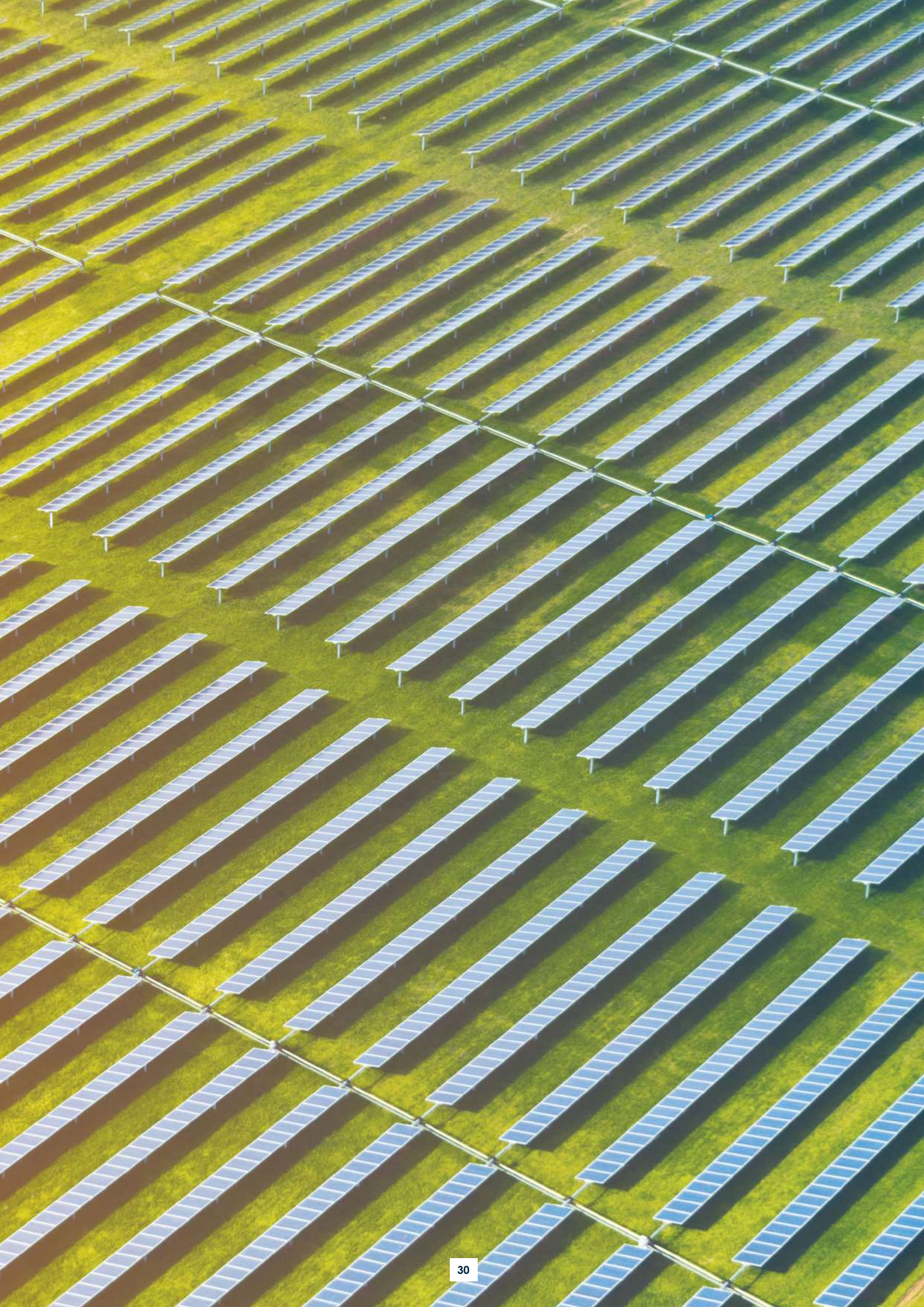
Efforts to train our workforce have also been successful and varied, including ESG trainings within our sales and investment teams, regular newsletters and ongoing specialised support by the SRI team. Indeed, we firmly believe that we can serve our clients better if our workforce understands stewardship and SRI topics.

In 2023, we established a new centralized resource called the SRI Library, serving as a vital communication channel for consolidating various SRI publications in one accessible location for our distribution and investment colleagues. This initiative aims to facilitate the internal and external promotion of our ESG processes, advancements, and significant accomplishments. While all our publicly available documentation has traditionally been accessible on our website for ease of access by our MAM colleagues, clients, and regulators, the development of our SRI Library enhances this process further.

As stewardship continues to develop and markets evolve, we will keep reviewing our current governance structures to ensure that the SRI team has a sufficient mix of skills and experience to address changing client needs and evolving risks. We believe that strengthening our dedicated SRI resources will enable stronger oversight of extra-financial issues during engagement dialogues and proxy voting seasons.

We will continue our periodic employee trainings in order to share and promote stewardship knowledge across the organisation. With the support of the risk function, our CSR and SRI committees will also keep managing actual or potential conflicts of interest, and effectively manage risks.

Overall, we believe that our stewardship and SRI processes can be continually developed, particularly with regard to the coverage and usage of ESG data from service providers, and internal sustainability analysis. The availability of ESG corporate data and the breadth of coverage, especially in global emerging market stocks and micro-, small- and mid-cap companies, remain key issues under our oversight. We intend to maintain regular dialogue with our ESG service providers to address corporate disclosure issues and ESG scores.





CONFLICTS OF INTEREST

The Group has strong controls to help prevent and manage any conflicts of interest that may arise.

IDENTIFYING AND MANAGING CONFLICTS OF INTEREST

MAM recognises the importance of managing potential conflicts of interest on behalf of its clients when voting their shares and engaging with investee companies. To address the limited instances in which a potential conflict may arise, we implement and maintain an effective Conflicts of Interest Policy taking into account the nature, scale and complexity of the business. When such instances arise, the conflict will be disclosed to the Management and the appropriate steps taken to ensure MAM fulfils its duty to act in the client's best interest. The policy helps us effectively manage conflicts. All MAM employees, at the point of induction, are requested to disclose conflicts and inter alia participate in a mandatory training programme including the identification of conflicts, reporting and management on an annual basis.

By way of example, conflicts may arise when clients or prospects are also investee companies. In these circumstances, contentious issues are discussed with the relevant portfolio manager, and if appropriate, escalated to Executive Management to discuss and determine the appropriate action. In addition, where required, there will be close engagement with the investee company, including where the issue relates to a voting matter. In this instance, MAM will vote in line with what it believes to be in the best interests of clients who hold shares in the company, recognising the Principle of "Treating Customers Fairly" (TCF). Where required, MAM will obtain client approval prior to voting.

As MAM is privately held, no conflicts of interest will arise from being a subsidiary of a publicly traded entity. Furthermore, as formalised in our Proxy Voting Policy, MAM has prohibited security lending which allows it to fully exercise its voting rights.

During 2023, MAM managed conflicts of interest that may have arisen during its engagements. The SRI Engagement Framework facilitates firm-wide alignment on stewardship and engagement, which can offset potential conflicts of interest. For example, we addressed instances where stocks and bonds of companies with material ESG factors were held across multiple funds. When this occurred, the SRI team conducted a dedicated ESG assessment, discussed the findings internally with the portfolio managers invested in the company and organised engagement meetings. To this end, we conducted joint stewardship activities where portfolio managers from different investment teams and/or asset classes joined the same ESG meeting. We will continue to adopt this approach, as it enables us to set firm-wide MAM objectives and communicate consistent targets to companies.

MAM did not identify any other conflicts in connection with its stewardship or engagement activities throughout the year.



ESG INTEGRATION

ESG integration is a key feature of our investment process. Portfolio managers work alongside the SRI team, based in London and Paris, which is responsible for the integration of ESG principles across investment strategies. This includes ongoing research, stock-level analysis and guidance on engagement and best practice.

Portfolio managers embed ESG considerations into the investment process, given the conviction that sustainability has significant potential to enhance performance over time and mitigate market wide and systemic risks. ESG integration is driven by shared MAM pillars and a common vision but is deployed differently to address the investment styles of our portfolio managers. For instance, investment teams apply top-down exclusions set through the MAM exclusion policy⁵ but each develop unique ESG frameworks to account for, among other factors, asset class and geographical specificities.

This approach reflects the DNA of MAM, as our investment managers are encouraged to express their unique talent, convictions and long-term views⁶.

EQUITY

Equity investment teams may apply different ESG integration strategies, including additional exclusions beyond those established at the MAM level, and sustainable investment approaches.

GLOBAL EQUITIES

The funds managed by the **Global Equities** team apply additional exclusions to the investment universe, including companies that derive an estimated 5% or more of annual revenues from firearms, gambling, alcohol, oil sands, palm oil and pesticides. The exclusion filter also excludes companies

involved in recent major controversies (i.e., our data provider's category 5 controversy). Following the exclusion filter, we integrate ESG criteria through the combination of top-down (positive screening) and bottom-up approaches. We use positive selection with best-in-universe screening on the fund's investment universe excluding the companies ranked in the lowest deciles using a proprietary in-house SRI score. The SRI score is calculated combining an ESG Risk Rating component and an ESG score component, both from our external data provider Morningstar - Sustainalytics. The ESG Score measures a company's responsibility efforts and levels of disclosure while the ESG risk rating measures the degree to which a company's bottom line is at risk driven by material ESG factors. The output of the internal SRI score is a final score between 0 and 100 (with 0 being the best score, which is designed to favour the best performing companies from an overall ESG perspective).

Then, we conduct in-depth bottom-up ESG analyses, where relevant. These assessments aim to evaluate the issuers' performance in terms of responsibility, materiality, and sustainability. SRI analysts, alongside the investment team consider various sustainability indicators, specific and material to each sub-sector to best reflect how companies manage ESG risks and opportunities they are exposed to. We complement our analysis through our constructive and effective active ownership

⁵ The MAM exclusion policy is available in the section 'Our Strategy' – 'Exclusion filters'.

⁶ An overview of our values, commitments and strategy is set out in the sections 'About Mirabaud Asset Management' and 'Our approach to sustainable and responsible investing (SRI)'.



program consisting of engagement and proxy voting activities. Our aim is to influence companies to generate a positive change, improve disclosure, targets as well as discuss ESG risks and opportunities. The fund invests at least 10% of its assets in sustainable investments, which are calculated by the fund's sustainable investments proprietary methodology. This methodology is based on three drivers: the positive contribution to an environmental/social objective, the do no significant harm criteria and the minimum safeguards & good governance. The investment should pass all three tests to qualify as a sustainable investment.

SWISS EQUITIES

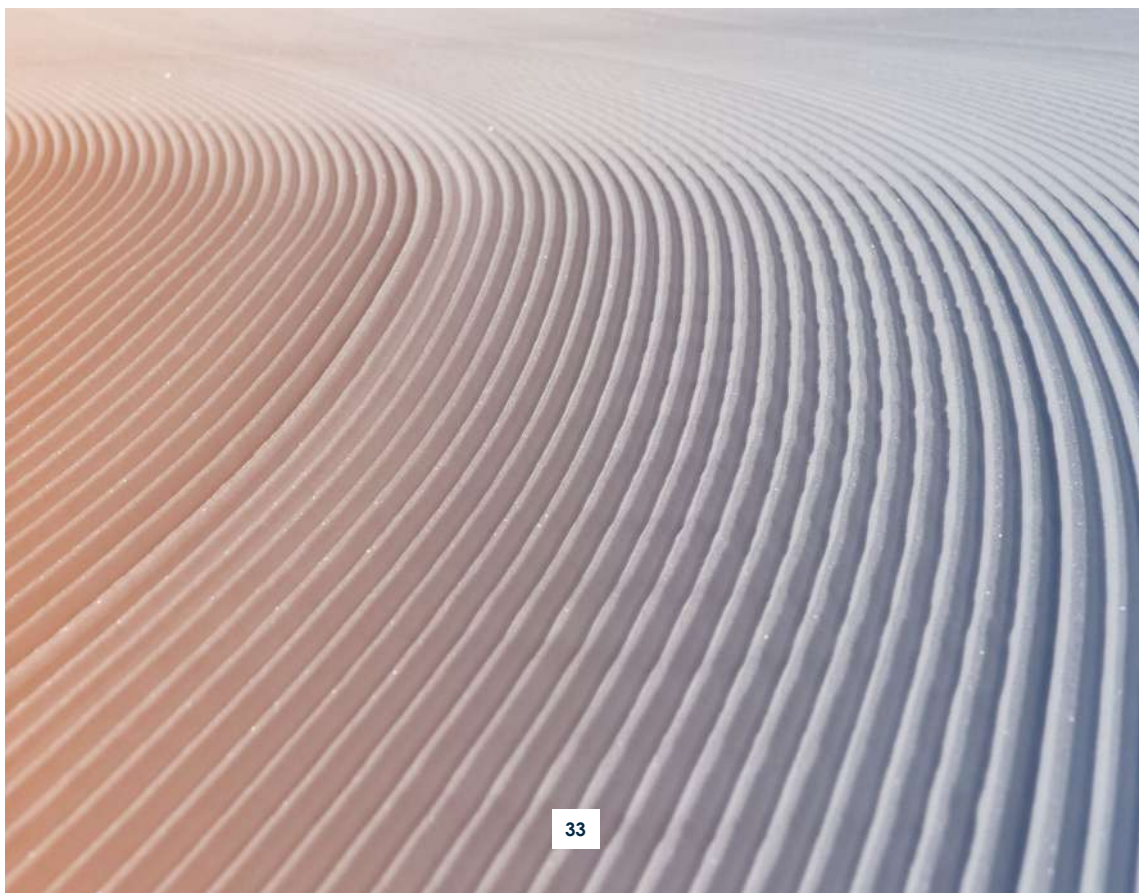
The **Swiss Equities** implements MAM exclusions and adds further exclusion filters to their investable universe. These filters include companies with annual revenues of 5% or more from gambling or thermal coal production and those involved in recent major controversies (e.g., our data provider's category 5 controversy).

Following the exclusion filter, we integrate ESG criteria through the combination of top-down and bottom-up approaches. The top-down filter involves an ESG assessment based on Inrate data, consisting of an absolute sustainability assessment on a 12-step scale from A+ to D-. Issuers with a D+, D or D- rating are excluded from the investment universe. As for the bottom-up approach, we seek to invest in companies that meet high standards in how they operate, based on a detailed assessment of their financial performance and sustainability practices.

We complement our analysis through our constructive and effective active ownership program consisting of engagement and proxy voting activities. Our aim is to influence companies to generate a positive change, improve disclosure, targets as well as discuss ESG risks and opportunities.

EUROPEAN EQUITIES

The **European Equities** team seeks companies which are exposed to the three evergreen megatrends that it believes will





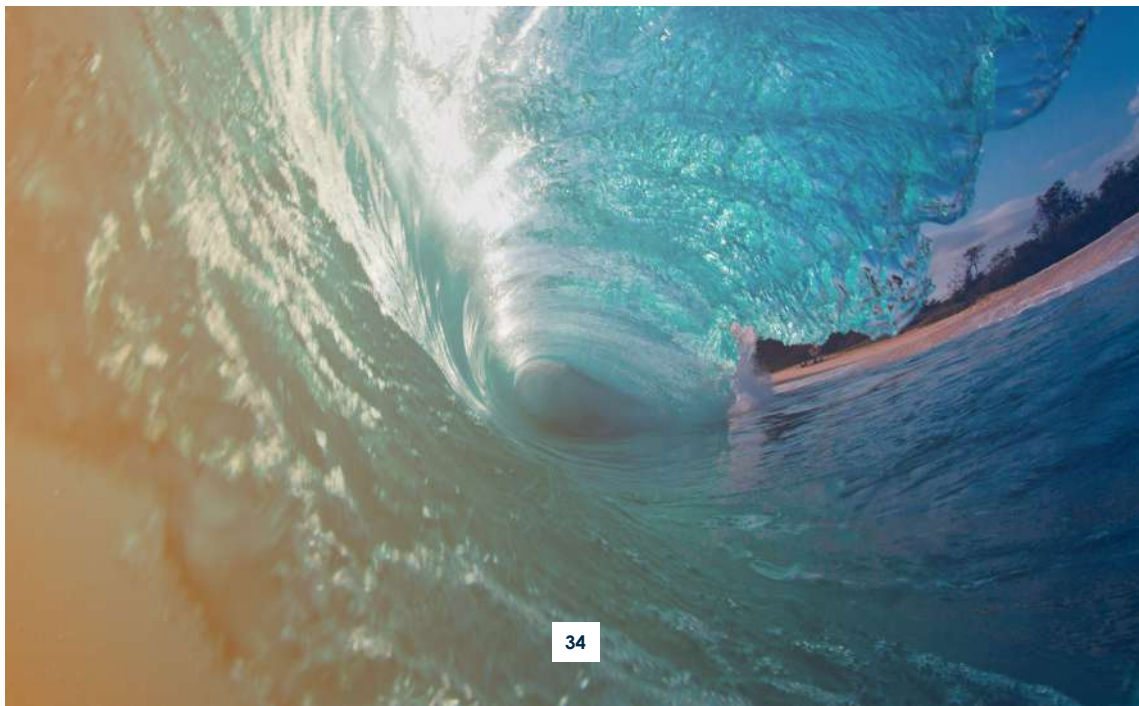
be the pillars that will support the world of tomorrow. Portfolio managers look for business models with a focus on circularity, innovation and safety. Stock picking occurs in parallel along the dimensions of economic fundamentals and positive ESG assessments, excluding companies with characteristics inconsistent with sustainable value creation.

After implementing MAM exclusions and further excluding companies involved in recent major controversies (e.g., our data provider's category 5 controversy), the team integrates ESG criteria through the combination of top-down (positive screening) and bottom-up approaches.

We use positive selection with best-in-universe screening on the fund's investment universe excluding the companies ranked in the lowest deciles, using a proprietary in-house SRI score. The SRI score is calculated by combining an ESG Risk Rating and an ESG score components from our external data provider Morningstar - Sustainalytics, alongside three investment themes: safer, smarter, circular. The inclusion of Morningstar - Sustainalytics' scores in the calculation is grounded in the objective of capturing companies' efforts in ESG disclosure and transparency (ESG Score) as well as effective management

of material extra-financial risks (ESG Risk Rating). Simultaneously, we factor in three investment themes – Safer, Smarter, Circular – within the scoring methodology, given the fund portfolio's primary focus on European small-cap companies. We make a judgment on the company's net contribution to megatrends which produces a final score between 0 and 100 (with 100 being the best). The issuers are then placed into the relevant decile group between 1 and 10 (with 1 being the best). For our eligible investment universe, we exclude the issuers in deciles 9 and 10. The values in deciles 7 and 8 are placed into a "watchlist". The output of the SRI internal score is a final score between 0 and 100 (with 100 being the best score which is designed to favour the best performing companies from an overall ESG perspective).

We conduct in-depth ESG bottom-up analyses, where relevant. These assessments aim to evaluate the issuers' performance in terms of responsibility, materiality, and sustainability. SRI analysts, alongside the investment team consider various sustainability indicators, specific and material to each sub-sector to best reflect how companies manage ESG risks and opportunities they are exposed to. Prior to investment decision the investment team conducts a sustainability analysis





We conduct in-depth ESG bottom-up analyses

known as iMEDIC. This analysis involves assigning scores to companies based on a proprietary framework aimed at identifying those with the most favourable attributes for sustainable growth. Investment cases are scored and ranked using a proprietary iMEDIC framework with the best ideas to be included in the portfolio.

We complement our analysis through our constructive and effective active ownership program consisting of engagement and proxy voting. Our aim is to influence companies to generate a positive change, improve disclosure, targets as well as discuss ESG risks and opportunities.

EMERGING MARKET EQUITIES

Addressing ESG in emerging markets is an ongoing discussion tackled by our **Emerging Market Equities** team. Portfolio managers leverage our SRI Engagement Framework to address material ESG issues and monitor any existing controversies.

After implementing MAM exclusions and further excluding companies involved in recent major controversies (e.g., our data provider's category 5 controversy), the team integrates ESG criteria with Equities Global Emerging Market and Equities Asia ex Japan funds through the combination of top-down (positive screening) and bottom-up approaches.

We use positive selection with best-in-universe screening on the fund's investment universe excluding the companies ranked in the lowest deciles using a proprietary in-house SRI score. The SRI score is calculated combining an ESG Risk Rating component and an ESG score component, both from our external data provider Morningstar – Sustainalytics. The ESG Score

measures a company's responsibility efforts and levels of disclosure while the ESG risk rating measures the degree to which a company's bottom line is at risk driven by material ESG factors. The output is a final score between 0 and 100 (with 0 being the best score, which is designed to favour the best performing companies from an overall ESG perspective).

We conduct in-depth bottom-up ESG analyses, where relevant. These assessments aim to evaluate the issuers' performance in terms of responsibility, materiality, and sustainability. SRI analysts, alongside the investment team consider various sustainability indicators, specific and material to each sub-sector to best reflect how companies manage ESG risks and opportunities they are exposed to. We complement our analysis through our constructive and effective active ownership program consisting of engagement and proxy voting activities. Our aim is to influence companies to generate a positive change, improve disclosure, targets as well as discuss ESG risks and opportunities.

FIXED INCOME

Different ESG integration strategies are in place across our fixed income funds, including additional exclusions and sustainable investment approaches, including ESG screenings and engagement⁷.

GREEN & TRANSITION BONDS

The Mirabaud – Global Climate Bond Fund takes a hybrid approach by investing not only in labelled green bonds, which make up more than half of the portfolio, but also in transition bonds.

⁷ Fixed income engagement case studies are available in the section 'Engagement' – '2023 highlights'.



Because green bonds are directed towards environmental or climate projects, they do not always capture the opportunities from other sectors that are focused on the energy transition. These sectors are, of course, among the highest emitters of all. The business models of high emitters are directly linked to the persistent high levels of greenhouse gas (GHG) emissions released in the atmosphere and these companies will inevitably play a key role in the transition to a low-carbon economy. Therefore, when setting our net zero strategy, we believe in engagement with high emitters rather than divestment.

The climate engagement programme is of paramount importance to the transitional investment strategy. Our portfolio managers invest in transition bonds issued by companies operating in carbon-intensive sectors which have credible ambitions to reduce their carbon emissions and environmental impact over time. Alongside SRI specialists, portfolio managers engage in a dialogue with these high emitters to understand how climate change is integrated into their business strategies. This enables our investment teams to track and monitor the 2°C alignment of their portfolios.

TRAFFIC LIGHT SYSTEM

The ESG integration process of our Mirabaud – Sustainable Global Strategic Bond and Mirabaud – Sustainable Global High Yield Bonds funds was extended to the Mirabaud – Global Short Duration fund in 2023. A three-step process is in place to assess a company's viability for investment from a sustainability point of view.

STEP 1: EXCLUSIONS

A negative screen is applied according to MAM exclusion filters⁸. This filter also excludes companies involved in recent major controversies.

STEP 2: POSITIVE SCREENING

A positive, best-in-class screen is applied to the investment universe based on a Mirabaud Internal Score. The weighted score encompasses both ESG and Climate assessments as two distinct contributors, which enables us to closely analyse companies in their efforts towards managing their material ESG risks and adopting effective science-based climate strategies.

The weighting produces a final traffic light system: Green, Orange and Red. Companies falling within deciles 1-5 are classified as 'Green' and can be invested in. 'Orange' issuers, those falling within deciles 6-8, must undergo further in-depth analysis and engagement if the investment team considers their FTV⁹ credentials to be in alignment with the requirements of the portfolio. The issuers classified as 'Red' are excluded from the investment universe.

STEP 3: ENGAGEMENT

Issuers classified as 'orange' undergo further internal analysis and engagement. Following consultation by the investment team, if the company in question does not display a strong enough commitment to improving ESG or climate-related standards, then they too may be excluded from investment. Green issuers in critical sectors may also be subject to closer ESG reviews.

ESG CREDIT SCORING

ESG integration across other fixed income funds is implemented by way of a proprietary credit-scoring methodology. Based on ESG data from data providers, portfolio managers assign a credit specific ESG score of between -2 and +2 FTV (from -2 for the most 'severe' risk exposures to +2 for the most 'negligible' risk exposures).

ESG integration across our global emerging markets portfolios is being enhanced in 2024.

⁸ The MAM exclusion policy is available in the section 'Our Strategy' – 'Exclusion filters'.
⁹ FTV = Fundamentals, Technicals and Valuation



CONVERTIBLES

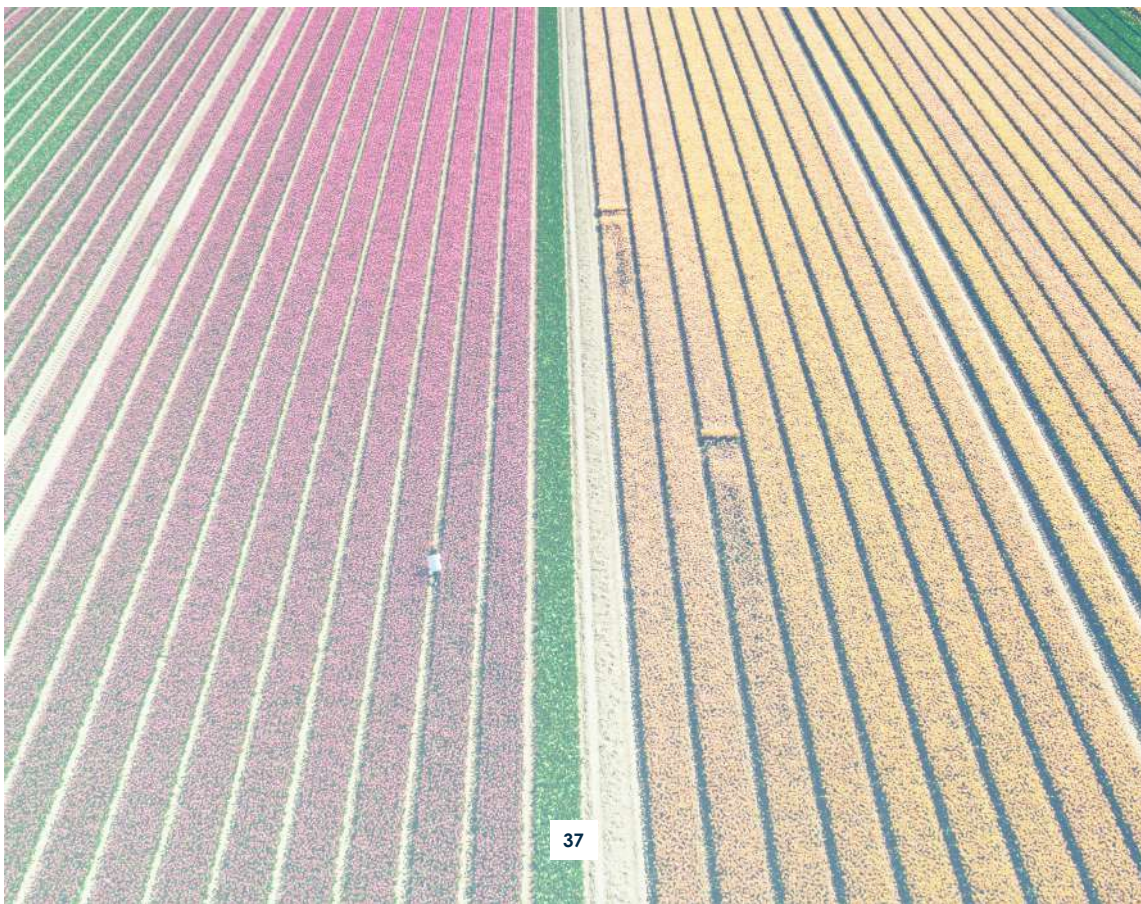
Among our **convertibles team**, ESG factors are integrated throughout all the stages of the investment process to improve the funds' risk-return profiles and generate robust investment results. ESG considerations are fully embedded into the investment process, as portfolio managers believe that ESG has the largest potential to enhance performance over time and mitigate potential risks. MAM has access to a database of ESG service providers, which allows portfolio managers to track the full values of the investment universe and analyse their ratings' evolution, as well as the latest major controversies that may concern them. The investment team reviews the ESG criteria of the issuers held in the portfolio on a regular basis. If a controversy alert is received, the issuer's ESG criteria are reviewed, and the necessary actions are taken to assess the company given the new information.

Securities selection is primarily driven by bottom-up decisions made through

the evaluation of a company's ESG characteristics, company fundamentals and other metrics. Therefore, an advanced ESG integration approach is adopted through a materiality analysis to identify companies' sustainability focus. Based on data from our service providers, company reports, specialised broker and sell-side publications, meetings with company management, as well as internal research, the analysts bring together materiality indicators, specific to each sub-industry to reflect how companies manage issues that are financially important.

In January 2023, the Mirabaud – Sustainable Convertibles Global (MSCG) strategy was awarded the Belgium Label, Towards sustainability. As part of the enhanced ESG integration process, additional exclusions and/or restrictions were agreed upon, notably on weapons, coal, conventional and unconventional Oil & Gas as well as on Power Generation.

Further details about the enhanced ESG integration process of the fund are available in the Website Product Disclosure.



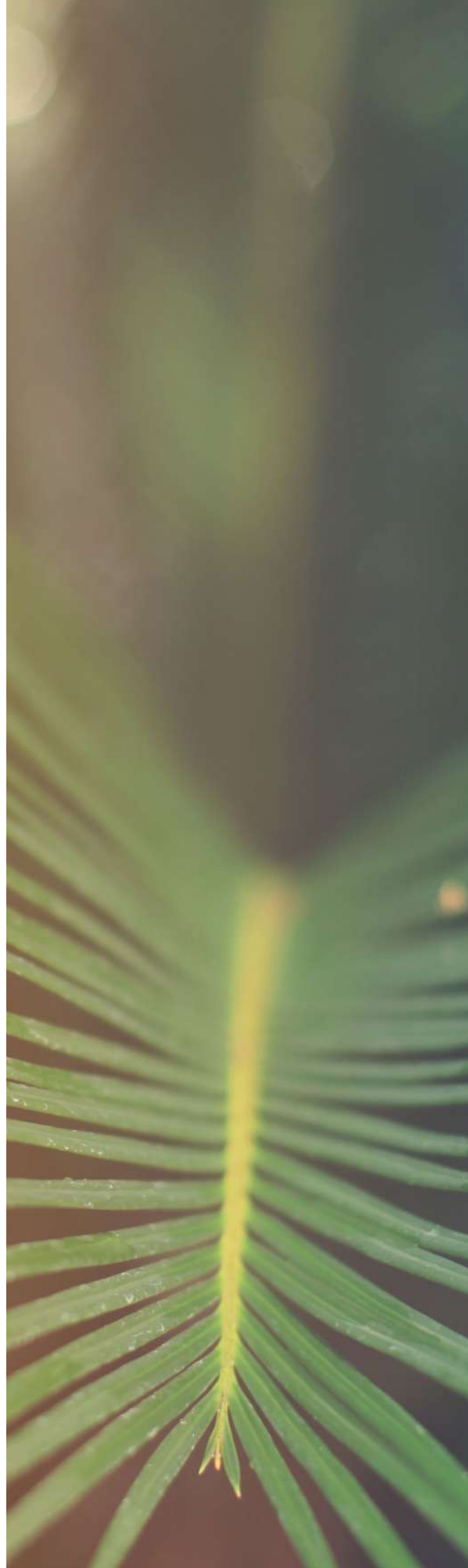


PRIVATE EQUITY

Our **private equity teams** follow unique impact investments strategies with the aim to deliver positive financial returns and a benefit to society at the same time. Firstly, portfolio managers invest in companies with a high potential to generate social and environmental impact, through a robust governance structure. Secondly, they require them not only to improve the impact on society and the environment through their products and/or services but also to implement and reinforce their internal ESG practices.

For example, the **Mirabaud Lifestyle & Innovation Impact Fund** has an innovative approach to impact investing based on sustainable capital growth by supporting the development of disruptive lifestyle companies, from digital and technological pioneers to the most promising global brands. To secure and formalise ESG commitments from the company, and protect the fund from reputational, financial or legal damages, ESG terms – such as the implementation of a detailed action plan, production of periodic reporting as well as the appointment of an executive member in charge of ESG issues – are included in the Shareholders' Agreement to the greatest extent possible.

ESG considerations are integrated early on in investment decisions to ensure that investment opportunities are aligned with MAM's principles and values. In the pre-investment period, portfolio managers run an internal ESG checklist to ensure the alignment of visions and the identification of potential risks and opportunities. Following this screening phase, they perform thorough due diligence on the selected companies. This consists of assessing the main ESG risks and opportunities and validating the appropriate oversight of ESG issues. If necessary, external ESG consultants may be appointed to carry out in-depth ESG audits. The outcome of this due diligence allows the private equity team to identify





the main ESG issues to be tackled after acquisition.

On the other hand, **the Regenerative Growth fund** invests in growth stage nature-positive companies which focus on the transformation of food systems.

Food systems are affected by climate change, water scarcity, soil depletion, nature loss, straining farming conditions. Embracing change requires more sustainable and inclusive practices through technology. To achieve this vision, the Fund focuses on the drivers for sustainable, low-emission food and agricultural practices as precision farming, alternative nutrition & upcycling technologies.

The Fund focuses on three sectors:

- Precision Farming: Precision farming aims at transforming agriculture at the production and harvesting stage, with new technological and sustainable practices.
- Alternative nutrition: Alternative nutrition aims at offering substitutes or alternatives of today's products without traditionally grown animal ingredients.
- Waste and circularity: This sector ensure that food does not go to waste throughout the whole lifecycle. Moreover, there is an opportunity in upcycling food that is going aside and making that "waste" beneficial.

The fund follows a strict ESG and impact approach at the Global level and for each investee and it will seek to define an impact contribution action plan with investees, when relevant.

DISCRETIONARY AND SEGREGATED MANDATES

For specific mandates, MAM may develop a bespoke ESG framework in line with specific client priorities. Where clients specify customised investment guidelines, such as a bespoke exclusion list, we meet the ESG criteria that have been set by the client.



ACTIVE OWNERSHIP

Active ownership is one of our four pillars of responsible investment. Active ownership encompasses all our engagement and proxy voting activities.

As stewards of our clients' assets, we aim to use our active voice individually or with other investment managers and enter dialogue with companies on ESG matters. Our aim is to encourage behavioural change to protect and increase the value of our clients' assets. Such dialogue can also enhance our understanding of a company's sustainability practices, which we feed back into investment processes.

ENGAGEMENT

Engagement is a key element of our active ownership pillar. At MAM, we have different ways of establishing a dialogue with companies' management through a multi-level approach that comprises individual and collaborative stewardship activities.

INDIVIDUAL STEWARDSHIP INITIATIVES

ESG INTERACTIONS

Portfolio managers have regular meetings and contacts each year through company meetings, conferences and roundtables, earnings presentations, and capital markets days. They meet with company representatives on a variety of topics, such as material developments, operating performance, leadership, reporting and disclosure, proxy proposals, ESG issues and other matters that may present a potential material risk to a company's financial performance.

The findings of these interactions are considered within the ongoing ESG assessment of a given company, as investment teams are held accountable in the context of our engagement implementation policy.

DIRECT ENGAGEMENT

The SRI team leads on engagement meetings backed by an in-depth ESG assessment, in line with MAM analysis pillars¹⁰, with defined objectives and achievable targets to encourage best practices on material ESG issues. Engagement enables us to raise expectations with companies and monitor progress towards milestones set over time. Portfolio managers actively participate in these engagements to better understand the financial and extra-financial performance of the assets they hold.

Our engagement efforts take us, as investors, a step further in our responsible investing approach, to discuss sustainability risks and opportunities with companies. Leveraging our SRI Engagement Framework, we are able to influence companies to adopt good ESG practices. Sustainable business practices can give companies a competitive edge and increase their chance to be successful in the long run, ultimately improving the risk-return profile of their securities.

¹⁰ MAM analysis pillars are available in the section 'Our strategy' – 'Components of ESG analysis'.



COLLABORATIVE STEWARDSHIP INITIATIVES

Whether as a lead, a co-lead, or a collaborator, we embrace the concept that collaboration is necessary to meet certain objectives, promote best practices and the long-term interests of our clients. We participate in collaborative engagement initiatives with other investors to address and encourage action on material ESG issues with companies and to achieve shared objectives. We believe this collaborative, well-resourced approach enables us to fully realise the potential of our engagement activity, being a supplement to direct dialogue. It allows us to play a key role in sharing our knowledge and expertise while also learning from others.

We have been actively involved in several initiatives such as CDP and Climate Action 100+, and we review collaborative engagements on a case-by-case basis to ensure they are aligned with our approach and SRI policy.

As stewards of our clients' assets, we aim to use our active voice individually or with other investment managers and enter dialogue with companies on ESG matters. Our aim is to encourage behavioural change to protect and increase the value of our clients' assets. Such dialogue can also enhance our understanding of a company's sustainability practices, which we feed back into investment processes.

SRI ENGAGEMENT FRAMEWORK

In June 2022, MAM launched a firm-wide initiative that sets out a global approach for managing sustainability risks among our holdings and potential investments. The **SRI Engagement Framework** enables us to embrace a common vision on the shared ESG issues affecting companies held across different asset classes and increases accountability to our clients.

We prioritise companies for **direct engagement** based on sector, controversies, ESG score, size of holding and/or investment case. Businesses may operate in critical industries for the energy transition or in labour-intensive segments where robust health & safety policies are necessary. Recent controversies or low ESG scores issued by our service providers may also lead to sustainability reviews by the SRI team. Among our investment strategies, dedicated ESG integration processes may also warrant engagement with selected companies. Portfolio managers may, on a case-by-case basis, also ask for systematic checks on companies which represent significant portfolio holdings.

All our direct engagements are supported by in-depth ESG assessments which enable us to identify the material sustainability risks and opportunities affecting our holding companies and potential investments. The analysis is based on three complementary pillars (responsibility, materiality, and sustainability) that allow analysts to identify key ESG issues and measure a company's performance against them. Engagement objectives are defined based on the material, extra-financial issues identified through the ESG assessment, which may vary according to a company's sector or geography.



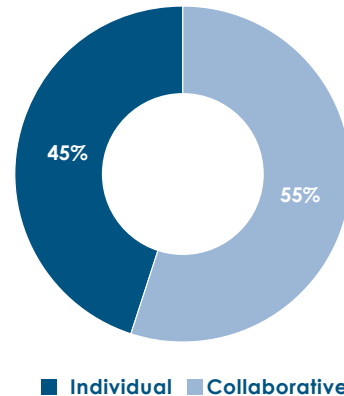
2023 HIGHLIGHTS

In 2023, we communicated with 692 companies, both through individual and collaborative stewardship activities (figure 12).

In the context of **individual stewardship activities**, we held 313 ESG meetings with 246 companies across our equity, fixed income, and convertibles portfolios (figure 14); 96 meetings were direct engagements led by the SRI team and backed by an ESG assessment, and 217 were ESG interactions coordinated by portfolio managers with input from the SRI team as necessary (figure 13). A breakdown of our collaborative stewardship activities is also available (figure 15).

In the context of collaborative stewardship activities, we joined collaborative initiatives that allowed us to reach 363 companies to promote ESG best practices. We engaged with 57% of companies through the CDP Non-Disclosure campaign, 41.7% of companies through the CDP Science-Based Targets initiative (SBTi), 1% of companies through CA100+ and 0.3% through PRI Advance (figure 15).

Figure 12: Stewardship Activities



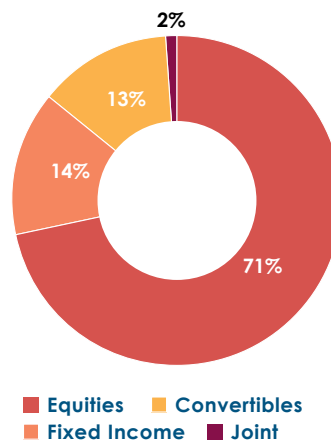
Source: Mirabaud Asset Management

Figure 13: MAM Stewardship Activities

| | NUMBER |
|--------------------------------------|--------|
| Individual stewardship activities | |
| Direct engagement | 96 |
| ESG interactions | 217 |
| Total | 313 |
| Collaborative stewardship activities | |
| CDP Non-Disclosure | 218 |
| CDP Science-Based Targets | 156 |
| Climate Action 100+ | 4 |
| PRI Advance | 1 |
| Total | 379 |
| Grand Total | 692 |

Source: Mirabaud Asset Management

Figure 14: Individual Stewardship Activities by Asset Class



*Joint = Portfolio managers from different investment teams and/or asset classes join the same ESG meeting.

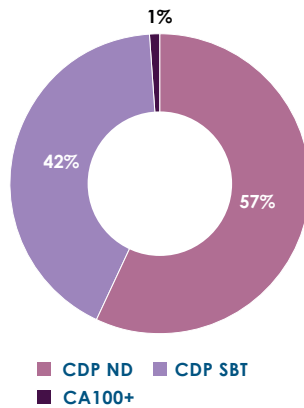
Source: Mirabaud Asset Management



INDIVIDUAL STEWARDSHIP ACTIVITIES

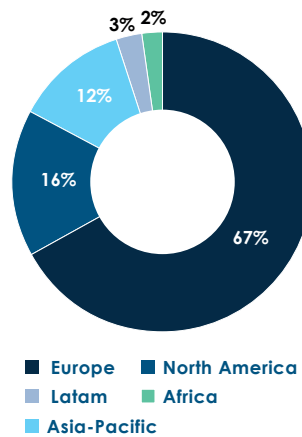
Across our individual stewardship activities, we met companies in five different regions. Most of our engagements were held with companies based in Europe (67%), followed by North America (16%), Asia-Pacific (12%), LATAM (3%) and Middle East and Africa (2%). The full breakdown is available in figure 16.

Figure 15: Collaborative Stewardship Activities



Source: Mirabaud Asset Management

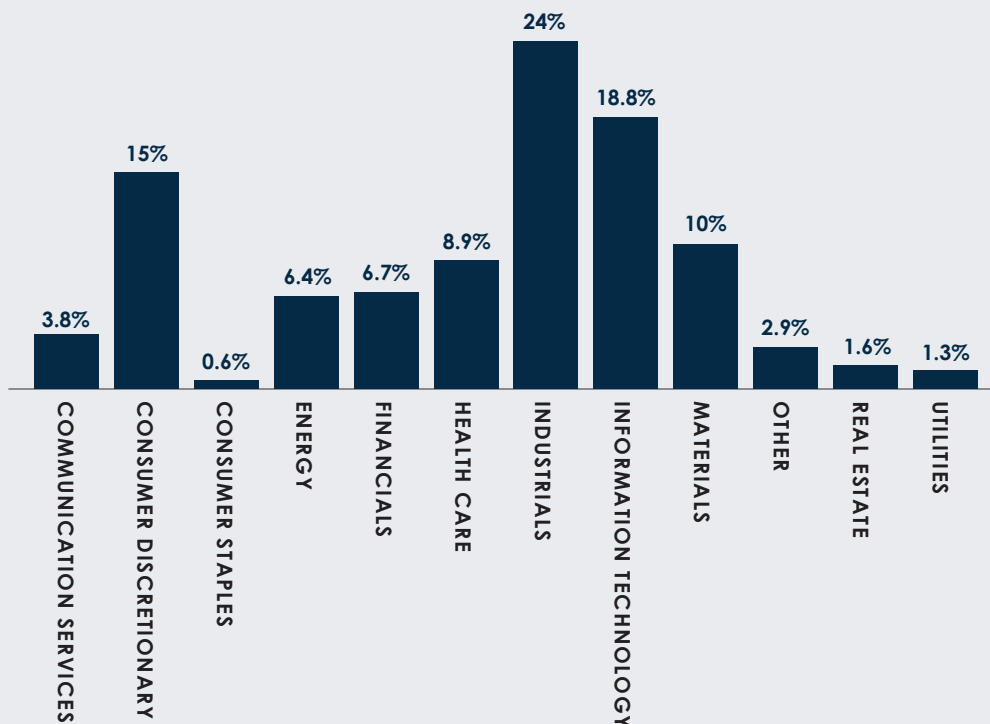
Figure 16: Geographic Breakdown of Individual Stewardship Activities



Source: Mirabaud Asset Management

Throughout the year and in line with the breadth of our engagement strategy we engaged with companies across 12 sectors. Most of the companies we engaged with were part of the Industrials (24%), Information Technology (18.8%), Consumer Discretionary (15%) and Materials (10%) sectors. The full breakdown is available in figure 17.

Figure 17: Sector Breakdown of Individual Stewardship Activities



Source: Mirabaud Asset Management



Most of our engagements took place remotely (78%), in the form of a conference call, given travel restrictions and the geographical reach of company representatives. In-person meetings and email correspondence occurred 18% and 4% of the time, respectively (figure 18). During engagements, we aimed to improve the understanding of ESG issues 52% of the time, support the investment case (25%), and encourage ESG disclosure and transparency (23%) (figure 19).

We had 183 engagement targets as of 2023 and the majority of these are ongoing; the split of engagement targets by ESG theme is available in figure 20.

Over half of our ESG meetings in 2023 related to environmental issues (36%). Among our most recurrent topics were greenhouse gas emissions, waste management and renewable technologies (figure 21). Social issues were addressed 36% of the time, with topics ranging from occupational health & safety, employee attraction & retention and data privacy & security (figure 22). Governance issues (28%) included transparency, disclosure & reporting, business ethics and remuneration practices (figure 23).

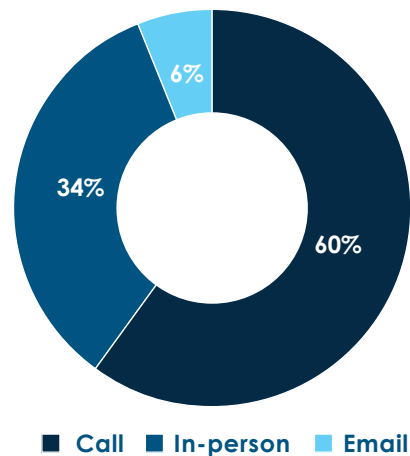
KEY ESG ENGAGEMENT THEMES

The SRI and investment teams engage with investee companies and issuers to promote good ESG practices. We have identified six engagement themes across our funds, geographies, and asset classes for 2023.

CLIMATE CHANGE & GREENHOUSE GAS EMISSIONS

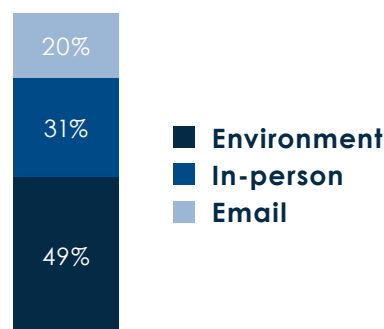
Navigating the global challenge of climate change presents both risks and opportunities, particularly for companies operating in energy-intensive sectors. During our engagements, we assess various indicators, such as companies' commitment to achieving a net-zero balance of emissions

Figure 18: Individual Stewardship Activities by Meeting Format



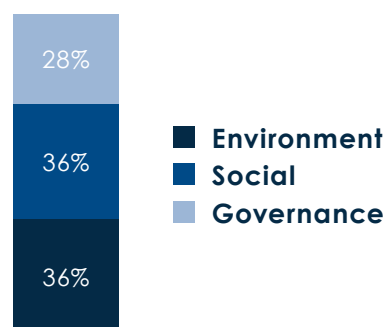
Source: Mirabaud Asset Management

Figure 19: Engagement targets by ESG Theme for Individual Stewardship Activities



Source: Mirabaud Asset Management

Figure 20: ESG targets Breakdown



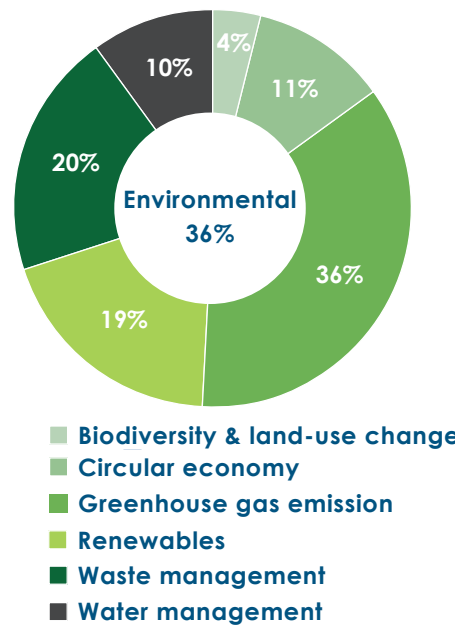
Source: Mirabaud Asset Management



by 2050, greenhouse gas emission reduction targets, and the quality of climate change governance and disclosure.

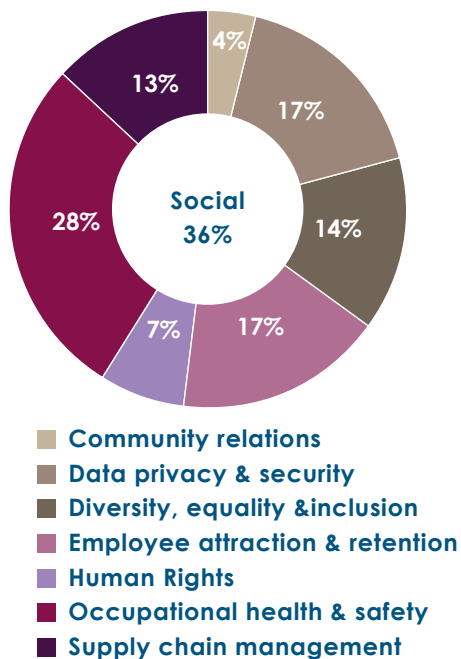
In this pursuit, we actively encourage companies across all sectors and of all sizes to embrace the development of science-based targets and engage with the Science Based Targets initiative (SBTi). Science-based targets provide companies with a clearly defined path to reduce greenhouse gas emissions, aligning with the imperative to limit global warming to 1.5°C. These targets not only set a benchmark for how much and how quickly a business must reduce its emissions but also ensure alignment with the ambitious goals of the Paris Agreement.

Figure 21: Environmental themes



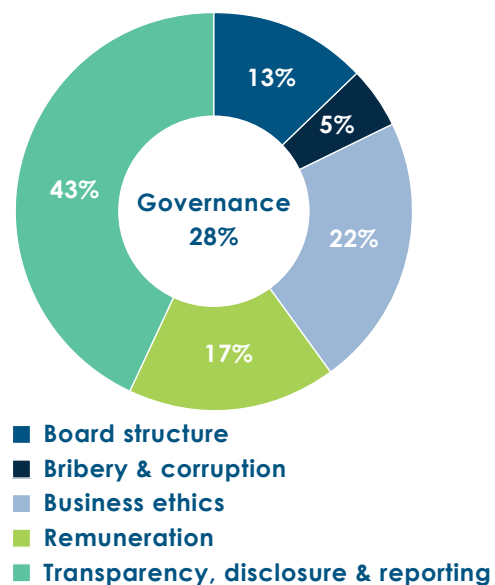
Source: Mirabaud Asset Management

Figure 22: Social themes



Source: Mirabaud Asset Management

Figure 23: Governance themes



Source: Mirabaud Asset Management



CASE STUDIES

During 2021 we initiated engagements with a Greek electricity utility held in the Mirabaud – Global Climate Bond Fund with fixed income portfolio managers. We reviewed their progress against our milestones in 2022 and escalated our exchange with a follow-up engagement; the engagement process with this company was presented by the PRI in a dedicated [case study](#). During 2023, we followed-up again with an engagement meeting to better understand the evolution of the company's greenhouse gas emission reduction targets. The outcomes of our engagement & dialogue efforts are explored in figure 24.



Figure 24: Case Study – Greek Electric Utility

| | |
|---|---|
| <p>SECTOR: UTILITIES COUNTRY: GREECE</p> | <p>AREA OF ENGAGEMENT: Climate – GHG emissions targets, climate reporting & SBTi INITIAL ENGAGEMENT: November 2021 FOLLOW-UP: April 2022, December 2023</p> |
| <p> COMPANY PROFILE Greek electric utility.</p> <p> ENGAGEMENT OBJECTIVE Discuss the quality and messaging of climate strategy, including GHG emissions targets, climate reporting and SBTi validation.</p> <p> ENGAGEMENT DISCUSSION We engaged the company in 2021, 2022 and 2023, noting the need to improve the quality and messaging of their climate strategy. Relevant areas of improvement included reporting of Scope 1, 2 and 3 emissions, TCFD alignment, CDP disclosures, climate targets & SBTi validation, and board over-sight of climate risk.</p> <p>We conducted three direct engagements and joined other asset managers to voice our demands through collaborative initiatives. We were lead engagers on the company letter sent through the CDP Non-Disclosure campaign in 2022.</p> <p>We also participated to the CDP Science-Based Targets initiative</p> | <p>campaign, which specifically targeted this company.</p> <p> TARGETS DISCUSSED / PROGRESS Following our dialogue, the company published their sustainability report in Q1 2022, which included for the first time a clear breakdown of interim emission reduction targets, better ESG disclosures on Scope 1, 2 and 3 emissions, TCFD-alignment and board oversight of climate risk.</p> <p>In August 2022, a company statement was released committing to validate climate targets with the SBTi. A CDP climate change questionnaire was also presented, in the 2022 reporting window, for the first time.</p> <p>We were pleased to learn that, in December 2023, the company submitted medium-term climate targets to the SBTi for validation and will present their updated climate transition plan at the 2024 Capital Markets day.</p> <p>Overall, we recognise that the company has made tangible progress since our initial engagement in 2021. So far, MAM expectations have been met with an above average level of responsiveness. The company's climate progress will be kept under review.</p> |

Source: Mirabaud Asset Management



WASTE MANAGEMENT

People might not realise it, but the importance of proper waste management in a modern economy is undeniable. The repercussions of inadequate waste handling, including soil and water contamination, air pollution, and greenhouse gas emissions, create widespread environmental consequences, posing serious risks to public health. Moreover, improper waste disposal incurs additional expenses for the clean-up of waste that is not properly managed. The escalating crisis in waste disposal underscores the urgent need for a transition to a circular economy.

For companies, adopting effective waste management practices is not merely a choice but a strategic imperative. Organizations that neglect or dismiss their waste management responsibilities not only compromise their neighbouring communities and the environment but also inflict damage to their reputation and financial health and can result in regulatory fines and long-term damage to brand image. Thus, companies engaging in comprehensive waste management programs not only contribute to environmental sustainability but also safeguard their reputation, avoid financial repercussions, and preserve the well-being of the surrounding community.

Figure 25: Case Study – Convertibles Case Study - Canadian Miner

| | | | |
|--|---|--|---|
| SECTOR: MATERIALS COUNTRY: CANADA | | AREA OF ENGAGEMENT: Biodiversity, waste management INITIAL ENGAGEMENT: September 2021 FOLLOW-UP: October 2023 | |
|  COMPANY PROFILE Canadian gold, silver and copper mining company |  ENGAGEMENT OBJECTIVE Update on their waste management policy |  TARGETS DISCUSSED / PROGRESS The company has made significant progress on these areas to ensure continued operations while protecting the environment and biodiversity. | on the expectations set in 2022 following a chemical spill at one of their mines. They are in the process of signing the Cyanide management code and have several of their mines already compliant. |
| | | | They also implemented a biodiversity management plan in each of their sites. |
| | | | |
|  ENGAGEMENT DISCUSSION We followed up to see if they delivered | | | |

Source: Mirabaud Asset Management



Figure 26: Case Study – Equities Case Study – Swiss Healthcare Company

SECTOR: HEALTHCARE
COUNTRY: SWITZERLAND

AREA OF ENGAGEMENT: Waste Management | Reduction targets & initiatives

INITIAL ENGAGEMENT: September 2023



COMPANY PROFILE

A Swiss healthcare company, a world leader in laboratory automation, that serves as a manufacturer of medical devices and a provider of workflow solutions for the life science industry.



ENGAGEMENT OBJECTIVE

To comprehend the factors driving the rise in waste production from 2021 to 2022, and to assess the company's intentions regarding the establishment of waste reduction targets and the implementation of initiatives to minimize plastic usage.



ENGAGEMENT DISCUSSION

The company aims to shift from a linear to a circular economy model but faces challenges with product disposal restrictions and consumable products treated as hazardous waste. The 2022 Sustainability Report showed a notable increase in waste generation without specified reduction targets or the percentage of plastic waste. Our initial engagement focused on understanding the reasons for the increase and actions taken. The company attributed the increase to improved data accuracy and data from a newly acquired business. To ensure accuracy they suggested comparing 2022 to 2023 data. We formally recommended setting

waste reduction targets and were pleased to learn that the company was conducting an ongoing assessment on water and waste with an external provider with intentions to set targets. We also discussed initiatives to reduce plastic waste and were informed that a "take-back program" had been tested by the company but deemed impractical for plastics that cannot be reused. Other initiatives are being explored with a focus on providing detailed local information to customers.



TARGETS DISCUSSED / PROGRESS

While pleased with the efforts, there is room for improvement in waste management disclosures of the company. We will keep monitoring waste metrics for meaningful comparisons next year. Going forward, we will continue to focus on initiatives to reduce plastic usage across the supply chain, particularly for customers, and encourage the company to formally establish reduction targets and share more information about them in upcoming publications.

Source: Mirabaud Asset Management



OCCUPATIONAL HEALTH & SAFETY

Occupational health and safety (OH&S) stand as a foundational pillar within the ESG framework, representing a company's commitment to its workforce and broader societal impact. Ensuring a safe and healthy work environment goes beyond regulatory compliance; it speaks volumes about a company's ethical responsibility and

dedication to its employees' well-being. Companies that prioritize OH&S not only safeguard their workforce but also fortify their reputation, attract top talent, and sustain long-term operational resilience. It's an integral part of sustainable and responsible business practices, contributing positively to both social and economic sustainability.

Figure 27: Convertibles Case Study – Chinese Shopping Platform

| | | | |
|--|--|---|--|
| SECTOR: CONSUMER DISCRETIONARY COUNTRY: CHINA | | AREA OF ENGAGEMENT: Health and Safety, employee well-being INITIAL ENGAGEMENT: October 2023 | |
|  COMPANY PROFILE Chinese shopping platform | | their couriers. They have implemented initiatives such as diverse feedback channels, insurance for riders and above-average wages for the couriers. | |
|  ENGAGEMENT OBJECTIVE Seek more information about Health & Safety management. | |  TARGETS DISCUSSED / PROGRESS The company showed a strong commitment to the wellness and safety of their employees by maintaining an open dialogue with them. | |
|  ENGAGEMENT DISCUSSION We engaged with them to assess how they ensure the safety and well-being of | | | |

Source: Mirabaud Asset Management



Figure 28: Fixed Income Case Study – Canadian Gold Miner

| | |
|--|---|
| SECTOR: MATERIALS COUNTRY: CANADA | AREA OF ENGAGEMENT: Social – Health & safety practices & fatalities INITIAL ENGAGEMENT: March 2023 |
| <div data-bbox="261 544 325 602"></div> <div data-bbox="261 611 496 640">COMPANY PROFILE</div> <div data-bbox="261 649 678 678"><p>Canadian gold mining company.</p></div> <div data-bbox="261 723 325 784"></div> <div data-bbox="261 795 574 824">ENGAGEMENT OBJECTIVE</div> <div data-bbox="261 833 764 940"><p>Discuss health & safety practices against the backdrop of fatality occurrences over the last three years.</p></div> <div data-bbox="261 985 325 1046"></div> <div data-bbox="261 1057 590 1086">ENGAGEMENT DISCUSSION</div> <div data-bbox="261 1095 769 1200"><p>We met the VP of ESG Strategy to discuss fatality occurrences over the last three years.</p></div> <div data-bbox="261 1245 756 1498"><p>The company explained that they have developed a response to improve compliance with their health & safety policies. As such, they launched a first program to identify critical risks. The second program under the new COO focused on safety excellence.</p></div> <div data-bbox="261 1543 751 1684"><p>The company specified during engagements that their health & safety policies have not changed, as the focus was placed on an augmented</p></div> <td data-bbox="790 504 1358 1711"><p>implementation of these policies has changed (e.g. re-education, re-training).</p><p>As part of the review of health & safety policies, the company wanted to ensure that each program was assimilated from a cultural perspective. Therefore, they brought in a community advisory board to evaluate safety in the context of cultural practices. The purpose was to bring about safety excellence not just from a corporate perspective, but also a cultural standpoint.</p><div data-bbox="815 1064 860 1124"></div><div data-bbox="815 1135 1212 1164">TARGETS DISCUSSED / PROGRESS</div><div data-bbox="815 1173 1307 1500"><p>The company has demonstrated an appropriate level of ESG accountability towards stakeholders, through the implementation of augmented H&S measures to address fatality rates. Importantly, it is noted that 2021 executive bonuses were adjusted downwards to reflect the fatality. This is viewed positively.</p></div><div data-bbox="815 1543 1281 1648"><p>Despite the continued reviews to H&S procedures, this matter will be kept under review.</p></div></td> | <p>implementation of these policies has changed (e.g. re-education, re-training).</p> <p>As part of the review of health & safety policies, the company wanted to ensure that each program was assimilated from a cultural perspective. Therefore, they brought in a community advisory board to evaluate safety in the context of cultural practices. The purpose was to bring about safety excellence not just from a corporate perspective, but also a cultural standpoint.</p> <div data-bbox="815 1064 860 1124"></div> <div data-bbox="815 1135 1212 1164">TARGETS DISCUSSED / PROGRESS</div> <div data-bbox="815 1173 1307 1500"><p>The company has demonstrated an appropriate level of ESG accountability towards stakeholders, through the implementation of augmented H&S measures to address fatality rates. Importantly, it is noted that 2021 executive bonuses were adjusted downwards to reflect the fatality. This is viewed positively.</p></div> <div data-bbox="815 1543 1281 1648"><p>Despite the continued reviews to H&S procedures, this matter will be kept under review.</p></div> |

Source: Mirabaud Asset Management



DATA PRIVACY & SECURITY

Figure 29: Fixed Income Case Study – Dutch Software & Service Company

| | |
|---|--|
| SECTOR: CONSUMER DISCRETIONARY COUNTRY: NETHERLANDS | AREA OF ENGAGEMENT: Social – Data privacy & security INITIAL ENGAGEMENT: July 2023 |
|  COMPANY PROFILE Dutch software & services company  ENGAGEMENT OBJECTIVE Better understand the scope of ISO certifications  ENGAGEMENT DISCUSSION During engagements, MAM enquired whether the company (corporate level), and businesses that the company invests in, have the ISO 27001 certification. The company explained that, at corporate level, there is no ISO certification for data privacy & security. It | <p>was noted that internal discussions have been held to start a project to obtain the ISO security certification. However, this was not considered a matter of priority for the time being.</p> <p>As for the businesses that the company invests in, it was noted that the ISO 27001 is in place for major operations. Overall, the decision to pursue this certification is contingent upon the relevance of data privacy & security as a financially material ESG issue in each business.</p>  TARGETS DISCUSSED / PROGRESS MAM considers the company's responses appropriate currently. The scope of ISO certifications across the business will be kept under review. |

Source: Mirabaud Asset Management

EMPLOYEE ATTRACTION & RETENTION

Employee attraction and retention policies play a pivotal role in the overall success and stability of an organization. These policies are essential for attracting top talent by creating a positive employer brand, fostering a healthy work culture, and offering competitive compensation and benefits. Beyond talent acquisition, effective retention policies contribute to reduced recruitment and training costs, as they minimize turnover rates. This is crucial for maintaining productivity levels and ensuring continuity in operations,




as experienced employees bring valuable skills and knowledge to the workplace. Additionally, retention policies positively impact employee morale and engagement, preserving institutional knowledge, supporting a positive company culture, and enhancing customer satisfaction. In a competitive job market, organizations with robust attraction and retention policies gain a strategic advantage, standing out as employers of choice and securing a stable, skilled workforce for sustained success.



Employee turnover, as a crucial metric in this equation, serves as a test for the effectiveness of these attraction and retention strategies. Low turnover rates indicate that the company is not only successful in drawing in the right talent but also adept at keeping them motivated. This contributes to the development of a positive employer brand, making the company more

appealing to prospective candidates in a competitive job market. Conversely, high turnover rates signal potential issues within the organization, such as dissatisfaction, lack of engagement, or cultural misalignment. Monitoring turnover becomes imperative for companies dedicated to employee retention, allowing them to identify and address these challenges proactively.

Figure 30: Equity Case Study – Swiss Company Specializing In The Development, Manufacturing, And Sale Of Indoor Climate Systems.

| | |
|---|--|
| SECTOR: INDUSTRIALS COUNTRY: SWITZERLAND | AREA OF ENGAGEMENT: Employee Attraction & Retention Policy / Turnover Rate INITIAL ENGAGEMENT: September 2023 FOLLOW-UP: September 2023 |
|  COMPANY PROFILE A Swiss company operating in the Building Products & Equipment sector, specializing in the development, manufacturing, and sale of indoor climate systems.  ENGAGEMENT OBJECTIVE To disclose historical employee turnover rates, promoting transparency, fostering accountability, and assessing the long-term effectiveness of strategic initiatives.  ENGAGEMENT DISCUSSION During the reporting period, we engaged with the company twice, discussing various topics, including their strategies for attracting and retaining employees. While the company shared its 2022 turnover rate in the Sustainability Report, we highlighted the lack of trend information and comparisons with previous years. We encouraged the company to consider | publishing comprehensive turnover data covering multiple years. This practice not only fills the current reporting gap but also provides stakeholders with a valuable tool for evaluating performance. Comparative data from different years allow us to assess turnover trends, identify patterns, and evaluate the impact of strategic initiatives over time.  TARGETS DISCUSSED / PROGRESS The management was responsive to our ESG analysis and inputs. We were pleased to learn that they will include comparative data will be included in the forthcoming Sustainability Report allowing for further transparency and accountability. We see this as important step in improving investor awareness of extra-financial characteristics of companies and a tool to hold management to accountable for their performance trends. We will continue to monitor the turnover metric and commit to engaging further whenever deemed appropriate based on evolving circumstances. |

Source: Mirabaud Asset Management



TRANSPARENCY, DISCLOSURE, REPORTING AND ESG INITIATIVES

Transparency, disclosure & reporting of extra-financial information represents an important layer in investment decision making. Providing a comprehensive account of sustainability factors increases company accountability towards different stakeholders, including investors, customers, and suppliers, and enables

businesses and investors to effectively manage financially material risks.

Reporting in line with recognised ESG frameworks, including CDP, TCFD, GRI and SASB, allows for comparable and verifiable disclosures that can improve the quality of reported extra-financial data. This ensures that ESG disclosures are not only standardised, but also decision useful.

Figure 31: Fixed Income Case Study – American Lng Producer

| | | | |
|--|--|--|--|
| SECTOR: ENERGY COUNTRY: UNITED STATES ENGAGEMENT STATUS: ONGOING | | AREA OF ENGAGEMENT: Governance –Transparency, disclosure & reporting INITIAL ENGAGEMENT: March 2023 | |
|  COMPANY PROFILE American LNG producer | | investor in the signed letter sent to the company. | |
|  ENGAGEMENT OBJECTIVE Discuss the company's submission of a CDP climate change questionnaire. | | The company noted that they had not considered this disclosure for the time being, but that they would evaluating providing a response to the CDP climate change questionnaire in the future. | |
|  ENGAGEMENT DISCUSSION We engaged the company to enquire whether they intended to submit a CDP climate change questionnaire. Indeed, MAM is a participant investor to the CDP Non-Disclosure Campaign and was lead | |  TARGETS DISCUSSED / PROGRESS Based on the results shared by participating investors by the CDP NDC, MAM notes that the company has not responded to investors' request to submit a CDP climate change questionnaire. This point will be raised with the company in the coming year. | |

Source: Mirabaud Asset Management



Figure 32 – Equities Case Study – Swiss Bank

| | |
|---|---|
| SECTOR: FINANCIALS COUNTRY: SWITZERLAND | AREA OF ENGAGEMENT: ESG Reporting Sustainability Initiatives CDP TCFD EU Taxonomy UNEP FI INITIAL ENGAGEMENT: March 2023 FOLLOW-UP: November 2023 |
|  COMPANY PROFILE Swiss business operating in the banking industry.  ENGAGEMENT OBJECTIVE To discuss various sustainability reporting standards, initiatives, and best market practices.  ENGAGEMENT DISCUSSION Based on our research, we found that the company has demonstrated limited adherence to ESG reporting standards and initiatives and met with the company to address this matter among others. Despite not responding to disclosure requests in 2022 and 2023, the company did submit responses to the CDP climate change questionnaire in 2021. Unfortunately, these submissions were not acknowledged within the system. Also, historically, environmental concerns have not been prioritized due to the company's focus on lending activities, resulting in a decision against participation in such initiatives. During our discussion, we stressed the importance of environmental | <p>transparency, accountability, and disclosure. through CDP, prompting the company to reconsider its stance. However, concerns remain regarding the financial implications of participation. The company also stated that their willingness to disclose TCFD-aligned information. Regarding the EU Taxonomy, the company was currently monitoring developments from an external perspective, as it is not located in the EU. Nevertheless, it recognized forthcoming regulations and the requirement to adopt EU standards from 2025. We also encouraged the company to consider joining the United Nations Environment Programme Finance Initiative (UNEP FI), which assist financial institutions in developing sustainability frameworks to address global ESG challenges.</p>  TARGETS DISCUSSED / PROGRESS The company responded positively to our requests and suggestions, expressing their intent to reassess their participation in the CDP and explore the possibility of joining UNEP FI. We plan to maintain ongoing discussions on this matter. Additionally, we were pleased to discover that they are actively monitoring the requirements of the EU taxonomy and contemplating disclosures aligned with the TCFD. |

Source: Mirabaud Asset Management



BUSINESS ETHICS & WHISTLEBLOWING

Whistleblowing is considered a significant aspect of business ethics serves as a key element of ethical governance, fostering transparency and accountability within a company. A whistleblowing process is designed to provide employees and other stakeholders with a mechanism to report unethical or illegal activities within an organization. By encouraging employees, customers, and suppliers to report misconduct, organizations can uncover potential violations, injustices, or shortcomings that, if unaddressed, may lead to substantial corporate failures and loss of value. A well-structured whistleblowing process typically includes confidential reporting channels, protection for whistle-blowers, and an investigation protocol to address reported concerns. Beyond governance, whistleblowing contributes to the social dimension by

promoting a corporate culture rooted in integrity and responsibility. This, in turn, enhances the company's reputation and builds stakeholder trust. The efficacy of whistleblowing mechanisms extends further, aiding in the identification and prevention of systemic issues like bribery, corruption, tax avoidance, money laundering, and human rights violations. While companies exhibit varying degrees of advancement in implementing whistleblowing practices, investors should expect comprehensive disclosures from investee companies. Identifying whistleblowing cases in an investee company is vital for investors to assess risks, governance, legal compliance, reputation, financial performance, operational efficiency, and long-term sustainability. This information helps investors make informed decisions aligning with their goals and values.

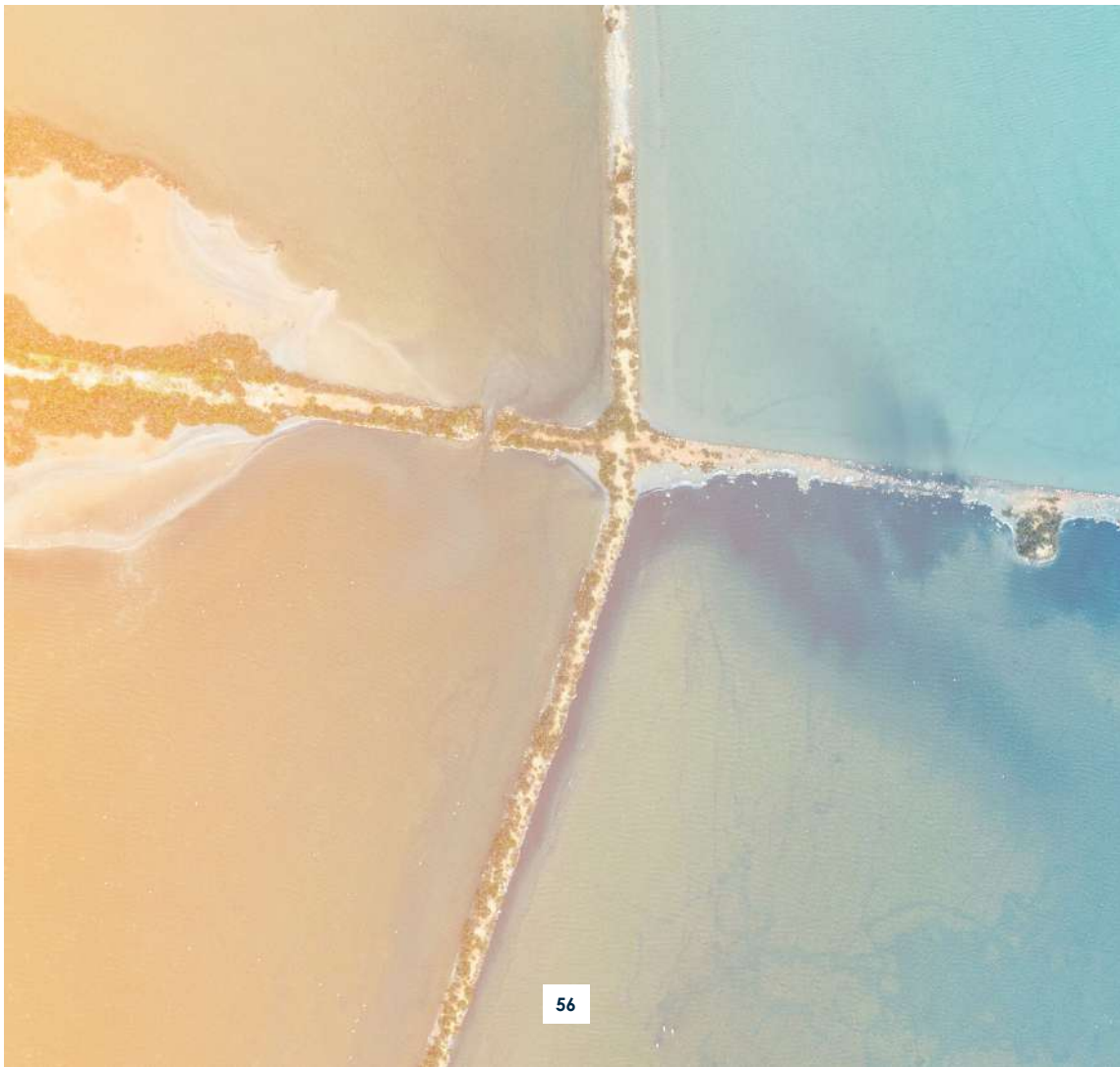





Figure 33 – Equities Case Study – Swiss Industrial Business

| | |
|---|---|
| SECTOR: INDUSTRIALS COUNTRY: SWITZERLAND | AREA OF ENGAGEMENT: Business Ethics Code of Conduct Anti-corruption Practices Whistleblowing Reporting INITIAL ENGAGEMENT: September 2023 FOLLOW-UP: October 2023 |
|  COMPANY PROFILE Swiss business operating in the industrials sector.  ENGAGEMENT OBJECTIVE To better understand the reported cases of corruption or facilitation of payments by the company and the actions taken to address and prevent similar incidents in the future.  ENGAGEMENT DISCUSSION The company's disclosures revealed instances of corruption or facilitation of payments in 2022. Despite having a Code of Conduct and an Anti-corruption policy in place, we requested additional information about the whistleblowing process and any reported cases, as well as measures taken to prevent such incidents in the future. The company confirmed the anonymity and confidentiality of their whistleblowing program, which includes a platform and hotline. They mentioned there are | <p>measures and trainings in place that employees must follow. Learning sessions on code of conduct topics are provided to every employee, including e-learning modules. At the time, they were unable to provide further details but suggested discussing the matter further with the Integrity Officer.</p>  TARGETS DISCUSSED / PROGRESS In a thorough follow-up, the company confirmed that corruption cases were linked to small payments or gifts made in various countries. Although none of these cases were serious enough to lead to criminal charges, the company decided to terminate the employment contracts of some employees or take disciplinary action against them for violating our code of conduct. We were pleased with the company's openness about the incidents and the actions taken to address them. Following these incidents, the company conducted investigations and provided mandatory training on anti-corruption and its code of conduct to all employees. Employees are also fully aware of their reporting hotline and platform. |

Source: Mirabaud Asset Management



Figure 34 – Convertibles Case Study – Chinese Delivery Company

| | |
|---|--|
| SECTOR: TRANSPORTATION LOGISTIC COUNTRY: CHINA | AREA OF ENGAGEMENT: business ethics, executive compensation INITIAL ENGAGEMENT: January 2023 FOLLOW-UP: December 2023 |
|  COMPANY PROFILE Chinese express delivery company  ENGAGEMENT OBJECTIVE Seek more information about business practices and executive compensation.  ENGAGEMENT DISCUSSION We inquired on a set of Governance related issues such as business ethics, the composition of the board, the independence of the audit committee | and sought more details on their remuneration policy. The company confirmed that they have implemented real name delivery policy and systematic parcel inspection to ensure they abide by Chinese and company regulations. On the remuneration side, they do link executive compensation to ESG KPIs like fuel consumption, GHG emissions, and % of unionized employees.  TARGETS DISCUSSED / PROGRESS The company showed a strong management of the mentioned issues. |

Source: Mirabaud Asset Management





COLLABORATIVE ENGAGEMENTS

CDP NON-DISCLOSURE CAMPAIGN

The CDP Non-Disclosure Campaign (CDP NDC) is a not-for-profit global disclosure system through which companies share environmental information. CDP collects data on climate change, water security and deforestation enabling investors to make informed decisions and allowing the industry to improve comparability between companies, measure environmental impacts and drive action. By supporting this collaborative action campaign, we aim to improve transparency by engaging with companies that failed to disclose information through CDP's climate change, forests and/or water security questionnaires.

In 2023, Mirabaud joined 288 financial institutions, representing nearly US\$29 trillion in assets, who are engaging with 1,590 companies on climate change, forests, and water security disclosure.

Of the companies targeted by the campaign, MAM was the lead investor for signed letters sent to 72 distinct companies registered in our funds in 2023. In total, 56 companies were targeted on climate, 21 companies on forests and 19 companies on water, as CDP may ask companies to submit more than one questionnaire.

MAM was also a co-signer for signed letters sent to 1,588 distinct companies in 2023. In total, 1,574 companies were targeted on climate, 484 companies on forests and 999 companies on water, as CDP may ask companies to submit more than one questionnaire. The higher total number of distinct companies that MAM engaged as co-signers in 2023 (compared to 2022) – i.e. 1,588 – is explained by the fact that the 2023 CDP NDC no longer allowed participants to co-sign specific companies. By signing up in any capacity (Lead or Co-sign), the participant's name will be added to all engagement letters sent through the CDP NDC. Further information is

Figure 35: CDP NDC 2023 - MAM Leads

Distinct companies



Water



Forests



Climate



■ Not disclosed ■ Disclosed

Source: Mirabaud Asset Management

Figure 36: CDP NDC 2023 - MAM Co-Signed letters

Distinct companies



Water



Forest



Climate



■ Not disclosed ■ Disclosed

Source: Mirabaud Asset Management



available here.

Of the 1,588 letters that MAM Co-Signed, 135 companies were registered in our funds in 2023 (ex-MAM Leads). In total, 135 companies were targeted on climate, 38 companies on forests and 89 companies on water, as CDP may ask companies to submit more than one questionnaire.

Because of our actions through the CDP NDC, 13, 3 and 2 companies targeted by MAM through the CDP NDC as a Lead investor responded to our disclosure request by submitting questionnaire on climate change, forests, and water respectively. Furthermore, 66, 6 and 23 companies registered in our funds in 2023 and targeted by MAM through the CDP NDC as a Co-Signer, responded to our disclosure request by submitting questionnaire on climate change, forests and water respectively.

CDP SCIENCE-BASED TARGETS INITIATIVE (SBTi) CAMPAIGN

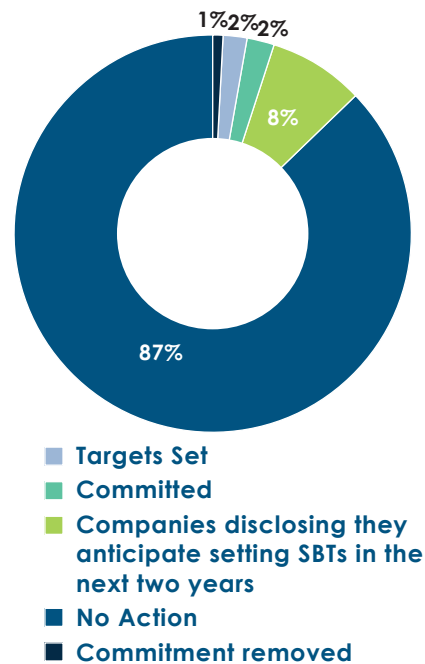
The CDP Science-Based Targets Campaign (SBT) aims to incentivize high-impact companies, listed on global stock markets, to set science-based targets (SBTs).

According to the progress report of the CDP 2022-23 SBT Campaign, 1,060 high-impact companies were targeted. Remarkably, 99 new companies with a combined market cap of \$3.57 trillion have joined the SBTi as a result. 318 financial institutions (FIs) and multinational firms with \$37 trillion in assets and spending power supported the campaign, representing a nearly 30% increase from the previous year¹¹.

By supporting the campaign through the collaborative engagement mechanisms, we proudly support the decarbonisation within high-impact sectors.

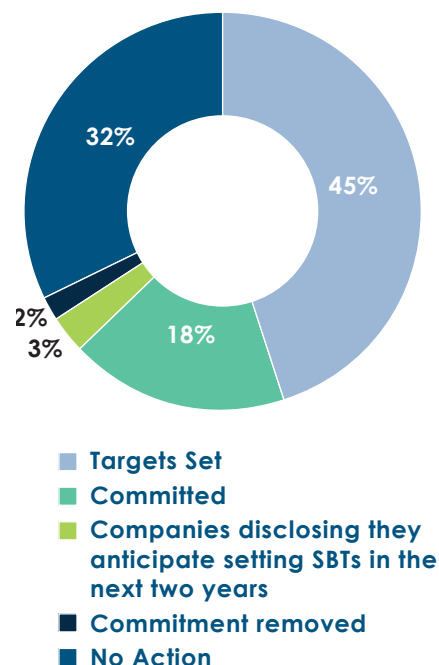
Of the companies targeted by the 2022-23 CDP SBTi campaign, 151 were registered across MAM's funds during the year under review. Of the 151 companies, 2% set science-

Figure 37: 2023 Science-Based Targets Campaign



Source: Mirabaud Asset Management

Figure 38: Science-Based Targets – MAM Funds Status 2023



Source: Mirabaud Asset Management

¹¹ SBT Progress report page - CDP



based targets, 2% committed to setting SBTs, 8% disclosed they anticipate setting SBTs in the next two years, 1% removed their commitment and the remaining companies have not acted as of end of 2023.

Other than the SBTi campaign, we have assessed the SBTi status of companies held in MAM funds throughout 2023. As shown in figure 38, 18% of distinct companies listed across our funds have formally committed to set science-based targets, 45% have validated climate targets with the SBTi, 3% disclose they anticipate setting targets in the next two years, 2% have removed the commitment and the rest have not acted.

CLIMATE ACTION 100+

Climate Action 100+ is a global collaborative investor engagement initiative to ensure the world's largest corporate GHG emitters take necessary action on climate change. Together with 700 other investors with US\$68 trillion assets under management, Mirabaud is putting pressure on over 165 high carbon emitters to reduce their greenhouse gas emissions (GHGs), influence disclosure and encourage positive behaviour in relation to climate risk management and energy transition strategies.

In 2023, Mirabaud acted as a collaborating investor with an American consumer products company, an American airline company, a Franco-Dutch airline company and a Mexican oil & gas company.

These collaborative engagements call on firms to commit to net zero business strategies. Over the past years, significant progress has been made in line with investor expectations. Such progress includes the alignment of GHG emissions with the Paris Agreement goals of achieving net zero emissions by 2050 (or sooner), formally supporting the Task Force for Climate-Related Disclosure (TCFD) recommendations and implementing board-level accountability and oversight for climate-related risk.

PRI ADVANCE

Launched in December 2022, PRI Advance is a stewardship initiative where investors work together to act on human rights and social issues. To date, 265 investors US\$35 trillion assets under management have endorsed the initiative and 115 investors participate in engagements with over 35 companies in the metals & mining and renewables sector. Companies engaged by this initiative are expected to meet three underlying expectations:

1. Full implementation of the UNGPs – the guardrail of corporate conduct on human rights
2. Alignment of their political engagement with their responsibility to respect human rights.
3. Deepening of progress on the most severe human rights issues in their operations and across their value chains

Members of PRI Advance are expected to respect human rights in investment activities by:

1. Publishing a policy commitment to respect human rights.
2. Implementing a human rights due diligence process to i) identify actual / potential negative outcomes for people, ii) prevent and mitigate outcomes identified, iii) track human rights outcomes and iv) communicate to clients about outcomes and actions taken; and
3. Enabling access to remedy.

As a signatory to the PRI Advance initiative, Mirabaud keeps building its SRI capabilities to meaningfully tackle human rights. Our Human Rights Statement ([link](#)) was introduced in 2023 and is the backbone of Mirabaud's human rights approach and formalizes our support towards this fundamental principle across our Asset Management and Wealth Management business lines. We also partake in the PRI Advance-led collaborative engagement group with a U.S.-Canadian-based metals & mining company (figure 39).



Figure 39: Case Study – Us-Canadian Metals & Mining Company

SECTOR: CONSUMER MATERIALS
COUNTRY: US AND CANADA
ENGAGEMENT STATUS: ONGOING

AREA OF ENGAGEMENT: Social – Human rights & community relations
INITIAL ENGAGEMENT: August 2023
FOLLOW-UP: October 2023



COMPANY PROFILE

US-Canada metals & mining company



ENGAGEMENT OBJECTIVE

Discuss operations near indigenous community sites, the ongoing mining contract negotiations, and company alignment to the UN Global Compact Principles



ENGAGEMENT DISCUSSION

As a first step in the PRI Advance engagement process, Mirabaud liaised with other investors to identify the key human rights risks that the company is exposed to:

1. It operates in areas where there are indigenous communities
2. It is not aligned to the principles of the UN Global Compact
3. It is in the process of negotiating a mining contract that has led to community protests.

During 2023, a company mine has been the subject of protests over a new mining contract. Despite consultations between the company, the government and communities that sit around the mine, environmentalist organisations objected to the mine's environmental impacts and permits to expand its operations. As such, PRI Advance investors enquired why the mine was challenged by communities

and how the company was responding to this. One of the issues explored was around sovereignty and concerned air-space restrictions that the company routinely implements, to mitigate safety concerns caused by blasting; it was noted that this is common practice for mining firms. However, local communities perceived air space restrictions as an exercise of control over the land. As a result, the company agreed to remove this term from the agreement and will instead continue to ask government for permission re. restricting air space when blasting needs to occur.

Investors also asked whether the company is looking at UNGP alignment. The company noted they cannot commit regarding alignment with UNGPs but are looking to design grievance mechanisms for their sites, although an implementation timeline is not in place.



TARGETS DISCUSSED / PROGRESS

Investors recommended that the company look at Copper Mark certification program which is aligned with UNGPs best practices in assessing company performance. Overall, the engagement group is communicating with the company to put in place a fair agreement at the mine and encourage the company to strengthen their due diligence, including alignment with UNGC. The company's progress will be kept under review.

Source: Mirabaud Asset Management



LESSONS AND REFLECTIONS ON EFFECTIVENESS

Our individual and collaborative stewardship activities across different asset classes and industries enable us to identify and address market wide and systemic risks with company stakeholders.

Our equity investment teams may observe a more immediate turnaround in controversial ESG practices after engagement meetings due to the voting rights that portfolio managers can exercise at general meetings. At times, the scale of our investments in investee companies may nevertheless result in slower responsiveness by corporate management.

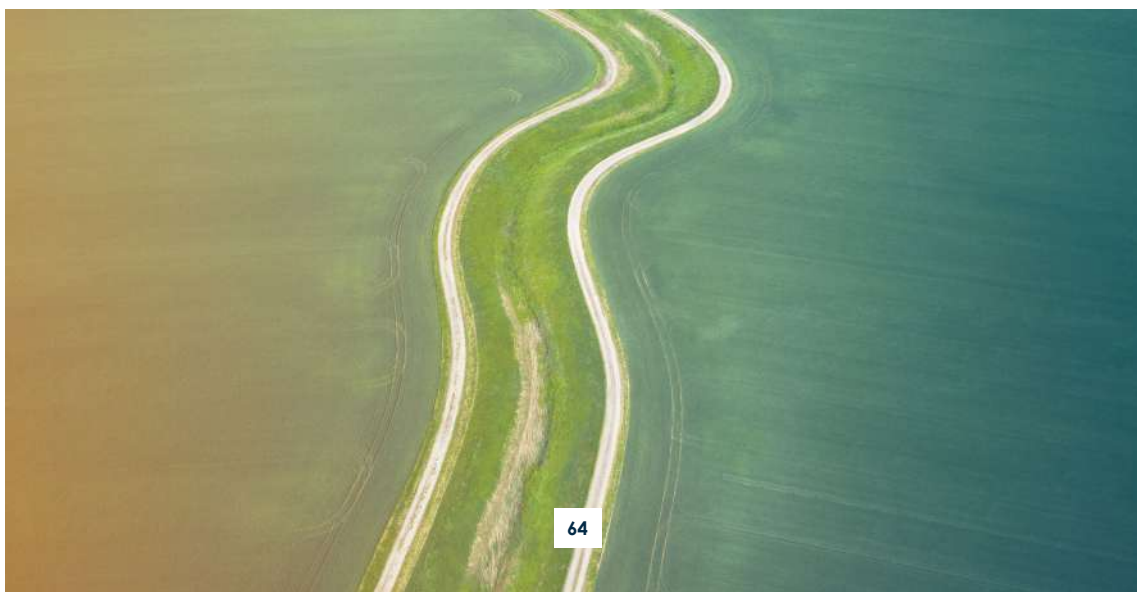
To address different challenges among our equity and fixed income investments, we regularly join collaborative engagements, including CA100+ and CDP, which enable us to create coordinated pressure and address material ESG risks with the support of other global investors. During the year, we have continued our CDP and CA100+ collaborative partnerships and joined a new PRI advance engagement group. These initiatives allow us to scale our impact across sectors and asset classes.

Although we recognise the positive results of the CDP campaigns, we believe that raising investor demands through investor letters may present some limitations. During

2023, we aimed to improve companies' responses to collaborative initiatives through personal interactions and conversations. As such, we increased our involvement in CDP campaigns through individual engagements to improve accountability towards our investor demands. For instance, we raised a point in our conversations with an American LNG producer.¹² We found these conversations valuable and observed positive responsiveness to our milestones.

Finally, we addressed stakeholder feedback to make our stewardship reporting even more targeted. As such, we made an informed choice to prioritise selected case studies and to better describe engagement objectives, the context of discussions with companies, the stewardship tools used to raise our expectations, the progress achieved so far and any next steps. Our decision to differentiate between direct engagements and ESG interactions, for instance, has proven effective in the context of targeted DDQs and RFP questions.

In 2023, we measured the outcomes of engagement by assigning engagement statuses internally and monitoring where follow-up meetings were warranted. We also began reporting the number of engagement targets set by ESG theme. Over the course of 2024, we will keep strengthening our system of tracking engagements and their progress against the targets set by MAM. This will enable us to develop better assessments.





OUR RIGHTS AND RESPONSIBILITIES AS INVESTORS

Exercising our rights and responsibilities across asset classes

EQUITY

When possible, we leverage our equity capability to increase our influence when engaging with issuers. By supporting the relevant shareholder proposals filed at company general meetings, for instance, we can scale material ESG issues raised by our SRI and investment teams during fund-level engagements.¹³

FIXED INCOME AND CONVERTIBLES

While we do not enjoy voting rights for our fixed income and convertibles activities in the same way that our shareholder counterparts do, we use our engagements and conversations with management to enhance our views of the companies we support with our capital.

Our fixed income team regularly ensures that prospectuses and covenants are appropriately reviewed. In addition to a detailed credit analysis of the company, portfolio managers review the Offering Memorandum (OM) to analyse the covenants and structure of the bond based on the team's internal knowledge and expertise. This process is supplemented with a review of rating agency commentaries on the issuer and its new deals, as well as using an external covenant review provider which has a staff of attorneys that review and summarise the entire covenant package. Based on what is learned, and assuming it is a primary issue, our portfolio managers would then seek to ask the Underwriter(s) to amend any language of concern, or if this is not possible and is of material concern, they would avoid investing in the bond issue. This process is the same for primary as well

as secondary transactions with the major difference being that once traded a bond's covenant package cannot be changed other than regarding a restructuring of the debt.

Investment teams also often have a direct line of communication with management, which we use to encourage the adoption of good ESG practices within companies. Our SRI team collaborates with credit analysts to enhance the research process. ESG issues are an integral part of our rigorous credit research and internal scoring. We act as long-term lenders and stewards of our clients' money and so we fundamentally believe that sustainability considerations are key to reducing default risk. As such, in our analysis, we identify sectors and companies where we feel there is the most ESG risk and a lack of transparency and prioritise our engagement and analysis on that basis.

PRIVATE ASSETS

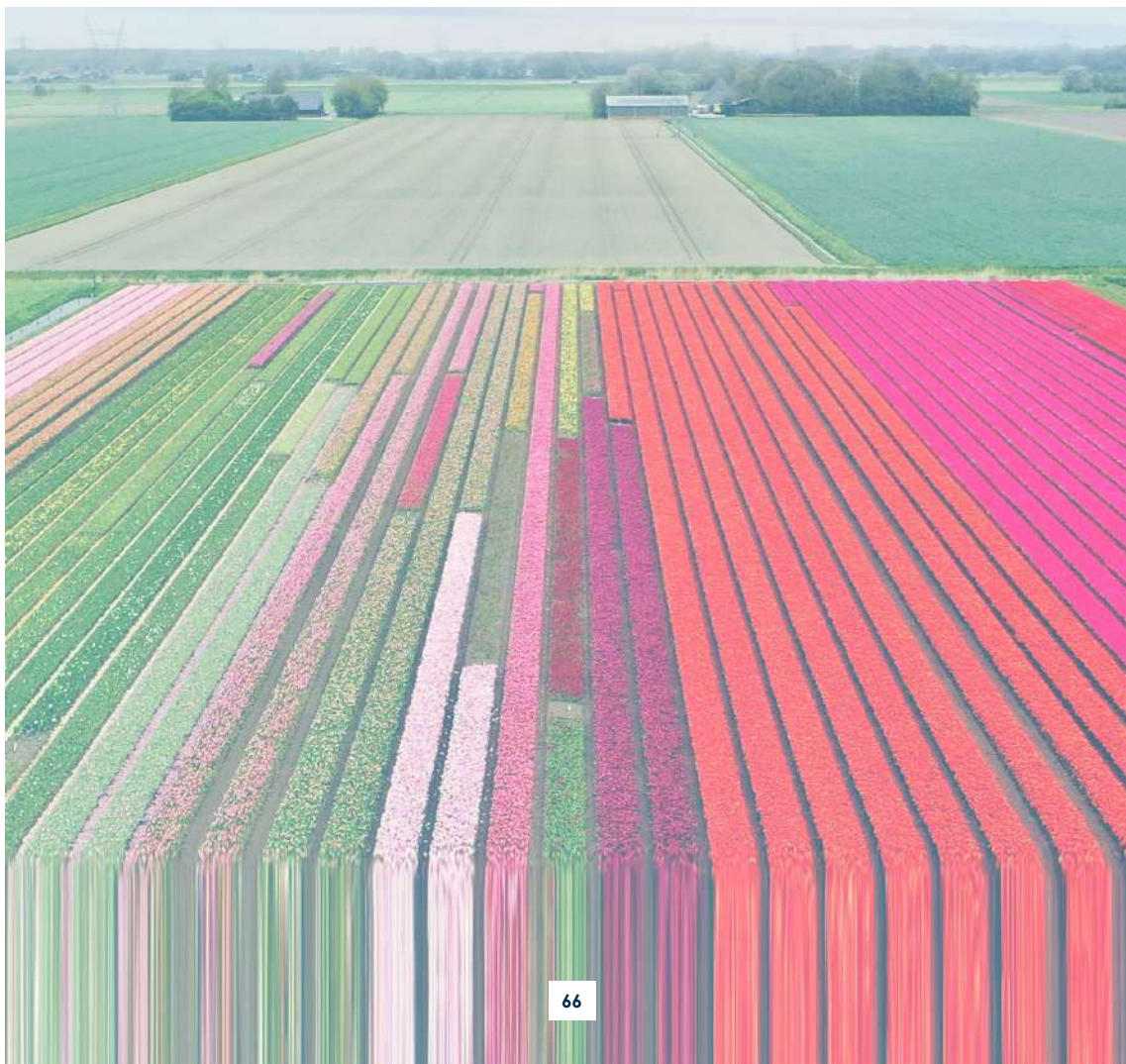
Private equity investors have an important role in supporting, advising, and challenging decisions in the companies in which they invest. Our portfolio managers may have seats on the boards or participate in meetings as strategic advisors. As formalised in legal documentation, our portfolio managers may hold strategic and veto rights on material decisions that executives cannot approve without asking the board, including selling, or buying assets, debt financing, recruitment and international development. They also develop close relationships with the executives during their frequent meetings; the overarching purpose is to co-create value over the lifetime of the investment, based on

¹² The full case study is available in the section: 'Key ESG engagement themes' – 'Transparency, disclosure, reporting and ESG initiatives' (figure 30).

¹³ Details of our proxy voting activities are available in the section: 'Voting'.



the business model and the needs of management. For instance, our portfolio managers receive regular financial reporting and ESG documents which allow them to stay updated on the latest company developments and share relevant insights. The network effect enhances the relationships with top management as our portfolio managers may want to connect the company with subject matter experts to enhance processes and provide access to calibrated knowledge and ideas. Companies are always open to hearing portfolio managers' views and addressing our feedback and suggestions. We also join other investors to engage with companies through collaborative engagements, including CA100+ and CDP, across our equity, fixed income, and convertibles, in order to scale our impact and improve our accountability towards ESG issues.





VOTING

Our proxy voting process

Exercising our voting rights is an essential pillar of our active ownership strategy. We use our voting rights to act in our clients' best interests, promote good corporate governance practices and help drive change within a company.¹⁴

Our MAM Proxy Voting Policy is publicly disclosed on our website. We also publish our voting records and related rationales when we vote for or against management.

EXERCISE OF VOTING RIGHTS

Due to the volume and diversity of securities held by our funds, MAM has retained Institutional Shareholder Services (ISS) to aid in exercising voting rights. ISS is an independent and recognised company in the global management of voting rights and for topics and services linked to corporate governance.

For years, MAM executed a global proxy voting programme such that voting rights were exercised according to ISS recommendations. ISS carried out analyses on companies held in our funds and made voting recommendations while considering the approach defined by MAM. ISS thus brought operational and research support, which included the registration of information and reporting to MAM, as well as to the funds and their managers. In 2023, full access to voting recommendations was enabled for the representatives of MAM entities for our funds and their portfolio managers.

During 2023, the SRI team has streamlined the voting process by introducing a MAM Custom Voting Policy. This new policy is

built upon our unique perspectives and objectives, aiming to enhance efficiency and align our voting practices more closely with our stewardship goals.

Our guidelines form a tailored framework of rules and thresholds, drawing from industry best practices and regulations, which determine how to vote on certain topics in alignment with our MAM vision. Implemented globally across our equity and multi-asset funds, these guidelines have been drafted to maintain flexibility to accommodate regional standards, recognizing the nuances of diverse geographical regions. Importantly, these are not rigid rules; they serve as flexible guidelines that allow us to address specific matters on a case-by-case basis, granting our portfolio managers discretion to modify votes as necessary.

In this revised voting process, ISS is responsible for aggregating proxy ballots and applying our MAM custom voting guidelines, ensuring an effective implementation of our MAM Custom Voting Policy through collaborative efforts. Starting from 1st January 2024, our MAM guidelines will take effect across all our equity and multi-asset funds (where applicable), marking a step toward enhancing our voting approach. These guidelines, while not set in stone, remain flexible, and align with our evolving vision as we progressively refine our voting policy. Our investment teams retain full discretion over how to vote, in accordance with the best interests of clients. We ensure that the proxy voting activities are consistent with our objective of ensuring the best long-term incentive for clients while considering any circumstances of the company in question.

¹⁴ An account of how we exercise our rights and responsibilities in other asset classes, including fixed income, convertibles and private equity, is available in the section: 'Our rights and responsibilities as investors'.



In cases where our clients may have a material impact on the vote, we may inform the company of our voting intentions or signal our intention ahead of the vote. MAM owns all the stocks in our equity funds and portfolio managers exercise their voting rights at general meetings directly. Institutional clients may have a separate voting policy, in which case they manage their proxy voting activities independently. As such, no conflicts apply.

SEGREGATED AND POOLED ACCOUNTS

Given the majority of our funds are pooled funds, voting is undertaken as per the MAM [Proxy Voting Policy](#). For any discretionary segregated mandates, the process of exercising voting rights is agreed with clients on an ad hoc basis, as clients usually file votes independently.

2023 VOTING ACTIVITIES

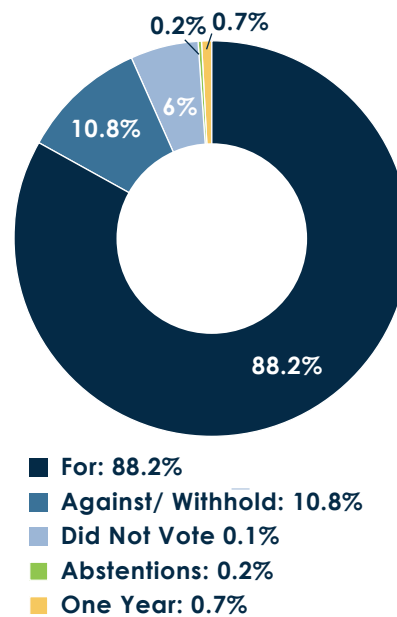
In 2023, 4,312 out of 4,313 proposals were voted. The chart below summarises MAM's proxy voting activities in 2023.

Across 4,313 unique proposals available for voting, we voted "for" 89% of the time (3,815 votes) while nearly 11% of our votes were "against" (466 votes). We vote against management only when we believe the ambitions of a company are lacking. In 2023, we voted in line with management 89% of the time.

Figure 41 provides a breakdown of our stewardship voting activity throughout 2023, across several resolution types. There were 4,231 management-sponsored proposals, of which 36% related to director elections.

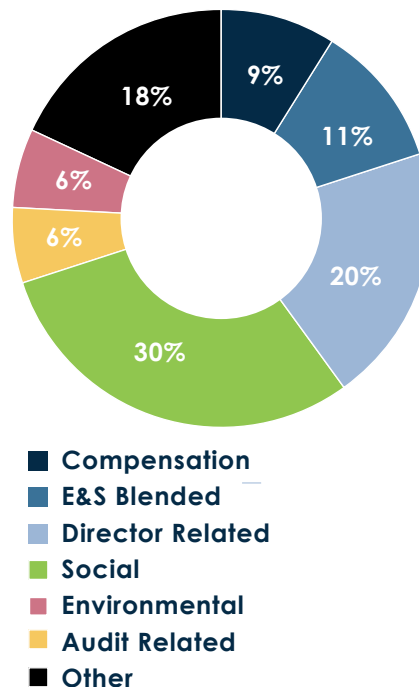
Shareholders sponsored 81 proposals, with social being the category with the most proposals (30%), followed by director-related and E&S blended proposals (20% and 11% respectively).

Figure 40: 2023 Voting Statistics



Source: Mirabaud Asset Management

Figure 42: Management Resolutions¹⁵ And Shareholder Resolutions¹⁶ By Topic



Source: Mirabaud Asset Management

¹⁵ The "Other" category in Management Resolution includes different proposals namely company articles, takeover, non-routine business, miscellaneous, social, environmental, E&S blended and strategic transactions proposals.

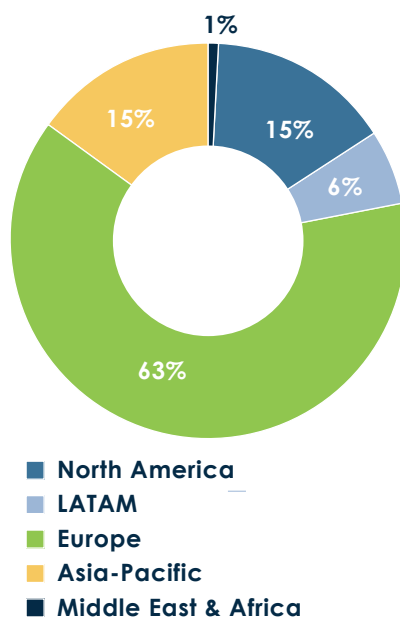
¹⁶ The "Other" category in Shareholder Resolution includes different proposals namely company articles, miscellaneous, environmental and E&S blended proposals.



Because we invest in companies worldwide and offer global investment opportunities, our proxy voting reach extends across multiple economic regions and industries. Figure 42 highlights proxy statistics by region. Of the regions with the highest concentration of meetings, Europe had the most with 177 meetings, whereas Middle East & Africa had 2, making it the market with the fewest meetings.

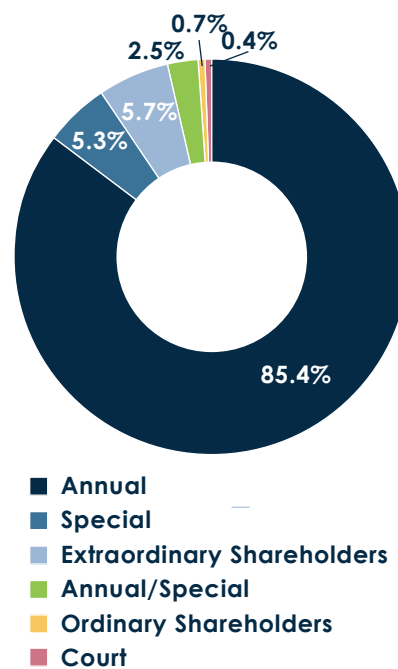
We believe it is important to understand how companies assess and manage extra-financial risks and opportunities regardless of the sector in which they operate. Thus, we voted in the meetings of companies across several sectors, with Industrials having the highest number of meetings (12 meetings), and Utilities having the lowest (1 meeting).

Figure 42: Meetings Voted By Region



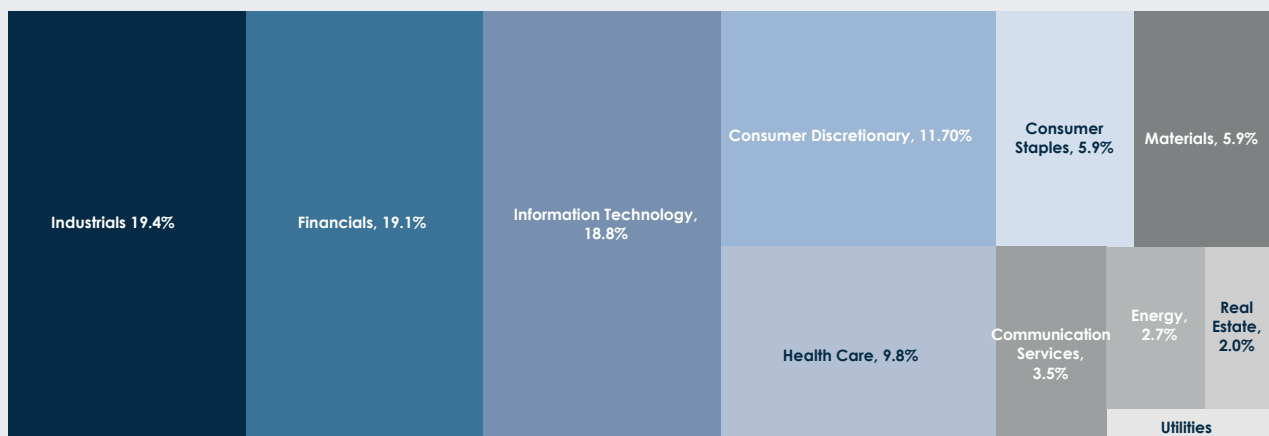
Source: Mirabaud Asset Management

Figure 44: Meetings Voted By Type



Source: Mirabaud Asset Management

Figure 43: Meetings Voted By Sector



Source: Mirabaud Asset Management



OPPOSING ISS VOTING RECOMMENDATIONS

In 2023, MAM's voting rights were exercised following the receipt of recommendations by ISS. However, we retain full control, determine the possibility of manual intervention, and retain the final responsibility for our proxy voting decisions. Where relevant, and after thoughtful dialogue and engagement with the companies in question, we closely evaluate AGM agenda items and continue to exercise our rights and responsibilities as shareholders. We believe that voting choices can shape business practices by giving voice to investors' concerns on sustainability factors. We carefully review all shareholder and management proposals on a case-by-case basis and support

reasonable proposals that in our view benefit all stakeholders.

We engage closely with our portfolio companies to highlight our expectations and discuss their policies and practices. As such, whenever feasible, we aim to correlate the steps taken by the company with the use of our voting rights. In those cases where the company discloses its willingness to enhance its practices and achieve specific objectives in line with our view, we consider supporting the proposal. We monitor how the strategy evolves over time and see if the company executes as discussed. This is our way of incentivising progress.

Figures 45 and 46 show two examples of when we voted differently to ISS's recommendation.

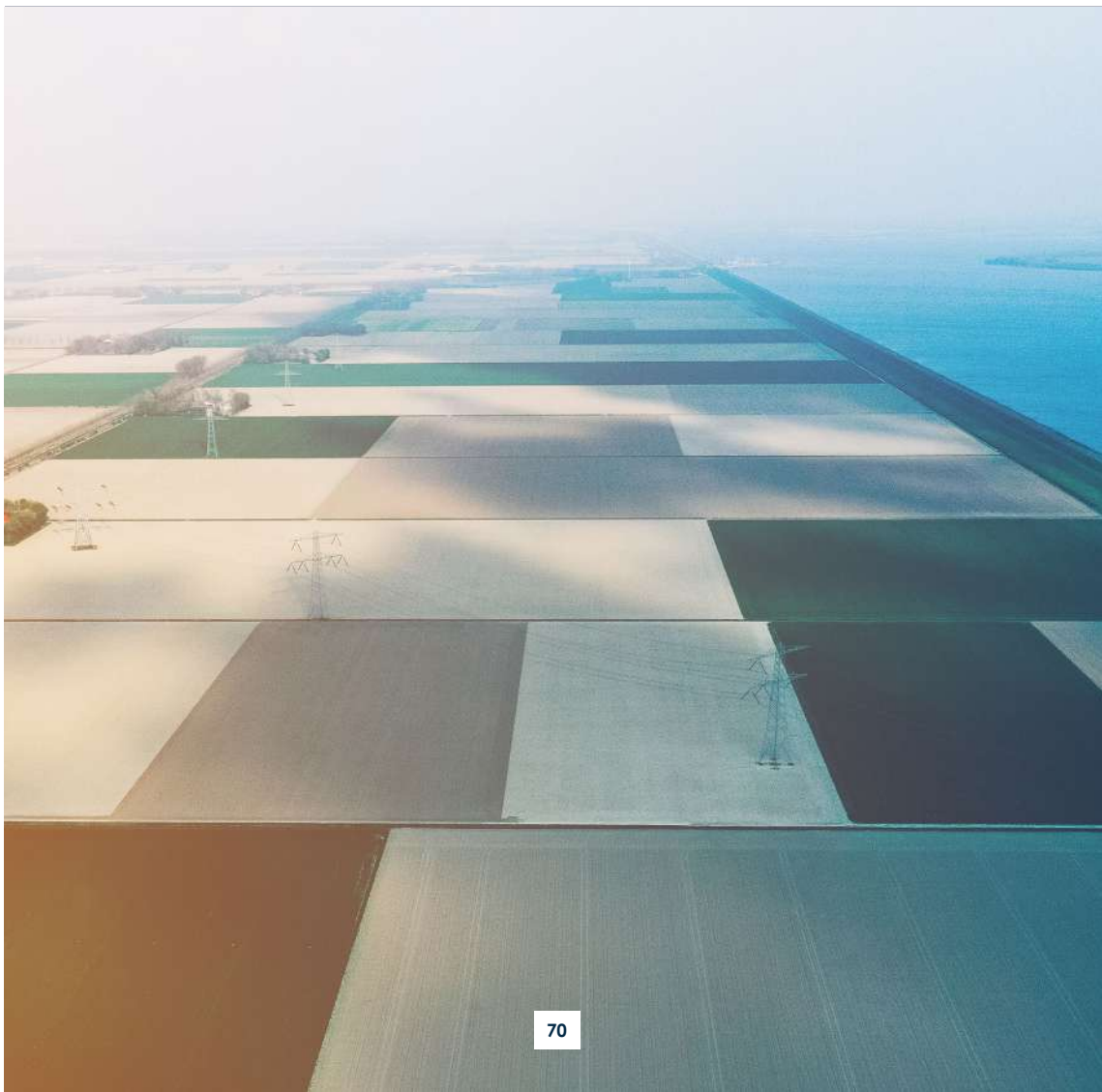








Figure 45: Equities Case Study – German IT Business

| | |
|--|---|
| <p>SECTOR: FINANCIALS COUNTRY: SWITZERLAND ENGAGEMENT STATUS: ONGOING</p> | <p>AREA OF ENGAGEMENT: Governance – Board Diversity INITIAL ENGAGEMENT: Director Elections VOTING ITEM: Director Elections AGM: 2023 VOTE RESULTS: 94% 'for' director re-election INITIAL ENGAGEMENT: March 2023 FOLLOW-UP: November 2023</p> |
| <p>ISS: AGAINST MANAGEMENT: FOR MIRABAUD: FOR</p> | |
| <p> COMPANY PROFILE Swiss credit institution</p> <p> MIRABAUD VOTE RATIONALE We engaged with the company to address the level of board gender diversity as at the 2023 AGM. We highlighted that the current level of female representation was below the minimum MAM threshold and associated mitigatory factors agreed at firm-level to support director-related AGM proposals. These included diversity targets, female appointments, and gender-related initiatives.</p> <p>In this case, although the company had not set a formal timeline/public target, the representatives highlighted during the call that internal diversity milestones were in place.</p> | <p>It was also noted that, at the executive (non-board level) a woman was recently appointed. Furthermore, the company is part of the Bloomberg 2023 Gender Equality Index, as well as Advance, a Swiss initiative that promotes gender equality in business.</p> <p>MAM emphasized the importance of having sufficient female representation in organisations. However, given the mitigatory factors highlighted during the call, MAM decided to override the 'against' ISS recommendation and supported the re-election of the director under question.</p> <p>We will keep monitoring the company's progress on female representation on the board of directors and assess whether further escalation is warranted when voting at future AGMs.</p> |

Source: Mirabaud Asset Management



Figure 46: Equities Case Study – Information Technology

| | | | |
|--|--|--|--|
| SECTOR: INFORMATION TECHNOLOGY COUNTRY: ITALY ENGAGEMENT STATUS: N/A | | AREA OF ENGAGEMENT: Governance – Capital Allocation VOTING ITEM: Share Repurchase Program AGM: 2023 VOTE RESULTS: Not disclosed INITIAL ENGAGEMENT: N/A | |
| ISS: AGAINST | | MANAGEMENT: FOR MIRABAUD: FOR | |
|  COMPANY PROFILE Italian high-tech industrial group. | | program. | |
|  MIRABAUD VOTE RATIONALE We overrode the 'against' voting recommendation provided by ISS and voted 'for' the management resolution to authorise a share repurchase | | Indeed, portfolio managers argued during internal MAM discussions about the company's 2023 AGM, and the resolution under review, that the share buyback program was in the best interest of shareholders. We therefore challenged the voting guidance provided by our proxy voting service provider. | |

Source: Mirabaud Asset Management



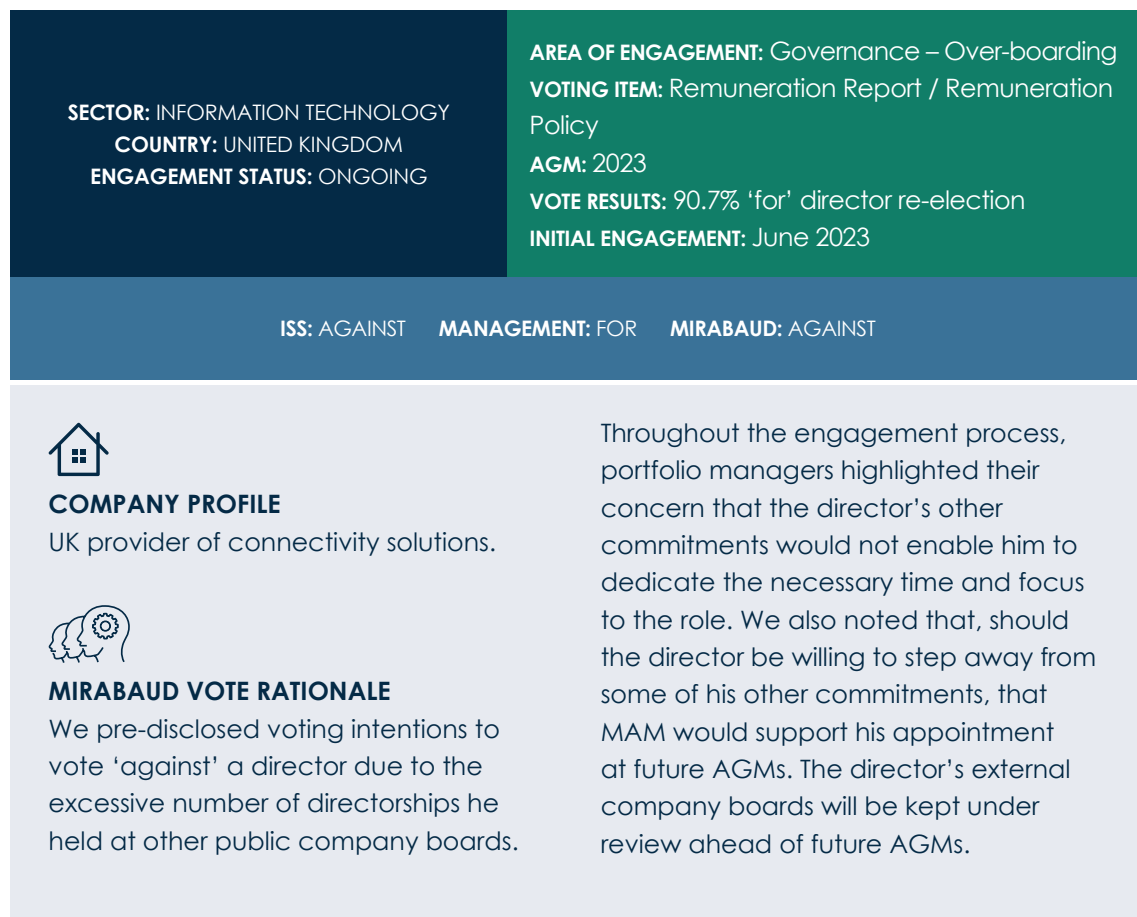
OPPOSING MANAGEMENT RECOMMENDATIONS

As a high-conviction, active investment group, we invest in companies with management teams we trust and who demonstrate a long-term vision which we believe matches ours. This means that we usually have confidence in management recommendations. However, we regularly review the business performance of our stocks to ensure that our companies' environmental, social and governance

practices are in accordance with our policies and in line with available market practices. Our portfolio managers have full discretion over their decision when opposing management recommendations and they ensure this is supported with a full rationale. This can lead to constructive conversations with companies on corporate governance and sustainability matters.

Figures 47 and 48 show two examples illustrating why we have chosen to oppose management proposals.

Figure 47: Equity Case Study – UK Provider Of Connectivity Solutions



Source: Mirabaud Asset Management



Figure 48: Equity Case Study – Dutch Materials Provider

| | | | |
|---|--|---|--|
| SECTOR: MATERIALS COUNTRY: NETHERLANDS ENGAGEMENT STATUS: ONGOING | | AREA OF ENGAGEMENT: Governance – Remuneration VOTING ITEM: Remuneration Policy AGM: 2023 VOTE RESULTS: 84% 'for' Remuneration Policy INITIAL ENGAGEMENT: May 2023 | |
| ISS: AGAINST | | MANAGEMENT: FOR | |
| | | MIRABAUD: AGAINST | |
|  COMPANY PROFILE Dutch provider of fertilizers and industrial chemicals. | | The company also explained that they were not comfortable with disclosing details around KPIs and elected to disclose high-level figures due to competitive sensitivity. | |
|  MIRABAUD VOTE RATIONALE We engaged with the company to better understand how remuneration awards are linked to performance and how the management planned to address shareholder dissent. During the meeting, the company noted that they had engaged investors in a shareholder feedback session to respond to the significant shareholder dissent received at the 2022 AGM and that they were putting forward another policy after consultation. | | MAM noted that we support any variable pay award linked to KPIs, to ensure that executives are remunerated for tangible performance; one-off payments subject to continue employment only are not seen as favourably as KPI-based incentives. Overall, MAM was not entirely satisfied with the answers provided by the company on the remuneration policy and believe they should set performance-based variable pay awards and provide disclosures of performance targets. As such, a vote 'against' the remuneration policy was submitted at the 2023 AGM. | |

Source: Mirabaud Asset Management



ISS SUSTAINABILITY POLICY

MAM subscribes to the ISS voting services that place a particular focus on sustainability-related issues when providing voting recommendations to investors. Our investment teams can access company research through the lens of the ISS sustainability proxy voting guidelines, which may escalate sustainable and responsible investment priorities into voting action that would otherwise be voted in alignment with management.

During 2023, ISS sustainability proxy voting guidelines repeatedly overrode ISS benchmark proxy voting recommendations for meetings filed at our investee companies. In line with the dedicated sustainability research provided by ISS, therefore, we filed a higher number of voting recommendations against management. This indicates that our chosen proxy voting services enable our investment managers to take a stronger stance on ESG issues, by voting against management, for multiple equity proposals.

LESSONS AND REFLECTIONS ON EFFECTIVENESS

Overall, we continuously work to develop our proxy voting processes and review the recommendations of our service provider ISS, to monitor our shares effectively. During 2023, we implemented a significant change in our voting process i.e. the MAM Custom Voting policy, applicable from 1st January 2024. This evolution will enable us to better align our voting practices more closely with our stewardship goals.

Over the coming year, we will keep monitoring and assessing the advisory and shareholder votes filed at general meetings, to exercise our voting rights as shareholders dutifully. In line with this approach, we intend to continue our engagement efforts

with investee companies to discuss ESG matters, consider voting escalation, and adapt our voting guidelines in line with evolving investor demands and local market practices.

ESCALATION

Throughout our stewardship activities, we strive to positively impact the ESG practices of our companies. Ahead of each engagement, the portfolio managers and the SRI team work together to define key areas where improvement or disclosure is needed, and better practices could be put in place. Objectives are then set and communicated to the companies during the engagement meeting. Once the dialogue has been initiated, we either progress with a follow-up or may consider escalation, depending on the quality of the exchanges.

MAM is aware that escalating engagement activities carries a degree of sensitivity and risk, and that confidentiality is of the utmost importance. Therefore, we do not make public statements regarding specific concerns we may have with investee companies.

ESCALATING STEWARDSHIP ACTIVITIES TO INFLUENCE ISSUERS

Our investment teams have discretion over the escalation of pertinent issues to investee companies with input from the Head of Investments, Chief Operations Officer, and Head of Compliance as necessary.

ESCALATION THROUGH SIGNIFICANT HOLDINGS

It is practical and effective to consider escalation measures where there is a significant shareholding in terms of issued share capital or a percentage of assets under management. For example, we have escalated our engagement efforts with an airline company held in our **climate bond fund**, by joining a CA100+ collaborative



engagement. Indeed, the issuer is one of our largest bond holdings and it operates in a pivotal industry for the purposes of energy transition and low-carbon economic growth. We believe that escalation through collaborative engagement can be a particularly effective method for our fixed income investment teams to address material ESG issues, given that **fixed income** securities do not have voting rights. We will continue to engage with the airline company to agree on the next steps with other investors.

ESCALATION THROUGH OUTREACH PROGRAMMES

MAM's outreach programmes with regulators and policymakers are detailed in the section: 'Managing marketwide and systemic risks'. Our collaborative engagement activities are outlined in the section: 'Engagement'.

ESCALATION THROUGH ENGAGEMENT

Our engagements are often held with investor relations teams and executives. Investment teams conduct dedicated engagement meetings to improve their understanding of ESG issues, support investment decision making and improve the quality of disclosures and corporate practices.

Following up with corporate stakeholders allows us to formalise our demands, review expectations and evaluate progress made against our goals.¹⁷

Dialogue with companies can also foster knowledge exchanges and allow our portfolio managers and corporate stakeholders to share useful resources and networks.

ESCALATION THROUGH DIVESTMENT

We consider divestment as a last resort measure. However, our SRI and investment teams actively review the sustainability performance of the companies held by our funds. Our ESG processes enable us to assess the holdings systematically and review their performance against the sustainability scores we access through our service providers or information obtained through engagement meetings.

ESCALATION THROUGH VOTING

MAM's approach to exercising voting rights, including case study examples, is detailed in the section: 'Voting'. Although we have supported ESG shareholder proposals and advisory votes demanding better company accountability and action around ESG themes, we can better demonstrate our goodwill towards shareholder outreach programmes.

¹⁷ Examples of follow-up engagements are detailed in the section: 'Engagement' – '2023 highlights'.





MARKETWIDE AND SYSTEMIC RISKS

Identifying marketwide and systemic risks

Our SRI policies¹⁸ allow us to identify marketwide and systemic risks by way of internal research and analysis which, among other things, is supported by the SASB materiality grid, available corporate disclosures and data obtained through our service providers. Our risk governance framework¹⁹ also ensures that we recognise any material risks early in the investment process to enable us to make informed acquisition, monitoring and divestment decisions. For instance, our Risk Management team systematically flags buy orders that contradict internal hardcoded ESG pre-trade rules with the SRI team.

These resources enable us to address significant risks that may undermine the stability of financial markets. Investment teams across our asset classes and geographies have developed tailored bottom-up approaches to identify and address systemic risks affecting different industries and regions²⁰. During the year, we have identified different ESG themes and addressed a variety of extra-financial issues across our funds and asset classes, including climate change & greenhouse gas emissions, waste management, occupational health and safety, data privacy & security, transparency, disclosure & reporting, and business ethics²¹.

By way of example, at MAM, we believe climate change will have material, long-term financial impacts on companies and investments. Political, regulatory, and technological responses to climate change have the potential to affect investment performance. We recognise our

responsibility as investors to understand and manage climate change-related risk and to seek ways of harnessing the unprecedented investment opportunities emerging from a decarbonising economy.

MANAGING MARKET-WIDE AND SYSTEMIC RISKS

MAM INITIATIVES

We have developed a multi-level stewardship approach that enables us to respond to marketwide and systemic risks. By doing so, we can encourage greater disclosure and transparency and better understand ESG in our investments.

SRI REPORTS

We liaise with the Performance & Reporting team to produce dedicated SRI reports that measure each of our funds' performance against environmental, social and governance criteria. SRI reports are available on our website and can be shared with existing and potential clients.

SRI reports reflect our portfolios' exposure to different ESG risks and performance metrics. For example, we measure the percentage of stocks covered by our ESG providers against market benchmarks. The key criteria against which we report our funds' performance include exposure to ESG controversies, carbon intensity levels and absolute carbon footprints, 2°C alignment against International Energy Agency scenarios, and the highest and lowest polluting stocks. SRI reports may also provide information around our holdings' freedom

¹⁸ MAM's ESG framework, including our top-down and bottom-up approaches, are explained in the section: 'Our strategy'.

¹⁹ MAM's risk governance framework is detailed in the section: 'Dedicated risk controls'.

²⁰ The tailored bottom-up approaches of our equity, fixed income, convertibles and private assets portfolio managers are available in the section: 'ESG Integration'.

²¹ MAM's 2023 ESG themes are available in the section: 'Engagement' – 'Key ESG engagement themes'.



of association policies, board diversity and independence, and portfolio exposure to supply chain and human rights risks. During 2023, we scaled the customised SRI report for our sustainable fixed income range of products to the Mirabaud – Global Short Duration fund.

The indicators reflected in our SRI reports are in line with Mirabaud Group's CSR pillars, which include environmental, social, societal and governance reporting.

TCFD REPORTING

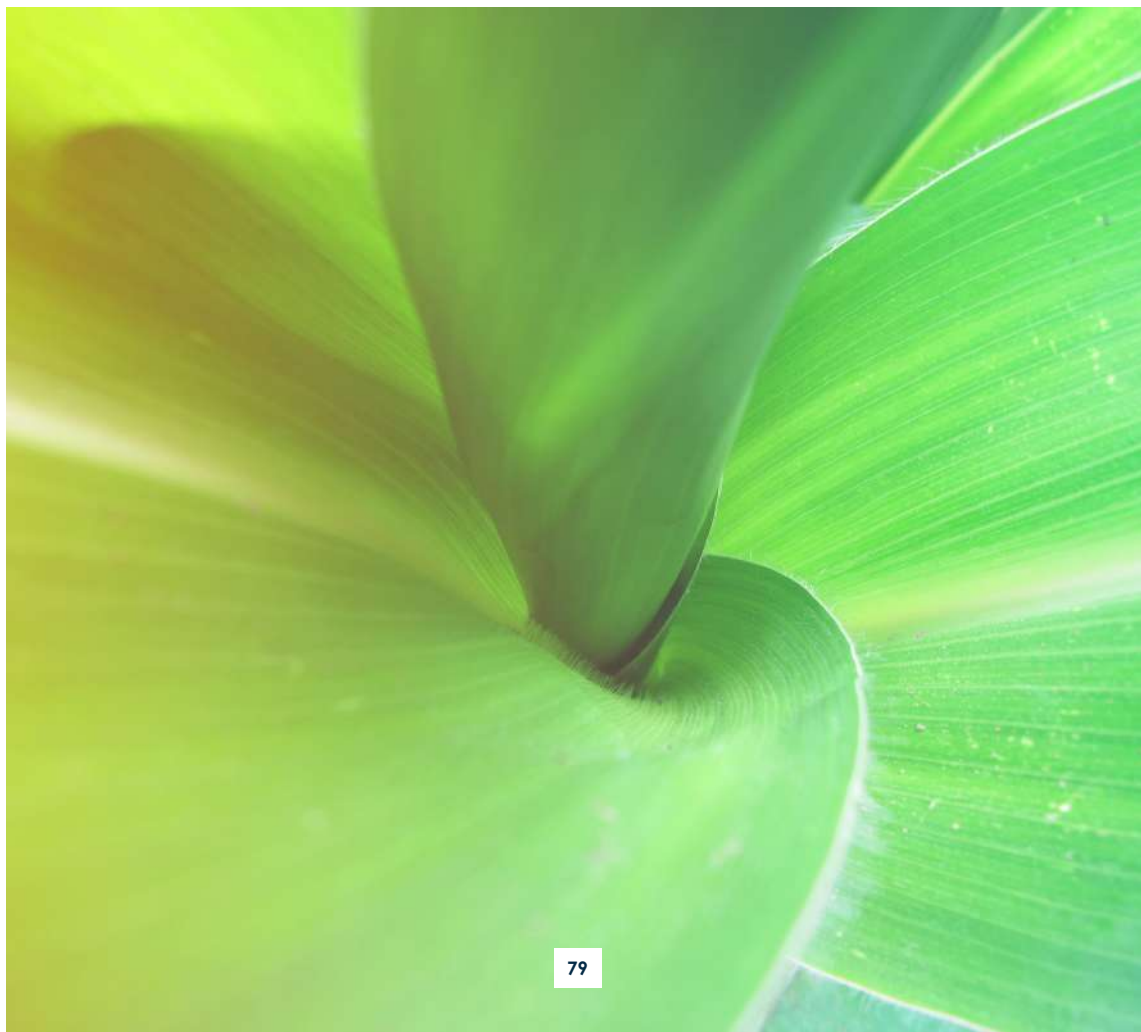
MAM implements and reports in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. In our Mirabaud RI Transparency Report, we identify how we communicate climate-related risks and opportunities using mandatory and voluntary reporting indicators that are publicly accessible. With our involvement in the PRI initiative, we therefore promote transparency

and facilitate dialogue between investors, clients, beneficiaries, and other stakeholders.

SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)

MAM continues to comply with evolving SFDR regulations. We classify our funds as Article 6, Article 8 or Article 9 according to their environmental and/or social characteristics. We also publish a Principal Adverse Impact (PAI) statement and provide pre-contractual, website and recurrent periodic disclosures in line with sustainability-related regulations and mandatory reporting templates.

For instance, Article 2 (17) SFDR defines sustainable investment as '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'. In 2023, we developed our proprietary framework to define what a 'sustainable investment' is. This methodology is now used to calculate the percentage of sustainable investments in our funds and to comply with mandatory legal disclosures on Article 8+ & 9 funds.

More information about the scope and approach can be found in the [Sustainable Investments - MAM Methodology](#)

CLIMATE POLICY

By considering climate change in our investment process, we are looking not only to adapt but also to take advantage of our role as active asset managers to manage our clients' risks derived from climate change. Climate change also unlocks opportunities that companies and industries will seize upon when they transition to a low-carbon economy and more sustainable business models. We also want to use our role as investors to drive companies towards improving their climate policies and accompany them in their sustainable and energy transition journey.

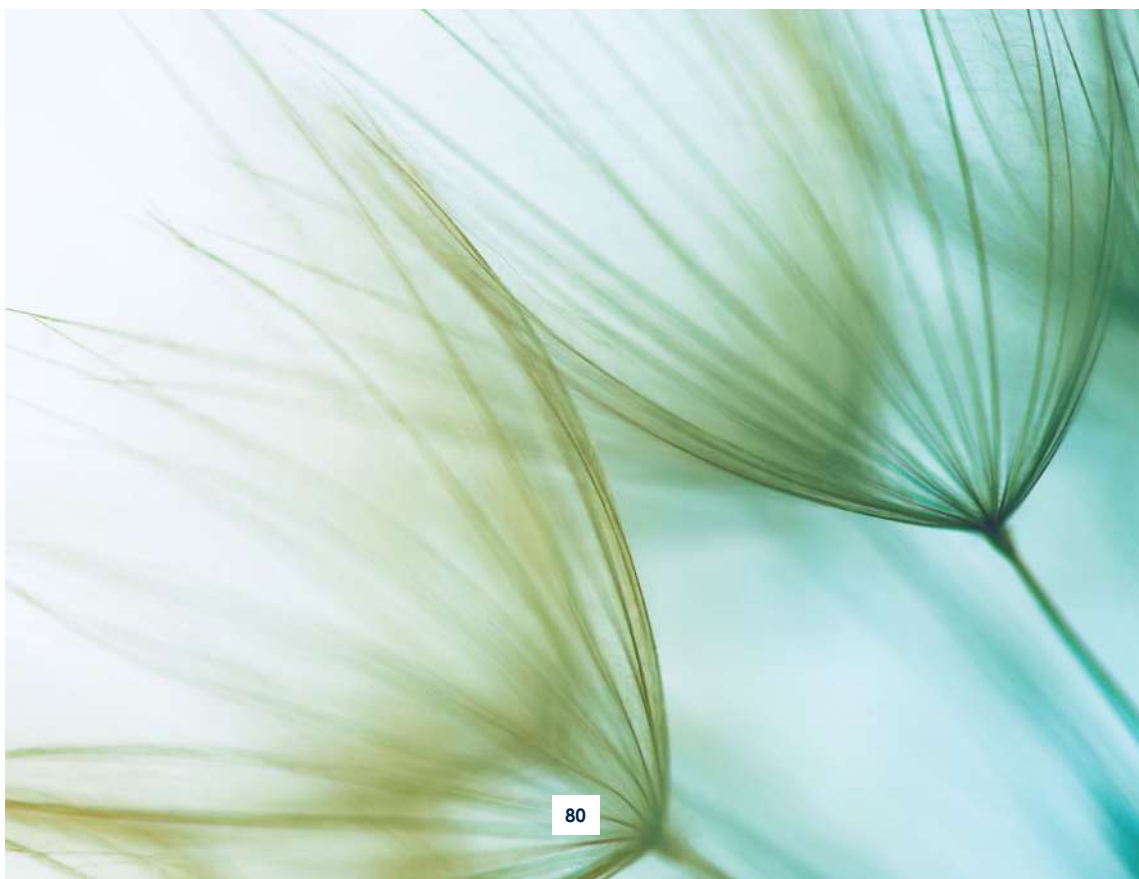
The MAM climate policy will be adapted in due course to reflect Net Zero Asset Managers Initiative (NZAM) commitments and a biodiversity statement. The climate policy will fall under three main pillars, including portfolio carbon footprint measurement, forward-looking transition and physical climate risks, and a strong engagement framework.

SRI LABELS

LABEL ISR

The Label ISR was created by the French Ministry of the Economy and Finance. This certification system is dedicated to responsible investment products and highlights their first-class sustainability credentials.

As part of the screening process for obtaining the label, portfolio managers must align their investments to select companies with better ESG performance, using a best-in-universe, best-in-class or best-in-trend approach. For instance, we apply an ESG filter to ensure that the investable universe for our labelled funds excludes the worst performers. To date, eight MAM investment funds hold the Label ISR.





TOWARDS SUSTAINABILITY LABEL

The Towards Sustainability Label is a quality standard for financial products initiated under the Belgian financial sector federation Febelfin.

In January 2023, our Mirabaud – Sustainable Convertibles Global (MSCG) strategy was awarded the Towards Sustainability label, which certifies that it adheres to the label Quality Standards. For this purpose, the fund's ESG process has been adapted to increase the percentage of ESG-covered investments and its exclusion criteria have been reviewed. The enhanced ESG-integration process of MSCG is available in the section 'ESG Integration' – 'Convertibles'.

ENGAGEMENT MEETINGS

Holding engagement meetings is an important tool we regularly use to manage market-wide and systemic risks.²²

STAKEHOLDER COLLABORATIONS

We actively support extra-financial reporting in line with recognised frameworks, including CDP, TCFD and SASB, which allow for comparable and verifiable disclosures. We support and actively engage with companies through investor coalitions such as CDP and Climate Action 100+. Through these partnerships, we commit to engage actively with companies to get them to take action to reduce greenhouse gas emissions, implement a strong governance framework and report in a standardised manner. The outcomes of our collaborative engagements, including our involvement in CA100+ investor groups and our participation in the CDP SBT and non-disclosure campaigns are detailed in the section: 'Engagement'.

INDUSTRY INITIATIVES

We have adopted several key industry partnerships at the core of our approach to help drive our engagement efforts for ESG risks.

BUILDING BRIDGES SUMMIT

MAM participated in the fourth edition of the Building Bridges summit, a Swiss initiative which aims to foster cross-sector collaboration across the finance community, the United Nations, international organisations, Non-Governmental Organisations (NGOs), academia, and local, cantonal, and national governments in order to effectively fund the transition to a more sustainable economy.

The 2023 edition of Building Bridges gathered over 2600 participants hailing from a diverse spectrum of sectors, including banks, insurance companies, major corporations, governments, international organizations, NGOs, and academia. This global event serves not only as a platform for fostering meaningful dialogues but also for pioneering projects, research initiatives, and practical solutions. It creates a unique space for networking with industry leaders and like-minded institutions.

Numerous speakers emphasized the need to shift away from short-term profit maximization and adopt longer-term strategies that take into account social and environmental challenges, which will increasingly affect financial returns. Nature, for example, is a top priority, with over half of the world's GDP reliant on it. The launch of the Taskforce for Nature-related Financial Disclosures (TNFD) reporting framework marked a milestone, as the critical role of nature and biodiversity in achieving climate goals has prompted swift global regulatory changes to integrate them into practices. Throughout the days at Building Bridges, different representatives of MAM, actively participated in various sessions to voice our thoughts and opinions.

Fabio Sofia, Co-founder of Zebra Impact Ventures, introduced the newly launched private equity fund, Regenerative Growth I, born from the partnership between MAM

²² A detailed account of our engagement and escalation activities during the year is available throughout this report.



and Zebra. This fund aims to promote cutting-edge regenerative Ag-tech investments and transform sustainable food systems.

Olivier Seux, Head of Real Estate, participated as a panelist in the Building Bridges Joint Session titled “Greening Real Estate Portfolio: Where Do We Start?” The discussion revolved around the imperative of accelerating the transformation of our cities.

Sara Bourhime, Deputy Head of SRI, participated as a table host in the Building Bridges Joint Sessions titled “Rethinking Finance for a Post-Growth Economy”, exploring the consequences and opportunities of a postgrowth-society for the financial sector and sustainable finance and participated to a student-led workshop on “What is a Responsible Wealth Manager?” where students exchanged with experts in the field on the expectations of clients, employees and the society, and the role that regulators can play towards more sustainable and responsible investment.

NET ZERO ASSET MANAGERS INITIATIVE (“NZAM”)

MAM joined the Net Zero Asset Managers Initiative (NZAM) in January 2022, an international group of asset managers that support the goal of obtaining net zero greenhouse gas emissions by 2050 or sooner. NZAM is represented by 220 signatories, which hold USD57 trillion in assets under management. The initiative is coordinated by six investor networks, including the four regional networks in Asia (AIGCC), Australasia (IGCC), North America (Ceres) and Europe (IIGCC), as well as CDP and the UN PRI.

MAM made its [Initial Target Disclosure](#) in January 2023 and is committed to reducing by 54% its financed emissions by 2030 against a 2021 baseline. We have reported on the [Portfolio Decarbonisation Reference Target](#) and also acknowledge

engagement's pivotal role in achieving decarbonisation targets and emissions reductions at a global level. In addition, we are committed to increasing our investments in climate solutions and supporting companies enabling and leading the transition.

REFLECTIONS ON EFFECTIVENESS

We continuously strive to identify and respond to market-wide and systemic risks appropriately, ensuring that financial markets are transparent and efficient. As discussed in the ‘Governance structure, resources, and incentives’ section, we have set up strong internal processes to address evolving market demands and material ESG risks. We continuously reflect on our existing governance controls to ensure that these are fit to address sustainability concerns. As long-term investors, we believe that leveraging fund-level and collaborative engagements allows us to exercise our rights and responsibilities dutifully, through coordinated pressure, to add value to society and create a long-lasting positive impact.

During 2023, we continued enhancing MAM's active ownership pillar to manage sustainability risks within our holdings. We also introduced our Human Rights Statement as the cornerstone of Mirabaud's approach to human rights, underpinning our commitment to this fundamental principle. Additionally, we formalized and published the MAM Sustainable Investment Methodology, detailing our approach to sustainable investments in alignment with Article 2(17) of the SFDR.

The impact of our SRI policies, engagement meetings and collaborative initiatives are detailed throughout the report.



PROCESS ASSURANCE AND REVIEW

Three lines of defence

Within Mirabaud Asset Management Limited, we implement the 'three lines of defence' model to ensure that the firm takes reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.

1. Performance measurement and risk

control. MAM's operational business units ensure that business risks are actively managed on a day-to-day basis. For instance, line managers promote risk awareness in teams, clear ownership and accountability for risks are set out, and up-to-date documented operational controls are in place.

2. Policy, standards, risk, and compliance

oversight. The compliance unit designs and implements the risk-responsive management system and has an active role supporting the Board in setting risk appetites and formalising risk metrics and limits, both at an enterprise level and at a business level.

3. Independent assurance. MAM's Board is supported by a Mirabaud Group internal audit function which provides independent assurance for operational risk, controls, and financial reporting. The internal audit function also tests operational controls over key processes, identifies significant risks and reviews the effectiveness of the MAM risk management system, including governance.

Mirabaud Group has undertaken an internal audit review of stewardship processes. The input provided by the auditor has provided us with informative feedback and assisted with our continuous improvement programme across most if not all these deliverables.

Furthermore, MAM's compliance team as a 2nd line function reviews all policies periodically consistent with a risk-based monitoring plan.





ASSURANCE OF PROCESSES

MAM's stewardship, engagement, proxy voting and SRI activities are subject to periodic internal and external monitoring by the Group's internal audit function, or due to new regulation or external authorisations. Policies are updated periodically and reviewed by relevant departments and approved by the Governing Body of the relevant MAM entity, Executive Committee or the entity Board where required. The Engagement Policy, Exclusion Policy, Proxy Voting Policy, Conflicts of Interest Policy and SRI Policy are reviewed as part of the firm's wider efforts to effectively integrate ESG and stewardship into the investment process.

PROXY VOTING

MAM's voting rights are, in principle, exercised according to the recommendations of ISS. However, MAM entities can modify the voting instructions issued by ISS at any time, prior to the deadline for validation of the instructions. Depending on the domicile of the funds under management, the procedure may differ.

In general, the investment team wishing to vote differently to ISS's recommendations communicates its intention and rationale to the SRI team, before the relevant cut-off date, with the Portfolio Control & Operations (AMOPS) and the risk function in copy. The SRI team studies the arguments, presented by the PM/analyst and by ISS, and then forwards the case to the competent committee, including its own recommendation. If the committee agrees with the proposed change of vote(s), AMOPS manually instructs the item(s) of concern on the ISS voting platform.

In principle, an annual review is undertaken between AMOPS and the relevant Custodian. This review has the purpose of reviewing the past year (voting statistics, special situations, possible issues, or shortcomings) and preparing for the upcoming voting season, particularly in consideration of new operational, technical or regulatory aspects. During this review, both parties also reconcile

their lists of configured accounts to ensure that the set-up is complete and that no accounts are missing on the ISS platform.

UN PRI ASSESSMENT

The UN PRI was launched in 2006 to promote a set of six voluntary investment principles, which offer guidance on incorporating environmental, social and governance factors into investment practices. By implementing these principles, signatories are contributing to the development of a more sustainable global financial system.

A UN PRI assessment is undertaken annually to ensure accountability and standardised transparency, while providing a source of feedback for all to learn and develop best practices. This assessment is based on the reported improvements by the signatories in terms of ESG strategy, governance, innovation and integration for each asset class.

In 2021, the assessment methodology was revised in line with the wider changes to the Reporting Framework and to better reflect the state of the responsible investment market as well as future advancements. The module grading system shifted from alphabetical (A+ to E) to numerical (1 to 5 stars) to reflect that 2021 reporting cycle ratings are not comparable to those of previous years.

For 2023, Mirabaud has been awarded five stars for five modules out of six, recognizing the reinforcement of our ESG practices and long-standing commitment to integrate sustainable and responsible investment principles across our Mirabaud Asset Management's asset classes and throughout the various investment. Mirabaud's UN PRI Transparency Report is available via this [link](#).

SRI LABELS

The assurance of processes and the effectiveness of our activities are



undertaken on an external basis where the firm seeks French SRI labels or Belgian Febelfin labels. The funds and their sustainability investing processes are subject to an audit by an independent third party prior to receiving the SRI label. There is periodic monitoring of these funds to maintain the label, including the publication of a fund-level engagement report to detail the engagement activities conducted by our portfolio managers during the year. This assurance method enables us to certify the sustainability qualities of our investment strategies.

ENGAGEMENT RECORDS

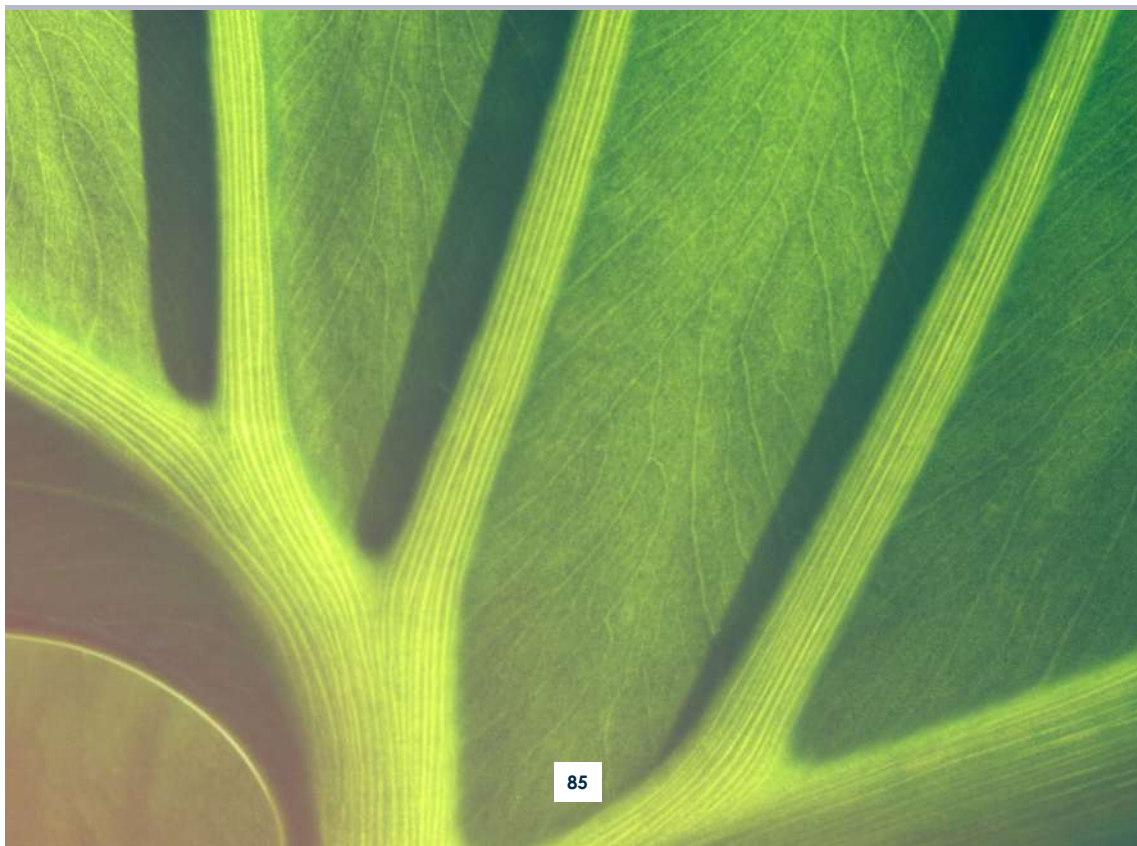
MAM has a reporting structure in place for engagement and stewardship activities: an 'open notes' facility within our order management tools can be accessed by all investment teams and encourages idea sharing. Investment managers upload details of engagement with investee companies that are reviewed and monitored in conjunction with the SRI team. Our portfolio managers are also expected to update the engagement records to reflect their latest company meetings and engagement activities following clear

guidelines and templates. This allows for better data collection and the reporting of objectives and topics of engagement, as well as meeting types, formats and attendees.

During 2023, the SRI team liaised with the Performance & Reporting team to develop an interactive SRI Engagement Dashboard to enable better oversight of firm- and fund-level engagement and stewardship reporting statistics. The first iteration of this tool has been finalised, allowing us to have real-time access to data to address client queries as they arise.

OTHER

The review and assurance measures for our stewardship activities, clients, service providers and internal workforce training are detailed throughout this report.





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Source: Mirabaud Asset Management





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APRIL 2024

