



**MIRABAUD –
SUSTAINABLE
GLOBAL EQUITIES
ACTIVE OWNERSHIP 2020**

Engagement Report 2020

Our experience as active managers and our expertise across asset classes and environmental, social and corporate governance (ESG) research are the foundations of our investment philosophy. As an active investor, we have a high conviction in the stocks we hold, conduct deep research and ensure ongoing dialogue with the companies in which we invest. Maintaining this ongoing communication, as well as proxy voting, is central to how we implement our stewardship responsibilities and informs the investment decisions we make on behalf of our clients.

Mirabaud Asset Management therefore commits to engage with investee companies and issuers to understand extra-financial risks associated with our investments and promote “best practices”.

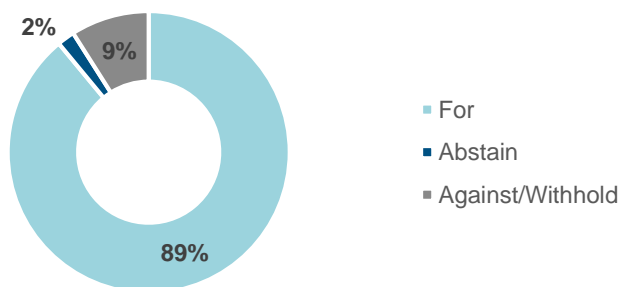
Our Engagement Policy is based on generally accepted best practices. These best practices are reflected in the OECD Principles of Corporate Governance, the OECD Guidelines for Multinational Enterprises, the ICGN Global Governance Principles, the UN Global Compact and the UN Principles for Responsible Investment (UN PRI) and the UK Stewardship Code where applicable.

Mirabaud Asset Management believes that companies should address the impacts of their activities on society and the environment. At the same time, investees should focus their action and reporting on material ESG topics as these could significantly impact their financial performance. When this is not the case, our portfolio managers actively engage discussions in order to gather additional transparency.

Proxy Voting

Proxy voting at company meetings is one of the key active engagement tools to influence or challenge company management teams. We base our votes on recommendations found on company annual report disclosures, independent analyses and from external service provider Institutional Shareholder Services Inc. (ISS).

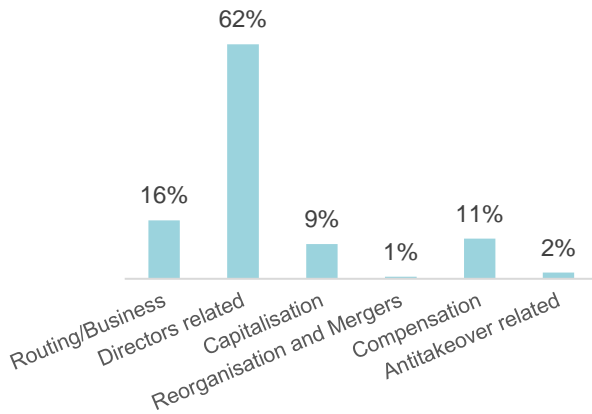
Voting statistics 2020



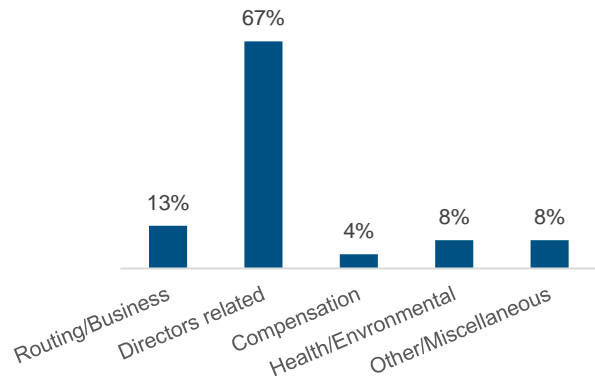
Out of a total of 77 separate ballot item votes, 89% (514) were cast in support, while 8% (49) were cast against and 2% (14) were cast as abstentions.

The charts below provide a breakdown of our Stewardship’s voting activity throughout 2020, across a number of different resolution types. The most common shareholder proposals are centered around governance issues, such as board member elections and board composition issues.

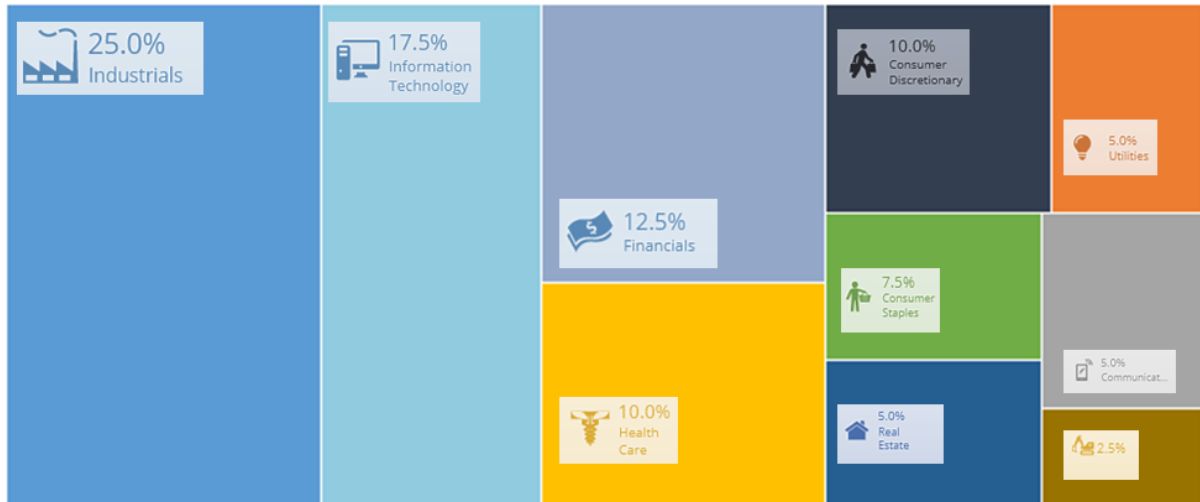
Management resolutions



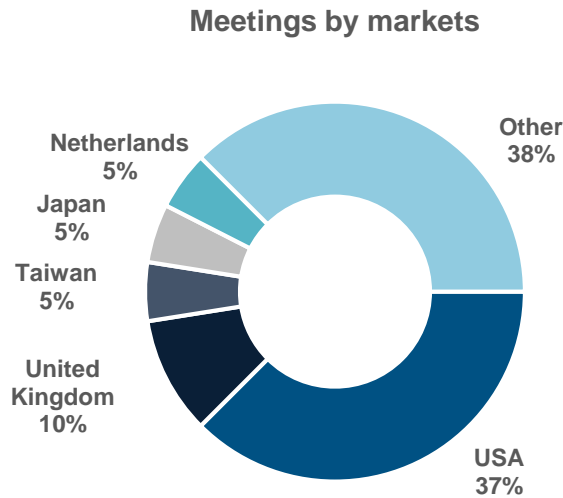
Shareholder resolutions



Meetings by sector



Because we invest in companies worldwide and offer global investment opportunities, our proxy voting reach extends across multiple economic regions. The following chart highlights proxy statistics by regions.

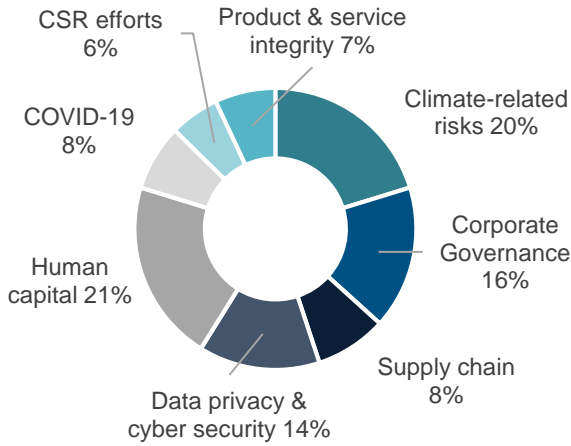


2020 Engagement Highlights

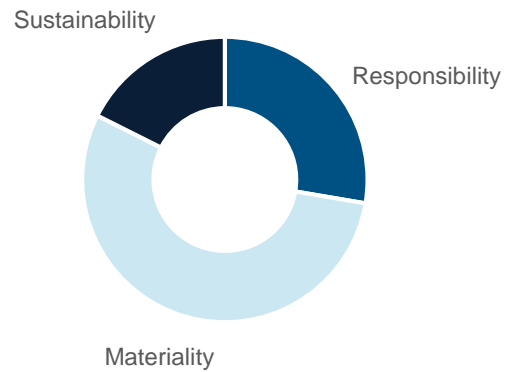
We use engagement as a platform to share our expectations with companies, understand both their environmental, social and governance (ESG) failings and their sustainability approach and how it relates to their business strategies. In 2020, we engaged with 42 companies in total, both through individual and collective engagements. In the context of individual engagements, we communicated with 11 companies in total.

Engagement themes in 2020 were diverse. Approximately 50% of our engagements were related to social, 30% to governance and 20% to environmental topics. Social topics can be varied and encompass people-related elements such as company culture and issues that impact employees, customers, consumers, and suppliers. Examples include diversity and inclusion, supply chain and sourcing and data privacy and security.

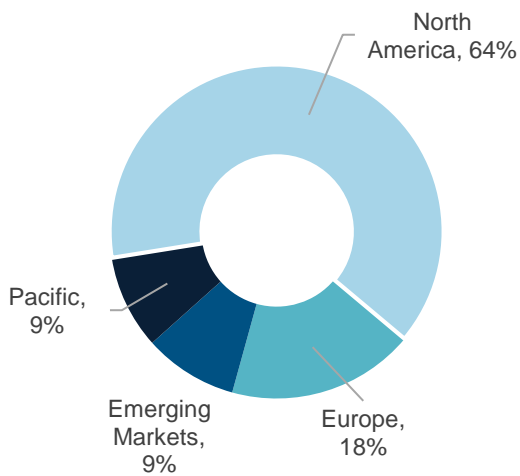
Engagement activities by ESG topic



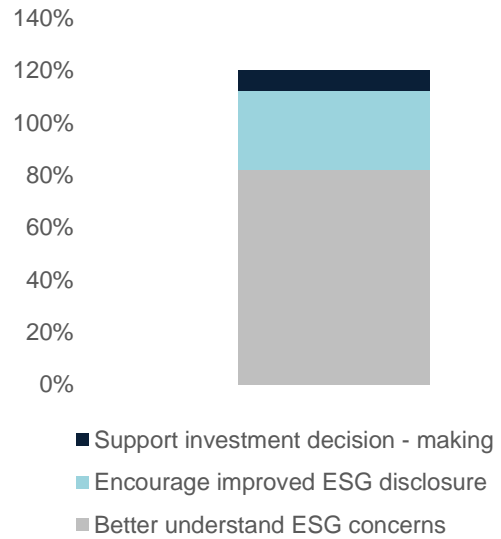
Breakdown of SRI themes



Engagement activities by markets



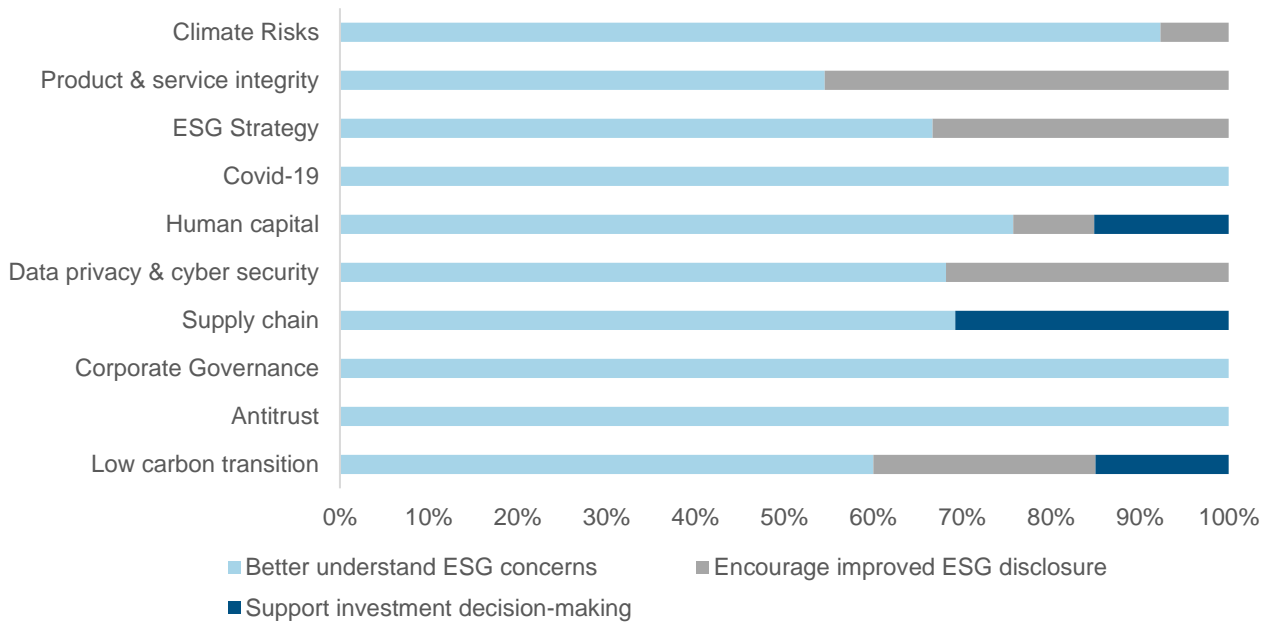
Engagement activities by objective



**The total is superior to 100%. In our engagements, there can be an overlap between multiple objectives.*

In 2020, 82% of our engagements with companies were with the aim of improving their management of ESG issues.

Engagement objectives by topic



Engagement Case Studies

Data privacy and Cybersecurity

Data security has become a critical risk for many industries due to large and growing number of cyber- attacks and social engineering threats. These put customer information and a company’s own data at risk. When engaging on Data Privacy and Security issues, we aim to assess whether the company has an adequate approach to identify and address data security risks and whether specific cybersecurity risk management standards have been implemented or are in use.

We approached a global leader in prepaid corporate benefits regarding **cybersecurity** questions. Through our conversations with the company, we established that, despite suffering a minor cybersecurity incident, they had strong systems and policies in place, and a strong business continuity plan. We encouraged the company to further strengthen its systems by seeking out an external certification (ISO 27001 standards) and implementing regular employee and management trainings on cybersecurity issues.

With a Chinese technology multinational, we discussed our concerns with the company about **data privacy and the sharing of data with government authorities**. We wanted to ensure that user information is treated in compliance with relevant data privacy laws. We received assurance that data and tracking is only done with users’ explicit consent. They also explained that information is only stored on user devices, which the company has no access to.

Human Capital

A number of social factors can affect a company’s financial performance, ranging from short to long-term challenges and risks. We consider employee engagement, diversity, talent retention as

well as good labour relations as material issues for a number of sectors. Some industries, such as pharmaceuticals, are particularly reliant on skilled workers to develop products and new commercialisation strategies. When engaging with companies, we assess, amongst other indicators, the quality of their disclosure regarding employees' diversity, retention rate and engagement.

We contacted a Chinese technology multinational to discuss our concerns on **gender diversity** throughout the organisation and especially at the board level. The company does not disclose workforce diversity programmes. In 2019, the company successfully appointed a female director. We encouraged them to develop diversity targets within the organisation and implement their diversity policy to ensure that the board has the appropriate diversity of skills and perspective, to take the company forward.

We contacted a Japanese staffing regarding **labour shortages** in Japan. Japan has a particularly low ratio of qualified IT engineers, with this shortfall in human resources accelerating in the future. We suggested to the company that a way of sustaining long-term growth could be by increasing trainings, establishing partnerships with universities and increasing the number of foreign engineers they recruit.

Governance and anti-trust issues

Good governance is relevant across sectors. As investors, we expect companies to operate whilst being conscious of business ethics and broader responsibilities to stakeholders and communities. By doing so, they are more likely to prosper in the long-term, not least as a failure to deliver on these ethical aims may lead to a breakdown in relations with one or more key stakeholders. The key indicators we look for include avoiding bribery, corruption and fraudulent behaviour, avoiding involvement in anti-competitive practices and accountability to external stakeholders.

We initiated engagement with a global leader in prepaid corporate benefits, regarding alleged anti-competitive behaviour questions. The company explained that they were appealing the decision and that the fines imposed on it and its peers were not financially material. We also ensured that they improved their compliance systems to avoid similar incidents in the future. Given their scale and the regulatory environment, we encouraged them to avoid the appearance of anti-competitive behaviour and actively look to mitigate the risk. We will continue to monitor their involvement and activities.

COVID-19 Response

The 2020 COVID-19 global health crisis is having an impact on all companies we own. As such, we have tailored our conversations with them, recognising the unprecedented challenge facing them and encouraging company managements to mitigate hardships and take advantage of opportunities related to COVID-19. We are glad to see that many of our holdings are directly involved in rolling out initiatives to find solutions to the crisis. We believe such businesses, that keep their stakeholders' best interests in mind, will emerge from the crisis the strongest.

Tencent	Nvidia
<p>Tencent, a multinational technology company started and funded multiple initiatives to help combat the spread of COVID-19. Such initiatives include the launch of a global information platform, a \$100 million global anti-pandemic fund and a deep learning-based model that can predict the risk of coronavirus patients developing critical illness. All these initiatives are designed to help curb the spread of the virus and support hospitals and healthcare first responders.</p>	<p>Nvidia, a multinational semiconductor company is sharing innovative artificial intelligence (AI) and deep learning tools with researchers and data scientists globally to accelerate the understanding of COVID-19 and help inform a response. In just a few months, Nvidia has developed AI models to help study COVID-19 in chest CT scans to better understand, measure and detect infections. Chest CT is emerging as a valuable diagnostic tool for clinical management of COVID-19. Nvidia has also made its genome-sequencing tool freely available for studying COVID-19. The company is playing a role on multiple fronts, with the aim of providing end-to-end workflows for the scientific community.</p>

Collective Engagements

We see collaborative engagement initiatives as a way to promote good ESG practices and influence companies by working alongside other investors.

Mirabaud Asset Management actively supports collaborative engagement initiatives such as CDP and Climate Action 100+.

CDP

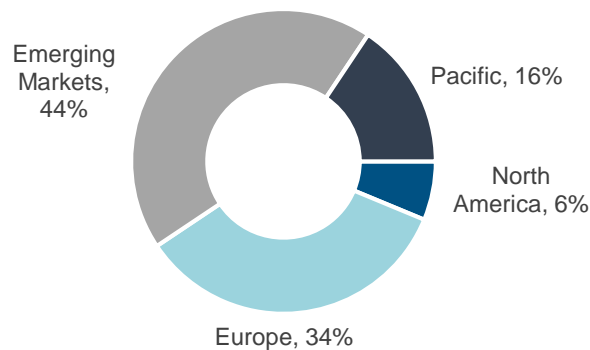
CDP is a not-for-profit organisation that works with investors, companies and cities to manage environmental impacts through enhanced disclosure of environmental data.

In 2020, we took part in CDP’s flagship campaign to put pressure on some of the companies with the highest impact on the environment across the world. In total, 105 investors representing US\$10.33 trillion in assets have engaged with over 1060 companies on climate change, forests and water security disclosure.

Mirabaud Asset Management directly participated in engagement with 32 companies in total. We were lead signatory on engagement with nine companies and co-signatory with 23.

This is the distribution of our engagements by geographies.

Breakdown of CDP engagements by markets



Climate Action 100+

Climate Action 100+ is a global collaborative investor engagement initiative, launched in 2017. Together with over 500 other investors, we are putting pressure on over 160 high carbon emitters to reduce their GHGs emissions, influence disclosure and encourage positive behaviour in relation to climate risk management and energy transition strategies.

We act as a collaborating investor with an American consumer products company and a Franco-Dutch airline company.

These collaborative engagements call on firms to commit to net-zero business strategies. Over the past three years, significant progress has already been made in line with investor expectations. Such progress includes the alignment of greenhouse gas emissions with the Paris Agreement goals (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 risks.

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