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MIRABAUD LIFESTYLE IMPACT & INNOVATION (MLII)

Protocol for ESG Integration

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As signatories to the Principles for Responsible Investment (PRI), since 2010 Mirabaud applies the six principles to the incorporation of sustainable development and Environmental, Social and Governance (ESG) actors into the investment process, and is committed to combine adherence to ESG principles with growth and performance.

In this line, Mirabaud Lifestyle Impact & Innovation (MLII) embraces an investment approach based on sustainable capital growth by supporting the development of disruptive lifestyle companies, from digital and technological pioneers to the most promising global brands. Its guiding principles are built around ethics and governance, and responsible usage of natural resources. The purpose of this protocol is to define MLII approach to integrating ESG risks and opportunities into its investment process as well as in portfolio monitoring.

ESG integration in the Pre-Investment Process:

In the pre-investment phase, we undertake to:

1 – Ensure the compliance with our fund's policy and manifesto

In addition to confirming compliance with the fund's policy and manifesto, in this phase we aim at understanding the managers' perception of ESG issues. Indeed, we do not exclusively consider mature companies in terms of ESG, but also those where the management is in favor of these issues and where concrete progress is possible. An ESG section is, to the greatest extent possible, included in the letter of intent.

2 – Conduct an Independent Due Diligence

As far as possible, we undertake to conduct ESG due diligence to get an in-depth analysis of the main ESG challenges and draw up the action plan to be refined after the acquisition.

The ESG Due Diligence's purpose is to assess the ESG risks and opportunities in order to allow our investment committee to make an informed decision considering: (1) ESG factors; and (2) the company manager's maturity on each of the identified issues. In addition, due diligence might help assessing the management's level of preparation for current issues and build the bases of an action plan to be implemented post-acquisition.

3 – Include ESG clause in the Shareholders' Agreement

In order to secure and formalize 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 a periodic reporting as well as appointment of an executive member in charge of ESG issues, are included in the Shareholders' Agreement, to the greatest extent possible.

ESG integration during investment:

In order to benefit from value creation and set up impact initiatives in a far more focused manner, and as far as possible, the fund commits to:

1- Formalize an ESG Action plan :

Following the acquisition, an ESG review is conducted in order to identify areas of improvement and formalize the action plan. The actions plans we define in accordance with the portfolio companies are meant to be:

- Focused on a selective number of issues
- Achievable with objectives at different deadlines
- Accompanied by industry and company specific performance and impact indicators

Indicators derive from consolidated recommendations and studies by industry experts as the PRI, the ESG commission of France Invest, the Impact Reporting and Investment Standards (IRIS), the Impact Management Project (IMP) as well as industry peers. The selected metrics are expected to be objective, transparent and independently verifiable.

2- Embed ESG policy in company's Governance

We believe that one of the main keys to a successful action plan implementation is the concrete involvement of the company's management. Indeed, in order to enable progress and positive impact, clear governance of the ESG matters is required at the highest level. To ensure an efficient ESG policy governance, an executive member in charge of ESG issues is appointed. His main role is to monitor impact measurement and the gradual implementation of predefined ESG projects. Moreover, ESG issues are included on the Supervisory Board or Board of Directors' agenda.

3- Establish an ESG Reporting

The portfolio companies have to present their progress and realized actions, provide detailed annual ESG reporting and present the results at the Board's annual meeting. This allows for an efficient monitoring of the performance and impact indicators as well as an annual update of the ESG Action Plan.