

2023

# TRANSPARENCY CODE

## Mirabaud Convertible Bonds

Mirabaud – Sustainable Convertibles Global

Mirabaud – Sustainable Convertible Bonds Europe

Mirabaud – Discovery Convertibles Global

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## Transparency Code

**This Transparency Code is based on the European Transparency Code written by AFG, FIR and EUROSIF.**

## Statement of commitment

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of Mirabaud Asset Management. We have formalised our SRI strategy in 2010 by signing the UN PRI and welcome the European SRI Transparency Code.

This is our third statement of commitment and covers the period January 2022 to February 2023. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the funds and on our website.

## Transparency Code compliance

Mirabaud Asset Management is committed to transparency, and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. Mirabaud Asset Management meets the full recommendations of the European SRI Transparency Code.

The three Mirabaud funds: Mirabaud - Sustainable Convertibles Global, Mirabaud - Sustainable Convertible Bonds Europe and Mirabaud - Discovery Convertibles Global (together referred to as the Convertibles Bonds funds within this document) abide by all the Code's recommendations.

## 1. List of funds covered by the code

Mirabaud – Sustainable Convertibles Global					
Dominant & Complementary SRI Strategies	Asset Class	Exclusions	AUM at 31/03/2023	Labels	Links to documents
Best-in-Class investment section Engagement ESG Integration Exclusions	Actively managed, international bonds and other debt securities	Weapons Thermal coal Tobacco Adult entertainment Unconventional Oil & Gas Conventional Oil & Gas Power generation	EUR 990.46m	French SRI Label  Belgian Towards Sustainability Label	<a href="#">KIID</a> <a href="#">Prospectus</a> <a href="#">Factsheet</a> <a href="#">SRI report</a> <a href="#">SRI policy</a> <a href="#">Stewardship Report</a>

Mirabaud – Sustainable Convertible Bonds Europe					
Dominant & Complementary SRI Strategies	Asset Class	Exclusions	AUM at 31/03/2023	Labels	Links to documents
Best-in-Class investment section Engagement ESG Integration Exclusions	Actively managed, Bonds and other debt securities denominated in euro	Controversial weapons Thermal coal Tobacco Adult entertainment	EUR 29.3m	French SRI Label	<a href="#">KIID</a> <a href="#">Prospectus</a> <a href="#">Factsheet</a> <a href="#">SRI report</a> <a href="#">SRI policy</a> <a href="#">Stewardship Report</a>

**Mirabaud – Discovery Convertibles Global**

Dominant & Complementary SRI Strategies	Asset Class	Exclusions	AUM at 31/03/2023	Labels	Links to documents
Best-in-Class investment section Engagement ESG Integration Exclusions	Actively managed, international bonds and other debt securities	Controversial weapons Thermal coal Tobacco Adult entertainment	EUR 45.8m	French SRI Label	<a href="#">KIID</a> <a href="#">Prospectus</a> <a href="#">Factsheet</a> <a href="#">SRI report</a> <a href="#">SRI policy</a> <a href="#">Stewardship Report</a>

## 2. General information about the fund management company

### 2.1. Name of the fund management company that manages the applicant fund(s)

The Management Company, Mirabaud Asset Management (Europe) SA, has appointed Mirabaud Asset Management (France) S.A.S, as Investment Manager of the Sub-Fund.

**Mirabaud Asset Management (Europe) S.A**  
6B, rue du Fort Niedergruenewald, 2226  
Luxembourg

Mirabaud Asset Management (France) S.A.S, whose registered office is in Paris, was founded on 16 May 2006. Its main activities are asset management and advisory services.

**Mirabaud Asset Management (France) S.A.S**  
13, avenue Hoche, 75008 Paris  
France

### 2.2. What are the company's track record and principles when it comes to integrating SRI into its processes?

Since it was founded in 1819, Mirabaud has respected the concept of sustainability in all of its activities and has never engaged in speculative trading or investing for its own account, or on behalf of the firm. Consequently, Mirabaud Group combines growth and sustainability.

Mirabaud Asset Management strives to offer its clients quality products taking into account aspects of sustainable and responsible investing and has been taking the necessary steps to formalise ESG investment processes across its product range.

Moreover, as a founding member of the Swiss Sustainable Finance and Sustainable Finance Geneva associations, Mirabaud Group contributes to making Switzerland and Geneva a world-renowned sustainable finance hub and innovator.

### 2.3. How does the company formalise its sustainable investment process?

Sustainable and Responsible Investment (SRI) is in our DNA and is underpinned by the following values and commitments that we have upheld for over 200 years: Independence, conviction, responsibility and passion. By signing up to PRI (Principles for Responsible Investment) in 2010, we formalised our sustainable investment strategy, which we have steadily strengthened ever since.

Furthermore, our ESG-related policies can be found on our website as follows:

- [Sustainable & Responsible Investment Policy](#)
- [Voting Policy](#)
- [Engagement Policy](#)
- [Exclusion Policy](#)

## 2.4. How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by company?

ESG criteria are an integral and pivotal part of our investment decision-making. Analysis of ESG criteria brings further insights to our financial analysis. It completes our view of a company's risks and opportunities. We have no doubt that properly factoring in ESG criteria into our investment procedures results in improving our portfolio's risk/reward profile.

Calculating our portfolios' carbon footprints in accordance with Article 29 of the French law on Energy and Climate change, is the first step in our climate analysis strategy. Being a proud signatory of the Carbon Disclosure Project (CDP), Mirabaud AM supports the Task Force for Climate-Related Financial Disclosure (TCFD) and works with the Transition Pathway Initiative, and "Climate Action 100+".

In addition, as signatory of the Net Zero Asset Managers initiative (NZAM) we are committed to support the goal of net zero greenhouse gas emissions by 2050 or sooner and set interim targets consistent with a fair share of the 50% global reduction in greenhouse gas emissions by 2030.

## 2.5. How many employees are directly involved in the company's sustainable investment activity?

Our in-house SRI team ensures and monitors the integration of ESG and climate criteria within investment processes and decisions. Portfolio management teams work in close collaboration with the SRI team and are empowered and held accountable in regard to ESG analysis, monitoring and engagement.

Our 4 dedicated SRI professionals sit on the investment floor and have constant interaction with our investment professionals. The team drives extra-financial research across investment teams, which feed into the underlying processes of our investment strategies. All our fund managers and analysts are involved in embedding ESG criteria within the investment processes of our long-only UCITS range and they rely on the expertise and extra-financial research of the SRI team to fine-tune their non-financial analysis supporting their buy/sell decisions, as a complement to traditional analysis.

Our Risk Management department performs pre and post trades monitoring daily. Stocks to be excluded are hard coded in our portfolio management system to prevent any breaches. An Investment Management and Risk Committee ensures that SRI fund alerts and breaches are monitored and reported.

The Performance and Reporting, SRI and portfolio management teams collaborate to produce monthly SRI reports. In addition, the risk department carries out a quarterly review of fund management procedures and ESG analysis methodologies applied in relation to the funds.

With a view to strengthening and refining our SRI practices, dedicated training sessions are being introduced for various staff including Marketing & PR and Sales & Business Development teams. The purpose of this training is to ensure that all staff are familiar with the various aspects of responsible investment.

## 2.6. Is the company involved in any RI initiatives?

Initiatives & Principles	ESG Focus	Region	Year Joined
<b>Principles for Responsible Investment (PRI)</b>	ESG	Global	2010
<b>Swiss Sustainable Finance (SSF)</b>	ESG	CH	2014
<b>Sustainable Finance Geneva (SFG)</b>	ESG	CH	2014
<b>Net-Zero Asset Managers Initiative (NZAM)</b>	E	Global	2022
<b>Carbon Disclosure Project (CDP)</b>	E	Global	2017
<b>CDP Non-disclosure campaign</b>	E	Global	2018
<b>CDP SBTi campaign</b>	E	Global	2021
<b>Climate Action 100+</b>	E	Global	2018
<b>Task Force on Climate-related Financial Disclosures (TCFD)</b>	E	Global	2018
<b>Transition Pathway Initiative (TPI)</b>	E	Global	2020
<b>Interpeace</b>	S	Global	2011
<b>Geneva Peace Talks</b>	S	CH	2015
<b>Healthy Market Initiative</b>	S	UK	2022

## 2.7. What is the total number of SRI assets under the company's management?

Mirabaud Asset Management is a UN PRI signatory. Consequently, all our Long Only UCITS range is eligible to integrate ESG criteria. Furthermore, exclusion, engagement as well as proxy voting policies common to all Mirabaud Asset Management's products range have been deployed and are used across all asset classes to reflect our commitment to responsibility and sustainability. All our fund managers take full ownership of these common approaches.

Mirabaud Asset Management is also deploying continuous efforts to strengthen the integration of ESG criteria from early stages of investment processes to portfolio construction, using quantitative and qualitative research across most of our assets.

We ensure the entire fund range implements SRI criteria and constantly adheres to requirements. Its formal implementation is currently underway.



### 3. General information about the SRI fund(s) that come under the scope of the Code

#### Objective of the funds' range

**Mirabaud – Sustainable Convertibles Global** aims to achieve long-term capital growth by investing primarily in a diversified portfolio of convertible securities, globally

**Mirabaud – Sustainable Convertible Bonds Europe** aims to achieve long-term capital growth by investing in a diversified portfolio of European convertible securities.

**Mirabaud – Discovery Convertibles Global** aims to achieve long-term capital growth by investing primarily in a diversified portfolio of global convertible securities, issued by small and mid-cap companies.

Extra financial considerations (Environmental, Social and Governance (“ESG”)) are fully integrated in the investment process of the Sustainable Global Equities. Therefore, the funds will focus on companies whose social and environmental factors and methods of governance have a sustainable impact on financial performance.

#### Investment universe

**Mirabaud – Sustainable Convertibles Global:** the investment universe reflects convertible bond issuers in four geographical regions: Europe, US, Japan and Asia ex-Japan. The rationale behind the regional split is to avoid any geographical bias. Only issues of USD 100M and over are taken into consideration in the selection.

**Mirabaud – Sustainable Convertible Bonds Europe:** the investment universe reflects convertible bond issuers in Europe. Only issues of €100 million and over are taken into consideration in the selection.

**Mirabaud – Discovery Convertibles Global:** the investment universe reflects convertible bond issuers in four geographical regions: Europe, US, Japan and Asia ex-Japan. These companies include small and mid-cap companies whose market capitalisation is less than or equal to USD 5bn. The proportion of small cap should not exceed 60%.

#### 3.1. What is (are) the fund(s) aiming to achieve by integrating ESG factors?

ESG criteria are an integral and pivotal part of our investment decision-making process. The analysis of ESG criteria complements the traditional financial analyses and adds depth and insight to the investment team's understanding and knowledge of an issuer. It completes our view of a company's risks and opportunities. We are convinced that a pragmatic integrative approach of ESG factors within investment processes can only result in improving the long-term risk-return profile of a portfolio.

The adoption of such an approach allows us to achieve the following objectives:

- Promote industry best practice among issuers through a robust engagement policy
- Enhance the portfolio's risk/reward profile, by identifying non-financial risks, consequently reducing short-term risk, and enhancing long-term value creation.

We apply all three ESG criteria, considering Environmental, Social and Governance factors in our assessment. Our ESG analysis incorporates regional and sector-specific considerations to address material ESG issues, which may vary across industries and regions but also responsibility and sustainability issues.

This includes but is not limited to: Environmental factors such as GHG emissions, waste and water management, biodiversity, renewable energy, and circular economy practices; Social factors like occupational health and safety, supply chain management, diversity, equality, inclusion, employee retention, data privacy and security, human rights, and community relations; and Governance factors such as business ethics, bribery, corruption, transparency, reporting, executive compensation, and board structure diversity and independence.

### 3.2. What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

The analytics pertaining to the Mirabaud – Convertible Bonds funds are carried out by both the SRI team (four dedicated professionals) and the Convertibles team (six dedicated professionals). The SRI team is considered an extension of the Convertible bonds team in the context of ESG integration in the investment process as well as of the engagement policy in place.

Our staff draw on the following information for their analyses:

- External extra-financial data providers:
  - Sustanalytics for our ESG and controversies analysis
  - Trucost-S&P Global for Climate/Environment data
- Company publications (corporate reports and presentations)
- Specialised broker and sell-side publications
- Providers of financial and extra-financial data (Bloomberg)
- Meetings with company management.

### 3.3. Which ESG criteria are taken into account by the fund(s)?

All the three ESG criteria are applied; we factor in Environmental, Governance and Social criteria when assessing companies from an extra financial point of view. When conducting our ESG analysis, it is to highlight that we consider the regional and sectorial specificities of a company. This allows us to account for the material

ESG issues a company is exposed to as those will vary from one industry or region to another, including but not limited to:

- **Environment:** GHG emissions, waste management, water management, biodiversity & land use change, renewables, circular economy.
- **Social:** occupational health & safety, supply chain management, DEI (diversity, equality & inclusion), employee attraction & retention, data privacy & security, human rights, community relations.
- **Governance:** business ethics, bribery & corruption, transparency & reporting, remuneration, board structure (diversity & independence).

### 3.4. What principles and criteria linked to climate change are taken into account in the fund(s)?

Mirabaud Asset Management uses S&P Global Trucost data to assess the carbon footprint of current and potential investments, which is then embedded within the investment decision process of the relevant fund. S&P Global Trucost provides analysis and risk assessments and measurements with regards to climate change and other environmental factors.

Such data enables us to assess portfolio exposure to transition risks, namely those arising from reduction of greenhouse gas emissions and the biodiversity impacts of the financed companies.

When conducting bottom-up analyses, we use additional metrics such as 2 Degree Alignment (S&P Global, SBTi and TPI) to analyse issuers' emissions pathways and climate targets. Furthermore, we leverage business activities revenues to assess the issuers involvement in high-risk or high emitting activities.

Biodiversity and climate change are highly interconnected. Protecting and restoring ecosystems will contribute significantly to the adaptation and mitigation objectives of climate change. Similarly, climate change is one of the main causes of biodiversity loss and deterioration of ecosystems. Given this dual process, it is essential to address the transition to a low-carbon economy and preservation of biodiversity simultaneously.

Biodiversity is an integral part of the ESG ratings operated by Mirabaud Asset Management, of our analyses carried out internally as well as during regular exchanges with companies held in our portfolios. Land use, overexploitation of resources, hazardous waste and proximity to natural sites protected by UNESCO are among the topics analysed and discussed depending on their materiality given the activity of the company in question. Similarly, by encouraging companies to reduce their emissions and their negative impacts on the environment we expect them to align with trajectories compatible with low-carbon transition objectives and, doing so, protect biodiversity.

### 3.5. What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?

Mirabaud Asset Management philosophy is guided by strong sustainable development guidelines, a long-term view, and a responsible mind-set.

ESG is integrated into the range Convertible Bonds through exclusions, integration, and active ownership strategies. When integrating ESG elements into the investment process, we combine both top-down and bottom-up analysis.

- **Exclusions**

We start by applying an **exclusion** filter at the very early stage of the investment process.

#### Revenue-based Exclusions

Product involvement	Exclusion criteria	Threshold of Revenues
<b>Defense &amp; Military</b>	Controversial weapons	0% <sup>1</sup>
<b>Defense &amp; Military</b>	Conventional weapons	5% <sup>2</sup>
<b>Health</b>	Tobacco production & related products	5%
<b>Values-based</b>	Adult entertainment	5%
<b>Environment</b>	Palm Oil, Pesticides	5%

#### Additional Exclusions:

In addition, the fund Mirabaud – Sustainable Convertibles Global invests on issuers that have strategies to reduce their adverse impact and increase their contributing activities and applies further exclusion filters to issuers in the following areas:

- **Coal**

Issuers involved in the exploration, mining, extraction, transportation, distribution or refining of thermal coal or providing dedicated equipment or services therefor. The exclusion applies to issuers whose absolute production or capacity for thermal coal related products and services is increasing.

In order to be eligible for investment, issuers shall meet at least one of the following criteria:

<sup>1</sup> Exclusion of all companies engaged in these activities. This includes issuers involved in the manufacturing, manufacturing tailor-made components, using, repairing, putting up for sale, selling, distributing, importing, or exporting, storing or transporting controversial weapons such as: anti-personnel mines, submunitions, inert ammunition, and armour containing depleted uranium or any other industrial uranium, weapons containing white phosphorus, biological, chemical, or nuclear weapons.

<sup>2</sup> Exclusion of companies involved in the production and production of tailor-made components for other weapons and derive more than 5% of their revenues from these activities are excluded

- Deriving 5% of revenues or less from these activities.
- Have more than 50% of CAPEX dedicated to contributing activities<sup>3</sup>
- Have a SBTi target set at “well-below 2°C” or “1,5°C”, or have a SBTi “Business Ambition for 1,5°C” commitment.

#### ▪ **Unconventional Oil and Gas**

The fund excludes issuers involved in the exploration or extraction of tar sands, oil sands, shale oil and gas or arctic drilling or that provide dedicated equipment or services therefor. The exclusion applies to companies whose absolute production or capacity for unconventional O&G related products and services is increasing.

In order to be eligible for investment, issuers shall meet at least one of the following criteria:

- Deriving 5% of revenues or less from unconventional oil & gas activities.
- Have more than 50% of CAPEX dedicated to contributing activities<sup>4</sup>
- Have a SBTi target set at “well-below 2°C” or “1,5°C”, or have a SBTi “Business Ambition for 1,5°C” commitment

#### ▪ **Conventional Oil and Gas**

Issuers involved in the exploration, extraction, refining and transportation of oil & gas or providing dedicated equipment or services therefor.

In order to be eligible for investment, issuers shall meet at least one of the following criteria:

- Have a SBTi target set at “well-below 2°C” or “1,5°C”, or have a SBTi “Business Ambition for 1,5°C” commitment.
- Have more than 15% of CAPEX dedicated to contributing activities
- Have less than 15% of their CAPEX dedicated to oil & gas related activities and not with the objective of increasing revenue.
- Derive less than 5% of revenues from oil & gas activities.

#### ▪ **Power generation**

Issuers involved in the generation of power from coal or nuclear energy or providing dedicated equipment or services therefor. Issuers whose absolute production or capacity for coal-based or nuclear-based energy-related products and services is increasing are excluded. As well, issuers whose absolute production or capacity for contributing activities is not increasing are excluded.

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<sup>3</sup> Contributing activities are defined as economic activities included in the EU Taxonomy or other economic activities (not yet in the EU Taxonomy) that contribute to environmental or social objectives.

<sup>4</sup> Contributing activities are defined as economic activities included in the EU Taxonomy or other economic activities (not yet in the EU Taxonomy) that contribute to environmental or social objectives.

In order to be eligible for investment, issuers shall meet at least one of the following criteria:

- Deriving 50% of revenues or more from contributing activities<sup>4</sup>
- Have more than 50% of CAPEX dedicated to contributing activities<sup>4</sup>
- Have a SBTi target set at “well-below 2°C” or “1,5°C”, or have a SBTi “Business Ambition for 1,5°C” commitment.

#### ▪ Phase out margin

For issuers that fall into the power generation and conventional oil & gas sectors and are not aligned with the criteria to be eligible, the fund applies a phase out margin to accompany these issuers transition towards a sustainable business model. Those issuers ESG internal scores should be among the best 25%.

The total portfolio exposure to these companies should be <5% until January 1st, 2023, and then it will decrease 1 percentage point per year.

#### ▪ Sovereign Bonds

In the case of a market turmoil, the fund manager is entitled to invest in sovereign fixed income instruments. Considering this exceptional case, pre-trade ad-hoc controls will be performed on a case-by-case basis for each country sovereign bonds. These controls will be performed to ensure that the sovereign bonds are issued by countries that respect international treaties and agreements and that have low military budgets.

The fund does not finance:

- States that have not ratified or have not implemented in equivalent national legislation:
- The eight fundamental conventions identified in the International Labour Organisation’s declaration of Fundamental Rights at Work
- At least half of the 18 core International Human Rights Treaties
- The following States :
  - States which are not party to the Paris Agreement
  - States which are not party to the UN Convention on Biological Diversity
  - States which are not party to the Nuclear Non-Proliferation Treaty
  - States with particularly high military budgets (>4% GDP)
  - States considered “Jurisdictions with strategic AML/CFT deficiencies” by the FATF
  - States with less than 40/100 on the Transparency International Corruption Perception Index
  - States qualified as “Not free” by the Freedom House “Freedom in the World”-survey

#### ▪ Major controversies

The exclusion filter also excludes companies involved in recent major controversies (e.g., Sustainalytics Category 5). Controversies assess companies’ involvement in incidents with negative ESG implications, including breaches with international agreements, such as the UN Global Compact Principles, ILO, etc. The Controversy Rating reflects a company’s level of involvement in and management of these issues. The ratings are on a scale of five levels, from Low (Category 1) to Severe (Category 5).

▪ **ESG Integration**

Following the exclusion filter, we **integrate** ESG criteria through the combination of top-down (positive screening) and bottom-up approaches.

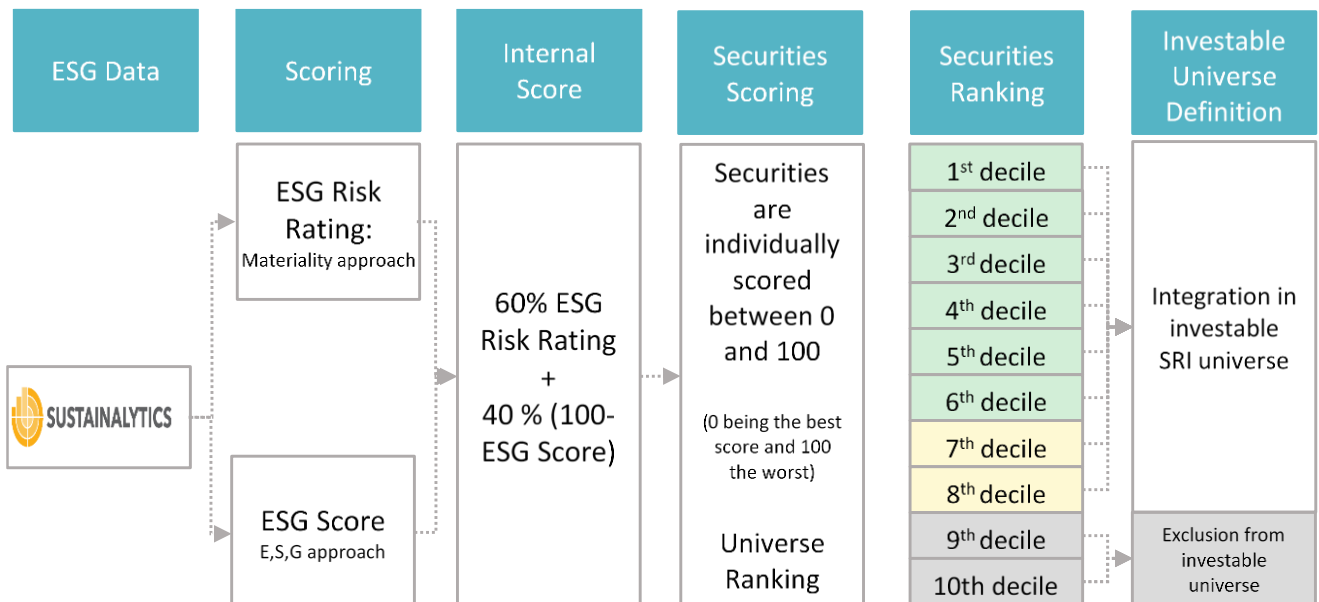
**Positive Screening**

We use positive selection with best-in-universe screening on the initial investment universe. Such an approach seeks to optimise the investment universe by setting a minimum ESG score threshold. The issuers' ESG assessment is done per region: USA, Europe, Japan and rest of Asia. The assessment is based on Sustainalytics data, with an internal score resulting from the combination of ESG Rating (Focus on strong ESG practices) and ESG Risk Rating (materiality driven approach).

The weighting produces a final score between 0 and 100 (with 0 being the best score and 100 the worse). The issuers are then placed into the relevant decile group between 1 and 10 (where 1 is the best and 10 the worst). The values in deciles 7 and 8 are in a "watchlist" (Figure 1).

The list of non-eligible values is shared with the Risk department for integration within internal risk management tools to ensure compliance. We review and update the SRI scores and list of non-eligible values on an annual basis.

Figure 1: Eligible Universe definition



Source: Mirabaud Asset Management, Sustainalytics

### Bottom-up approach

We conduct an in-depth ESG analysis, with a particular focus on the least well-rated issuers. The assessment aims to evaluate the issuers' performance in terms of responsibility, materiality, and sustainability. 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.

#### ▪ **Active ownership**

We complement our analysis through our constructive and effective **active ownership** program consisting of engagement. Our aim is to influence companies to generate a positive change, improve disclosure, 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. Should the company's show inappropriate management of ESG risks or no willingness to improve its practices, the investment team might divest after consultation with the SRI team.

#### ▪ **Exceptions: Case of use-of-proceeds convertible bonds**

##### **Mirabaud Sustainable Convertibles Global:**

Use-of-proceeds instruments shall meet the following criteria:

- a) Use-of-proceeds instruments shall comply with an appropriate framework (e.g. ICMA/CBI/EU GBS/LMA) and be subject to independent external review. For some specific issuers, supranational institutions and agencies, this might not be possible. In that case, a internal analysis of the proceeds based on the previously mentioned international frameworks will be conducted prior to investment.
- b) Only issuers of use-of-proceeds instruments must be included in the ESG Positively Screened Universe in order to be considered for investments. However, use-of-proceeds instruments issued by companies that fail the business criteria related to coal, conventional oil & gas, unconventional oil & gas as well as power generation can be eligible following internal assessment.

##### **Mirabaud Sustainable Convertible Bonds Europe and Mirabaud Discovery Convertibles Global:**

- a) The eligibility of use-of-proceeds convertible bonds are considered independently of the eligibility of their issuers. Indeed, to be considered for investment, a use-of-proceeds convertible bond must comply with an appropriate framework (e.g. ICMA/CB/EU GBS/LMA) and be subject to independent external review or internal comparable analysis.



### 3.6. How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

We review ESG criteria of the issuers held in our portfolio on a regular basis. If a controversies alert is received, we review the issuer's ESG criteria immediately and take the necessary actions to assess the company given the new information.

## 4. Investment Process

### 4.1. How are the results of the ESG research integrated into portfolio construction?

ESG research results are systematically factored into portfolio construction. We constantly ensure that at least 90% (100% for Mirabaud – Sustainable Convertibles Global) of the AuM held in the SRI funds mentioned in this transparency code are subject to ESG reviewed investments, provided that non-rated (or rating pending) investments are not subject to ‘controversies’ considered to be serious by our SRI team. Similarly, investments pertaining to the exclusion list cannot be included in the portfolio.

The Mirabaud – Sustainable Convertibles Global and Mirabaud – Sustainable Convertible Bonds Europe promote environmental/social characteristics and while they do not have as their objective a sustainable investment, they commit to a minimum proportion of 10% of sustainable investments<sup>5</sup> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU taxonomy<sup>6</sup>.

According to our proprietary framework, an investment is considered as “sustainable” if it passes all the following three filters as defined by the SFDR Article 2(17):

(a) **contributes substantially to at least one environmental or social objective:** we assess companies’ contribution to the environmental objectives set by the EU taxonomy, using data from Trucost.

(b) **provided that such investments do not significantly harm to other environmental or social objectives:** we screen out companies involved in controversial activities (MAM exclusion policy) and major controversies, ESG laggards as well as companies in breach of specific Principal Adverse Impacts (PAI)<sup>7</sup> indicators.

(c) **and that the company complies with minimum safeguards (good governance):** we assess if companies are aligned with the OECD Guidelines for Multinational Enterprises and the UN Global Compact principles. We also set a minimum threshold for companies by assessing a set of social and governance indicators

An in-depth ESG analysis is carried out on individual securities to pinpoint companies that best satisfy ESG criteria on important issues. Our analysts identify various material issues for every sub-sector to best reflect how companies identify and manage their various potential ESG risks and opportunities. We also conduct an in-depth review, where priority is given to companies we initially put in the “watchlist” (i.e. 7<sup>th</sup> and 8<sup>th</sup> deciles of the investment universe).

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<sup>5</sup> Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not harm any environmental or social objective and that the investee companies follow good governance practices.

<sup>6</sup> The EU taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable activities.

<sup>7</sup> Principal Adverse Impacts (PAI), as per Article 4 of the SFDR Regulation, refer to a list of 14 mandatory corporate indicators that cover a broad scope of environmental and social metrics and allow to monitor the adverse impacts of the securities they invest in.

#### 4.2. How are criteria specific to climate change integrated into portfolio construction?

Please refer to our response to question 3.4.

#### 4.3. How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?

An analysis covers non-rated (or rating pending) issuers. This analysis is structured as follows:

- We identify the relevant material issues affecting the company's business model
- We assess the company's corporate governance structure
- We assess the company's involvement in controversies deemed material
- We analyse the company's publications.

The minimum proportion of issuers in the portfolio that must be covered by either external or internal ESG analysis is:

- 90% for Mirabaud – Sustainable Convertible Bonds Europe and Mirabaud – Discovery Convertibles Global
- 100% for Mirabaud – Sustainable Convertibles Global

#### 4.4. Has the ESG evaluation or investment process changed in the last 12 months?

We considerably strengthened the Mirabaud Convertible Bonds funds ESG integration process during the last 12 months. Engagement remains at the heart of the approach and is being reinforced every year. We use active engagement to understand companies' approach to ESG issues, to influence behavior and to encourage best practices. As for the Mirabaud – Sustainable Convertibles Global we have decided to strengthen our ESG practices by adding further exclusions on conventional weapons, unconventional oil and gas, conventional oil and gas and power generation. In addition, our ESG analysis continues to evolve as data becomes more readily available and we enhance our tools and analysis.

#### 4.5. Is part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

No, there are no assets invested in such entities.

#### 4.6. Does (do) the fund(s) engage in securities lending activities?

No, the funds do not engage in such activities.

#### 4.7. Does (do) the fund(s) use derivative instruments?

While the funds are entitled to do so, they do not trade in futures traded on regulated French and foreign markets.

#### 4.8. Does (do) the fund(s) invest in mutual funds ?

While the funds are entitled to do so, they do not invest in mutual funds.

## 5. ESG controls

### 5.1. What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?

Mirabaud Asset Management has a dedicated 4-person SRI team. This team is responsible for ESG research, data review, tracking portfolio compliance and introducing ESG filters. The team also advises investment and fund management teams in establishing optimal responsible investment processes in line with the process of the product or asset class at hand.

With regards to monitoring portfolio compliance with ESG requirements, the Risk Management team carries out daily pre and post trade monitoring, as excluded investments have been hard coded within the portfolio management system in advance.

Any breach or deviation is immediately notified to fund managers for correction. Should such deviation persist and worsen, it will then be escalated accordingly.

An Investment Management and Risk Committee ensures that SRI fund alerts are tracked and reported.

## 6. Impact measures and ESG reporting

### 6.1. How is the ESG quality of the fund(s) assessed?

The Fund's ESG quality and robustness is reviewed monthly by the SRI team. The quantitative ESG score and assessment are derived from the analysis of Sustainalytics data and are then compared to a reference universe's average score and performance. The Fund's carbon footprint is also calculated based on Trucost data and is updated on a monthly basis. This assessment is also reported in the dedicated SRI report.

### 6.2. What ESG indicators are used by the fund(s)?

Impact indicators are identified to enable a measure of the Fund's extra-financial performance. The following indicators are calculated both for the portfolio and its reference universe (as reported in the SRI report):

- Mirabaud Asset Management's in-house ESG score
- Product Involvement
- Exposure to ESG controversies
- Carbon intensity to measure emissions (Scope 1 and 2) and highest/lowest contributors
- Evolution of portfolio's carbon intensity vs the benchmark
- Contribution to energy transition (2°C Alignment)
- Embedded emissions
- Staff freedom of association and diversity company policies
- Human rights company practices by identifying UN Global compact signatories and companies involved in human rights compliance controversies in their supply chains
- Executive management governance regarding ESG practices and an assessment of supervisory board directors' independence and diversity

Subject to data availability, we monitor Principal Adverse Impacts (PAI) indicators on sustainability factors such as climate, environment, resource use, labours, human rights and business ethics. Please refer to our statement via the following link: [MAM \(mirabaud-am.com\)](https://www.mirabaud-am.com)

### 6.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

Investors are notified and can access dedicated information via the Mirabaud Asset Management website:

- [Prospectus Mirabaud SICAV](#)
- [Mirabaud – Sustainable Convertibles Global](#)
- [Mirabaud – Sustainable Convertible Bonds Europe](#)
- [Mirabaud – Discovery Convertibles Global](#)

#### 6.4. Does the fund management company publish the results of its voting and engagement policies?

Votes are systematically reported on the Mirabaud Asset Management website and can be accessed via the following link: <https://www.mirabaud-am.com/en/proxy-voting>

The engagement policy can be accessed via the following link:: at: [https://www.mirabaud-am.com/fileadmin/mount\\_asset\\_management/Legal/Copyright\\_and\\_Legal/Mirabaud\\_AM\\_Engagement\\_Policy\\_EN.pdf](https://www.mirabaud-am.com/fileadmin/mount_asset_management/Legal/Copyright_and_Legal/Mirabaud_AM_Engagement_Policy_EN.pdf)

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