

The power of green innovation

INTERVIEW



Suzanne Senellart
Head of the Mirova
Europe Environmental
Equity Strategy



Oscar Bateau
Portfolio Manager/
Financial Analyst



Christine Tricaud
Portfolio Manager/
Financial Analyst

1. What are the challenges that the environmental and energy transition must address?

The environmental transition has begun, and its momentum is reshaping both our models of production and consumer behaviour. Taking environmental issues into account is a matter of economic reality, a matter of significantly reducing our environmental impact, **reducing our reliance on raw materials and fossil fuels**, and in doing so increasing economic resilience.

The urgency of this transition comes first and foremost from the need to **preserve the environment for future generations**, a critical issue that is well-understood by the public opinion and championed by youth. This goal calls for reducing our CO₂ emissions, and thus for **decarbonising the economy**. However, deploying **green solutions** quickly is the key challenge when it comes to bringing about change faster than expected and achieving the transition to a sustainable economy.

The geopolitical upheaval in Eastern Europe, and the unprecedented energy crisis that has ensued, are significantly perturbing the EU's economy and increase the desire for **energy independence**. Caught by this emergency, Europe is seeking an alternative to Russian gas, which is to say for 40% of its energy needs. The REPowerEU² plan, which the European Union published in May 2022³, is in fact an **emergency plan for accelerated decarbonisation**. The Ukrainian crisis is shaking up energy policies, destabilizing companies and leading to an acceleration in the implementation of solutions, faster and stronger, to overcome the energy crisis. The ambition to decarbonize the European economy in the long term is significantly strengthened by an accelerated search for ways to reduce fossil fuels in order to achieve energy independence.

Decarbonisation, energy independence and accelerated transition, all three of these issues raise the question of how to **finance companies that offer highly innovative alternative solutions** to meet these challenges. **We believe these companies are critical to winning on both the economic and environmental fronts**. We are witnessing the emergence of new solutions and innovations that will, we believe, play a prominent role in accelerating the transition.

And it is precisely these providers of sustainable solutions that we seek to finance with the Mirova Europe Environmental Equity Strategy⁴, whatever their size.

We finance both established leaders of the transition and small start-up firms. As shareholders of major leaders, we take our role as long-term investors seriously. Thanks to the dividends generated (132 million euros between 2019 and 2022⁵), we can also play our role in supporting a pool of solution-creators with an acute need for financing.

We aim to help accelerate the environmental and energy transition: working to preserve biodiversity, promote decarbonisation and enable energy independence. Finding the financing to achieve all this is a major issue, especially for emerging companies.

1. Marketing communication reserved for professional and non-professional clients as defined by the MiFID Directive.

2. https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3131

3. <https://www.novethic.fr/actualite/energie/transition-energetique/isr-rse/panneaux-solaires-obligatoires-sur-les-toits-procedures-d-autorisation-simplifiees-efficacite-energetique-pour-se-passer-du-gaz-russe-la-commission-europeenne-releve-ses-objectifs-150797.html>

4. All investments involve risk, including risk of capital loss and sustainability risks.

5. Source: Mirova, timeline from 01/01/2019 to 08/31/2022. Past performance is not a reliable indicator of future performance.

2. How do you go about financing these small and mid-sized companies? What proportion of the portfolio do they represent?

We have always had a pocket for mid-caps (companies with a market capitalisation of €2 billion to €6 billion), but we wanted to maximise our impact by increasing financing for companies for which it is critical. To do so, we launched a small-cap pocket (companies with a market capitalisation under €2 billion) about three years ago.

In figures, midcaps represent 11% of the portfolio, while small-caps made up 5.4% as at August, 31st of 2022⁶. These securities cover a range of themes, including renewable en-

ergy, bio-based solutions and waste recycling.

Within the small-cap pocket, we support companies through a variety of mechanisms; these include assisting with IPOs and capital fundraising (€107,3 million) on the one hand, and on the other, support on the market (€19,4 million). These companies constitute a technology pool that we believe demonstrates the power of green innovation. We believe it essential to finance the emerging players driving disruptive technologies at the stage when they need it most, at the beginning of their growth phase. In doing so, we hope to encourage and support the development of new means of production and the new human capabilities critical to their success. We act as cornerstone investors, supporting the development of small innovative companies over the long term and providing them with stability and shareholder visibility.

Small-cap companies serving green innovation

- ▶ >€2 bn
- ▶ **Types of financing: IPO and capital increases** (€107.3 million) and **support on capital markets** (€19.4 million): **€126.7 million in total** as of 08/31/2022
- ▶ **5.4%** of portfolio as of 08/31/2022



Sustainable Resource Management



Clean Mobility



Renewable Energy



Energy Efficient Industry



Green Building

Source : Mirova as of 08/31/2022. The data provided corresponds to the situation as of 08/31/2022 and is subject to change without notice.

Are there examples of such small-capitalisation firms you can share with us?

THE EXAMPLES DESCRIBED BELOW ARE PRESENTED FOR ILLUSTRATIVE PURPOSES ONLY AND MAY NOWISE BE CONSTRUED AS A RECOMMENDATION OR SOLICITATION TO BUY OR INVEST.

Waga Energy: a circular approach to biomethane production in the service of energy independence

Worldwide, the growth in waste consigned to landfills is expected to accelerate sharply – from two billion metric

tonnes of household waste annually in 2016 to 3.4 billion tonnes in 2050⁷. To address this issue, **Waga Energy** offers a solution featuring several advantages, both logistical and environmental. **Waga Energy is a company specialised in the production of biomethane, using an innovated process to capture and purify harmful gasses from landfill sites in an approach consistent with a circular economy.**

This disruptive technology was developed starting in 2007 within the corporate structure of Air Liquide by the three engineers who founded Waga Energy. The solution offered is relevant from an environmental perspective, thanks to its contributions to reducing greenhouse gas (GHG) emissions, waste reclamation and resource preservation, and also from a social and economic point of view, by producing renewable energy at competitive prices. Furthermore, in the context of war in Ukraine, it helps to partially address

6. Source: Mirova as of 08/31/2022

7. Source: World Bank

the need for energy autonomy, since it is produced locally and connected to local networks. We see the strategy as here perfectly aligned with the latest objectives of the REPowerEU⁸.

Afyren: a sustainable and innovative approach to the chemicals industry

Created in 2012, Afyren is a sustainable chemicals company offering innovative solutions designed from the start with a circular economy in mind. Afyren is able to offer consumer industries (food, cosmetics) a bio-sourced alternative that fully partakes of a circular philosophy and uses non-food biomass, namely beet pulp and molasses, which are sugar-beet by-products, to produce molecules that avoid competing directly with human food sources.

The technology Afyren has developed, unlike that of other players working on bio sourced solutions, is based on non-GMO fermentation⁹. This natural fermentation requires no modification to the micro-organisms' DNA. This simpler fermentation process reduces production costs at scale and constitutes a convincing sales pitch for demanding clients averse to the use of GMOs. The production process rests on the group's know-how, especially its ability to select the right organisms, and on nine separate families of internationally registered patents and a tenth application currently underway. This highly innovative technology makes it possible to produce carboxyl chain molecules, replacing petro-sourced molecules, while being cost competitive.

Entech: a key player in the green energy value chain

Founded in 2016, Entech is making a place for itself at the heart of new electrical systems, serving renewable energy developers and operators.

The company designs and installs key technologies (storage, electrical conversion, smart controls) that facilitate the ever-growing integration of renewable energy into the energy mix. The company offers customers turnkey solutions covering renewable energy production, storage (batteries or hydrogen), conversion and control of the entire structure to optimise its efficiency and customers' return on investment. Taking an agnostic approach, whether in the design of the project or choosing the most suitable components according to performance constraints, and couples these with its proprietary software for intelligently controlling all the elements and offering added value to the network manager. Their offer also makes it possible to meet the onsite consumption needs of industrial and commercial facilities. **Thanks to an increasing industrialisation of its offer and the design of new standards, Entech is experiencing very strong growth in its activity (+121% in 2021)¹⁰.** In addition, the company is working on the second life of batteries, to better optimise their use. **The company's key position on the green energy value chain opens up prospects for significant growth and value creation.**

8. https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/repowerEU-affordable-secure-and-sustainable-energy-europe_en

9. Genetically Modified Organism

10. Source: Entech

Legal information

About Mirova

Mirova is an asset-management company dedicated to sustainable investment and an affiliate of Natixis Investment Managers. Thanks to its conviction-led management style, Mirova's objective is to combine a quest for long-term value creation with sustainable development. Pioneers in many areas of sustainable finance, Mirova's talents are committed to innovation in order to provide their clients with high environmental and social impact solutions. Mirova and its affiliates manage €28,6 billion as of 31 December 2021. Mirova has been awarded the B Corp* label and the status of "Entreprise à Mission" (mission led company).

*References to a ranking, award or label do not prejudice the future performance of the fund/fund or the manager

This information is intended for non-professional and professional clients as defined by MiFID.

If it is not the case and you receive this document and/ or any attachment by mistake, please destroy it and inform Mirova immediately.

The specific risks of investing in the Mirova Europe Environmental Equity strategy are linked to: Capital Loss, Equity securities, Small, Mid and Large Capitalization Companies, Exchange rates, ESG Driven Investments, Geographic concentration, Portfolio concentration, sustainability risk.

This strategy may be subject to restrictions regarding some persons or in some countries under national regulations applicable to such persons or in those countries. Therefore, each investor must ensure of being authorized to invest in those strategies. This investment allows us to take advantage of the performance potential of financial markets in return for some risk-taking. Invested capital and performance are not guaranteed and there is a risk of capital loss. Your money is invested in financial instruments selected by Mirova.

This instrument will be exposed to developments and contingencies in financial markets. The risk and return level (type) is an indicator rated from 1 to 7 corresponding to increasing levels of risks and returns. It is the result of a regulatory methodology based on the annualized volatility, calculated over 5 years. Regularly assessed, this indicator may change. Otherwise, past performance is no guarantee or reliable indicator of current or future performance. Performance figures are calculated net management and running fees, included safekeeping fees and commissions.

In accordance with the regulations in force, on simple request, the client can receive details of the remuneration relating to the marketing of this strategy. According to the legislation in force, the tax treatment depends on the individual situation of each client. The amount that it is reasonable to invest in this UCITS/FIA depends on the personal situation of each holder. To determine this amount, each holder must take into account his personal property, the regulations applicable to him, its current and future needs over the recommended investment horizon but also the level of risk to which he wishes to be exposed. It is strongly recommended to diversify its assets sufficiently so as not to be exposed solely to the risks of this fund. Any person wishing to subscribe to shares of the fund should contact his or her usual advisor, prior to subscription, in order to benefit from information or advice suited to his or her personal situation.

This document is a noncontractual document for information purposes only. This document does not constitute or form part of any offer, or solicitation, or recommendation to subscribe for, or buy, or concede any shares issued or to be issued by the funds managed by Mirova investment management company. The presented services do not take into account any investment objective, financial situation or specific need of a particular recipient. Mirova shall not be held liable for any financial loss or for any decision taken on the basis of the information contained in this document, and shall not provide any consulting service, notably in the area of investment services. In any case, it is your responsibility to consult the regulation of the fund and to obtain the internal and external opinions that you consider necessary or desirable, including from lawyers, tax experts, accountants, financial advisers, or any other specialist, especially to check the suitability of the investment presented to you with your objectives and constraints and to carry out an independent evaluation of this investment in order to assess its merits and risk factors.

The information contained in this document is based on present circumstances, intentions and guidelines, and may require subsequent modifications. Although Mirova has taken all reasonable precautions to verify that the information contained in this document comes from reliable sources, a significant amount of this information comes from publicly available sources and/or has been provided or prepared by third parties. Mirova bears no responsibility for the descriptions and summaries contained in this document. No reliance may be placed for any purpose whatsoever on the validity, accuracy, durability or completeness of the information or opinion contained in this document, or any other information provided in relation to the fund. Recipients should also note that this document contains forward-looking information, issued on the date of this presentation. Mirova makes no commitment to update or revise any forward-looking information, whether due to new information, future events or any other reason. All financial information, notably on prices, margins or profitability, shall be indicative and shall be subject to change at any time, in particular depending on market conditions. Mirova reserves the right to modify or remove this information at any time without notice. The information contained in this document is the property of Mirova. It may not be communicated to third parties without the prior written consent of Mirova. It may not be copied, in part or in whole, without the prior written consent of Mirova. The distribution, possession or delivery of this document in some jurisdictions may be limited or prohibited by law. Persons receiving this document are asked to learn about the existence of such limitations or prohibitions and to comply with them. Mirova voting and engagement policy as well as transparency code are available on its website : www.mirova.com.

Non contractual document, issued in September 2022.

MIROVA

French Public Limited liability company with board of Directors
Regulated by AMF under n°GP 02-014 - RCS Paris n°394 648 216
Registered Office: 59, Avenue Pierre Mendes France – 75013 – Paris
Mirova is an affiliate of Natixis Investment Managers.

NATIXIS INVESTMENT MANAGERS

French Public Limited liability company
RCS Paris n°453 952 681
Registered Office: 43, Avenue Pierre Mendes France – 75013 – Paris
Natixis Investment Managers is a subsidiary of Natixis.

NATIXIS INVESTMENT MANAGERS INTERNATIONAL

French Public Limited liability company
Regulated by AMF under n° GP 90-009
RCS Paris n°329 450 738
Registered Office: 43, Avenue Pierre Mendes France – 75013 – Paris
Natixis Investment Managers International is an affiliate of Natixis Investment Managers.

Additional Notes

This material has been provided for information purposes only to investment service providers or other Professional Clients, Qualified or Institutional Investors and, when required by local regulation, only at their written request. This material must not be used with Retail Investors.

To obtain a summary of investor rights in the official language of your jurisdiction, please consult the legal documentation section of the website (im.natixis.com/intl/intl-fund-documents)

In the E.U.: Provided by Natixis Investment Managers International or one of its branch offices listed below. Natixis Investment Managers International is a portfolio management company authorized by the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) under no. GP 90-009, and a public limited company (société anonyme) registered in the Paris Trade and Companies Register under no. 329 450 738. Registered office: 43 avenue Pierre Mendès France, 75013 Paris. **Italy:** Natixis Investment Managers International Succursale Italiana, Registered office: Via San Clemente 1, 20122 Milan, Italy. **Netherlands:** Natixis Investment Managers International, Netherlands (Registration number 000050438298). Registered office: Stadsplateau 7, 3521AZ Utrecht, the Netherlands. **Spain:** Natixis Investment Managers International S.A., Sucursal en España, Serrano n°90, 6th Floor, 28006 Madrid, Spain. **Sweden:** Natixis Investment Managers International, Nordics Filial (Registration number 516412-8372- Swedish Companies Registration Office). Registered office: Kungsgatan 48 Str, Stockholm 111 35, Sweden. **Or,**

Provided by Natixis Investment Managers S.A. or one of its branch offices listed below. Natixis Investment Managers S.A. is a Luxembourg management company that is authorized by the Commission de Surveillance du Secteur Financier and is incorporated under Luxembourg laws and registered under n. B 115843. Registered office of Natixis Investment Managers S.A.: 2, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. **Germany:** Natixis Investment Managers S.A., Zweigniederlassung Deutschland (Registration number: HRB 88541). Registered office: Senckenberganlage 21, 60325 Frankfurt am Main. **Belgium:** Natixis Investment Managers S.A., Belgian Branch, Gare Maritime, Rue Picard 7, Bte 100, 1000 Bruxelles, Belgium.

In Switzerland: Provided for information purposes only by Natixis Investment Managers, Switzerland Sàrl, Rue du Vieux Collège 10, 1204 Geneva, Switzerland or its representative office in Zurich, Schweizergasse 6, 8001 Zürich.

In the British Isles: Provided by Natixis Investment Managers UK Limited which is authorised and regulated by the UK Financial Conduct Authority (register no. 190258) - registered office: Natixis Investment Managers UK Limited, One Carter Lane, London, EC4V 5ER. When permitted, the distribution of this material is intended to be made to persons as described as follows: **in the United Kingdom:** this material is intended to be communicated to and/or directed at investment professionals and professional investors only; **in Ireland:** this material is intended to be communicated to and/or directed at professional investors only; **in Guernsey:** this material is intended to be communicated to and/or directed at only financial services providers which hold a license from the Guernsey Financial Services Commission; **in Jersey:** this material is intended to be communicated to and/or directed at professional investors only; **in the Isle of Man:** this material is intended to be communicated to and/or directed at only financial services providers which hold a license from the Isle of Man Financial Services Authority or insurers authorised under section 8 of the Insurance Act 2008.

In the DIFC: Provided in and from the DIFC financial district by Natixis Investment Managers Middle East (DIFC Branch) which is regulated by the DFSA. Related financial products or services are only available to persons who have sufficient financial experience and understanding to participate in financial markets within the DIFC, and qualify as Professional Clients or Market Counterparties as defined by the DFSA. No other Person should act upon this material. Registered office: Unit L10-02, Level 10 ,ICD Brookfield Place, DIFC, PO Box 506752, Dubai, United Arab Emirates

In Taiwan: Provided by Natixis Investment Managers Securities Investment Consulting (Taipei) Co., Ltd., a Securities Investment Consulting Enterprise regulated by the Financial Supervisory Commission of the R.O.C. Registered address: 34F., No. 68, Sec. 5, Zhongxiao East Road, Xinyi Dist., Taipei City 11065, Taiwan (R.O.C.), license number 2020 FSC SICE No. 025, Tel. +886 2 8789 2788.

In Singapore: Provided by Natixis Investment Managers Singapore Limited (company registration no. 199801044D) to distributors and qualified investors for information purpose only.

In Hong Kong: Provided by Natixis Investment Managers Hong Kong Limited to professional investors for information purpose only.

In Australia: Provided by Natixis Investment Managers Australia Pty Limited (ABN 60 088 786 289) (AFSL No. 246830) and is intended for the general information of financial advisers and wholesale clients only.

In New Zealand: This document is intended for the general information of New Zealand wholesale investors only and does not constitute financial advice. This is not a regulated offer for the purposes of the Financial Markets Conduct Act 2013 (FMCA) and is only available to New Zealand investors who have certified that they meet the requirements in the FMCA for wholesale investors. Natixis Investment Managers Australia Pty Limited is not a registered financial service provider in New Zealand.

In Colombia: Provided by Natixis Investment Managers Internacional Oficina de Representación (Colombia) to professional clients for informational purposes only as permitted under Decree 2555 of 2010. Any products, services or investments referred to herein are rendered exclusively outside of Colombia. This material does not constitute a public offering in Colombia and is addressed to less than 100 specifically identified investors.

In Latin America: Provided by Natixis Investment Managers International.

In Chile: Esta oferta privada se inicia el día de la fecha de la presente comunicación. La presente oferta se acoge a la Norma de Carácter General N° 336 de la Superintendencia de Valores y Seguros de Chile. La presente oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Superintendencia de Valores y Seguros, por lo que los valores sobre los cuales ésta versa, no están sujetos a su fiscalización. Que por tratarse de valores no inscritos, no existe la obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.

In Mexico: Provided by Natixis IM Mexico, S. de R.L. de C.V., which is not a regulated financial entity, securities intermediary, or an investment manager in terms of the Mexican Securities Market Law (Ley del Mercado de Valores) and is not registered with the Comisión Nacional Bancaria y de Valores (CNBV) or any other Mexican authority. Any products, services or investments referred to herein that require authorization or license are rendered exclusively outside of Mexico. While shares of certain ETFs may be listed in the Sistema Internacional de Cotizaciones (SIC), such listing does not represent a public offering of securities in Mexico, and therefore the accuracy of this information has not been confirmed by the CNBV. Natixis Investment Managers is an entity organized under the laws of France and is not authorized by or registered with the CNBV or any other Mexican authority. Any reference contained herein to "Investment Managers" is made to Natixis Investment Managers and/or any of its investment management subsidiaries, which are also not authorized by or registered with the CNBV or any other Mexican authority.

In Uruguay: Provided by Natixis Investment Managers Uruguay S.A., a duly registered investment advisor, authorised and supervised by the Central Bank of Uruguay. Office: San Lucar 1491, Montevideo, Uruguay, CP 11500. The sale or offer of any units of a fund qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627.

In Brazil: Provided to a specific identified investment professional for information purposes only by Natixis Investment Managers International. This communication cannot be distributed other than to the identified addressee. Further, this communication should not be construed as a public offer of any securities or any related financial instruments. Natixis Investment Managers International is a portfolio management company authorized by the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) under no. GP 90-009, and a public limited company (société anonyme) registered in the Paris Trade and Companies Register under no. 329 450 738. Registered office: 43 avenue Pierre Mendès France, 75013 Paris.

The above referenced entities are business development units of Natixis Investment Managers, the holding company of a diverse line-up of specialised investment management and distribution entities worldwide. The investment management subsidiaries of Natixis Investment Managers conduct any regulated activities only in and from the jurisdictions in which they are licensed or authorised. Their services and the products they manage are not available to all investors in all jurisdictions. It is the responsibility of each investment service provider to ensure that the offering or sale of fund shares or third party investment services to its clients complies with the relevant national law.

The provision of this material and/or reference to specific securities, sectors, or markets within this material does not constitute investment advice, or a recommendation or an offer to buy or to sell any security, or an offer of any regulated financial activity. **Investors should consider the investment objectives, risks and expenses of any investment carefully before investing.** The analyses, opinions, and certain of the investment themes and processes referenced herein represent the views of the portfolio manager(s) as of the date indicated. These, as well as the portfolio holdings and characteristics shown, are subject to change. There can be no assurance that developments will transpire as may be forecasted in this material. The analyses and opinions expressed by external third parties are independent and does not necessarily reflect those of Natixis Investment Managers. Although Natixis Investment Managers believes the information provided in this material to be reliable, including that from third party sources, it does not guarantee the accuracy, adequacy, or completeness of such information. May not be redistributed, published, or reproduced, in whole or in part.

Amounts shown are expressed in USD unless otherwise indicated.

Natixis Investment Managers may decide to terminate its marketing arrangements for this fund in accordance with the relevant legislation