MIRABAUD
ASSET MANAGEMENT

UK STEWARDSHIP CODE

STEWARDSHIP REPORT 2022

1 JANUARY – 31 DECEMBER 2022


1819

Contents

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 2022.

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.

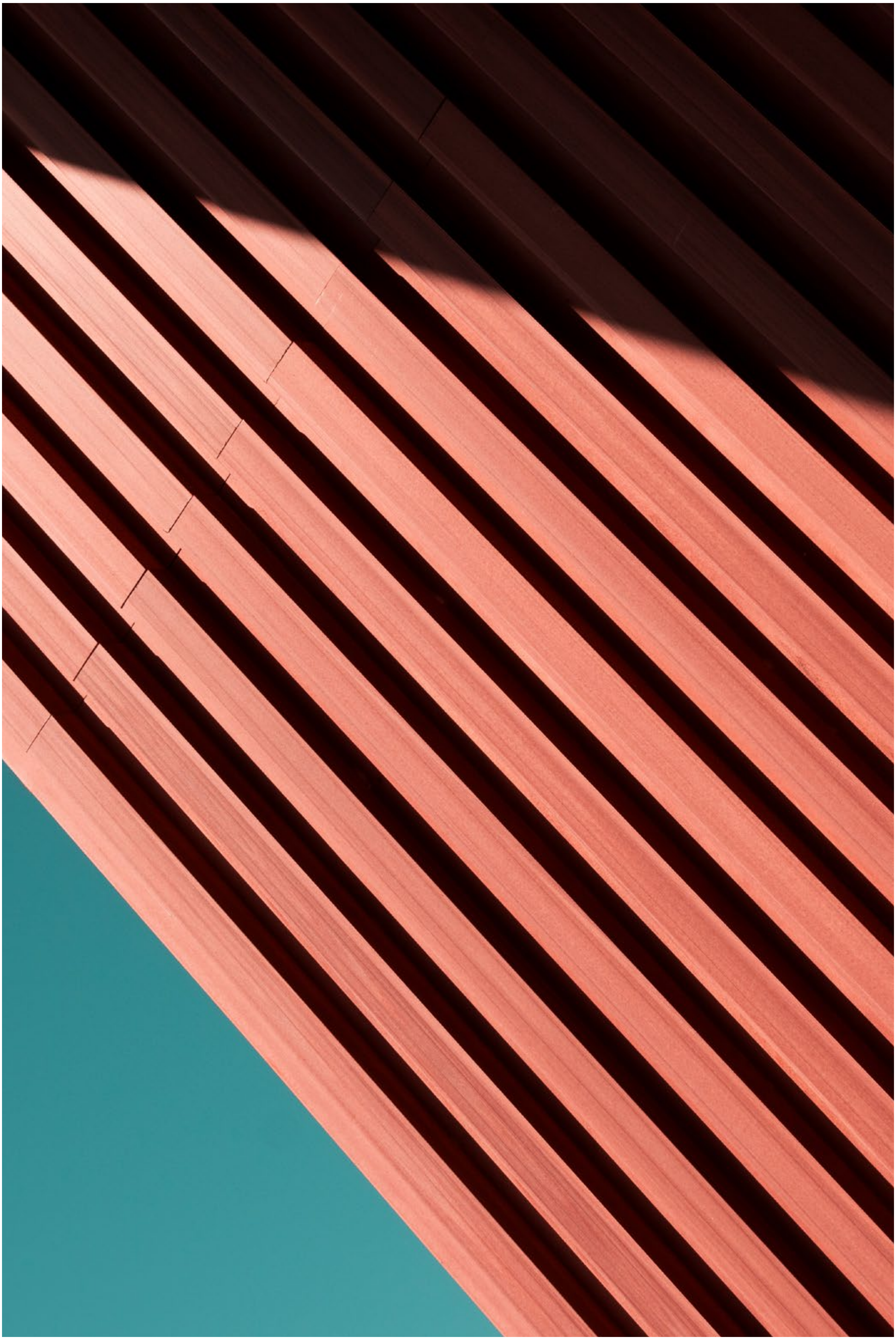
Passion: Passion brings motivation and dedication together to enable servicing excellence. This passion extends to our interaction with clients, as well as the way we face challenges on their behalf.

Our business model

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.

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.

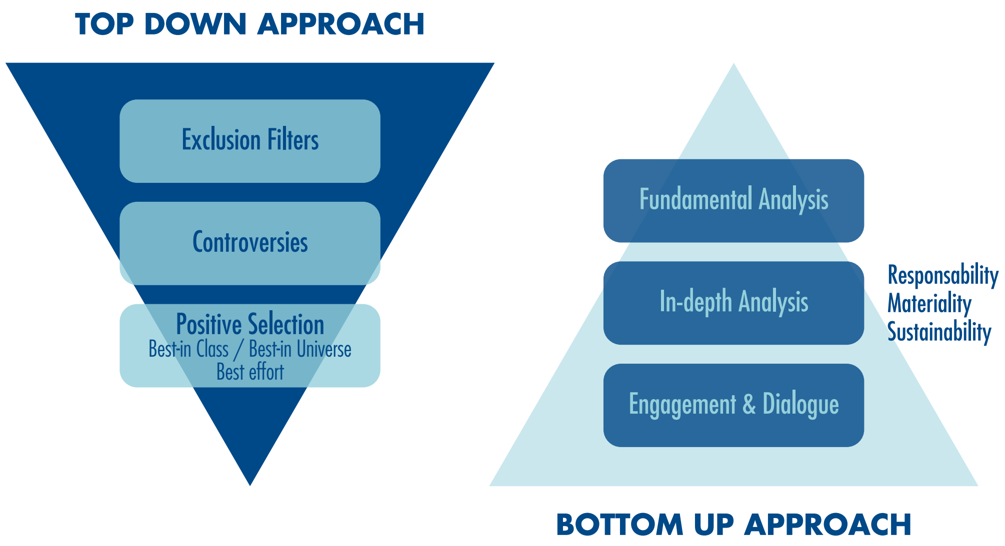
Climate change: Aside from highlighting low-carbon businesses, our climate change approach also seeks to drive intensive carbon issuers to reduce emissions, rather than excluding them.

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.

Figure 1: ESG integration strategy



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, tobacco and thermal coal mining[1]. This applies to all our long-only funds.

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

[1] The thermal coal mining revenues threshold was reduced in 2022, from 20% to 10%.

Figure 2: Exclusion policy

Sector	Exclusion Criteria
Controversial Weapons	Companies involved in dedicated research, development and manufacture of controversial weapons (i.e weapons having indiscriminate effects and causing harm, injuries and suffering)
Tobacco	Companies directly involved in the production of tobacco industry (constituting more than 5% of revenue)
Thermal Coal	Companies deriving more than 10% of revenues from thermal coal mining

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.

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.

Figure 3: ESG analysis pillars

Responsibility	Materiality	Sustainability
Assessing Companies Best Practices by relying on external providers' extra financial data and company's disclosure	Developing a matrix aimed at identifying & defining key materiality ESG matters by industry and sector	Measuring the company's commitment to a sustainable transition and green growth

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.

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 our ESG approach, exclusion policies, engagement and associated follow-ups, and monitoring of investee companies. Clients, for example, have demonstrated a growing interest in our SRI processes, particularly the classification of our EU funds[2] as Article 8 or 9 according to the Sustainable Finance Disclosure Regulation (SFDR) regulation, or our temperature alignment and SRI scores.

Requests for proposals and due diligence

Stewardship information is also communicated to clients through request for proposals (RFPs) and due diligence

[2] MAM EU funds are funds domiciled in Europe. MAM funds domiciled in Switzerland are not in the scope of SFDR regulation.

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 2022, the marketing team continued the roll-out of our due diligence platform, which was introduced in 2021. A key benefit 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.

During 2022, the marketing team observed a steady increase in ESG-related questions in client RFPs and DDQs, notably related to the SFDR classification of our funds, Principal Adverse Impacts (PAI) and 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 European SRI Transparency Code reports for relevant funds, which clarify each fund's ESG approach in a comparable format. Proxy voting data for the funds is available on MAM's website and is updated on a daily basis. As of December 2022, we also provide a Principal Adverse Impacts Statement to comply with SFDR regulation. 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.

During 2022, the marketing team launched a new MAM website to allow for a more simplified and user-friendly experience. In 2023, we plan to update the SRI webpage to better showcase ESG and sustainability-related information.

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 and phone exchanges. 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 2022.

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 2022 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 2022, MAM managed CHF 7.2bn (c. GBP 6.4bn) of assets on behalf of institutional and wholesale clients. Assets under management (AuM) by asset class and by client type for the reporting period are available in figures 4 and 5.

Figure 6 provides a geographical breakdown of our assets under management as at 31 December 2022. Figure 7 shows the geographical distribution of clients.

Figure 4: AuM by Asset Class

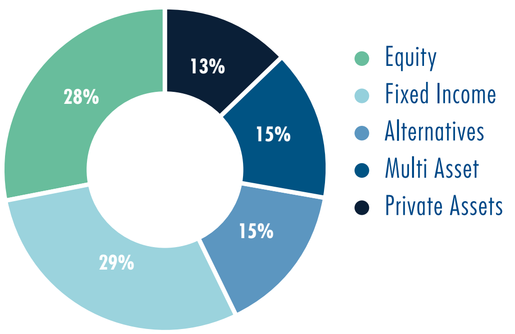


Figure 6: Geographical Asset Breakdown

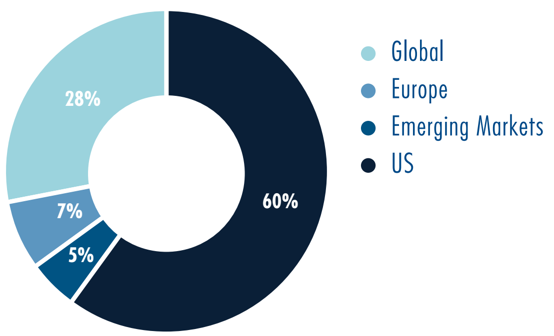


Figure 5: AuM by Client Type

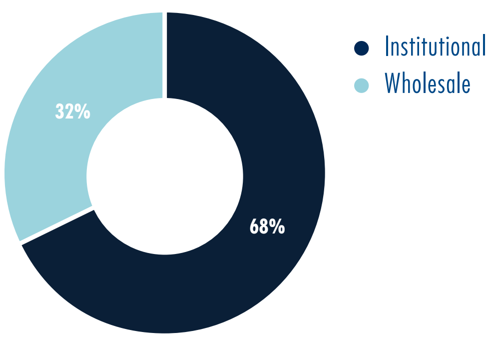
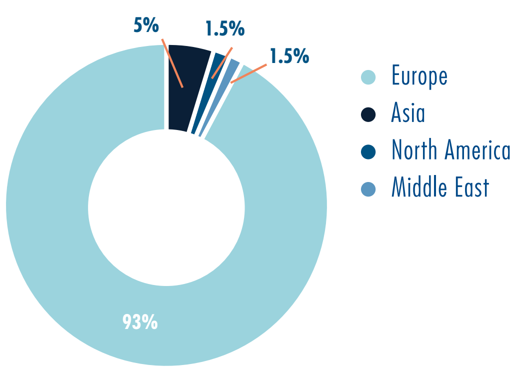


Figure 7: Geographical distribution of clients



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 in different legal entities across the Mirabaud Asset Management 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					

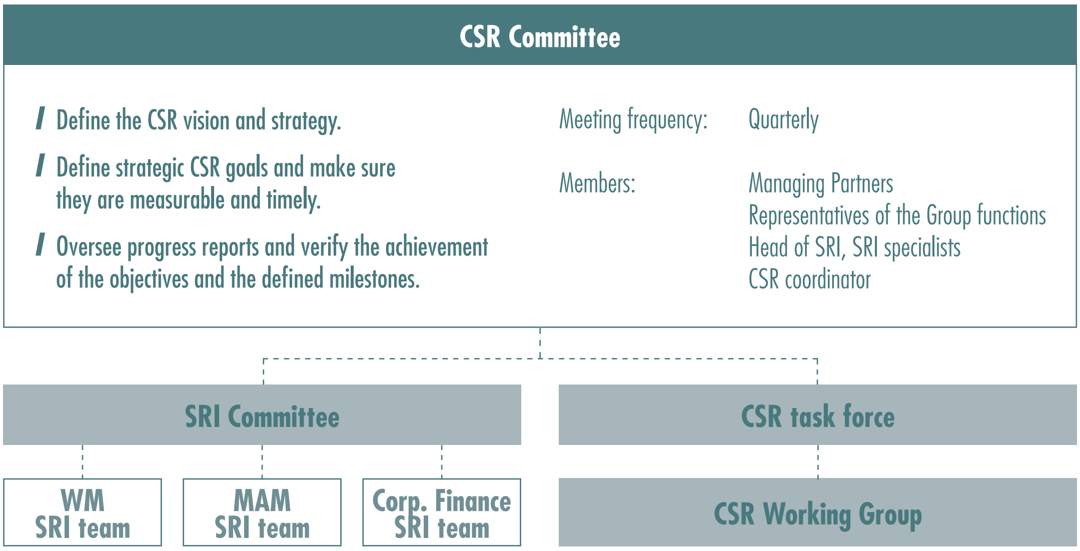
Further information on Mirabaud Group's governance is available via this link.

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.

Figure 9: CSR Governance



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 This is the Mirabaud Group CSR Committee. 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.
SRI Committee This is a sub-committee of the CSR Committee. The Committee is dedicated to SRI activities, given the complexities that underpin different areas of sustainable and responsible investments. 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.
CSR Task Force and Working Group The CSR Task Force supports the CSR Committee. The CSR Working Group reports into the CSR Task Force. 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. The Working Group is a group of key stakeholders across different departments that delivers the priorities set by the Task Force.

2022 Activity

CSR Committee

During 2022, the Group acted on all of its four responsibility pillars, with a dedicated focus on the environmental pillar as it leveraged its second carbon footprint measurement exercise to assess progress with respect to its carbon management plan, and to confirm the next steps that can be taken to reduce the Group's CO2 emissions further. Along with the environmental pillar, SRI topics were actioned across the three legal entities. MAM signed the Net Zero Asset Managers Initiative (NZAM) in January 2022 and validated related targets. MAM also continued to integrate ESG processes and data in investment decisions and to produce SRI Reports for equity and fixed income funds. Relevant disclosures include carbon intensity relative to the benchmark and alignment to low-carbon scenarios and emissions pathways.

SRI Committee

During 2022, 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 10%. 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. Finally, the SRI Committee managed the annual SRI budget and addressed improvements in data provided by ESG vendors.

CSR Task Force and Working Group

During 2022, 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.
The outcomes of carbon reporting and accounting have been reflected in the first Mirabaud Group CSR policy, which was published in 2022.

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 2022, we organised a number of fundraising events including a book collection by partnering with The Children's Book Project, a UK charity, and a bake sale to raise money for two charities: Manna Society, which supports homeless people in London; and Canals & Rivers Trust, which works with communities to transform local canals or rivers. In addition, we hosted a coffee morning to fundraise for MacMillan Cancer Support.

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 Framework[3]. 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. The kick-off meeting was held in June 2022 and four SRI Forums were organised during the year.

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.

SRI Team
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.

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.

[3] The SRI Engagement Framework is detailed in the section: 'Engagement' – '2022 highlights'.

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, Cardiff. Hamid has a Master's in Finance from Paris XIII University and is a Certified International Investment Analyst from the French Financial Analyst Association.

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.

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 19 ESG training sessions for investment and sales teams dedicated to our SRI processes. During 2023, our SRI professionals will also liaise 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 on a daily basis, 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 a weekly ESG newsletter to employees globally, where we communicate about responsible investment trends, practices across the business and engagement case studies. We produced 47 newsletters during 2022; among the topics addressed, we tackled developments around the EU Taxonomy and its requirements, increases in ESG-related proposals in voting and dedicated content on climate change, including the Net Zero Asset Managers (NZAM) initiative and learnings from the 2022 IPCC Sixth Assessment Report. We always link ESG trends to our investment strategies to make our colleagues aware of the implications of sustainability developments for MAM's financial products. In 2023, we plan to further improve the content shared in our ESG newsletter in terms of the level of detail and complexity of information. This will facilitate the further education of our employees and improve transparency. The frequency of the newsletter will change from weekly to bi-monthly.

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. During 2022, 6 MAM employees registered for the CFA ESG.

Dedicated risk controls

MAM has a dedicated Risk Management team in place whose main objectives are to identify, monitor and communicate 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 taken into account, 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. Stocks 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, monitored and managed. 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 in order 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 on a monthly basis 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 Manager and the Head of Legal and Compliance.

Throughout 2022, a great effort was dedicated to the implementation of SFDR across the organisation. The legal documents, scope, procedures and controls, and reporting have been reviewed and enhanced. In addition, the Performance & Reporting and Risk Management teams were merged to increase synergies and interactions between investment and risk teams, centralise the production of reporting, and improve automation and digitalisation.

In 2023, particular attention will be granted to the implementation of regulatory requirements, the EU Taxonomy as well as the enhancement of the current working process. The data flow between service providers, data management, trading systems and compliance modules will be reviewed and streamlined.

ESG service providers

We collaborate with a number of 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 minuted 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 2022, 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, weekly 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.

At times, we challenged certain datapoints to address any instances of misalignment. For example, we raised an issue with a provider to reconcile its estimate of a stock's carbon intensity with data obtained through corporate reporting. ESG specialists were available to explain the provider's methodology in order to address the specificities of the datapoint's calculations. We also enquired about diverging temperature alignment levels of two airline groups after our SRI analysts conducted further ESG analysis on each company and found that they each had robust climate policies in place that did not justify the 2°C alignment differences.

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 reached out to our proxy voting service provider to better understand the rationale behind select voting recommendations and to share our view on the evolution of their voting guidelines. For instance, after internal discussions with UK equities portfolio managers, we communicated our difference of opinion around a voting recommendation for a non-executive director (NED). Specifically, ISS recommended to vote in favour of the director but highlighted contentious issues relating to his attendance levels below minimum thresholds. After further internal analysis, we noted that the consideration of nuanced and relevant factors should not have raised the NED's attendance levels as a matter of concern because he was on compassionate leave, which involved an emergency situation and could be exercised by contract. We raised this point, especially in the context of the provider's sustainability voting guidelines (to which MAM subscribes) that should be more cognisant of ESG considerations. We encouraged their research team to take into account our views in future policy updates. 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		
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		
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

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 marketwide 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 training within our sales and investment teams, weekly 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.

During 2022, we updated our Engagement Policy to ensure that our evolving stewardship approach is adequately reflected in our processes. We also introduced an SRI Forum to facilitate regular discussions among portfolio managers about engagement case studies and SRI topics.

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 2022, MAM managed conflicts of interest that may have arisen during its engagements. The SRI Engagement Framework introduced in the reporting year is facilitating 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. We will continue to adopt this approach, as it enables us to set firm-wide MAM objectives and communicate consistent targets to companies.

During 2022, MAM did not identify any other conflicts in connection with its stewardship or engagement activities.

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 marketwide 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 policy[4] 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 views[5].

Equity

Equity investment teams may apply different ESG integration strategies, including additional exclusions and sustainable investment approaches.

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, adult entertainment, gambling, alcohol, oil sands, palm oil and pesticides.

The Swiss Equities team also enforces additional exclusion filters to their investable universe, including companies deriving 5% or more of annual revenues from adult entertainment, gambling, thermal coal mining and power generation.

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 circular growth, 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.

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.

The UK Equities team adopts a broad ESG framework of assessment in the research and portfolio construction process,

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

5 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)'.

"Treating All Stakeholders Fairly", whereby portfolio managers seek to ensure that all investee companies operate sustainably and responsibly with regard to suppliers, customers, employees, shareholders and the wider society.

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 engagement[6].

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.

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 enhanced in 2022. A three-step process is now 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 filters[7]. 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'

[6] Fixed income engagement case studies are available in the section 'Engagement' – '2022 highlights'.
[7] The MAM exclusion policy is available in the section 'Our Strategy' – 'Exclusion filters'.

issuers, those falling within deciles 6-8, must undergo further in-depth analysis and engagement if the investment team considers their FTV[8] credentials to be in alignment with the requirements of the portfolio. The issuers classified as 'Red' represent the lagging 20% of the investable universe and are immediately excluded from investment.

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 fixed income funds, including short duration and emerging markets, is being enhanced in 2023.

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 immediately 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 in order 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 in order to reflect how companies manage issues that are financially important.

In 2022, the Mirabaud – Sustainable Convertibles Global (MSCG) strategy was awarded an SRI label. As part of the enhanced ESG integration process, additional exclusions were agreed upon, including:

[8] FTV = Fundamentals, Technicals and Valuation

- Tobacco: Issuers deriving more than 5% revenues from the production or wholesale trading of tobacco, products that contain tobacco, or that provide dedicated equipment or services therefor.
- Weapons: Issuers involved in the manufacturing, manufacturing of tailor-made components, using, repairing, putting up for sale, selling, distributing, importing or exporting, storing or transporting of controversial weapons such as: antipersonnel mines, submunitions, inert ammunition and armour containing depleted uranium or any other industrial uranium, weapons containing white phosphorus, biological, chemical, or nuclear weapons.
- Coal: Issuers involved in the exploration, mining, extraction, transportation, distribution or refining of thermal coal or providing dedicated equipment or services therefor.
- Unconventional Oil & Gas: Issuers involved in the exploration or extraction of tar sands, oil sands, shale oil and gas, or artic drilling, or that provide dedicated equipment or services therefor. The exclusion applies to companies whose absolute production or capacity for unconventional oil & gas-related products and services is increasing.
- Conventional Oil & Gas: Issuers involved in the exploration, extraction, refining and transportation of oil & gas or providing dedicated equipment or services therefor.
- 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. In addition, issuers whose absolute production or capacity for contributing activities is not increasing are excluded.

Further details about the enhanced ESG integration process of MSCG are available in the strategy's Transparency Code.

Private Equity

The private equity team follows an impact-investing investment strategy that seeks 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.

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.

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. In order 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.

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 into 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 taken into account 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 pillars[8], 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.

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

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

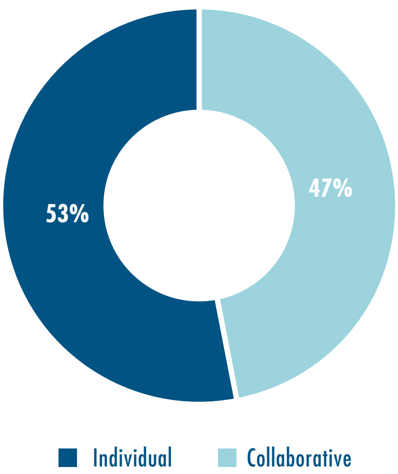
with companies and to achieve shared objectives. We believe this collaborative, well-resourced approach enables us to fully realise the potential of our engagement activity, being a supplement to direct dialogue. It allows us to play a key role in sharing our knowledge and expertise while also learning 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.

2022 highlights

In 2022, we communicated with 473 companies, both through individual and collaborative stewardship activities (figure 12).

Figure 12: Stewardship Activities



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 of 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.

In the context of individual stewardship activities, we held 220 ESG meetings with companies across our equity, fixed income, convertibles and private assets portfolios (figure 14); we introduced a granular breakdown to differentiate between ESG interactions and direct engagements. To this end, 72 meetings were direct engagements led by the SRI team and backed by an ESG assessment, and 148 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).

Figure 13: MAM Stewardship Activities

	Number of companies reached
Individual stewardship activities	
Direct engagement	72
ESG interactions	148
Total	**220**
Collaborative stewardship activities	
CDP Non-Disclosure	126
CDP Science-Based Targets	123
Climate Action 100+	4
Total	**253**
	473

Figure 14: Individual Stewardship Activities by Asset Class

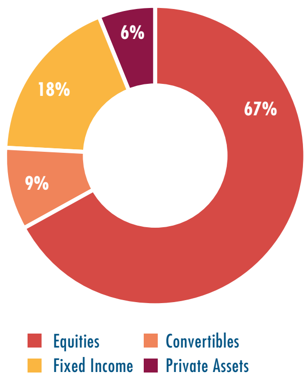


Figure 15: Collaborative Stewardship Activities

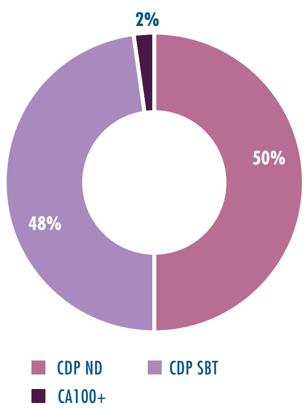
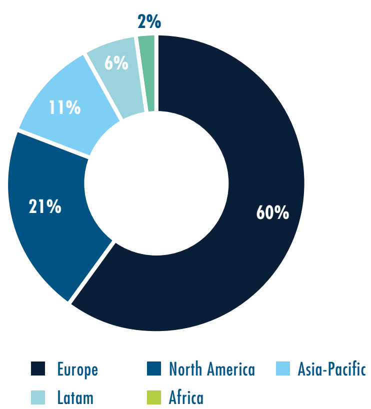


Figure 16: Geographic breakdown



In the context of collaborative stewardship activities, we joined collaborative initiatives that allowed us to reach 253 companies to promote ESG best practices. We engaged with 50% of companies through the CDP Non-Disclosure campaign, 48% of companies through the CDP Science-Based Targets initiative (SBTi) and 2% of companies through CA100+ (figure 15).

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 (60%), followed by North America (21%) and Asia-Pacific (11%), LATAM (6%) and Africa (2%). The full breakdown is available in figure 16.

Throughout the year and in line with the breadth of our engagement strategy we engaged with companies across 11 sectors. Most of the companies we engaged with were part of the Industrials (17%), Financials (16%), Consumer Discretionary (16%) and Information Technology (15%) sectors. The full breakdown is available in figure 17.

The majority 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).

Figure 17: Sector Breakdown

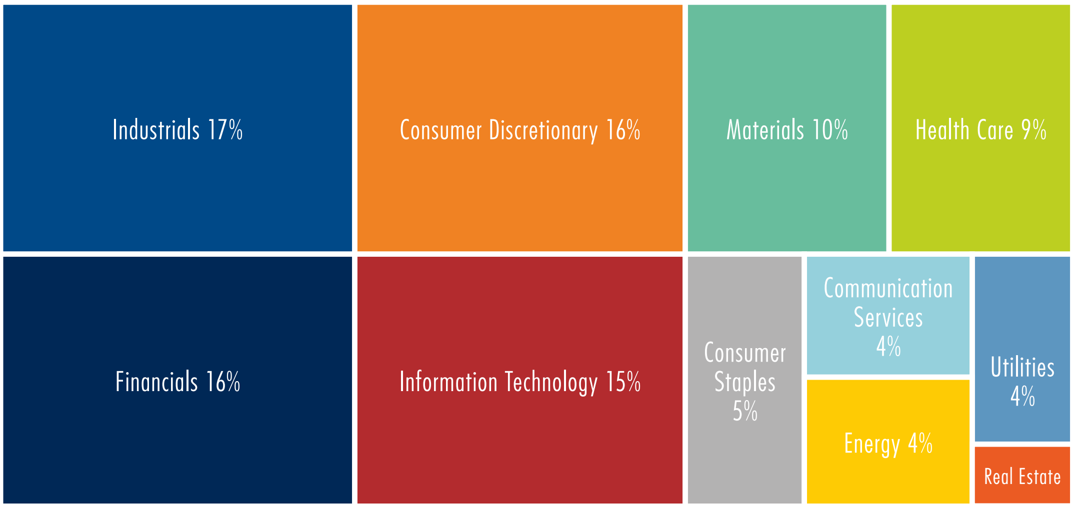


Figure 18: Format of ESG meetings

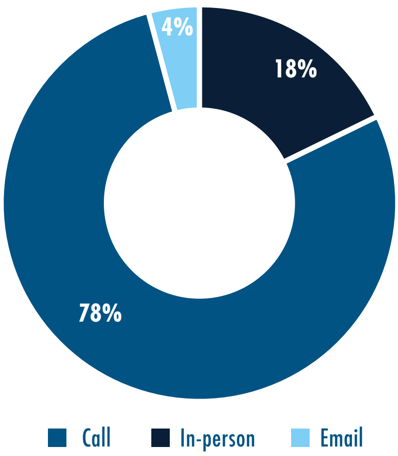


Figure 19: ESG meetings by Objective

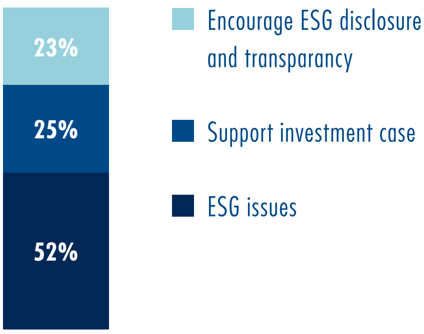


Figure 20: ESG breakdown

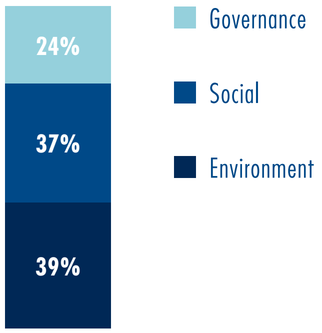


Figure 21: Environmental themes

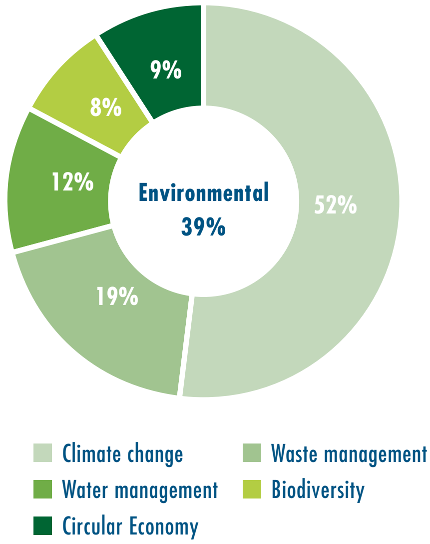


Figure 22: Social themes

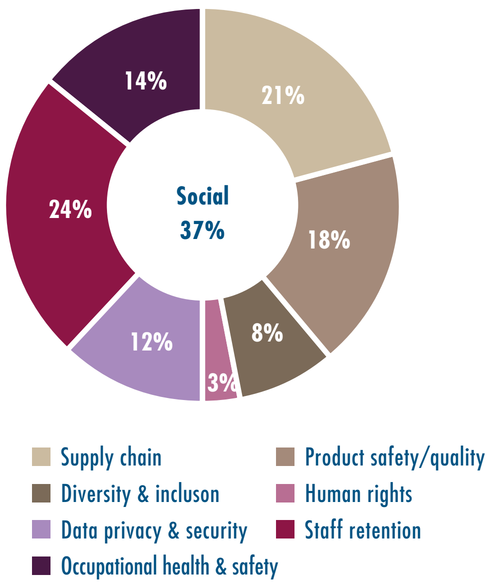
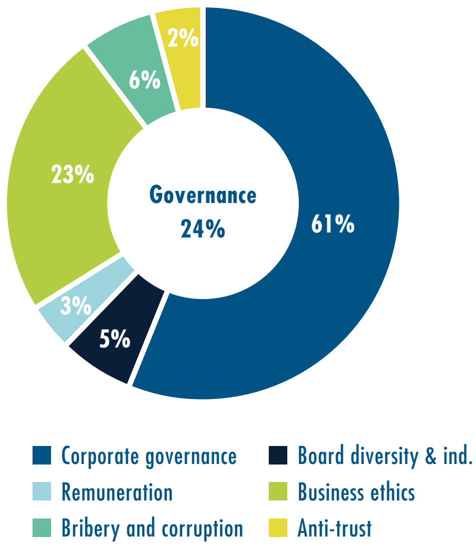


Figure 23: Governance themes



Over half of our ESG meetings in 2022 related to environmental issues (39%). Among our most recurrent topics were climate change, water and waste management, biodiversity and the circular economy (figure 21). Social issues were addressed 37% of the time, with topics ranging from supply chains, product safety/quality, diversity, human rights, occupational health & safety, staff turnover, and data privacy & security (figure 22). Governance issues (24%) included corporate governance evolutions, board diversity and independence, remuneration, business ethics, bribery and corruption, and anti-trust (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 2022.

Climate change

Climate change is arguably the greatest challenge of our times and discussion for action has accelerated. Studies show the considerable impact of global warming not only on the ecosystem but also for society and the economy.

We are conscious that the degree of exposure to climate risk varies across sectors and business sizes, but we believe all companies should contribute to promoting decarbonisation efforts. Consequently, we expect companies to manage climate change risk and opportunities effectively, design appropriate strategies for net zero including climate-related targets and strengthen climate-related financial disclosures.
We always encourage companies to submit their targets to the Science Based Targets initiative (SBTi), which effectively holds companies accountable for driving emissions reductions in line with science and through these targets shows how much and how quickly companies need to reduce their GHG emissions. On the path to net zero, we will continue to advocate for progress where companies lag best practice, for ambitious GHG reduction targets validated by SBTi and for greater transparency and disclosure.

Case studies – Mirabaud – Global Climate Bond Fund

During 2021 we initiated engagements with a Greek electricity utility and a Hong Kong electricity utility with fixed income portfolio managers. We reviewed their progress against our milestones in 2022 and escalated our exchange with the Greek electricity utility with a follow-up engagement (figure 25). The engagement process with this company was also presented by the PRI in a dedicated case study. After further constructive dialogue, we observed above-average responsiveness to our milestones and the engagement was closed in Q4 2022.

As for the Hong Kong electricity utility, we concluded during the 2022 review process that the company was continuing a positive climate trajectory and that no further escalation was necessary at this time.
The engagement was closed in Q4 2022 (figure 26).

Figure 25: Case Study – Greek Utility

CASE STUDY /

Sector: Utilities **Country:** Greece **Engagement Status:** Closed

Area of engagement: Climate – GHG emissions targets, climate reporting & SBTi
Initial engagement: November 2021 **Follow-up:** April 2022

Company Profile

Greek electricity utility

Engagement Objective

Discuss the quality and messaging of climate strategy, including GHG emissions targets, climate reporting and SBTi validation.

Engagement Discussion

We engaged with the company during 2021 and 2022, noting the need to improve the quality and messaging of its climate strategy. Relevant areas for improvement included the reporting of Scope 1, 2 and 3 emissions, TCFD alignment, CDP disclosures, climate targets & SBTi validation, and board oversight of climate risk.
We conducted two direct engagements and joined other asset managers to voice our demands through collaborative initiatives.

We were the lead engagers on a company letter sent through the CDP non-disclosure campaign. We also participated in the CDP Science-Based Targets initiative campaign, which specifically targeted this company.

Progress so far

Following our dialogue, the company published its 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.

In August 2022, a company statement was released committing to validate climate targets with the SBTi. A CDP climate-change questionnaire was also submitted, in the 2022 reporting window, for the first time.

Given the tangible progress made by the company and the above-average responsiveness to our expectations, the engagement was considered successful and was closed by the SRI team.

Figure 26: Case Study – Hong Kong Utility

CASE STUDY /

Sector: Utilities **Country:** Hong Kong **Engagement Status:** Closed

Area of engagement: Climate – Renewable energies, SBTi & CAPEX
Initial engagement: November 2021

Company Profile

Hong Kong electricity utility

Engagement Objective

Discuss renewable generation capacity, financial planning and future CAPEX growth.

Engagement Discussion

We engaged the company in 2021, where we challenged the company's decision to retire renewable energy targets in its updated climate policy. The company argued that they need to be realistic about what is currently available from a renewable technology perspective and would therefore focus on natural gas investments to align with a 2°C scenario.

MAM recognised that the company has set up robust governance structures to address climate change mitigation and GHG emissions reductions. We acknowledged its participation in the CDP questionnaire, TCFD-aligned disclosures and the oversight of climate risk at the board and below-board level. We also recognised its net zero by 2050 climate target, as well as its commitment to phase out coal by 2040 and the fact that intermediate climate goals have been approved by SBTi.

Progress so far

Following our 2021 dialogue, we positioned the company as a market leader, given its SBTi-validated targets, TCFD-aligned disclosures, oversight of climate risk and capital expenditure plans aligned with low-carbon trajectories.

In 2022, we reviewed the company's climate policy based on its updated public disclosures and ESG data from our service providers. We noted that GHG emissions had significantly fallen in intensity terms. Coal power capacity is also being reduced, as well as the CAPEX dedicated to this activity, and is being replaced by natural gas investments. Data from our service providers also showed that over half of company revenues are aligned with the EU Taxonomy. Finally, we recognised that ESG-linked compensation disclosures had improved in the annual bonus and LTIP awards year-on-year.

Given the positive climate trajectory of the company, we concluded that no further escalation was necessary at this time. The engagement was considered successful and was closed by the SRI team.

Overall, our stewardship tools enable us to continuously review the ESG status of the companies in our funds. We may therefore initiate engagements with the Greek utility and Hong Kong utility in the future.

Biodiversity

Natural capital is an essential asset for all economic activities and societal well-being. Economies rely on biodiversity to provide ecosystem services, such as crop pollination, flood protection and climate regulation from carbon storage and sequestration. Nature-based systems also enable access to food, energy sources and commodities, such as soy, palm oil and timber products; these are instrumental to the performance of key sectors. Medicines and raw materials, key resources for physical well-being and cultural value, are also accessible through the planet's natural capital.

The loss of natural capital and climate change are unavoidably linked. Wavering multi-stakeholder efforts to curtail greenhouse gas emissions are having a domino effect on natural capital, and deficient measures to halt and reverse biodiversity loss can amplify changes in climate.

As part of our effort to align our investment portfolios with 1.5°C temperature scenarios, we consider nature-related vulnerabilities and dependencies during engagements, in order to develop comprehensive and impactful roadmaps to reach net zero emissions.

A case study example is available in figure 27.

Health & Occupational Safety (HSE)

The health and safety of employees should be considered of paramount importance to companies and therefore treated as an integral part of a company's business strategy. We expect companies to assess and manage health and safety risks to prevent workplace accidents and fatalities. By doing so, businesses minimise operational disruption and other negative impacts such as lawsuits, fines or involvement in controversies.

We understand that some sectors are exposed to higher physical risks and may face unique challenges, thus it is of utmost importance for them to assess the risks that are most relevant to them, learn from past incidents to prevent future ones and implement strong policies. All measures to prevent such risks should be clearly defined and communicated including safety awareness training and risk assessment meetings and evaluations.

During engagements, we reviewed incidents, fatality rates and the robustness of internal HSE practices.

Case study examples are available in figures 28 and 29.

Figure 27: Case Study – Swiss Chocolate Manufacturer

CASE STUDY /

Sector: Utilities **Country:** Switzerland **Engagement Status:** Ongoing

Area of engagement: Environment – Biodiversity & GHG emissions
Initial engagement: November 2022

Company Profile

Swiss chocolate manufacturer

Engagement Objective

Disclosure of land-use change emissions.

Engagement Discussion

We recognised the importance of overseeing land-use change emissions to offset resource exploitation by indirect suppliers, which may lead to soil degradation and ecosystem erosion. We viewed this as a material issue for business growth, as cocoa is a key ingredient in chocolate production and grows in humid rainforests and canopies, which need to be preserved.

We raised the point that, to date, the company has not been clear in public disclosures about its carbon footprint reporting (including land-use change emissions).
The company recognised that MAM was not the first stakeholder to address this; it expects to be clearer in the way it measures and reports Scope 3 categories in the next reporting cycle.

Progress so far

The company's responsiveness to our demands during the engagement shows a positive direction of travel. We will review the forthcoming CSR reports to ensure that a clear breakdown of greenhouse gas emissions is provided in corporate disclosures. In particular, we will monitor Scope 3 disclosures as this is where the majority of the company's carbon footprint is concentrated. In future, we will also monitor its alignment with TNFD and SBTi FLAG initiatives.

Figure 28: Fixed Income Case Study – Dutch Packaging Company

CASE STUDY /

Sector: Packaging **Country:** Netherlands **Engagement Status:** Ongoing

Area of engagement: Social – Health, safety & incident rates
Initial engagement: December 2022

Company Profile

Metals packaging company in the Netherlands

Engagement Objective

Better understand how the company has set up corrective action to address an increase in 2021 incident rates.

Engagement Discussion

We met the Chief Sustainability Officer & SVP to discuss the increase in the total recordable accident rate (TRAR). The company highlighted its renewed focus on lagging and leading indicators, to manage HSE risks in relation to the handling of sharp metal; after the TRAR increase, preventive and corrective action was improved.

Prevention focused on training in 16 languages to maximise information uptake and access to protective equipment. Corrective action included employee interviews to learn from past failures. In 2021, the company asked those employees affected by injuries to make videos outlining what had happened and what could be done in future to avoid accidents. We consider this an impactful strategy to raise awareness about HSE risks and how they can be mitigated.

Progress so far

The company has demonstrated an appropriate level of ESG accountability towards its stakeholders, through the implementation of augmented HSE measures to address increases in TRAR. We will keep monitoring its health & safety practices in the future.

Figure 29: Convertibles Case Study – Canadian Miner

CASE STUDY /

Sector: Materials **Country:** Canada **Engagement Status:** Ongoing

Area of engagement: Social – Health & safety
Initial engagement: September 2021 **Follow-up:** August 2022

Company Profile

Canadian gold, silver and copper mining company

Engagement Objective

Seek more information about health & safety management.

Engagement Discussion

We met the Environment, Health, Safety & Sustainability VP and addressed the company's incident rate, given the high concentration of accidents at certain mines. The company noted that it is implementing an innovative management system and undergoing additional training; however, it also pointed out that the higher number of accidents was driven by the location of the mine being underground.

We also recognised the zero fatalities 2021 track record and the company explained that the fatality that occurred in 2022 was a driving accident and noted that an in-depth inspection was performed alongside the local government. New measures to avoid future fatalities were also introduced.

Progress so far

The company has committed to developing vehicle driving standards, additional formations for drivers and to equipping all vehicles with tracking devices to ensure that they abide by controls and requirements.

We will keep monitoring accident and fatality rates and ensure that health & safety policies are developed to protect workers.

Employee Attraction & Retention

The pandemic has had an unprecedented effect on the way we work and triggered an exodus across multiple sectors around the world. High staff turnover is incredibly disruptive to business growth and the attraction & retention of talented people are in fact crucial for businesses as they allow companies to execute their corporate strategies successfully and maintain their competitive advantage. This ensures positive impacts on business performance and ultimately creates long-term value for shareholders. Efforts to foster an engaged workforce include training programmes focused on improvements and culture-setting, employee engagement, work-life balance, competitive compensation and internal career mobility.

A case study example is available in figure 30.

Board Diversity

While engaging with companies, board diversity is always a priority. Companies' board composition should feature strong diversity in all forms including gender, race, experience and skill set. Directors with diverse experience and backgrounds relevant to its business model bring unique perspectives to evaluating management and company performance effectively, creating a more dynamic work environment and better reflecting the customer base.

We expect our investee companies to strive for gender diversity at the board level and have a target of female representation to ensure transparent governance and decision-making that is agile enough to adapt to rapidly changing business conditions. We will continue to push companies towards gender-diversified boards and we welcome any meaningful steps in the right direction.

A case study example is available in the section: '2022 voting activities'.

Remuneration

Companies should report their executive remuneration structure and systems, disclose key performance indicators (KPIs) and the weights assigned to them in variable pay structures and long-term incentive plans (LTIPs). ESG performance metrics are increasingly being incorporated into executive compensation packages in an effort to improve accountability to shareholders and progress the sustainability agenda.

We expect companies to set up quantifiable targets around ESG (non-financial) KPIs that are material to the company – such as carbon emissions reduction, investments in communities, reducing food waste or staff education – to secure sustainable value creation and improve transparency to the market. We will continue to push for transparency and disclosure of the rationale for selecting specific environmental and/or social indicators and how they align with the company's long-term strategy and shareholder value.

Case study examples are available in the section: '2022 voting activities'.

Figure 30: Global Equities Case Study – Us Personal Services

CASE STUDY /

Sector: Consumer Discretionary **Country:** US **Engagement Status:** Closed

Area of engagement: Social – Employee attraction & retention policy, turnover rate
Initial engagement: February 2021 **Follow-up:** June 2022

Company Profile

Business specialising in personal services.

Engagement Objective

Disclosure of employee turnover rate.

Engagement Discussion

Our initial engagement with the company focused on the understanding of business practices and the management of human capital. The company was not disclosing turnover rates as it suggested the aggregate number did not provide a full picture. We encourage it to do so for transparency. In the follow-up meeting, the company mentioned its turnover was stable and published the turnover rates.

Progress so far

We were pleased to see that the company disclosed staff turnover rates for 2020 and 2021 in its first published sustainability report. We see this as an important step in improving investor awareness of the extra-financial characteristics of companies and a tool for holding management to account for these trends.

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 2022, Mirabaud joined 260 financial institutions, representing nearly US$30 trillion in assets, who are engaging with 1,466 companies on climate change, forests and water security disclosure.

Of the companies targeted by the campaign, 126 distinct companies were registered in our funds in 2022. We were lead signatory on the engagement with 51 companies and co-signatory with 75. In total, 79 companies were targeted on climate, 55 companies on forests and 47 companies on water.

As a consequence of our actions through the CDP NDC, 17, 8 and 4 companies targeted via security questionnaires on climate change, forests and water respectively responded to our request and provided relevant disclosures.

CDP Science-Based Targets Initiative Campaign

The CDP Science-Based Targets Campaign drives energy-intensive companies to set science-based targets in line with 1.5°C of warming.

According to the progress report for the 2021-22 campaign, 381 companies with emissions equivalent to Japan and Germany combined joined the Science Based Targets initiative (SBTi) or had their target approved during the two annual cycles of this campaign.

By supporting the campaign through the collaborative engagement mechanism, we are proudly supporting the decarbonisation of high-impact sectors.

As part of the 2022 CDP Science-Based Targets campaign, Mirabaud joined 318 financial institutions and multinational firms with $37 trillion in assets to call over 1,000 of the world's highest-impact businesses to set emissions goals in line with the Paris Agreement's 1.5°C goal.

Of the companies targeted by the campaign, 123 were registered across MAM's funds in 2022. Of the 123 companies, 23 have committed to setting climate targets in line with the SBTi initiative in the next two years and the remaining issuers have not taken action.

Other than the SBTi campaign, we have assessed the SBTi status, as at the end of December 2022, of the companies in MAM funds. As shown in figure 33, 16% of distinct companies listed across our funds have formally committed to set science-based targets, 10% have validated climate targets with the SBTi, 2% disclose they anticipate setting targets in the next two years, and the rest have not taken action.

Figure 31: CDP NDC 2022 - MAM Leads

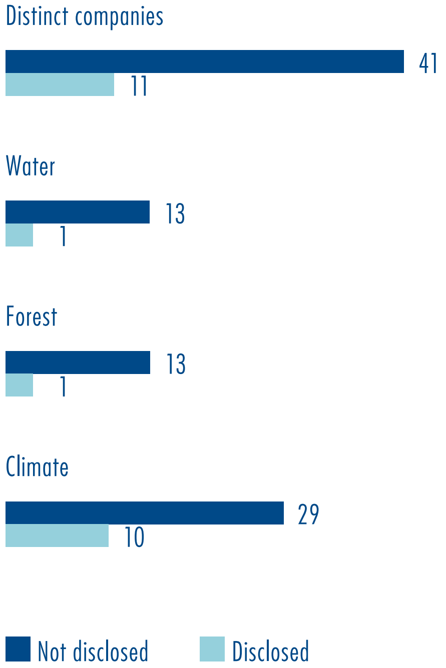
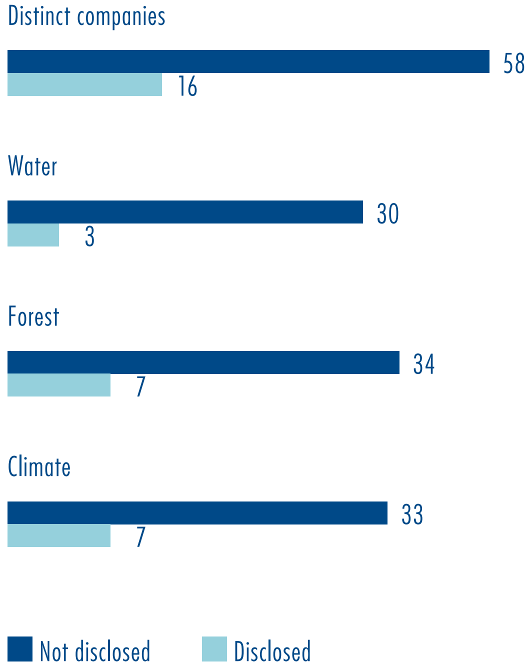


Figure 32: CDP NDC 2022 - MAM CO-Signed letters



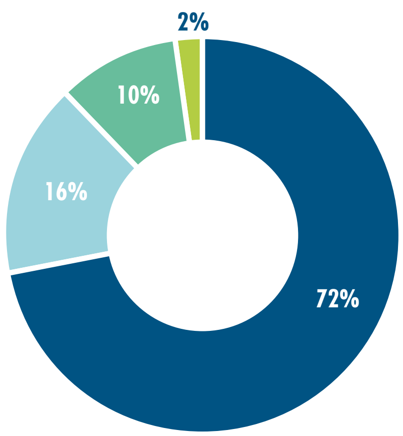


Figure 33:
Science-based targets - MAM Funds status

No Action   Targets Set   Committed
Companies disclosing they anticipate setting SBTs in the next to years

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.

Mirabaud acts 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.

A CA100+ case study example is available in figure 34.

Lessons and reflections on effectiveness

Our individual and collaborative stewardship activities across different asset classes and industries enable us to identify and address marketwide 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.

In order 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 collaborative partnerships, joined a new CA100+ engagement and became lead investors at a CA100+ focus company. 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 2022, 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 a Greek utility company.[10] We found these conversations valuable and observed positive responsiveness to our milestones.

[10] The full case study is available in the section: 'Key ESG engagement themes' – 'Climate change'. (figure 25).

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. To this end, we have reduced the number of engagement case studies reported during the year and focused on selected investment strategies.

In 2022, we measured the outcomes of engagement by assigning engagement statuses and monitoring where follow-up meetings were warranted. Over the course of 2023, 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.

Figure 34: Case Study – US Airline Group

CASE STUDY /

Sector: Discretionary **Country:** US **Engagement Status:** Ongoing

Area of engagement: Climate – GHG emissions targets, SAF & climate links to compensation
Initial engagement: November 2021 **Follow-up:** September 2022 (CA 100+)

Company Profile

US Airlines group

Engagement Objective

Follow-up on climate management strategy.

Engagement Discussion

Mirabaud acts as a CA100+ collaborative investor with a US Airlines group. During our initial engagement in 2021, we encouraged the company to include climate KPIs in executive compensation. Then, we escalated the engagement by joining the CA100+ investor group as the issuer is one of our largest bond holdings and operates in a pivotal industry for energy transition and low-carbon energy.

In the most recent CA100+ engagement, held in September 2022, key topics of discussion included climate targets and SBTi validation, sustainable aviation fuel (SAF) and executive compensation. The company highlighted its plans to explore SAF certification schemes.

Progress so far

The company received confirmation in mid-2022 that its climate target had been validated by the SBTi. We will keep monitoring its response to our milestones through CA100+, including efforts to bring SAF to scale and integrate climate KPIs in executive compensation.

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 are able to scale material ESG issues raised by our SRI and investment teams during fund-level engagements.[11]

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 in regard to 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

[11] Details of our proxy voting activities are available in the section: 'Voting'.

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 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[12].

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.

Delegation of the exercise of voting rights
Due to the volume and diversity of securities held by our funds, MAM has retained Institutional Shareholder Services (ISS) to provide assistance 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.

ISS carries out analyses on companies held in our funds and makes voting recommendations while taking into account the approach defined by MAM. ISS thus brings operational and research support, which includes the registration of information and reporting to MAM, as well as to the funds and their managers. In 2022, full access to voting recommendations was enabled for the representatives of MAM entities for our funds and their portfolio managers.

Equity portfolio managers regularly access ISS research through the proxy exchange platform and use the MAM Proxy Voting Policy as a reference point to decide how to vote. 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 particular circumstances of the company in question. 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.

[12] 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'.

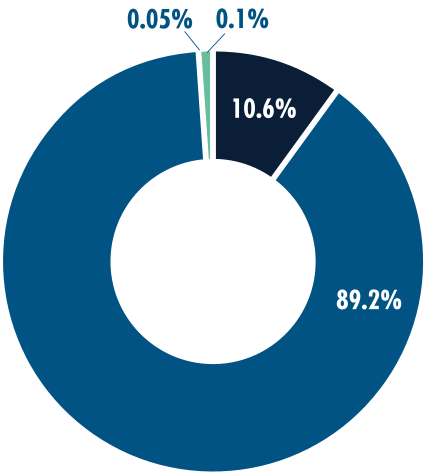


Figure 35: 2022 Voting Statistics

- For: 89.2 % (3'709)
- Against/Withhold: 10.6 % (442)
- Abstentions: 0.1 %
  One Year: 0.05%

2022 voting activities

In 2022, we exercised our votes for all actively held stocks across our equity funds. The chart below summarises MAM's proxy voting activities in 2022.

Across 4,158 unique proposals available for voting, we voted "for" 89% of the time (3,709 votes) while nearly 11% of our votes were "against" (442 votes). We vote against management only when we believe the ambitions of a company are lacking. In 2022, we voted in line with management 89% of the time.

Figure 36: Management Resolutions[13] And Shareholder Resolutions[14] By Topic

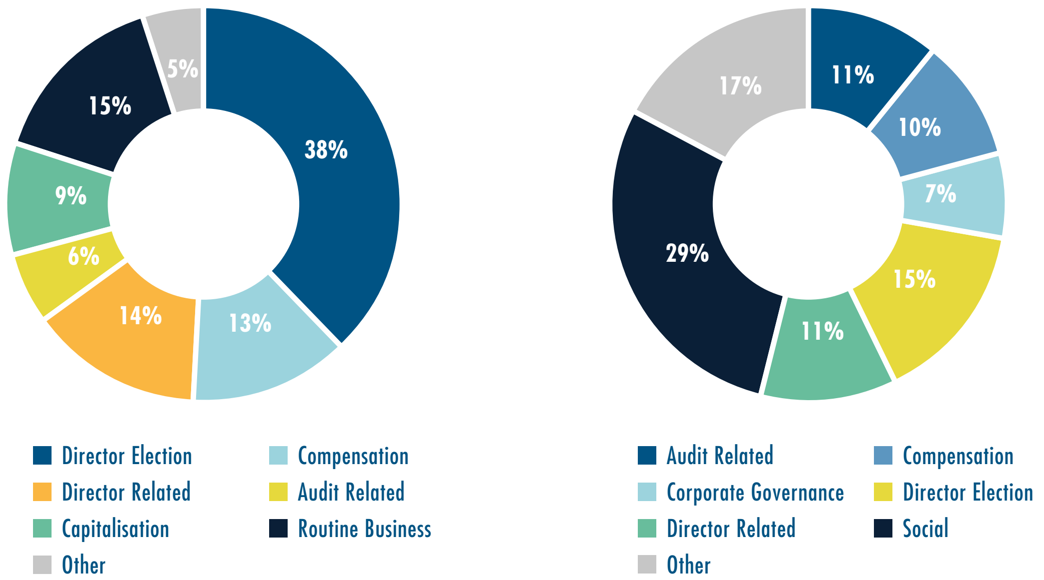


Figure 36 provides a breakdown of our stewardship voting activity throughout 2022, across several resolution types. There were 4,076 management-sponsored proposals, of which 38% related to director elections.

Shareholders sponsored 82 proposals, with social being the category with the most proposals (29%), followed by director elections and director-related proposals (15% and 11% respectively).

Because we invest in companies worldwide and offer global investment opportunities, our proxy voting reach extends across multiple economic regions and industries. Figure 37 highlights proxy statistics by region. Of the top eight regions with the highest concentration of meetings, Europe ex-UK had the most with 137 meetings, whereas Oceania had 1, making it the market with the fewest meetings.

[13] 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.

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

Figure 37: Meetings Voted by Region

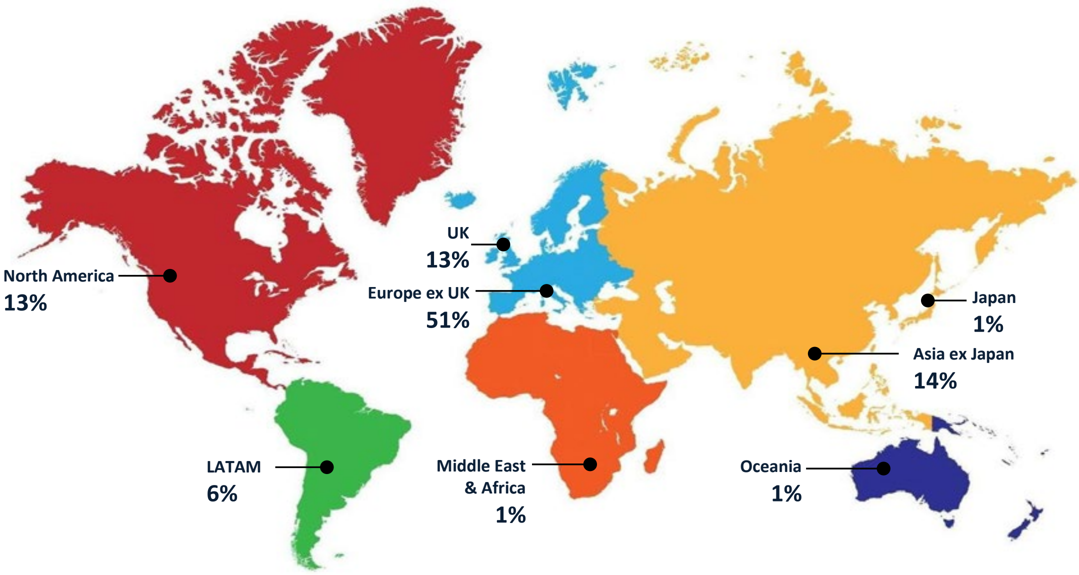
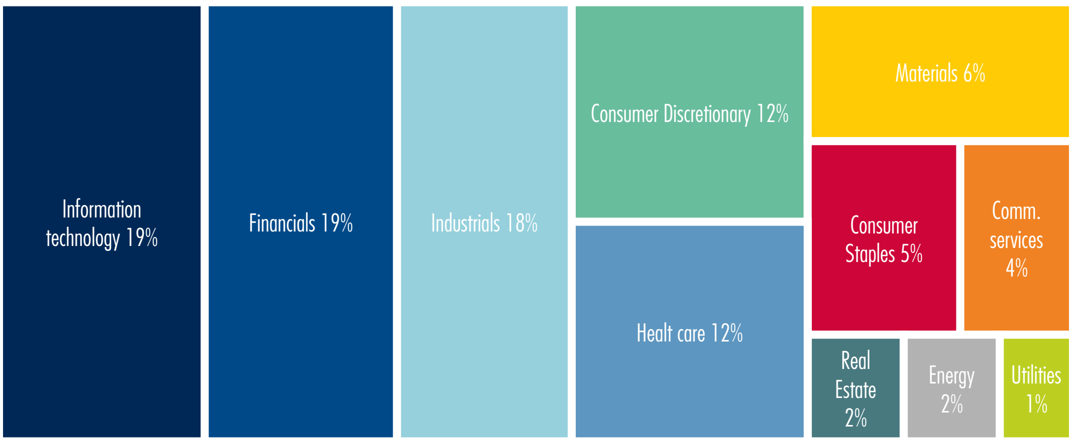
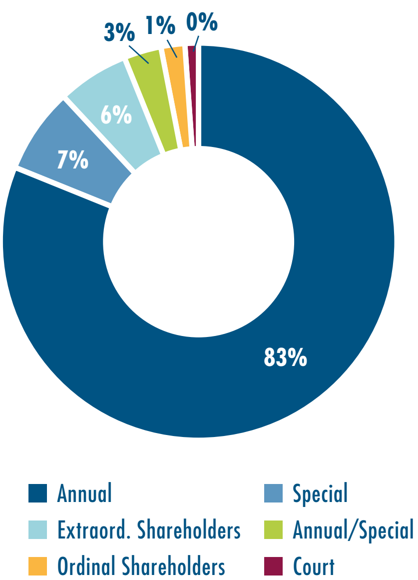


Figure 38: Meetings Voted by Sector



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 39: Meetings Voted by Type



Opposing ISS voting recommendations

MAM's voting rights are 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 40 and 41 show two examples of when we voted differently to ISS's recommendation.

Figure 40: Equities Case Study – Uk Professional Services Company

CASE STUDY /

Sector: Professional Services **Country:** UK **Engagement Status:** Ongoing

Area of engagement: Governance – Board diversity **Voting item:** Re-election of Nomination Committee chair
AGM: 2022 **Vote results:** Not disclosed **Initial Engagement:** September 2022

ISS: AGAINST **Management:** FOR **Mirabaud:** FOR

Company Profile

UK compliance and inspections business.

Engagement Discussion

We voted for the re-election of the nomination committee chair at a UK compliance and inspections business, opposing ISS's recommendation to vote against the resolution. ISS's concern related to insufficient gender diversity on the board.

However, the SRI and investment teams noted that the company's diversity levels did not breach Mirabaud's internal thresholds and were aligned with available UK market practice. Indeed, we recognised that the company was listed on the AIM stock exchange and the board had two female directors, as at the 2022 AGM.

We also recognised noteworthy improvements in gender diversity levels between the 2021 and 2022 AGMs, as female board representation increased by 29%.
During engagements, company representatives noted that they intend to improve diversity levels, a commitment which was viewed positively by the SRI team and that will be kept under review ahead of the 2023 AGM.

We will address the lack of disclosures on vote results in future discussions.

Figure 41: Equities Case Study – German IT Business

CASE STUDY /

Sector: IT **Country:** Germany **Engagement Status:** Ongoing

Area of engagement: Governance – Executive remuneration, transparency & disclosure
Voting item: Remuneration Report & Policy
AGM: 2022 **Vote results:** 84% 'for' Remuneration Report / 85% 'for' Policy
Initial Engagement: May 2022 **Follow-up:** June 2022

ISS: AGAINST **Management:** FOR **Mirabaud:** FOR

Company Profile

German semiconductor business.

Engagement Discussion

We engaged with the company to address the limited disclosures around 2021 bonus outcomes and in particular ESG KPIs. The company does not detail its performance targets or the outcomes that underpin ESG making it unclear what drives total payout levels. During the meeting, we highlighted that companies should explain how criteria relating to corporate social responsibility contribute to business strategy.

Portfolio managers also noted that lack of disclosure allows for higher discretionary decisions taken by the board and committees.

The company recognised the points raised during the call and will address them as feedback. We will keep monitoring the company's remuneration-related disclosures, including performance targets and outcomes, and assess whether further escalation is warranted when voting at future AGMs.

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 42 and 43 show two examples illustrating why we have chosen to oppose management proposals.

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 2022, 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, in order to monitor our shares effectively. Over the coming year, we will keep monitoring and assessing the advisory and shareholder votes filed at general meetings, in order 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.

Figure 42: Equity Case Study – Luxembourg Industrial Company

CASE STUDY /

Sector: Industrials **Country:** Luxembourg **Engagement Status:** Ongoing

Area of engagement: Governance – Remuneration & LTIP
Voting item: Remuneration Report / Remuneration Policy
AGM: 2022 **Vote results:** 27% 'for' Remuneration Report / 27% 'for' Policy
Initial Engagement: N/A

ISS: AGAINST **Management:** FOR **Mirabaud:** AGAINST

Company Profile

European industrial company.

Engagement Discussion

We voted against remuneration-related resolutions despite management's recommendation to vote for. Firstly, the company proposed a change to the Long-Term Incentive Plan (LTIP) structure such that the LTIP would be split 70:30 between performance and restricted share awards (RSAs). RSAs are contingent on continued employment only, raising a question about the principle of pay-for-performance.

The Total Shareholder Return (TSR) performance metric also allowed for a partial payout for below-median performance. Secondly, non-independent directors received performance-based awards during the year under review, which are not in line with current market practice, and executives received one-off discretionary payments.

The company has a history of shareholder dissent at previous AGMs, indicating that other asset managers are also challenging problematic pay practices through voting. For instance, the company's remuneration report received 73%, 52% and 32% votes against at the 2022, 2021 and 2020 AGMs, respectively.

Figure 43: Equity Case Study – Canadian Bank

CASE STUDY /

Sector: Financials **Country:** Canada **Engagement Status:** Closed

Area of engagement: Governance – CEO pay ratio
Voting item: ESG shareholder proposal
AGM: 2022 **Vote results:** 14% 'for'
Initial Engagement: June 2022

ISS: AGAINST **Management:** AGAINST **Mirabaud:** FOR

Company Profile

Canadian bank.

Engagement Discussion

We supported an ESG shareholder proposal asking the company to disclose the CEO-pay-to-median-worker-pay ratio despite management's recommendation to vote against. Indeed, the SRI team noted that, in North America, CEO pay is significantly higher than employee salaries.

A report from the Canadian Centre for Policy Alternatives found, for instance, that CEO compensation for the top 100 companies on the TSX was 202 times the pay of an average worker in 2020. As shown through reporting practices at other global banks, providing further transparency and disclosures on remuneration can allow investors to better evaluate executive pay quantum and compensation arrangements.

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.[15]

Dialogue with companies can also foster knowledge exchanges and allow our portfolio managers and corporate stakeholders to share useful resources and networks. For example, we connected an oil & gas company held in our fixed income funds with our climate service provider in 2022 to facilitate communication and reflect recent corporate GHG emissions targets in their temperature alignment score.

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. For example, in Q2 2022 the fixed income team sold the securities of an international food company due to concerns around deforestation, supplier-tracking methods and human rights issues.

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. Given the growing impact of say-on-climate votes and ESG shareholder proposals as a means of influencing companies' sustainability outcomes, we intend to strengthen our voting policy to reflect these market developments.

[15] Examples of follow-up engagements are detailed in the section: 'Engagement' – '2022 highlights'.

Market-wide and Systemic Risks

Identifying market-wide and systemic risks

Our SRI policies[16] 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 framework[17] 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 regions[18]. 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, health and occupational safety, biodiversity, employee attraction & retention, board diversity and remuneration[19].

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

Mirabaud Asset Management initiatives
We have developed a multi-level stewardship approach that enables us to respond to marketwide and systemic risks. By doing so, we are able to encourage

[16] MAM's ESG framework, including our top-down and bottom-up approaches, are explained in the section: 'Our strategy'.
[17] MAM's risk governance framework is detailed in the section: 'Dedicated risk controls'.
[18] The tailored bottom-up approaches of our equity, fixed income, convertibles and private assets portfolio managers are available in the section: 'ESG Integration'.
[19] MAM's 2022 ESG themes are available in the section: 'Engagement' – 'Key ESG engagement themes'.

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 of association policies, board diversity and independence, and portfolio exposure to supply chain and human rights risks. During 2022, we developed a customised SRI report for our fixed income range of products, to reflect the enhanced ESG integration process of sustainable funds[20].

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. As part of our TCFD-aligned disclosures, for instance, transparency codes for all funds are available on our website via this link and are updated regularly.

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

[20] The traffic light system in selected fixed income funds is explained in the section: 'ESG Integration' – 'Fixed Income'.

and recurrent periodic disclosures in line with sustainability-related regulations and mandatory reporting templates.

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 was not completed in 2022 but will instead 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.

In 2022, four MAM investment funds received the Label ISR. As part of the screening process for obtaining the label, portfolio managers have to 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.

Towards Sustainability Label

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

In 2022, our Mirabaud – Sustainable Convertibles Global (MSCG) strategy was awarded the Towards Sustainability label, which certifies that it adheres to socially responsible investment 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 marketwide and systemic risks[21].

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.

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

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 a number of 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 3rd 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.

Keynote speakers from MAM took part in three panels to discuss net zero alliances, initiatives and forward-looking methodologies, and the role of finance in addressing modern challenges.

Discussions mainly revolved around net zero commitments and how can institutions deliver on them, and the challenges faced by financial institutions when setting and monitoring targets. Financial institutions need to accelerate their plans regarding the decarbonisation of the real economy by financing the energy transition, engaging with high emitters as well as collaborating through alliances and market initiatives.

The Senior Managing Partner of Mirabaud Group and Chair of the Board of the Geneva Financial Center also highlighted self-regulation, education, digitalisation, data reliability and transparency as priorities to be considered by the financial industry to create a virtuous cycle and make the green transition a success.

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 marketwide 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, in order to add value to society and create a long-lasting positive impact.

During 2022, we addressed climate change by joining the NZAM and setting targets to reduce our financed emissions. Through the SRI Engagement Framework, the SRI team also strengthened MAM's active ownership pillar to manage sustainability risks across our holding companies.

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 of 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.

Conflicts of interest

During 2022 we updated our Conflicts of Interest Policy in relation to stewardship to address specific feedback received from our internal auditor.

Proxy voting

MAM's voting rights are, in principle, exercised according to the recommendations of ISS. However, MAM entities have the opportunity to 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 in order 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.

Mirabaud's 2020 UN PRI assessment rating across all modules was an A+ (figure 45).

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.

In the latest PRI assessment report, generated in August 2022, Mirabaud was scored on six modules. Mirabaud has been awarded five stars for three modules and four stars for the remaining modules. In addition, we have been rated above the median in every category.

Mirabaud's UN PRI Transparency Report is available via this link.

Figure 45: Mirabaud UN PRI ratings 2020

	Mirabaud	Peer Median
Strategy & Governance	A+	A
Direct & Active Ownership Modules		
Listed Equity - Equity Incorporation	A+	A
Listed Equity - Active Ownership	A+	B
Fixed Income - Corporate Financial	A+	B
Fixed Income - Corporate Non-Financial	A+	B
Private Equity	A+	B

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 2022, 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. This tool is in development and will provide 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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UK Stewardship Code Principles

Investment Approach

Principle 6: Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.	Client and beneficiary needs, p.14 Assets under management, p.18
Principle 7: Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.	ESG integration, p.33 Active Ownership, p.38
Principle 8: Signatories monitor and hold to account managers and/or service providers.	ESG Service providers, p.28

Engagement

Principle 9: Signatories engage with issuers to maintain or enhance the value of assets.	Engagement, p.39
Principle 10: Signatories, where necessary, participate in collaborative engagement to influence issuers.	Collaborative engagements, p.54
Principle 11: Signatories, where necessary, escalate stewardship activities to influence issuers..	Escalation, p.70

Exercising rights and responsibilities

Principle 12: Signatories actively exercise their rights and responsibilities.	Engagement, p.39 Voting, p.60

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APRIL 2023
ACCOUNTABLE FOR GENERATIONS