

## Sustainability-related Product Disclosure

Information
Product Name: <b>Ostrum Euro Inflation</b> Legal Entity Identifier: <b>5493 0002KMABI9MYHI 39</b> SFDR Classification: <b>Article 8</b> Date of the document: <b>2024-12-27</b>

### (a) Summary

#### 1. Investment Objective

The investment objective of Ostrum Euro Inflation (the “Sub-Fund”) is to outperform the Bloomberg Euro Govt Inflation Linked Bond 1 to 10 Year Treasury Index over its recommended minimum investment period of 2 years. The Sub-Fund is actively managed and will integrate environmental, social/societal and governance (ESG) criteria. For indicative purposes only, the Sub-Fund's performance may be compared to the Reference Index. However, it does not aim to replicate that Reference Index and may therefore significantly deviate from it. The Reference Index does not intend to be consistent with the environmental or social characteristics promoted by the Sub-Fund.

#### 2. Environmental & social characteristics

The Sub-Fund promotes the environmental and social characteristics of maintaining an average ESG rating higher than that of the Bloomberg Euro Govt Inflation Linked Bond 1 to 10 Year Treasury Index (the “Reference Index”) and excluding countries that are considered as controversial according to the Delegated Investment Manager. Additionally, the Sub-Fund's GHG intensity must be lower than that of the Reference Index.

No reference benchmark has been designated for the purpose of attaining the E/S characteristics promoted by the Sub-Fund.

#### 3. Investment Strategy and proportion of investments

The Sub-Fund is expected to invest at least 85% of its NAV in investments that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics).

The Sub-Fund is expected to invest at least 40% of its NAV in sustainable investments.

The Sub-Fund is allowed to invest up to 15% of its NAV in cash, assets not covered by an ESG rating, money market funds, futures, options or swaps, as well as over-the-counter forward contracts, to expose its assets to interest rate, foreign exchange or credit risks, or hedge against such risks (#2 Other).

The ESG Investment Strategy of the Sub-Fund is threefold as described hereafter:

##### 1. Applying a sectoral and exclusion policy

The Delegated Investment Manager applies exclusion, sectoral and worst offenders policies. They mainly concern private sector issuers and are available on Ostrum's website ([www.ostrum.com](http://www.ostrum.com)) section ‘ESG.’

---

The Sub-Fund does not invest in private sector issuers and only applies the Ostrum exclusion policy, which concerns blacklisted states (Exclusion of countries with strategic deficiencies in their anti-money laundering and anti-terrorist financing arrangements).

## 2. Integrating ESG elements into our research

After having excluded the most controversial issuers from the investment universe thanks to the sectoral and exclusion policies deployed by the Delegated Investment Manager, the investment teams systematically assess for each underlying issuer, whether the extra-financial dimensions impact the issuer's credit risk profile, both in terms of risk and opportunity, as well as their probability of occurrence. Thus, extra-financial dimensions are systematically integrated into the risk assessment and fundamental analysis of both private and public issuers.

The Delegated Investment Manager then analyses a set of quantitative and qualitative indicators through the environmental pillar, the social pillar, and the governance pillar. The following examples are given for illustrative purposes only.

- The environmental pillar deals notably with biodiversity, climate change, resource management. Indicators used in the score could be the carbon footprint, the carbon intensity, the existence of a climate change policy, the existence of a biodiversity policy.
- The social pillar deals notably with gender diversity, human rights, education. Indicators used in the score could be the existence of diversity programs, the spending on healthcare or on education.
- The governance pillar deals notably with the exposure to corruption and bribery and overall information concerning the governance. Indicators used in the score could be the percentage of women in the parliament or the number business ethics incidents.

The Delegated Investment Manager uses the SDG index to assess sovereign issuers on an extra-financial level: the United Nations Sustainable Development Goals ("Sustainable Development Goals" - SDG index) are used to analyze the Reference Index' sovereign issuers.

The extra financial evaluation done by the Delegated Investment Manager is taking into account SDG index, which is based on 17 SDG's. This index is published by SDSN (« Sustainable Development Solutions Network », a global UN initiative) and Bertelsmannstiftung (a German foundation), for sovereign issuers. SDG index aggregates available data for the 17 SDG's and give a compared evaluation of State performance. Its goal is to help each State (i) to identify priorities in sustainable development and set up action plan but also (ii) to understand challenges and identify deficiencies that need to be gaped to reach the SDG by 2030. The index allows each State to compare themselves with their home regions, or with any other counterpart States, rated with similar levels.

SDG Index is a numeric score between 0 (worst score) and 100 (best score), that follows accomplished progresses of states in their pursuit of each SDG's. The report published by the SDG index presents reports on SDG's, for each covered State. Each objective is attached with a color status : Green if the country succeeds on his objective, orange when significant challenges remain or red when major challenges remain. In order to assess each of these objectives, the SDG index rely on official data (communicated by national government, or international organization) and non official data (collected by non government entitie such as research institute, universities, non governmental organization, private sector). Half of data comes from official organization : OECD, WHO, UNICEF. Main indicators analyzed by SDG index are maternal mortality rate, life expectancy, Universal health coverage. Investors can access to more information on SDG index website: <https://www.sdgindex.org/>

---

---

### 3. Applying an ESG selectivity process to the Sub-Fund

The asset of the Sub-Fund covered by extra-financial analysis are 90% minimum for sovereign debt. The Sub-Fund adopts an ESG process based on the average rating method: the Sub-Fund's average ESG rating is never lower than that of the Reference Index.

The process also integrates an extra-financial upgrade objective: the Sub-Fund's GHG Intensity must be lower than the one of the Reference Index.

Limitation of the approach adopted:

The Sub-Fund's ESG Investment Strategy could lead to an under-representation of certain countries due to a poor ESG rating.

### 4) Data sources, methodology and limitations

The data are sourced from different data providers such as Trucost, MSCI, Vigeo, Sustainalytics and SDG Index and are integrated in the Ostrum IT Systems. The data are mainly estimated, and a few are directly sourced from issuers.

The methodology could lead to an under-representation of certain sectors due to a poor ESG rating or through the sector exclusion policy.

For the data, the limit is linked to the update of the data for the suppliers which may not reflect events occurring after the update and which may lead to a change in the data.

### 5) Due Diligence

The process is based on a review and a systematic validation of ESG criteria described in the documentation.

For the SRI accredited funds, the validation carries on an internal document (SRI clause) and on the legal documentation of the fund. An external certifier officially validates the consideration of the SRI specifications of the accreditation and the legal documentation after having performed an audit when the accreditation is requested.

For the non-accredited article 8 funds, it is carried on precontractual documents based on the information in the prospectus document.

The Risk department is in charge of the right application of the ESG strategy and ensures a continuous control of the ESG constraints for the article 8 funds, accredited or not. They participate in SRI accreditation and annual audits to make sure the accreditation criteria are well considered.

### 6) Engagement strategy

Engagement activity is an integral part of Ostrum AM's responsible investment approach. Ostrum AM's engagement strategy aims to improve business practices from an environmental, social and governance perspective. Ostrum AM thus implements via its credit analysts and/or its managers the commitment at the individual level and at the collaborative level via the ESG Strategy team.

Ostrum AM also engages with regulators to share its vision of sustainable investing in order to improve standards and regulations in the financial sector and foster sustainable investing. You can find Ostrum AM's commitment policy by clicking on the following link:

<https://www.ostrum.com/en/our-engagement-policies>

---

## **(b) No sustainable investment objective**

### **Does this financial product have a sustainable investment objective?**

No

### **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Sustainable investment is an investment in an economic activity that contributes to an environmental or social objective as long as it does not cause significant harm to any of these objectives.

As part of its sustainable investments, the portfolio may invest in green bonds, social bonds or sustainability bonds whose funds raised finance activities that contribute to an environmental and/or social objective. The portfolio may also invest in sustainability linked bonds associated with environmental and/or social indicators that, after examination by our team of sustainable bond analysts, are not 'disqualified.'

Moreover, certain securities issued by sovereigns and analysed according to the 17 UN Sustainable Development Goals responding positively to internal selectivity are considered to have a positive contribution to an environmental or social objective.

All these securities are then subject to study to verify that they do not significantly harm an environmental and/or social objective.

Investments going through the two steps ([1. « contributes to an environmental (E) and/or social (S) objective » 2. « provided that investments do not cause material harm to these objectives » (« Do Not Significant Harm » / « DNSH ») will be considered sustainable investments. The detailed definition is available at <https://www.ostrum.com/fr/notre-documentation-rse-et-esg#politique-esg>

### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The Delegated Investment Manager, at the level of the Sub-Fund, takes into in a quantitative way account the Principal Adverse Impacts (the "PAI") which concern Sovereign issuers, Green bond sovereign issuers, quasi-sovereign issuers (guaranteed agencies, supranational agencies, local authorities, etc.) and semi- public issuers (non-guaranteed agencies, or sponsored, and public companies). The Sub-Fund does not invest in private sector issuers.

Taking into account PAI allows the Delegated Investment Manager to verify that sustainable investments do not harm other objectives. In addition, the Delegated Investment Manager applies its exclusion policies (especially worst offenders) and ensures a permanent monitoring of controversies.

### **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Delegated Investment Manager takes into consideration the 2 mandatory PAI that apply to sovereigns. In both cases, to ensure a country is compliant with DNSH when a country is considered to be making a positive contribution to a E/S objective, Ostrum AM considers that carbon intensity scopes 1+2+3 must be lower than that of the 70th quantile (thus the country

is positioned best-in-class, amongst the top 30% relative to peers) and that the country is not subject to violations in accordance with international conventions and treaties, United Nations principles and, where appropriate, national legislation.

**How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

Not applicable. The Sub-fund does not invest in private sector issuers

---

**(c) Environmental or social characteristics of the financial product**

The Sub-Fund promotes the environmental and social characteristics of maintaining an average ESG rating higher than that of the Bloomberg Euro Govt Inflation Linked Bond 1 to 10 Year Treasury Index (the “Reference Index”) and excluding countries that are considered as controversial according to the Delegated Investment Manager. Additionally, the Sub-Fund’s GHG intensity must be lower than that of the Reference Index.

No reference benchmark has been designated for the purpose of attaining the E/S characteristics promoted by the Sub-Fund.

---

**(d) Investment strategy**

**What investment strategy does this financial product follow?**

The ESG Investment Strategy of the Sub-Fund is threefold as described hereafter:

**1. Applying a sectoral and exclusion policy**

The Delegated Investment Manager applies exclusion, sectoral and worst offenders policies. They mainly concern private sector issuers and are available on Ostrum's website ([www.ostrum.com](http://www.ostrum.com)) section ‘ESG.’

The Sub-Fund does not invest in private sector issuers and only applies the Ostrum exclusion policy, which concerns blacklisted states (Exclusion of countries with strategic deficiencies in their anti-money laundering and anti-terrorist financing arrangements).

**2. Integrating ESG elements into our research**

After having excluded the most controversial issuers from the investment universe thanks to the sectoral and exclusion policies deployed by the Delegated Investment Manager, the investment teams systematically assess for each underlying issuer, whether the extra-financial dimensions impact the issuer's credit risk profile, both in terms of risk and opportunity, as well as their probability of occurrence. Thus, extra-financial dimensions are systematically integrated into the risk assessment and fundamental analysis of both private and public issuers.

The Delegated Investment Manager then analyses a set of quantitative and qualitative indicators through the environmental pillar, the social pillar, and the governance pillar. The following examples are given for illustrative purposes only.

- The environmental pillar deals notably with biodiversity, climate change, resource management. Indicators used in the score could be the carbon footprint, the carbon intensity, the existence of a climate change policy, the existence of a biodiversity policy.
- The social pillar deals notably with gender diversity, human rights, education. Indicators used in the score could be the existence of diversity programs, the spending on healthcare or on education.

- The governance pillar deals notably with the exposure to corruption and bribery and overall information concerning the governance. Indicators used in the score could be the percentage of women in the parliament or the number business ethics incidents.

The Delegated Investment Manager uses the SDG index to assess sovereign issuers on an extra-financial level: the United Nations Sustainable Development Goals ("Sustainable Development Goals" - SDG index) are used to analyze the Reference Index' sovereign issuers.

The extra financial evaluation done by the Delegated Investment Manager is taking into account SDG index, which is based on 17 SDG's. This index is published by SDSN (« Sustainable Development Solutions Network », a global UN initiative) and Bertelsmannstiftung (a German foundation), for sovereign issuers. SDG index aggregates available data for the 17 SDG's and give a compared evaluation of State performance. Its goal is to help each State (i) to identify priorities in sustainable development and set up action plan but also (ii) to understand challenges and identify deficiencies that need to be gaped to reach the SDG by 2030. The index allows each State to compare themselves with their home regions, or with any other counterpart States, rated with similar levels.

SDG Index is a numeric score between 0 (worst score) and 100 (best score), that follows accomplished progresses of states in their pursuit of each SDG's. The report published by the SDG index presents reports on SDG's, for each covered State. Each objective is attached with a color status : Green if the country succeeds on his objective, orange when significant challenges remain or red when major challenges remain. In order to assess each of these objectives, the SDG index rely on official data (communicated by national government, or international organization) and non official data (collected by non government entitie such as research institute, universities, non governmental organization, private sector). Half of data comes from official organization : OECD, WHO, UNICEF. Main indicators analyzed by SDG index are maternal mortality rate, life expectancy, Universal health coverage. Investors can access to more information on SDG index website: <https://www.sdgindex.org/>

### 3. Applying an ESG selectivity process to the Sub-Fund

The asset of the Sub-Fund covered by extra-financial analysis are 90% minimum for sovereign debt. The Sub-Fund adopts an ESG process based on the average rating method: the Sub-Fund's average ESG rating is never lower than that of the Reference Index.

The process also integrates an extra-financial upgrade objective: the Sub-Fund's GHG Intensity must be lower than the one of the Reference Index

Limitation of the approach adopted:

The Sub-Fund's ESG Investment Strategy could lead to an under-representation of certain countries due to a poor ESG rating.

### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

- The Sub-Fund maintains an average ESG rating (based on SDG index) higher than the one of its Reference Index;
- The Sub-Fund maintains an GHG Intensity lower than the one of its Reference Index;

### **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered.

**What is the policy to assess good governance practices of the investee companies?**

As the Sub-Fund does not invest in private sector issuers, no specific policy should apply.

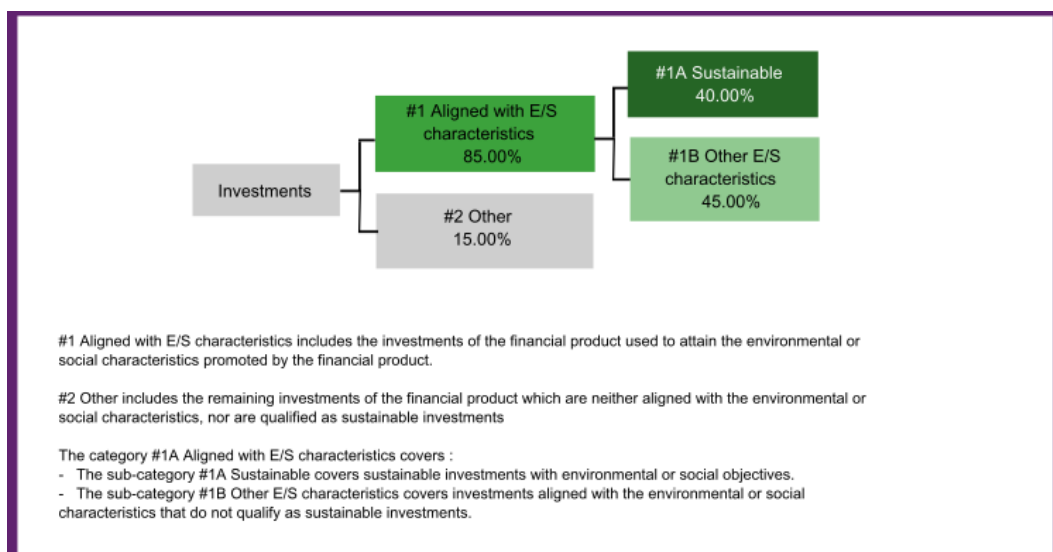
**(e) Proportion of investments**

**What is the asset allocation planned for this financial product?**

The Sub-Fund is expected to invest at least 85% of its NAV in investments that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics).

The Sub-Fund is expected to invest at least 40% of its NAV in sustainable investments.

The Sub-Fund is allowed to invest up to 15% of its NAV in cash, assets not covered by an ESG rating, money market funds, futures, options or swaps, as well as over-the-counter forward contracts, to expose its assets to interest rate, foreign exchange or credit risks, or hedge against such risks (#2 Other).



**How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the Sub-Fund.

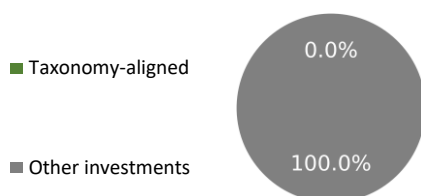
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

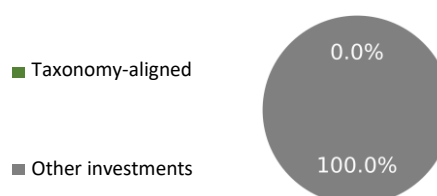


*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments **including** sovereign bonds\*



2. Taxonomy-alignment of investments **excluding** sovereign bonds\*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Sub-Fund commits to a minimum of 1% of sustainable investments with an environmental objective. These investments could be aligned with the EU Taxonomy but the Delegated Investment Manager is not currently in a position to specify the exact proportion of the Sub-Fund's underlying investments which take into account the EU criteria for environmentally sustainable economic activities. However, the position is kept under review as the underlying rules are finalized and the availability of reliable data increases over time

**What investments are included under "#2 others"/"#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?**

The following investments are included in "#2 Other" : assets not covered asset by an ESG rating, cash (excluding cash not invested), the proportion of UCIs not aligned with E/S characteristics, derivatives traded on a regulated or over the counter markets for hedging and/or exposure purposes, repurchase and reverse repurchase agreements for cash management purposes and to optimise the Sub-Fund's income and performance. Information on the list of assets classes and financial instruments and their use can be found in the Prospectus. Minimum environmental or social safeguards are not systematically applied.

**(f) Monitoring of environmental or social characteristic**

- average ESG rating of the Sub-Fund;
- average ESG rating of the Reference Index;
- GHG Intensity of the Sub-Fund;
- GHG intensity of the Reference Index.

The environmental or social characteristics and the sustainability indicators are monitored by the portfolio managers through their Portfolio Management Systems and by the Risk department through their dedicated tools. The indicators are then reported in different forms such as monthly factsheets and dedicated SRI label reports.



## **(g) Methodologies**

Ostrum applies an exclusion policy of controversial issuers thanks to sectorial and exclusion policies and controversies management. This exclusion policy represents a major pillar in the global ESG Ostrum policy and specifically for the methodology which aims at attaining environmental and social characteristics.

The second pillar is around the ESG integration applied by Ostrum by leveraging different ESG data providers which reinforces this methodology through different controls of E/S characteristics for the different regulations or contractual agreements (SFDR article 8; SRI accreditation, ...).

For the article 8 products which are SRI accredited, the control undertaken by Ostrum for the SRI accreditation allows to:

- for the funds with an average score methodology, make sure that the average ESG score of the portfolio is above to the investment universe filtered of the worst 20% issuers in terms of ESG (including the most controversial issuers defined by Ostrum in its sectorial and exclusion policies and the bottom issuers);
- for the funds with an exclusion methodology, make sure that the investments are done on an universe reduced of the 20% bottom issuers (this 20% includes the most controversial issuers defined by Ostrum in its sectorial and exclusion policies and the bottom issuers)
- make sure that the portfolio overperforms its filtered investment universe defined by the SRI accreditation framework on the E/S indicators if these indicators are the ones to overperform (for instance: carbon intensity, government spending on health and education)

For the article 8 products which are not SRI accredited, Ostrum defined an approach allowing that the average ESG score of the portfolio is better than the investment universe one while ensuring a minimal threshold of the ESG portfolio coverage.

Beyond these two processes, there is a control of ESG contractual constraints which allows to ensure the attainment of E/S characteristics (for instance, decrease of intensity carbon, ESG overperformance of the portfolio vs. its investment universe).

---

## **(h) Data sources and processing**

The data are sourced from different data providers such as Trucost, MSCI, Vigeo, Sustainalytics and SDG Index and are integrated in the Ostrum IT Systems. The data are mainly estimated, and a few are directly sourced from issuers.

<https://www.spglobal.com/esg/trucost> <https://www.msci.com/>  
<https://www.moodys.com/>  
<https://www.sustainalytics.com/>  
<https://www.sdgindex.org/>

---

## **(i) Limitations to methodologies and data**

The methodology could lead to an under-representation of certain sectors due to a poor ESG score or else through the sectorial and exclusion policies.

For the data, the limitation is around the periodical updates done by the providers which could not reflect events that took place after the updates (and such events could lead to a change of data).

---

**(j) Due diligence**

The process is based on a review and a systematic validation of ESG criteria described in the documentation. For the SRI accredited funds, the validation carries on an internal document (SRI clause) and on the legal documentation of the fund. An external certifier officially validates the consideration of the SRI specifications of the accreditation and the legal documentation after having performed an audit when the accreditation is requested.

For the non-accredited article 8 funds, it is carried on precontractual documents based on the information in the prospectus document.

The Risk department is in charge of the right application of the ESG strategy and ensures a continuous control of the ESG constraints for the article 8 funds, accredited or not. They participate in SRI accreditation and annual audits to make sure the accreditation criteria are well considered.

---

**(k) Engagement policies**

**Is engagement part of the environmental or social investment strategy?**

Yes

No ☒

☐

**If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)**

<https://www.ostrum.com/fr/nos-politiques-dengagement>

---

**(l) Designated reference benchmark (if applicable)**

**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

Not applicable

**How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

Not applicable

**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

**How does the designated index differ from a relevant broad market index?**

Not applicable

**Where can the methodology used for the calculation of the designated index be found?**

Not applicable.

---

**(m) Additional Information**

<https://www.im.natixis.com/en-intl/funds>

---

*Disclaimer : This document is issued to disclose sustainability-related information on this product, in relation to the Article 10 of the EU Sustainable Finance Disclosure Regulation (SFDR). Please refer to the prospectus of the fund and to the KIID before making any final investment decisions.*