

Sustainability-related Product Disclosure

Information
Product Name: Ostrum Global Inflation Fund Legal Entity Identifier: 969500DK0QDVE25K6K82 SFDR Classification: Article 8 Date of the document : 2023-07-05

(a) Summary

1) Investment objective

The investment objective of Ostrum Global Inflation Fund is to outperform the Bloomberg World Government Inflation Linked All Maturities Index Hedged in Euro over the recommended investment period of 2 years.

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

2) Environmental or social characteristics

The Fund promotes the environmental and social characteristics of maintaining an average ESG rating higher than its benchmark and excluding countries that are considered as controversial according to Ostrum AM's.

The fund's GHG intensity must be lower than that of the benchmark.

3) Investment strategy and proportion of investments

The Fund is expected to invest at least 75% of its NAV in investments that qualify as aligned with E/S characteristics (#1).

The Fund is allowed to invest up to 25% of its NAV in cash, cash equivalents and/or hedging instruments (#2 Other).

Before focusing on issuer ESG ratings, Ostrum AM's exclusion policies are applied to the initial investment universe. The Prohibited States Exclusion Policy is fully applicable. Indeed, Ostrum AM strictly complies with the regulations in force.

As such, the following are prohibited:

- investments made in countries under US or European embargo that would be contrary to the restrictions in force;
- investments in countries identified by the Financial Action Task Force as having strategic deficiencies in their anti-money laundering and anti-terrorist financing systems.

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

The Fund adopts an ESG process based on the average rating method: the Fund's average ESG rating (based on SDG index) must be higher than that of its benchmark.

A set of quantitative and qualitative indicators are analysed through the environmental pillar, the social pillar, and the governance pillar.

The extra-financial rating of States is based on the Sustainable Development Goals, which designate the seventeen goals established by the Member States of the United Nations (UN), in order to guide international collaboration towards sustainable development.

The non-financial assessment of sovereign issuers and similar issuers (government agencies, local authorities, etc.) is based on the SDG Index.

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 is 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?

Not Applicable.

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?

Not Applicable.

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?

Not Applicable.

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

Not Applicable.

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.

(c) Environmental or social characteristics of the financial product

The Fund promotes the environmental and social characteristics of maintaining an average ESG rating higher than its benchmark (Bloomberg World Government Inflation-Linked Bond Index) and excluding countries that are considered as controversial according to the Investment Manager.

The fund's GHG intensity must be lower than that of the benchmark.

(d) Investment strategy

What investment strategy does this financial product follow?

Before focusing on issuer ESG ratings, the Investment Manager's exclusion policies are applied to the initial investment universe, as further described in the Fund's investment policy (the "Investment Universe"). The Prohibited States Exclusion Policy is fully applicable. Indeed, the Investment Manager strictly complies with the regulations in force.

As such, the following are prohibited:

- investments made in countries under US or European embargo that would be contrary to the restrictions in force;
- investments in countries identified by the Financial Action Task Force as having strategic deficiencies in their anti-money laundering and anti-terrorist financing systems.

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

The Fund adopts an ESG process based on the average rating method : the Fund's average ESG rating (based on SDG index) must be higher than that of its benchmark.

A set of quantitative and qualitative indicators are analysed through the environmental pillar, the social pillar, and the governance pillar.

The extra-financial rating of States is based on the Sustainable Development Goals, which designate the seventeen goals established by the Member States of the United Nations (UN), in order to guide international collaboration towards sustainable development.

The non-financial assessment of sovereign issuers and similar issuers (government agencies, local authorities, etc.) is based on the SDG Index.

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 fund maintains an average ESG rating (based on SDG index) be higher than the one of its benchmark
- The Fund maintains an GHG Intensity lower than the one of its benchmark
- The Prohibited States Exclusion Policy is fully applicable. Indeed, the Investment Manager strictly complies with the regulations in force.

As such, the following are prohibited:

- investments made in countries under US or European embargo that would be contrary to the restrictions in force;
- investments in countries identified by the Financial Action Task Force as having strategic deficiencies in their anti-money laundering and anti-terrorist financing systems.

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?

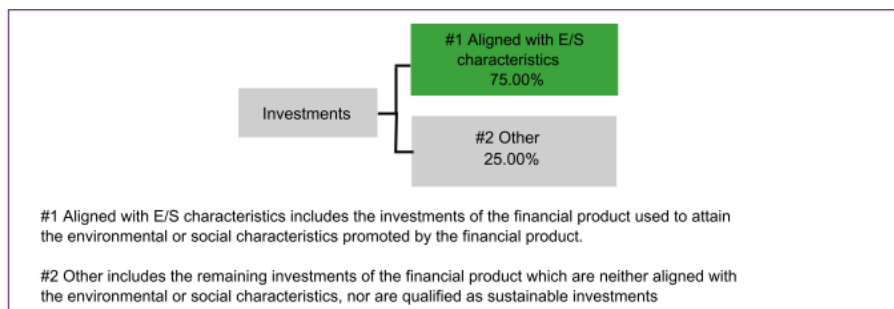
Not Applicable.

(e) Proportion of investments

What is the asset allocation planned for this financial product?

The Fund is expected to invest at least 75% of its NAV in investments that qualify as aligned with E/S characteristics (#1).

The Fund is allowed to invest up to 25% of its NAV in cash, cash equivalents and/or hedging instruments (#2 Other).

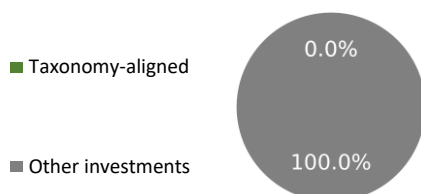


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

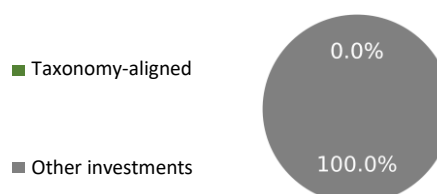
Not Applicable.

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 Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. As a consequence, the Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

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" : cash, 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, within the limits set out in "Use of derivatives, investment techniques and

special hedging instruments” below. Minimum environmental or social safeguards are not systematically applied.

(f) Monitoring of environmental or social characteristic

- Percentage of investments made in countries under US or European embargo that would be contrary to the restrictions in force;
- Percentage of investments in countries identified by the Financial Action Task Force as having strategic deficiencies in their anti-money laundering and anti-terrorist financing systems
- average ESG rating of the fund vs average ESG rating of the benchmark
- GHG Intensity Fund
- GHG intensity benchmark
- Percentage of investments made in countries under US or European embargo that would be contrary to the restrictions in force.
- Percentage of investments in countries identified by the Financial Action Task Force as having strategic deficiencies in their anti-money laundering and anti-terrorist financing systems
- Average ESG rating of the fund vs Average ESG rating of the benchmark
- GHG Intensity fund
- GHG Intensity benchmark

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 AM 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 AM 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 AM 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 AM 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 a universe reduced of the 20% bottom issuers (this 20% includes the most controversial issuers defined by Ostrum AM 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 AM 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.moody's.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)

Engagement policy Ostrum AM: <https://www.ostrum.com/en/our-engagement-policies>

(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/intl/sfdr-documentation-nimsa-en>

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.