

Sustainability-related Product Disclosure

Information

Product name: **Thematics Water Fund**
 Legal entity identifier: **5493 00Z5CQ07UZVGXX 17**
 SFDR Classification: **Article 9**
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(a) Summary

1. Investment Objective

The investment objective of Thematics Water Fund is to contribute globally to the universal provision of clean water, in water pollution prevention and control and more broadly in the global, sustainable use and protection of all water resources while generating long-term growth of capital through an investment process systematically including Environmental, Social and Governance (“ESG”) considerations.

2 . Sustainable investment objective of the Financial Product

The sustainable investment objective of the Fund is to contribute globally to the universal provision of clean and safe water, water pollution prevention and control, and sustainable use and protection of all water resources.

Contribution to the Fund’s sustainable investment objective is assessed based on a sustainable thematic screening, as well as on a proprietary ESG assessment which relies, amongst others, on the ESG risk score of the securities. In addition, the Fund also applies exclusion criteria including inter alia, activity-based and behaviour based exclusions. Finally, the Fund has internally defined the implementation of an engagement process, which also encompasses the exercising of its voting rights. The combination of the different elements in this screening process allows to identify investment’s contribution to the sustainable investment objective.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives.

3. Investment strategy

The following sustainable approaches are applied across the end-to-end investment process:

- Thematic screening : selection of securities whose solutions both: contribute to the theme via the theme’s sub-segments that in turn contribute to 1 or more of the outcomes stated in the prospectus, and meet materiality or leadership requirements defined by the Investment Manager.
- Product-based exclusion : exclusion of issuers generating more than the internally defined thresholds (% of revenue exposure) from harmful and/or controversial activities, such as coal, conventional oil and gas, non-conventional weapons.
- Behaviour-based exclusion : exclusion of securities whose behaviour and overall performance are considered non-compliant to established global

sustainability norms and principles governing corporate behaviour, in particular on environmental protection, human rights, labour rights, and business ethics such as the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights, and the International Labour Conventions.

- ESG Integration : portfolio construction taking into account the ESG analysis based on the Investment Manager's proprietary ESG score.
- Voting & Engagement: promotion of good governance, transparency and actions on material ESG issues.

4. Proportion of investment

The Fund commits to invest 90% of its NAV in sustainable investments (#1 Sustainable).

The Fund is expected to invest at least 30% of its NAV in environmental sustainable investments and 10% of its NAV in social sustainable investments, of which at least 0% are taxonomy-aligned;

The Fund is expected to invest up to 10% of in NAV in investments which do not qualify as sustainable investments (cash or cash equivalent for liquidity purpose) (#2 Other).

5. Data sources, methodology limitations

Thematics AM has developed its proprietary methodology:

- to identify companies that contributes to one or more outcomes stated in the prospectus,
- to identify and assess the most important ESG risks and opportunities companies are exposed to and also the most material environmental and social areas where companies could have adverse impact.

Also, The EU SFDR's PAIs are considered at different stages of the investment process through the 4 sustainability approaches: product-based exclusions, behaviour-based exclusion, ESG integration and voting and engagement.

Within this framework, Portfolio Managers will draw from a range of resources when analysing a company. The data used to form an overall opinion on a company is a synthesis of outputs that come from a combination of some or all of the following:

- Portfolio Managers' network of contacts from the broader relevant industry,
- Equity sell-side analysts and research documents,
- Third party sustainability data providers.

Methodologies and data are subject to limitations including dependency on the availability and quality of data provided by investee companies and/or the coverage by third-party providers.

6. Monitoring due diligence

Portfolios Managers are primarily responsible of the investment due diligence. This means that they are in charge of the sustainability analyses to ensure that the security meets the selection criteria, they perform the ESG assessment according to the proprietary scoring methodology, they are also involved in the proxy voting process and carry out ESG-focused engagement with the support of the ESG Team.

Independent monitoring and controls are carried out by Risk, Compliance and Internal Control departments on compliance with the minimum commitments and binding elements, the investment restrictions, compliance with Sustainable Finance Regulations etc.

7. Engagement Strategy

Engagement is an integral part of Thematic AM's Responsible Investment approach. Thematics's targeted results focus on achieving the following: Transparency, Strong governance and Investee actions on critical sustainability challenges: climate change, biodiversity, and human rights.

(b) No significant harm to the sustainable investment objective

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social investment objective, the Fund takes into account the indicators for adverse impacts and ensures that the Fund investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as further outlined below. Controversies monitoring is also in place.

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

The Investment Manager takes into account the EU SFDR's PAIs at different stages of its investment process through its 4 sustainability approaches: product-based exclusion, behaviour/norms-based assessment, ESG integration, voting engagement.

- The Investment Manager excludes companies that generate more than 5% of revenue from fossil fuels, or more than 1% from the extraction and distribution of thermal coal (PAI 4); electric utilities generating non-renewable energy (PAI 5); companies that are exposed to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (PAI 14).
- In the behaviour/norms-based assessment, the Investment Manager excludes companies that are non-compliant to internationally agreed standards and norms and manage controversies. Therefore, the Investment Manager excludes: companies in violations with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 10); companies with activities negatively affecting biodiversity-sensitive areas (PAI 7).
- In the ESG integration, where the Investment Manager scores companies across material ESG indicators, the following PAIs are considered: GHG emissions (PAI 1); carbon footprint (PAI 2) and GHG intensity of investee companies (PAI 3); share of non-renewable energy consumption (PAI 5); energy consumption intensity per high impact climate sector (PAI 6); activities negatively affecting biodiversity sensitive areas (PAI 7); emissions to water (PAI 8); hazardous waste and radioactive waste ratio (PAI 9); unadjusted gender pay-gap (PAI 12); board gender diversity (PAI 13); carbon emission reduction initiatives (additional PAI) and anti-corruption and anti-bribery policies (additional PAI); lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11).

- Post investment, the Investment Manager votes based on sustainability principles and targets companies for formal engagement, including: companies which lack disclosures and governance on GHG emissions (PAI 1) and intensity (PAI 3), carbon footprint (PAI 2), companies with activities negatively affecting biodiversity sensitive areas (PAI 7) and unadjusted gender pay-gap (PAI 12); companies which lack processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11); companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (additional PAI).

More information on the consideration of principal adverse impacts on sustainability can be found in the annual report.

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

The Investment Manager excludes companies in violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises; the Investment Manager also incorporates into the ESG analysis a company's processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises. It also engages with some companies lacking these processes and mechanisms.

(c) Sustainable investment objective of the financial product

What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Fund is to contribute globally to the universal provision of clean and safe water, water pollution prevention and control, and sustainable use and protection of all water resources.

Contribution to the Fund's sustainable investment objective is assessed based on a sustainable thematic screening, as well as on a proprietary ESG assessment which relies, amongst others, on the ESG risk score of the securities. In addition, the Fund also applies exclusion criteria including inter alia, activity-based and behaviour based exclusions. Finally, the Fund has internally defined the implementation of an engagement process, which also encompasses the exercising of its voting rights. The combination of the different elements in this screening process allows to identify investment's contribution to the sustainable investment objective.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives.

(d) Investment strategy

What investment strategy does this financial product follow?

1. Sustainable thematic screening

The Investment Manager selects securities whose solutions both:

- contribute to the theme via the theme's sub-segments that in turn contribute to 1 or more of the following sustainability outcomes: to enable sustainable use and protection of all water resources; to enable water pollution control; to enable water pollution prevention; to enable provision of clean and safe water; to enable sustainable management of water resource;
- meet the materiality or leadership requirement of the theme.
 - Materiality means: the issuer must at least generate 20% of the revenue and/or profits from the relevant products.
 - Leadership requirements: the issuer's products must be, in the opinion of the Investment Manager, leader in the industry, innovative or with the potential to become disruptive.

2. Product-based exclusion

For the avoidance of doubt, exclusions mentioned below are applied, notably: The Investment Manager further screens the Investable Universe by excluding securities that have exposure to harmful and controversial activities, such as coal, conventional oil and gas, non-conventional weapons etc. For more information, please refer to our exclusion policy under: <https://www.thematics-am.com/en-FR/being-responsible/reports-and-publications>.

- Article 12, paragraphe 1, points a) to g), of Commission Delegated Regulation 2020/1818 of 17 July 2020: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1818>
- Label ISR V3: <https://www.tresor.economie.gouv.fr/Articles/ff2f6ef4-9470-4aab-8ea0-eb17eea5cff5/files/3b614d61-0225-4da6-8081-47c31d8b33e2>

3. Behaviour-based exclusion

In addition, the Investment Manager systematically excludes securities whose behaviour and overall performance are considered non-compliant to established global sustainability norms and principles governing corporate behaviour, in particular on environmental protection, human rights, labour rights, and business ethics. These standards include the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights, and the International Labour Conventions. The screening is informed by third-party data.

4. ESG Integration

In the final Fund construction phase, the Investment Manager carries out an ESG analyses using its proprietary ESG assessment guided by established materiality frameworks, such as but not limited to, Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI). The Investment Manager scores individual companies across the 11 different material environmental, social, and governance indicators drawing from a range of resources, including desktop research, company engagement and ESG ratings from at least two third-party rating agencies. The total ESG score carries an equal weight (25%) as other investment criteria (i.e. Quality, Trading Risk and Management) and will impact the security's inclusion and final weight of the investment.

In addition, to assess the quality of the climate transition plans of the companies invested in, as well as companies in the Investable Universe, the investment manager

has developed a framework named “Thematics Climate Transition Assessment” (TCTA) that classifies companies from laggards to leaders according to five pillars:

- Climate Governance
- Climate Strategy and Risk Management
- Climate Engagement
- Quality of climate-related disclosures
- Quality of Decarbonization Targets

The TCTA is notably used for:

- Engaging with the laggards,
- Assessing the climate part of the internal ESG scoring.

5. Selectivity

In order to measure the effectiveness of the ESG approach implemented, the Investment Manager ensures that:

- the Fund will have a better ESG risk score than its Investable Universe (measured as the rolling 3 months average of the weekly rating), after eliminating at least 25% and 30% as from 01/01/2026 of the worst-rated securities of the latter, based on external third-party ESG rating. The coverage must be above 90%. The weighting of pillars E, S and G cannot be generalized within the framework of the provider's rating because the methodology is based on a materiality analysis taking into account in particular the sector and idiosyncrasies of the companies scored. It should be noted that the provider's scoring methodology may lead some companies to be scored on certain ESG themes more than others. Therefore, all or part of the Fund may have a pillar weighting of less than 20%.
- the Fund will outperform its Investable Universe in terms of weighted average carbon intensity.
- the Fund will outperform its Investable Universe in terms of board gender diversity.

6. Controversies monitoring

Companies exposed to high with negative outlook and/or severe level controversies are excluded. If the company is already in the Fund and becomes exposed to high with negative outlook and/or severe ESG controversies, the Investment Manager will cap the position at 2%. The total number of capped securities cannot be more than 5. Further, targeted engagement with the company is initiated. The cap will be lifted if sufficient performance improvement is demonstrated within 6 months. Investment Manager will exit the investment if not enough progress is made.

7. Voting

The Investment Manager intends to exercise 100% of the voting rights on the issuers of the securities held in the Fund managed, and in compliance with its sustainability principled-based voting policy.

8. Engagement

The Investment Manager intends to initiate a certain number of engagements each year. This target could be achieved with one or more issuers, depending on the number of engagement objectives set per issuer.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

1. Percentage of Fund's asset under management that contributes to the theme and meet the materiality or leadership criteria is 100% excluding cash.

2. Percentage of the Fund's assets under management of issuers generating more than the internally defined thresholds (% of revenue exposure) from harmful and/or controversial activities is 0%
3. Percentage of the Fund's assets under management of issuers whose behaviour and overall performance are considered non-compliant to established global sustainability norms and principles governing corporate behaviour is 0%
4. Percentage of the Fund's assets under management that are subject to ESG analysis by the Investment Manager is 100%.
5. Fund ESG risk score's outperforms the ESG risk score of the Investable Universe (measured as the rolling 3 months average of the weekly rating), after eliminating at least 25% and 30% as from 01/01/2026 of the worst-rated securities of the latter, based on external third-party ESG rating.
6. Fund outperforms the Investable Universe in terms of weighted average carbon intensity.⁷
7. Fund outperforms the Investable Universe in terms of board gender diversity.
8. Controversies monitoring
 - Percentage of the Fund's assets under management of newly invested issuers that has already high with negative outlook and/or severe ESG controversies at the time of investment is 0%.
 - Number of already invested issuers that becomes exposed to high with negative outlook and/or severe ESG controversies and are capped to 2% is maximum 5.
 - Number of already invested issuers that becomes exposed to high with negative outlook and/or severe ESG controversies and, within a 6 month time frame:
 - are not engaged or,
 - are engaged but do not demonstrate sufficient performance improvement, is 0.
9. Voting and Engagement
 - Total percentage of submitted votes is at least 95%.
 - Total percentage of confirmed votes is at least 75%.
 - Percentage of submitted votes according to the sustainability-principled policy is at least 95%.
10. Number of initiated ESG engagements is at least three per year. This target could be achieved with one or more issuers, depending on the number of engagement objectives set per issuer.

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

Good governance is promoted across the investment process through the following: behaviour-based exclusion, which is an assessment of company's governance and performance on various governance indicators; ESG assessment, which include material governance indicators such as board quality, business ethics, remuneration and shareholder protection; and voting and engagement on targeted governance issues, including sustainability management and transparency.

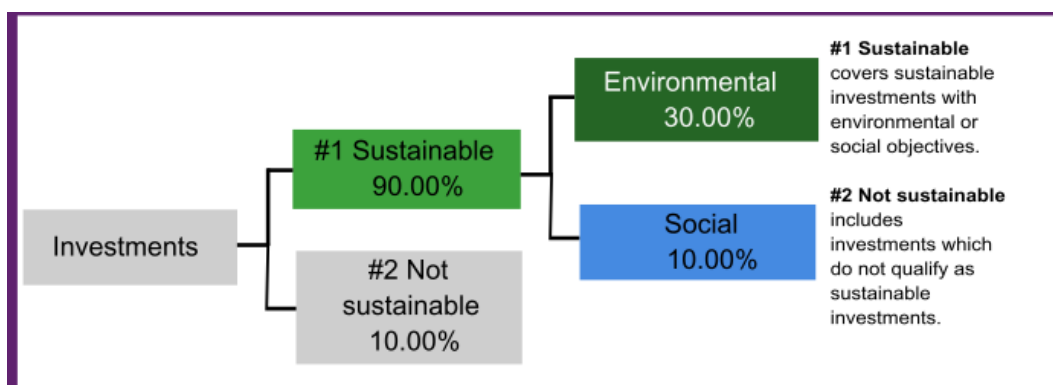
(e) Proportion of investments

What is the asset allocation planned for this financial product?

The Fund commits to invest 90% of its NAV in sustainable investments (#1 Sustainable).

The Fund is expected to invest at least 30% of its NAV in environmental sustainable investments and 10% of its NAV in social sustainable investments, of which at least 0% are taxonomy-aligned;

The Fund is expected to invest up to 10% of in NAV in investments which do not qualify as sustainable investments (cash or cash equivalent for liquidity purpose) (#2 Other).



How does the use of derivatives attain the sustainable investment objective?

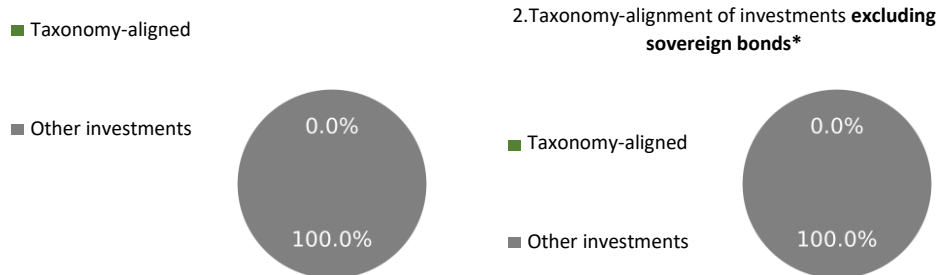
Not applicable

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 of investments of the financial product

a 1. Taxonomy-alignment of investments including sovereign bonds*
c



* 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 commits to make a minimum 30% of environmentally sustainable investments aligned with SFDR. These investments could be aligned with the EU Taxonomy, but the Investment Manager is not currently in a position to specify the exact proportion of the Fund's underlying investments which take into account the EU criteria for environmentally sustainable economic activities. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments is 10%.

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

Cash and cash equivalent for liquidity purposes and on an ancillary basis, the Fund may use derivatives for hedging purposes. These investments do not follow any minimum environmental or social safeguards.

(f) Monitoring of sustainable investment objective

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Fund plan to report on the following on an annual basis:

- Percentage of Fund's asset under management that contributes to the theme.
- Percentage of the Fund's assets under management of issuers generating more than the internally defined thresholds (% of revenue exposure) from harmful and/or controversial activities.
- Percentage of the Fund's assets under management of issuers whose behaviour and overall performance are considered non-compliant to established global sustainability norms and principles governing corporate behaviour.
- Percentage of the Fund's assets under management that are subject to ESG analysis by the Investment Manager.
- Fund's ESG risk score vs Investable Universe's risk score (measured as the rolling 3 months average of the weekly rating), after eliminating at least 25% and 30% as from 01/01/2026 of the worst-rated securities of the latter.
- Fund's weighted average carbon intensity (WACI) versus the Investable Universe.
- Fund's board gender diversity percentage versus the Investable Universe.
- Percentage of the Fund's assets under management of newly invested issuers that has already high with negative outlook and/or severe ESG controversies at the time of investment.
- Number of already invested issuers that becomes exposed to high with negative outlook and/or severe ESG controversies and within a 6 month time frame:
 - are not engaged or,
 - are engaged but do not demonstrate sufficient performance improvement.
- Total percentage of submitted and confirmed votes.
- Percentage of submitted votes according to the sustainability-principled policy.
- Number of initiated ESG engagements. This target could be achieved with one or more issuers, depending on the number of engagement objectives set per issuer.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

A. Percentage of Fund's asset under management that contributes to the theme.

- Ongoing monitoring by the Portfolio managers ("PMs") and the ESG team.
- Annual monitoring by the ESG Team.
- Annual reporting.

B. Percentage of the Fund's assets under management of issuers generating more than the internally defined thresholds (% of revenue exposure) from harmful and/or controversial activities, such as thermal coal, conventional oil and gas, non-conventional weapons.

- Exclusion list is hard-coded in pre-trade mode into the trading platform and updated periodically.
 - Annual reporting.
-

C. Percentage of the Fund's assets under management of issuers whose behaviour and overall performance are considered non-compliant to established global sustainability norms and principles governing corporate behaviour.

- Exclusion list is hard-coded in pre-trade mode into the trading platform and updated periodically.
- Annual reporting.

D. Percentage of the Fund's assets under management that are subject to ESG analysis by PMs.

- Ongoing monitoring by PMs
- Annual monitoring by the ESG Team.
- Annual reporting.

E. Fund's ESG rating risk score vs Investable Thematics Universe's rating risk score (measured as the rolling 3 months average of the weekly rating), after eliminating at least 250% (alternatively 30% for Thematics Health Fund) of the worst-rated securities of the latter, and covering at least 90% of the portfolio.

Fund's weighted average carbon intensity (WACI) (measured as the rolling 3 months average of the weekly rating), versus the Investable Thematics Universe

Fund's board gender diversity percentage (measured as the rolling 3 months average of the weekly rating), versus the Investable Thematics Universe or versus a threshold.

- Weekly monitoring by the Risk Team.
- Annual reporting.

F. Percentage of the Fund's assets under management of newly invested issuers that has already high with negative outlook and/or severe ESG controversies at the time of investment.

- Ongoing monitoring by PMs and Risk.
- Annual reporting.

G. Number of already invested issuers that becomes exposed to high with negative outlook and/or severe ESG controversies and within a 6-month time frame:

- are not engaged or,
- are engaged but do not demonstrate sufficient performance improvement.
- Ongoing monitoring by the PMs and Risk.
- Annual reporting.

H. Total percentage of submitted votes & percentage of submitted and confirmed votes according to the sustainability-principled policy.

- Task delegated to a service provider
- Annual monitoring by the ESG Team
- Annual reporting.

I. Percentage Number of issuers covered by targeted engagement.

- Ongoing monitoring by the PMs and the ESG team.
- Annual monitoring by the ESG Team.

- Annual reporting.
-

(g) Methodologies

Thematics AM ("The Investment Manager") maintains comprehensive methodology documents on its website. These documents go into greater depth, provide further insight into data sources and processes applied within their respective domains. More

information in relation to these methodologies can be found at <https://www.thematics-am.com/fr-FR/esg>

1. Thematic screening

The Investment Manager selects securities whose solutions both:

- contribute to the theme via the theme's sub-segments that in turn contribute to 1 or more of the outcomes stated in the prospectus.
- meet the materiality or leadership requirement of the theme.
- Materiality means: the issuer must at least generate 20% of the revenue and/or profits from the relevant products.
- Leadership requirements: the issuer's products must be, in the opinion of the Investment Manager, leader in the industry, innovative or with the potential to become disruptive.

Based on the portfolio as of 31 Dec of each reporting year:

- Percentage of AUM invested per subsegment and the subsegment's corresponding outcomes.
- The Materiality and Leadership percent distribution of the subsegment: % of Leaders, % of Materially exposed (20-90% of revenue, % of Pureplay (90-100% revenue).

2. Product-based exclusion

The Investment Manager further screens the Investable Universe by excluding issuers generating more than the internally defined thresholds (% of revenue exposure) from harmful and/or controversial activities, such as thermal coal, conventional oil and gas, non-conventional weapons.

> Percentage of the Fund's assets under management of generating more than the internally defined thresholds (% of revenue exposure) from harmful and/or controversial activities, such as thermal coal, conventional oil and gas, non-conventional weapons, based on the portfolio as of 31 Dec of each reporting year.

3. Behaviour-based exclusion

In addition, the Investment Manager systematically excludes securities whose behaviour and overall performance are considered non-compliant to established global sustainability norms and principles governing corporate behaviour, in particular on environmental protection, human rights, labour rights, and business ethics. These standards include the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights, and the International Labour Conventions. The screening is informed by third-party data.

> Percentage of the Fund's assets under management of issuers whose behaviour and overall performance are considered non-compliant to established global sustainability norms and principles governing corporate behaviour, based on the portfolio as of 31 Dec of each reporting year

4. In the final portfolio construction phase, the Investment Manager carries out an ESG analyses using its proprietary ESG assessment. The Investment Manager scores individual companies across the 11 different material environmental, social, and governance indicators drawing from a range of resources, including desktop research, company engagement and ESG ratings from at least two third-party rating agencies. The total ESG score carries an equal weight (25%) as other investment criteria (i.e. Quality, Trading Risk and Management) and will impact the security's inclusion and final weight of the investment.

> Indication of % of portfolio subjected to internal ESG scoring based on the portfolio as of 31 Dec of each reporting year.

5. In order to measure the effectiveness of the ESG approach implemented, the Investment Manager ensures that the Fund will have a better ESG risk score than its Thematics Universe (measured as the rolling 3 months average of the weekly score), after eliminating at least 25% (alternatively 30%) of the worst-rated securities of the latter, based on external third-party ESG rating. Additionally, the Fund commits to outperform the universe in terms of Weighted Average Carbon Intensity (WACI) and board gender diversity. The review of the ESG criteria permanently covers at least 90% of the Fund's net assets.

> Number of active breaches which occurred during the year and their rational.

6. Companies exposed to high with negative outlook and/or severe level controversies are excluded. If the company is already in the portfolio and becomes exposed to high with negative outlook and/or severe ESG controversies, the Investment Manager will cap the position at 2%. The total number of capped securities cannot be more than 5. Further, targeted engagement with the company is initiated. The cap will be lifted if sufficient performance improvement is demonstrated within 6 months. The Investment Manager will exit the investment if not enough progress is made.

> Throughout the year: percentage of the Fund's assets under management of newly invested issuers that has already high with negative outlook and/or severe ESG controversies at the time of investment; Number of already invested issuers that becomes exposed to high with negative outlook and/or severe ESG controversies and are capped to 2%; Number of already invested issuers that becomes exposed to high with negative outlook and/or severe ESG controversies and, within a 6-month time frame:

- are not engaged or,
- are engaged but do not demonstrate sufficient performance improvement.

7. Thematics AM intends to exercise 100% of the voting rights on the issuers of the securities held in the portfolios managed, and in compliance with its sustainability principled-based voting policy.

> Throughout the year: Total percentage of submitted and confirmed votes; Percentage of submitted votes according to the sustainability-principled policy.

8. Thematics AM intends to engage with a certain number of issuers each year. This target could be achieved with one or more issuers, depending on the number of engagement objectives set per issuer. Furthermore, within issuers from "high climate impact" sectors, the Investment Manager intends to invest in a minimum percentage of issuers that have a credible climate transition plan in line with the climate goals set by the Paris Agreement.

Finally, within issuers from "high climate impact" sectors under enhanced scrutiny, the Investment Manager intends to engage with a minimum percentage of issuers.

> Number of issuers covered by targeted engagement based on the portfolio as of 31 Dec of each reporting year

(h) Data sources and processing

What are the data sources used to attain the sustainable investment objective including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

Sources & Processing:

- Thematic screening: internal research, third-party data, brokers sell-side research; Portfolio Managers estimate the thematic alignment based on internal thematic scope and boundary.
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- Exclusions: internal research, third-party data, external databases; ESG Team builds the list using the sources listed, and is reviewed and validated by the Responsible Investment Committee.

- Controversies: third-party data ; PMs have access to news and monitors exposure to potential ESG controversies

- ESG Scoring: Third-party data, internal research, company engagement. PMs conduct their own ESG scoring, using the multiple third-party data to inform their assessment.

- Voting: Third-party service , Internal research; PMs receive alerts on upcoming proxy meeting and voting recommendations, they specifically review resolutions where the recommendation by the third-party proxy voting service is Against the Management.

- Engagement: Internal research.

- For some data sets, i.e. GHG emission, we are able to ascertain the percentage of reported vs estimated data. For most of the data sets, i.e. revenue from products or services, such data is unavailable.

Third-party sustainability data providers are mainly:

• ISS Proxy Research - Voting: ISS Proxy Research conducts the primary analyses of resolutions applying defined set of sustainability principles.

Sustainalytics - Exclusions: The list is built based on Sustainalytics screening data.

- ESG Scoring Bloomberg ESG - ESG Scoring S&P Global Trucost - Environmental and Climate data MSCI - ESG Scoring
 - Climate data CDP - Climate data
-

(i) Limitations to methodologies and data

• Lack of corporate disclosure and coverage. Not all companies are covered by third-party data providers.

• Frequency of update: Data providers may not necessarily update the companies in the most timely manner.

• Third-party revenue data is both disclosed and estimated.

• Analysis is partly based on data provided by investee companies and is therefore dependent on the quality of this information which can be very heterogeneous.

• Mitigation measure: final ESG scores are based on IMs own conviction, multiple sources, including third-party and their own desktop research.

(j) Due diligence

Due diligence is performed by the PMs, supported by the ESG Team. The sustainability approaches used by Thematics AM are fully integrated into the end-to-end investment process, alongside financial analysis.

In the Define Phase, PMs conduct various checks to ensure the security selection meets the following: thematics screening criteria, product-based and behaviour- based exclusion thresholds.

In the Select Phase, PM carry out the ESG scoring using Thematics AM's proprietary ESG scoring framework.

In the Act Phase post investment, the PMs particularly focus on items where third party voting recommendation is to vote against the management, as well as carry out ESG-focused engagements, with the support of the ESG Team.

Compliance and Internal Control Controls – annually:

- ESG management system: ESG framework organization; human and technical resources implemented.
- ESG methodology: quality of data, ESG criteria, consideration of climate risk, rating of issuers, selection of securities, exclusion of securities, engagement policy, external suppliers use, controversies monitoring
- A priori and a posteriori information provided to investors on the implementation of the ESG/voting policy,
- Checking the configuration of the constraints stipulated in the ESG management process,
- Monitoring of breaches, and implementation of an escalation procedure until the actual resolution.
- Voting policy controls: Internal organization and tools, annual report on the exercise of voting rights.
- Compliance with SFDR and Taxonomy Regulation including SFDR product classification and Taxonomy-alignment commitment

The ESG process is also subject to pluri-annual internal audits.

(k) Engagement policies

Is engagement part of the sustainable investment objective?

☒ Yes

☐ No

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies) If available, please provide the website link where engagement policy is made available

<https://www.thematics-am.com/en-FR/being-responsible/reports-and-publications>

(l) Attainment of the sustainable investment objective

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.