



ESG and
Sustainability
Integration
Policy

**NATIXIS
INVESTMENT
MANAGERS
INTERNATIONAL**

This document outlines the policies and practices of Natixis Investment Managers International ("NIMI") regarding procedures and analyses of environmental, social, and governance (ESG) issues in its business activities. Furthermore, it illustrates the commitments made by NIMI to promote sustainable investment.

Natixis Investment Managers International's vision

Natixis Investment Managers International ("NIMI" or "NIM International") is a subsidiary of Natixis Investment Managers ("Natixis IM" or "NIM"), the holding company of a set of specialized investment management and distribution entities operating worldwide. The multi-boutique model of Natixis Investment Managers, which encompasses a variety of management companies with different convictions, diversified management styles and ESG approaches adapted to asset classes is a source of innovation in providing diverse responses to the challenges facing sustainable finance.

Natixis IM, along with its affiliated asset management companies worldwide are signatories to the PRI (Principles for Responsible Investment). As signatories, these entities pledge to respect and implement the following six principles:

1. **Incorporate** ESG issues into investment analysis and decision-making processes.
2. Be **active owners** and incorporate ESG issues into ownership policies and practices
3. Seek **appropriate disclosure** on ESG issues by the entities in which we invest.
4. **Promote acceptance** and implementation of the Principles within the investment industry.
5. **Work together** to enhance effectiveness in implementing the Principles.
6. **Report on activities** and progress towards implementing the Principles.

For NIMI, the commitment of each delegated investment management company represents an important step towards ensuring they integrate environmental, social, and governance factors at every stage of their investment process, in accordance with their fiduciary duty by targeting three objectives:

- **Value Alignment:** Aligning investment portfolios with clients' ESG preferences.
- **Financial Performance:** Recognizing ESG factors as performance drivers for the funds.
- **Risk Management:** Refining investment risk analysis by taking ESG factors into account.

In addition, various commitments or participations in industry initiatives have been established for the entire Natixis Investment Managers group. For example:

- **Investor Leadership Network (ILN):** A collaborative platform focused on 1) diversity, equity, and inclusion; 2) climate change; and 3) mobilizing private capital.
- **Institutional Investors Group on Climate Change (IIGCC):** A group of institutional investors working to develop public policies, investment practices, and corporate behaviors that address the long-term risks and opportunities associated with climate change.

These participations, backed by fluid and open communication within the group, must enable information sharing that is valuable for the continuous development of the ESG community and its experts.

NIM International's Approaches to Sustainable Investment

Governance & Organization

NIM International ensures it meets regulatory obligations and its fiduciary duty under the supervision of its regulator, the AMF, which regulates the French financial market. NIM International's approach to sustainability is intrinsically linked to its role as the Management Company (i.e., "ManCo") for a portion of the open-ended funds (and some dedicated funds) within the Natixis IM product offering. Under this model, investment management is delegated to other asset managers, the majority of which are part of the Group, in line with its "multi-affiliate" strategy. In accordance with the legal documentation of the funds concerned, this delegation is established via a formal agreement between NIM International and its delegated investment managers. Therefore, this policy applies to all funds for which NIMI assumes responsibility as the Management Company.

At NIMI, we are fully aware of our role and responsibility concerning the integration of environmental, social, and governance factors across our business activities. We believe that sustainable investment practices are essential for financial markets to make a positive contribution to the economy. Accordingly, NIMI offers its clients the opportunity to give meaning to their investments and capture the opportunities of sustainable growth, through a range of investment products and solutions that combine the requirements relating to financial performance with robust and transparent extra-financial analysis. The integration of these extra-financial criteria across a large portion of the product range for which NIMI acts as the Management Company is implemented through the ESG approaches adopted by its delegated investment managers, under NIMI's close oversight.

As a **regulated asset manager**, NIMI complies with the same requirements as all entities of its type. Its responsibilities include, but are not limited to:

- Submitting an annual report pursuant to Article 29 of the Energy-Climate Law, covering the previous financial year (Y-1).
- Analysing all of our portfolios through approaches that integrate sustainability related issues.
- Validating the ESG integration processes for the various strategies, as well as the analysis of their implications (product launches and modifications are systematically reviewed from a sustainability perspective by the Sustainable Finance team).
- Supporting delegates in their certification and labeling initiatives.
- Ensuring that all funds for which NIMI acts as the ManCo are fully aligned with evolving national and supranational sustainable finance regulations.
- Supporting the international distribution platform to foster a deep understanding of the integration of extra-financial analyses within products managed by NIMI.
- Contributing to responses to client requests regarding extra-financial matters for products for which NIMI acts as the ManCo.
- Strengthening interactions with delegated investment managers to gain a comprehensive understanding of the investment solutions, particularly regarding the integration of ESG criteria within their investment processes.
- Verifying the alignment of the methodologies defined by its delegated investment managers with the established standards for identifying Sustainable Investments.
- Supervising activities related to extra-financial integration across all operations of its delegated investment managers that could impact one or several of its funds.

In order to respond effectively to sustainability challenges, to strengthen our methodological processes, to coordinate our actions with distribution and client service divisions, and to support our delegated investment managers, NIMI has a centralized dedicated Sustainable Finance team. This team plays a key role in assisting delegated investment managers with aspects that can improve sustainability practices relating to funds. Furthermore, NIMI's Sustainable Investment Committee, composed of members of NIMI's executive committee, serves as a forum for discussion and information-sharing on all matters related to sustainable finance. This committee acts as a decision-making body to define strategic directions in terms of sustainability (principles, strategic projects, etc.).

Natixis IM's affiliates have their own extra-financial analysis teams, integrated within research, portfolio management, and investment processes. Consequently, NIMI relies on its delegates' sustainable finance policies for the management of the funds delegated to them. To this end, NIMI has implemented a rigorous due diligence framework with a specific section dedicated to sustainability and ESG integration since 2024. NIMI ensures proactive monitoring of its delegates, encouraging them to contribute to major sustainable finance initiatives and to step up their sustainability integration efforts.

Exclusions & ESG Integration

NIM International plays a crucial coordinating and facilitating role with its delegated investment managers, promoting the sharing of best practices as part of a continuous improvement approach. In this capacity, during its reviews, NIMI ensures consistency in ESG integration across all funds in its product offering, while respecting the individual ambitions of each management team to whom NIMI delegates assets under management (AUM) and relying on the exclusion policies of these partners.

Accordingly, each delegated investment manager communicates its selection and exclusion policies (available on their respective websites) and regularly informs NIMI of any updates. These policies can cover both sector-specific exclusions (fossil fuels, tobacco, palm oil, controversial weapons) and behavior-based exclusions (linked to controversies and compliance with international norms).

As part of the quality control of ESG integration processes applied to delegated management, Natixis IM International's Risk team has implemented an oversight process regarding investment constraints. This process includes, among other controls, verification of compliance with the investment constraints defined in the SFDR pre-contractual annexes of the prospectus. When a new product is launched or when the criteria of an existing product are modified, and following validation by Natixis IM International, the latest investment constraints are configured in the internal systems of the delegated investment manager.

The objective of the ESG analysis models developed by the delegated investment managers is to quantify the significance of ESG factors in the investment strategy of each fund, particularly those with an ESG ambition or a foundational level of ESG factor integration. A detailed description of the ESG criteria applied to each product can be found in the funds' regulatory and/or commercial documentation (prospectus and pre-contractual annexes).

Particular attention is given to climate change at NIM International and this is reflected at several levels:

- **Assessment of delegated investment managers' climate approaches:** In collaboration with the Group's ESG experts, dedicated questionnaires are sent to delegates to evaluate their climate-related strategies.
- **Fossil fuel exclusions:** For certain strategies, specific exclusions regarding fossil fuels are applied and detailed in the product documentation as well as on the delegated investment managers' websites.
- **Some of our products are specifically designed around the theme of climate.**
- **Measurement of fossil fuel exposure:** NIMI measures the exposure of its portfolios to fossil fuels. This action aims to track our investments over time and assess their positioning relative to various climate transition scenarios.
- **In accordance with Article 29 of the Energy-Climate Law (LEC), NIMI publishes several key climate indicators in its annual report, including data related to the greenhouse gas (GHG) emissions of its portfolios.**
- **Several of the funds for which NIMI is management company integrate various requirements linked to recognized labels (such as SRI, Towards Sustainability, and Greenfin). These labels certify the application of strict criteria to a significant share of our assets under management (AUM), thereby demonstrating that climate challenges are taken into account.**

Voting and Engagement

NIM International considers shareholder responsibility to be an essential pillar that will be aligned with the strategies of the funds for which it delegates management. As previously mentioned, under its business model, NIMI primarily relies on delegated investment management companies, which will directly conduct engagement and voting activities with portfolio companies. The level and nature of these initiatives are tailored to the specific investment strategies of each fund and must converge towards the fund's objectives and serve the interests of investors.

- **Voting:** As a management company (ManCo), NIMI delegates the exercise of voting rights to its delegated investment managers in accordance with their respective voting policies. These policies are available on the website of each affiliate.
- **Engagement:** The delegated investment managers conduct engagement activities with the companies held in NIMI's fund portfolios. This framework is further reinforced by the requirements of certain labels, such as the French SRI label, which mandate structured engagement approaches.

Sustainability Risks Management

Sustainability risks, like other types of risk, are reviewed and discussed within the Investment Risk Oversight Committee. This committee brings together members of the Risk and Sustainable Finance teams of Natixis IM International, as well as its Chief Executive Officer (CEO). The risk management approach involves monitoring funds' exposure to sustainability risks. To assess exposure to these risks, Natixis IM International has defined a set of risk indicators covering both corporate and sovereign issuers. These indicators address key ESG themes are considered likely to have a financial impact on the value of investments.

Training

To develop and maintain the ESG skills of its teams, NIMI offers a comprehensive training program for all employees. This program combines self-service access to online courses (e-learning) to build foundational methodological knowledge, and regularly scheduled sessions in short formats such as mini-conferences or thematic presentations. In addition, NIMI fosters internal dialogue and interaction through regular exchanges, including breakfast sessions dedicated to ESG issues, thereby actively promoting a culture of sustainability within the company.

Content, frequency and channels used to inform clients

Indicators	Content	Frequency	Channels
LEC Art. 29 Regulatory Reporting– Entity	NIMI's annual report on activities in the field of sustainable finance	Annual	Website
LEC Art. 29 Regulatory Reporting– Products	Annual reporting for funds with assets over €500M	Annual	Website

NIMI provides additional information to help clients understand sustainability challenges and the outcomes linked to ESG integration through:

- ESG Newsletters
- European ESG Template (EET) reporting for open-ended funds for investors
- Monthly fact sheets adapted to delegated investment managers

ADDITIONAL NOTES

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