

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Product name: Mirova Global Sustainable Equity Fund  
Legal entity identifier: 549300YFL5N62BE1F89

## Sustainable investment objective

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> Yes	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> No
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: <u>25</u> %</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: <u>25</u> %</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

## What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Fund is to allocate the capital towards companies:

- that address opportunities created by four long-term transitions: demographic, environmental, technological, governance (collectively the “Transitions Themes”); and
- that contribute positively through their products, services and/or practices to the achievement of one or more of the United Nations Sustainable Development Goals (the “SDGs”).

Furthermore, considering the importance of a stable climate and thriving ecosystem services, the Investment Manager aims at building an investment portfolio which represents an economy in which the world is expected to warm up by no more than 2 degrees Celsius, in line with the 2015 Paris agreement and (ii) that contributes to the conservation of biological diversity and the sustainable use of its components.

The Investment Manager’s proprietary sustainable impact assessment framework has been developed to assess the overall impact of assets on sustainability and to retain investments targets that contribute to the SDGs while having no significant negative impact on any other SDGs.

This Fund may make investments in economic activities that contribute to the environmental objectives set out in the Article 9 of the Regulation (EU) 2020/852 (the “Taxonomy Regulation”) Taxonomy Regulation: (a) climate change mitigation and climate change adaptation, (b) sustainable use and protection of water and marine resources, (c) the transition to a circular economy, (d) pollution prevention and control, (e) the protection and restoration of biodiversity and ecosystems.

The alignment of the economic activities of each company with the above objectives is identified and measured to the extent that data is available to the Investment Manager and of an adequate quality. Depending on the investment opportunities available, the Fund may contribute to any of the above environmental objectives and may not at all times contribute to all of the objectives.

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

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

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

The attainment of the sustainable investment objective is measured by the both qualitative and quantitative indicators such as but not limited to the following:

1. the percentage of the Fund’s assets aligned with sustainable investment objectives measured according to the sustainability opinion framework developed in-house demonstrating net positive impact of the portfolio towards achievement of SDGs;
2. the percentage of the Fund’s assets contribution per SDGs and/or per environmental and social impact pillars (i.e. climate, biodiversity, circular economy, socio-economic development, health and wellbeing, diversity and inclusion);
3. the estimated impact of the Fund on global average increase of temperature taking into account carbon footprint of each investee company throughout its full lifecycle (i.e. emissions scope 1, 2 and 3) and focuses on two main indicators:
  - «induced» emissions arising from the « lifecycle » of a company’s activities, taking into account both direct emissions and those of suppliers and products.
  - «avoided» emissions due to improvements in energy efficiency or «green » solutions.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

The sustainability analysis aims to identify the relevant residual environmental and social risks originating from companies’ activities and practices and assesses the quality of the company’s measures to mitigate these risks (the “DNSH test”). Such analysis considers notably the degree of exposure of the investee company to certain sectors or activities that may be considered to be damaging for the environment and/or the society and exposure to relevant environmental or social controversies.

As a result of this qualitative analysis, the Investment Manager issues a binding opinion based on which companies whose economic activities or practices are deemed to have a significant negative impact on the achievement of one or more of the UN SDGs are systematically excluded from the investment universe regardless of their otherwise positive contribution.

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

As part of the analysis of residual ESG risks conducted on each investee company, the Fund systematically assesses and monitors indicators that are deemed to indicate the presence of principal adverse impact (including consideration of data relating to the mandatory PAI indicators referred to in the consolidated Regulatory Technical Standards for assessment of sustainable investment in accordance with art. 2 (17) SFDR). When the data necessary for the calculation of certain PAI indicators are not available, the Investment Manager may use qualitative or quantitative proxies that cover themes similar to the PAI indicators in question.

Adverse impacts are prioritized according to the specificities of sectors and business models of companies considered for investment by using a combination of criteria based on:

- analysis of the company's exposure to environmental impacts based on science-based data from international organisations (e.g. energy intensity, impacts on biodiversity, etc),
- analysis of the company's exposure to labour rights and employee matters through its locations, business model and supply chain organization (e.g. exposure to health and safety risks, exposure to countries with specific human rights risks, etc),
- analysis of the company's footprint on local communities and consumers,
- screening of on-going or potential controversies.

Where the Investment Manager deems the investee company's processes and practices are insufficient to mitigate environmental, social and governance risks, notably with regards to the relevant PAIs, the company's impact is deemed as negative which makes it ineligible for investment.

— — *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 screens investee companies against adherence with OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights.

The Investment Manager continuously reviews companies' track records and news flows to identify significant controversies. Companies' involvement and resolving measures are taken into account. Risks of potential breach may be monitored through engagement to obtain additional assurance.

Companies determined by the Investment Manager to be in serious breach of OECD Guidelines for Multinational Enterprises or UN Guiding Principles on Business and Human Rights are recognized as doing significant harm and are therefore rendered non-eligible.



**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes

PAI indicators are incorporated into the sustainability analysis framework and the results are part of the DNSH test.

More information on principal adverse impacts on sustainability factors is available in the periodic reporting pursuant to Article 11(2) of the SFDR.

☐ No



## What investment strategy does this financial product follow?

The Fund follows a multi-thematic sustainable investment and aims at identifying worldwide companies that address opportunities linked to the Transitions Themes contributing positively to the achievement of one or more of the SDGs.

The Fund is actively managed, combining strong views on sustainable themes and stock picking based on a deep fundamental analysis of companies combining both financial and sustainability considerations.

The sustainable investment strategy combines:

- the thematic approach (selection of issuers active in themes or sectors related to sustainable development as evidenced by an internal rating system demonstrating net positive impact of the portfolio towards achievement of SDGs);
- the Best-in-universe approach (selection of best rated issuers regardless of their business sector in comparison with the Fund's reference index i.e., MSCI World Net Dividend Reinvested (the "Reference Index"), which is a broad market index);
- the exclusion approach: the Fund does not use exclusions as a central tenet of its sustainability approach. However, the Fund applies the Investment Manager's minimum standards policy which sets out criteria for determining exclusions in case of companies exposed to controversial activities (such as fossil fuel, palm oil, tobacco, military equipment etc).

More information on the general investment policy of the Fund can be found in the Investment Policy section of the prospectus.

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

The Fund has the following binding elements :

- the Fund invests only in assets evaluated as having a positive impact (i.e. assessed as having high, moderate or low impact as per the Investment Manager's sustainability opinion methodology). Companies or issuers having negligible or negative impact to the achievement of SDGs are excluded. Thus the Fund does not invest in assets with a rating below Low Impact;
- the Fund's exposure to companies with positive impact is systematically higher than that of the Reference Index;
- the Fund portfolio temperature is in line with the scenario of limiting global temperature rises to a maximum of 2 degrees Celsius, taking into account induced and avoided emissions based on the Investment Manager's internal methodology;
- the Fund complies with the Investment Manager's minimum standards exclusion policy which sets out criteria for determining exclusions in case of companies exposed to controversial activities (such as fossil fuel, palm oil, tobacco, military equipment etc).

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

Governance considerations are incorporated into the Investment Manager's financial assessment and the sustainability opinion framework and include:

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- the sound monitoring of environmental and social issues (such as employee relations) and the integration of sustainability in the scope of responsibility of the board and executive team;
- sound business ethics practices;
- the fair distribution of value between stakeholders (notably vis a vis remuneration of staff) and tax compliance;
- analysis of the quality of company management;
- alignment of the company's governance with a long-term vision;
- the balance of power between the executive body, the supervisory body and the shareholders of the issuer;
- the compensation package relevant to company management;
- an analysis of the quality and independence of the board, or of respect for the interests of minority shareholders.



**Asset allocation**  
describes the share  
of investments in  
specific assets.

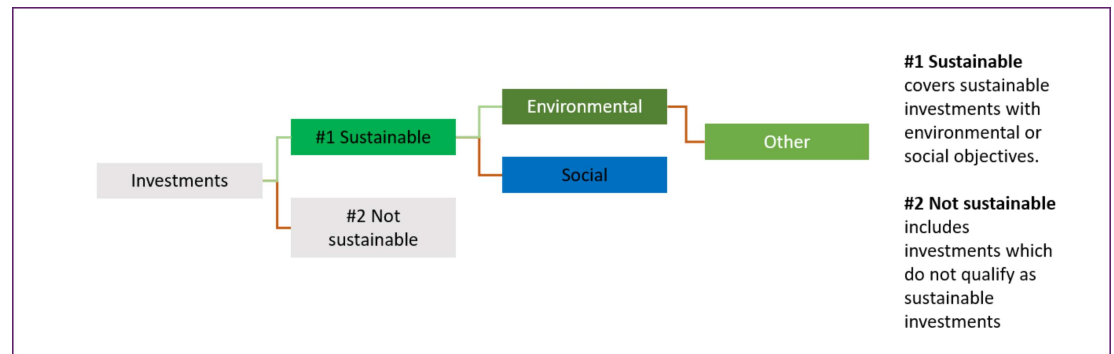
## What is the asset allocation and the minimum share of sustainable investments?

The Fund aims at investing only in sustainable investments as defined in article 2(17) SFDR, thus the percentage of sustainable investments is set at 90% of the net assets of the Fund (#1 Sustainable).

Sustainable investment with environment and/or social objective is assessed in regards to the achievement of environmental and/or social SDGs.

The asset allocation may change over time and the percentage of sustainable investments should be seen as a minimum commitment measured over an extended period of time.

In addition, the Fund may hold cash or cash equivalents and derivatives for currency risk management purposes for up to 10% of its net assets (#2 Not Sustainable).



### ● **How does the use of derivatives attain the sustainable investment objective?**

The Fund may use derivatives for hedging and investment purposes (authorised but very rarely used).

The use of derivatives does not alter the capital allocation or exposure of the Fund and therefore has no influence on its sustainable investment objective or on its sustainability indicators.

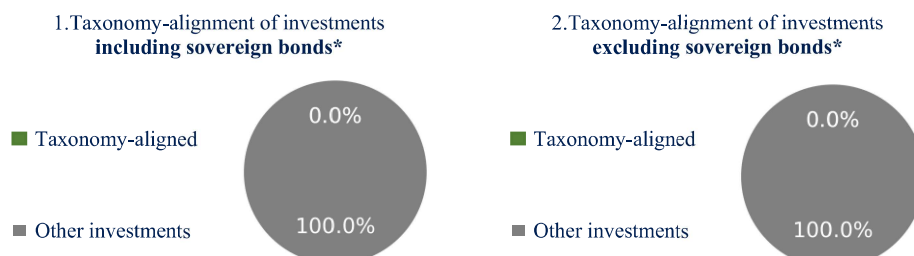




## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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.*



\* 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 will invest a minimum of 25% in sustainable investments with environmental objective which are likely to include sustainable investments that are not aligned with the EU Taxonomy.

The Investment Manager's has developed an internal taxonomy to identify companies that contribute positively through their products, services or practices to environmental themes. This internal taxonomy defines quantitative and qualitative criteria to assess contribution of a company to the themes and includes a broader scope of themes and sectors than those currently identified by the EU Taxonomy.

The overall sustainability assessment performed on each investee company includes a review of positive impacts regarding three environmental themes: climate stability, biodiversity and circular economy.

These themes aim at identifying companies whose activities or practices:

- help develop low carbon energy, eco-efficiency, clean transportation, green building or align with an advanced decarbonation strategy; or
- support sustainable land use, land preservation and sustainable water management or align with an advanced biodiversity preservation strategy; or
- foster sustainable waste management or circular business model.



## What is the minimum share of sustainable investments with a social objective?

The Fund will invest a minimum of 25% in sustainable investments with a social objective.

This is affected by performing an overall sustainability assessment on each investee company, which includes a review of positive impacts regarding three social themes: socio-economic development, health and wellness, and diversity and inclusion.

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

These themes aim at identifying companies whose activities or practices:

- help foster access to basic and sustainable services, local impact or promote advanced working conditions; or
- support the development of healthcare, healthy nutrition, knowledge, education or safety; or
- promote diversity and inclusion through dedicated products and services or through advanced practices targeting the workforce.



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

For technical or hedging purposes, the Fund may hold cash or cash equivalents and derivatives for currency risk management purposes up to 10% of its net assets. Due to their technical and neutral nature, such assets do not qualify as sustainable investments and no minimum safeguards have been put in place.



### **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



### **Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.im.natixis.com/intl/intl-fund-documents>

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.